

# A Job in Moreland

The employment floor space we need now and in the future

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prepared by **.id**

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# TABLE OF CONTENTS

<b>1. EXECUTIVE SUMMARY.....</b>	<b>10</b>
<b>2. INTRODUCTION .....</b>	<b>17</b>
2.1 STUDY OBJECTIVES .....	17
2.2 BACKGROUND.....	17
2.3 APPROACH .....	20
2.4 MORELAND'S CENTRES AND INDUSTRIAL AREAS .....	21
2.5 SOURCES AND DEFINITIONS .....	23
<b>3. MORELAND'S ECONOMY SERVICES THE LOCAL POPULATION AND IS GROWING .....</b>	<b>27</b>
3.1 AN ECONOMY CENTRED ON THE LOCAL POPULATION.....	29
3.2 RECENT JOB GROWTH DRIVEN BY ITS EXPANDING POPULATION BASE.....	31
3.3 HOME TO A LARGE SMALL BUSINESS SECTOR.....	33
3.4 HIGHLY SKILLED WORKFORCE.....	34
3.5 DRAWS FROM A LARGE LABOUR FORCE POOL .....	35
3.6 JOB GROWTH IS NOT KEEPING PACE WITH THE GROWING POOL OF RESIDENT WORKERS .....	36
3.7 LOCAL JOB GROWTH IS NOT MEETING RESIDENTS' NEEDS .....	37
3.8 RESIDENTS ARE ACCESSING EMPLOYMENT IN INNER MELBOURNE .....	39
3.9 MIXED HOUSEHOLD OUTCOMES .....	40
<b>4. IN THE MIDDLE OF A LONG-TERM TRANSITION TO SERVICES .....</b>	<b>43</b>
4.1 ECONOMIC TRANSITION CONTINUES .....	44
4.2 CHANGING DEMOGRAPHICS HAS STIMULATED DEMAND FOR LOCAL SERVICES .....	45
4.3 NON-RETAIL SERVICES DRIVING RECENT GROWTH.....	45
4.4 EXISTING COMPETITIVE ADVANTAGES PROVIDE A GUIDE TO FUTURE OPPORTUNITIES.....	47
4.5 CREATIVE MORELAND.....	49
4.6 STRATEGIC SECTORS.....	52
4.7 SPATIAL IMPLICATIONS OF THIS TRANSITION .....	53
4.8 EMPLOYMENT PRECINCTS ARE CHANGING TO MEET LOCAL DEMAND .....	60
<b>5. GROWTH AND CHANGE IS FORECAST TO CONTINUE.....</b>	<b>62</b>
5.1 FORCES INFLUENCING FUTURE EMPLOYMENT NEEDS .....	64
5.2 FUTURE EMPLOYMENT NEEDS IN MORELAND.....	67
5.3 FORECAST INDUSTRY CHANGES.....	68
5.4 FUTURE TRAJECTORY OF MORELAND'S ECONOMY IS NOT SET IN STONE.....	69
5.5 FORECAST JOB GROWTH IN MORELAND'S CENTRES AND INDUSTRIAL AREAS .....	73
<b>6. THE EMPLOYMENT FLOOR SPACE WE NEED TODAY AND IN THE FUTURE.....</b>	<b>81</b>

6.1	ADDITIONAL DEMAND FOR EMPLOYMENT FLOOR SPACE .....	83
6.2	EMPLOYMENT PRECINCTS FLOOR SPACE DEMAND .....	85
6.3	THE TYPE OF FLOOR SPACE REQUIRED.....	91
<b>7.</b>	<b>IMPLICATIONS FOR MORELAND'S EMPLOYMENT PRECINCTS.....</b>	<b>93</b>
7.1	EXISTING FLOOR SPACE IN CENTRES.....	95
7.2	FLOOR SPACE CAPACITY OF CENTRES .....	96
7.3	FLOOR SPACE GAPS.....	104
7.4	IMPLICATIONS .....	107
<b>8.</b>	<b>ACHIEVING A DIVERSE, VIBRANT FUTURE MORELAND ECONOMY .....</b>	<b>109</b>
8.1	A MULTI-FACETED APPROACH IS REQUIRED .....	110
8.2	THE MORELAND PLANNING SCHEME ENCOURAGES ECONOMIC ACTIVITY.....	111
8.3	ZONING WITHIN THE COMMERCIAL CORE OF ACTIVITY CENTRES IS CONSTRAINING THE ABILITY TO DELIVER ADDITIONAL COMMERCIAL FLOOR SPACE .....	112
8.4	A STRONGER REGULATION OF LAND USE MIX IN COMMERCIAL PRECINCTS.....	112
8.5	AN EMERGING HEALTH PRECINCT OPPORTUNITY .....	118
8.6	RECOGNISE THE IMPORTANT ROLE OF INDUSTRIAL AREAS .....	118
8.7	ECONOMIC DEVELOPMENT OPPORTUNITIES.....	119
<b>9.</b>	<b>APPENDIX A – EMPLOYMENT PRECINCT ANALYSIS .....</b>	<b>122</b>
9.1	EXISTING FLOOR SPACE ESTIMATES.....	122
9.2	OCCUPIED FLOOR SPACE ESTIMATES.....	124
9.3	EXISTING EMPLOYMENT ESTIMATES .....	125
9.4	EMPLOYMENT FORECASTS .....	133
9.5	ADDITIONAL FLOOR SPACE DEMAND.....	140
9.6	CAPACITY ANALYSIS .....	92
9.7	COMPETITIVE POSITION OF SELECTED ACTIVITY CENTRES.....	93
9.8	VACANCY RATES.....	96
9.9	ACTIVITY CENTRE SUMMARY TABLES.....	99
9.10	RECENT DEVELOPMENT AND PERMIT ANALYSIS .....	108
9.11	INCREASING CAPACITY IN THE BRUNSWICK ACTIVITY CENTRE .....	115
<b>10.</b>	<b>APPENDIX B – ADDITIONAL ECONOMIC ANALYSIS.....</b>	<b>119</b>
10.1	ECONOMIC OVERVIEW .....	119
10.2	INDUSTRY MIX.....	120
10.3	RECENT ECONOMIC GROWTH .....	121
10.4	EMPLOYMENT GROWTH BY SA2.....	121
10.5	NON-RETAIL SERVICES DRIVING RECENT GROWTH.....	122
10.6	ABR.....	122
10.7	JOURNEY TO WORK.....	123

10.8	RESIDENTIAL DEVELOPMENTS DRIVING CONSTRUCTION BOOM .....	125
10.9	EMPLOYMENT FORECASTS .....	126
10.10	ECONOMIC IMPACT OF COVID-19 .....	128
<b>11.</b>	<b>APPENDIX C - MARKET SOUNDING INTERVIEW SUMMARY .....</b>	<b>132</b>
<b>12.</b>	<b>APPENDIX D – PLANNING ASSESSMENT .....</b>	<b>138</b>
12.1	PLANNING OVERVIEW .....	138
12.2	THE CHALLENGES OF THE CURRENT PLANNING SCHEME POSITION .....	141
12.3	INTERVENTION IS REQUIRED WITHIN ACTIVITY CENTRES .....	143

## Figures

FIGURE 1 INDUSTRY MIX IN CITY OF MORELAND, % OF TOTAL, 2018/19 .....	30
FIGURE 2 LOCAL JOB GROWTH, MORELAND.....	31
FIGURE 3 ANNUAL % CHANGE IN LOCAL JOBS .....	31
FIGURE 4 AVERAGE ANNUAL % GROWTH, 2008/09 TO 2018/19.....	32
FIGURE 5 BUSINESSES BY EMPLOYMENT SIZE, 2019, CITY OF MORELAND .....	33
FIGURE 6 CHANGE IN NUMBER OF BUSINESS BY EMPLOYMENT SIZE, CITY OF MORELAND.....	33
FIGURE 7 CHANGE IN EMPLOYED RESIDENT QUALIFICATIONS, 2011-2016, CITY OF MORELAND.....	34
FIGURE 8 LOCAL JOBS AS A % OF EMPLOYED RESIDENTS, 2018/19 .....	36
FIGURE 9 NUMBER OF JOBS AND EMPLOYED RESIDENTS, CITY OF MORELAND.....	37
FIGURE 10 DIFFERENCE BETWEEN LOCAL JOBS AND EMPLOYED RESIDENTS BY INDUSTRY, 2018/19 .....	37
FIGURE 11 QUALIFICATION LEVELS, CITY OF MORELAND, 2016.....	38
FIGURE 12 OCCUPATION MIX, CITY OF MORELAND, 2016.....	38
FIGURE 13 SHARE OF TOTAL JOBS, %, SELECTED INDUSTRIES, CITY OF MORELAND.....	44
FIGURE 14 CHANGE IN RESIDENTS BY AGE, 2006-2016, CITY OF MORELAND.....	45
FIGURE 15 LOCAL JOBS AND VALUE ADDED GROWTH, 2013/14 TO 2018/19, CITY OF MORELAND.....	46
FIGURE 16 SHARES OF JOBS BY SECTOR, 2018/19, TOP 7 WITH LARGER SHARE IN CITY OF MORELAND.....	47
FIGURE 17 SHARE OF CITY OF MORELAND, 2018/19.....	50
FIGURE 18 CHANGE IN CREATIVE JOBS, 2010/11 TO 2018/19, CITY OF MORELAND.....	52
FIGURE 19 EMPLOYMENT CLUSTERS (SA2) IN NORTHERN AND WESTERN MELBOURNE.....	57
FIGURE 20 EMPLOYMENT CHANGE IN CENTRES BY BROAD INDUSTRY, 2015-2020.....	60
FIGURE 21 EMPLOYMENT CHANGE IN INDUSTRIAL AREAS BY BROAD INDUSTRY, 2015-2020 .....	61
FIGURE 22 EMPLOYMENT CHANGE IN BRUNSWICK INDUSTRIAL AREAS BY BROAD INDUSTRY, 2015-2020 .....	61
FIGURE 23 AVERAGE ANNUAL JOB GROWTH %, 2020-2035, CITY OF MORELAND, SCENARIO 1 .....	67
FIGURE 24 JOB AND EMPLOYED RESIDENT FORECAST, CITY OF MORELAND, SCENARIO 1 .....	68
FIGURE 25 FORECAST CHANGE IN LOCAL JOBS BY INDUSTRY, 2020-2035, CITY OF MORELAND, SCENARIO 1 .....	68
FIGURE 26 LOCAL JOB FORECAST BY SCENARIO, CITY OF MORELAND .....	72
FIGURE 27 EMPLOYMENT SELF-SUFFICIENCY FORECAST .....	72
FIGURE 28 EMPLOYMENT SELF-SUFFICIENCY FORECAST BY SCENARIO, CITY OF MORELAND.....	72
FIGURE 29 FORECAST CHANGE IN LOCAL JOBS BY INDUSTRY BY SCENARIO, 2020-2035, CITY OF MORELAND .....	73
FIGURE 30 ADDITIONAL CAPACITY ACHIEVED FROM INTERVENTION.....	117
FIGURE 31 CAPACITY VS DEMAND (2035), SQM – SCENARIO 1 (BASE CASE).....	117
FIGURE 32 CAPACITY VS DEMAND (2035), SQM – SCENARIO 2 (GROWTH SCENARIO) .....	117
FIGURE 33 HEADLINE STATISTICS, 2019.....	119
FIGURE 34 GROSS REGIONAL PRODUCT (GRP), \$M, 2019 .....	119
FIGURE 35 INDUSTRY MIX, 2019 .....	120
FIGURE 36 ECONOMIC GROWTH IN MORELAND COMPARED TO GREATER MELBOURNE .....	121
FIGURE 37 CHANGE IN JOBS BY INDUSTRY SECTORS, INDEX 100 = 2009 .....	122
FIGURE 38 SHARE OF GST REGISTERED BUSINESS NUMBERS GROWTH JUNE 2014 TO 2019.....	123

FIGURE 39 SHARE OF EMPLOYED RESIDENTS WORKING IN CITY OF MELBOURNE LGA, 2016.....	124
FIGURE 40 VALUE OF BUILDING APPROVALS BY YEAR .....	125
FIGURE 41 OFFICE BUILDING APPROVALS, \$.....	128

## Tables

TABLE 1 BROAD INDUSTRY DEFINITIONS .....	24
TABLE 2 BROAD SPACE REQUIREMENTS BY INDUSTRY .....	25
TABLE 3 TOP OCCUPATIONS AND QUALIFICATION FIELDS WITH JOB DEFICITS .....	39
TABLE 4 SELECTED SOCIO-ECONOMIC INDICATORS BY SUBURB, 2016.....	41
TABLE 5 SPECIALISATIONS IN THE CITY OF MORELAND – DETAILED INDUSTRY LEVEL .....	48
TABLE 6 INDUSTRY SPECIALISATION AND SHARE OF CREATIVE SECTOR JOBS, 2018/19.....	51
TABLE 7 JOB DISTRIBUTION IN MORELAND BY LOCATION, 2020 .....	53
TABLE 8 JOBS BY EMPLOYMENT PRECINCT, 2020 .....	54
TABLE 9 FORCES INFLUENCING FUTURE GROWTH.....	64
TABLE 10 FORECAST JOB GROWTH BY BROAD INDUSTRY, EMPLOYMENT PRECINCTS, SCENARIO 1, 2020-2035	75
TABLE 11 FORECAST JOB GROWTH, EMPLOYMENT PRECINCTS, SCENARIO 1, 2020-2035 .....	76
TABLE 12 FORECAST JOB GROWTH BY BROAD INDUSTRY. EMPLOYMENT PRECINCTS, SCENARIO 2, 2020-2035	77
TABLE 13 FORECAST JOB GROWTH. EMPLOYMENT PRECINCTS , SCENARIO 2, 2020-2035 .....	78
TABLE 14 EMPLOYMENT FLOOR SPACE DEMAND (OCCUPIED), SCENARIO 1 (BASE CASE).....	84
TABLE 15 EMPLOYMENT FLOOR SPACE DEMAND (OCCUPIED), SCENARIO 2 (GROWTH SCENARIO).....	84
TABLE 16 ADDITIONAL SPACE REQUIRED IN EMPLOYMENT PRECINCTS, SCENARIO 1, SQM, 2020-2035 .....	87
TABLE 17 ADDITIONAL SPACE REQUIRED, EMPLOYMENT PRECINCTS, SCENARIO 2, SQM, 2020-2035 .....	88
TABLE 18 EXISTING FLOOR SPACE, 2020 .....	95
TABLE 19 EMPLOYMENT FLOOR SPACE CAPACITY SENSITIVITY TESTS .....	99
TABLE 20 EMPLOYMENT FLOOR SPACE CAPACITY OF CENTRES IN MORELAND, SQUARE METRES.....	100
TABLE 21 SUMMARY OF C1Z PERMIT DATA FOR BRUNSWICK ACTIVITY CENTRE .....	101
TABLE 22 RECENT DEVELOPMENTS IN BRUNSWICK ACTIVITY CENTRE.....	102
TABLE 23 SCENARIO 1 (BASE CASE) DEMAND VS CAPACITY.....	106
TABLE 23 SCENARIO 2 (GROWTH SCENARIO) DEMAND VS CAPACITY( .....	107
TABLE 25 MONITORING FRAMEWORK EXAMPLE .....	120
TABLE 26 EMPLOYMENT FLOOR SPACE BY EMPLOYMENT PRECINCT, SQM (2020) .....	123
TABLE 27 OCCUPIED FLOOR SPACE AND VACANCY RATES.....	124
TABLE 28 EXISTING EMPLOYMENT IN MORELAND’S EMPLOYMENT PRECINCTS, 2020 .....	128
TABLE 29 EMPLOYMENT BY INDUSTRY BY BROAD EMPLOYMENT PRECINCT, 2020.....	129
TABLE 30 EMPLOYMENT CHANGE BY BROAD INDUSTRY BY EMPLOYMENT PRECINCT, 2015-2020 .....	131
TABLE 31 FORECAST JOB GROWTH IN MORELAND’S EMPLOYMENT PRECINCTS, 2020-2035, SCENARIO 1 .....	134
TABLE 32 FORECAST JOB GROWTH IN MORELAND’S EMPLOYMENT PRECINCTS, 2020-2035, SCENARIO 2 .....	135
TABLE 33 FORECAST INDUSTRY JOB GROWTH, EMPLOYMENT PRECINCTS, 2020-2035, SCENARIO 1 .....	136
TABLE 34 FORECAST INDUSTRY JOB GROWTH, EMPLOYMENT PRECINCTS, 2020-2035, SCENARIO 2 .....	138

TABLE 35 STEP 1 - ESTIMATE EXISTING FLOOR SPACE DEMAND, 2020 .....	142
TABLE 36 STEP 2 – ESTIMATE CHANGE IN FLOOR SPACE DEMAND BETWEEN 2020 AND 2035 (SCENARIO 1).144	
TABLE 37 STEP 3 - ESTIMATE FLOOR SPACE DEMAND IN 2035 (SCENARIO 1).....	146
TABLE 38 STEP 2 – ESTIMATE CHANGE IN FLOOR SPACE DEMAND BETWEEN 2020 AND 2035 (SCENARIO 2).148	
TABLE 39 STEP 3 - ESTIMATE FLOOR SPACE DEMAND IN 2035 (SCENARIO 2).....	150
TABLE 40 CAPACITY TESTS BY CENTRE .....	92
TABLE 41 COMPETITIVE ANALYSIS MATRIX (5 – VERY HIGH, 1 – VERY LOW).....	95
TABLE 42 NUMBER OF VACANT PREMISES BY ACTIVITY CENTRE.....	96
TABLE 43 VACANCY RATE BY ACTIVITY CENTRE .....	96
TABLE 44 NUMBER OF VACANT PREMISES BY NEIGHBOURHOOD CENTRE.....	98
TABLE 45 VACANCY RATES BY NEIGHBOURHOOD CENTRE.....	98
TABLE 46 RECENT DEVELOPMENT ANALYSIS.....	114
TABLE 47 EMPLOYMENT FLOOR SPACE IN BRUNSWICK ACTIVITY CENTRE – COMMERCIAL CORE .....	115
TABLE 48 CAPACITY ON SITES LIKELY TO DEVELOP (SQM) .....	116
TABLE 49 TOTAL EMPLOYMENT FLOORSPEACE CAPACITY (SQM).....	116
TABLE 50 TOTAL EMPLOYMENT FLOORSPEACE CAPACITY (SQM).....	117
TABLE 51 NUMBER OF JOBS BY BROAD INDUSTRY BY AREA (SA2), 2018/19.....	121
TABLE 52 EMPLOYMENT FORECASTS BY SA2 .....	126
TABLE 53 HISTORICAL JOB GROWTH BY SELECTED LGA .....	127

## Maps

MAP 1 MORELAND'S CENTRES AND INDUSTRIAL AREAS.....	22
MAP 2 RESIDENTIAL LOCATION OF MORELAND WORKERS BY LGA, 2016 .....	35
MAP 3 EMPLOYMENT LOCATION OF MORELAND RESIDENT WORKERS BY LGA, 2016 .....	40
MAP 4 % OF TOTAL PEOPLE 15+ WITH A UNIVERSITY QUALIFICATION, 2016.....	42
MAP 5 DISTRIBUTION OF JOBS IN MORELAND, 2016 .....	55
MAP 6 JOBS BY EMPLOYMENT PRECINCT .....	56
MAP 7 FORECAST JOB CHANGE 2020-2035, SCENARIO 1 .....	79
MAP 8 FORECAST JOB CHANGE 2020-2035, SCENARIO 2 .....	80
MAP 9 FORECAST EMPLOYMENT FLOOR SPACE CHANGE 2020-2035, SCENARIO 1.....	89
MAP 10 FORECAST EMPLOYMENT FLOOR SPACE CHANGE 2020-2035, SCENARIO 2.....	90
MAP 11 BRUNSWICK VACANCY RATES.....	96
MAP 12 COBURG VACANCY RATES.....	97
MAP 13 GLENROY VACANCY RATES.....	97



# 1. Executive Summary

*A Job in Moreland* is a narrative about jobs and employment floor space in Moreland now and in the future. It identifies how our need for space is changing and examines how Employment Precincts (Activity Centres and Industrial Areas) are adjusting in response to this change (see Map 1 and 2 for Employment Precinct locations). It provides insight into how growth and change can be accommodated in the future.

## **Moreland's economy is diverse and growing**

With a population of more than 185,700 people, Moreland is home to an estimated 46,840 jobs. This large population base shapes its economy with a diverse range of skills, industries and occupations amongst its residents such as doctors, nurses, childcare workers, shop assistants, hospitality workers, teachers, trainers, and hairdressers. Thirty years ago, many Moreland workers laboured in factories, workshops and warehouses; these days they are more likely to be found in offices, clinics and classrooms.

Many of Moreland's 14,333 businesses are micro and small businesses and range from small clothing manufacturers to specialist design services. Businesses in Moreland enjoy the vibrant amenity offered by Moreland's network of Activity Centres. Its transport network of roads, railways and tram lines means local businesses have access to a large catchment of skills – a strategic plus for business owners. Assets like RMIT School of Fashion and Textiles, trade training centres like The Plumbing Industry Climate Action Centre (PICAC) and start-up assistance (akin to the former Brunswick Business Incubator) support local businesses and collaboration. Its proximity to the Melbourne CBD, the Parkville National Employment and Innovation Cluster (NEIC) provides local businesses with strong connections and collaboration opportunities with government agencies, researchers, tertiary education providers and businesses. Proximity to Melbourne Airport also provides potential to attract professionals seeking access to national markets.

## **Population continues to grow faster than local jobs**

Over the past decade, the number of jobs in Moreland grew by 6,859 jobs or by around 1.6% per year. This growth has been largely driven by local population growth which has generated demand for local services. However, the number of employed residents (living in Moreland) grew by 3.5% per year meaning that job growth is not keeping up with population growth. In 2019, Employment Self-

Sufficiency was 46%, meaning that there were only 46 local jobs for every 100 residents, the third lowest rate in Greater Melbourne.

### **In the middle of a long-term transition to services**

Decades ago, manufacturing made up 30% of all jobs in Moreland. Today, manufacturing provides less than 10% of jobs. In its place, strong population growth has led to an expansion of local services such as health care, childcare, schools, cafes, restaurants, hairdressers and gyms. Professional service jobs like architects, engineers, tax professionals, accountants, lawyers, and computer programmers have also grown to meet the local needs of residents and businesses.

Moreland's accessibility to inner Melbourne and education, health and research facilities means that it has attracted a highly skilled resident base which is forecast to grow considerably. This deepening of the local skill mix provides several benefits for existing and new businesses to take advantage of.

Several industries are identified as important drivers of future growth in Moreland. These 'strategic industries' have been categories as large and growing (Health Care and Social Assistance, Retail and Food Services, Education and Training, and Construction), Emerging (Professional, Scientific and Technical Services) and Specialised (Creative and Cultural and Manufacturing).

The continued shift towards services is likely to reinforce the importance of Moreland's larger, dense, highly accessible and amenity-rich Activity Centres like Brunswick and Coburg. Brunswick Activity Centre plays a particularly important economic role as Moreland's largest job cluster and ranked as the 12th largest employment cluster within Melbourne's North and West region. Brunswick Activity Centre provides the most competitive location in Moreland for office development due to current market interest, its dense, highly accessible location, industry mix, proximity to CBD and Parkville and highly skilled labour force catchment.

But there are mixed outcomes across Moreland with spatial differences in terms of occupations, qualifications, income levels and labour force status. The southern areas of Moreland are home to a much higher share of young professionals who are more likely to have university level qualifications. In contrast, the northern areas of the LGA have lower qualified residents, lower incomes and generally higher unemployment rates. This economic disadvantage limits the ability of centres in Moreland's north to attract knowledge intensive jobs.

## **Growth and change is forecast to continue**

Growth in the working age population, trends towards service sector jobs and infrastructure investment, all point to growth and change in Moreland.

The shift to services is expected to continue with growth driven by health, education, retail, hospitality and creative and professional services. Manufacturing's strong decline is forecast to slow somewhat (in terms of total jobs) but will still see local jobs fall.

Under Scenario 1 (base case - based on existing trends and drivers with limited policy intervention), employment is forecast to increase by 9,361 jobs between 2020 and 2035. Targeted strategies and investment can influence this trajectory and a more ambitious growth scenario (Scenario 2) could see jobs grow by up to 16,373.

Scenario 2 highlights the opportunity to slow and halt the current decline of Employment Self-Sufficiency. By doing so, Moreland can set up the economic conditions to then increase employment self-sufficiency over the longer term.

Like many places, COVID-19 will have a major impact on employment growth in the short to medium term with employment unlikely to return to December 2019 levels until mid-2022. The pandemic may also result in a range of longer term challenges and opportunities for Moreland. Planning for future job growth in Moreland however requires a long term view out to 2035 and beyond. The long-term impact, such as the propensity to work from home, remains uncertain and continual monitoring against the forecast is required.

## **The employment floor space we need today and in the future**

Forecast job growth for Moreland to 2035 generates additional demand for employment floor space in Moreland. Overall, this results in a need for an additional 87,000 square metres of employment floorspace in Scenario 1 (base case) and 241,000 square metres in Scenario 2 (growth scenario). Scenario 2 is much higher due to the strong growth forecast in commercial demand.

However, the transition from land-intensive sectors like manufacturing to services limits the overall employment floor space requirements and masks the changing space needs. Demand for commercial space is forecast to grow by 230,000 square metres by 2035 (Scenario 1) but could be even higher at around 378,000 square metres under Scenario 2. The forecast decline in manufacturing jobs means that industrial floor space demand is forecast to fall by around 137,000 square metres to 143,000 square metres.

Forecast growth in service jobs and commercial floor space at the municipal level means that Moreland's Activity Centres will play a vital role in accommodating future job growth and employment floor space. This is especially the case for Brunswick Activity Centre and Coburg Activity Centre. The forecast growth across all service sectors means there is a need for a diverse range of commercial space including shops, supermarkets, offices, medical / dental suites, hospitals, schools, gyms and entertainment venues.

The high share of small businesses in Moreland and interviews with developers, researchers and planning experts suggests that today there is demand for small office suites and shared workplaces, but stand-alone office stock is unlikely to be needed in the short to medium term. In the long-term however, experts noted there is an opportunity to attract a higher share of office demand in Brunswick and Coburg as Melbourne grows and rental prices increase in the CBD and other established inner-city office locations.

Total employment floor space is forecast to fall in Industrial Areas, but their space mix is expected to change as they transition away from manufacturing to a wider range of activities and provide choices for businesses seeking alternative (e.g. large format or high ceilings) or affordable business spaces.

### **Implications for Moreland's Activity Centres, Neighbourhood Centres, Local Centres and Industrial Areas**

Three capacity tests (low, medium, high) were used to compare future demand for employment space with potential capacity. Capacity in centres is estimated at 1.09m square metres based on the low capacity test and 1.36m square metres based on the high capacity test. The low capacity test results in a net loss in employment floor space capacity compared to existing supply.

The low capacity test is reflective of recent development activity observed for C1Z in the Brunswick Activity Centre. An analysis of 101 recent permits in the Brunswick Activity Centre shows that employment floor space provided within new development would result in a net employment floor space loss of 57,000 square metres over the past 10 years.

Without intervention, the Brunswick Activity Centre will not have sufficient capacity to meet forecast demand. This would have a significant negative impact on the economic development and investment potential within Moreland and Melbourne's Northern Region. The shortfall identified for the Brunswick Activity Centre is

significant and immediate action is required given residential pressures on this centre.

Risks are also identified for Coburg Activity Centre and Glenroy Activity Centre. The risk is higher for Coburg Activity Centre given expected residential demand over the next 5 years, especially if the centre experiences similar residential development activity (i.e. low capacity tests) to Brunswick Activity Centre. Capacity constraints are less likely to occur in Glenroy over the next 15 years given its lower rate of apartment development activity.

Despite Coburg Activity Centre having excess capacity under some of the growth and capacity scenarios, the competitive positioning analysis highlights several factors that may constrain the ability of Coburg Activity Centre to attract office development away from Brunswick Activity Centre in the short to medium term. Instead, capacity constraints in Brunswick are more likely to result in demand being transferred to other competitive precincts in the region, including Northcote, Ivanhoe, Moonee Ponds, Footscray and Sunshine.

Given these risks, the capacity analysis suggests commercial floor space equivalent to 70% of the site area (FSR) is required in Brunswick Activity Centres to meet forecast demand levels under Scenario 2. Other options to increase capacity could also be considered (e.g. include nearby neighbourhood centres and/or rezone industrial land to commercial (e.g. MILS Category 2 sites in the Brunswick Activity Centre). The requirement recommended for Glenroy is 65% and 60% in Coburg.

At a neighbourhood centre level, there is generally no overwhelming need for intervention in land use mix. However, several centres may experience capacity constraints in the medium to longer term and should be monitored.

Several MILS precincts outside of centres are forecast to perform a diminished economic role.

### **Achieving a diverse and vibrant future Moreland economy**

The Moreland Planning Scheme provides good policy direction for economic development and employment growth. However, the evidence outlined in this report shows the market is not delivering the outcomes sought by policy. Without intervention, higher order activity centres, such as the Brunswick, Coburg and Glenroy Activity Centres will not meet their intended economic role and will constrain employment growth in Moreland.

This means there is a clear need for changes to the zoning controls within the commercial precincts of Activity Centres. Of all the options available, the application of the Activity Centre Zone provides the best flexibility to Council to tailor the permit requirements for land use. This is because additional conditions can be placed in the land use table for uses like Dwelling and Accommodation, such that they are only as-of-right within existing commercial areas (where the Commercial 1 Zone currently applies) if a specified commercial floor space area is provided.

This commercial floor space requirement could be designated as a proportion of site area. The evidence within this report identifies that commercial floor space equivalent to 60% to 70% of the site area should be provided (depending on the centre).

When aligned with strong policy and decision guidelines, this change to the zoning provisions will help encourage the market to deliver the forecast commercial floor space need across the three Activity Centres.

At a Neighbourhood Centre level, there is generally no overwhelming need for intervention in land use mix. There may also be opportunities to increase the capacity of the Brunswick Activity Centre by incorporating nearby Neighbourhood Centres into the Activity Centre Zone.

Industrial land within Moreland still has an important economic role and is required to meet Moreland's job requirements into the future. There are opportunities to allow a broader range of uses within some industrial areas, particularly within the Brunswick Core Industrial and Employment Area within and at the fringe of the Brunswick Activity Centre through tailoring of the land use tables in an Activity Centre Zone.

### **Economic development actions to complement planning changes**

Based on the analysis presented in this report, the following economic development recommendations have been made for Moreland Council and complement the planning recommendations above:

1. Develop strategic sectors and then prioritise actions (economic development and planning) to enable stronger growth. Candidate sectors identified in this report include Health, Creative/Cultural sectors (especially higher value-adding sectors), Hospitality/Retail and Manufacturing.
2. Enhancing the local entrepreneurial culture and generate more high growth businesses to build on the potential offered by Moreland's growing small business sector.

3. Promote the potential of Brunswick Activity Centre as a major employment precinct in Melbourne's North and West region and identify strategies to elevate its commercial office role.
4. Elevate the economic role of Brunswick Activity Centre in planning policy noting it has a similar amount of employment floor space to the Broadmeadows Metropolitan Activity Centre.
5. Investigate the drivers behind high vacancy rates, especially in Brunswick and Coburg and monitor performance over time.
6. Investigate office requirements for small businesses in Moreland.
7. Investigate opportunities to cluster office development in Brunswick Activity Centre to create a commercial core.
8. Investigate opportunities to cluster health development in Brunswick Activity Centre and/or Coburg Activity Centre to create a health precinct.
9. Improve links / connections between hospitals and nearby Activity Centres.
10. Develop a monitoring system to evaluate strategic intentions. Indicators to monitor include: Employment self-sufficiency (total and by industry), Job growth by centres by broad industry, Share of job growth located in employment precincts, Job growth in the three Activity Centres (total and industry), Property market performance of Activity Centres (vacancies, rents, enquiries, developer feedback), Permit development outcomes – e.g. net change in employment floor space, floor space ratios, potential jobs generated.

## 2. Introduction

### 2.1 Study objectives

*A Job in Moreland* presents an economic analysis about work in Moreland, the types of jobs and how this may change over the next 15 years. It takes a holistic view of all employment land in Moreland (commercial and industrial) and analyses the quantum of land required for employment to guide the policy direction for industrial and commercial land.




This analysis will give Council information to inform its next Economic Development Action Plan, Industrial Land Strategy, Place Action Plans for Activity Centres in Brunswick, Coburg and Glenroy and employment floor space requirements in the planning scheme.

### 2.2 Background

#### **State Government support to plan for future employment needs**

The Melbourne Industrial and Commercial Land Use Plan – April 2020 (MICLUP) produced by the Department of Environment, Land, Water and Planning (DELWP) provides an overview of current and future needs for industrial and commercial land across metropolitan Melbourne and in Moreland and establishes a planning framework to support state and local government to plan more effectively for future employment and industry needs.

Principles in the Plan include:

-  'Planning for commercial and industrial land should ensure adequate long-term land supply is planned for and set aside to support future business growth and industry.
-  Key commercial and industrial areas should be recognised and retained for their economic and employment contribution to local communities, regions and the state.
-  Planning for commercial and industrial land should provide clarity and certainty about how and where business and industry can grow over time to support and guide long term investment and locational decisions.'



Relevant strategies include:

- ▣ 'Identify and outline how growth will be accommodated over the long term (at least 30 years).
- ▣ Provide an overarching land use planning framework for commercial and industrial areas.
- ▣ Provide a zoned supply of land to accommodate growth over at least a 15-year period, including sufficient stocks of large sites for strategic investment.
- ▣ Maintain access to an adequate supply of well-located land for commercial and industrial uses.
- ▣ Retain and protect land identified for strategic long-term growth for its intended purpose.
- ▣ Clarify and strengthen the role and function of commercial centres as primary locations for commercial development and employment, prioritising economic activity and business synergies over residential development.
- ▣ Provide clear direction on locations where growth should occur.'





This report provides insights into understanding the requirements, principles and strategies set out in MICLUP and implications for Moreland.

While MICLUP recommends a 30 year land use requirement, this report presents employment forecasts over a 15 year timeframe. A shorter forecast period is used given the high level of uncertainty associated with long term economic forecasts. For this reason, it will be important to plan for additional capacity beyond the 15 year forecast period. Another important aspect is the need to monitor the forecasts and capacity assumptions and make changes where required.

## **Plan Melbourne**

Plan Melbourne 2017-2050 is the state government strategic plan for Melbourne and is adopted in the Planning Policy Framework (PPF). The plan provides guidance for city growth over the next 35 years and sets out a strategy for supporting investment, jobs and growth.

As outlined in Plan Melbourne, the development of Melbourne's network of Activity Centres is critical to Melbourne's success as a productive city that attracts investment, supports innovation and creates jobs. Plan Melbourne states:

-  The central city will continue to be Melbourne's largest concentration of employment. National employment and innovation clusters in the suburbs will be a focus for knowledge based and high-productivity jobs. Together with Activity Centres (like Brunswick, Coburg and Glenroy), these clusters will attract investment and stimulate employment.
-  National employment and innovation clusters, metropolitan activity centres and major activity centres will ensure employment growth occurs outside of the central city
-  Improve access to jobs across Melbourne and closer to where people live by supporting the development of a network of activity centres, linked by transport.
-  Deliver more housing closer to jobs and public transport by supporting new housing in activity centres that offer good access to jobs, services and public transport.


This report provides insights into how an adequate supply of commercial space in Moreland's network of Activity Centres can help support the metropolitan aspiration for a productive city.

## **Economic development in Moreland**

The Moreland Economic Development Strategy 2016-2021 identifies that Moreland has one of the lowest level of employment self-sufficiency of any Melbourne municipality, and this is in decline. The number of jobs in Moreland has grown, however the population is growing faster than local jobs. This report seeks to provide insight into this issue to consider the implications of maintaining or growing employment self-sufficiency.

## **Moreland Industrial Land Strategy**

The Moreland Industrial Land Strategy 2015-2030 (MILS) guides planning zoning decisions about the future of Moreland's industrial land. The MILS provides a strategic framework within which Council can make decisions about what industrial zoned land to retain and the land uses sought in these areas, and what industrial land to allow to be rezoned for other uses, and what these alternative uses should be. In summary, the MILS

-  Retains Moreland's three large concentrations of industrial zoned land in Brunswick, North Coburg and Newlands. Some revisions to the boundaries of

the Brunswick and North Coburg core areas have been made. A number of smaller concentrations of industrial land are also recommended for retention.

- Allows for the transition of other industrial zoned land to prioritise alternative employment uses and, in some instances, to allow for a transition to multi-use or residential outcomes, depending on the geographic characteristics of the land and its suitability for continued industrial or alternative employment uses.

The three strategic categories in the MILS Framework Plan are summarised below:

- Category 1 – Core Industry and Employment Areas: Maintain for industry and employment uses, prohibit new residential uses.
- Category 2 – Employment Areas: Maintain for industry and employment uses and support a transition to a broader business base and employment opportunities. Residential uses allowed under certain circumstances.
- Category 3 – Transition-Residential Areas: Facilitate a transition to quality residential environments which contribute to Moreland's housing supply.

This report builds on analysis contained in MILS by providing an integrated analysis of commercial and industrial floor space requirements.

## 2.3 Approach

*A Job in Moreland* analyses supply and demand of commercial and industrial jobs and floor space for Moreland, its Centres (Activity Centres, Neighbourhood Centres and Local Centres) and Industrial Areas (see Map 1). The following chapters describe Moreland's economic story, what issues are emerging and what space is required today and into the future.

- Chapter 2 shows the diversity of the Moreland economy and recent growth.
- Chapter 3 explores how the economy and jobs are changing, with a focus on the shift to service sector jobs.
- Chapter 4 presents job forecasts for Moreland, what is driving demand and how to raise the trajectory of jobs to maintain or grow employment self-sufficiency.
- Chapter 5 analyses the amount and type of floor space required to meet future job growth across Moreland and within its activity centres and Industrial Areas.

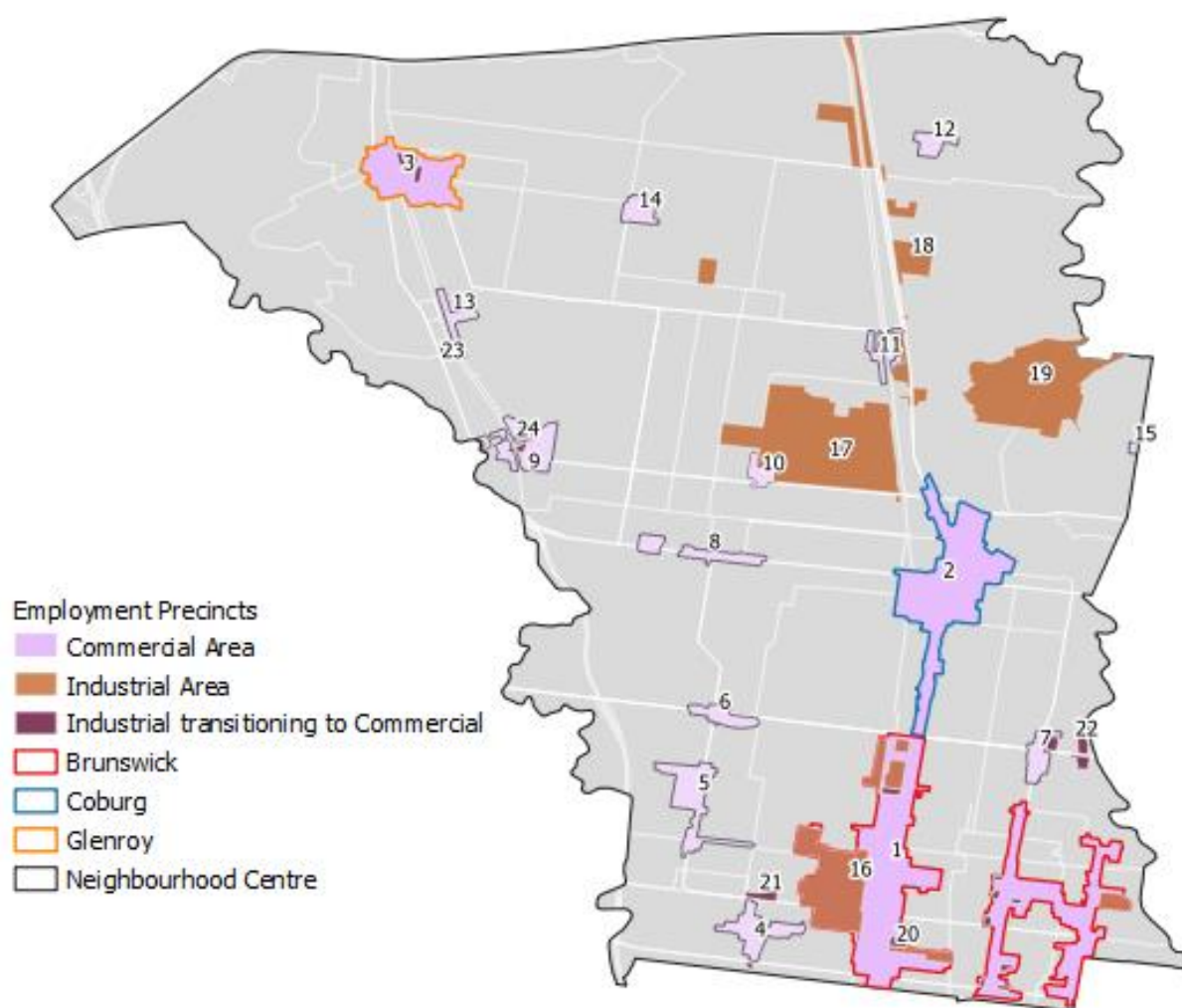
- Chapter 6 compares the capacity of activity centres to meet forecast demand.
- Chapter 7 outlines considerations in responding to the evidence in this report.
- Chapter 8 presents planning scheme options to achieve a diverse and vibrant future Moreland economy.

Technical information is provided in Appendices at the end of this report.

## 2.4 Moreland's centres and industrial areas

This report defines the centres and industrial areas based on Moreland's planning scheme. These are geographically defined in Map 1 below. The term employment precinct refers to Activity Centres, Neighbourhood Centres, Local Centres and Industrial areas. It is noted that Brunswick Activity Centre includes both commercial areas as well as Industrial Areas (MILS Category 1 and Category 2).

Map 1 Moreland's centres and industrial areas



id	Name
1	Brunswick
2	Coburg
3	Glenroy
4	Grantham/Union Streets, West Brunswick
5	Melville Road/Albion Street/Victoria Street, West Brunswick
6	Melville/Moreland Roads, West Brunswick
7	Moreland Road/Nicholson Street, Coburg/Brunswick
8	Bell Street/Melville Road, Pascoe Vale South
9	Gaffney Street/Pascoe Vale Station, Pascoe Vale
10	Gaffney/Sussex Streets, Coburg North
11	Merlynston
12	Bonwick Street, Fawkner
13	Snell Grove, Oak Park
14	West Street, Hadfield
15	Elizabeth Street, Coburg North

Source: Moreland City Council

id	Name
16	Brunswick MILS Cat 1
17	Coburg North
18	Merlynston, Fawkner, Hadfield
19	Newlands Road
20	Brunswick MILS Cat 2
21	Grantham / Union St, West Brunswick
22	Moreland Road Coburg/Brunswick
23	Devon Road
24	Gaffney Street/Pascoe Vale Station, Pascoe Vale

## 2.5 Sources and definitions

### Main data sources

The report uses data and information from both published and unpublished documents. These include:

- ▣ Moreland Rates Database (floor area estimates by precinct)
- ▣ economy.id – Moreland LGA
- ▣ NIEIR economic and employment forecasts
- ▣ ABS Census of Population and Housing
- ▣ State Government (MICLUP space per job by industry)
- ▣ Interviews and think tank workshops with developers, researchers and planning experts.

The analysis has also been informed by:

- ▣ Building Communities, Connecting People: Northern Horizons 2020 Prepared by the National Institute of Economic and Industry Research (NIEIR).
- ▣ Creative State 2016-2020, Victoria's creative industries strategy prepared by Creative Victoria.
- ▣ Creative Neighbourhoods: Enhancing the viability of Victoria's creative communities February 2020 prepared by Hodyl + Co for Creative Victoria.
- ▣ Plan Melbourne 2017-2050 and state planning scheme policy.
- ▣ Moreland Economic Development Strategy 2016-2021.
- ▣ Moreland Arts Infrastructure Plan 2018-2023 prepared by Hodyl + Co for the City of Moreland.
- ▣ Moreland Industrial Land Strategy 2015-2030.
- ▣ Productivity Commission, Victoria's Commercial Land Use Zoning: Productivity Reform Case Study
- ▣ Moreland planning scheme policy.

## Broad industry definitions

Industry data is presented in broad categories in this report as follows:

*Table 1 Broad Industry Definitions*

	Broad Industry	Industry (1 digit)
<b>Household services</b>	<b>Health</b>	Health Care and Social Assistance
	<b>Education</b>	Education and Training
	<b>Hospitality</b>	Accommodation and Food Services
	<b>Retail</b>	Retail Trade
	<b>Other Services</b>	Arts and Recreation and Other Services
<b>Business Services</b>	<b>Knowledge intensive</b>	Information Media and Telecommunications, Financial and Insurance Services, Rental, Hiring and Real Estate Services, Professional, Scientific and Technical Services, Public Administration and Safety
	<b>Other business services</b>	Administrative and Support Services
<b>Industrial</b>	<b>Manufacturing</b>	Manufacturing
	<b>Other Industrial</b>	Agriculture, Forestry and Fishing, Mining, Electricity, Gas, Water and Waste Services, Construction, Wholesale Trade, Transport, Postal and Warehousing

## Employment floor space definitions

Employment floor space demand has been split into two broad categories - Commercial and Industrial. These categories are used to estimate the type of employment floor space required to support future job growth. For example, the primary driver of future commercial space is from service sector industries like retail, hospitality and professional services. Industrial space demand is driven by change in manufacturing, wholesale and transport jobs.

*Table 2 Broad space requirements by Industry*

Category	Industry
<b>Commercial</b>	Retail Trade
	Accommodation and Food Services
	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
	Other Services
<b>Industrial</b>	Agriculture, Forestry and Fishing
	Mining
	Manufacturing
	Electricity, Gas, Water and Waste Services
	Wholesale Trade
	Transport, Postal and Warehousing
<b>Excluded</b>	Construction



## Definitions and Economic terms

**Gross Regional Product (GRP):** This indicator is the equivalent of Gross Domestic Product, but for Moreland. It is the amount of the nation's wealth which is generated by businesses, organisations and individuals working in the area.

**Local jobs:** This indicator shows the estimated number of jobs in Moreland. Also referred to as the place of work.

**Employed residents:** This indicator shows the estimated number of employed residents of Moreland (usual residents). Employed residents may have a workplace anywhere, inside or outside the area.

**Employment self-sufficiency:** Employment self-sufficiency is the ratio between the number of jobs available in the municipality and the total resident workforce.

**Floor Space Ratio (FSR):** Ratio between employment floor space and site area.

**Non-employing businesses:** are defined as sole proprietorships and partnerships without employees.





### 3. Moreland's economy services the local population and is growing

#### Key Points

-  Moreland generated \$6.2 billion in economic activity in 2019 and supported around 47,000 jobs. Moreland is Victoria's eighth largest Local Government Area by population, being home to more than 185,700 people.
-  This large population base means that the economy performs a local populating serving role with a high share of jobs in Household Service sectors, particularly Health, Education and Retail. In 2019, 2 in every 5 jobs in Moreland were in one of these three sectors.
-  In contrast, Business Service jobs such as Professional and Technical Services are under-represented compared to the Greater Melbourne average. Manufacturing still holds some prominence as the fifth largest job provider and third largest generator of value.
-  Over the past decade, local jobs grew by 6,859 jobs or by around 1.6% per year. This performance has been largely driven by increasing demand for local services due to strong population growth.
-  The amenity of Moreland, accessibility to CBD employment, universities and access to public transport means that it has attracted a highly skilled residents. In 2016, around 46.9% of employed residents had a bachelor's degree or higher, well above the Greater Melbourne average of 37.0%. Continued growth in Moreland's skilled residents is expected to increase the attractiveness of the location for businesses seeking a highly skilled workforce.
-  The non-employing small business sector is large (69.2%) compared to the surrounding region<sup>1</sup> (66%) and the Greater Melbourne average (65.3%). Most of recent business growth has been from non-employing businesses,

<sup>1</sup> Darebin LGA and Moonee Valley LGA

many of which are sole traders. This drives demand for small office suites with limited demand today for stand-alone office accommodation.

-  However, Moreland's highly qualified resident population is clustered around the 'Brunswicks' with over 40% of the working age population having a university qualification in 2016. In contrast, Glenroy had the lowest proportion of people with university qualifications (22.5%). This may limit the economic development potential of centres like the Glenroy Activity Centre without intervention.
-  Moreland's strategic transport links also provide businesses with access to a large and deep labour force pool. Around 1.15 million people and 575,000 employed residents live within the Moreland labour force catchment. This provides the potential for business to access customers and a wide range of skills and qualifications from a regional catchment.
-  However, employed residents grew by 3.5% per year meaning that job growth is not keeping up with population growth. For every 100 employed residents there are only 46 local jobs, the third lowest rate in Greater Melbourne.
-  This results in a large outflow of workers with gaps across a range of occupations including in retail/hospitality, professional business services areas and education.

### 3.1 An economy centred on the local population

In 2019 Moreland generated \$6.2 billion in economic activity and supported over 47,000 jobs. Moreland is Victoria's eight largest Local Government Area by population being home to over 185,700 people.

This large population base means that the economy performs a local populating serving role with a high share of jobs in Household Service sectors, particularly Health, Education and Retail which are over-represented when compared to Greater Melbourne. In 2019, 2 in every 5 workers in Moreland were in one of these three sectors.

Health Care is expanding rapidly to meet the needs of the local and regional population and is now Moreland's largest employment sector. In 2019, Health Care employed almost 8,400 people (17.9% of total jobs, the 8<sup>th</sup> largest in Greater Melbourne). The sector is diverse with jobs in hospitals as well as allied and support services.

In contrast, Business Service jobs<sup>2</sup> which includes architects, engineers, tax professionals, accountants, lawyers and computer programmers, is underrepresented with only 17% of local jobs in these industries, well below the Greater Melbourne average of 28%. An ongoing employment growth challenge for Moreland will be increasing its share of Business Service jobs and diversifying the job offer beyond local services. Business services, especially knowledge-intensive firms, are attracted to<sup>3</sup>:

- Proximity and connectivity to Inner Melbourne (e.g. CBD and Parkville)
- Size of the labour force catchment
- Access to a high concentration of highly skilled knowledge workers
- Infrastructure (transport and telecommunication) and major institutions (e.g. hospitals, universities, airports)
- Amenity of main streets

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<sup>2</sup> Information Media and Telecommunications, Financial and Insurance Services, Rental, Hiring and Real Estate Services, Professional, Scientific and Technical Services, Public Administration and Safety and Administrative and Support Services.

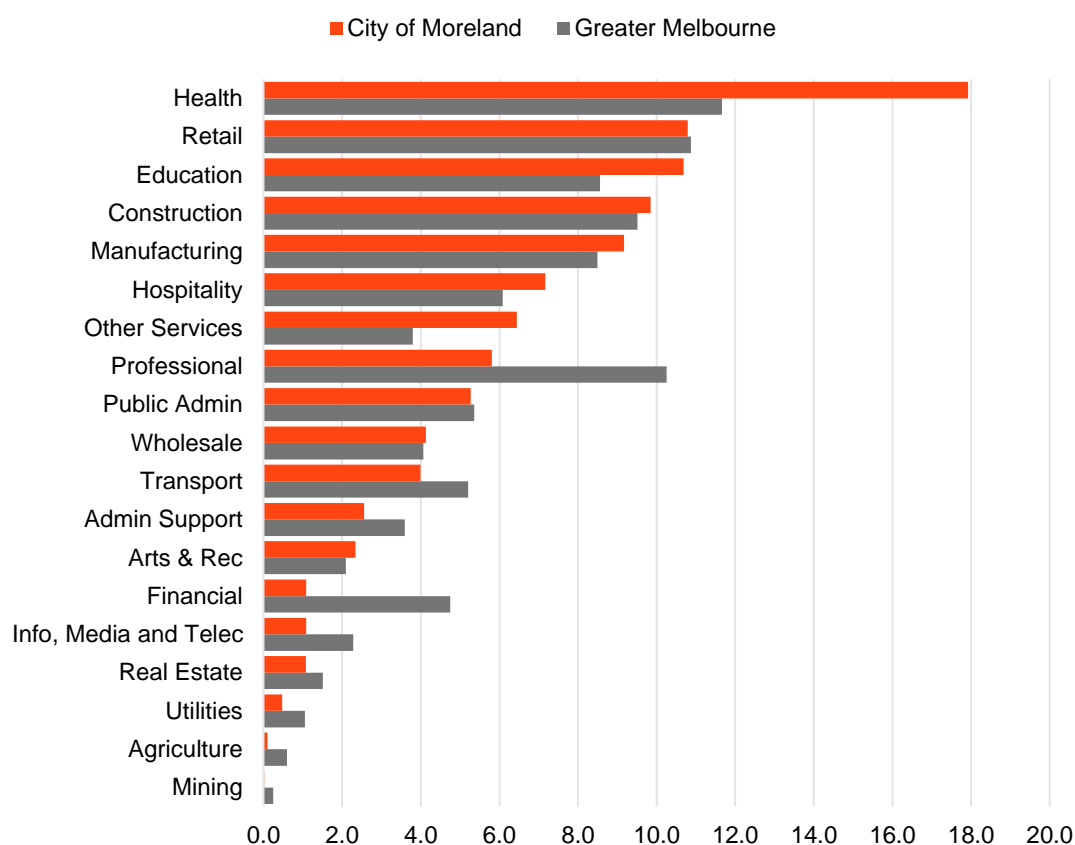
<sup>3</sup> NIEIR State of the Regions Report, 2019

These factors will be important considerations for influencing the trajectory of job growth in Moreland over the next 20 years.

Manufacturing still holds some prominence in the City as the fifth largest job provider and third largest generator of value.

## Local Industry Mix in 2019

Figure 1 Industry Mix in City of Moreland, % of total, 2018/19



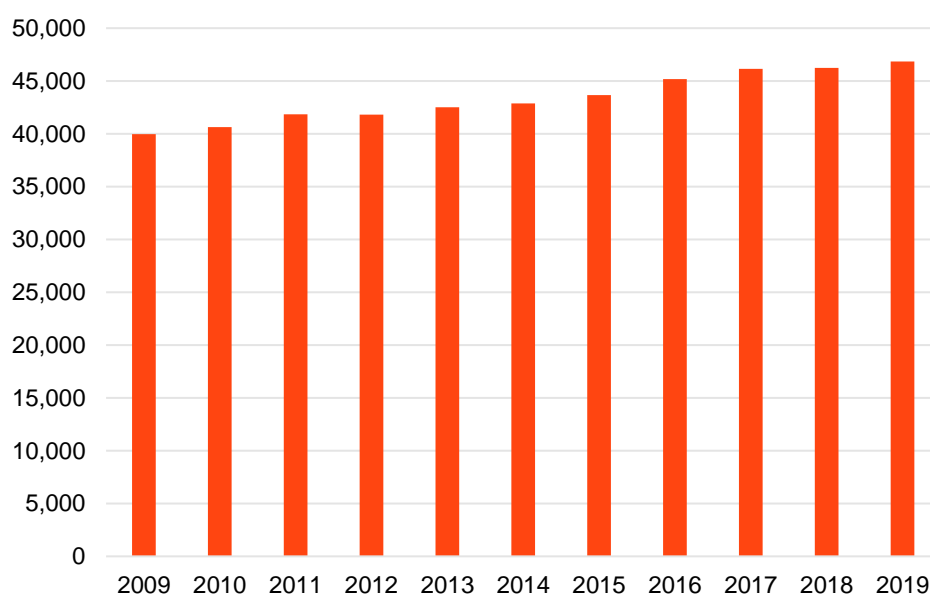
Source: NIEIR, 2020

## 3.2 Recent job growth driven by its expanding population base

Over the past decade, employment in Moreland grew by 6,859 jobs or by around 1.6% per year, well below the Greater Melbourne average of 2.5% per year. As shown in the next chapter, this slower growth is due in part to manufacturing job losses and the impact of online shopping on Moreland's traditional strengths like clothing retail.

### Local jobs growing

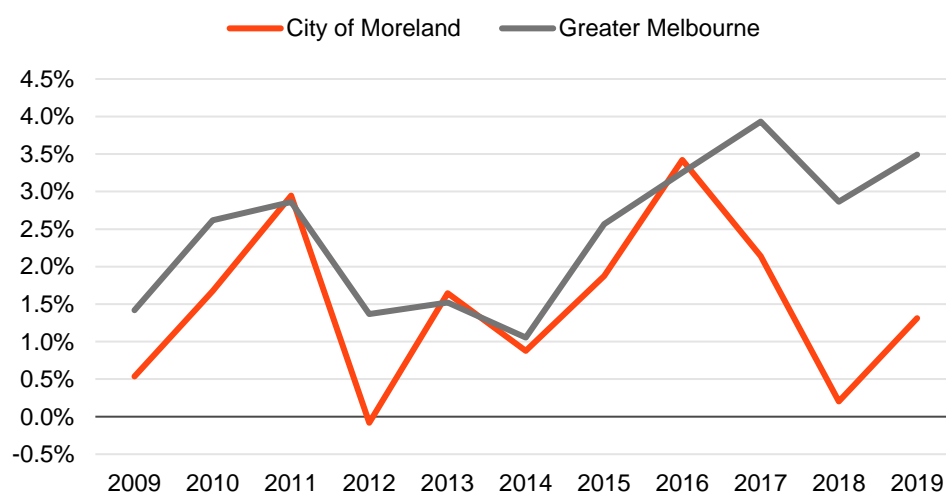
Figure 2 Local Job Growth, Moreland



Source: NIEIR (2020)

### Job growth in Moreland compared to Greater Melbourne

Figure 3 Annual % change in Local Jobs



Source: NIEIR, 2020

Population growth has been a major driver of Moreland's economy over the past decade. Over this period, Moreland's population grew by 2.2% p.a., on par with Greater Melbourne's strong growth rate of 2.3%. This growth has increased local expenditure, driving demand for local services such as doctors, nurses, childcare workers, shop assistants, baristas, teachers, trainers and hairdressers.

Also contributing to economic growth was a substantial increase in the participation rate of residents due to the strong population growth in working age groups.

But while more residents are working, they are more likely to be working outside Moreland than they were ten years ago. This is because Moreland's attractive location to CBD, universities and access to public transport has attracted a highly skilled population who are accessing employment in Inner Melbourne (see Chapter 3.8).

### Drivers of Moreland's economic growth

Figure 4 Average annual % growth, 2008/09 to 2018/19



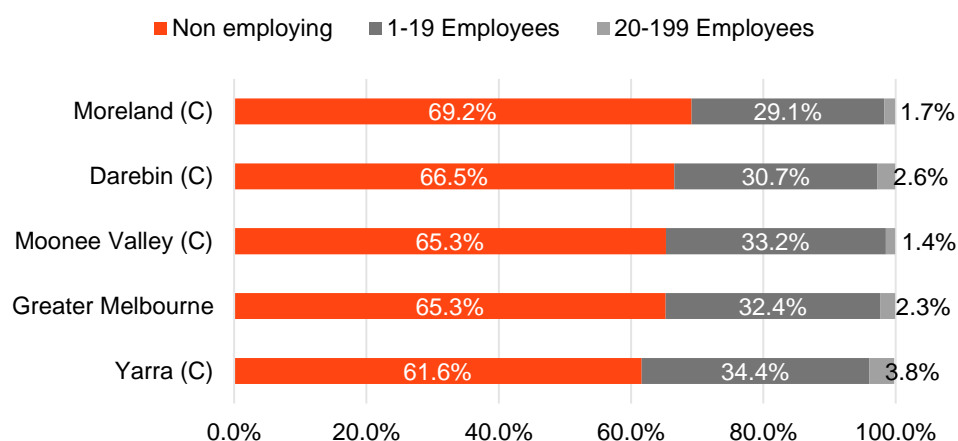
Source: NIEIR, 2020; ABS Cat: 3218.0, 2020

### 3.3 Home to a large small business sector

An important feature of the Moreland economy is its small business sector, made up of micro and small businesses<sup>4</sup>, many of which are sole traders. Moreland's small business sector is large compared to its surrounding region and the Greater Melbourne average. Over the past two years, most of this growth has been from non-employing businesses. This has implications for the type of commercial space required in Moreland with demand for coworking spaces and smaller office suites over large floor plate office accommodation.

#### Local business profile in 2019

Figure 5 Businesses by employment size, 2019, City of Moreland



Source: ABS, Counts of Australian Businesses, including Entries and Exits, 2017 to 2019

#### Increase in local businesses

Figure 6 Change in number of business by employment size, City of Moreland



Source: ABS, Counts of Australian Businesses, including Entries and Exits, 2017 to 2019

<sup>4</sup> Micro businesses – businesses employing less than 5 people, including non-employing businesses (e.g. sole proprietorships and partnerships without employees). Small businesses - businesses employing 5 or more people, but less than 20 people.

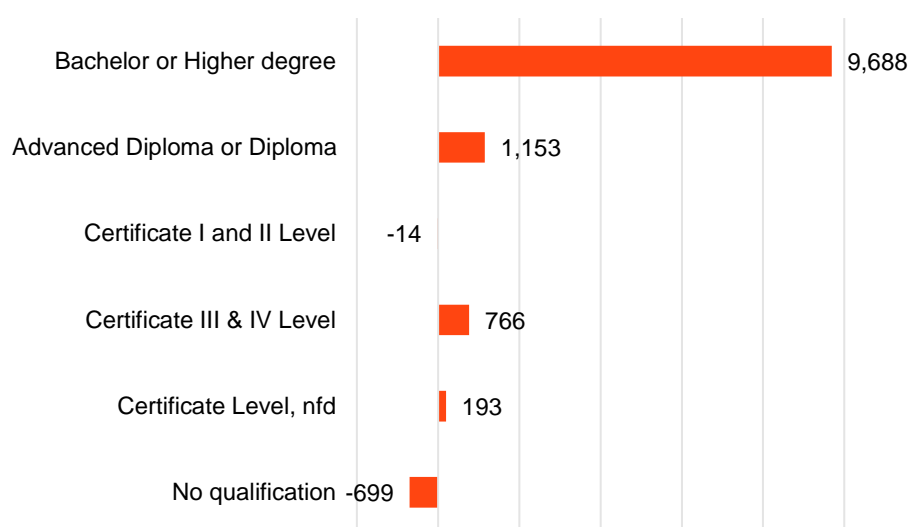


### 3.4 Highly skilled workforce

The amenity of Moreland, accessibility to knowledge-intensive employment opportunities means that it has attracted a highly skilled resident base. In 2016, around 46.9% of employed residents had a bachelor's degree or higher, well above the Greater Melbourne average of 37.0%. The skill profile in Moreland is also rapidly changing with the number of workers with a bachelor's degree or higher increasing by almost 9,700 between 2011 and 2016. This skill advantage is likely to increase further given forecast population growth and will provide local businesses with a deep and skilled labour pool to take advantage of.

#### Highly skilled workforce

Figure 7 Change in employed resident qualifications, 2011-2016, City of Moreland



Source: ABS Census of Population and Housing, 2016

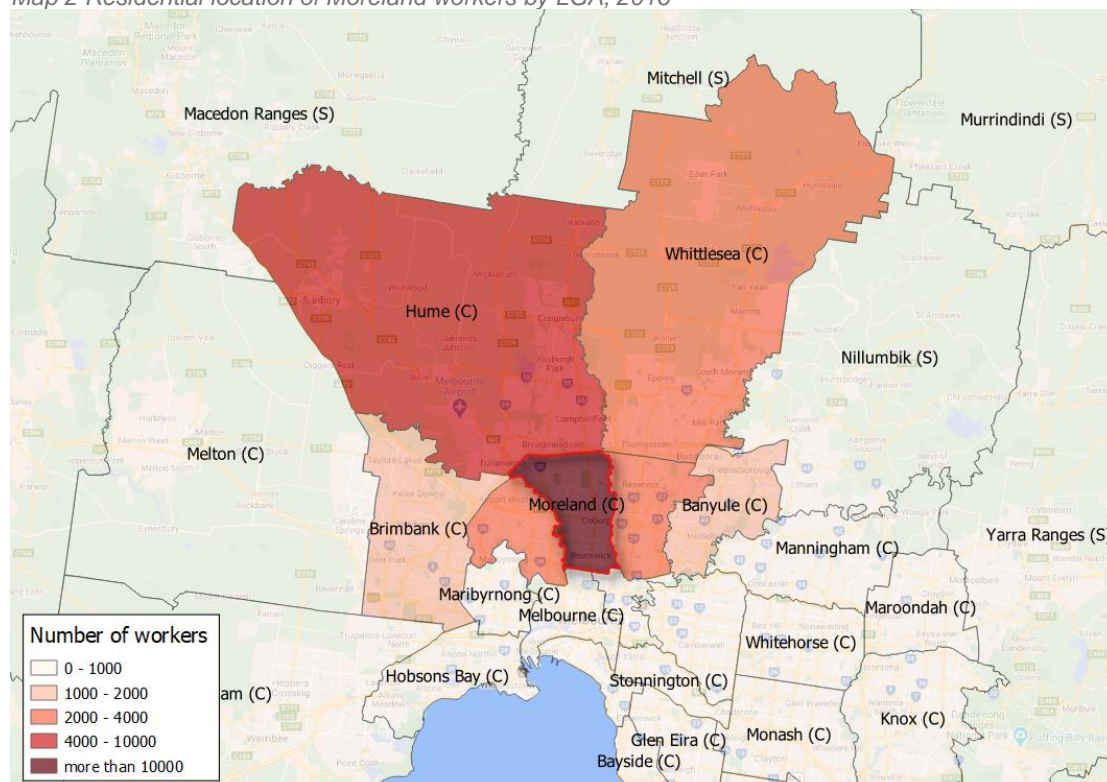
Young workers are driving much of this growth in skills. Between 2011 and 2016, the number of 25-34 year olds living in Moreland with a bachelor or higher degree increased by 4,522 people.

### 3.5 Draws from a large labour force pool

Moreland's strategic transport links also provide access to a large and deep labour force pool. Around 1.15 million people and 575,000 employed residents live within The Moreland labour force catchment<sup>5</sup>, offering business access to customers and a wide range of skills and qualifications. While the skill profile of this catchment is relatively low, there was a strong increase in the skill profile between 2011 and 2016. This growth in skills provides a solid foundation to build on. This is important because a critical mass in highly skilled labour is required to attract specialised and knowledge-intensive firms.

#### Businesses in Moreland have access to a growing labour force catchment

Map 2 Residential location of Moreland workers by LGA, 2016



Source: ABS Census of Population and Housing, 2016

<sup>5</sup> Based on the main LGAs (>4% of total jobs) where Moreland draws its workforce from. The LGAs included in this catchment are: Moreland (C), Hume (C), Darebin (C), Moonee Valley (C), Brimbank (C) and Whittlesea (C)

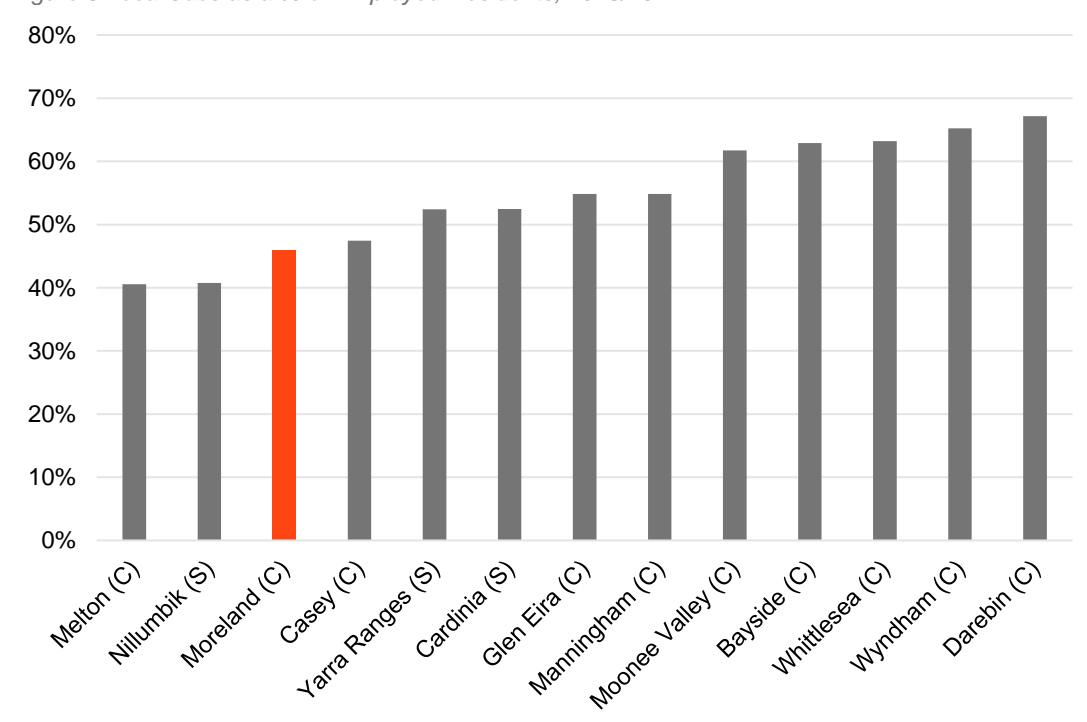
### 3.6 Job growth is not keeping pace with the growing pool of resident workers

Once a hub for industrial activity in Melbourne with numerous manufacturers supporting thousands of workers Moreland now represents only 1.8% of the Greater Melbourne's economy which places it as the 22nd largest economy out of the 31 Greater Melbourne LGAs.

In contrast to its low job number, Moreland is home to an estimated 102,000 employed residents - the fifth largest resident base for workers in Greater Melbourne. For every 100 employed residents there are only 46 local jobs, the third lowest rate in Greater Melbourne. This is also referred to as employment self-sufficiency.

#### LGAs with lowest employment self-sufficiency

Figure 8 Local Jobs as a % of Employed Residents, 2018/19

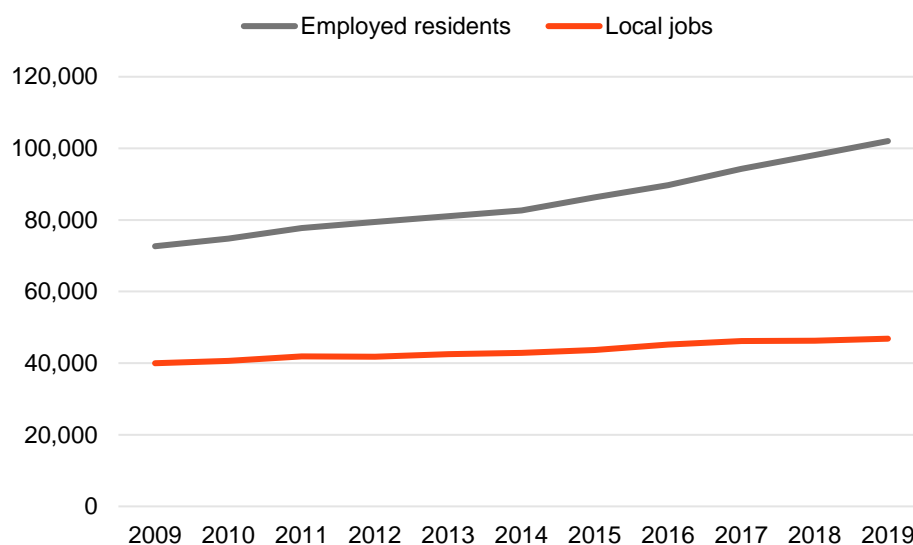


Source: NIEIR, 2020

The gap between local jobs and employed residents continues to get larger, with the job deficit now at 55,200.

## Resident workers compared to local jobs

Figure 9 Number of jobs and employed residents, City of Moreland



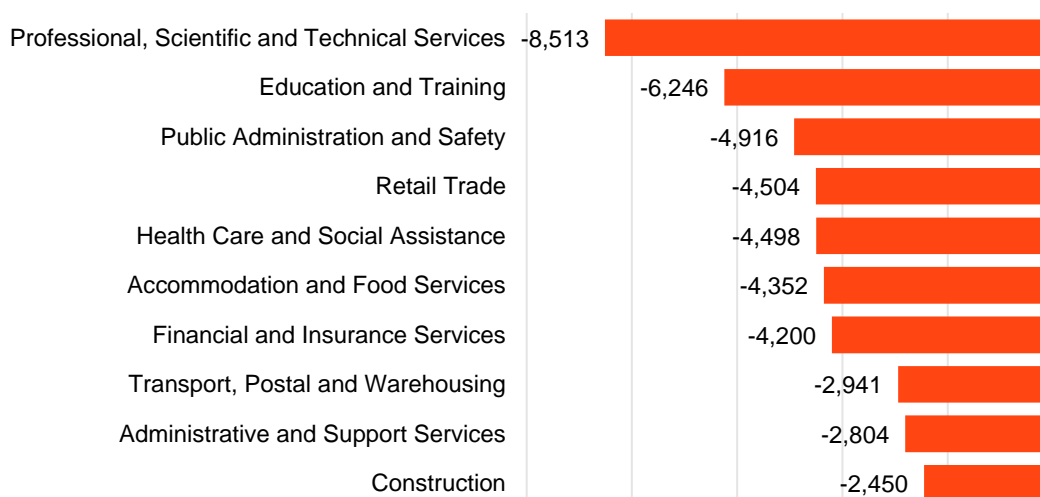
Source: NIEIR, 2020

### 3.7 Local job growth is not meeting residents' needs

Moreland has less jobs than employed residents in all sectors. The three largest job gaps in 2019 were in Professional, Scientific and Technical Services, Education and Training and Public Administration and Safety.

#### Jobs surplus/deficit, numbers, 2018/19

Figure 10 Difference between Local Jobs and Employed Residents by Industry, 2018/19

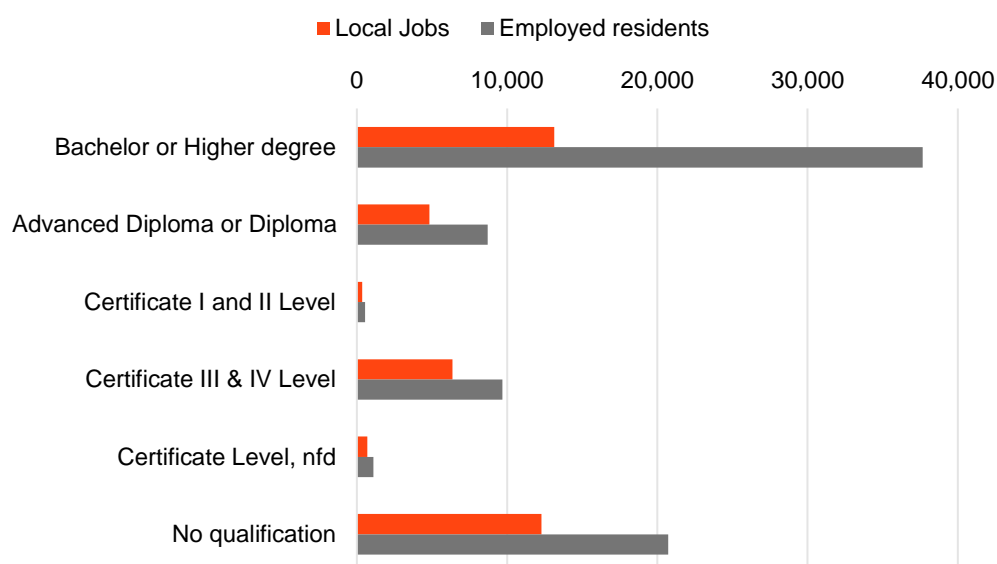


Source: NIEIR, 2020

Job gaps appear in terms of the industry profile as well as skill levels and occupations. In 2016, there were an estimated 24,515 more employed residents with degree level qualifications than local jobs available. In addition, 21,930 more employed residents were occupied as Managers or Professionals than local jobs.

### Resident workforce is significantly more qualified than local workers

Figure 11 Qualification levels, City of Moreland, 2016



Source: ABS Census of Population and Housing, 2016

### More residents are working in white collar occupations than local jobs available

Figure 12 Occupation mix, City of Moreland, 2016



Source: ABS Census of Population and Housing, 2016

Resident workers are also more likely to be working full time (62% in 2016) than local workers (55%) and earning more (19% earned \$91,000 per year in 2016 compared to only 11% for local workers).

In terms of specific occupations, it appears key gaps are in retail/hospitality, professional business services areas and education.

This is reinforced by the fact that business/accounting and education are the main study fields where employed workers exceed local jobs. Top occupations with job deficits align with sectors experiencing large job gaps.

In terms of specific occupations, it appears key gaps are in retail/hospitality, professional business services areas and education.

### Top occupations and qualification fields with job deficits

*Table 3 Top occupations and qualification fields with job deficits*

Top occupations	Top qualification fields
Sales Assistants and Salespersons	Business and Management
Hospitality Workers	Teacher Education
Information and Organisation Professionals	Accounting
School Teachers	Communication and Media Studies
Business and Systems Analysts, and Programmers	Information Technology
Architects, Designers, Planners and Surveyors	Electrical and Electronic Engineering and Technology
Sales, Marketing and Public Relations Professionals	Engineering and Related Technologies
Cleaners and Laundry Workers	Building
Tertiary Education Teachers	Nursing
Business Administration Managers	Law

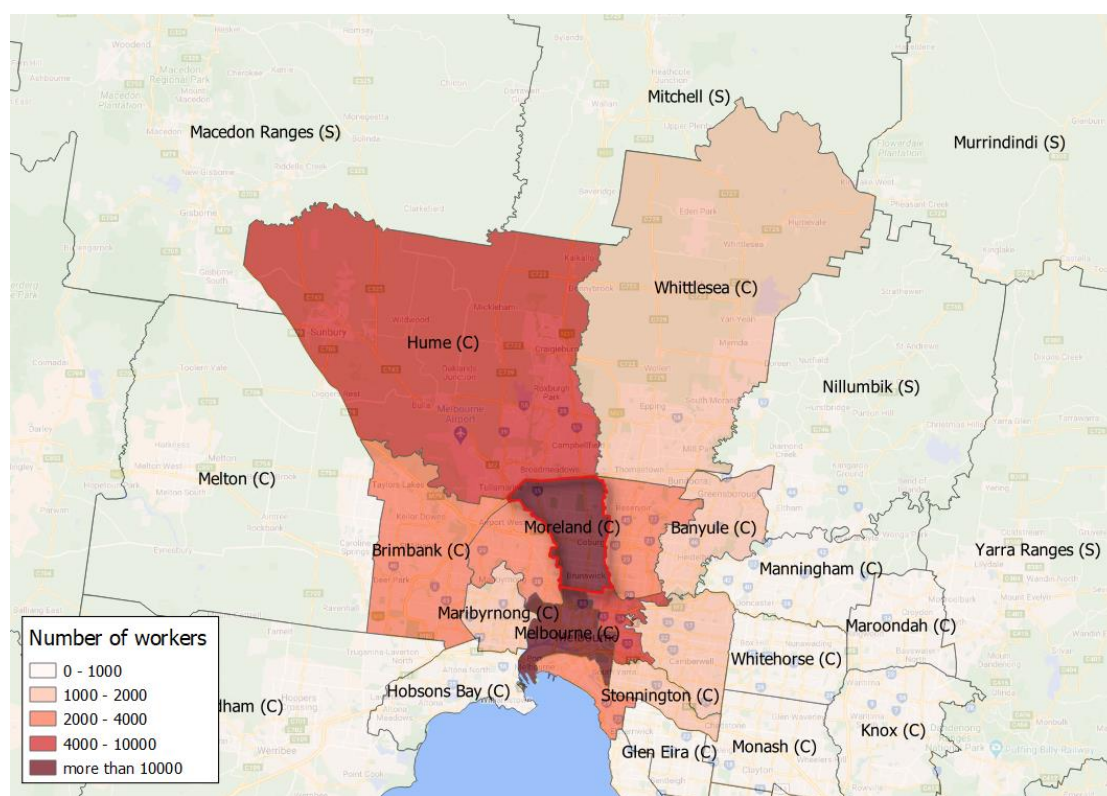
Source: ABS Census of population and housing, 2016

## 3.8 Residents are accessing employment in inner Melbourne

One of the reasons behind Moreland's strong population growth is the access it provides to employment and education facilities in inner Melbourne. In 2016, a third (33.5%) of all Moreland's employed residents worked in the City of Melbourne LGA. This equates to more than 34,000 people in 2018/19 numbers. The City of Hume with 7.3% (Melbourne Airport) and the City of Yarra (6.2%) were other key employment locations outside Moreland.

## Where Moreland residents worked in 2016

Map 3 Employment location of Moreland resident workers by LGA, 2016



Source: ABS Census of Population and Housing, 2016

### 3.9 Mixed household outcomes

There are also spatial differences in terms of the occupations of local residents which reflects qualifications, income levels, housing affordability and access to relevant jobs. The southern areas of Moreland are home to a much higher share of young professionals who are more likely to have university level qualifications.

In contrast, the northern areas have lower qualified residents, lower incomes and generally higher unemployment rates.



## Level of disadvantage across Moreland

Table 4 Selected socio-economic indicators by suburb, 2016

	Median weekly household income (\$)	University qualification (%)	Labour Force participation rate (%)	Unemployment rate (%)	Youth Unemployment	SEIFA index of disadvantage 2016
<b>Brunswick East</b>	1,747	49%	72%	5%	14%	1,066
<b>Brunswick</b>	1,724	47%	70%	6%	14%	1,052
<b>Brunswick West</b>	1,406	41%	66%	6%	14%	1,033
<b>Pascoe Vale South</b>	1,859	30%	64%	6%	14%	1,057
<b>Pascoe Vale</b>	1,493	28%	63%	6%	17%	1,029
<b>Oak Park</b>	1,665	30%	65%	6%	14%	1,048
<b>Coburg</b>	1,605	36%	65%	7%	15%	1,024
<b>Coburg North</b>	1,469	31%	60%	6%	16%	1,004
<b>Fawkner</b>	1,080	20%	50%	10%	22%	916
<b>Hadfield</b>	1,109	15%	51%	7%	15%	950
<b>Glenroy</b>	1,258	22%	56%	9%	18%	949
<b>Gowanbrae</b>	1,745	23%	66%	4%	18%	1,074
<b>City of Moreland</b>	1,501	34%	63%	7%	16%	1,014
<b>Greater Melbourne</b>	1,539	27%	62%	7%	16%	1,021

Red highlights shows bottom 4 in terms of disadvantage.

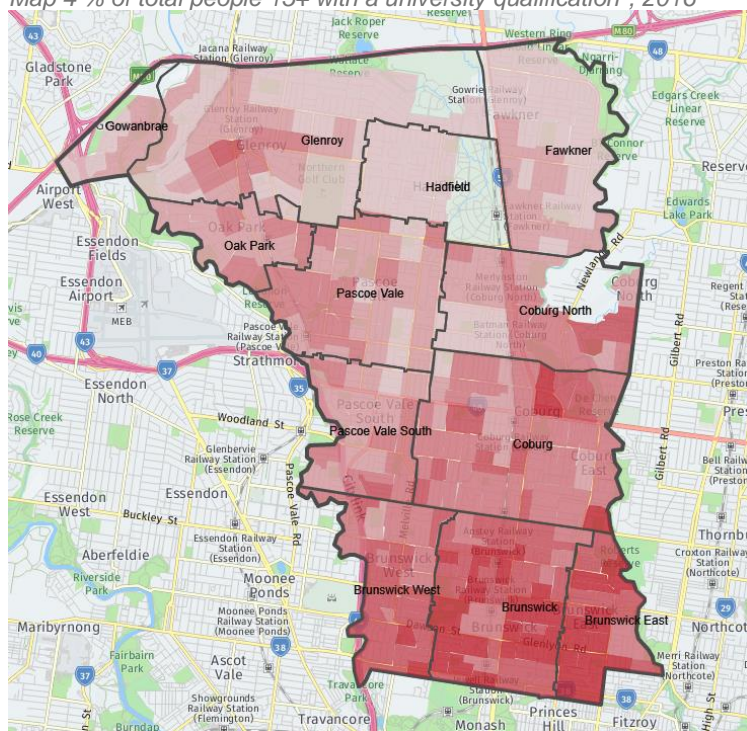
Source: ABS Census of Population and Housing, 2016

This is further illustrated in the qualification attainment map below. Moreland's highly qualified population is clustered around the 'Brunswicks' with more than 40% of the working age population having a university qualification in 2016. In contrast, Glenroy has the lowest proportion of people with university qualifications (22.5%). Without intervention, the relatively low skill profile in the Glenroy catchment is likely to limit the economic development potential of the Glenroy Activity Centre. Opportunities to improve the skill profile are likely to be required to attract jobs beyond household services.



## Moreland's highly skilled population is clustered in the south

Map 4 % of total people 15+ with a university qualification<sup>6</sup>, 2016



Source: ABS Census of Population and Housing, 2016

<sup>6</sup> University qualifications in this map include bachelor's degrees, PhD and master's degrees, graduate diplomas and graduate certificates

## 4. In the middle of a long-term transition to services

### Key Points

- ▣ Decades ago, manufacturing made up 30% of all jobs in Moreland. Today, manufacturing represents less than 10% of jobs.
- ▣ In its place, strong population growth has driven growth in health care (medical, hospitals, childcare, social assistance), schools, hospitality, hairdressers and gyms.
- ▣ More than 88% of job growth over the past five years has been in household services. Professional services, like architects, engineers, tax professionals, accountants, lawyers, and computer programmers, has also grown to meet the local needs of residents and businesses. Professional service jobs and businesses are concentrated in Brunswick.
- ▣ The rise of online shopping and changing consumer preferences has hampered growth in retail, a traditional strength of Moreland's economy.
- ▣ Several industries are identified as important drivers of future growth in Moreland. These strategic industries have been categories as large and growing; emerging and specialised.
  - Large and Growing: Health Care and Social Assistance, Retail and Food Services, Education and Training, and Construction.
  - Emerging: Professional, Scientific and Technical Services
  - Specialised: Creative and Cultural and Manufacturing
- ▣ Almost 40% of Moreland's jobs are located in the three Activity Centres, highlighting the critical role centres play in generating employment and providing services to the local community. They are a major source of commercial activity, supporting 58% of Moreland's Retail jobs, 53% of Hospitality jobs and 50% of Business Service jobs.
- ▣ The changes at the municipal level can be seen in changes to the industry mix in Activity Centres with a gradual transition away from food and clothes shopping to offer a broader range of experiences and lifestyle options.

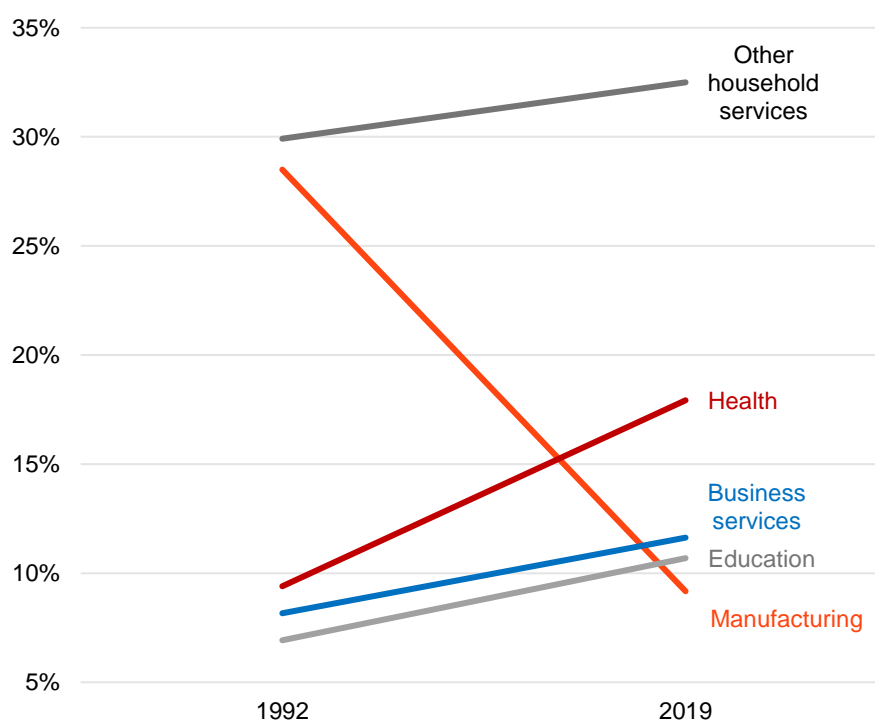
- ▾ The continued shift towards services is likely to reinforce the importance of Activity Centres, especially Brunswick, given the importance of agglomeration and benefits provided by the public transport network.
- ▾ Industrial Areas are also changing as they transition away from manufacturing to a wider range of economic activities.

## 4.1 Economic transition continues

Moreland's transition away from manufacturing is not new. Decades ago, manufacturing made up 30% of all jobs in Moreland, many of these in the textiles industry. But this has gradually fallen and now manufacturing makes up less than 10% of all jobs. In its place, there has been growth in health, education, household services as well as business service jobs.

### Changing industry mix

Figure 13 Share of total jobs, %, Selected Industries, City of Moreland



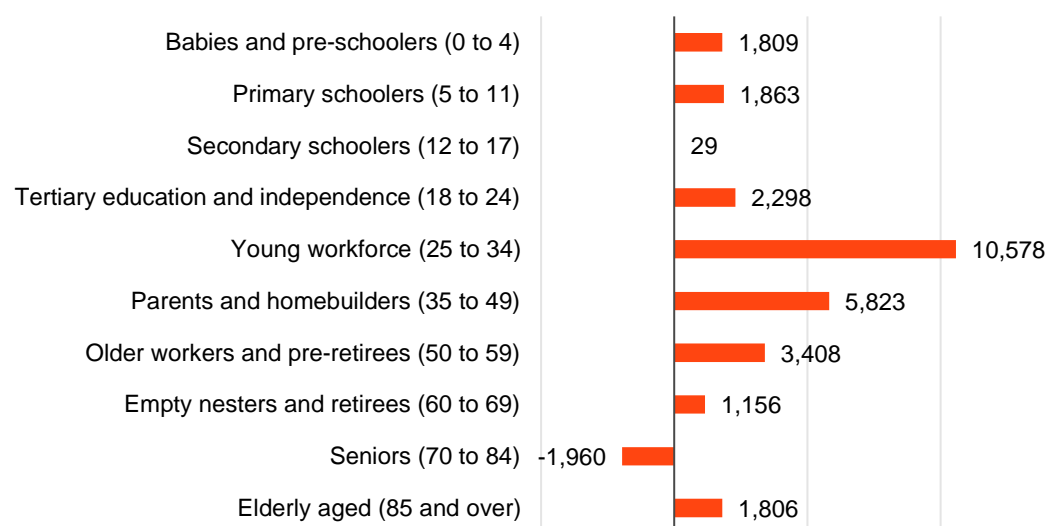
Source: NIEIR, 2020

## 4.2 Changing demographics has stimulated demand for local services

Population growth and change has driven strong demand for local services in Moreland. For example, growth in the number of babies and pre-schoolers has driven demand for child care, while growth in the number of primary schoolers has driven growth in Education and Training. Strong growth in 18-59 year olds has also supported an expansion in Hospitality, Construction and Personal Services. Growth across all age groups, but especially residents aged 60+ has led to strong growth in Health Care.

### Population growth has influenced local job growth

Figure 14 Change in residents by age, 2006-2016, City of Moreland



Source: ABS Census of Population and Housing, 2006 and 2016

## 4.3 Non-retail services driving recent growth

More than 88% of job growth over the past five years has been in household services, with most of this growth driven by non-retail services. The largest jobs growth in the five years to 2019 was in the Health Care and Social Assistance Services, which includes hospitals and doctors as well as childcare and aged care. Education and Training was the next largest, with strong increases in people employed in schools and adult community education (e.g. acting and drama schools, sports coaching and driving schools).

While underrepresented in Moreland, Professional Service jobs, like architects, engineers, tax professionals, accountants, lawyers, and computer programmers,

grew strongly over the past five years. Most of this growth is due to the demand driven by population and business growth within Moreland. The challenge to employment growth in this sector will be the ability to attract businesses that export services to a regional catchment. Nevertheless, this is an encouraging trend with strong business growth in knowledge-intensive Business Service like Management Advice and Related Consulting Services (34% of sector growth), Computer System Design and Related Services (18%) and Specialist Design Services (10%)<sup>7</sup>.

But the rise of online shopping and changing consumer preferences towards experiences (e.g. lifestyle, travel, food and beverage) has hampered growth in Retail Trade, especially other store-based retailing, a traditional strength of Moreland's economy.

## Economic and jobs change last five years

Figure 15 Local jobs and value added growth, 2013/14 to 2018/19, City of Moreland

Last five years (2014-2019)	Jobs	Value Added \$m
Manufacturing	-728	-51
Rental, Hiring and Real Estate Services	-77	2
Agriculture, Forestry and Fishing	-26	-7
Financial and Insurance Services	-9	0
Mining	-5	4
Wholesale Trade	7	5
Administrative and Support Services	15	22
Information Media and Telecommunications	59	34
Retail Trade	97	-3
Electricity, Gas, Water and Waste Services	108	21
Arts and Recreation Services	156	7
Public Administration and Safety	195	10
Tourism and Hospitality *	226	20
Transport, Postal and Warehousing	303	12
Professional, Scientific and Technical Services	361	33
Accommodation and Food Services	382	29
Construction	568	125
Other Services	602	28
Education and Training	632	26
Health Care and Social Assistance	1,325	177

Source: NIEIR, 2020

<sup>7</sup> ABR unpublished data.

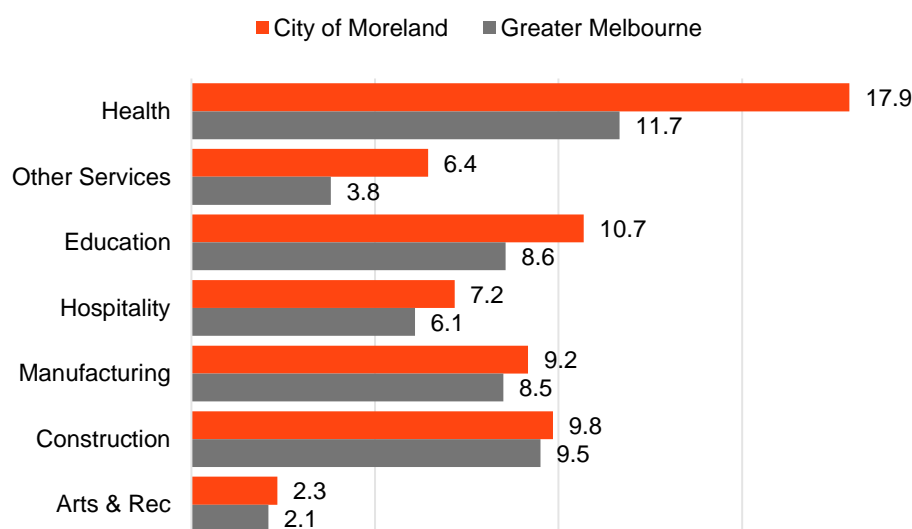
## 4.4 Existing competitive advantages provide a guide to future opportunities

Another way to look at the industry profile in Moreland is to consider its specialisations. Specialisations are important as this is what makes a local economy unique and where investment can work with the market to drive future growth.

Most of Moreland's largest sectors are also ones in which the City is over-represented compared to Greater Melbourne (higher share of employment in Moreland than that sector's share in Greater Melbourne). Construction and Manufacturing have declined in terms of an over-representation in the last five years, whereas all the others have grown.

### Most over-represented sectors by local jobs

Figure 16 Shares of jobs by sector, 2018/19, top 7 with larger share in City of Moreland



Source: NIEIR, 2020

The table below provides further information about Moreland's specialisations at a finer-grain industry level. Specialisations are identified when the share of employment in Moreland is more than 1.2 times the Greater Melbourne average (i.e. a Location Quotient greater than 1.2).

## Industries with a larger than metro average share of jobs or value added

Table 5 Specialisations in the City of Moreland – Detailed Industry Level

Industry Sector	Level of specialisation (Location Quotient <sup>8</sup> )	Details
<b>Hospitality and Entertainment</b>		
Food and beverage services	1.3	Predominately cafes/restaurants/bars lower end of Moreland (e.g. Brunswick and Brunswick East)
Creative and performing arts	2.9	Large amount of independent Creative Artists, Musicians, Writers and Performers mainly in Brunswick and Coburg
Motion picture and sound recording activities	1.3	Numerous music studios mainly in Brunswick
Food retail	1.4	Barkly Square and other supermarkets/small groceries
<b>Manufacturing &amp; wholesale</b>		
Food products	1.5	Many small bakeries, but also a range of small food and beverage manufactures (e.g. meat processors, breweries). Visy food can manufacturing in Coburg North.
Textiles, clothing and footwear	2.5	Small clothing manufacturers in Brunswick
Printing	1.2	Commercial printers in Brunswick e.g. Litho Superpak
Polymer Product and Rubber	2.5	Plastics companies in Fawkner e.g. Foster Plastics Industries
Furniture	1.4	Small furniture makers especially in Coburg North
Grocery, Liquor and Tobacco Product Wholesaling	2.5	Co-located next to manufacturers in Coburg North
Other goods wholesaling	1.2	Textile, Clothing and Footwear Wholesaling & furniture wholesaling in Brunswick and Brunswick East
Road transport	1.2	Taxi drivers in Fawkner and Glenroy
<b>Education and training</b>		
Preschool and school	1.6	Numerous schools servicing large population base e.g. Coburg High School and specialist schools e.g. Glenroy
Adult, community and other	1.7	Independent facilities especially in Coburg e.g. ACET, TRISON Business College
<b>Health Care &amp; Social Assistance</b>		

<sup>8</sup> Industry is considered specialised if the LQ is greater than 1.2. That is, the industry share is 1.2 times larger than the metropolitan average.

Medical and other health care	1.5	Allied health and medical services mainly in Coburg and Brunswick, mainly around Moreland Rd (e.g. connected to the two Private Hospitals), and along Sydney Rd.
Residential Care	2.2	Aged Care facilities (nursing homes and home care) throughout
Social assistance services	2.6	Childcare services throughout
<b>Other Services</b>		
Personal and other services	1.6	Numerous hairdressers and other services, mainly in Brunswick
Repair and Maintenance	1.8	Large amount of Automotive Repair and Maintenance businesses in Coburg North

*Industries Location Quotient >1.2 in jobs & share of jobs>0.5% of total*

Source: NIEIR, 2018

Moreland is also home to the RMIT School of Fashion and Textiles and several trade training centres such as the Plumbing Industry Climate Action Centre (PICAC).

Assets like this and the former Brunswick Business Incubator provide several benefits to local businesses including the opportunity for collaboration, networking and advice, or access to skills.

## 4.5 Creative Moreland

Moreland has historically had a strong connection with creative industries, whether they be clothing and textile manufacturing or the night time entertainment establishments along Sydney Road.

Moreland Arts Infrastructure Plan 2018-2023 prepared by Hodyl + Co, highlights the depth of arts infrastructure available in Moreland. Spaces are diverse, and include galleries, studios (shared, lockable, specialised), shop fronts, dance studios, theatres, event space, church halls and factories.

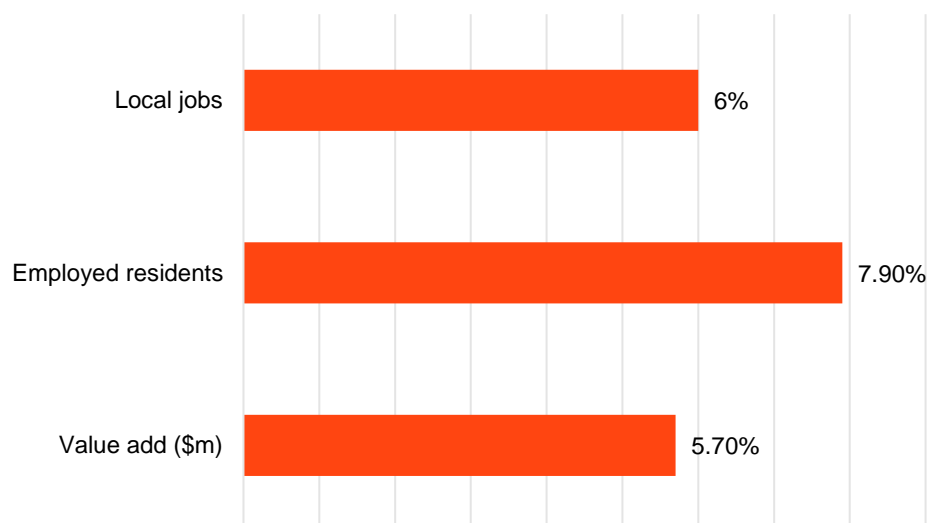
The creative sector in Moreland was estimated to have employed almost 2,800 people in 2018/19, or 6% of all local jobs. Total value added of the sector was estimated at \$251m or 5.7% of Moreland's total value added.

However, Moreland is more regarded as a home for creative workers. In 2018/19, just over 8,000 residents worked in the sector. This represented almost 8% of the total employed resident base, well above the Greater Melbourne average.



## Strong creative sector economy

Figure 17 Share of City of Moreland, 2018/19



Source: NIEIR, 2020

Moreland's specialisation in the creative sector include clothing and footwear manufacturing, creative artists, musicians, writers and performers, music and movie production services and a range of design services. Creative artists, musicians, writers and performers represented 16.2% of all creative sector jobs in Moreland in 2018/19, more than four times the Greater Melbourne average.

## Creative Sector Specialisations

Table 6 Industry Specialisation<sup>9</sup> and share of Creative Sector Jobs, 2018/19.

Industry	Location Quotient (Greater Melbourne)	Share of Creative Sector jobs
Footwear Manufacturing	5.8	1.4%
Creative Artists, Musicians, Writers and Performers	4.3	16.2%
Creative and Performing Arts Activities	4.0	1.0%
Clothing Manufacturing	3.6	9.0%
Music and Other Sound Recording Activities	2.9	0.9%
Professional Photographic Services	2.6	4.8%
Jewellery and Silverware Manufacturing	2.2	1.5%
Motion Picture and Video Production	1.9	4.7%
Post-production Services and Other Motion Picture and Video Activities	1.8	0.5%
Other Specialised Design Services	1.7	9.9%
Printing Support Services	1.6	0.7%
Printing	1.5	9.6%
Performing Arts Operation	1.4	1.8%
Radio Broadcasting	1.4	1.1%
Performing Arts Venue Operation	1.3	1.1%

N.B. Only industries  $\geq 0.5\%$  of sector jobs included.

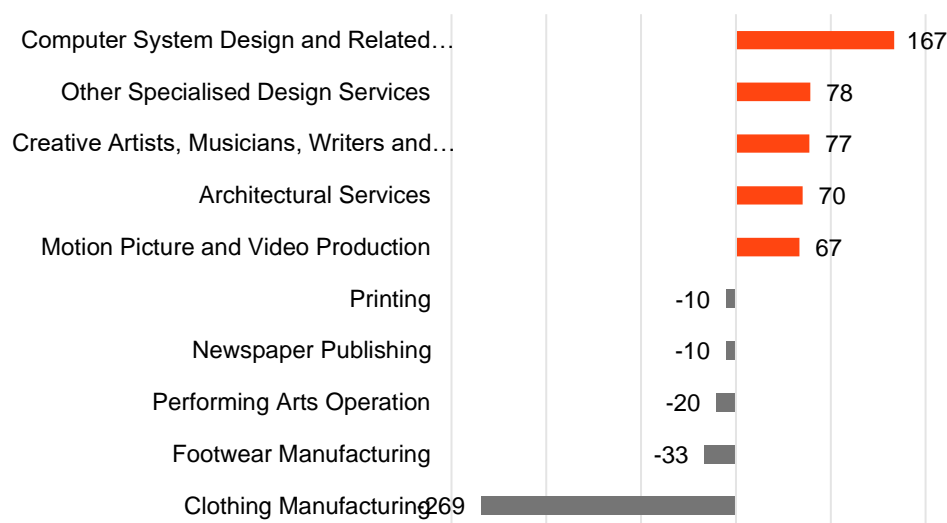
Source: NIEIR, 2020

In terms of recent trends, local jobs in the sector are estimated to have grown by 282 jobs between 2010/11 and 2018/19, or 1.3% p.a. This was slightly below the growth rate for all jobs (1.4% p.a.). Local value added in the sector is estimated to have grown by \$77.2M between 2010/11 and 2018/19. This represented 4.7% growth, well above the jobs growth, and reflects a transition from less productive industries to more productive ones. The largest jobs growth in the period occurred in design related areas. The largest jobs declines were in manufacturing areas.

<sup>9</sup> Industry is considered specialised if the LQ is greater than 1.2. That is, the industry share is 1.2 times larger than the metropolitan average.

## Industries with largest increase or decline in jobs

Figure 18 Change in creative jobs, 2010/11 to 2018/19, City of Moreland



Source: NIEIR, 2020

This specialisation in the creative sector has been reinforced by the designation of the Brunswick Design District, a collaborative partnership between RMIT University, Moreland City Council and Creative Victoria. This partnership seeks to encourage existing creative entrepreneurs in the suburb to stay and grow. The district spans across the RMIT Brunswick-based design campus, including its world-class School of Fashion and Textiles, in addition to Council's Civic and Cultural precinct and the key sites at 420 Victoria Street and 33 Saxon Street, Brunswick. These strategic sites have the potential to deliver high quality employment space and attract a major tenant and have the potential to boost Brunswick's commercial status.

## 4.6 Strategic Sectors

Several sectors are identified as important drivers of future growth in Moreland. These strategic sectors have been categorised as large and growing; emerging and specialised.

- ▣ Large and Growing: Health Care and Social Assistance, Retail and Food Services, Education and Training, and Construction.
- ▣ Emerging: Professional, Scientific and Technical Services
- ▣ Specialised: Creative and Cultural and Manufacturing

## 4.7 Spatial implications of this transition

Almost 40% of Moreland's jobs are in the three Activity Centres, highlighting the critical role centres play in generating employment and providing services to the local community. They are a major source of commercial activity, supporting 58% of Moreland's Retail jobs, 53% of Hospitality jobs and 50% of Business Service jobs.

While providing an important source of jobs and economic activity, Industrial Areas contain far less jobs than Centres. In 2020, they supported around 20% of Moreland's jobs. There is also a large share of jobs (40%) not located in Activity Centres, Neighbourhood Centres, Local Centres and Industrial Areas, with many jobs located in schools, aged care facilities, residential areas and also hospitals. There may be opportunities to better plan for this growth outside of Centres, especially for health sector jobs given its size as Moreland's largest employer, recent growth and forecast growth.

### Large share of employment located in Centres

Table 7 Job distribution in Moreland by location, 2020

	Jobs	Share of total jobs
<b>Centres</b>	<b>23,437</b>	<b>48%</b>
Activity Centres	18,907	39%
Neighbourhood Centres	3,323	7%
Local Centres	1,207	2%
<b>Industrial Areas</b>	<b>9,386</b>	<b>19%</b>
Core Industrial and Employment Areas	8,493	17%
Employment Priority Areas	893	2%
<b>Elsewhere</b>	<b>19,631</b>	<b>40%</b>
<b>Moreland LGA</b>	<b>48,588</b>	<b>100%</b>

Note: Brunswick Industrial Areas are included in the Activity Centre estimate. As such, percentages in the table do not add up to 100%.

Source: .id

Spatially, jobs are concentrated in the transport rich southern area of Moreland, especially in Brunswick Activity Centre and Coburg Activity Centre. Combined these centres account for around 36% of all jobs in Moreland. Brunswick Activity Centre is the largest centre with around 12,500 jobs (26% of total). The next largest precincts were Coburg (4,700 jobs), Coburg North (2,730 jobs) and Glenroy Activity Centre (1,650 jobs).

Table 8 Jobs by employment precinct, 2020

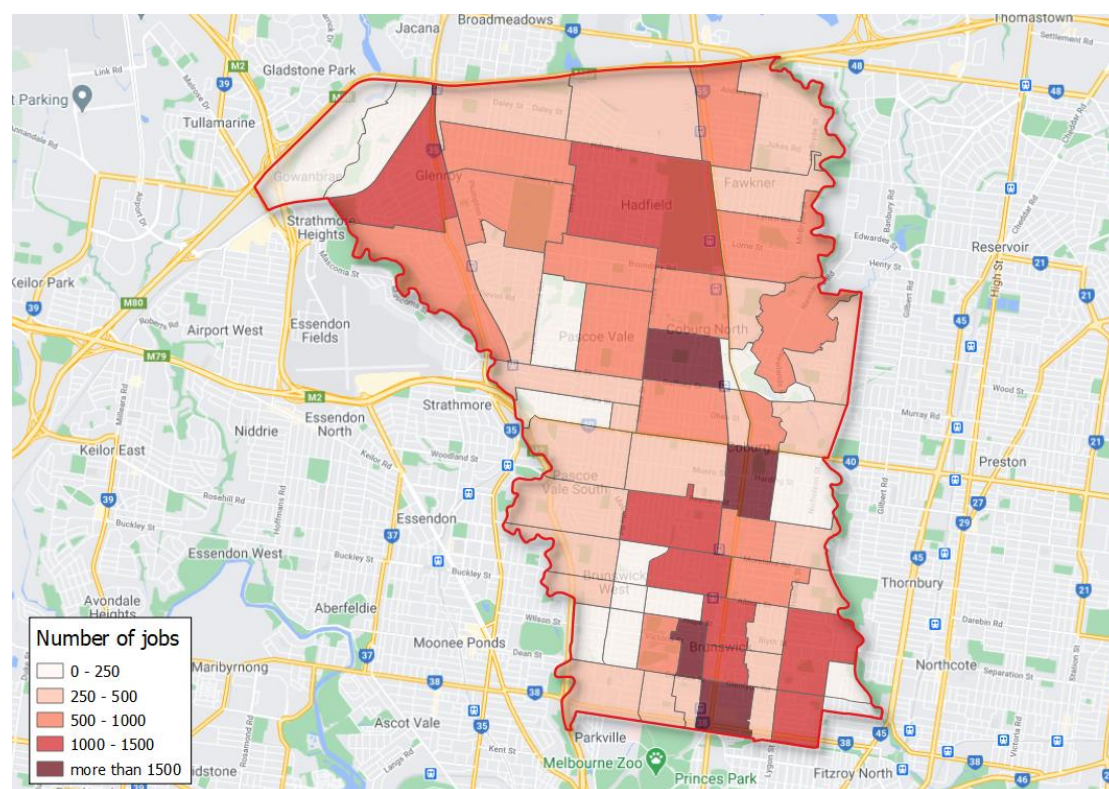
	Commercial	Industrial	Total
<b>CENTRE</b>	<b>19,302</b>	<b>4,135</b>	<b>23,437</b>
<b>Activity Centre</b>	<b>15,229</b>	<b>3,678</b>	<b>18,907</b>
Brunswick	9,531	3,032	12,563
- Commercial Area	7,470	1,226	8,696
- MILS Cat 1 Area	1,824	1,620	3,444
- MILS Cat 2 Area	237	186	423
Coburg	4,312	382	4,694
Glenroy	1,386	264	1,650
<b>Neighbourhood Centre</b>	<b>2,975</b>	<b>348</b>	<b>3,323</b>
Grantham/Union Streets, West Brunswick	321	15	336
Melville Road/Albion Street/Victoria Street, West Brunswick	312	85	398
Melville/Moreland Roads, West Brunswick	179	10	189
Moreland Road/Nicholson Street, Coburg/Brunswick	283	162	445
Bell Street/Melville Road, Pascoe Vale South	550	38	587
Gaffney Street/Pascoe Vale Station, Pascoe Vale	280	7	287
Gaffney/Sussex Streets, Coburg North	234	21	255
Merlynston	121	0	121
Bonwick Street, Fawkner	129	4	133
Snell Grove, Oak Park	182	7	189
West Street, Hadfield	247	0	247
Elizabeth Street, Coburg North	137	0	137
<b>Local Activity Centre</b>	<b>1,097</b>	<b>109</b>	<b>1,207</b>
LAC (total)	1,097	109	1,207
<b>INDUSTRIAL AREA</b>	<b>4,176</b>	<b>5,210</b>	<b>9,386</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>3,689</b>	<b>4,804</b>	<b>8,493</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	1,824	1,620	3,444
Coburg North	1,211	1,520	2,731
Merlynston, Fawkner, Hadfield	367	1,059	1,426
Newlands Road	287	605	892
<b>Category 2 - Employment Priority Areas</b>	<b>487</b>	<b>406</b>	<b>893</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	237	186	423
Grantham / Union St, West Brunswick	198	68	266
Moreland Road Coburg/Brunswick	3	104	107
Devon Road	33	18	50
Gaffney Street/Pascoe Vale Station, Pascoe Vale	16	31	47
<b>ELSEWHERE</b>	<b>13,901</b>	<b>5,730</b>	<b>19,631</b>
Elsewhere	13,901	1,078	14,980
Construction	0	4,651	4,651
<b>Total</b>	<b>35,318</b>	<b>13,270</b>	<b>48,588</b>

Note: Brunswick Industrial Areas are included in the Activity Centre estimate. As such, percentages in the table do not add up to 100%.

Source: .id

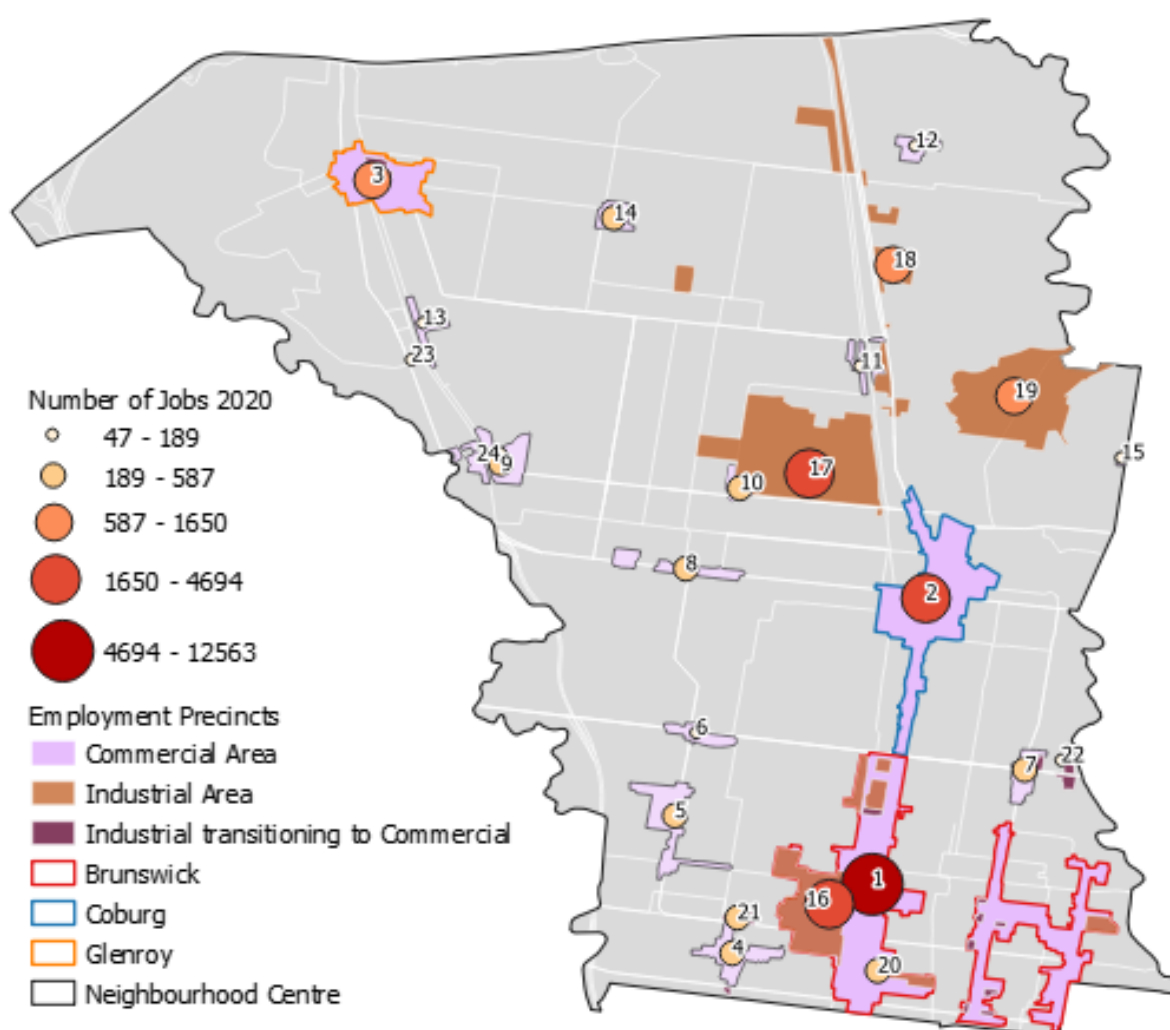
## Jobs concentrated along the Sydney Road / Upfield Line Corridor

Map 5 Distribution of jobs in Moreland, 2016



Source: ABS Census of Population and Housing, 2016

Map 6 Jobs by employment precinct



id	Name
1	Brunswick
2	Coburg
3	Glenroy
4	Grantham/Union Streets, West Brunswick
5	Melville Road/Albion Street/Victoria Street, West Brunswick
6	Melville/Moreland Roads, West Brunswick
7	Moreland Road/Nicholson Street, Coburg/Brunswick
8	Bell Street/Melville Road, Pascoe Vale South
9	Gaffney Street/Pascoe Vale Station, Pascoe Vale
10	Gaffney/Sussex Streets, Coburg North
11	Merlynston
12	Bonwick Street, Fawkner
13	Snell Grove, Oak Park
14	West Street, Hadfield
15	Elizabeth Street, Coburg North

id	Name
16	Brunswick MILS Cat 1
17	Coburg North
18	Merlynston, Fawkner, Hadfield
19	Newlands Road
20	Brunswick MILS Cat 2
21	Grantham / Union St, West Brunswick
22	Moreland Road Coburg/Brunswick
23	Devon Road
24	Gaffney Street/Pascoe Vale Station, Pascoe Vale

Source: .id based on NIEIR SA2 Forecasts



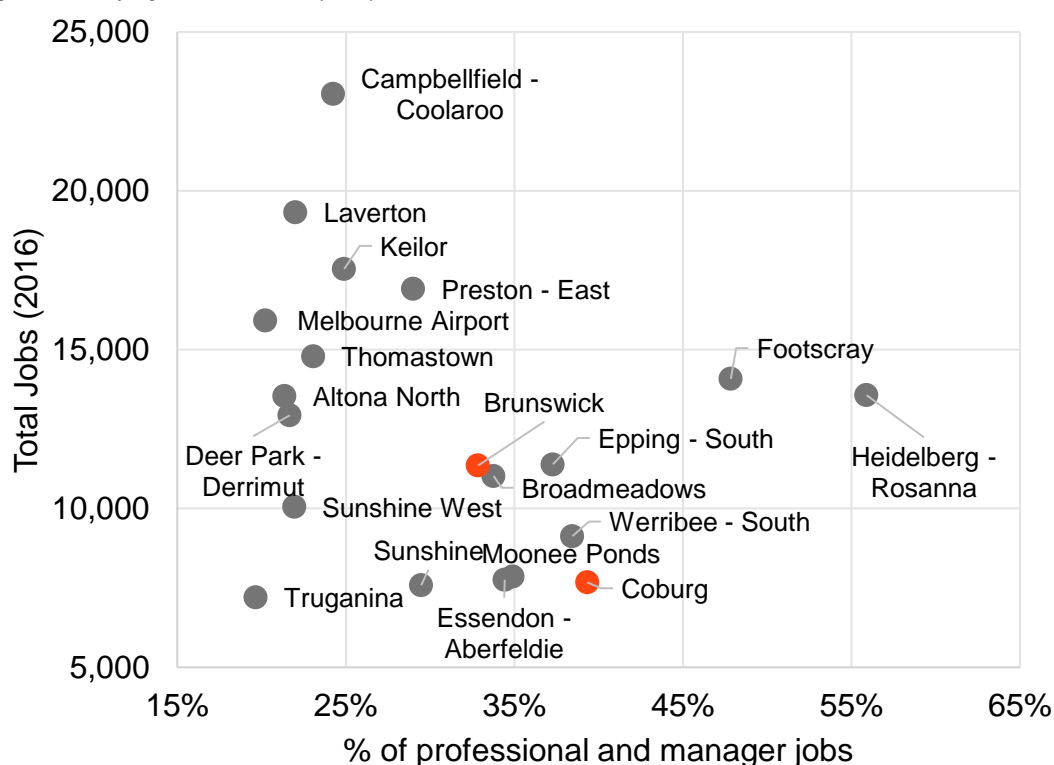
As with any large region, specific locations within Moreland perform different economic roles:

### Brunswick Activity Centre

As Moreland's largest job cluster, Brunswick Activity Centre plays an important economic role in the northern region of Greater Melbourne. The centre is also designated as a Regionally Significant Commercial Area in MICLUP. The centre plays an important regional role in Melbourne's North and West being the 12<sup>th</sup> largest employment cluster<sup>10</sup> with a similar number of jobs to Broadmeadows (home to the Broadmeadows Metropolitan Activity Centre). Compared to the top 20 employment clusters, Brunswick has a larger share of professional and manager workers (33%), highlighting the knowledge-intensive role it plays in the north and western regions of Melbourne.

### Brunswick and Coburg are regionally significant employment clusters in the northern and western region of Melbourne

Figure 19 Employment Clusters (SA2) in Northern and Western Melbourne



Source: ABS Census of Population and Housing

<sup>10</sup> Based on SA2s



The centre is diverse, performing both a commercial and industrial function. Of the 12,500 jobs in the Brunswick Activity Centre in 2020, 8,700 jobs were in the commercial area and 3,875 jobs in the Industrial Area.

Brunswick Activity Centre supported more than 26% of total Moreland jobs in 2020. The industry mix of the centre is diverse with a range of commercial, industrial, retail and hospitality jobs. At a broad industry level, the largest employing industries were Business Services (22%), Retail (21%), Health (14%) and Industrial (14%).

Employment growth in the centre was marginally below the Moreland average at 1.7% per annum over the past five years to 2020. The main drivers of growth were Health, Other Services and Business Service jobs.

Brunswick Activity Centre has developed key specialisations in several linked sub-industries – including creative sectors, professional services (accounting, design, architectural, consulting) and computer system design. Its job density combined with related diversity, a plus for supply chain activities, supports interaction between firms and institutions with the potential to generate ‘knowledge spill overs’, driving innovation and growth. Brunswick Activity Centre also draws from a regional catchment which elevates its economic role.

A competitive position analysis (see Appendix A - 9.7) shows that Brunswick Activity Centre provides the most competitive location for office development in Moreland due to current market interest, its dense, highly accessible location, industry mix, proximity to CBD and Parkville and highly skilled labour force catchment.

### **Coburg Activity Centre**

Coburg Activity Centre is the second largest employment precinct in Moreland, supporting around 9.7% of Moreland’s jobs. The centre is also designated as a Regionally Significant Commercial Area in MICLUP. As illustrated above (Figure 19), Coburg plays a regionally important role being the 18<sup>th</sup> largest employment cluster in northern and western Melbourne. Of the top 20, it has the 3<sup>rd</sup> highest share of manager and professional jobs.

The centre is also diverse with a large share of jobs in Business Services (31%, mostly due to location of Moreland City Council offices in Coburg), Health (21%) and Retail (17%).

Employment growth in the centre is on par with the Moreland average at 1.8% per annum over the past five years to 2020. The main drivers of growth were Health and Business Services.

The competitive position analysis found that Coburg Activity Centre was the second most attractive location for office development in Moreland. Compared to Brunswick Activity Centre, Coburg scored lower due to its lower scores on proximity to CBD/Parkville, the skill profile of its labour force catchment and recent population growth. This may limit the ability to re-direct office space from Brunswick to Coburg in the medium term. However, public realm investment such as the level crossing project at Coburg Station may increase the attractiveness of commercial development in Coburg Activity Centre.

### **Glenroy Activity Centre**

Glenroy Activity Centre is relatively small compared to Brunswick Activity Centre and Coburg Activity Centre. The centre is also designated as a Regionally Significant Commercial Area in MICLUP. The size of this centre suggests that it services the needs of its local population. This is further reflected by its very high share of Health Jobs (38% of centre jobs). Retail (17%) and Business services (15%) are also prominent.

Employment growth in the centre was below the Moreland average at 1.6% per annum over the past five years to 2020. The main driver of growth was Health.

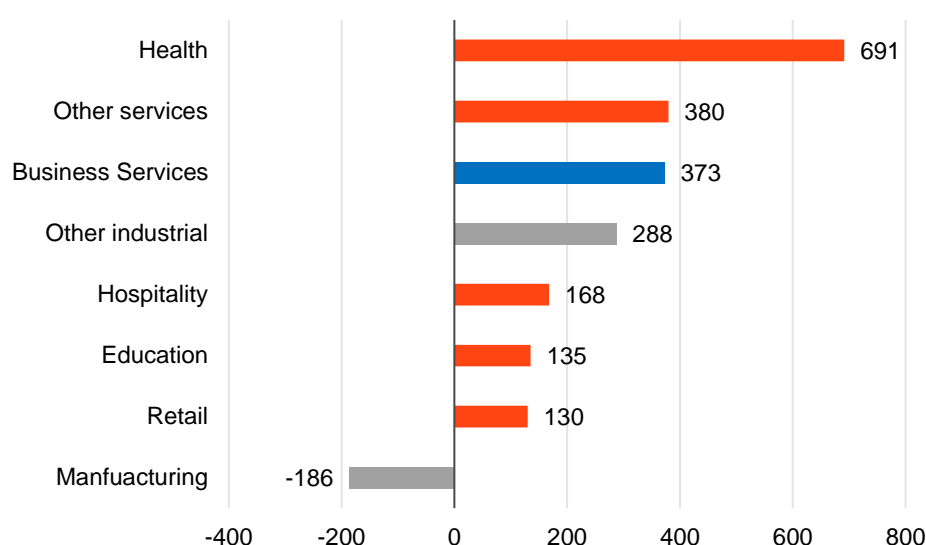
According to the competitive positioning analysis, Glenroy Activity Centre is not currently considered a highly attractive location for office development due to its small size, distant location to Melbourne CBD/Parkville and its catchment characterised by low population growth and relatively low skills.

## 4.8 Employment Precincts are changing to meet local demand

This transition towards services is changing the role and function of centres away from primarily food and clothes shopping to offer a broader range of experiences and lifestyle options including cafes, restaurants, hairdressers, gyms as well as health and wellness requirements of the population. Further details and analysis about industry growth by Employment Precinct can be found in Appendix A ([Chapter 9.2](#)).

### Changing industry profile of Centres

Figure 20 Employment change in Centres by Broad Industry, 2015-2020

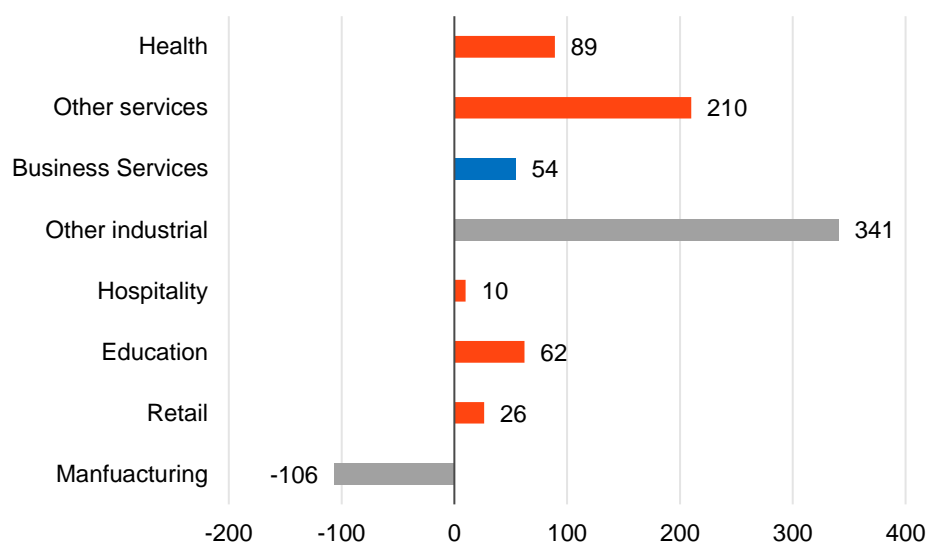


Source: .id based on NIEIR SA2 employment estimates

Industrial Areas are home to around 10,000 jobs (20% of total). Around 56% of jobs in industrial areas are manufacturing or related jobs. They include a range of activities that service a regional catchment including inner Melbourne (e.g. wholesaling, printing, food production, etc). But these areas are changing as they transition away from manufacturing to a wider range of activities including wholesale trade, warehousing, household and business services. These areas complement traditional commercial areas by offering businesses more affordable rent and a variety of building types. Growth in other industrial and services highlight the important role that industrial areas are playing in supporting economic change in Moreland.

## Changing industry profile of Industrial Areas

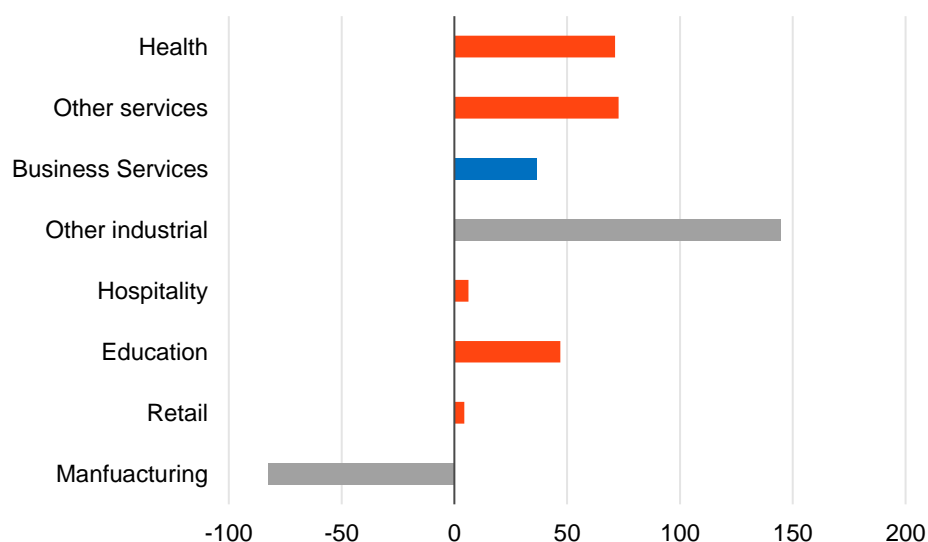
Figure 21 Employment change in Industrial Areas by Broad Industry, 2015-2020



Source: .id based on NIEIR SA2 employment estimates

This trend is most apparent in the Brunswick Industrial Areas (MILS Category 1 and Category 2) with strong growth in Other Industrial (mostly transport), Other Services, Health, Education and Business Services. Manufacturing jobs fell by around 83, further illustrating the shift towards a more diverse range of employment sectors.

Figure 22 Employment change in Brunswick Industrial Areas by broad industry, 2015-2020



Source: .id based on NIEIR SA2 employment estimates

## 5. Growth and change is forecast to continue

### Key Points

-  Future economic growth will be driven by population growth, continuation of industry trends, infrastructure investment and concentration of jobs around highly accessible and amenity-rich Activity Centres.
-  Under the base case (Scenario 1; based on existing trends and drivers, COVID recovery and limited policy intervention), employment is forecast to increase by 9,361 jobs between 2020 and 2035.
-  Strong growth is forecast for household services such as health, education and retail and hospitality. Professional service jobs are forecast to experience moderate growth. Manufacturing's strong decline is forecast to slow somewhat (in terms of total jobs) but will continue to decline and see local manufacturing jobs fall by around 1,300 jobs between 2020 and 2035. This represents a 29% fall from 2020 levels.
-  This job growth (1.2% p.a.) is still forecast to be below employed resident growth (2.1% p.a.) with the jobs deficit rising to around 88,000 by 2035 and employment self-sufficiency falling to 40%.
-  The future trajectory of Moreland's economy is not set in stone though and can be influenced by several factors which are outlined in this chapter. Under a more ambitious growth scenario (Scenario 2), employment could grow by 16,373 jobs. In Scenario 2, this stronger growth is forecast for existing specialisations like health and the creative sector but also for professional services, an identified gap with growth potential.
-  Scenario 2 highlights the opportunity to slow and halt the current decline of employment self-sufficiency. By doing so, Moreland can set up the economic conditions to increase employment self-sufficiency over the longer term.
-  Forecast growth in services at the municipal level means that Moreland's centres will play an increasingly vital role in accommodating future commercial related job growth. By 2035, between 5,700 and 11,100 additional jobs are forecast to be located within Moreland's Activity Centres, with most of this growth located in Brunswick Activity Centre

(2,858 to 6,564 jobs<sup>11</sup>) and Coburg Activity Centre 2,401 to 4,026 jobs). Combined, they account for 56% to 66% of Moreland's forecast job growth and represent critical locations to support Moreland's economic development aspirations. Glenroy, however, is forecast to experience slower growth (415 to 495 jobs).

-  Neighbourhood Centres and Local Centres are expected to experience a relatively small increase in jobs.
-  Industrial Areas are forecast to grow by between 1,000 and 1,900 jobs, highlighting their continued role in supporting job growth and economic activity. But their industry mix is expected to change with manufacturing jobs continuing to decline and be replaced by growth in Household Services, Business Services and Other Industrial jobs.
-  Like many places, COVID-19 will have a major impact on employment growth in the short to medium term with employment unlikely to return to December 2019 levels until mid-2022. The pandemic may also result in a range of longer term challenges and opportunities for Moreland.
-  Planning for future job growth in Moreland however requires a long term view out to 2035 and beyond. The long-term impact, such as the propensity to work from home, remains uncertain and continual monitoring against the trend forecast is required.

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<sup>11</sup> Includes Brunswick Industrial Area

## 5.1 Forces influencing future employment needs

Future growth in the Moreland economy will be driven largely by population growth, continuation of industry trends (e.g. increase in knowledge workers and services), infrastructure investment and concentration of jobs around highly accessible and amenity-rich Activity Centres. The table below summarises several factors that could influence these components of growth going forward.

### Forces influencing future growth in businesses and employment

Table 9 Forces influencing future growth

Forces	Implications
<b>Forecast population growth and change</b>	<ul style="list-style-type: none"> <li>Strong growth across all age groups will drive demand for retail, cafes, restaurants, entertainment, health, and schools.</li> <li>Growth expected across all suburbs driving demand for local goods and services (which are provided by Moreland's network of Activity Centres, including Activity Centres, Neighbourhood Centres and Local Centres).</li> </ul>
<b>Rise of knowledge workers</b>	<ul style="list-style-type: none"> <li>Most employment growth in the past twenty years has been in jobs requiring cognitive and/or non-routine-based skills. A significant number of skilled residents have moved into Moreland over this period.</li> <li>Continued growth in services and knowledge jobs will drive demand for commercial uses across Moreland. Strong growth in the skill levels of residents is also a plus for local businesses and entrepreneurs.</li> </ul>
<b>Online shopping</b>	<ul style="list-style-type: none"> <li>Retail offer will evolve with changing consumer preferences and disruption from online shopping.</li> <li>Shift to food/lifestyle, less on apparel / household goods.</li> <li>This will see smaller format shops (e.g. fashion) being replaced by cafes, bars, restaurants, services, offices.</li> </ul>
<b>Forces of agglomeration</b>	<ul style="list-style-type: none"> <li>The shift to knowledge jobs has also led to a substantial shift in the geography of jobs, with a concentration of a disproportionate share of economic activity in a handful of economic regions with strong job density.</li> <li>In Melbourne, the benefits of agglomeration have favoured inner city locations supported by its rich public transport network and local amenity.</li> <li>Brunswick has many of the successful elements of other inner fringe city locations with good access to Parkville and Melbourne CBD. However, it will face competitive pressure from other, closer inner fringe locations like suburbs in Yarra and urban renewal precincts like Arden in North Melbourne.</li> <li>Moreland also has the potential to leverage off existing local/urban agglomerations like the Brunswick Design District and its growing resident skills base. These</li> </ul>

	agglomerations are crucial for economic development and productivity growth in the knowledge economy.
<b>Emergence of inner fringe office market</b>	<ul style="list-style-type: none"> <li>• A report by Knight Frank on Melbourne's fringe office market suggests that locations like Richmond, Cremorne, Collingwood and Abbotsford offer a trendy urban edge and sense of community that appeals to Millennial and Gen Z workforce.</li> <li>• While Moreland is not currently seen as a fringe office location, market sounding suggests there are opportunities to meet demand for smaller office suites with potential for a broader offer in the medium term given the growth in young skilled workers in the region.</li> <li>• Interviews and think tank workshops with developers, researchers and planning experts suggest there is an opportunity in the long term (+10 years) to attract a higher share of office demand to Brunswick and Coburg. See Appendix C for more information.</li> </ul>
<b>Investment innovation, start-ups and co-working spaces</b>	<ul style="list-style-type: none"> <li>• In the past decade, there has been exceptionally high growth in the number of small, largely tech based, entrepreneurial businesses seeking to grow rapidly by utilising opportunities provided by new organisation designs that support innovation, digital applications, decreased barriers to entry, abundance of skilled labour, and where available, supply of low rent office space</li> <li>• More recently, the number of coworking spaces has increased significantly across Melbourne<sup>12</sup>, with a range of types being delivered.</li> <li>• The combination of a strong small business sector and growing professional workforce is likely to support demand for new small format offices in Moreland</li> </ul>
<b>Changing demand for industrial land in inner areas</b>	<ul style="list-style-type: none"> <li>• Industrial sectors such as manufacturing, wholesale trade and transport, postal and warehousing sectors are expected to continue their move to outer areas of Melbourne where large and affordable sites are available.</li> <li>• Despite the decline of manufacturing in Moreland, there are several manufacturing sectors growing, including polymer product and rubber product manufacturing (plastics) and metal product manufacturing. Many are small-scale manufacturers who benefit from a location in Moreland.</li> <li>• Local focused industrial areas will also be required to support demand for mechanics, self-storage facilities, construction services and maintenance.</li> <li>• There is also a trend for industrial areas to support a range of other services such as retail, recreation and professional services. These industrial spaces are</li> </ul>

<sup>12</sup> Mahlberg, Tim; Riemer, Kai (2017) "Coworking Spaces Australia: The new places where people work, businesses grow, and corporates connect." Sydney Business Insights, <http://sbi.sydney.edu.au/coworking-spaces-australia/>



	typically cheaper and offer flexibility to change with business needs.
<b>Investment and economic development of Melbourne's north and west</b>	<ul style="list-style-type: none"> <li>Major infrastructure projects have been identified for Melbourne's north and west and if approved would deliver an unprecedented level of investment in the region. Major projects committed or identified include Melbourne Airport Rail Link, North East Link, Suburban Rail Loop and Melbourne Metro 2. This investment in infrastructure is expected to significantly improve the economic performance of Melbourne's North and West, providing multiplier opportunities for Moreland.</li> <li>There are also several projects and partnerships which will have a direct impact on jobs in Moreland including the Brunswick Design District, Suburban Rail Loop and Transit Oriented Development opportunities around stations, such as the opportunities for Coburg and Glenroy from Level Crossing Removal projects.</li> </ul>
<b>COVID-19</b>	<ul style="list-style-type: none"> <li>Significant impact on employment growth in the short to medium term with employment unlikely to return to December 2019 levels until mid-2022. Further information about the economic impacts of COVID-19 is presented at <a href="#">Appendix B – 10.9</a>.</li> <li>Commercial development in Greater Melbourne is likely to be impacted by lower valuations due to lost rental income and lower expectations of future rental growth. Lower valuations may affect the viability of future projects across Melbourne in the short/medium term. Vacancy rates are also expected to increase. Businesses may also reduce their long-term floor space requirements due to increased acceptance of working from home.</li> <li>However, there is considerable uncertainty surrounding tenant demand for office in the longer term, including greater potential for working from home, increased demand for suburban office, space requirements, etc. Some of these factors may provide opportunities to attract a greater share of commercial demand in Moreland.</li> </ul>

## 5.2 Future employment needs in Moreland

This report estimates future employment growth in Moreland and what this means for floor space demand. Scenario 1 (base case scenario) was developed by NIEIR and is based on the trends and drivers outlined previously and assumes no change in policies or investment. It estimates future employment in a situation where:

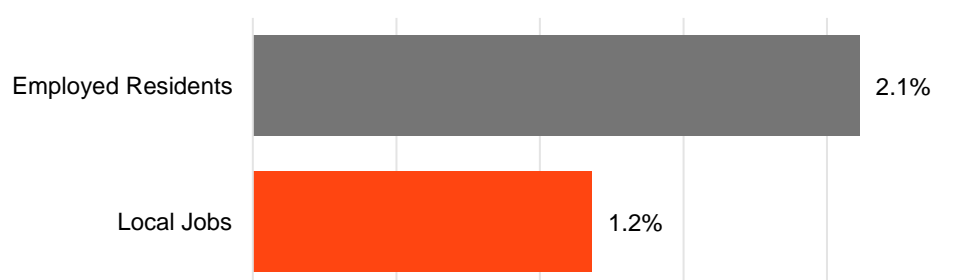
- ▣ The economy returns to its pre-COVID position by 2035
- ▣ Downward trend in employment self-sufficiency continues
- ▣ Does not model the successful delivery of proposed economic development actions, policy intervention, and infrastructure investment.

It is acknowledged that the forecasts presented below do not directly model the long-term impact of COVID-19. Some of the long-term factors could include slower population growth (and subsequent slower job growth), structural change and lower spending by households and businesses. Given this uncertainty, it will be important to monitor conditions and update assumptions where necessary.

Based on this, Scenario 1 shows that local jobs are forecast to grow slower than employed residents. Between 2020 and 2035 growth in local jobs is forecast to average 1.3% p.a., compared to 2.1% for employed residents.

### Forecast job growth

Figure 23 Average annual job growth %, 2020-2035, City of Moreland, Scenario 1

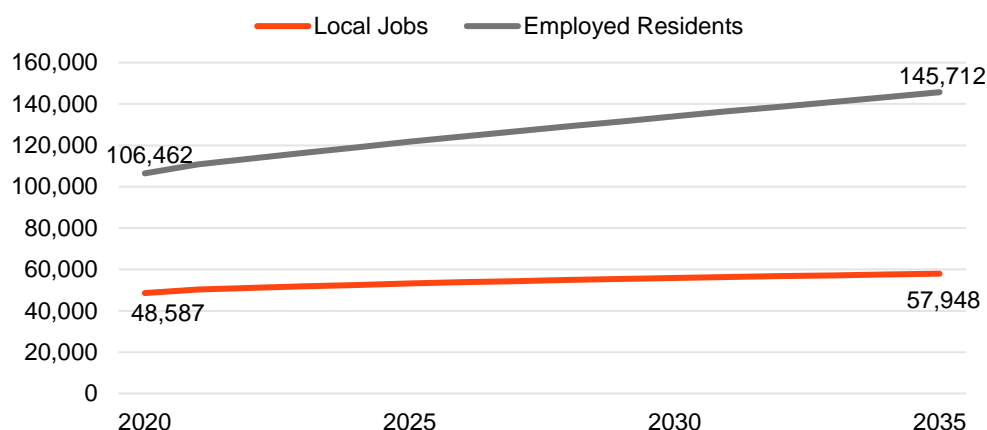


Source: NIEIR Forecasts, 2020

The total number of local jobs is estimated to increase by around 9,361 and reach almost 58,000 by 2035. Employed residents are forecast to reach almost 146,000 by 2035, creating a jobs deficit of approximately 88,000, with employment self-sufficiency falling from 46% to 40% by 2035. To maintain the existing level of employment self-containment in Moreland (46%), then local jobs would need to grow by around 21,000 (2.1% p.a.).

## Forecast growth in jobs and employed residents in Moreland

Figure 24 Job and Employed Resident Forecast, City of Moreland, Scenario 1



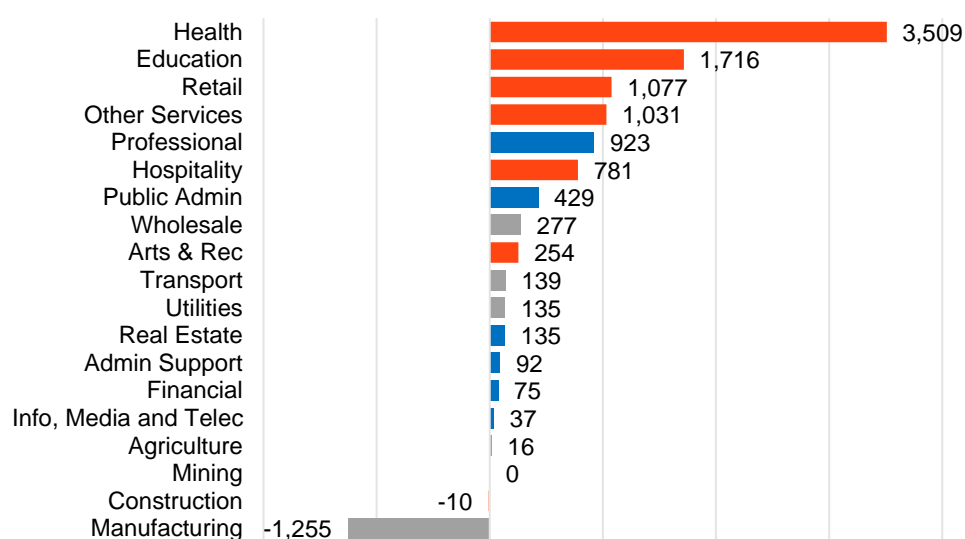
Source: NIEIR Forecasts, 2020

## 5.3 Forecast industry changes

Local jobs growth over the next decade is forecast to be driven by strong growth in household services, particularly health, education and retail and hospitality areas. Professional service jobs are also forecast to experience moderate growth. Manufacturing's strong decline is forecast to slow somewhat (in terms of total jobs) but will still see local jobs falls by around 1,200 between 2020 and 2035.

### Forecast local jobs change by industry sector

Figure 25 Forecast change in local jobs by industry, 2020-2035, City of Moreland, Scenario 1



Source: NIEIR Forecasts; 2020

It is anticipated that without intervention, growth in employed residents will continue to be stronger than local jobs. Sectors such as Professional Scientific and Technical Services, Health Care and Social Assistance, Education and Training, Retail Trade and Public Administration are forecast to experience a growing gap between jobs and employed residents over the next decade.

## 5.4 Future trajectory of Moreland's economy is not set in stone

To a large degree, Moreland's job growth over the next 15 years will be driven by growth in businesses to serve its growing population. Given the forecast decline in employment self-sufficiency, Moreland cannot rely on population growth alone to grow its economy. This will become even more important due to the potential for jobs to be displaced by forces like automation and structural change (e.g. online shopping).

Moreland must be proactive in its strategies to grow employment beyond sectors driven by population growth like Retail, Hospitality and Health. Moreland's Economic Development Strategy, Investment and Economic Attraction Think Tank sessions and the findings in this report suggests the following strategies could raise the trajectory of growth:

-  Develop strategic sectors and then prioritise actions to enable stronger growth. Candidate sectors identified in this report include: health, Creative/Cultural sectors (especially higher value-adding sectors), Hospitality/Retail and Manufacturing.
-  Support projects that enhance competitive industry sectors or boost sectors with potential to reduce the jobs gap.
-  Building on the strength in small business growth, support activities and investment aimed at enhancing the local entrepreneurial culture and generate more high growth businesses.
-  Work closely with State government to advocate and identify where Moreland can link opportunities and utilise funding in smart ways and for great initiatives.
-  Promote the potential of Brunswick Activity Centre as a major employment precinct in Melbourne's North and West region and identify strategies to elevate its commercial office role.

-  Develop a high performing Creative sector cluster around Brunswick Activity Centre and Brunswick Design District. The transformation of 420 Victoria Street site also provides new investment opportunities.
-  Promote the business location benefits of being close to a fast growing professional and young workforce (noting the importance of local skills intensity to office development in Richmond, Cremorne, Collingwood, and Abbotsford).
-  Develop a health/wellbeing strategy to maximise health sector potential (and ancillary services) with consideration given to a health precinct.
-  Seed office development through the attraction of a major tenant and/or government agency.
-  Leverage infrastructure investment in Melbourne's north and west.
-  Enable businesses and government to collaborate and innovate.
-  Develop a COVID recover plan which looks a short-term economic development initiatives to support recovery and address vacancy rates in centres.
-  Promote Moreland's proximity to Melbourne CBD, Parkville National Employment Cluster and Melbourne Airport to business owners and commercial developers.
-  Policy and planning scheme support to increase the viability of office development in Moreland.

Moreland City Council is also developing investment attraction strategies aimed at business attraction, local investment and advocacy. These strategies seek to facilitate investment by targeting potential investors and businesses in key industries, promoting the drivers and key assets of Moreland and advocating the need for funding by State Government.

By doing so, economic development and planning strategies can alter the trajectory of employment growth and improve jobs outcomes above a businesses as usual trend. Evidence shows that a committed community of private and public sector participants can have an impact to this end.

To illustrate the opportunities presented above, Scenario 2 (growth scenario) has been developed. This scenario has been developed to reflect the aspiration to

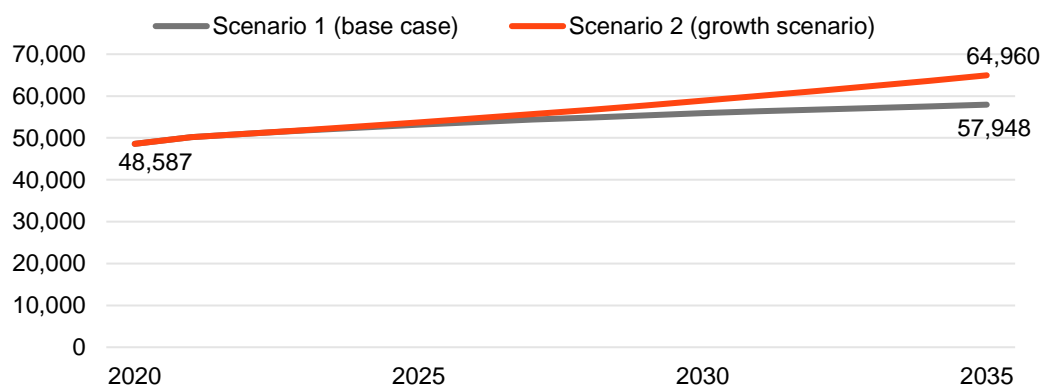
maintain employment self sufficiency and is underpinned by the following assumptions:

- ▣ Higher rate of growth in strategic industries such as Creative and Professional Services, especially in Brunswick where these jobs are clustered.
- ▣ Multiplier effects from this on other businesses (e.g. hospitality, retail, other services).
- ▣ Increased competitiveness of Activity Centres enabling a higher share of job growth, with less jobs occurring outside of defined Employment Precincts.

In Scenario 2, local job growth is forecast to grow by around 2.1%, more in line with employed residents. The total number of local jobs is estimated to reach almost 65,000 by 2025, an increase of 16,373 jobs. This represents a 75% increase on Scenario 1 and if achieved would have a significant impact on floor space demand.

## Forecast job scenarios

Figure 26 Local Job Forecast by Scenario, City of Moreland



Source: NIEIR forecasts and .id

This scenario highlights the opportunity over the next 15 years to slow and halt the current trends in the decline of employment self-sufficiency. By doing so, Moreland can set up the economic conditions to increase employment self-sufficiency over the longer term.

## Forecast employment self-sufficiency

Figure 27 Employment self-sufficiency forecast

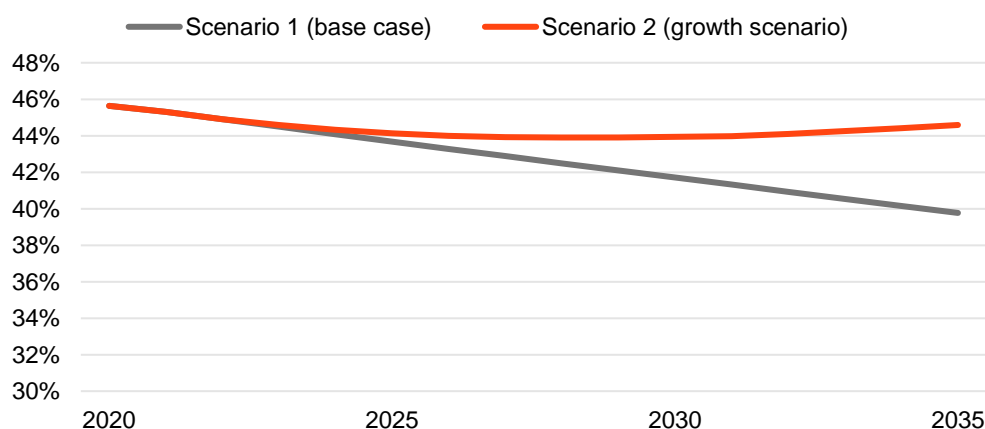


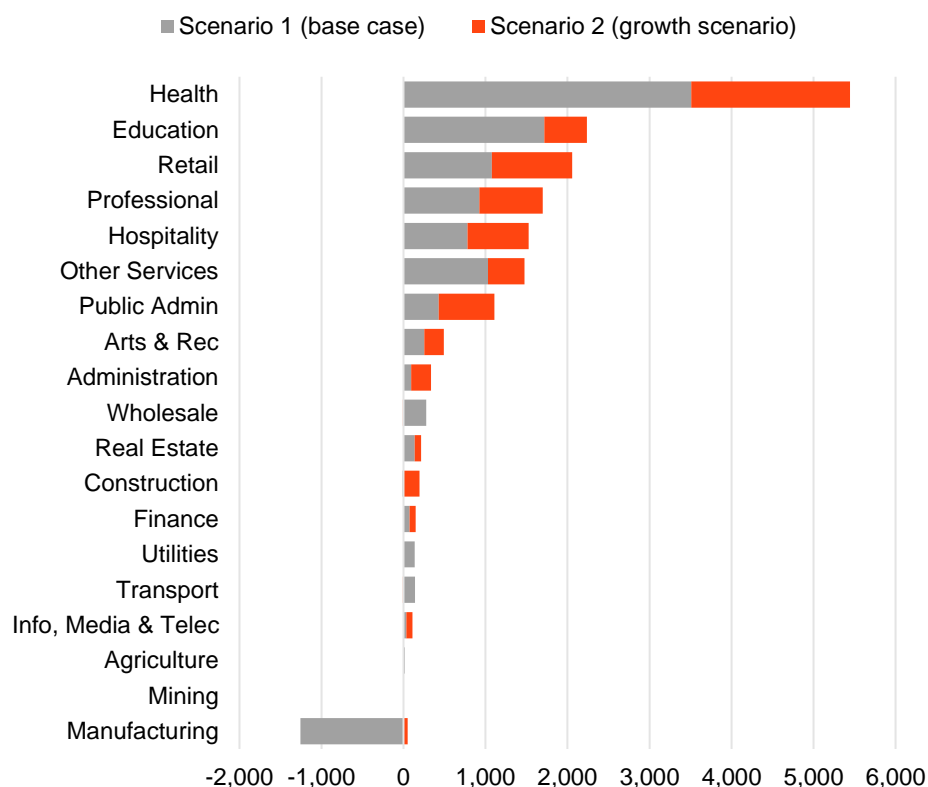
Figure 28 Employment self-sufficiency forecast by Scenario, City of Moreland

Source: NIEIR forecasts and .id

The largest uplift in jobs compared to Scenario 1 was in professional services and health care, with both being identified as important sectors to grow the economy beyond population serving sectors.

## Forecast local jobs change by industry sector

Figure 29 Forecast change in local jobs by industry by Scenario, 2020-2035, City of Moreland



Source: NIEIR, 2020 and .id

## 5.5 Forecast job growth in Moreland's centres and industrial areas

Forecast growth in services at the municipal level means that Moreland's centres will play an increasingly vital role in accommodating future job growth. By 2035, between 5,674 and 11,085 additional jobs are forecast to be located within Moreland's Activity Centres, with most of the additional jobs located in Brunswick Activity Centre (2,858 to 6,564 jobs) and Coburg Activity Centre (2,401 to 4,026 jobs). The upper estimates reflect the potential upside for these two centres due to their existing role and function as higher order centres and competitive advantages these precincts offer to attract a greater share of creatives, professional services and health jobs.

Neighbourhood Centres and Local Centres are expected to experience a relatively small increase in jobs, reflective of their local servicing role and function.

Industrial Areas are forecast to grow by between 1,000 and 1,900 jobs, highlighting their continued role in supporting job growth and economic activity. But their industry mix is expected to change with manufacturing jobs continuing to decline and be



replaced by growth in Household Services, Business Services and Other Industrial jobs.

Industrial areas with a forecast fall in jobs are Merlynston, Fawkner, Hadfield (MILS Category 1 sites) and Moreland Road Coburg/Brunswick (MILS Category 2 sites). The number of jobs in Merlynston, Fawkner, Hadfield (MILS Category 1 sites) is forecast to fall from 1,426 jobs in 2020 to 1,366 by 2035 (-60 jobs). The Moreland Road, Coburg/Brunswick sites are forecast to support 55 jobs by 2035 down from 107 in 2020 (-52 jobs). The Moreland Road, Coburg/Brunswick sites perform an industrial role with almost no commercial jobs by 2035. The nearby Neighbourhood Centre has the capacity to support any potential commercial job growth in these sites.

The tables below present future job growth for each employment precinct and is broken down into commercial and industrial related jobs (see Table 2 for Industry definitions). Further details and analysis about job and industry growth for Moreland's centres and industrial areas can be found in [Appendix A \(Chapter 9.3\)](#).

Table 10 Forecast job growth by broad industry, Employment Precincts, Scenario 1, 2020-2035

	Commercial	Industrial	Total
<b>CENTRE</b>	<b>6,863</b>	<b>-569</b>	<b>6,294</b>
<b>Activity Centre</b>	<b>6,173</b>	<b>-499</b>	<b>5,674</b>
Brunswick	3,213	-355	2,858
- Commercial Area	2,671	-209	2,463
- MILS Cat 1 Area	479	-124	355
- MILS Cat 2 Area	63	-22	41
Coburg	2,506	-105	2,401
Glenroy	454	-39	415
<b>Neighbourhood Centre</b>	<b>472</b>	<b>-65</b>	<b>407</b>
Grantham/Union Streets, West Brunswick	39	-3	37
Melville Road/Albion Street/Victoria Street, West Brunswick	34	-12	22
Melville/Moreland Roads, West Brunswick	24	0	23
Moreland Road/Nicholson Street, Coburg/Brunswick	51	-40	12
Bell Street/Melville Road, Pascoe Vale South	57	-7	50
Gaffney Street/Pascoe Vale Station, Pascoe Vale	31	0	30
Gaffney/Sussex Streets, Coburg North	64	-3	61
Merlynston	33	0	33
Bonwick Street, Fawkner	23	0	22
Snell Grove, Oak Park	33	-1	32
West Street, Hadfield	48	0	48
Elizabeth Street, Coburg North	36	0	36
<b>Local Activity Centre</b>	<b>217</b>	<b>-4</b>	<b>213</b>
LAC (total)	217	-4	213
<b>INDUSTRIAL AREA</b>	<b>1,326</b>	<b>-310</b>	<b>1,016</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>1,203</b>	<b>-250</b>	<b>953</b>
Brunswick (included in Brunswick Activity Centre)	479	-124	355
Coburg North	512	-20	492
Merlynston, Fawkner, Hadfield	100	-198	-98
Newlands Road	112	92	204
<b>Category 2 - Employment Priority Areas</b>	<b>122</b>	<b>-60</b>	<b>63</b>
Brunswick (included in Brunswick Activity Centre)	63	-22	41
Grantham / Union St, West Brunswick	48	-8	40
Moreland Road Coburg/Brunswick	1	-28	-28
Devon Road	7	0	7
Gaffney Street/Pascoe Vale Station, Pascoe Vale	4	-2	3
<b>ELSEWHERE</b>	<b>2,412</b>	<b>34</b>	<b>2,446</b>
Elsewhere	2,412	44	2,456
Construction	0	-10	-10
<b>Total</b>	<b>10,059</b>	<b>-698</b>	<b>9,361</b>

Source: .id based on NIEIR employment forecasts

Table 11 Forecast job growth, Employment Precincts, Scenario 1, 2020-2035

	2020	2035	Change
<b>CENTRE</b>	<b>23,437</b>	<b>29,731</b>	<b>6,294</b>
<b>Activity Centre</b>	<b>18,907</b>	<b>24,581</b>	<b>5,674</b>
Brunswick	12,563	15,421	2,858
- Commercial Area	8,696	11,159	2,463
- MILS Cat 1 Area	3,444	3,798	355
- MILS Cat 2 Area	423	464	41
Coburg	4,694	7,095	2,401
Glenroy	1,650	2,065	415
<b>Neighbourhood Centre</b>	<b>3,323</b>	<b>3,730</b>	<b>407</b>
Grantham/Union Streets, West Brunswick	336	372	37
Melville Road/Albion Street/Victoria Street, West Brunswick	398	420	22
Melville/Moreland Roads, West Brunswick	189	213	23
Moreland Road/Nicholson Street, Coburg/Brunswick	445	457	12
Bell Street/Melville Road, Pascoe Vale South	587	637	50
Gaffney Street/Pascoe Vale Station, Pascoe Vale	287	317	30
Gaffney/Sussex Streets, Coburg North	255	316	61
Merlynston	121	154	33
Bonwick Street, Fawkner	133	155	22
Snell Grove, Oak Park	189	221	32
West Street, Hadfield	247	295	48
Elizabeth Street, Coburg North	137	173	36
<b>Local Activity Centre</b>	<b>1,207</b>	<b>1,420</b>	<b>213</b>
LAC (total)	1,207	1,420	213
<b>INDUSTRIAL AREA</b>	<b>9,386</b>	<b>10,402</b>	<b>1,016</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>8,493</b>	<b>9,446</b>	<b>953</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	3,444	3,798	355
Coburg North	2,731	3,224	492
Merlynston, Fawkner, Hadfield	1,426	1,328	-98
Newlands Road	892	1,096	204
<b>Category 2 - Employment Priority Areas</b>	<b>893</b>	<b>956</b>	<b>63</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	423	464	41
Grantham / Union St, West Brunswick	266	306	40
Moreland Road Coburg/Brunswick	107	79	-28
Devon Road	50	57	7
Gaffney Street/Pascoe Vale Station, Pascoe Vale	47	50	3
<b>ELSEWHERE</b>	<b>19,631</b>	<b>22,077</b>	<b>2,446</b>
Elsewhere	14,980	17,436	2,456
Construction	4,651	4,641	-10
<b>Total</b>	<b>48,588</b>	<b>57,948</b>	<b>9,361</b>

Source: .id based on NIEIR employment forecasts

Table 12 Forecast job growth by broad industry. Employment Precincts, Scenario 2, 2020-2035

	Commercial	Industrial	Total
<b>CENTRE</b>	<b>12,525</b>	<b>-563</b>	<b>11,962</b>
<b>Activity Centre</b>	<b>11,575</b>	<b>-491</b>	<b>11,085</b>
Brunswick	6,915	-351	6,564
- Commercial Area	5,748	-205	5,543
- MILS Cat 1 Area	1,048	-124	923
- MILS Cat 2 Area	119	-21	97
Coburg	4,126	-101	4,026
Glenroy	534	-39	495
<b>Neighbourhood Centre</b>	<b>670</b>	<b>-68</b>	<b>602</b>
Grantham/Union Streets, West Brunswick	85	-3	83
Melville Road/Albion Street/Victoria Street, West Brunswick	45	-12	33
Melville/Moreland Roads, West Brunswick	37	0	37
Moreland Road/Nicholson Street, Coburg/Brunswick	90	-42	48
Bell Street/Melville Road, Pascoe Vale South	92	-7	85
Gaffney Street/Pascoe Vale Station, Pascoe Vale	38	0	37
Gaffney/Sussex Streets, Coburg North	76	-3	73
Merlynston	39	0	39
Bonwick Street, Fawkner	28	0	27
Snell Grove, Oak Park	38	-1	37
West Street, Hadfield	57	0	57
Elizabeth Street, Coburg North	45	0	45
<b>Local Activity Centre</b>	<b>280</b>	<b>-4</b>	<b>276</b>
LAC (total)	280	-4	276
<b>INDUSTRIAL AREA</b>	<b>2,171</b>	<b>-310</b>	<b>1,861</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>1,900</b>	<b>-226</b>	<b>1,674</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	1,048	-124	923
Coburg North	597	-7	589
Merlynston, Fawkner, Hadfield	132	-192	-60
Newlands Road	123	98	221
<b>Category 2 - Employment Priority Areas</b>	<b>271</b>	<b>-84</b>	<b>186</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	119	-21	97
Grantham / Union St, West Brunswick	135	-8	128
Moreland Road Coburg/Brunswick	1	-53	-52
Devon Road	10	0	10
Gaffney Street/Pascoe Vale Station, Pascoe Vale	5	-2	4
<b>ELSEWHERE</b>	<b>3,318</b>	<b>253</b>	<b>3,571</b>
Elsewhere	3,318	68	3,386
Construction	0	185	185
<b>Total</b>	<b>16,847</b>	<b>-474</b>	<b>16,373</b>

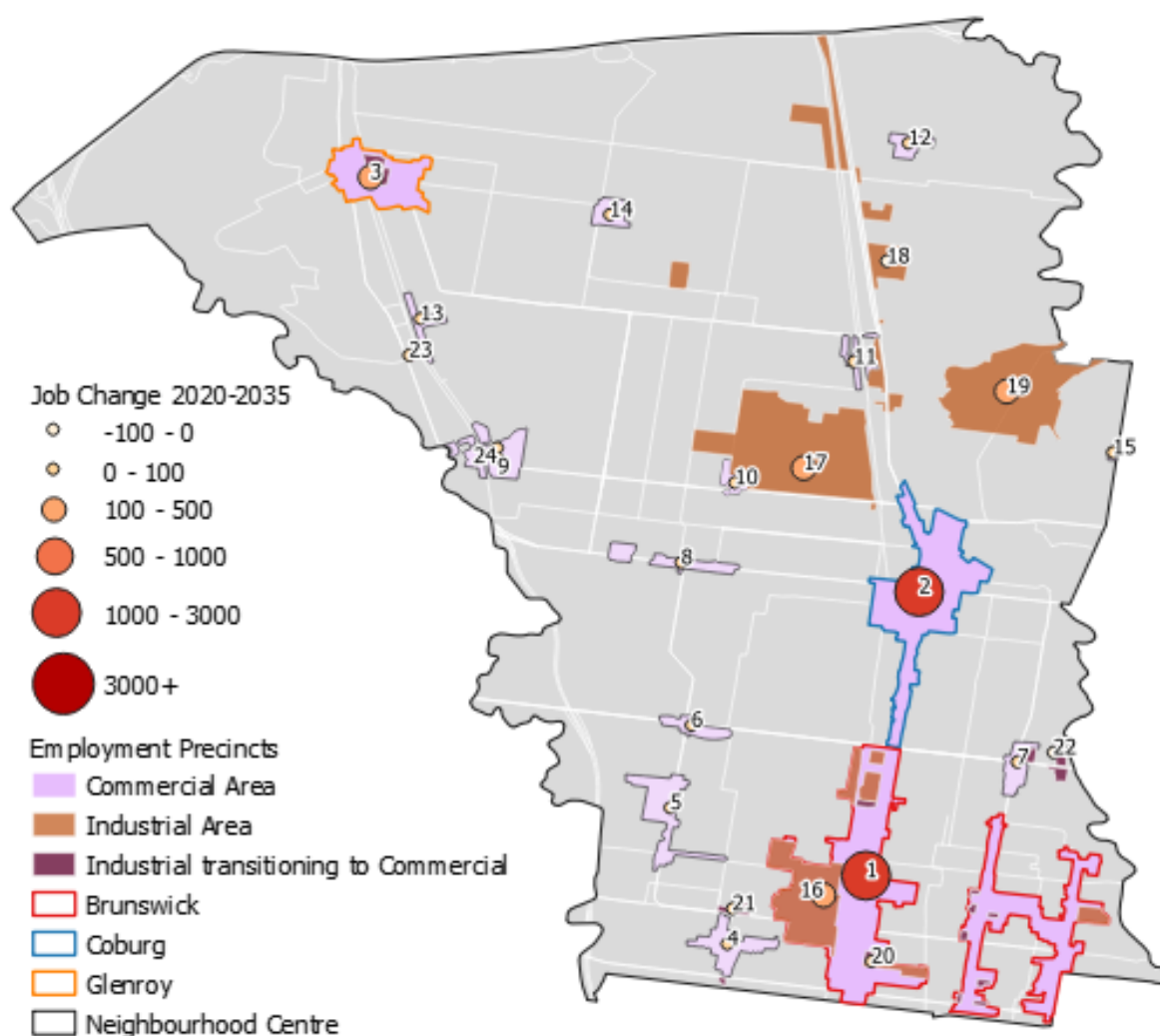
Source: .id based on NIEIR employment forecasts

Table 13 Forecast job growth. Employment Precincts , Scenario 2, 2020-2035

	2020	2035	Change
<b>CENTRE</b>	<b>23,437</b>	<b>35,400</b>	<b>11,962</b>
<b>Activity Centre</b>	<b>18,907</b>	<b>29,992</b>	<b>11,085</b>
Brunswick	12,563	19,126	6,564
- Commercial Area	8,696	14,239	5,543
- MILS Cat 1 Area	3,444	4,367	923
- MILS Cat 2 Area	423	520	97
Coburg	4,694	8,720	4,026
Glenroy	1,650	2,146	495
<b>Neighbourhood Centre</b>	<b>3,323</b>	<b>3,925</b>	<b>602</b>
Grantham/Union Streets, West Brunswick	336	418	83
Melville Road/Albion Street/Victoria Street, West Brunswick	398	431	33
Melville/Moreland Roads, West Brunswick	189	226	37
Moreland Road/Nicholson Street, Coburg/Brunswick	445	492	48
Bell Street/Melville Road, Pascoe Vale South	587	672	85
Gaffney Street/Pascoe Vale Station, Pascoe Vale	287	324	37
Gaffney/Sussex Streets, Coburg North	255	328	73
Merlynston	121	160	39
Bonwick Street, Fawkner	133	160	27
Snell Grove, Oak Park	189	226	37
West Street, Hadfield	247	304	57
Elizabeth Street, Coburg North	137	182	45
<b>Local Activity Centre</b>	<b>1,207</b>	<b>1,483</b>	<b>276</b>
LAC (total)	1,207	1,483	276
<b>INDUSTRIAL AREA</b>	<b>9,386</b>	<b>11,246</b>	<b>1,861</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>8,493</b>	<b>10,167</b>	<b>1,674</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	3,444	4,367	923
Coburg North	2,731	3,321	589
Merlynston, Fawkner, Hadfield	1,426	1,366	-60
Newlands Road	892	1,113	221
<b>Category 2 - Employment Priority Areas</b>	<b>893</b>	<b>1,079</b>	<b>186</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	423	520	97
Grantham / Union St, West Brunswick	266	394	128
Moreland Road Coburg/Brunswick	107	55	-52
Devon Road	50	60	10
Gaffney Street/Pascoe Vale Station, Pascoe Vale	47	51	4
<b>ELSEWHERE</b>	<b>19,631</b>	<b>23,202</b>	<b>3,571</b>
Elsewhere	14,980	18,366	3,386
Construction	4,651	4,836	185
<b>Total</b>	<b>48,588</b>	<b>64,961</b>	<b>16,373</b>

Source: .id based on NIEIR employment forecasts

Map 7 Forecast Job Change 2020-2035, Scenario 1

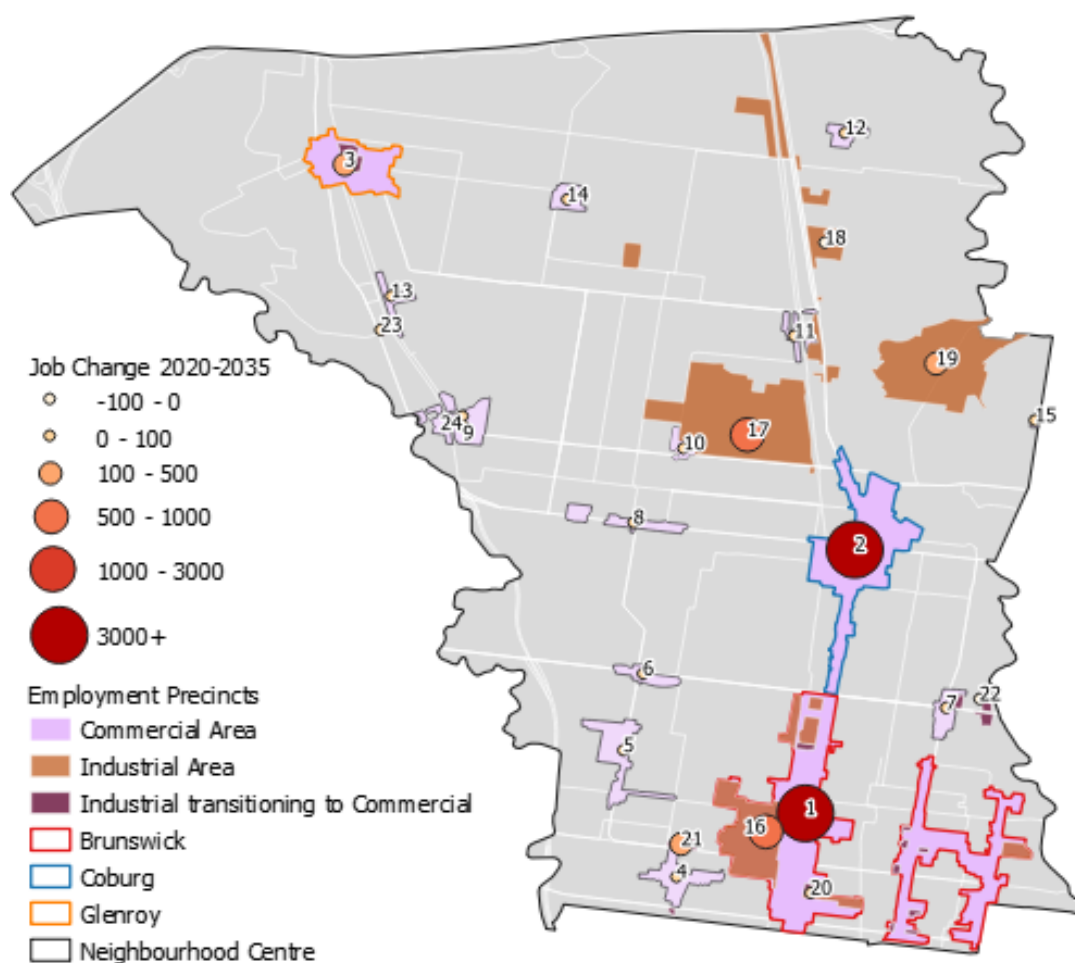


id	Name
1	Brunswick
2	Coburg
3	Glenroy
4	Grantham/Union Streets, West Brunswick
5	Melville Road/Albion Street/Victoria Street, West Brunswick
6	Melville/Moreland Roads, West Brunswick
7	Moreland Road/Nicholson Street, Coburg/Brunswick
8	Bell Street/Melville Road, Pascoe Vale South
9	Gaffney Street/Pascoe Vale Station, Pascoe Vale
10	Gaffney/Sussex Streets, Coburg North
11	Merlynston
12	Bonwick Street, Fawkner
13	Snell Grove, Oak Park
14	West Street, Hadfield
15	Elizabeth Street, Coburg North

id	Name
16	Brunswick MILS Cat 1
17	Coburg North
18	Merlynston, Fawkner, Hadfield
19	Newlands Road
20	Brunswick MILS Cat 2
21	Grantham / Union St, West Brunswick
22	Moreland Road Coburg/Brunswick
23	Devon Road
24	Gaffney Street/Pascoe Vale Station, Pascoe Vale

Source: .id based on NIEIR employment forecasts

Map 8 Forecast Job Change 2020-2035, Scenario 2



id	Name
1	Brunswick
2	Coburg
3	Glenroy
4	Grantham/Union Streets, West Brunswick
5	Melville Road/Albion Street/Victoria Street, West Brunswick
6	Melville/Moreland Roads, West Brunswick
7	Moreland Road/Nicholson Street, Coburg/Brunswick
8	Bell Street/Melville Road, Pascoe Vale South
9	Gaffney Street/Pascoe Vale Station, Pascoe Vale
10	Gaffney/Sussex Streets, Coburg North
11	Merlynston
12	Bonwick Street, Fawkner
13	Snell Grove, Oak Park
14	West Street, Hadfield
15	Elizabeth Street, Coburg North

id	Name
16	Brunswick MILS Cat 1
17	Coburg North
18	Merlynston, Fawkner, Hadfield
19	Newlands Road
20	Brunswick MILS Cat 2
21	Grantham / Union St, West Brunswick
22	Moreland Road Coburg/Brunswick
23	Devon Road
24	Gaffney Street/Pascoe Vale Station, Pascoe Vale

Source: .id based on NIEIR employment forecasts

## 6. The employment floor space we need today and in the future

### Key Points

- The forecast jobs growth generates additional demand for employment floor space in Moreland.
- However, the transition from land intensive sectors like manufacturing to services limits the growth in employment floor space. Overall, there is a need for an additional 87,000 square metres to 241,000 square metres of employment floor space across Moreland by 2035.
- The forecast decline in manufacturing jobs means that industrial floor space demand is forecast to fall by around 137,000 square metres to 143,300 square metres.
- Demand for commercial space is forecast to grow by 230,000 square metres by 2035 but could be even higher at around 378,000 square metres under Scenario 2.
- Forecast growth in service jobs and commercial space at the municipal level means that Moreland's Activity Centres will play a vital role in accommodating future job growth and floor space. The forecast growth across service sectors means there is a need for a diverse range of commercial space including shops, supermarkets, offices, medical / dental suites, hospital space, schools, gyms and entertainment venues.
- Under Scenario 1 (base case), there is only a moderate increase in employment floor space demand in Activity Centres (+40,000 square metres). Under Scenario 2, employment space in Activity Centres though is forecast to grow by 156,000 square metres with the greatest demand in Brunswick Activity Centre and Coburg Activity Centre.
- Interviews and think tank workshops with developers, researchers and planning experts highlights that today, there is demand for small office suites and shared workplaces, but stand-alone large floor plate office buildings are unlikely. This is consistent with the economic analysis that



highlights the strong growth in small businesses. Developers have difficulty finding a major tenant to pre-commit.



It is not surprising that there is a fall in demand for employment space in Moreland's industrial precincts as they transition away from traditional manufacturing to a wider range of activities. Between 2020 and 2035 demand for employment space in industrial precincts is forecast to fall by around 26,000 to 44,000 square metres, with floor space demand falling across most industrial precincts.

## 6.1 Additional demand for employment floor space

A limitation of this project is there is no Census of Land Use and Employment available for Moreland. This means that floor space information, including space by type and floor space to job ratios (total and by industry), is not readily available. For this reason, the following steps were used to estimate existing and future floorspace demand:

- ▣ Step 1 – estimate existing floor space demand using the Moreland rates database, vacancy audit and job estimates by employment precinct.
- ▣ Step 2 – estimate change in floor space demand between 2020 and 2035 by applying floor space to job ratios by to the industry growth estimates.
- ▣ Step 3 – estimate total floor space demand in 2035 based on floor space demand in 2020 (step 1) plus change in floor space demand between 2020 and 2035 (step 2).

The floor space demand estimates are considered indicative, based on high level assumptions, and should be used as a guide to future planning. Further details about the methodology and its limitations can be found in [Appendix A \(Chapter 9.5\)](#).

In Scenario 1, commercial floor space demand is forecast to grow by 230,349 square metres by 2035 but could be even higher at around 377,940 square metres under Scenario 2. This commercial space demand is due to the forecast job growth in retail, hospitality, health, education, business services.

Industrial floor space demand is forecast to fall by around 143,000 square metres to 137,000 square metres. This decline is largely due to the forecast fall in manufacturing jobs. There will however be a need to support growth in other industrial businesses including wholesalers, transport operators and warehousing.

Overall, this results in the need for an additional 87,000 square metres to 241,000 square metres of employment floor space across Moreland. The slower growth in employment space compared to jobs reflects the ongoing transition of the Moreland economy away from industrial uses that have high space requirements.

## Additional demand for employment floor space in Moreland

Table 14 Employment floor space demand (occupied), Scenario 1 (base case)

	2020	2035	Change
<b>Jobs</b>			
Commercial	35,318	45,377	10,059
Industrial	8,618	7,930	-688
<b>Total</b>	<b>43,936</b>	<b>53,307</b>	<b>9,371</b>
<b>Occupied floor space (sqm)</b>			
Commercial	1,280,503	1,510,852	230,349
Industrial	1,249,047	1,105,780	-143,267
<b>Total</b>	<b>2,529,550</b>	<b>2,616,632</b>	<b>87,082</b>
<b>Space per job (sqm/job)</b>			
Commercial	36	33	-3
Industrial	145	139	-5
<b>Total</b>	<b>58</b>	<b>49</b>	<b>-8</b>

Excludes construction jobs

Source: .id based on Moreland Council Rates Database and Moreland Council Vacancy Audit

Table 15 Employment floor space demand (occupied), Scenario 2 (growth scenario)

	2020	2035	Change
<b>Jobs</b>			
Commercial	35,318	52,165	16,847
Industrial	8,618	7,960	-659
<b>Total</b>	<b>43,936</b>	<b>60,124</b>	<b>16,188</b>
<b>Occupied floor space (sqm)</b>			
Commercial	1,280,503	1,658,443	377,940
Industrial	1,249,047	1,112,047	-137,001
<b>Total</b>	<b>2,529,550</b>	<b>2,770,490</b>	<b>240,940</b>
<b>Space per job (sqm/job)</b>			
Commercial	36	32	-4
Industrial	145	140	-5
<b>Total</b>	<b>58</b>	<b>46</b>	<b>-11</b>

Excludes construction jobs

Source: .id based on Moreland Council Rates Database and Moreland Council Vacancy Audit

## 6.2 Employment Precincts floor space demand

Under Scenario 1, there is only a moderate increase in employment floor space demand in Activity Centres (+40,000 sqm). This is largely due to the strong forecast growth in commercial demand in Brunswick and Coburg being offset by a fall in demand for industrial space. Floor space demand is much higher in Scenario 2 with floor space demand in Activity Centres growing by around 156,470sqm. Most of this growth is forecast to be accommodated in Brunswick and Coburg.

Floor space demand in Neighbourhood Activity Centres is forecast to fall by 3,000 sqm in Scenario 1 but increase by around 550sqm in Scenario 2. This small change in demand for floor space is largely due to a fall in demand for industrial space and local role and function performed by these centres.

A small increase in floor space demand is forecast for Local Activity Centres.

It is not surprising that there is a fall in demand for employment space in Moreland's Industrial Precincts as they transition away from traditional manufacturing to a wider range of activities. Between 2020 and 2035 demand for employment space in industrial precincts is forecast to fall by -26,000sqm (Scenario 2) to -44,000sqm (Scenario 1).

The largest employment floorspace fall is forecast in the cluster of industrial sites in Merlynston, Fawkner and Hadfield (MILS Category 1). The future employment role of these sites is largely tied to the location decisions of existing tenants and landowners.

Other industrial areas expected to experience a significant fall in employment floorspace are Brunswick (MILS Category 1 and 2) and Moreland Road Coburg/Brunswick (MILS Category 2).

While employment floorspace falls in Brunswick (MILS Category 1 and 2), this area will continue to play an important economic role with more than 4,900 jobs by 2035.

In contrast, the economic role of Moreland Road Coburg/Brunswick (MILS Category 2 Precincts 34, 36 and 37) is expected to diminish, supporting 55 jobs<sup>13</sup> by 2035.

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<sup>13</sup> Jobs forecast to fall by 52, from 107 in 2020 to 55 by 2035 (Scenario 2). 122 sqm refers to **additional** commercial space demand.

Growth is also expected to be accommodated outside of Centres and Industrial Areas due to demand for additional school rooms, childcare centres, hospitals, medical clinics and aged care facilities.

Further details and analysis about forecast employment space can be found in [Appendix A \(Chapter 9.5\)](#).

## Additional space required by Precinct

Table 16 Additional space required in Employment Precincts, Scenario 1, sqm, 2020-2035

	Commercial	Industrial	Total
<b>CENTRE</b>	<b>154,919</b>	<b>-114,532</b>	<b>40,386</b>
<b>Activity Centre</b>	<b>140,046</b>	<b>-100,492</b>	<b>39,554</b>
Brunswick	71,957	-85,160	-13,203
- Commercial Area	59,253	-50,088	9,164
- MILS Cat 1 Area	11,321	-29,857	-18,536
- MILS Cat 2 Area	1,383	-5,214	-3,831
Coburg	57,463	-5,867	51,596
Glenroy	10,626	-9,464	1,162
<b>Neighbourhood Centre</b>	<b>10,156</b>	<b>-13,121</b>	<b>-2,965</b>
Grantham/Union Streets, West Brunswick	854	-109	745
Melville Road/Albion Street/Victoria Street, West Brunswick	760	-2,760	-2,000
Melville/Moreland Roads, West Brunswick	564	-88	476
Moreland Road/Nicholson Street, Coburg/Brunswick	1,116	-9,521	-8,405
Bell Street/Melville Road, Pascoe Vale South	1,230	-198	1,032
Gaffney Street/Pascoe Vale Station, Pascoe Vale	627	0	627
Gaffney/Sussex Streets, Coburg North	1,267	-202	1,064
Merlynston	704	0	704
Bonwick Street, Fawkner	520	-120	400
Snell Grove, Oak Park	732	-123	609
West Street, Hadfield	1,047	0	1,047
Elizabeth Street, Coburg North	736	0	736
<b>Local Activity Centre</b>	<b>4,717</b>	<b>-919</b>	<b>3,798</b>
LAC (total)	4,717	-919	3,798
<b>INDUSTRIAL AREA</b>	<b>30,203</b>	<b>-74,292</b>	<b>-44,089</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>27,511</b>	<b>-59,985</b>	<b>-32,474</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	11,321	-29,857	-18,536
Coburg North	11,672	-4,768	6,904
Merlynston, Fawkner, Hadfield	2,044	-47,426	-45,382
Newlands Road	2,473	22,066	24,539
<b>Category 2 - Employment Priority Areas</b>	<b>2,692</b>	<b>-14,307</b>	<b>-11,615</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	1,383	-5,214	-3,831
Grantham / Union St, West Brunswick	1,039	-1,835	-795
Moreland Road Coburg/Brunswick	11	-6,782	-6,771
Devon Road	150	-62	88
Gaffney Street/Pascoe Vale Station, Pascoe Vale	108	-413	-305
<b>ELSEWHERE</b>	<b>57,932</b>	<b>10,485</b>	<b>68,418</b>
Elsewhere	57,932	10,485	68,418
Construction	-	-	-
<b>Total</b>	<b>230,349</b>	<b>-143,267</b>	<b>87,082</b>

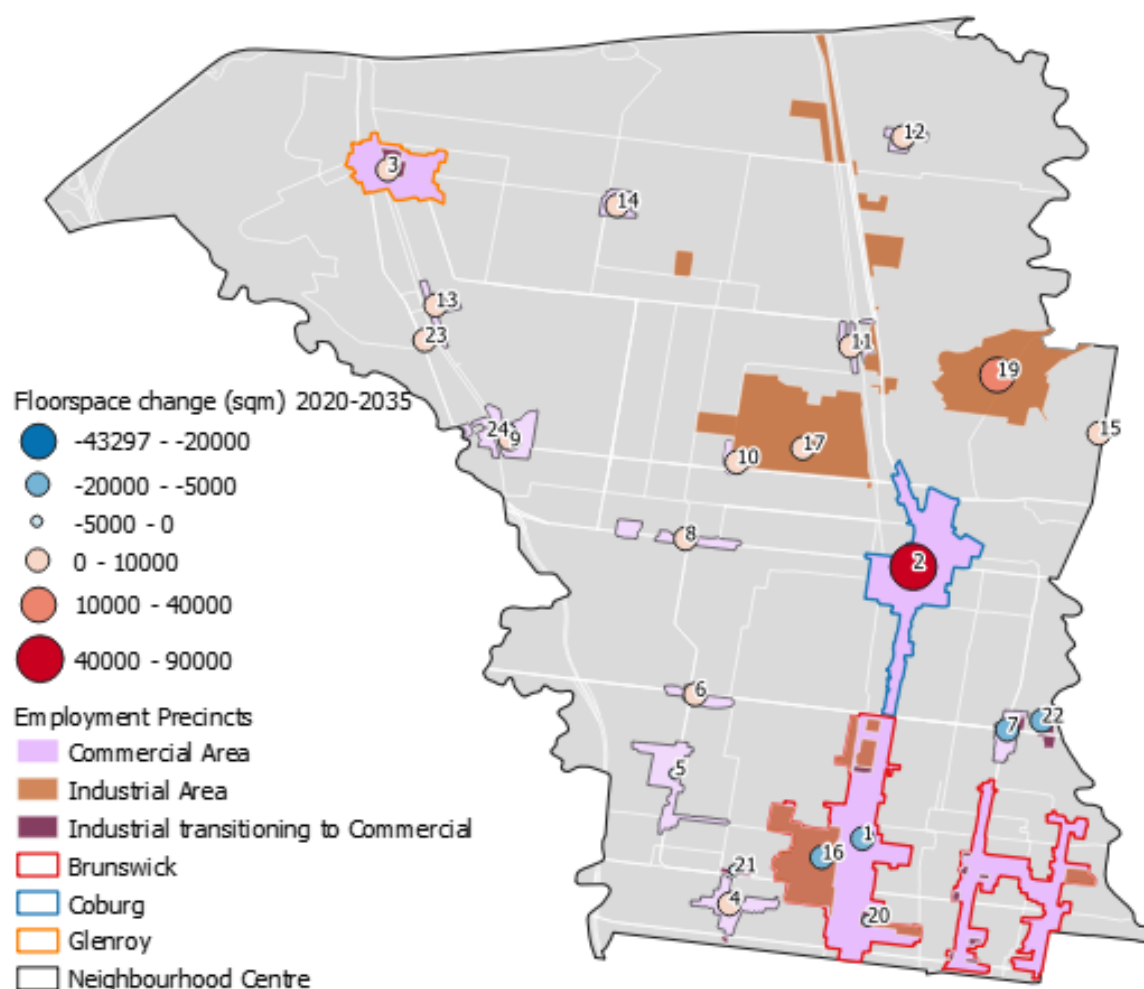
Source: .id

Table 17 Additional space required, Employment Precincts, Scenario 2, sqm, 2020-2035

	Commercial	Industrial	Total
<b>CENTRE</b>	<b>276,143</b>	<b>-113,976</b>	<b>162,167</b>
<b>Activity Centre</b>	<b>255,717</b>	<b>-99,246</b>	<b>156,470</b>
Brunswick	149,611	-84,201	65,410
- Commercial Area	123,358	-49,194	74,164
- MILS Cat 1 Area	23,672	-29,867	-6,196
- MILS Cat 2 Area	2,581	-5,139	-2,558
Coburg	93,706	-5,749	87,958
Glenroy	12,400	-9,297	3,103
<b>Neighbourhood Centre</b>	<b>14,368</b>	<b>-13,819</b>	<b>549</b>
Grantham/Union Streets, West Brunswick	1,779	-109	1,670
Melville Road/Albion Street/Victoria Street, West Brunswick	1,002	-2,788	-1,786
Melville/Moreland Roads, West Brunswick	884	-93	791
Moreland Road/Nicholson Street, Coburg/Brunswick	1,955	-10,191	-8,235
Bell Street/Melville Road, Pascoe Vale South	1,989	-198	1,791
Gaffney Street/Pascoe Vale Station, Pascoe Vale	774	0	774
Gaffney/Sussex Streets, Coburg North	1,507	-201	1,306
Merlynston	834	0	834
Bonwick Street, Fawkner	619	-117	502
Snell Grove, Oak Park	841	-123	718
West Street, Hadfield	1,254	0	1,254
Elizabeth Street, Coburg North	929	0	929
<b>Local Activity Centre</b>	<b>6,059</b>	<b>-911</b>	<b>5,148</b>
LAC (total)	6,059	-911	5,148
<b>INDUSTRIAL AREA</b>	<b>48,348</b>	<b>-74,425</b>	<b>-26,077</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>42,645</b>	<b>-54,187</b>	<b>-11,542</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	23,672	-29,867	-6,196
Coburg North	13,538	-1,793	11,745
Merlynston, Fawkner, Hadfield	2,702	-45,999	-43,297
Newlands Road	2,733	23,472	26,205
<b>Category 2 - Employment Priority Areas</b>	<b>5,703</b>	<b>-20,238</b>	<b>-14,535</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	2,581	-5,139	-2,558
Grantham / Union St, West Brunswick	2,759	-1,819	940
Moreland Road Coburg/Brunswick	20	-12,791	-12,771
Devon Road	210	-70	139
Gaffney Street/Pascoe Vale Station, Pascoe Vale	133	-418	-285
<b>ELSEWHERE</b>	<b>79,702</b>	<b>16,394</b>	<b>96,096</b>
Elsewhere	79,702	16,394	96,096
Construction	-	-	-
<b>Total</b>	<b>377,940</b>	<b>-137,001</b>	<b>240,940</b>

Source: .id

Map 9 Forecast employment floor space change 2020-2035, Scenario 1



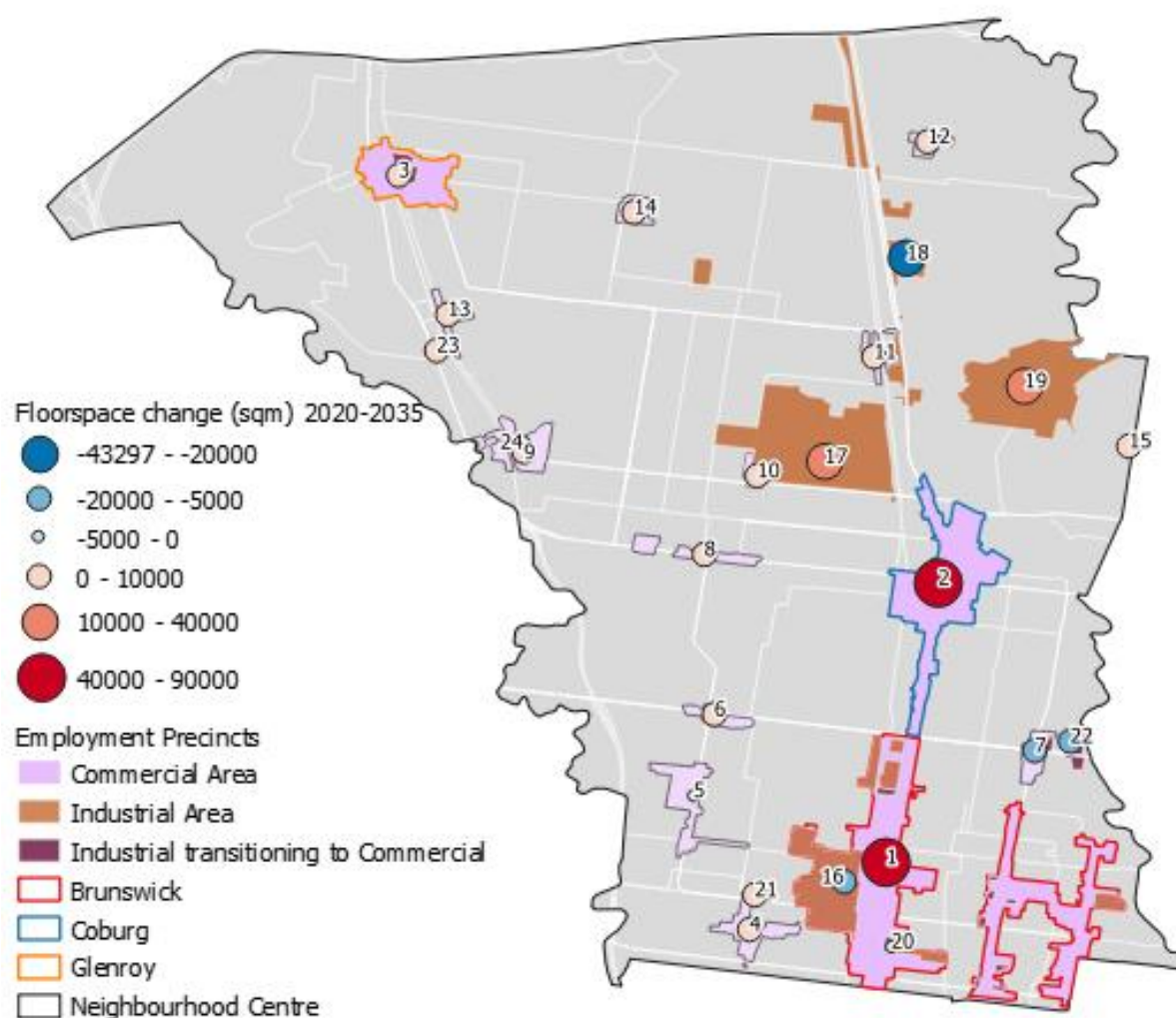
id	Name
1	Brunswick
2	Coburg
3	Glenroy
4	Grantham/Union Streets, West Brunswick
5	Melville Road/Albion Street/Victoria Street, West Brunswick
6	Melville/Moreland Roads, West Brunswick
7	Moreland Road/Nicholson Street, Coburg/Brunswick
8	Bell Street/Melville Road, Pascoe Vale South
9	Gaffney Street/Pascoe Vale Station, Pascoe Vale
10	Gaffney/Sussex Streets, Coburg North
11	Merlynston
12	Bonwick Street, Fawkner
13	Snell Grove, Oak Park
14	West Street, Hadfield
15	Elizabeth Street, Coburg North

id	Name
16	Brunswick MILS Cat 1
17	Coburg North
18	Merlynston, Fawkner, Hadfield
19	Newlands Road
20	Brunswick MILS Cat 2
21	Grantham / Union St, West Brunswick
22	Moreland Road Coburg/Brunswick
23	Devon Road
24	Gaffney Street/Pascoe Vale Station, Pascoe Vale

Source: .id



Map 10 Forecast employment floor space change 2020-2035, Scenario 2



id	Name
1	Brunswick
2	Coburg
3	Glenroy
4	Grantham/Union Streets, West Brunswick
5	Melville Road/Albion Street/Victoria Street, West Brunswick
6	Melville/Moreland Roads, West Brunswick
7	Moreland Road/Nicholson Street, Coburg/Brunswick
8	Bell Street/Melville Road, Pascoe Vale South
9	Gaffney Street/Pascoe Vale Station, Pascoe Vale
10	Gaffney/Sussex Streets, Coburg North
11	Merlynston
12	Bonwick Street, Fawkner
13	Snell Grove, Oak Park
14	West Street, Hadfield
15	Elizabeth Street, Coburg North

id	Name
16	Brunswick MILS Cat 1
17	Coburg North
18	Merlynston, Fawkner, Hadfield
19	Newlands Road
20	Brunswick MILS Cat 2
21	Grantham / Union St, West Brunswick
22	Moreland Road Coburg/Brunswick
23	Devon Road
24	Gaffney Street/Pascoe Vale Station, Pascoe Vale

Source: .id

### 6.3 The type of floor space required

A diverse commercial offer is required to support the strong job growth forecast for health, retail, professional services, hospitality and other services. This will drive demand for a range of commercial spaces including shops, supermarkets, cafes, restaurants, gyms, hairdressers, dental clinics, indoor fitness and medical and office suites. While future demand is focussed on the major Activity Centres, there is a need for additional space across all Activity Centres to support local population growth.

Demand for commercial space doubles in Scenario 2 due to the opportunity to attract greater demand for professional services and creative sector.

Interviews and think tank workshops with developers, researchers and planning experts provides further detail about the office potential in Moreland today into the future. These interviews highlight that today there is demand for small office suites and shared workplaces, but stand-alone office buildings are unlikely. A common reason for this put forward by respondents was that Moreland is not perceived as an inner fringe office location. Further, the relatively low rental rates do not generate the yield required to build large commercial office space like being delivered in Cremorne, Collingwood, Fitzroy and Abbotsford. This is consistent with the economic analysis that highlights the strong growth in small businesses which makes it hard for developers to find a major tenant to pre-commit.

But this is not to say that this perception will not change in the future with some interviewees suggesting that stand-alone office buildings might become more viable in the future, especially given Brunswick's growing skills base, multiple train stations, local amenity and that it's only in its early years of gentrification.

A summary of key findings is provided below. See Appendix B (Chapter 11) for further details.





**Market Sounding Interview and Think Tank Summary:**


- Office demand driven by small business growth, with opportunities for small office suites and shared workplaces
- Limited supply of quality small office spaces available (viability noted as one of the issues)
- Stand-alone office buildings unlikely at present (not perceived as inner fringe office market)
- Mixed views about future potential for stand-alone office buildings (+10 years), but some noted opportunities (especially in Brunswick along either side of Sydney Road), given growing skills base, railway stations, local amenity and relatively early stage of gentrification
- Some opportunities for Council to stimulate office market (e.g. attracting an anchor tenant to seed)
- Council to foster a business support climate that encourages social enterprises to locate within Moreland
- Council to lead and promote environmentally friendly, smart technology and innovative initiatives that leverage local talent and attract investors
- Explore opportunities utilising State government owned, vacant sites
- Working with commercial real estate agents, landlords and makers to address vacant space
- Invest Moreland website improvements to include industry data and investment attraction information
- Drive Love Moreland Buy Local campaign
- Drive Brunswick Design District awareness, projects and outcomes
- Transformation of 420 Victoria Street site
- COVID-19 creates significant uncertainty for developers and businesses


## 7. Implications for Moreland's Employment


### Precincts


#### Key Points


-  Currently there is a total of 1.30 million square metres of employment floor space across Moreland's Activity Centres, Neighbourhood Centres and Local Centres. Brunswick and Coburg Activity Centre accommodate around 67% of all Centre floor space in Moreland.
-  The average vacancy rate for Activity and Neighbourhood Centres is around 11%. The areas with the highest vacancy are Brunswick Activity Centre - Commercial Area (15%), Coburg Activity Centre (13%), Bell Street/Melville Road, Pascoe Vale South (13%), Snell Grove, Oak Park (13%) and Moreland Road/Nicholson Street, Coburg/Brunswick.
-  High vacancy rates can be due to a range of factors including soft demand, changing consumer preferences, poor quality of stock, poor amenity of the centre and new space that does not meet the requirements of prospective tenants. Economic development strategies should be put in place to monitor and address the observed high vacancy rates, especially in Brunswick and Coburg.
-  Based on a series of high level development assumptions, capacity in Activity Centres, Neighbourhood Centres and Local Centres is estimated at 1.09 million square metres based on the low capacity test and 1.60 million square metres based on the high capacity test. The low capacity tests results in a net loss in employment floor space capacity compared to existing supply.
-  The low capacity test is reflective of recent development activity observed for commercial area in the Brunswick Activity Centre. An analysis of 101 recent permits in the Brunswick Activity Centre shows that employment floor space provided within new development would result in a net employment floor space loss of 57,000 square metres over the next 15 years.

- 

Without intervention, the Brunswick Activity Centre will not have sufficient capacity to meet forecast demand. This would have a significant negative impact on the economic development and investment potential within Moreland and Melbourne's Northern Region. The shortfall identified for the Brunswick Activity Centre is significant and immediate action is required given residential pressures on this centre.
- 

Risks are also identified for Coburg Activity Centre and Glenroy Activity Centre. The risk is higher for Coburg Activity Centre given expected residential demand over the next 5 years, especially if the centre experiences similar residential development activity (i.e. low capacity tests) to Brunswick Activity Centre. Capacity constraints are less likely to occur in Glenroy over the next 15 years given its lower rate of apartment development activity.
- 

Despite Coburg Activity Centre having excess capacity under some of the growth and capacity scenarios, the competitive positioning analysis highlights several factors that may constrain the ability of Coburg Activity Centre to attract office development away from Brunswick Activity Centre in the short to medium term. Instead, capacity constraints in Brunswick is more likely to result in demand being transferred to other competitive precincts in the region, including Northcote, Ivanhoe, Moonee Ponds, Footscray and Sunshine.
- 

Given these risks, the capacity analysis suggests that commercial floor space equivalent to 60-70% of the site area is required in Activity Centres to meet forecast demand levels under Scenario 2. Other options to increase capacity could also be considered (e.g. include nearby neighbourhood centres and/or rezone industrial land to commercial (e.g. MILS Category 2 sites).
- 

At a neighbourhood centre level, there is generally no overwhelming need for intervention in land use mix. However, several centres may experience capacity constraints in the medium to longer term and should be monitored.

## 7.1 Existing floor space in Centres

This Chapter focuses on potential floor space gaps in Moreland's network of Activity Centres given the demand requirements identified for centres in the previous chapter. Industrial areas are not expected to experience capacity constraints given the forecast decline in floor space demand in Industrial Areas.

The table below shows existing floor space within each Centre as well as its vacancy rate<sup>14</sup>. Brunswick and Coburg Activity Centre accommodate around 67% of all Centre floor space in Moreland. In 2020 the average vacancy rate for Centre's was around 11%. The areas with the highest vacancy were Brunswick Activity Centre - Commercial Area (15%), Coburg Activity Centre (13%), Bell Street/Melville Road, Pascoe Vale South (13%), Snell Grove, Oak Park (13%) and Moreland Road/Nicholson Street, Coburg/Brunswick.

Table 18 Existing floor space, 2020

	Occupied	Unoccupied	Total	Vacancy rate
<b>CENTRES</b>	<b>1,161,806</b>	<b>139,751</b>	<b>1,301,557</b>	<b>10.7%</b>
<b>Activity Centres</b>	<b>1,005,827</b>	<b>119,789</b>	<b>1,125,617</b>	<b>10.6%</b>
Brunswick	778,852	94,961	873,814	10.9%
- Commercial Area	451,130	80,236	531,366	15.1%
- MILS Cat 1 Area	301,184	13,533	314,717	4.3%*
- MILS Cat 2 Area	26,538	1,192	27,731	4.3%*
Coburg	149,393	21,342	170,735	12.5%
Glenroy	77,582	3,486	81,068	4.3%
<b>Neighbourhood Activity Centre</b>	<b>107,906</b>	<b>13,810</b>	<b>121,715</b>	<b>11.3%</b>
Grantham/Union Streets, West Brunswick	7,517	835	8,352	10.0%#
Melville Road/Albion Street/Victoria Street, West Brunswick	23,520	3,207	26,727	12.0%
Melville/Moreland Roads, West Brunswick	5,877	653	6,530	10.0%
Moreland Road/Nicholson Street, Coburg/Brunswick	20,656	3,086	23,742	13.0%
Bell Street/Melville Road, Pascoe Vale South	11,557	3,452	15,009	23.0%
Gaffney Street/Pascoe Vale Station, Pascoe Vale	4,884	543	5,427	10.0%#
Gaffney/Sussex Streets, Coburg North	6,958	0	6,958	0.0%
Merlynston	3,068	341	3,409	10.0%#
Bonwick Street, Fawkner	8,244	717	8,961	8.0%
Snell Grove, Oak Park	4,239	633	4,872	13.0%
West Street, Hadfield	7,456	0	7,456	0.0%
Elizabeth Street, Coburg North	3,930	342	4,272	8.0%
<b>Local Activity Centre</b>	<b>48,073</b>	<b>6,152</b>	<b>54,226</b>	<b>11.3%</b>
LAC (total)	48,073	6,152	54,226	11.3%

\* Vacancy data not available from Audit. Based on CBRE Vacancy Report H2 2020 for Melbourne's North. # vacancy data not available from Audit – based on average vacancy rate for Neighbourhood Centres

Source: City of Moreland Rates Database and Moreland City Council – Centre Audit

<sup>14</sup> Sourced from Moreland City Council – Centre Audit. Where possible, properties vacant due to COVID-19 were excluded to show the performance of centres prior to COVID-19.

The vacancy rate varies significantly within the Brunswick Activity Centre. The Sydney Road corridor has the lowest vacancy rate at 12.8%. Within this precinct, the vacancy rate was relatively low to the west of Sydney Road between Union Street and Albion Street (7-10%). But there were several areas within this precinct with high vacancy rates, including:

- ▣ Albion to Moreland Road
- ▣ Brunswick-Union Road
- ▣ Edward-Victoria Road (east of Sydney Road)

The vacancy rate in the Lygon Street and Nicholson Street corridors are higher at 18.4% and 18.2% respectively.

Vacancy rates are just one indicator of how the economy is performing. High vacancy rates in Centres can be due to a range of factors including soft demand for commercial space, competitive pressures, changing consumer preferences (e.g. transition of centres from non-food retailing to other services), poor quality of existing commercial stock, new space not meeting the needs of potential tenants and poor amenity of the centre. Strategies should be put in place to monitor and address the observed high vacancy rates, especially in Brunswick and Coburg. Low vacancy rates are typically considered a positive because it means that a centre is desirable. However low vacancy rates can also put upward pressure on commercial rents and restrict the ability attract tenants.

Further information about the vacancy analysis is provided in Appendix A (Chapter 9.8).

## 7.2 Floor space capacity of Centres

Given the established nature of Moreland, there are limited opportunities to expand the commercial areas of centres to meet the forecast floor space needs. This means that future floor space demand needs to be met through the renewal and intensification of land within centres.

A capacity analysis was undertaken to understand the indicative development potential of centres to accommodate future demand. Capacity refers to the total potential amount of floor space as opposed to the difference between potential and existing supply. The capacity analysis provides an indicative guide to the future development of centres and is designed to identify potential constraints and

opportunities. Broad assumptions are used and are applied across all centres. More detailed site analysis at the centre level would improve capacity estimates.

The first step in the analysis involved giving every parcel within a centre a status for development:




-  **Subject to a planning permit:** Development potential based on permit data sourced from Moreland Council.
-  **Unlikely to develop for commercial space** (e.g. non-employment zones, recently developed, site constraint): Development potential based on existing floor space estimate from Rates Database
-  **Likely to develop** (C1Z, C2Z, MUZ, ACZ, IN1Z, IN3Z not identified above): Development potential based on the zone and assumed scale of development (See



Table 19). All sites are assumed to be developed. It is noted that this is unlikely to occur over the next 15 years but also acknowledges the MICLUP requirement for a 30+ year plan to accommodate demand.

A major limitation to the capacity analysis is that the current planning controls do not provide a guidance about the minimum or maximum commercial floor space to be provided in new developments within the C1Z. Therefore, a sensitivity test has used to demonstrate the potential capacity under various development scenarios. Floor Space to Site Area Ratios (FSR)<sup>15</sup> are used to test different development outcomes across centres.

It is noted that capacity estimates provide an indicative guide based on the assumptions above. The analysis has not incorporated site specific information, feasibility or probability of a planning permit being approved.

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<sup>15</sup> FSR is the ratio of the building's total employment floor space (at any level) to the size of the land upon which it is built.

Table 19 Employment Floor space Capacity Sensitivity Tests

Zone	FSR Sensitivity Tests			Description
	Low	Medium	High	
C1Z	0.35:1	0.65:1	0.75:1	<ul style="list-style-type: none"> <li>Low - Based on recent development activity on C1Z parcels in the Brunswick Activity Centre.</li> <li>Medium - Assumes a 20% increase in the current FSR for C1Z in Moreland.</li> <li>High - Based on the intent to deliver employment space at ground and first level. Assumes average floors of employment is 1.5 and average site coverage is 50%.</li> </ul>
AC1Z	0.35:1	0.65:1	0.75:1	
C2Z	1:12			Assumes average floors of employment is 1.5 and site coverage is around 75% (noting residential use generally not allowed)
MUZ	0.4:1			Based on current FRS noting limited potential for additional employment uses in this zone.
IN1Z	0.75:1			Current FSR is 0.56:1. Assumes some intensification.
IN3Z	0.75:1			Current FSR is 0.7:1. Assumes some intensification.

Source: .id

The total capacity of each centre is then estimated with an allowance made for vacancy. It is assumed that a 5% vacancy rate is desirable as it supports business turnover and choice and does not put unnecessary upward pressure on rents.

The current employment floor space across Moreland's centres was 1.30 million square metres. Based on the assumptions above, capacity is estimated to fall to 1.09 million square metres based on the low scenario and 1.6 million square metres based on the high scenario. The table below shows the estimated capacity for each centre.

Table 20 Employment Floor space Capacity of Centres in Moreland, square metres

	Existing	Low	Medium	High
<b>CENTRES</b>	<b>1,301,557</b>	<b>1,091,343</b>	<b>1,457,383</b>	<b>1,579,396</b>
<b>Activity Centres</b>	<b>1,125,617</b>	<b>952,933</b>	<b>1,245,793</b>	<b>1,343,413</b>
Brunswick	873,814	716,509	857,849	904,962
- Commercial Area	531,366	360,499	501,838	548,951
- MILS Cat 1 Area	314,717	330,208	330,208	330,208
- MILS Cat 2 Area	27,731	25,803	25,803	25,803
Coburg	170,735	172,197	302,335	345,714
Glenroy	81,068	64,226	85,610	92,738
<b>Neighbourhood Activity Centre</b>	<b>121,715</b>	<b>93,909</b>	<b>132,015</b>	<b>144,717</b>
Grantham/Union Streets, West Brunswick	8,352	9,651	12,084	12,895
Melville Road/Albion Street/Victoria Street, West Brunswick	26,727	20,174	28,439	31,195
Melville/Moreland Roads, West Brunswick	6,530	6,529	8,601	9,292
Moreland Road/Nicholson Street, Coburg/Brunswick	23,742	14,114	21,527	23,998
Bell Street/Melville Road, Pascoe Vale South	15,009	10,512	16,500	18,495
Gaffney Street/Pascoe Vale Station, Pascoe Vale	5,427	4,615	6,025	6,496
Gaffney/Sussex Streets, Coburg North	6,958	6,610	6,610	6,610
Merlynston	3,409	3,157	5,654	6,487
Bonwick Street, Fawkner	8,961	5,092	8,339	9,421
Snell Grove, Oak Park	4,872	3,229	4,719	5,215
West Street, Hadfield	7,456	6,166	9,458	10,556
Elizabeth Street, Coburg North	4,272	4,058	4,058	4,058
<b>Local Activity Centre</b>	<b>54,226</b>	<b>44,501</b>	<b>79,575</b>	<b>91,266</b>
LAC (total)	54,226	44,501	79,575	91,266

Source: Moreland Rates Database and .id

This capacity analysis highlights the potential for a net loss of employment floor space over time, especially in the Brunswick Activity Centre which faces strong residential demand. The low growth scenario shows that floor space would decline by around 200,000 square metres across Moreland's centres with Brunswick Activity Centre impacted the most.

This capacity risk is further highlighted by recent development trends in the Commercial 1 Zone of the Brunswick Activity Centre where residential development is resulting in a net loss of employment floor space. An analysis of 101 recent permits in the Brunswick Activity Centre shows that employment floor space provided within new development would result in a net employment floor space loss of 57,000 square metres over the next 15 years. The FSR being delivered in new apartment developments in the Brunswick Activity Centre is around 0.36:1, well below the FSR prior to redevelopment of 0.81:1. There is little consistency between developments with the FSR ranging from 3.2% to 79.1%.

*Table 21 Summary of C1Z Permit Data for Brunswick Activity Centre*

	Average			Total
	Site Area	Net saleable area (sqm)	FSR	Net saleable area (sqm)
Prior to development	1,263	1,026	0.81	103,580
Redevelopment	1,263	460	0.36	46,438
Change	0	-566	0.45	-57,142

*Source: Moreland Council*

The table below presents several examples of recently projects where there has been a net loss of employment floor space.

Table 22 Recent developments in Brunswick Activity Centre

**Project Name: The Dux, 2 Duckett Street**

UDP code: R14077  
 Site area sqm: 708  
 Employment floor space sqm (FSR)  
 Before: 596 (0.84:1)  
 After: 165 (0.23:1)  
 Change: **-431**

**Project Name: Crest, 611-621 Sydney Road**

UDP code: R14140  
 Site area sqm: 1,100  
 Employment floor space sqm (FSR)  
 Before: 1,060 (0.96:1)  
 After: 432 (0.39:1)  
 Change: **-628**

**Project Name: Canatella, 623-625 Sydney Road**

UDP code: R13883  
 Site area sqm: 620  
 Employment floor space sqm (FSR)  
 Before: 559 (0.90:1)  
 After: 318 (0.51:1)  
 Change: **-241**

**Project Name: Adam and Eve, 392-394 Lygon Street**

UDP code: R09225  
 Site area sqm: 736  
 Employment floor space sqm (FSR)  
 Before: 124 (0.16:1)  
 After: 115 (0.15:1)  
 Change: **-9**

**Project Name: Iseo, 443-445 Lygon Street**

UDP code: R13890  
 Site area sqm: 674  
 Employment floor space sqm (FSR)  
 Before: 792 (1.18:1)  
 After: 326 (0.48:1)  
 Change: **-466**



**Project Name: Lygon Street Mixed Use Development, 6 Lygon Street**

UDP code: R11954

Site area sqm: 2,987

Employment floor space sqm (FSR)

Before: 3,231 (1.08:1)

After: 810 (0.27:1)

Change: **-2,421**



**Project Name: Gamble Street Mixed Use Development, 6-8 Gamble Street**

UDP code: R11743

Site area sqm: 1,125

Employment floor space sqm (FSR)

Before: 795 (0.71:1)

After: 208 (0.27:1)

Change: **-587**



**Project Name: 260-274 Lygon Street**

UDP code: R12583

Site area sqm: 1,953

Employment floor space sqm (FSR)

Before: 1,784 (0.91:1)

After: 688 (0.35:1)

Change: **-1,096**









Source: .id based on Urban Development Program, Moreland Rates Database, Moreland Planning Permit Analysis



## 7.3 Floor space gaps

Total floor space demand (Chapter 0) is then compared to the capacity tests outlined above to identify potential floor space gaps at the centre level. This gap analysis is shown in the tables below.

The key findings from this gap analysis are:

-  Floor space gaps have been identified across the centre hierarchy and individual centres under Scenario 2 (growth scenario).
-  Floor space gaps are also identified under Scenario 1 (base case) but mostly under the low capacity test. This is a particular concern for the Activity Centres facing apartment development pressures like Brunswick and Coburg noting the recent permit activity in Brunswick Activity Centre (i.e. consistent with the development assumptions in the low capacity test).
-  Forecast demand in the Brunswick Activity Centre significantly outstrips capacity under Scenario 2. This is the case for both the low and medium capacity sensitivity tests. This shortfall is identified in the commercial area of the Brunswick Activity Centre. This would have a significant negative impact on the economic development potential of Moreland and commercial investment in Melbourne's northern region. Brunswick Activity Centre's role and function as a Regionally Significant precinct would also be put at risk.
-  While surplus capacity in the Brunswick Industrial Area could be better utilised for commercial space, the size of the shortfall and Regionally Significant Industrial role of this area suggests other actions are required to increase capacity in the commercial core of the Brunswick Activity Centre.
-  Coburg Activity Centre has sufficient capacity under the medium and high capacity tests for both forecast scenarios. However, a shortfall is forecast under the low capacity test for both forecast scenarios. This is a concern if Coburg Activity Centre starts to experience similar redevelopment activity to Brunswick Activity Centre over the next 15 years.
-  Despite Coburg Activity Centre having excess capacity under some of the growth and capacity scenarios, the competitive positioning analysis (Appendix A – Chapter 9.7) highlights several factors that may constrain the ability of Coburg Activity Centre to attract office development away from Brunswick Activity Centre in the short to medium term. Instead, capacity constraints in

Brunswick is more likely to result in demand being transferred to other competitive precincts in the region, including Northcote, Ivanhoe, Moonee Ponds, Footscray and Sunshine.

- ▣ Glenroy Activity Centre has sufficient capacity under the medium and high capacity tests for both forecast scenarios. However, a moderate shortfall is forecast under the low capacity test for both forecast scenarios.
- ▣ Most Neighbourhood Centres and Local Centres face capacity constraints based on the low capacity test. This risk is considered relatively low given the lower levels of residential development pressures facing these centres. But several Neighbourhood Centres face capacity constraints under a medium capacity test across the forecast scenarios. They are:
  - Gaffney/Sussex Streets, Coburg North
  - Bonwick Street, Fawkner
  - Snell Grove, Oak Park
  - Elizabeth Street, Coburg North



Table 23 Scenario 1 (base case) Demand vs Capacity  
(red highlight indicates an undersupply)

	Low	Medium	High
<b>CENTRES</b>	<b>-110,850</b>	<b>255,190</b>	<b>377,203</b>
<b>Activity Centres</b>	<b>-92,448</b>	<b>200,412</b>	<b>298,032</b>
Brunswick	-49,139	92,200	139,313
- Commercial Area	-99,795	41,544	88,657
- MILS Cat 1 Area	47,560	47,560	47,560
- MILS Cat 2 Area	3,096	3,096	3,096
Coburg	-28,791	101,346	144,725
Glenroy	-14,518	6,866	13,994
<b>Neighbourhood Activity Centre</b>	<b>-11,032</b>	<b>27,075</b>	<b>39,777</b>
Grantham/Union Streets, West Brunswick	1,389	3,823	4,634
Melville Road/Albion Street/Victoria Street, West Brunswick	-1,346	6,920	9,675
Melville/Moreland Roads, West Brunswick	177	2,249	2,939
Moreland Road/Nicholson Street, Coburg/Brunswick	1,864	9,276	11,747
Bell Street/Melville Road, Pascoe Vale South	-2,077	3,910	5,906
Gaffney Street/Pascoe Vale Station, Pascoe Vale	-897	514	984
Gaffney/Sussex Streets, Coburg North	-1,412	-1,412	-1,412
Merlynston	-615	1,882	2,715
Bonwick Street, Fawkner	-3,552	-305	777
Snell Grove, Oak Park	-1,619	-130	367
West Street, Hadfield	-2,336	956	2,053
Elizabeth Street, Coburg North	-608	-608	-608
<b>Local Activity Centre</b>	<b>-7,370</b>	<b>27,704</b>	<b>39,395</b>
LAC (total)	-7,370	27,704	39,395

Source: .id

Table 24 Scenario 2 (growth scenario) Demand vs Capacity(

(red highlight indicates an undersupply)

	Low	Medium	High
<b>CENTRES</b>	<b>-232,630</b>	<b>133,409</b>	<b>255,422</b>
<b>Activity Centres</b>	<b>-209,364</b>	<b>83,495</b>	<b>181,115</b>
Brunswick	-127,752	13,587	60,700
- Commercial Area	-164,794	-23,455	23,658
- MILS Cat 1 Area	35,219	35,219	35,219
- MILS Cat 2 Area	1,823	1,823	1,823
Coburg	-65,153	64,984	108,363
Glenroy	-16,459	4,925	12,053
<b>Neighbourhood Activity Centre</b>	<b>-14,546</b>	<b>23,560</b>	<b>36,262</b>
Grantham/Union Streets, West Brunswick	464	2,898	3,709
Melville Road/Albion Street/Victoria Street, West Brunswick	-1,560	6,705	9,461
Melville/Moreland Roads, West Brunswick	-139	1,933	2,624
Moreland Road/Nicholson Street, Coburg/Brunswick	1,694	9,106	11,577
Bell Street/Melville Road, Pascoe Vale South	-2,836	3,151	5,147
Gaffney Street/Pascoe Vale Station, Pascoe Vale	-1,043	367	837
Gaffney/Sussex Streets, Coburg North	-1,654	-1,654	-1,654
Merlynston	-745	1,752	2,585
Bonwick Street, Fawkner	-3,654	-408	674
Snell Grove, Oak Park	-1,728	-239	258
West Street, Hadfield	-2,543	748	1,846
Elizabeth Street, Coburg North	-801	-801	-801
<b>Local Activity Centre</b>	<b>-8,720</b>	<b>26,354</b>	<b>38,045</b>
LAC (total)	-8,720	26,354	38,045

Source: .id

## 7.4 Implications

Without intervention, the Brunswick Activity Centre will not meet its intended economic role and will cap employment growth in Moreland, especially given its competitive position in attracting office development compared to other centres. The shortfall identified for the Brunswick Activity Centre is significant and immediate action is required given residential pressures on this centre.

Risks are also identified for Coburg Activity Centre and Glenroy Activity Centre. The risk is higher for Coburg Activity Centre given expected residential demand over the next 5 years, especially if the centre experiences similar residential development activity (i.e. low capacity tests) to Brunswick Activity Centre. Capacity constraints are less likely to occur in Glenroy over the next 15 years given its lower rate of apartment development activity.

Given these risks, the capacity analysis suggests that a FSR of 60% to 70% is required in Activity Centres to meet forecast demand levels under Scenario 2. This additional capacity is required to help achieve the employment-self sufficiency aspiration and capitalise on the forecast demand for growth in jobs in health and related industries.



There may also be opportunities to increase the commercial capacity of the Brunswick Activity Centre by expanding its boundaries to include nearby neighbourhood centres and/or rezone industrial land to increase the commercial core (e.g. MILS Category 2 sites within the Brunswick Activity Centre).

At a neighbourhood centre level, there is generally no overwhelming need for intervention in land use mix. However, several centres may experience capacity constraints in the medium to longer term and should be monitored.

## 8. Achieving a diverse, vibrant future Moreland economy

### Key Points

- The Moreland Planning Scheme provides good policy direction for economic development and employment growth.
- However, the evidence outlined in this report shows the market is not delivering the outcomes sought by policy.
- Without intervention, higher order activity centres, such as the Brunswick, Coburg and Glenroy Activity Centres will not meet their intended economic role and will cap employment growth in Moreland. The risk is higher for Brunswick and Coburg given their higher residential development activity.
- There is a clear need for changes to the zoning controls within the commercial areas of Activity Centres, to give desired outcomes stronger weight than relying on policy direction.
- Of all the options available, the application of the Activity Centre Zone provides the best flexibility to Council to tailor the permit requirements for land use. This is because additional conditions can be placed in the land use table for uses like Dwelling and Accommodation, such that they are only as-of-right within existing commercial areas (where the Commercial 1 Zone applies) if a specified floor space is provided for commercial floor space.
- This floor space requirement could be designated as a proportion of site area (as opposed to a proportion of net or gross floor space). It is recommended that 60% to 70% of the site area to be provided as commercial floor space. 70% is recommended for Brunswick, 65% for Glenroy and 60% in Coburg.
- When aligned with strong policy and decision guidelines, the changes suggested to the zoning provisions will help encourage the market to deliver the forecast commercial floor space need across the three activity centres.

-  At a neighbourhood centre level, there is generally no overwhelming need for intervention in land use mix. However, new local policy within the Moreland Planning Scheme should encourage improved building designs and layouts that encourage efficient use of floor space and are adaptable to meet changing economic needs over time. There may also be opportunities to increase the capacity of the Brunswick Activity Centre by incorporating nearby Neighbourhood Centres into Activity Centre Zone.
-  Industrial land within Moreland is still important and required to meet Moreland's job requirements into the future. There are opportunities to allow a broader range of employment uses within some industrial areas through use of the Activity Centre Zone, particularly for MILS Category 1 sites within the Brunswick Activity Centre, as supported by the MILS.

## 8.1 A multi-faceted approach is required

Achieving a diverse, vibrant future economy in Moreland will require a whole of council approach to implementation.

A key part of that approach is the direction provided by the land use planning regulatory framework outlined in the Moreland Planning Scheme. The planning scheme provides the key directions for how land can be used and developed and signals to the market what outcomes are expected.

While the Moreland Planning Scheme provides good policy direction for economic development and employment retention, the evidence outlined in this report is that the market is not delivering the outcomes sought by policy. The ability to achieve that policy is further hindered by land use planning controls (in the form of zoning) which do not sufficiently regulate non-commercial (residential) uses to encourage a broader commercial land use base. Without intervention, higher order activity centres, such as the Brunswick and Glenroy Activity Centres will not meet their intended economic role and cap employment growth in Moreland.

There is no pressing need to adopt a more commercially facilitative approach to non-commercial or industrial land to achieve these growth outcomes. Instead, planning controls will need to provide clearer, more direct expectations about maximising the potential of existing commercial and industrial land.

There will be a need for the planning scheme to provide improved direction towards achieving the economic growth scenario (Scenario 2) at a municipal-wide level through policy.

However, this policy will need to be supported through stronger, more direct regulation through zoning and other planning controls that apply to land, particularly within the Brunswick and Glenroy Activity Centres. Consideration will also need to be given to how land transitioning from industrial activity can continue to supply employment floor space.

Scenario 2 also highlights opportunities to leverage growth in the health sector. Strategic decisions will need to be made about land in and around existing health facilities to capitalise on these opportunities.

## 8.2 The Moreland Planning Scheme encourages economic activity

Existing policy within the Moreland Planning Scheme broadly seeks to support economic development. Local level policy in the PPF provides strong objectives, strategies and direction to improve employment self-sufficiency, deliver more commercial floor space and manage industry in transition.

This vision and the policy guidance are already consistent with what is sought to be achieved by the Scenario 2 in many respects.

However, despite all the encouragement in policy, the forecast decline in employment self-sufficiency under Scenario 1 highlights that the planning scheme is not achieving the intended outcome and is expected to decline over time.

There is a disconnect between these existing policy settings and the ‘on the ground’ outcomes that are being achieved, particularly within activity centres, as centres redevelop in line with expectations set out in structure plans and built form guidance.

This is not to suggest that the policy is directing poor outcomes. The challenge is that the zoning of land, particularly within the commercial core of the higher order activity centres, is constraining the ability to achieve policy. This has been recognised in Tribunal cases, such as *Paragon 23 Pty Ltd v Moreland CC* [2018] VCAT 1234 and *Ross Street Corp Pty Ltd v Moreland CC* [2017] VCAT 1938.

### 8.3 Zoning within the commercial core of activity centres is constraining the ability to deliver additional commercial floor space

Moreland's activity centres will play an increasingly vital role in job growth, due to growth within the services sector in particular.

The existing commercial (and activity centre) zoning within commercial precincts of activity centres allows a broad range of non-commercial land uses (most notably Dwellings and other Accommodation uses) to occur without a planning permit, provided any frontage at ground floor level does not exceed 2 metres.

The experience within key activity centres such as Brunswick (as outlined in Chapter 7.3) highlights that the extent of commercial floor space provided within new development is declining, as the zoning regime allows non-commercial uses to establish without the need for a planning permit and developers take advantage of a strong residential market.

This existing zoning regime challenges the ability to not only retain existing commercial floor space within these centres, but to deliver the additional floor space required to meet the forecasts. In Brunswick, this is required under Scenario 1 and Scenario 2.

### 8.4 A stronger regulation of land use mix in commercial precincts

Zoning should be the key flag for land use intention within activity centres. When used appropriately, zoning can set the strongest signal about the capability of land to be used and developed.

#### **Activity Centres**

Moreland's Activity Centres (Brunswick, Coburg and Glenroy) comprise a mixture of commercial and residential land uses. Land use zoning within these centres predominantly encourages commercial floorspace to be provided at ground floor level within commercial precincts (whether they be zoned Commercial 1 or within commercial precincts of the Activity Centre Zone), with residential uses permissible at upper levels in these parts of the centre and in land zoned residential beyond the commercial core.

The most significant risk to the provision of sufficient commercial floorspace within these centres is the low barrier to residential development within these precincts

under the current regulatory approach identified in Chapter 8.3. The analysis in Chapter 7.2 and 7.3 highlights that these regulatory approach is leading to a decline in commercial floorspace within these parts of the centres where economic activity is encouraged.

There is a clear need for changes to the zoning controls within the commercial precincts of higher order activity centres. The existing zoning controls facilitate a range of non-commercial uses and the market is delivering non-commercial (that is, predominantly residential) uses in preference to commercial uses at levels above ground floor. This is evident from the market sounding analysis and an analysis of planning permits granted within the Brunswick Activity Centre as explored in this report.

Changes to the zoning controls are required to address the shortfalls of the current regulatory settings, but also to ensure that sufficient land is available to achieve a diverse and vibrant future Moreland economy.

The controls need to:

- Provide a better connection between the intent of policy and the activities which require planning permission.
- Ensure that there is a reasonable expectation that commercial floor space requirements can be met.
- Ensure that commercial land uses are encouraged in the parts of the activity centre where commercial activity is expected. This includes land within the commercial core of these centres (such as land zoned Commercial 1), but also land identified as Category 2 within the MILS.
- Provide a stronger regulation of non-commercial land uses to ensure they do not compromise the ability to provide for commercial activity.

Chapter 12 outlines an examination of options that can be used to achieve these outcomes.

Of all the options available, the application of the Activity Centre Zone provides the best flexibility to Council to tailor the permit requirements for land use.

The purposes of the Activity Centre Zone are:

- *To implement the Municipal Planning Strategy and the Planning Policy Framework*



- *To encourage a mix of uses and the intensive development of the activity centre:*
  - *As a focus for business, shopping, working, housing, leisure, transport and community facilities*
  - *To support sustainable urban outcomes that maximise the use of infrastructure and public transport*
- *To deliver a diversity of housing at higher densities to make optimum use of the facilities and services*
- *To create through good urban design an attractive, pleasant, walkable, safe and stimulating environment*
- *To facilitate use and development of land in accordance with the Structure Plan for the activity centre*

In order to encourage commercial land uses, the Activity Centre Zone enables additional conditions to be placed in the land use table for uses like Dwelling and some other uses under the Accommodation land use nest, such that they are only as-of-right within existing commercial areas (where the Commercial 1 Zone applies) if a specified floor space is provided for commercial floor space.

This floor space requirement could be designated as a proportion of site area.

This requirement has been tested by modelling within the Brunswick Activity Centre. Further information about this modelling is provided in Appendix A (Chapter 9.10).

The model tested the following scenarios:

- ▣ Low - 35% of site area as commercial floor space
- ▣ Medium - provision of 65% of the site area as commercial floor space.
- ▣ High - provision of 75% of the site area as commercial floor space.

The modelling suggests that the low and medium capacity scenario will not achieve a sufficient supply of commercial floor space to achieve Scenario 2 (growth scenario). The high capacity scenario is likely to result in an oversupply of commercial floor space.

The capacity analysis also considered the opportunity to include MILS Category 2 sites within the commercial area to meet demand under Scenario 2. This additional capacity results in a small under supply under the medium capacity scenario, and an oversupply under the high capacity scenario.

Accordingly, in Brunswick it is recommended that a moderate increase requirement (in between the medium and high scenarios) be introduced, requiring 70% of the site area to be provided as commercial floor space. The inclusion of MILS Category 2 sites would help reduce the capacity constraint risks identified. Other options (as identified in the Neighbourhood Centre section below) could also be considered to increase capacity and delivery of commercial space (as listed in Chapter 5.4 and 8.7).

Applying the modelling to the Coburg and Glenroy Activity Centres results in an oversupply of commercial floorspace if a 70% requirement is adopted. The model demonstrated that a 65% requirement is likely to meet commercial floorspace requirements in Glenroy, while a 60% requirement in Coburg would achieve the desired outcome.

This could be drafted into a requirement in the Schedule to the Activity Centre Zone that Dwellings and other Accommodation uses do not require a permit, provided the following conditions are met (in the Brunswick example):

*The frontage at ground floor level does not exceed 2 metres.*

*Commercial floor space equivalent to at least 70% of the site area must be provided.*

Similar drafting could be adopted within the existing Coburg Activity Centre Zone (for Precincts 1, 2, 6 and 7) and in a future Activity Centre Zone for Glenroy, with the lesser floorspace requirements for those centres adopted.

This requirement provides flexibility for the commercial floor space to be provided across multiple levels or multiple buildings within the site, while still allowing accommodation uses to establish and be considered against the relevant policy in the Planning Policy Framework, or the decision guidelines of the Activity Centre Zone.

Alternatively, the condition could be drafted to sit alongside Dwellings and other Accommodation as a Section 2 use. The difference in this approach would mean that these non-commercial uses would be prohibited if the commercial floor space requirement was not met.

The difference between these two approaches is essentially whether the requirement is discretionary and performance-based, or mandatory.

A mandatory requirement could provide more certainty in ensuring that new development provides a guaranteed amount of commercial floor space.

However, a mandatory requirement may also make it difficult for some sites within the activity centres to be redeveloped in line with expectations outlined in Structure Plans.

While a mandatory requirement may be necessary to achieve certainty that the floor space required within these centres will be delivered, it must be balanced against the prospect that its requirements may also discourage land from being redeveloped and therefore potentially not providing any additional commercial floor space. The introduction of a mandatory requirement may also, in some situations, result in increased pressure to develop sites above discretionary building heights, on the basis that the development is ‘trading off’ any increase in height above discretionary limits for the additional benefit of providing more commercial floorspace.

The requirement would provide a stronger encouragement to the market to deliver commercial floor space as part of redevelopment of land. When aligned with strong policy and decision guidelines, the changes suggested to the zoning provisions will help to achieve the forecast commercial floor space across the three major activity centres.

A hybrid approach is suggested where land in existing commercial precincts or zoned Commercial 1 has a discretionary requirement for commercial floorspace, while MILS Category 2 land has the same floorspace requirement applied in a mandatory manner. This approach would recognise that MILS anticipates that Category 2 land should provide commercial opportunity, in addition to any residential benefit. This greater expectation of commercial floorspace on this land supports the implementation of MILS.

The figure below shows the demand and supply potential from the proposed planning interventions. This includes:

#### Brunswick Commercial Area

- ▣ Commercial floor space equivalent to 70% of the site area to be provided
- ▣ Commercial floor space equivalent to 70% of the site area to be provided on MILS Category 2 sites in the Brunswick Activity Centre

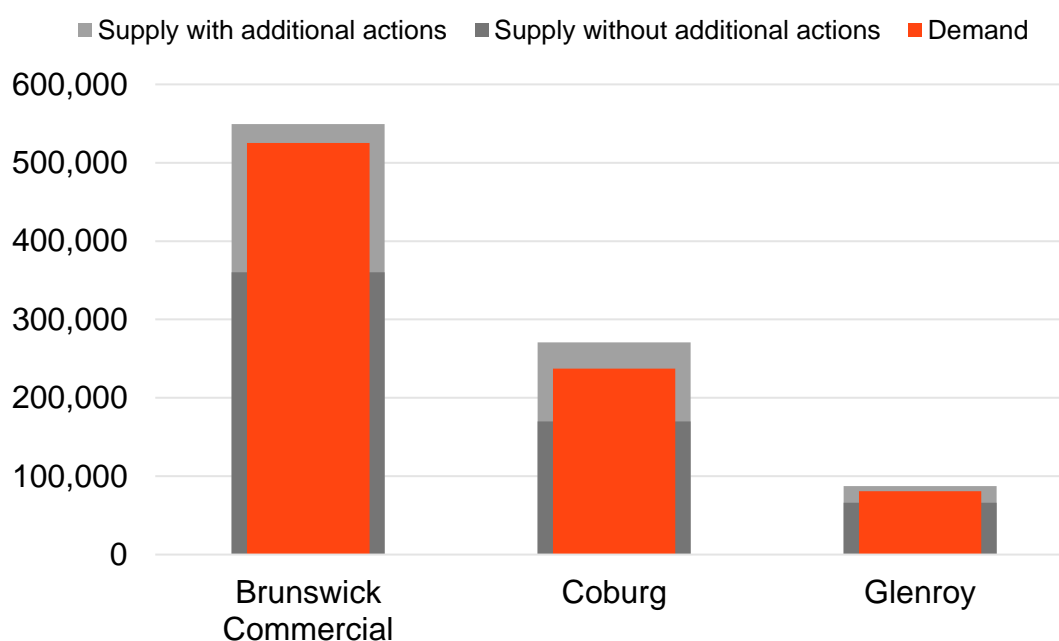
#### Coburg

- ▣ Commercial floor space equivalent to 60% of the site area to be provided

#### Glenroy

- ▣ Commercial floor space equivalent to 65% of the site area to be provided

Figure 30 Additional capacity achieved from intervention



Source: .id

### Neighbourhood Activity Centres

At a neighbourhood centre level, there is generally no overwhelming need for intervention in land use mix. However, new local policy within the Moreland Planning Scheme should encourage improved building designs and layouts that encourage efficient use of floor space and are adaptable to meet changing economic needs over time.

The analysis in this report also recognises that accommodating additional commercial floorspace in neighbourhood centres that are in close proximity to larger centres (particularly the Brunswick Activity Centre) can continue to support commercial floorspace and reduce pressure on supply within the larger activity centres. Policy should continue to encourage this outcome within these centres.

## 8.5 An emerging health precinct opportunity

The Moreland Road corridor, between Strathearn Avenue to the west and the Merri Creek to the east contains key health industry uses, including John Fawcner Private Hospital, Brunswick Private Hospital and ancillary consulting suites and medical services.

There is an opportunity to capitalise on the anticipated demand for growth in jobs in health and related industries, including aged care. Further work is required to determine the potential for a health precinct, but candidate investigation areas could include Brunswick Activity Centre, Coburg Activity Centre and Moreland Road/Nicholson Street, Coburg/Brunswick Neighbourhood Centre.

There is an opportunity to encourage these locations to serve a specialised role and take advantage of its locational proximity to existing health services and jobs.

Consideration could be given to integrating adjacent Neighbourhood Centres with the Brunswick Activity Centre. Their integration into the Brunswick Activity Centre, where the Activity Centre Zone could be applied, would increase overall capacity and provide the opportunity to set land use planning controls to specifically encourage this outcome.

## 8.6 Recognise the important role of industrial areas

Industrial land within Moreland is still important and required to meet Moreland's job requirements into the future.

The utilisation of industrial land will change over time, as industry continues to transition to lighter industry or creative industry, with different floor space requirements. This is consistent with the direction provided within the MILS.

It is anticipated that MILS Category 1 land will continue to serve an important role in Moreland's industrial floorspace provision.

There are opportunities to allow a broader range of uses within some industrial areas, particularly within the Brunswick Activity Centre. From a strategic perspective, this precinct functions as part of the activity centre and consideration should be given to its strategic role within this context, either through inclusion within any future Activity Centre Zone or through opportunities to explore rezoning of the land to the Commercial 2 or Commercial 3 Zone. The best opportunity for these areas is to integrate them within the Activity Centre Zone and provide a tailored land use table to

support their industrial and commercial role within the broader centre. The land use table for this area within an Activity Centre Zone could be broadly based on existing Commercial 2 or 3 zoning provisions, with a clearer focus on commercial opportunities while continuing to prohibit residential uses.

To a lesser degree, these opportunities also exist around the Sussex Street and Gaffney Street Neighbourhood Activity Centre. A broader mix of land uses in the immediately surrounding industrial land could complement the role of this centre.

As identified earlier in this chapter of the report, MILS Category 2 land in the Brunswick Activity Centre, will play an important role in supporting commercial floorspace opportunities. Any transition of this land should primarily be focused on commercial opportunity and the introduction of a mandatory floorspace requirement may be necessary to facilitate this outcome.

Several other MILS Category 2 sites outside of centres are forecast to perform a diminished economic role.

## 8.7 Economic Development Opportunities

Based on the analysis presented in this report, the following economic development recommendations have been made for Moreland Council and complement the planning recommendations above:

-  Develop strategic sectors and then prioritise actions (economic development and planning) to enable stronger growth. Candidate sectors identified in this report include Health, Creative/Cultural sectors (especially higher value-adding sectors), Hospitality/Retail and Manufacturing.
-  Enhancing the local entrepreneurial culture and generate more high growth businesses to build on the potential offered by Moreland's growing small business sector.
-  Promote the potential of Brunswick Activity Centre as a major employment precinct in Melbourne's North and West region and identify strategies to elevate its commercial office role.
-  Elevate the economic role of Brunswick Activity Centre in planning policy noting it is similar in size to the Broadmeadows Metropolitan Activity Centre.
-  Investigate the drivers behind high vacancy rates, especially in Brunswick and Coburg and monitor performance over time.

- Investigate office requirements for small businesses in Moreland
- Investigate opportunities to cluster office development in Brunswick Activity Centre to create a commercial core
- Investigate opportunities to cluster health development in Brunswick Activity Centre and/or Coburg Activity Centre to create a health precinct
- Improve links / connections between hospitals and nearby Activity Centres
- Develop a monitoring system that is based on strategic intentions, for example monitor:

Table 25 Monitoring Framework Example

Intention	Success looks like	Monitored by
To support a network of activity centres across Moreland to provide residents with walkable access to their daily and weekly shopping and service needs (21.03-1)	Mix of retail, office, commercial, entertainment and community uses	Job growth by centres by broad industry
	Large scale retail or office uses locate in the defined boundaries of activity centres	Share of job growth located in employment precincts
To facilitate change to the scale of the built form within activity centres in accordance with their size and role in the activity centre network (21.03-1)	Encourage the Brunswick and Glenroy Activity Centres to accommodate substantial growth	Job growth in the three Activity Centres (total and industry)  Property market performance of Activity Centres (vacancies, rents, enquiries, developer feedback)
	Coburg Activity Centre accommodates substantial growth and change	
To support activity centres as important commercial and employment clusters.	Residential uses do not undermine the viability of businesses operating in activity centre	Permit development outcomes – e.g. net change in employment floor space, floor

		space ratios, potential jobs generated <sup>16</sup> .emp
To maintain current levels of employment self sufficiency and ideally increase employment self sufficiency (MILS)	Jobs growth matched employed resident growth	Hold employment self-sufficiency (total and by industry) at 46% (or higher)

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<sup>16</sup> economic impact model on economy.id could be used to estimate jobs based on expected business turnover



## 9. Appendix A – Employment Precinct Analysis

This section reports on the analysis undertaken to estimate floor space and employment in Moreland's Employment Precincts.

### 9.1 Existing floor space estimates

Estimates of existing employment floor space in Moreland is based on Moreland's Rates Database. This information has been geocoded to Moreland's Employment Precincts. The Australian Valuation Property Classification Code has been used to estimate existing commercial and industrial space. It is not possible to break this down further into retail, office, café, etc due to the way information is collected during valuations. It should be noted that a comprehensive floorspace audit was not completed as part of this project. This means that there may be issues/errors in the Rates Database not addressed in this project.

The estimates have been compared to those provided in Melbourne Industrial and Commercial Land Use Plan (MICLUP) and are generally consistent. It is noted that supply estimates contained in MICLUP assume that the ground floor is available for commercial uses with the remaining storeys used for apartments. While this assumption is okay today, this assumption in MICLUP may need to be reviewed in the future given recent permit activity in Moreland where on average only 35% of the ground floor of new buildings is commercial floor space.

The outcome of this analysis is presented in the table below.

Table 26 Employment floor space by Employment Precinct, sqm (2020)

	Commercial	Industrial	Total
<b>CENTRE</b>	<b>765,676</b>	<b>535,881</b>	<b>1,301,557</b>
<b>Activity Centre</b>	<b>623,160</b>	<b>502,457</b>	<b>1,125,617</b>
Brunswick	405,217	468,597	873,814
- Commercial Area	327,352	204,014	531,366
- MILS Cat 1 Area	72,430	242,287	314,717
- MILS Cat 2 Area	5,435	22,295	27,731
Coburg	154,770	15,965	170,735
Glenroy	63,172	17,896	81,068
<b>Neighbourhood Centre</b>	<b>91,522</b>	<b>30,194</b>	<b>121,715</b>
Grantham/Union Streets, West Brunswick	8,005	347	8,352
Melville Road/Albion Street/Victoria Street, West Brunswick	13,480	13,247	26,727
Melville/Moreland Roads, West Brunswick	5,572	958	6,530
Moreland Road/Nicholson Street, Coburg/Brunswick	10,818	12,924	23,742
Bell Street/Melville Road, Pascoe Vale South	14,269	740	15,009
Gaffney Street/Pascoe Vale Station, Pascoe Vale	5,427	0	5,427
Gaffney/Sussex Streets, Coburg North	6,308	650	6,958
Merlynston	3,409	0	3,409
Bonwick Street, Fawkner	8,174	787	8,961
Snell Grove, Oak Park	4,332	540	4,872
West Street, Hadfield	7,456	0	7,456
Elizabeth Street, Coburg North	4,272	0	4,272
<b>Local Activity Centre</b>	<b>50,995</b>	<b>3,231</b>	<b>54,226</b>
LAC (total)	50,995	3,231	54,226
<b>INDUSTRIAL AREA</b>	<b>250,477</b>	<b>972,338</b>	<b>1,223,755</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>241,546</b>	<b>904,215</b>	<b>1,145,761</b>
Brunswick (included in Brunswick Activity Centre)	72,430	242,287	314,717
Coburg North	59,402	384,728	444,131
Merlynston, Fawkner, Hadfield	29,309	135,449	164,758
Newlands Road	80,405	141,751	222,156
<b>Category 2 - Employment Priority Areas</b>	<b>8,931</b>	<b>68,123</b>	<b>77,994</b>
Brunswick (included in Brunswick Activity Centre)	5,435	22,295	27,731
Grantham / Union St, West Brunswick	1,974	11,131	13,105
Moreland Road Coburg/Brunswick	325	31,239	32,504
Devon Road	500	200	700
Gaffney Street/Pascoe Vale Station, Pascoe Vale	696	3,257	3,953
<b>ELSEWHERE</b>	<b>440,370</b>	<b>84,863</b>	<b>525,232</b>
Elsewhere	440,370	84,863	525,232
Construction	-	-	-
<b>Total</b>	<b>1,378,658</b>	<b>1,328,499</b>	<b>2,708,097</b>

Source: Moreland Rates Database

## 9.2 Occupied floor space estimates

In 2020, Moreland Council undertook a vacancy audit of Activity Centres and Neighbourhood Centres. This information was then applied to the total floorspace estimates in the table above.

Table 27 Occupied floor space and vacancy rates

	Occupied floor space (sqm)	Unoccupied floor space (sqm)	Total (sqm)	Vacancy rate
<b>CENTRES</b>	<b>1,161,806</b>	<b>139,751</b>	<b>1,301,557</b>	<b>10.7%</b>
<b>Activity Centres</b>	<b>1,005,827</b>	<b>119,789</b>	<b>1,125,617</b>	<b>10.6%</b>
Brunswick	778,852	94,961	873,814	10.9%
- Commercial Area	451,130	80,236	531,366	15.1%
- MILS Cat 1 Area	301,184	13,533	314,717	4.3%*
- MILS Cat 2 Area	26,538	1,192	27,731	4.3%*
Coburg	149,393	21,342	170,735	12.5%
Glenroy	77,582	3,486	81,068	4.3%
<b>Neighbourhood Activity Centre</b>	<b>107,906</b>	<b>13,810</b>	<b>121,715</b>	<b>11.3%</b>
Grantham/Union Streets, West Brunswick	7,517	835	8,352	10.0%#
Melville Road/Albion Street/Victoria Street, West Brunswick	23,520	3,207	26,727	12.0%
Melville/Moreland Roads, West Brunswick	5,877	653	6,530	10.0%
Moreland Road/Nicholson Street, Coburg/Brunswick	20,656	3,086	23,742	13.0%
Bell Street/Melville Road, Pascoe Vale South	11,557	3,452	15,009	23.0%
Gaffney Street/Pascoe Vale Station, Pascoe Vale	4,884	543	5,427	10.0%#
Gaffney/Sussex Streets, Coburg North	6,958	0	6,958	0.0%
Merlynston	3,068	341	3,409	10.0%#
Bonwick Street, Fawkner	8,244	717	8,961	8.0%
Snell Grove, Oak Park	4,239	633	4,872	13.0%
West Street, Hadfield	7,456	0	7,456	0.0%
Elizabeth Street, Coburg North	3,930	342	4,272	8.0%
<b>Local Activity Centre</b>	<b>48,073</b>	<b>6,152</b>	<b>54,226</b>	<b>11.3%</b>
LAC (total)	48,073	6,152	54,226	11.3%
<b>INDUSTRIAL AREAS</b>	<b>1,171,133</b>	<b>52,621</b>	<b>1,223,755</b>	<b>4.3%</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>1,096,494</b>	<b>49,268</b>	<b>1,145,761</b>	<b>4.3%</b>
Brunswick (included in Brunswick Activity Centre)	301,184	13,533	314,717	4.3%*
Coburg North	425,033	19,098	444,131	4.3%*
Merlynston, Fawkner, Hadfield	157,673	7,085	164,758	4.3%*
Newlands Road	212,603	9,553	222,156	4.3%*
<b>Category 2 - Employment Priority Areas</b>	<b>74,640</b>	<b>3,354</b>	<b>77,994</b>	<b>4.3%</b>
Brunswick (included in Brunswick Activity Centre)	26,538	1,192	27,731	4.3%*
Grantham / Union St, West Brunswick	12,542	564	13,105	4.3%*
Moreland Road Coburg/Brunswick	31,106	1,398	32,504	4.3%*
Devon Road	670	30	700	4.3%*
Gaffney Street/Pascoe Vale Station, Pascoe Vale	3,783	170	3,953	4.3%*

\* Vacancy data not available from Audit. Based on CBRE Vacancy Report H2 2020 for Melbourne's North. # vacancy data not available from Audit – based on average vacancy rate for Neighbourhood Centres

Source: Vacancy Audit, 2020 (Moreland Council), Moreland Rates Database

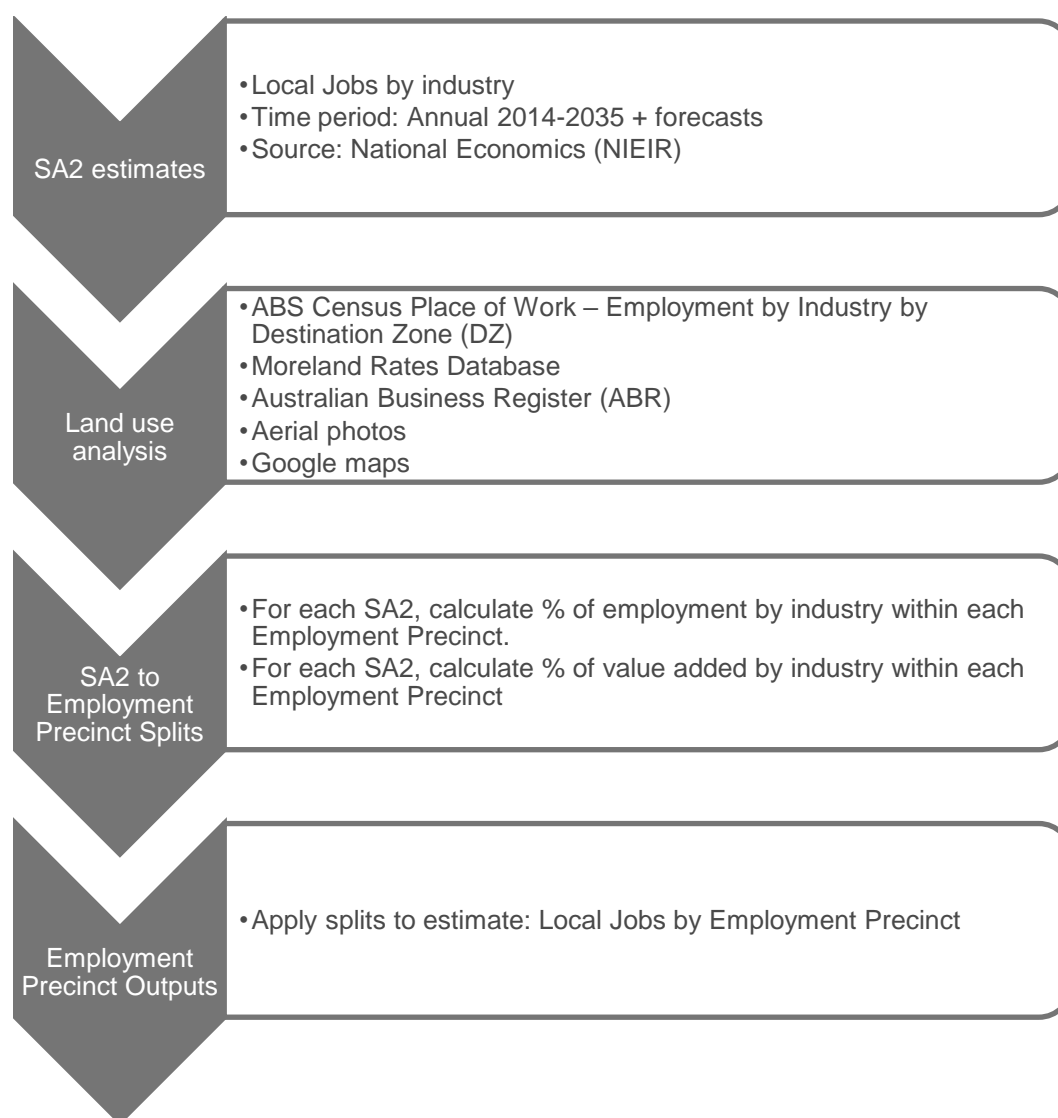
## About vacancy rates

Vacancy rates are just one indicator of how the economy is performing. High vacancy rates in Centres can be due to a range of factors including soft demand for commercial space, competitive pressures, changing consumer preferences (e.g. transition of centres from non-food retailing to other services), poor quality of existing commercial stock, new space does not meet the needs of potential tenants and poor amenity of the centre. Strategies should be put in place to monitor and address the observed high vacancy rates, especially in Brunswick and Coburg. Low vacancy rates are typically considered a positive because it means that a centre is desirable. However low vacancy rates can also put upward pressure on commercial rents and restrict the ability attract tenants.

## 9.3 Existing employment estimates

Reliable primary economic data sets exist only at the national, state and regional level at best. The only way to get a realistic measure of Gross Regional Product (GRP), number of jobs and other economic indicators at the local area level is to undertake economic modelling. NIEIR are recognised as industry leaders in the development and provision of robust economic modelling at the LGA and Statistical Area Level 2 (SA2) level.

A 'split' based methodology has been used to produce employment statistics for Moreland's Employment Precincts. This 'split' based approach converts SA2 employment by industry estimates from NIEIR to Employment Precincts based on an analysis of ABS Census of Population and Housing data at the Destination Zone (DZ) level, Moreland Rates Database, aerial photography and Australian Business Register data. This 'split' analysis was completed on an industry basis (1 digit). This means that each industry can have a different SA2 and DZ split.



It is noted that this approach has several limitations

- Land use analysis found that the Rates Database under-estimates health related jobs in Activity Centres as the AVPCC for medical is often categorised as a 'shop'. Manual adjustments made for health jobs based on analysis of ABR data and Google Maps.
- It assumes that the relationship between SA2 – DZ – Employment Precinct remains constant over time.
- Confidence levels are relatively high for Employment Precincts which align well with DZs. Lower confidence is given to Employment Precincts that represent only a small part of a DZ (e.g. Local Activity Centres and Glenroy).

In response to these limitations, we have used DZ employment estimates from the ABS Census as a control total by industry. This helps improve the accuracy of the estimates at the Employment Precinct level.

Table 28 Existing employment in Moreland's Employment Precincts, 2020

	2020	% of total LGA jobs
<b>CENTRES</b>	<b>23,437</b>	<b>48%</b>
<b>Activity Centres</b>	<b>18,907</b>	<b>39%</b>
Brunswick	12,563	26%
- Commercial Area	8,696	18%
- MILS Cat 1 Area	3,444	7%
- MILS Cat 2 Area	423	1%
Coburg	4,694	10%
Glenroy	1,650	3%
<b>Neighbourhood Activity Centre</b>	<b>3,323</b>	<b>7%</b>
Grantham/Union Streets, West Brunswick	336	1%
Melville Road/Albion Street/Victoria Street, West Brunswick	398	1%
Melville/Moreland Roads, West Brunswick	189	0%
Moreland Road/Nicholson Street, Coburg/Brunswick	445	1%
Bell Street/Melville Road, Pascoe Vale South	587	1%
Gaffney Street/Pascoe Vale Station, Pascoe Vale	287	1%
Gaffney/Sussex Streets, Coburg North	255	1%
Merlynston	121	0%
Bonwick Street, Fawkner	133	0%
Snell Grove, Oak Park	189	0%
West Street, Hadfield	247	1%
Elizabeth Street, Coburg North	137	0%
<b>Local Activity Centre</b>	<b>1,207</b>	<b>2%</b>
LAC (total)	1,207	2%
<b>INDUSTRIAL AREAS</b>	<b>9,386</b>	<b>19%</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>8,493</b>	<b>17%</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	3,444	7%
Coburg North	2,731	6%
Merlynston, Fawkner, Hadfield	1,426	3%
Newlands Road	892	2%
<b>Category 2 - Employment Priority Areas</b>	<b>893</b>	<b>2%</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	423	1%
Grantham / Union St, West Brunswick	266	1%
Moreland Road Coburg/Brunswick	107	0%
Devon Road	50	0%
Gaffney Street/Pascoe Vale Station, Pascoe Vale	47	0%
<b>ELSEWHERE</b>	<b>19,631</b>	<b>40%</b>
Elsewhere	14,980	31%
Construction	4,651	10%
<b>MORELAND TOTAL</b>	<b>48,588</b>	<b>100%</b>

Source: .id

Table 29 Employment by industry by Broad Employment Precinct, 2020

	Other industrial	Manufacturing	Retail	Hospitality	Commercial	Education	Health	Other services
<b>CENTRE</b>	<b>2,181</b>	<b>1,954</b>	<b>4,252</b>	<b>2,336</b>	<b>5,202</b>	<b>1,280</b>	<b>4,008</b>	<b>2,225</b>
<b>Activity Centre</b>	<b>1,854</b>	<b>1,824</b>	<b>3,068</b>	<b>1,820</b>	<b>4,117</b>	<b>1,280</b>	<b>3,221</b>	<b>1,723</b>
Brunswick	1,593	1,439	1,978	1,380	2,430	866	1,623	1,253
- Commercial Area	551	675	1,850	1,287	1,893	358	1,240	842
- MILS Cat 1 Area	951	669	117	93	428	508	339	339
- MILS Cat 2 Area	91	95	12	0	110	0	43	72
Coburg	130	251	814	376	1,447	308	975	391
Glenroy	131	134	276	63	240	106	623	79
<b>Neighbourhood Centre</b>	<b>242</b>	<b>106</b>	<b>713</b>	<b>427</b>	<b>868</b>	<b>0</b>	<b>553</b>	<b>415</b>
Grantham/Union Streets, West Brunswick	8	7	89	4	133	0	52	43
Melville Road/Albion Street/Victoria Street, West Brunswick	60	25	57	34	70	0	55	97
Melville/Moreland Roads, West Brunswick	10	0	28	18	27	0	62	45
Moreland Road/Nicholson Street, Coburg/Brunswick	117	44	63	4	122	0	73	21
Bell Street/Melville Road, Pascoe Vale South	23	14	84	140	171	0	90	64
Gaffney Street/Pascoe Vale Station, Pascoe Vale	6	1	24	56	99	0	70	31
Gaffney/Sussex Streets, Coburg North	11	10	89	65	67	0	9	4
Merlynston	0	0	28	53	15	0	25	0
Bonwick Street, Fawkner	2	2	52	0	28	0	47	2
Snell Grove, Oak Park	5	2	11	24	69	0	50	27
West Street, Hadfield	0	0	90	0	68	0	20	70
Elizabeth Street, Coburg North	0	0	97	28	0	0	0	11
<b>Local Activity Centre</b>	<b>85</b>	<b>24</b>	<b>471</b>	<b>89</b>	<b>216</b>	<b>0</b>	<b>234</b>	<b>87</b>
LAC (total)	85	24	471	89	216	0	234	87



<b>INDUSTRIAL AREA</b>	<b>2,494</b>	<b>2,716</b>	<b>912</b>	<b>170</b>	<b>918</b>	<b>673</b>	<b>488</b>	<b>1,014</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>2,261</b>	<b>2,543</b>	<b>867</b>	<b>140</b>	<b>707</b>	<b>673</b>	<b>384</b>	<b>918</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	951	669	117	93	428	508	339	339
Coburg North	701	819	458	0	124	165	16	448
Merlynston, Fawkner, Hadfield	298	761	282	42	12	0	18	13
Newlands Road	311	294	10	5	143	0	10	118
<b>Category 2 - Employment Priority Areas</b>	<b>233</b>	<b>173</b>	<b>45</b>	<b>30</b>	<b>212</b>	<b>0</b>	<b>105</b>	<b>96</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	91	95	12	0	110	0	43	72
Grantham / Union St, West Brunswick	33	34	31	0	102	0	61	4
Moreland Road Coburg/Brunswick	73	32	2	0	0	0	0	0
Devon Road	14	3	0	29	0	0	0	3
Gaffney Street/Pascoe Vale Station, Pascoe Vale	22	9	0	0	0	0	0	16
<b>ELSEWHERE</b>	<b>5,234</b>	<b>496</b>	<b>234</b>	<b>1,051</b>	<b>2,681</b>	<b>3,741</b>	<b>4,724</b>	<b>1,469</b>
Elsewhere	583	496	234	1,051	2,681	3,741	4,724	1,469
Construction	4,651							
<b>Total</b>	<b>8,868</b>	<b>4,402</b>	<b>5,269</b>	<b>3,464</b>	<b>8,264</b>	<b>5,186</b>	<b>8,838</b>	<b>4,298</b>

Source: .id based on NIEIR SA2 Employment Forecasts

Table 30 Employment change by Broad Industry by Employment Precinct, 2015-2020

	Other industrial	Manufacturing	Retail	Hospitality	Commercial	Education	Health	Other services
<b>CENTRE</b>	<b>288</b>	<b>-186</b>	<b>130</b>	<b>168</b>	<b>373</b>	<b>135</b>	<b>691</b>	<b>380</b>
<b>Activity Centre</b>	<b>252</b>	<b>-172</b>	<b>101</b>	<b>135</b>	<b>307</b>	<b>135</b>	<b>573</b>	<b>289</b>
Brunswick	227	-148	72	103	165	94	302	214
- Commercial Area	83	-66	68	97	128	47	230	141
- MILS Cat 1 Area	138	-73	4	6	30	47	63	60
- MILS Cat 2 Area	7	-10	1	0	7	0	8	13
Coburg	14	-19	25	28	137	33	183	61
Glenroy	10	-5	3	4	6	8	89	14
<b>Neighbourhood Centre</b>	<b>31</b>	<b>-12</b>	<b>19</b>	<b>27</b>	<b>53</b>	<b>0</b>	<b>82</b>	<b>76</b>
Grantham/Union Streets, West Brunswick	1	-1	2	0	12	0	9	8
Melville Road/Albion Street/Victoria Street, West Brunswick	8	-5	1	3	8	0	9	17
Melville/Moreland Roads, West Brunswick	1	0	1	1	2	0	11	8
Moreland Road/Nicholson Street, Coburg/Brunswick	15	-4	3	0	8	0	14	3
Bell Street/Melville Road, Pascoe Vale South	3	-1	1	8	6	0	15	12
Gaffney Street/Pascoe Vale Station, Pascoe Vale	1	0	0	4	6	0	1	6
Gaffney/Sussex Streets, Coburg North	1	0	3	3	3	0	1	0
Merlynston	0	0	1	4	0	0	3	0
Bonwick Street, Fawkner	0	0	-1	0	0	0	7	0
Snell Grove, Oak Park	1	0	0	2	2	0	7	5
West Street, Hadfield	0	0	3	0	5	0	4	14
Elizabeth Street, Coburg North	0	0	4	2	0	0	0	3
<b>Local Activity Centre</b>	<b>5</b>	<b>-2</b>	<b>10</b>	<b>5</b>	<b>13</b>	<b>0</b>	<b>36</b>	<b>15</b>

LAC (total)	5	-2	10	5	13	0	36	15
<b>INDUSTRIAL AREA</b>	<b>334</b>	<b>-106</b>	<b>26</b>	<b>10</b>	<b>54</b>	<b>62</b>	<b>89</b>	<b>210</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>308</b>	<b>-90</b>	<b>24</b>	<b>8</b>	<b>42</b>	<b>62</b>	<b>69</b>	<b>192</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	138	-73	4	6	30	47	63	60
Coburg North	96	-49	17	0	6	15	2	101
Merlynston, Fawkner, Hadfield	39	50	4	1	0	0	3	3
Newlands Road	35	-18	0	0	6	0	1	29
<b>Category 2 - Employment Priority Areas</b>	<b>25</b>	<b>-17</b>	<b>2</b>	<b>2</b>	<b>12</b>	<b>0</b>	<b>20</b>	<b>17</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	7	-10	1	0	7	0	8	13
Grantham / Union St, West Brunswick	4	-4	1	0	5	0	11	1
Moreland Road Coburg/Brunswick	11	-3	0	0	0	0	0	0
Devon Road	2	0	0	2	0	0	0	1
Gaffney Street/Pascoe Vale Station, Pascoe Vale	2	0	0	0	0	0	0	3
<b>ELSEWHERE</b>	<b>956</b>	<b>-43</b>	<b>7</b>	<b>74</b>	<b>166</b>	<b>333</b>	<b>944</b>	<b>255</b>
Elsewhere	72	-43	7	74	166	333	944	255
Construction	885	0	0	0	0	0	0	0
<b>Total</b>	<b>1,433</b>	<b>-252</b>	<b>158</b>	<b>246</b>	<b>557</b>	<b>483</b>	<b>1,653</b>	<b>772</b>

Source: .id based on NIEIR SA2 Employment Forecasts

## 9.4 Employment forecasts

### **Step 1 – Extrapolate splits**

Employment forecasts were prepared for Moreland's Employment Precincts using the same methodology above but applied to NIEIR's SA2 employment forecasts. This assumes that the SA2 – DZ – Employment Precinct split remains constant over time. For example, if an Employment Precinct accounted for 90% of all retail jobs in an individual DZ, then this is held constant and the split is simply applied to the SA2 forecast.

### **Step 2 - Calibration**

Adjustments were then made to distribute a share of out of centre job growth to centres based on their role and function and location. This accounts for policy direction as well as limited capacity for jobs to occur in out of centre locations. Other minor calibrations were also made to align with policy direction.

Table 31 Forecast job growth in Moreland's Employment Precincts, 2020-2035, Scenario 1

	2020	2035	Change	% share of total change
<b>CENTRE</b>	<b>23,437</b>	<b>29,731</b>	<b>6,294</b>	<b>67%</b>
<b>Activity Centre</b>	<b>18,907</b>	<b>24,581</b>	<b>5,674</b>	<b>61%</b>
Brunswick	12,563	15,421	2,858	31%
- Commercial Area	8,696	11,159	2,463	26%
- MILS Cat 1 Area	3,444	3,798	355	4%
- MILS Cat 2 Area	423	464	41	0%
Coburg	4,694	7,095	2,401	26%
Glenroy	1,650	2,065	415	4%
<b>Neighbourhood Centre</b>	<b>3,323</b>	<b>3,730</b>	<b>407</b>	<b>4%</b>
Grantham/Union Streets, West Brunswick	336	372	37	0%
Melville Road/Albion Street/Victoria Street, West Brunswick	398	420	22	0%
Melville/Moreland Roads, West Brunswick	189	213	23	0%
Moreland Road/Nicholson Street, Coburg/Brunswick	445	457	12	0%
Bell Street/Melville Road, Pascoe Vale South	587	637	50	1%
Gaffney Street/Pascoe Vale Station, Pascoe Vale	287	317	30	0%
Gaffney/Sussex Streets, Coburg North	255	316	61	1%
Merlynston	121	154	33	0%
Bonwick Street, Fawkner	133	155	22	0%
Snell Grove, Oak Park	189	221	32	0%
West Street, Hadfield	247	295	48	1%
Elizabeth Street, Coburg North	137	173	36	0%
<b>Local Activity Centre</b>	<b>1,207</b>	<b>1,420</b>	<b>213</b>	<b>2%</b>
LAC (total)	1,207	1,420	213	2%
<b>INDUSTRIAL AREA</b>	<b>9,386</b>	<b>10,402</b>	<b>1,016</b>	<b>11%</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>8,493</b>	<b>9,446</b>	<b>953</b>	<b>10%</b>
Brunswick (included in Brunswick Activity Centre)	3,444	3,798	355	4%
Coburg North	2,731	3,224	492	5%
Merlynston, Fawkner, Hadfield	1,426	1,328	-98	-1%
Newlands Road	892	1,096	204	2%
<b>Category 2 - Employment Priority Areas</b>	<b>893</b>	<b>956</b>	<b>63</b>	<b>1%</b>
Brunswick (included in Brunswick Activity Centre)	423	464	41	0%
Grantham / Union St, West Brunswick	266	306	40	0%
Moreland Road Coburg/Brunswick	107	79	-28	0%
Devon Road	50	57	7	0%
Gaffney Street/Pascoe Vale Station, Pascoe Vale	47	50	3	0%
<b>ELSEWHERE</b>	<b>19,631</b>	<b>22,077</b>	<b>2,446</b>	<b>26%</b>
Elsewhere	14,980	17,436	2,456	26%
Construction	4,651	4,641	-10	0%
<b>Total</b>	<b>48,588</b>	<b>57,948</b>	<b>9,361</b>	<b>100%</b>

Source: .id based on NIEIR employment forecasts

Table 32 Forecast job growth in Moreland's Employment Precincts, 2020-2035, Scenario 2

	2020	2035	Change	% share of total change
<b>CENTRE</b>	<b>23,437</b>	<b>35,400</b>	<b>11,962</b>	<b>73%</b>
<b>Activity Centre</b>	<b>18,907</b>	<b>29,992</b>	<b>11,085</b>	<b>68%</b>
Brunswick	12,563	19,126	6,564	40%
- Commercial Area	8,696	14,239	5,543	34%
- MILS Cat 1 Area	3,444	4,367	923	6%
- MILS Cat 2 Area	423	520	97	1%
Coburg	4,694	8,720	4,026	25%
Glenroy	1,650	2,146	495	3%
<b>Neighbourhood Centre</b>	<b>3,323</b>	<b>3,925</b>	<b>602</b>	<b>4%</b>
Grantham/Union Streets, West Brunswick	336	418	83	1%
Melville Road/Albion Street/Victoria Street, West Brunswick	398	431	33	0%
Melville/Moreland Roads, West Brunswick	189	226	37	0%
Moreland Road/Nicholson Street, Coburg/Brunswick	445	492	48	0%
Bell Street/Melville Road, Pascoe Vale South	587	672	85	1%
Gaffney Street/Pascoe Vale Station, Pascoe Vale	287	324	37	0%
Gaffney/Sussex Streets, Coburg North	255	328	73	0%
Merlynston	121	160	39	0%
Bonwick Street, Fawkner	133	160	27	0%
Snell Grove, Oak Park	189	226	37	0%
West Street, Hadfield	247	304	57	0%
Elizabeth Street, Coburg North	137	182	45	0%
<b>Local Activity Centre</b>	<b>1,207</b>	<b>1,483</b>	<b>276</b>	<b>2%</b>
LAC (total)	1,207	1,483	276	2%
<b>INDUSTRIAL AREA</b>	<b>9,386</b>	<b>11,246</b>	<b>1,861</b>	<b>11%</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>8,493</b>	<b>10,167</b>	<b>1,674</b>	<b>10%</b>
Brunswick (included in Brunswick Activity Centre)	3,444	4,367	923	6%
Coburg North	2,731	3,321	589	4%
Merlynston, Fawkner, Hadfield	1,426	1,366	-60	0%
Newlands Road	892	1,113	221	1%
<b>Category 2 - Employment Priority Areas</b>	<b>893</b>	<b>1,079</b>	<b>186</b>	<b>1%</b>
Brunswick (included in Brunswick Activity Centre)	423	520	97	1%
Grantham / Union St, West Brunswick	266	394	128	1%
Moreland Road Coburg/Brunswick	107	55	-52	0%
Devon Road	50	60	10	0%
Gaffney Street/Pascoe Vale Station, Pascoe Vale	47	51	4	0%
<b>ELSEWHERE</b>	<b>19,631</b>	<b>23,202</b>	<b>3,571</b>	<b>22%</b>
Elsewhere	14,980	18,366	3,386	21%
Construction	4,651	4,836	185	1%
<b>Total</b>	<b>48,588</b>	<b>64,961</b>	<b>16,373</b>	<b>100%</b>

Source: .id based on NIEIR employment forecasts

Table 33 Forecast industry job growth, Employment Precincts, 2020-2035, Scenario 1

	Other industri al	Manufacturin g	Retai l	Hospitalit y	Commerci al	Educatio n	Healt h	Other service s
<b>CENTRE</b>	<b>188</b>	<b>-757</b>	<b>750</b>	<b>673</b>	<b>1,362</b>	<b>524</b>	<b>2,680</b>	<b>875</b>
<b>Activity Centre</b>	<b>214</b>	<b>-714</b>	<b>575</b>	<b>591</b>	<b>1,208</b>	<b>524</b>	<b>2,485</b>	<b>791</b>
Brunswick	173	-528	343	412	657	314	1,058	429
- Commercial Area	76	-285	322	392	566	155	913	323
- MILS Cat 1 Area	89	-213	19	20	66	159	128	86
- MILS Cat 2 Area	8	-30	2	0	25	0	17	19
Coburg	35	-140	190	162	490	178	1,152	335
Glenroy	7	-46	42	18	61	32	275	27
<b>Neighbourhood Centre</b>	<b>-29</b>	<b>-36</b>	<b>99</b>	<b>67</b>	<b>116</b>	<b>0</b>	<b>123</b>	<b>66</b>
Grantham/Union Streets, West Brunswick	0	-3	5	0	15	0	12	7
Melville Road/Albion Street/Victoria Street, West Brunswick	-2	-9	3	3	8	0	10	10
Melville/Moreland Roads, West Brunswick	0	0	1	3	1	0	14	4
Moreland Road/Nicholson Street, Coburg/Brunswick	-26	-14	9	1	18	0	20	4
Bell Street/Melville Road, Pascoe Vale South	-1	-5	3	10	17	0	18	8
Gaffney Street/Pascoe Vale Station, Pascoe Vale	0	0	3	9	12	0	2	6
Gaffney/Sussex Streets, Coburg North	0	-3	22	19	18	0	4	1
Merlynston	0	0	7	11	5	0	10	0
Bonwick Street, Fawkner	0	-1	7	0	3	0	13	0
Snell Grove, Oak Park	0	-1	1	4	10	0	13	5
West Street, Hadfield	0	0	15	0	10	0	6	17
Elizabeth Street, Coburg North	0	0	24	8	0	0	0	4

<b>Local Activity Centre</b>	<b>3</b>	<b>-7</b>	<b>76</b>	<b>15</b>	<b>37</b>	<b>0</b>	<b>72</b>	<b>18</b>
LAC (total)	3	-7	76	15	37	0	72	18
<b>INDUSTRIAL AREA</b>	<b>430</b>	<b>-740</b>	<b>263</b>	<b>38</b>	<b>205</b>	<b>247</b>	<b>193</b>	<b>380</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>436</b>	<b>-686</b>	<b>256</b>	<b>32</b>	<b>162</b>	<b>247</b>	<b>153</b>	<b>354</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	89	-213	19	20	66	159	128	86
Coburg North	159	-179	158	0	49	87	10	208
Merlynston, Fawkner, Hadfield	35	-232	75	10	3	0	9	3
Newlands Road	153	-61	3	2	44	0	6	56
<b>Category 2 - Employment Priority Areas</b>	<b>-5</b>	<b>-54</b>	<b>8</b>	<b>6</b>	<b>43</b>	<b>0</b>	<b>40</b>	<b>25</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	8	-30	2	0	25	0	17	19
Grantham / Union St, West Brunswick	3	-11	5	0	18	0	23	1
Moreland Road Coburg/Brunswick	-19	-9	0	0	0	0	0	0
Devon Road	1	-1	0	6	0	0	0	1
Gaffney Street/Pascoe Vale Station, Pascoe Vale	1	-3	0	0	0	0	0	4
<b>ELSEWHERE</b>	<b>35</b>	<b>-2</b>	<b>86</b>	<b>89</b>	<b>214</b>	<b>1,105</b>	<b>782</b>	<b>136</b>
Elsewhere	45	-2	86	89	214	1,105	782	136
Construction	-10							
<b>Total</b>	<b>557</b>	<b>-1,255</b>	<b>1,077</b>	<b>781</b>	<b>1,691</b>	<b>1,716</b>	<b>3,509</b>	<b>1,285</b>

Source: .id based on NIEIR employment forecasts



Table 34 Forecast industry job growth, Employment Precincts, 2020-2035, Scenario 2

	Other industri al	Manufactu r ing	Retai l	Hospitalit y	Commerci al	Educatio n	Healt h	Other service s
<b>CENTRE</b>	<b>175</b>	<b>-737</b>	<b>1,596</b>	<b>1,351</b>	<b>3,178</b>	<b>775</b>	<b>4,126</b>	<b>1,499</b>
<b>Activity Centre</b>	<b>204</b>	<b>-695</b>	<b>1,332</b>	<b>1,234</b>	<b>2,976</b>	<b>775</b>	<b>3,873</b>	<b>1,385</b>
Brunswick	165	-515	917	947	1,991	485	1,712	863
- Commercial Area	73	-278	860	900	1,649	225	1,464	650
- MILS Cat 1 Area	84	-208	51	47	290	260	222	177
- MILS Cat 2 Area	8	-29	5	0	52	0	26	36
Coburg	33	-134	349	261	915	256	1,858	488
Glenroy	6	-45	66	26	71	34	303	35
<b>Neighbourhood Centre</b>	<b>-33</b>	<b>-35</b>	<b>154</b>	<b>97</b>	<b>161</b>	<b>0</b>	<b>166</b>	<b>92</b>
Grantham/Union Streets, West Brunswick	0	-3	13	1	41	0	19	12
Melville Road/Albion Street/Victoria Street, West Brunswick	-2	-9	6	5	9	0	11	14
Melville/Moreland Roads, West Brunswick	0	0	3	5	2	0	22	6
Moreland Road/Nicholson Street, Coburg/Brunswick	-29	-13	19	1	28	0	34	7
Bell Street/Melville Road, Pascoe Vale South	-2	-5	8	19	23	0	28	13
Gaffney Street/Pascoe Vale Station, Pascoe Vale	0	0	4	12	12	0	2	7
Gaffney/Sussex Streets, Coburg North	0	-3	28	24	19	0	4	1
Merlynston	0	0	9	15	5	0	11	0
Bonwick Street, Fawkner	0	-1	10	0	3	0	14	0
Snell Grove, Oak Park	0	-1	2	5	10	0	14	6
West Street, Hadfield	0	0	20	0	10	0	7	20
Elizabeth Street, Coburg North	0	0	31	10	0	0	0	4

<b>Local Activity Centre</b>	<b>3</b>	<b>-7</b>	<b>110</b>	<b>21</b>	<b>41</b>	<b>0</b>	<b>87</b>	<b>21</b>
LAC (total)	3	-7	110	21	41	0	87	21
<b>INDUSTRIAL AREA</b>	<b>395</b>	<b>-705</b>	<b>384</b>	<b>72</b>	<b>520</b>	<b>351</b>	<b>314</b>	<b>530</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>426</b>	<b>-652</b>	<b>364</b>	<b>63</b>	<b>389</b>	<b>351</b>	<b>248</b>	<b>485</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	84	-208	51	47	290	260	222	177
Coburg North	155	-163	207	0	50	91	10	239
Merlynston, Fawkner, Hadfield	34	-226	102	14	3	0	9	4
Newlands Road	153	-55	4	3	45	0	7	65
<b>Category 2 - Employment Priority Areas</b>	<b>-31</b>	<b>-53</b>	<b>20</b>	<b>9</b>	<b>131</b>	<b>0</b>	<b>66</b>	<b>45</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	8	-29	5	0	52	0	26	36
Grantham / Union St, West Brunswick	3	-11	14	0	79	0	40	2
Moreland Road Coburg/Brunswick	-44	-9	1	0	0	0	0	0
Devon Road	1	-1	0	9	0	0	0	1
Gaffney Street/Pascoe Vale Station, Pascoe Vale	1	-3	0	0	0	0	0	5
<b>ELSEWHERE</b>	<b>70</b>	<b>-2</b>	<b>134</b>	<b>151</b>	<b>259</b>	<b>1,372</b>	<b>1,253</b>	<b>149</b>
Elsewhere	70	-2	134	151	259	1,372	1,253	149
Construction	0							
<b>Total</b>	<b>547</b>	<b>-1,206</b>	<b>2,057</b>	<b>1,527</b>	<b>3,615</b>	<b>2,237</b>	<b>5,445</b>	<b>1,965</b>

Source: .id based on NIEIR employment forecasts

## 9.5 Additional floor space demand

A limitation of this project is there is no employment lands audit available for Moreland. This means that floor space information, including space by type and floor space to job ratios (total and by industry), is not readily available. For this reason, the following steps were used to estimate existing and future floorspace demand:

### Step 1 – Estimate existing floor space demand

- Existing floor space demand was based on Moreland Rates Database. This information has been geocoded to Moreland's employment precincts. It is noted that there are some limitations to this approach as the rates database does not provide an exact estimate. It is however considered the best local data available at the time of this project.
- This database provides an indicative estimate of commercial and industrial floor space for each employment precinct. The Australian Valuation Property Classification Code has been used to estimate existing commercial and industrial space. There are again limitations with this approach and the estimate will vary from an audit.
- It is then assumed that occupied floor space, estimated from the Rates Database and Moreland Vacancy Audit, is equal to demand in 2020.
- Existing floor space to job ratios can then be calculated using the floor space demand and estimated jobs by employment precinct. The estimates are considered reasonable compared to industry benchmarks (see sources below). However, the existing floor space to job ratios vary across employment precincts. This suggests that applying broad industry floor space to job ratios is reasonable at the LGA level but will have limitations at the employment precinct level.

### Step 2 – Estimate change in floor space demand between 2020 and 2035

- Employment floor space demand forecasts were then generated by using an approach which applies floor space to job ratios by to the industry growth estimates.
- Floor space ratios used in this report are based on an analysis of a range of sources including MICLUP, City of Melbourne Census of Land Use and Employment (CLUE) and Landcom Background Paper – Workspace Ratios.

- ▾ Assumed floor space to job ratios used were:
  - Commercial: 23 square metres per job (18 sqm/job for business services, 24sqm/job for retail and other services)
  - Industrial: 240 square metres per job (Industrial job losses means sqm/job change is high and closer to existing industrial land ratios in Moreland. Overall industrial space per job falls from 145 in 2020 to 137 in 2035 and is consistent with an expected intensification of industrial land uses over the next 15 years).
- ▾ These ratios were applied to the industry growth estimates (2020-2035) for each employment precinct.
- ▾ Calibrations to the model are then made for unusual results such as industrial land falling below 0 for an individual precinct.
- ▾ It is noted that the floor space ratios used are based on broad assumptions and applied across centres and industrial areas. Floor space ratios are likely to vary from location to location and should therefore be viewed as an indicative estimate of future floorspace demand.

### **Step 3 – Estimate floor space demand in 2035**

- ▾ Floor space demand in 2035 is then based on floor space demand in 2020 (step 1) plus change in floor space demand between 2020 and 2035 (step 2).

It is acknowledged that business requirements for space can vary from business to business, even within the same industry. For example, jobs in sectors such as Transport, Postal and Warehousing are typically split across warehousing areas, logistics centres but also within small office parks. For this analysis however, we have not made assumptions about the office space needs of industrial related businesses (beyond the assumption of falling space per jobs). This is in part due to the limited data available to inform precinct-based assumptions in Moreland. However, in the absence of major business / office parks in Moreland, this is likely to have a negligible impact on commercial demand in Moreland with future commercial space demand driven mostly by business services and household services.

Table 35 Step 1- Estimate existing floor space demand, 2020

	Jobs			Floor space			Floor space to job ratio		
	Commercial	Industrial	Total	Commercial	Industrial	Total	Commercial	Industrial	Total
<b>CENTRES</b>	<b>19,302</b>	<b>4,135</b>	<b>23,437</b>	<b>674,943</b>	<b>486,863</b>	<b>1,161,806</b>	<b>35</b>	<b>118</b>	<b>50</b>
<b>Activity Centres</b>	<b>15,229</b>	<b>3,678</b>	<b>18,907</b>	<b>548,319</b>	<b>457,509</b>	<b>1,005,827</b>	<b>36</b>	<b>124</b>	<b>53</b>
Brunswick	9,531	3,032	12,563	352,439	426,413	778,852	37	141	62
- Commercial Area	7,470	1,226	8,696	277,922	173,208	451,130	37	141	52
- MILS Cat 1 Area	1,824	1,620	3,444	69,315	231,869	301,184	38	143	87
- MILS Cat 2 Area	237	186	423	5,202	21,337	26,538	22	115	63
Coburg	4,312	382	4,694	135,424	13,969	149,393	31	37	32
Glenroy	1,386	264	1,650	60,456	17,126	77,582	44	65	47
<b>Neighbourhood Activity Centre</b>	<b>2,975</b>	<b>348</b>	<b>3,323</b>	<b>81,416</b>	<b>26,490</b>	<b>107,906</b>	<b>27</b>	<b>76</b>	<b>32</b>
Grantham/Union Streets, West Brunswick	321	15	336	7,204	313	7,517	22	21	22
Melville Road/Albion Street/Victoria Street, West Brunswick	312	85	398	11,862	11,658	23,520	38	137	59
Melville/Moreland Roads, West Brunswick	179	10	189	5,015	862	5,877	28	88	31
Moreland Road/Nicholson Street, Coburg/Brunswick	283	162	445	9,412	11,244	20,656	33	70	46
Bell Street/Melville Road, Pascoe Vale South	550	38	587	10,987	570	11,557	20	15	20
Gaffney Street/Pascoe Vale Station, Pascoe Vale	280	7	287	4,884	0	4,884	17	0	17
Gaffney/Sussex Streets, Coburg North	234	21	255	6,308	650	6,958	27	31	27
Merlynston	121	0	121	3,068	0	3,068	25	-	25
Bonwick Street, Fawkner	129	4	133	7,520	724	8,244	58	187	62
Snell Grove, Oak Park	182	7	189	3,769	470	4,239	21	66	22
West Street, Hadfield	247	0	247	7,456	0	7,456	30	-	30
Elizabeth Street, Coburg North	137	0	137	3,930	0	3,930	29	-	29
<b>Local Activity Centre</b>	<b>1,097</b>	<b>109</b>	<b>1,207</b>	<b>45,209</b>	<b>2,864</b>	<b>48,073</b>	<b>41</b>	<b>26</b>	<b>40</b>

LAC (total)	1,097	109	1,207	45,209	2,864	48,073	41	26	40
<b>INDUSTRIAL AREAS</b>	<b>4,176</b>	<b>5,210</b>	<b>9,386</b>	<b>239,707</b>	<b>930,528</b>	<b>1,171,133</b>	<b>57</b>	<b>179</b>	<b>125</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>3,689</b>	<b>4,804</b>	<b>8,493</b>	<b>231,159</b>	<b>865,334</b>	<b>1,096,494</b>	<b>63</b>	<b>180</b>	<b>129</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	1,824	1,620	3,444	69,315	231,869	301,184	38	143	87
Coburg North	1,211	1,520	2,731	56,848	368,185	425,033	47	242	156
Merlynston, Fawkner, Hadfield	367	1,059	1,426	28,048	129,625	157,673	76	122	111
Newlands Road	287	605	892	76,948	135,656	212,603	268	224	238
<b>Category 2 - Employment Priority Areas</b>	<b>487</b>	<b>406</b>	<b>893</b>	<b>8,547</b>	<b>65,193</b>	<b>74,640</b>	<b>18</b>	<b>160</b>	<b>84</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	237	186	423	5,202	21,337	26,538	22	115	63
Grantham / Union St, West Brunswick	198	68	266	1,890	10,652	12,542	10	158	47
Moreland Road Coburg/Brunswick	3	104	107	311	29,896	31,106	124	287	291
Devon Road	33	18	50	479	191	670	15	11	13
Gaffney Street/Pascoe Vale Station, Pascoe Vale	16	31	47	666	3,117	3,783	41	100	80

Source: Moreland Rates Database, Moreland Vacancy Audit, .id based on NIEIR employment forecasts

Table 36 Step 2 – Estimate change in floor space demand between 2020 and 2035 (Scenario 1)

	Job change			Assumed floor space to job ratios (applied to job change)		Change in floor space demand		
	Commercial	Industrial	Total	Commercial	Industrial	Commercial	Industrial	Total
<b>CENTRES</b>	<b>6,863</b>	<b>-569</b>	<b>6,294</b>	<b>23</b>	<b>201</b>	<b>154,919</b>	<b>-114,532</b>	<b>40,386</b>
<b>Activity Centres</b>	<b>6,173</b>	<b>-499</b>	<b>5,674</b>	<b>23</b>	<b>201</b>	<b>140,046</b>	<b>-100,492</b>	<b>39,554</b>
Brunswick	3,213	-355	2,858	22	240	71,957	-85,160	-
- Commercial Area	2,671	-209	2,463	22	240	59,253	-50,088	9,164
- MILS Cat 1 Area	479	-124	355	24	240	11,321	-29,857	-
- MILS Cat 2 Area	63	-22	41	22	240	1,383	-5,214	-3,831
Coburg	2,506	-105	2,401	23	56	57,463	-5,867	51,596
Glenroy	454	-39	415	23	240	10,626	-9,464	1,162
<b>Neighbourhood Activity Centre</b>	<b>472</b>	<b>-65</b>	<b>407</b>	<b>22</b>	<b>201</b>	<b>10,156</b>	<b>-13,121</b>	<b>-2,965</b>
Grantham/Union Streets, West Brunswick	39	-3	37	22	40	854	-109	745
Melville Road/Albion Street/Victoria Street, West Brunswick	34	-12	22	23	240	760	-2,760	-2,000
Melville/Moreland Roads, West Brunswick	24	0	23	24	240	564	-88	476
Moreland Road/Nicholson Street, Coburg/Brunswick	51	-40	12	22	240	1,116	-9,521	-8,405
Bell Street/Melville Road, Pascoe Vale South	57	-7	50	22	28	1,230	-198	1,032
Gaffney Street/Pascoe Vale Station, Pascoe Vale	31	0	30	20	0	627	0	627
Gaffney/Sussex Streets, Coburg North	64	-3	61	20	69	1,267	-202	1,064
Merlynston	33	0	33	21	-	704	0	704
Bonwick Street, Fawkner	23	0	22	23	240	520	-120	400
Snell Grove, Oak Park	33	-1	32	22	240	732	-123	609
West Street, Hadfield	48	0	48	22	-	1,047	0	1,047

Elizabeth Street, Coburg North	36	0	36	21	-	736	0	736
<b>Local Activity Centre</b>	<b>217</b>	<b>-4</b>	<b>213</b>	<b>22</b>	<b>240</b>	<b>4,717</b>	<b>-919</b>	<b>3,798</b>
LAC (total)	217	-4	213	22	240	4,717	-919	3,798
<b>INDUSTRIAL AREAS</b>	<b>1,326</b>	<b>-310</b>	<b>1,016</b>	<b>23</b>	<b>240</b>	<b>30,203</b>	<b>-74,292</b>	<b>-</b> <b>44,089</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>1,203</b>	<b>-250</b>	<b>953</b>	<b>23</b>	<b>240</b>	<b>27,511</b>	<b>-59,985</b>	<b>-</b> <b>32,474</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	479	-124	355	24	240	11,321	-29,857	- 18,536
Coburg North	512	-20	492	23	240	11,672	-4,768	6,904
Merlynston, Fawkner, Hadfield	100	-198	-98	21	240	2,044	-47,426	- 45,382
Newlands Road	112	92	204	22	240	2,473	22,066	24,539
<b>Category 2 - Employment Priority Areas</b>	<b>122</b>	<b>-60</b>	<b>63</b>	<b>22</b>	<b>240</b>	<b>2,692</b>	<b>-14,307</b>	<b>-</b> <b>11,615</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	63	-22	41	22	240	1,383	-5,214	-3,831
Grantham / Union St, West Brunswick	48	-8	40	22	240	1,039	-1,835	-795
Moreland Road Coburg/Brunswick	1	-28	-28	20	240	11	-6,782	-6,771
Devon Road	7	0	7	21	240	150	-62	88
Gaffney Street/Pascoe Vale Station, Pascoe Vale	4	-2	3	25	240	108	-413	-305

Source: Moreland Rates Database, Moreland Vacancy Audit, .id based on NIEIR employment forecasts



Table 37 Step 3 - Estimate floor space demand in 2035 (Scenario 1)

	Jobs			Floor space			Floor space to job ratio		
	Commercial	Industrial	Total	Commercial	Industrial	Total	Commercial	Industrial	Total
<b>CENTRES</b>	<b>26,164</b>	<b>3,567</b>	<b>29,731</b>	<b>829,862</b>	<b>372,331</b>	<b>1,202,193</b>	<b>32</b>	<b>104</b>	<b>40</b>
<b>Activity Centres</b>	<b>21,402</b>	<b>3,179</b>	<b>24,581</b>	<b>688,364</b>	<b>357,017</b>	<b>1,045,381</b>	<b>32</b>	<b>112</b>	<b>43</b>
Brunswick	12,744	2,677	15,421	424,395	341,253	765,649	33	127	50
- Commercial Area	10,142	1,018	11,159	337,175	123,119	460,294	33	121	41
- MILS Cat 1 Area	2,303	1,495	3,798	80,636	202,012	282,648	35	135	74
- MILS Cat 2 Area	299	164	464	6,585	16,122	22,707	22	98	49
Coburg	6,818	277	7,095	192,887	8,102	200,989	28	29	28
Glenroy	1,840	225	2,065	71,082	7,662	78,744	39	34	38
<b>Neighbourhood Activity Centre</b>	<b>3,447</b>	<b>283</b>	<b>3,730</b>	<b>91,572</b>	<b>13,369</b>	<b>104,940</b>	<b>27</b>	<b>47</b>	<b>28</b>
Grantham/Union Streets, West Brunswick	360	12	372	8,058	204	8,262	22	17	22
Melville Road/Albion Street/Victoria Street, West Brunswick	346	74	420	12,622	8,897	21,519	36	121	51
Melville/Moreland Roads, West Brunswick	203	9	213	5,578	774	6,352	27	83	30
Moreland Road/Nicholson Street, Coburg/Brunswick	335	122	457	10,528	1,723	12,251	31	14	27
Bell Street/Melville Road, Pascoe Vale South	606	31	637	12,217	372	12,589	20	12	20
Gaffney Street/Pascoe Vale Station, Pascoe Vale	311	7	317	5,512	0	5,512	18	0	17
Gaffney/Sussex Streets, Coburg North	298	18	316	7,575	448	8,022	25	25	25
Merlynston	154	0	154	3,772	0	3,772	25	-	25
Bonwick Street, Fawkner	152	3	155	8,040	604	8,644	53	179	56
Snell Grove, Oak Park	215	7	221	4,501	347	4,848	21	52	22
West Street, Hadfield	295	0	295	8,502	0	8,502	29	-	29

Elizabeth Street, Coburg North	173	0	173	4,666	0	4,666	27	-	27
<b>Local Activity Centre</b>	<b>1,315</b>	<b>105</b>	<b>1,420</b>	<b>49,926</b>	<b>1,945</b>	<b>51,871</b>	<b>38</b>	<b>18</b>	<b>37</b>
LAC (total)	1,315	105	1,420	49,926	1,945	51,871	38	18	37
<b>INDUSTRIAL AREAS</b>	<b>5,502</b>	<b>4,900</b>	<b>10,402</b>	<b>269,909</b>	<b>856,236</b>	<b>1,127,044</b>	<b>49</b>	<b>175</b>	<b>108</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>4,892</b>	<b>4,554</b>	<b>9,446</b>	<b>258,670</b>	<b>805,349</b>	<b>1,064,019</b>	<b>53</b>	<b>177</b>	<b>113</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	2,303	1,495	3,798	80,636	202,012	282,648	35	135	74
Coburg North	1,724	1,500	3,224	68,520	363,417	431,937	40	242	134
Merlynston, Fawkner, Hadfield	467	861	1,328	30,093	82,199	112,291	64	95	85
Newlands Road	399	697	1,096	79,421	157,722	237,143	199	226	216
<b>Category 2 - Employment Priority Areas</b>	<b>609</b>	<b>347</b>	<b>956</b>	<b>11,239</b>	<b>50,887</b>	<b>63,025</b>	<b>18</b>	<b>147</b>	<b>66</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	299	164	464	6,585	16,122	22,707	22	98	49
Grantham / Union St, West Brunswick	246	60	306	2,929	8,818	11,747	12	147	38
Moreland Road Coburg/Brunswick	3	76	79	322	23,114	24,335	106	304	308
Devon Road	40	17	57	629	129	758	16	7	13
Gaffney Street/Pascoe Vale Station, Pascoe Vale	21	29	50	774	2,704	3,478	37	92	70

Source: Moreland Rates Database, Moreland Vacancy Audit, .id based on NIEIR employment forecasts

Table 38 Step 2 – Estimate change in floor space demand between 2020 and 2035 (Scenario 2)

	Job change			Assumed floor space to job ratios (applied to job change)		Change in floor space demand		
	Commercial	Industrial	Total	Commercial	Industrial	Commercial	Industrial	Total
<b>CENTRES</b>	<b>12,525</b>	<b>-563</b>	<b>11,962</b>	<b>22</b>	<b>203</b>	<b>276,143</b>	<b>-113,976</b>	<b>162,167</b>
<b>Activity Centres</b>	<b>11,575</b>	<b>-491</b>	<b>11,085</b>	<b>22</b>	<b>202</b>	<b>255,717</b>	<b>-99,246</b>	<b>156,470</b>
Brunswick	6,915	-351	6,564	22	240	149,611	-84,201	65,410
- Commercial Area	5,748	-205	5,543	21	240	123,358	-49,194	74,164
- MILS Cat 1 Area	1,048	-124	923	23	240	23,672	-29,867	-6,196
- MILS Cat 2 Area	119	-21	97	22	240	2,581	-5,139	-2,558
Coburg	4,126	-101	4,026	23	57	93,706	-5,749	87,958
Glenroy	534	-39	495	23	240	12,400	-9,297	3,103
<b>Neighbourhood Activity Centre</b>	<b>670</b>	<b>-68</b>	<b>602</b>	<b>21</b>	<b>202</b>	<b>14,368</b>	<b>-13,819</b>	<b>549</b>
Grantham/Union Streets, West Brunswick	85	-3	83	21	40	1,779	-109	1,670
Melville Road/Albion Street/Victoria Street, West Brunswick	45	-12	33	22	240	1,002	-2,788	-1,786
Melville/Moreland Roads, West Brunswick	37	0	37	24	240	884	-93	791
Moreland Road/Nicholson Street, Coburg/Brunswick	90	-42	48	22	240	1,955	-10,191	-8,235
Bell Street/Melville Road, Pascoe Vale South	92	-7	85	22	28	1,989	-198	1,791
Gaffney Street/Pascoe Vale Station, Pascoe Vale	38	0	37	21	0	774	0	774
Gaffney/Sussex Streets, Coburg North	76	-3	73	20	70	1,507	-201	1,306
Merlynston	39	0	39	21	-	834	0	834
Bonwick Street, Fawkner	28	0	27	22	240	619	-117	502
Snell Grove, Oak Park	38	-1	37	22	240	841	-123	718
West Street, Hadfield	57	0	57	22	-	1,254	0	1,254
Elizabeth Street, Coburg North	45	0	45	20	-	929	0	929
<b>Local Activity Centre</b>	<b>280</b>	<b>-4</b>	<b>276</b>	<b>22</b>	<b>240</b>	<b>6,059</b>	<b>-911</b>	<b>5,148</b>
LAC (total)	280	-4	276	22	240	6,059	-911	5,148
<b>INDUSTRIAL AREAS</b>	<b>2,171</b>	<b>-310</b>	<b>1,861</b>	<b>22</b>	<b>240</b>	<b>48,348</b>	<b>-74,425</b>	<b>-26,077</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>1,900</b>	<b>-226</b>	<b>1,674</b>	<b>22</b>	<b>240</b>	<b>42,645</b>	<b>-54,187</b>	<b>-11,542</b>
Brunswick (included in Brunswick Activity Centre)	1,048	-124	923	23	240	23,672	-29,867	-6,196

Coburg North	597	-7	589	23	240	13,538	-1,793	11,745
Merlynston, Fawkner, Hadfield	132	-192	-60	20	240	2,702	-45,999	-43,297
Newlands Road	123	98	221	22	240	2,733	23,472	26,205
<b>Category 2 - Employment Priority Areas</b>	<b>271</b>	<b>-84</b>	<b>186</b>	<b>21</b>	<b>240</b>	<b>5,703</b>	<b>-20,238</b>	<b>-14,535</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	119	-21	97	22	240	2,581	-5,139	-2,558
Grantham / Union St, West Brunswick	135	-8	128	20	240	2,759	-1,819	940
Moreland Road Coburg/Brunswick	1	-53	-52	20	240	20	-12,791	-12,771
Devon Road	10	0	10	21	240	210	-70	139
Gaffney Street/Pascoe Vale Station, Pascoe Vale	5	-2	4	25	240	133	-418	-285

Source: Moreland Rates Database, Moreland Vacancy Audit, .id based on NIEIR employment forecasts

Table 39 Step 3 - Estimate floor space demand in 2035 (Scenario 2)

	Jobs			Floor space			Floor space to job ratio		
	Commercial	Industrial	Total	Commercial	Industrial	Total	Commercial	Industrial	Total
<b>CENTRES</b>	<b>31,827</b>	<b>3,573</b>	<b>35,400</b>	<b>951,087</b>	<b>372,887</b>	<b>1,323,973</b>	<b>30</b>	<b>104</b>	<b>37</b>
<b>Activity Centres</b>	<b>26,804</b>	<b>3,188</b>	<b>29,992</b>	<b>804,035</b>	<b>358,262</b>	<b>1,162,298</b>	<b>30</b>	<b>112</b>	<b>39</b>
Brunswick	16,445	2,681	19,126	502,050	342,212	844,262	31	128	44
- Commercial Area	13,218	1,021	14,239	401,280	124,013	525,293	30	121	37
- MILS Cat 1 Area	2,872	1,495	4,367	92,987	202,001	294,989	32	135	68
- MILS Cat 2 Area	356	164	520	7,783	16,198	23,980	22	99	46
Coburg	8,439	281	8,720	229,130	8,221	237,351	27	29	27
Glenroy	1,920	225	2,146	72,856	7,829	80,685	38	35	38
<b>Neighbourhood Activity Centre</b>	<b>3,645</b>	<b>280</b>	<b>3,925</b>	<b>95,783</b>	<b>12,671</b>	<b>108,455</b>	<b>26</b>	<b>45</b>	<b>28</b>
Grantham/Union Streets, West Brunswick	406	12	418	8,983	204	9,187	22	17	22
Melville Road/Albion Street/Victoria Street, West Brunswick	357	74	431	12,864	8,870	21,734	36	120	50
Melville/Moreland Roads, West Brunswick	217	9	226	5,899	769	6,668	27	82	29
Moreland Road/Nicholson Street, Coburg/Brunswick	373	119	492	11,367	1,053	12,420	30	9	25
Bell Street/Melville Road, Pascoe Vale South	641	31	672	12,976	372	13,348	20	12	20
Gaffney Street/Pascoe Vale Station, Pascoe Vale	318	7	324	5,658	0	5,658	18	0	17
Gaffney/Sussex Streets, Coburg North	310	18	328	7,815	449	8,264	25	25	25
Merlynston	160	0	160	3,902	0	3,902	24	-	24
Bonwick Street, Fawkner	157	3	160	8,139	607	8,747	52	179	55
Snell Grove, Oak Park	219	7	226	4,610	347	4,957	21	52	22
West Street, Hadfield	304	0	304	8,710	0	8,710	29	-	29
Elizabeth Street, Coburg North	182	0	182	4,859	0	4,859	27	-	27

<b>Local Activity Centre</b>	<b>1,377</b>	<b>105</b>	<b>1,483</b>	<b>51,268</b>	<b>1,953</b>	<b>53,221</b>	<b>37</b>	<b>19</b>	<b>36</b>
LAC (total)	1,377	105	1,483	51,268	1,953	53,221	37	19	36
<b>INDUSTRIAL AREAS</b>	<b>6,347</b>	<b>4,900</b>	<b>11,246</b>	<b>288,055</b>	<b>856,103</b>	<b>1,145,056</b>	<b>45</b>	<b>175</b>	<b>102</b>
<b>Category 1 - Core Industrial and Employment Areas</b>	<b>5,589</b>	<b>4,578</b>	<b>10,167</b>	<b>273,805</b>	<b>811,147</b>	<b>1,084,952</b>	<b>49</b>	<b>177</b>	<b>107</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	2,872	1,495	4,367	92,987	202,001	294,989	32	135	68
Coburg North	1,808	1,513	3,321	70,386	366,392	436,778	39	242	132
Merlynston, Fawkner, Hadfield	499	867	1,366	30,750	83,626	114,377	62	96	84
Newlands Road	410	703	1,113	79,681	159,127	238,809	194	226	215
<b>Category 2 - Employment Priority Areas</b>	<b>758</b>	<b>322</b>	<b>1,079</b>	<b>14,250</b>	<b>44,955</b>	<b>60,105</b>	<b>19</b>	<b>140</b>	<b>56</b>
<i>Brunswick (included in Brunswick Activity Centre)</i>	356	164	520	7,783	16,198	23,980	22	99	46
Grantham / Union St, West Brunswick	334	60	394	4,648	8,833	13,481	14	147	34
Moreland Road Coburg/Brunswick	4	51	55	331	17,105	18,335	94	335	336
Devon Road	43	17	60	688	121	809	16	7	13
Gaffney Street/Pascoe Vale Station, Pascoe Vale	22	29	51	799	2,699	3,499	37	92	69

Source: Moreland Rates Database, Moreland Vacancy Audit, .id based on NIEIR employment forecasts

## 9.6 Capacity analysis

The outcome of this capacity analysis is presented in the table below.

Table 40 Capacity tests by centre

	Existing	Low	Medium	High
<b>CENTRES</b>	<b>1,301,557</b>	<b>1,095,818</b>	<b>1,471,862</b>	<b>1,597,211</b>
<b>Activity Centres</b>	<b>1,125,617</b>	<b>957,408</b>	<b>1,260,273</b>	<b>1,361,228</b>
Brunswick	873,814	716,509	857,849	904,962
- Commercial Area	531,366	360,499	501,838	548,951
- MILS Cat 1 Area	314,717	330,208	330,208	330,208
- MILS Cat 2 Area	27,731	25,803	25,803	25,803
Coburg	170,735	176,672	316,814	363,528
Glenroy	81,068	64,226	85,610	92,738
<b>Neighbourhood Activity Centres</b>	<b>121,715</b>	<b>93,909</b>	<b>132,015</b>	<b>144,717</b>
Grantham/Union Streets, West Brunswick	8,352	9,651	12,084	12,895
Melville Road/Albion Street/Victoria Street, West Brunswick	26,727	20,174	28,439	31,195
Melville/Moreland Roads, West Brunswick	6,530	6,529	8,601	9,292
Moreland Road/Nicholson Street, Coburg/Brunswick	23,742	14,114	21,527	23,998
Bell Street/Melville Road, Pascoe Vale South	15,009	10,512	16,500	18,495
Gaffney Street/Pascoe Vale Station, Pascoe Vale	5,427	4,615	6,025	6,496
Gaffney/Sussex Streets, Coburg North	6,958	6,610	6,610	6,610
Merlynston	3,409	3,157	5,654	6,487
Bonwick Street, Fawkner	8,961	5,092	8,339	9,421
Snell Grove, Oak Park	4,872	3,229	4,719	5,215
West Street, Hadfield	7,456	6,166	9,458	10,556
Elizabeth Street, Coburg North	4,272	4,058	4,058	4,058
<b>Local Activity Centres</b>	<b>54,226</b>	<b>44,501</b>	<b>79,575</b>	<b>91,266</b>
LAC (total)	54,226	44,501	79,575	91,266

Source: .id

## 9.7 Competitive position of selected Activity Centres

The competitive position of selected Activity Centres was undertaken to understand how each Activity Centre may attract non-population related jobs such as professional services and creative sector jobs. This information was used to inform the employment forecasts and distribution of commercial space, especially demand for business services / office space uses under Scenario 2.

The precincts chosen were:

- ▣ Brunswick Activity Centre
- ▣ Coburg Activity Centre
- ▣ Glenroy Activity Centre
- ▣ Grantham / Union St, West Brunswick
- ▣ Melville Road/Albion Street/Victoria Street, West Brunswick
- ▣ Moreland Road/Nicholson Street, Coburg/Brunswick
- ▣ Bell Street/Melville Road, Pascoe Vale South.

The indicators used to determine demand for non-population related jobs were:

- ▣ Commercial building approvals
- ▣ Vacancy (when available)
- ▣ Agglomeration potential (existing jobs)
- ▣ Business service jobs
- ▣ Health and Education Jobs
- ▣ Population growth (5km catchment)
- ▣ Proximity to Melbourne CBD and Parkville
- ▣ Labour force pool - % of managers/professionals (employed residents).

A rating out of 5 (highest) is given for each indicator based on how the Activity Centre compares to the median of the selected Activity Centres. The analysis shows that Brunswick Activity Centre provides the most competitive location for office development in Moreland due to its dense, highly accessible location and amenities offered. Brunswick Activity Centre has developed key specialisations in several linked sub-industries – including creative sectors, professional services (accounting, design, architectural, consulting) and computer system design. Its job density



combined with related diversity, a plus for supply chain activities, supports interaction between firms and institutions with the potential to generate 'knowledge spill overs', driving innovation and growth.

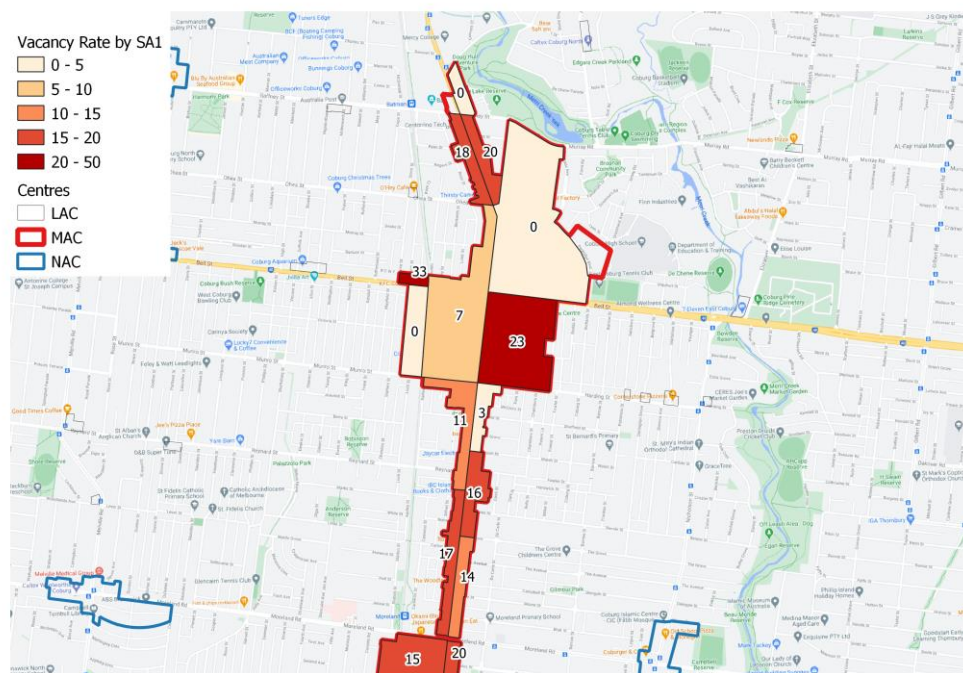
Coburg Activity Centre comes in second but compared to Brunswick its lower scores on proximity to CBD/Parkville, its labour force catchment and population growth may constrain the ability of Coburg to attract office development away from Brunswick in the short to medium term.

Table 41 Competitive analysis matrix (5 – very high, 1 – very low)

	<b>Commercial building approvals</b>	<b>Vacancy</b>	<b>Existing jobs</b>	<b>Business service jobs</b>	<b>Health and Education Jobs</b>	<b>Population growth (5km catchment)</b>	<b>Proximity to Melbourne CBD and Parkville</b>	<b>Labour force pool - % of managers/professionals (employed residents)</b>	<b>Average score</b>
Brunswick	4		5	5	5	5	5	5	4.9
Coburg	5		4	4	4	2	2	3	3.4
Glenroy	3		3	3	4	1	1	1	2.3
Grantham / Union St, West Brunswick	2		1	2	1	5	5	5	3.0
Melville Road/Albion Street/Victoria Street, West Brunswick	2		2	1	1	4	3	4	2.4
Moreland Road/Nicholson Street, Coburg/Brunswick	1		2	1	2	4	3	3	2.3
Bell Street/Melville Road, Pascoe Vale South	3		3	3	3	2	2	3	2.7

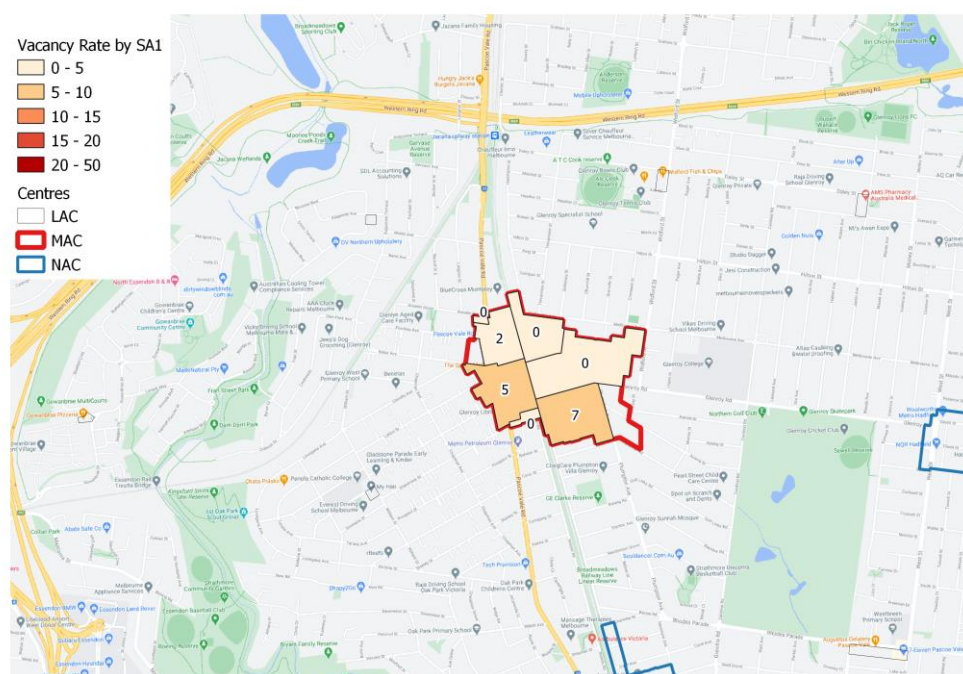


Map 12 Coburg Vacancy Rates



Source: Moreland Vacancy Audit (2020)

Map 13 Glenroy Vacancy Rates



Source: Moreland Vacancy Audit (2020)

## 9.8.2 Neighbourhood Centres

Table 44 Number of vacant premises by Neighbourhood Centre

Neighbourhood Centre	Total premises	Vacant	Unconfirmed Vacancy	COVID Vacant
Bell Street/Melville Road	71	15	1	
Bonwick Street Fawkner	49	2	2	
Elizabeth Street Coburg North	13	1		
Gaffney/ Sussex Coburg North	14			
Melville Road/Albion Street/Victoria Street	142	12	5	
Moreland/Melville Roads Brunswick West	42	3	1	
Moreland Road/Nicholson Street, Coburg/Brunswick	47	4	1	2
Snell Grove Oak Park	32			
West Street Hadfield	31			1
<b>Grand Total</b>	<b>441</b>	<b>37</b>	<b>10</b>	<b>3</b>

Source: Moreland Vacancy Audit (2020)

Table 45 Vacancy Rates by Neighbourhood Centre

Neighbourhood Centre	Total Vacant		Vacant or Unconfirmed Vacant	
	Number	Vacancy %	Number	Vacancy %
Bell Street/Melville Road	16	22.5%	16	22.5%
Bonwick Street Fawkner	4	8.2%	4	8.2%
Elizabeth Street Coburg North	1	7.7%	1	7.7%
Gaffney/ Sussex Coburg North	0	0.0%	0	0.0%
Melville Road/Albion Street/Victoria Street	17	12.0%	17	12.0%
Moreland/Melville Roads Brunswick West	4	9.5%	4	9.5%
Moreland Road/Nicholson Street, Coburg/Brunswick	7	14.9%	5	10.6%
Snell Grove Oak Park	0	0.0%	0	0.0%
West Street Hadfield	1	3.2%	0	0.0%
<b>Grand Total</b>	<b>50</b>	<b>11.3%</b>	<b>47</b>	<b>10.7%</b>

Source: Moreland Vacancy Audit (2020)

## 9.9 Activity Centre Summary Tables

Brunswick: Commercial Area	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	7,470	10,142	2,671		7,470	13,218	5,748
Industrial	1,226	1,018	-209		1,226	1,021	-205
Total	8,696	11,159	2,463		8,696	11,159	5,543
Floor space to job ratio							
Commercial	37	33	-4		37	30	-7
Industrial	141	121	-20		141	121	-20
Total	52	41	-11		52	47	-5
Floor space demand							
Commercial	277,922	337,175	59,253		277,922	401,280	123,358
Industrial	173,208	123,119	-50,088		173,208	124,013	-49,194
Total	451,130	460,294	9,164		451,130	525,293	74,164
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	360,499	501,838	548,951		360,499	501,838	548,951
Surplus (+) / Shortfall (-)	-99,795	41,544	88,657		-164,794	-23,455	23,658
Demand % of capacity	128%	92%	84%		146%	105%	96%

Brunswick: MILS Cat 1	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	1,824	2,303	479		1,824	2,872	1,048
Industrial	1,620	1,495	-124		1,620	1,495	-124
Total	3,444	3,798	355		3,444	3,798	923
Floor space to job ratio							
Commercial	38	35	-3		38	32	-6
Industrial	143	135	-8		143	135	-8
Total	87	74	-13		87	78	-10
Floor space demand							
Commercial	69,315	80,636	11,321		69,315	92,987	23,672
Industrial	231,869	202,012	-29,857		231,869	202,001	-29,867
Total	301,184	282,648	-18,536		301,184	294,989	-6,196
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	330,208	330,208	330,208		330,208	330,208	330,208
Surplus (+) / Shortfall (-)	47,560	47,560	47,560		35,219	35,219	35,219
Demand % of capacity	86%	86%	86%		89%	89%	89%

Brunswick: MILS Cat 2	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	237	299	63		237	356	119
Industrial	186	164	-22		186	164	-21
Total	423	464	41		423	464	97
Floor space to job ratio							
Commercial	22	22	0		22	22	0
Industrial	115	98	-17		115	99	-16
Total	63	49	-14		63	52	-11
Floor space demand							
Commercial	5,202	6,585	1,383		5,202	7,783	2,581
Industrial	21,337	16,122	-5,214		21,337	16,198	-5,139
Total	26,538	22,707	-3,831		26,538	23,980	-2,558
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	25,803	25,803	25,803		25,803	25,803	25,803
Surplus (+) / Shortfall (-)	3,096	3,096	3,096		1,823	1,823	1,823
Demand % of capacity	88%	88%	88%		93%	93%	93%

Brunswick Activity Centre	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	9,531	12,744	3,213		9,531	16,445	6,915
Industrial	3,032	2,677	-355		3,032	2,681	-351
Total	12,563	15,421	2,858		12,563	19,126	6,564
Floor space to job ratio							
Commercial	37	33	-4		37	31	-6
Industrial	141	127	-13		141	128	-13
Total	62	50	-12		62	44	-18
Floor space demand							
Commercial	352,439	424,395	71,957		352,439	502,050	149,611
Industrial	426,413	341,253	-85,160		426,413	342,212	-84,201
Total	778,852	765,649	-13,203		778,852	844,262	65,410
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	716,509	857,849	904,962		716,509	857,849	904,962
Surplus (+) / Shortfall (-)	-49,139	92,200	139,313		-127,752	13,587	60,700
Demand % of capacity	107%	89%	85%		118%	98%	93%

Coburg	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	4,312	6,818	2,506		4,312	8,439	4,126
Industrial	382	277	-105		382	281	-101
Total	4,694	7,095	2,401		4,694	7,095	4,026
Floor space to job ratio							
Commercial	31	28	-3		31	27	-4
Industrial	37	29	-7		37	29	-7
Total	32	28	-3		32	33	2
Floor space demand							
Commercial	135,424	192,887	57,463		135,424	229,130	93,706
Industrial	13,969	8,102	-5,867		13,969	8,221	-5,749
Total	149,393	200,989	51,596		149,393	237,351	87,958
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	172,197	302,335	345,714		172,197	302,335	345,714
Surplus (+) / Shortfall (-)	-28,791	101,346	144,725		-65,153	64,984	108,363
Demand % of capacity	117%	66%	58%		138%	79%	69%

Glenroy	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	1,386	1,840	454		1,386	1,920	534
Industrial	264	225	-39		264	225	-39
Total	1,650	2,065	415		1,650	2,065	495
Floor space to job ratio							
Commercial	44	39	-5		44	38	-6
Industrial	65	34	-31		65	35	-30
Total	47	38	-9		47	39	-8
Floor space demand							
Commercial	60,456	71,082	10,626		60,456	72,856	12,400
Industrial	17,126	7,662	-9,464		17,126	7,829	-9,297
Total	77,582	78,744	1,162		77,582	80,685	3,103
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	64,226	85,610	92,738		64,226	85,610	92,738
Surplus (+) / Shortfall (-)	-14,518	6,866	13,994		-16,459	4,925	12,053
Demand % of capacity	123%	92%	85%		126%	94%	87%



Grantham/Union Streets, West Brunswick	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	321	360	39		321	406	85
Industrial	15	12	-3		15	12	-3
Total	336	372	37		336	372	83
Floor space to job ratio							
Commercial	22	22	0		22	22	0
Industrial	21	17	-4		21	17	-4
Total	22	22	0		22	25	2
Floor space demand							
Commercial	7,204	8,058	854		7,204	8,983	1,779
Industrial	313	204	-109		313	204	-109
Total	7,517	8,262	745		7,517	9,187	1,670
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	9,651	12,084	12,895		9,651	12,084	12,895
Surplus (+) / Shortfall (-)	1,389	3,823	4,634		464	2,898	3,709
Demand % of capacity	86%	68%	64%		95%	76%	71%

Melville Road/Albion Street/Victoria Street, West Brunswick	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	312	346	34		312	357	45
Industrial	85	74	-12		85	74	-12
Total	398	420	22		398	420	33
Floor space to job ratio							
Commercial	38	36	-2		38	36	-2
Industrial	137	121	-16		137	120	-16
Total	59	51	-8		59	52	-7
Floor space demand							
Commercial	11,862	12,622	760		11,862	12,864	1,002
Industrial	11,658	8,897	-2,760		11,658	8,870	-2,788
Total	23,520	21,519	-2,000		23,520	21,734	-1,786
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	20,174	28,439	31,195		20,174	28,439	31,195
Surplus (+) / Shortfall (-)	-1,346	6,920	9,675		-1,560	6,705	9,461
Demand % of capacity	107%	76%	69%		108%	76%	70%

Melville/Moreland Roads, West Brunswick	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	179	203	24		179	217	37
Industrial	10	9	0		10	9	0
Total	189	213	23		189	213	37
Floor space to job ratio							
Commercial	28	27	0		28	27	-1
Industrial	88	83	-6		88	82	-6
Total	31	30	-1		31	31	0
Floor space demand							
Commercial	5,015	5,578	564		5,015	5,899	884
Industrial	862	774	-88		862	769	-93
Total	5,877	6,352	476		5,877	6,668	791
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	6,529	8,601	9,292		6,529	8,601	9,292
Surplus (+) / Shortfall (-)	177	2,249	2,939		-139	1,933	2,624
Demand % of capacity	97%	74%	68%		102%	78%	72%

Moreland Road/Nicholson Street, Coburg/Brunswick	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	283	335	51		283	373	90
Industrial	162	122	-40		162	120	-41
Total	445	457	12		445	457	49
Floor space to job ratio							
Commercial	33	31	-2		33	30	-3
Industrial	70	14	-55		70	9	-61
Total	46	27	-20		46	27	-19
Floor space demand							
Commercial	9,412	10,528	1,116		9,412	11,367	1,955
Industrial	11,244	1,723	-9,521		11,244	1,053	-10,191
Total	20,656	12,251	-8,405		20,656	12,420	-8,235
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	14,114	21,527	23,998		14,114	21,527	23,998
Surplus (+) / Shortfall (-)	1,864	9,276	11,747		1,694	9,106	11,577
Demand % of capacity	87%	57%	51%		88%	58%	52%

Bell Street/Melville Road, Pascoe Vale South	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	550	606	57		550	641	92
Industrial	38	31	-7		38	31	-7
Total	587	637	50		587	637	85
Floor space to job ratio							
Commercial	20	20	0		20	20	0
Industrial	15	12	-3		15	12	-3
Total	20	20	0		20	21	1
Floor space demand							
Commercial	10,987	12,217	1,230		10,987	12,976	1,989
Industrial	570	372	-198		570	372	-198
Total	11,557	12,589	1,032		11,557	13,348	1,791
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	10,512	16,500	18,495		10,512	16,500	18,495
Surplus (+) / Shortfall (-)	-2,077	3,910	5,906		-2,836	3,151	5,147
Demand % of capacity	120%	76%	68%		127%	81%	72%

Gaffney Street/Pascoe Vale Station, Pascoe Vale	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	280	311	31		280	363	83
Industrial	7	7	0		7	7	0
Total	287	317	30		287	317	83
Floor space to job ratio							
Commercial	17	18	0		17	16	-2
Industrial	0	0	0		0	0	0
Total	17	17	0		17	18	1
Floor space demand							
Commercial	4,884	5,512	627		4,884	5,658	774
Industrial	0	0	0		0	0	0
Total	4,884	5,512	627		4,884	5,658	774
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	4,615	6,025	6,496		4,615	6,025	6,496
Surplus (+) / Shortfall (-)	-897	514	984		-1,043	367	837
Demand % of capacity	119%	91%	85%		123%	94%	87%

Gaffney/Sussex Streets, Coburg North	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	234	298	64		234	310	76
Industrial	21	18	-3		21	18	-3
Total	255	316	61		255	316	73
Floor space to job ratio							
Commercial	27	25	-2		27	25	-2
Industrial	31	25	-6		31	25	-6
Total	27	25	-2		27	26	-1
Floor space demand							
Commercial	6,308	7,575	1,267		6,308	7,815	1,507
Industrial	650	448	-202		650	449	-201
Total	6,958	8,022	1,064		6,958	8,264	1,306
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	6,610	6,610	6,610		6,610	6,610	6,610
Surplus (+) / Shortfall (-)	-1,412	-1,412	-1,412		-1,654	-1,654	-1,654
Demand % of capacity	121%	121%	121%		125%	125%	125%

Merlynston	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	121	154	33		121	160	39
Industrial	0	0	0		0	0	0
Total	121	154	33		121	154	39
Floor space to job ratio							
Commercial	25	25	-1		25	24	-1
Industrial	-	-	-		-	-	-
Total	25	25	-1		25	25	0
Floor space demand							
Commercial	3,068	3,772	704		3,068	3,902	834
Industrial	0	0	0		0	0	0
Total	3,068	3,772	704		3,068	3,902	834
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	3,157	5,654	6,487		3,157	5,654	6,487
Surplus (+) / Shortfall (-)	-615	1,882	2,715		-745	1,752	2,585
Demand % of capacity	119%	67%	58%		124%	69%	60%

Bonwick Street, Fawkner	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	129	152	23		129	157	28
Industrial	4	3	0		4	3	0
Total	133	155	22		133	155	27
Floor space to job ratio							
Commercial	58	53	-5		58	52	-6
Industrial	187	179	-8		187	179	-8
Total	62	56	-6		62	56	-6
Floor space demand							
Commercial	7,520	8,040	520		7,520	8,139	619
Industrial	724	604	-120		724	607	-117
Total	8,244	8,644	400		8,244	8,747	502
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	5,092	8,339	9,421		5,092	8,339	9,421
Surplus (+) / Shortfall (-)	-3,552	-305	777		-3,654	-408	674
Demand % of capacity	170%	104%	92%		172%	105%	93%

Snell Grove, Oak Park	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	182	215	33		182	219	38
Industrial	7	7	-1		7	7	-1
Total	189	221	32		189	221	37
Floor space to job ratio							
Commercial	21	21	0		21	21	0
Industrial	66	52	-13		66	52	-13
Total	22	22	-1		22	22	0
Floor space demand							
Commercial	3,769	4,501	732		3,769	4,610	841
Industrial	470	347	-123		470	347	-123
Total	4,239	4,848	609		4,239	4,957	718
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	3,229	4,719	5,215		3,229	4,719	5,215
Surplus (+) / Shortfall (-)	-1,619	-130	367		-1,728	-239	258
Demand % of capacity	150%	103%	93%		154%	105%	95%

West Street, Hadfield	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	247	295	48		247	304	57
Industrial	0	0	0		0	0	0
Total	247	295	48		247	295	57
Floor space to job ratio							
Commercial	30	29	-1		30	29	-2
Industrial	-	-	-		-	-	-
Total	30	29	-1		30	30	-1
Floor space demand							
Commercial	7,456	8,502	1,047		7,456	8,710	1,254
Industrial	0	0	0		0	0	0
Total	7,456	8,502	1,047		7,456	8,710	1,254
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	6,166	9,458	10,556		6,166	9,458	10,556
Surplus (+) / Shortfall (-)	-2,336	956	2,053		-2,543	748	1,846
Demand % of capacity	138%	90%	81%		141%	92%	83%

Elizabeth Street, Coburg North	Scenario 1				Scenario 2		
	2020	2035	Change		2020	2035	Change
Jobs							
Commercial	137	173	36		137	182	45
Industrial	0	0	0		0	0	0
Total	137	173	36		137	173	45
Floor space to job ratio							
Commercial	29	27	-2		29	27	-2
Industrial	-	-	-		-	-	
Total	29	27	-2		29	28	-1
Floor space demand							
Commercial	3,930	4,666	736		3,930	4,859	929
Industrial	0	0	0		0	0	0
Total	3,930	4,666	736		3,930	4,859	929
Demand vs Supply	Low	Medium	High		Low	Medium	High
Capacity	4,058	4,058	4,058		4,058	4,058	4,058
Surplus (+) / Shortfall (-)	-608	-608	-608		-801	-801	-801
Demand % of capacity	115%	115%	115%		120%	120%	120%

## 9.10 Recent development and permit analysis

An analysis of recent developments was undertaken to understand commercial outcomes in recent mixed developments in Brunswick. This analysis was based on the UDP Major Redevelopment Sites data from Department of Environment, Land, Water and Planning which includes information on residential projects of 10 or more dwellings. This information was also compared to the Moreland Rates Database and Moreland Permit Data to estimate the commercial floor space delivered/proposed in recent mixed-use developments. Other sources were also used including Cordell Connect and Google Street View.

This analysis revealed the following:

- Most mixed-use developments include commercial floor space at ground level only.
- The average FSR for recent redevelopment projects is around 30% but can range from around 10% to 75%.
- The average FSR for permit applications was marginally higher at 36.4%.
- Planning permit data shows that there was a decrease in commercial floor space in proposed developments compared to the existing building.
- There is a positive relationship (albeit weak) between lot size and FSR. There also appears to be a relationship between FSR and the shape of the development (e.g. narrow/limited main street frontage have lower FSRs).

Completed							
Project code	Formatted Application Number	Project Name	Status	Address	Site area sqm (UDP)	Commercial GFA	% GFA/Site
R12581	MPS/2009/829/A	Brunswick Heart	Completed	284-294 Albert Street	3370.93	2163	64%
R08867	MPS/2013/603/B	Mia Mia, Brunswick East	Completed	85 Nicholson Street	662.768	62	9%
R13199	MPS/2014/184/A	Breese Street Mixed Use Development	Completed	4 Breese Street	1113.26	104	9%
R14077	MPS/2015/74	The Dux	Completed	2 Duckett Street	707.608	165	23%
R14140	MPS/2014/1103/A	Crest	Completed	611-621 Sydney Road	1099.51	432	39%
R13883	MPS/2014/827/B	Canatella	Completed	623-625 Sydney Road	620.495	318	51%
R11467	MPS/2012/288	Breese Street Apartment Building	Completed	26 Breese Street	947.267	85	9%
R09225	MPS/2010/408/B	Adam and Eve	Completed	392-394 Lygon Street	762.913	115	15%
R13890	MPS/2014/194	Iseo	Completed	443-445 Lygon Street	674.012	326	48%
R11954	MPS/2012/511/C	Lygon Street Mixed Use Development	Completed	6 Lygon Street	2986.77	810	27%
R12585	MPS/2011/531/D	The East	Completed	280 Lygon Street	1149.34	185	16%



R05159		Sydney Road Mixed Use	Completed	808-810 Sydney Road	2033.31	1528	75%
R05156		Lygon Street Retail and Multi Dwelling Development	Completed	304-310 Lygon Street	670.001	187	28%
R05640		C3 Apartments	Completed	300 Victoria Street	1777.46	418	24%
R09287	MPS/2010/552	Sydney Road Mixed Use Development	Completed	756-760 Sydney Road	1262.24	264	21%
R09314		Mayor Anderson Apartments	Completed	146 Bell Street	2465.56	226	9%
R11743	MPS/2013/1022	Gamble Street Mixed Use Development	Completed	6-8 Gamble Street	1125.17	208	18%
R11811		Pascoe Vale Road Dwellings	Completed	844-846 Pascoe Vale Road	1161.2	235	20%
R12420	MPS/2013/601	Brunswick Road Mixed Use Development	Completed	776-784 Sydney Road	1267.04	380	30%
R12427	MPS/2012/713/A	Lygon Street Mixed Use Development	Completed	22-30 Lygon Street	1457.56	348	24%
R12583	MPS/2013/767/A	0	Completed	260-274 Lygon Street	1953.21	688	35%
R12588		ZING Apartments	Completed	444-446 Moreland Road	1515.93	301	20%
R13203		Nicholson Street Mixed Use Development	Completed	122-124 Nicholson Street	577.475	105	18%
R13236	MPS/2015/829	Nightingale	Completed	4-6 Florence Street	475.262	140	29%

R14139	MPS/2014/798/A	0	Completed	47 Sydney Road	256.154	95	37%
R16195		Lt. Miller	Completed	55-63 Nicholson Street	1672.94	381	23%
<b>Under construction</b>							
R10889		Nicholson Street Mixed Use Development	Under Construction	65 Nicholson Street	551.689	63	11%
R12426		East Brunswick Village Mixed Use Development	Under Construction	127-137 Nicholson Street	29390.4	22193	76%
R13128		Cornwall	Under Construction	350-364 Moreland Road	2086.11	320	15%
R13858		Jewell Street Development	Under Construction	331 Barkly Street	1269.63	272	21%
R14113		0	Under Construction	5-9 Brunswick Road	1780.62	1442.2	81%
R15188		0	Under Construction	8 Hope Street	514.76	54	10%
<b>Firm</b>							
R05149		Sydney Road Multi Use Development	Firm	47-51 Sydney Road	505	345	
R06695		Sydney Road Dwellings/shops/offices	Firm	718-724 Sydney Road	3,153	2,212	68 %

R09359		Lygon Street Mixed Use Development	Firm	368 Lygon Street	594	593	70%
R11769		Albion Street Mixed Use Development	Firm	216 Albion Street	1,033	574	56%
R11918		Sydney Road Mixed Use Development	Firm	165 Sydney Road	312	199	64%
R11939		Lygon Street Mixed Use Development	Firm	267 Lygon Street	872	900	103%
R12582		0	Firm	329-335 Sydney Road	1,164	724	62%
R13212		Lygon Street Mixed Use Development	Firm	451-449 Lygon Street	492	592	120%
R13228		Pitt Street Apartment Building	Firm	1 Pitt Street	312	560	180%
R13898		0	Firm	171 Wheatsheaf Road	241	43	18%
R14055		The Union Brunswick	Firm	162-170 Sydney Road	846	750	89%
R14098		0	Firm	362-366 Lygon Street	1,048	900	86%
R14110		0	Firm	458-460 Sydney Road	465	764	164%
R14111		0	Firm	204-206 Albion Street	868	902	104%
R14128		0	Firm	234 Lygon Street	296	300	102%

R14231		0	Firm	8 Florence Street	539	160	30%
R14351		Widford Street Mixed Use Development	Firm	111-113 Widford Road	420	372	89%
R14392		Breese Street Mixed Use Development	Firm	38-40 Breese Road	495	398	80%
R14613		Lygon Street Mixed Use Development	Firm	448-450 Lygon Street	328	183	56%
R14660		Sydney Road Mixed Use Development	Firm	35-39 Sydney Road	498	308	62%
R14792		Albion Street Mixed Use Development	Firm	202 Albion Street	411	676	165%
R14986		Bell Street Mixed Use Development	Firm	434-436 Bell Street	1,142	328	29%
R16175		0	Firm	65 Sydney Road	604	40	7%
R16180		0	Firm	289-291 Sydney Road	457	460	101%
R16192		0	Firm	8 Ballarat Street	2,942	3,065	104%
R16196		0	Firm	34-36 Hope Street	972	832	86%
R16198		0	Firm	209 Sydney Road	588	475	81%
R16199		0	Firm	8 Michael Street	1,596	1,408	88%
R16200		0	Firm	236 Lygon Street	293	432	147%
R16312		0	Firm	Wilson Avenue	1,091	806	74%
R16973		Harding Apartments	Firm	99 Harding Street	631	520	82%

R16979		0	Firm	762-772 Sydney Road	1,519	1,391	92%
R16981		Inverness Dwellings	Firm	Inverness Street	1,456	1,453	100%
R16994		Sarah Sands	Firm	29 Sydney Road	430	1,152	268%

*Table 46 Recent development analysis*

Source: UDP, Moreland Rates Database, Cordell Connect

## 9.11 Increasing capacity in the Brunswick Activity Centre

One option to encourage commercial land uses is to apply the Activity Centre Zone to the Brunswick Activity Centre. This would enable additional conditions to be placed in the land use table for uses like Dwelling and Accommodation, such that they are only as-of-right within existing commercial areas (where the Commercial 1 Zone applies) if a specified floor space is provided for commercial floor space.

This floor space requirement could be designated as a proportion of site area.

This requirement has been tested by modelling within commercial core of the Brunswick Activity Centre. The model tested the following scenarios applied to the Commercial 1 Zone land in the Brunswick Activity Centre:

- Low - 35% of site area as commercial floor space
- Medium - provision of 65% of the site area as commercial floor space.
- High - provision of 75% of the site area as commercial floor space.

An opportunity to rezone MILS Category 2 sites in the Activity Centre has also been modelled. The site area of all MILS Category 2 sites in the Brunswick Activity Centre is estimated at around 36,000sqm.

### Existing situation

The rates database showed there is currently 531,366 square metres of employment floorspace within the commercial core of the Brunswick Activity Centre. There is around 369,705 square metres of employment floorspace in the Commercial 1 Zone, a further 117,166 square metres in the Mixed Use Zone, 2,385 square metres in the Commercial 2 Zone and another 42,110 square metres in other zones (e.g. RGZ1, PUZ). The FSR on land in the Commercial 1 Zone is currently around 0.58:1.

Table 47 Employment floor space in Brunswick Activity Centre – Commercial Core

Zone	Area (sqm)	Employment floor space (sqm)	FSR
C1Z	639,692	369,705	0.58:1
MUZ	269,246	117,166	0.44:1
C2Z	3,621	2,385	0.66:1
Other	307,177	42,110	0.14:1
<b>Total</b>	<b>1,219,737</b>	<b>531,366</b>	<b>0.44:1</b>

Source: Moreland Rates Database

## Capacity analysis

Based on the capacity analysis, the site area of sites designated as likely to be developed is estimated at around 747,000 square metres. Of this, 495,927 square metres is zoned Commercial 1 Zone, 247,319 square metres zoned Mixed Use Zone and 3,621 square metres zoned Commercial 2 Zone. The potential capacity achieved under different sensitivity tests is shown in the table below.

*Table 48 Capacity on sites likely to develop (sqm)*  
Brunswick Activity Centre – Commercial Core

	Area	Low	Medium	High
C1Z	495,927	173,575	322,353	371,945
MUZ	247,319	98,928	98,928	98,928
C2Z	3,621	4,092	4,092	4,092
Total	746,867	276,594	425,372	474,965

Source: .id

The capacity of sites unlikely to develop (i.e. their existing employment floor space) and sites subject to a permit is then added to estimate total capacity. Total capacity (assuming a 5% vacancy rate) is estimated to range from 360,000 square metres to around 550,000 square metres.

*Table 49 Total employment floorspace capacity (sqm)*  
Brunswick Activity Centre – Commercial Core

	Low	Medium	High
Likely	276,594	425,372	474,965
Unlikely	56,104	56,104	56,104
Permit	46,438	46,438	46,438
Capacity	379,136	527,914	577,506
<b>Effective capacity (5% vacancy rate)</b>	<b>360,179</b>	<b>501,518</b>	<b>548,631</b>
Existing floor space	531,366	531,366	531,366
Net change	<b>-171,187</b>	<b>-29,848</b>	17,265

Source: .id

The rezoning of MILS Category 2 sites for commercial uses would further add to capacity in the commercial core of the Brunswick Activity Centre. Assuming a FSR of 0.65:1, this would increase capacity by 24,000 square metres. It is noted that this would not impact the capacity in the Brunswick Industrial Areas given the surplus capacity identified in the MILS Category 1 area.

Table 50 Total employment floorspace capacity (sqm)  
Brunswick Activity Centre – Commercial Core + MILS Category 2 Sites

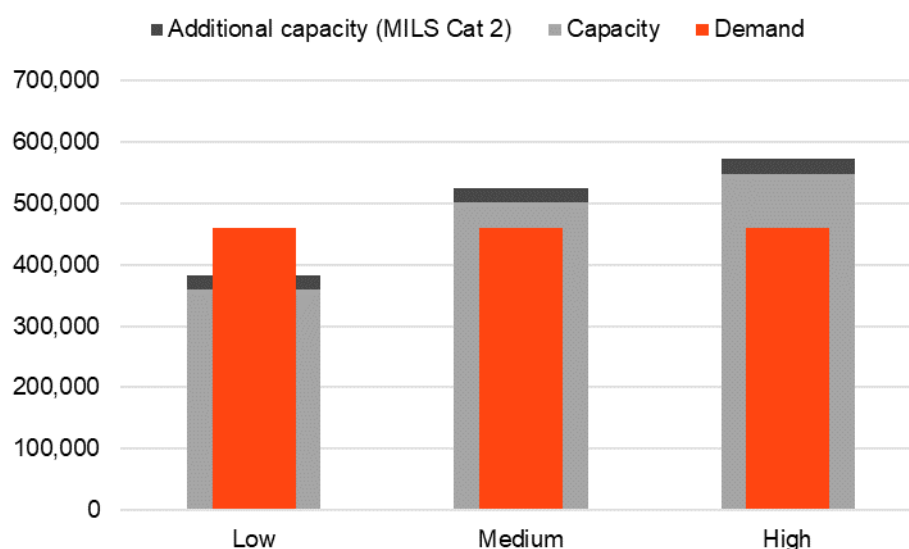
	Low	Medium	High
Likely	276,594	425,372	474,965
Unlikely	56,104	56,104	56,104
Permit	46,438	46,438	46,438
(plus) MILS Category 2 sites	23,539	23,539	23,539
Capacity	402,675	551,453	601,046
<b>Effective capacity (5% vacancy rate)</b>	<b>382,541</b>	<b>523,880</b>	<b>570,993</b>
Existing	531,366	531,366	531,366
Change	-148,825	-7,485	39,628

Source: .id

The modelling suggests that to achieve the demand required under Scenario 2 (growth scenario), a FSR requirement of around 70% is required plus MILS Category 2 sites. The FSR could be reduced further if additional capacity from nearby Neighbourhood Centres were included.

The low capacity outcome is unlikely to achieve a sufficient supply of commercial floor space to meet demand required under Scenario 1 (base case) or Scenario 2 (growth scenario).

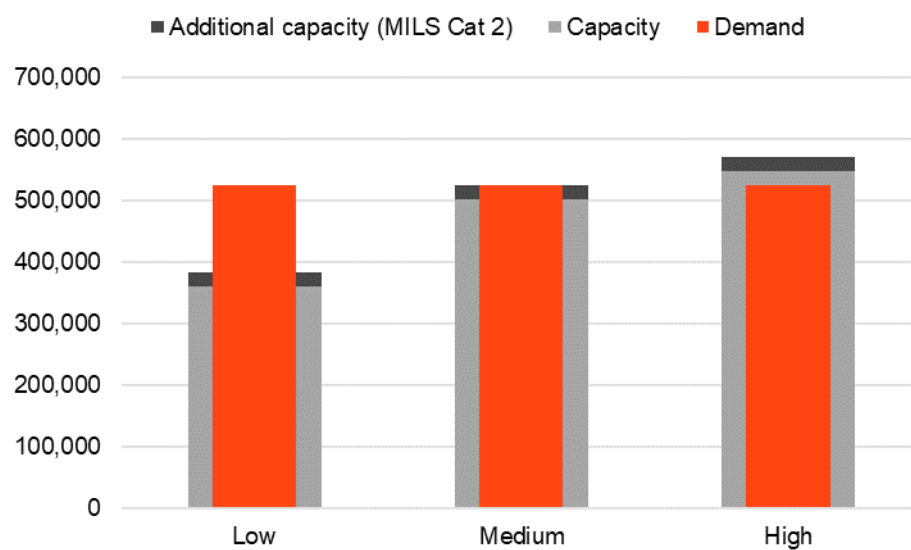
Figure 31 Capacity vs Demand (2035), sqm – Scenario 1 (base case)  
Brunswick Activity Centre – Commercial Core



Source: .id

Figure 32 Capacity vs Demand (2035), sqm – Scenario 2 (growth scenario)  
Brunswick Activity Centre – Commercial Core





Source: .id

## 10. Appendix B – Additional Economic Analysis

### 10.1 Economic overview

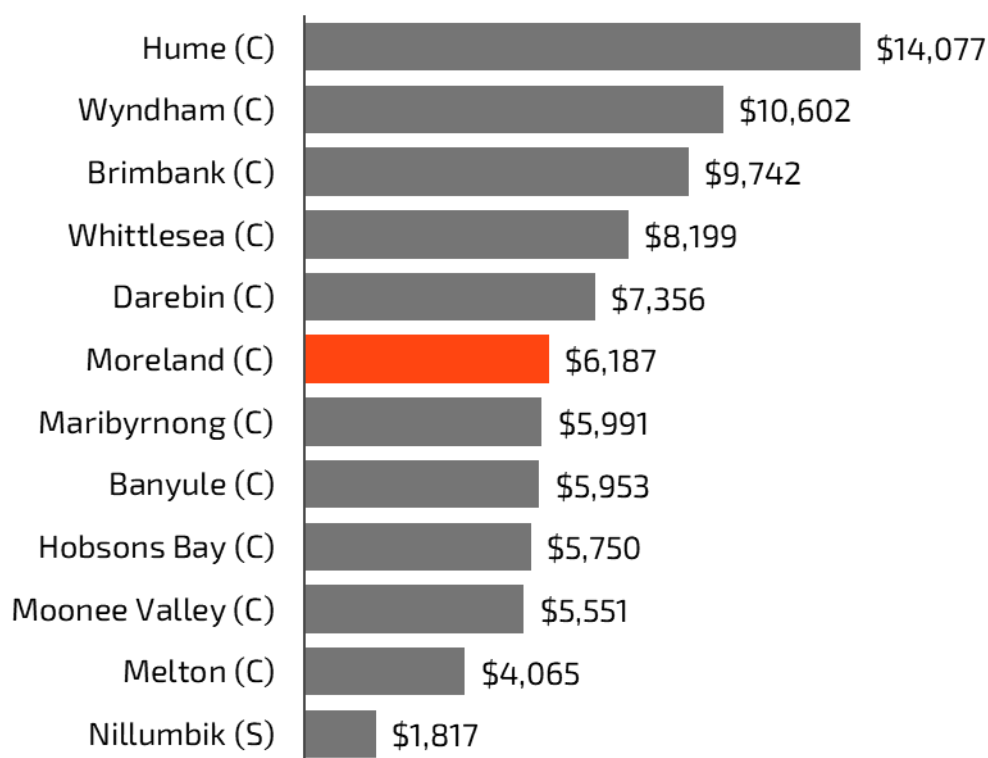
Figure 33 Headline Statistics, 2019



Source: NIEIR, 2019

#### Important contribution to economic activity in North and West Melbourne

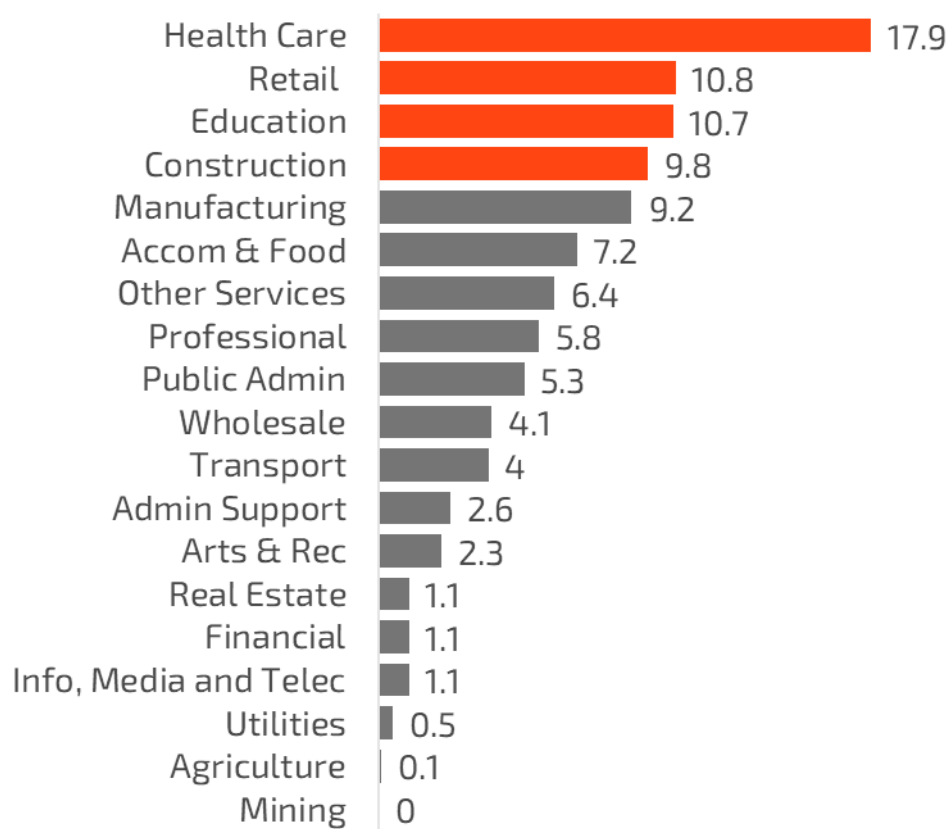
Figure 34 Gross Regional Product (GRP), \$m, 2019



Source: NIEIR, 2019

## 10.2 Industry mix

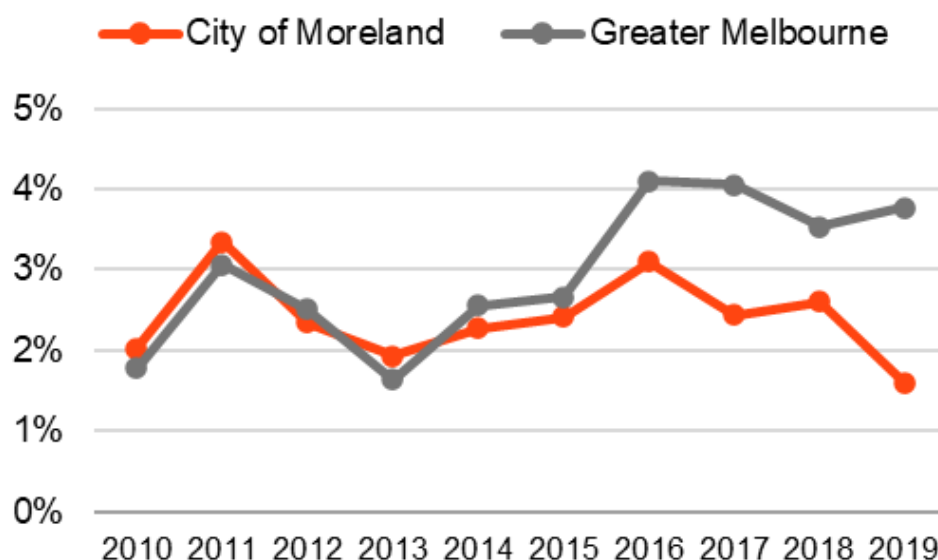
Figure 35 Industry mix, 2019



Source: NIEIR, 2019

## 10.3 Recent economic growth

Figure 36 Economic growth in Moreland compared to Greater Melbourne



Source: NIEIR, 2019

## 10.4 Employment growth by SA2

**Brunswick economically diverse; Coburg a services hub; and Coburg North major industrial area**

Table 51 Number of jobs by broad industry by area (SA2), 2018/19

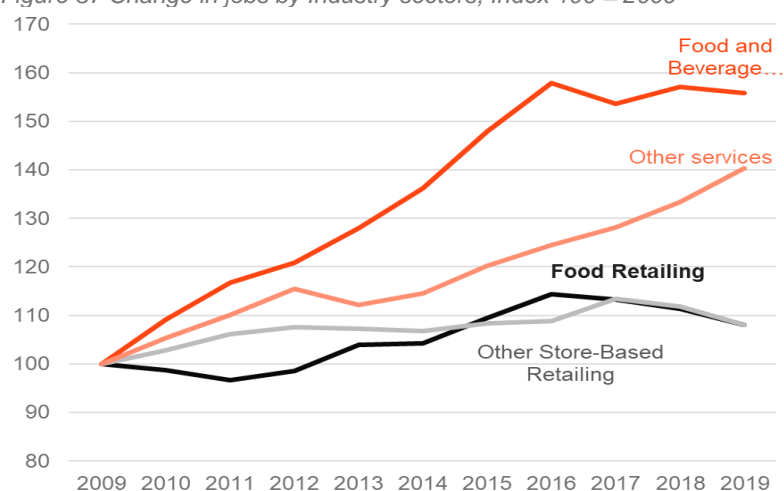
	Industrial	Business Services	Household Services	Education	Health	Public Administration and Safety	Construction
Brunswick	2,652	1,714	4,486	901	1,981	755	1,035
Brunswick East	736	594	952	370	238	24	419
Brunswick West	114	281	523	274	366	29	195
Coburg	959	1,040	2,073	1,124	2,363	974	676
Pascoe Vale South	53	238	307	190	212	12	208
Fitzroy North*	10	10	8	0	17	0	19
Coburg North	2,094	393	1,813	290	363	57	744
Fawkner	878	201	684	476	584	40	191
Pascoe Vale	358	418	652	581	860	89	527
Glenroy	478	469	648	687	1,256	85	432
Gowanbrae	12	36	26	21	23	0	41
Hadfield	47	54	357	93	134	405	124

Source: NIEIR

## 10.5 Non-retail services driving recent growth

### Retail, hospitality and other services jobs in Moreland

Figure 37 Change in jobs by Industry sectors, Index 100 = 2009



Source: NIEIR, 2020

## 10.6 ABR

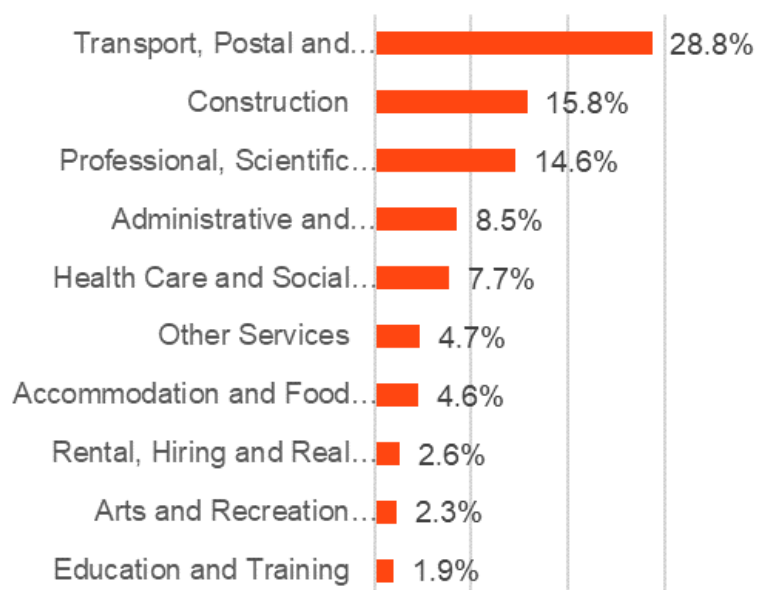
The construction sector is typically the largest source of small businesses in an area and fluctuates with development levels. This is the same in Moreland where it supports over 2,500 GST registered businesses and the numbers have grown by 24% in the five years to June 2019.

However, the strongest growth in businesses occurred in Transport, Postal and Warehousing. This sector contributed almost 29% of the total growth in business numbers in Moreland during that period and grew by 48% itself. Most of this growth (61%) was in sole trader taxi services and largely in the northern suburbs of Glenroy and Fawkner.

Professional Services also experienced strong growth with key industries being Management Advice and Related Consulting Services (34% of sector growth), Computer System Design and Related Services (18%) and Specialist Design Services (10%). The two key suburbs for these industries were Brunswick and Coburg.

## Sectors driving growth in small businesses

Figure 38 Share of GST registered business numbers growth June 2014 to 2019



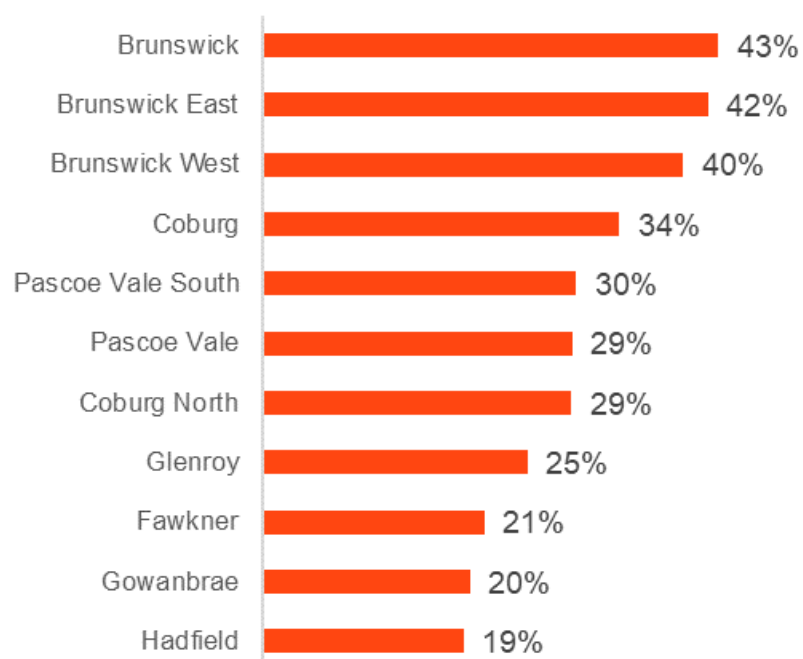
Source: ABR, 2020, unpublished

## 10.7 Journey to work

It is obvious that many people choose to live in Moreland, especially in the southern suburbs of Brunswick, to access the wealth of job opportunities in inner Melbourne. In 2016, 4 out of every 10 resident with a job in Brunswick worked in the City of Melbourne. The share of residents working in inner Melbourne naturally correlates with distance to the CBD.

## Proximity to inner Melbourne obviously impacts likelihood to access employment there

Figure 39 Share of Employed Residents working in City of Melbourne LGA, 2016



Source: ABS Census of population and housing, 2016

## 10.8 Residential developments driving construction boom

The construction sector in Moreland has grown substantially off the back of local and broader metropolitan residential developments. The average value of residential building approvals in the City in the five years to 2018/19 was \$628M, 71% above that in the previous five years (\$367M).

### Building approvals driven from residential market

Figure 40 Value of building approvals by year



Source: ABS, 2020, Cat: 8731.0 - Building Approvals, Australia



## 10.9 Employment forecasts

The SA2 employment forecasts developed by NIEIR are summarised in the table below.

*Table 52 Employment forecasts by SA2*

SA2 Name	2020	2035
Brunswick	14053	16226
Brunswick East	3478	4057
Brunswick West	1859	2081
Coburg	9659	12154
Pascoe Vale South	1235	1336
Coburg North	5989	7449
Fawkner	3127	3543
Pascoe Vale	3556	4290
Glenroy	4121	4943
Gowanbrae	162	193
Hadfield	1293	1616
<b>Total</b>	<b>48533</b>	<b>57887</b>

Source: NIEIR, Employment Forecasts, 2020

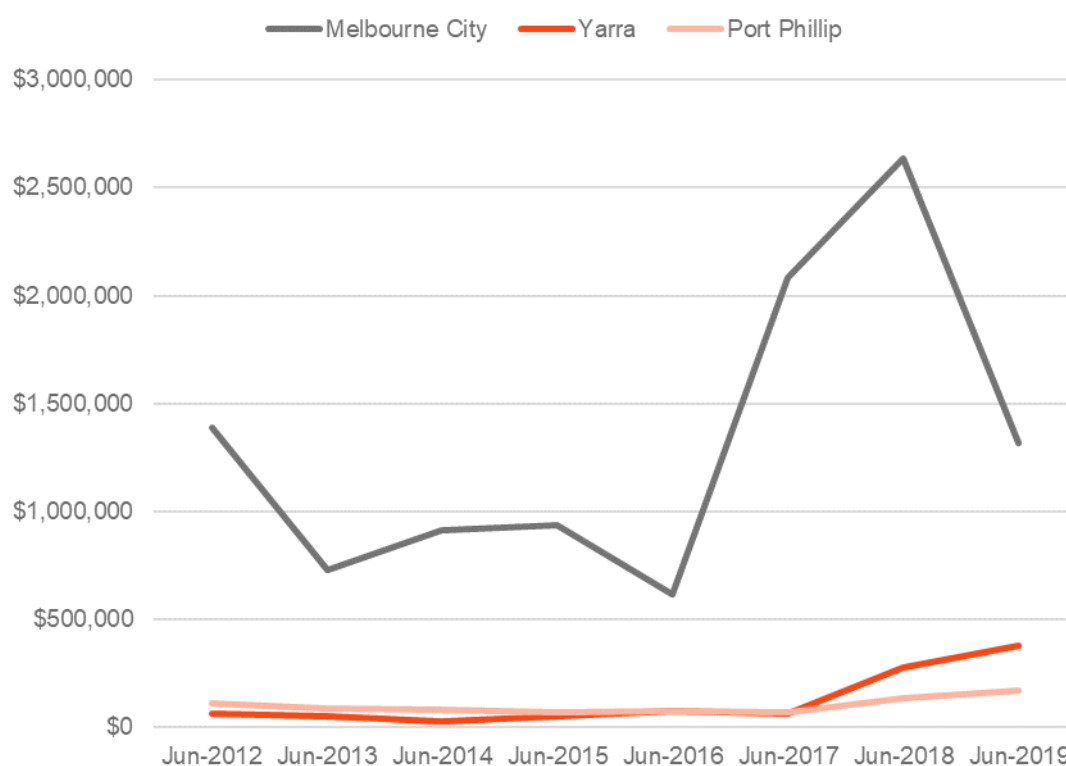
## Historical job growth by selected LGA

Table 53 Historical job growth by selected LGA

LGA	Local Jobs (2019)	2016-2019 % p.a.	2011-2019 % p.a.
Yarra (C)	107,719	4.1%	2.9%
Georges River (A)	54,813	4.0%	2.7%
Stonnington (C)	70,456	3.6%	2.6%
Glen Eira (C)	46,895	2.6%	1.7%
Moonee Valley (C)	44,331	2.4%	1.4%
Maribyrnong (C)	46,075	2.2%	2.3%
Port Phillip (C)	95,150	2.1%	1.6%
Banyule (C)	49,071	2.0%	0.8%
Whitehorse (C)	85,115	1.6%	1.0%
Darebin (C)	58,759	1.5%	1.4%
Bayside (C)	35,570	1.3%	1.6%
<b>Moreland (C)</b>	<b>46,840</b>	<b>1.2%</b>	<b>1.4%</b>
Canterbury- Bankstown (A)	118,055	1.1%	1.3%
Inner West (A)	75,177	0.6%	1.3%
Boroondara (C)	84,274	0.5%	0.9%

## Emergence of the inner fringe office market

Figure 41 Office building approvals, \$



Source: ABS Building Approvals

## 10.10 Economic impact of COVID-19

COVID19 will obviously have a substantial negative impact on economic activity in 2020. Moreland GRP is forecast to be 8.3% lower in the September quarter 2020 than the same quarter in 2019. This fall is less than that experienced by the state. Local Jobs are forecast to fall by 4.4% in the September Quarter 2020. This equates to a loss of 2,116 local jobs.

In the absence of JobKeeper payments, the employment fall is estimated at 15.2% (7,230 jobs). The impact on employed residents (-6.7%) was higher than the local job impact.

## Headline estimates - City of Moreland

Impacts refer to September quarter 2020 compared to September quarter 2019

GRP change

**-8.3%**

(Victoria: -11.0%)

Local job change

**-4.4%**

(-15.2% without the JobKeeper scheme)

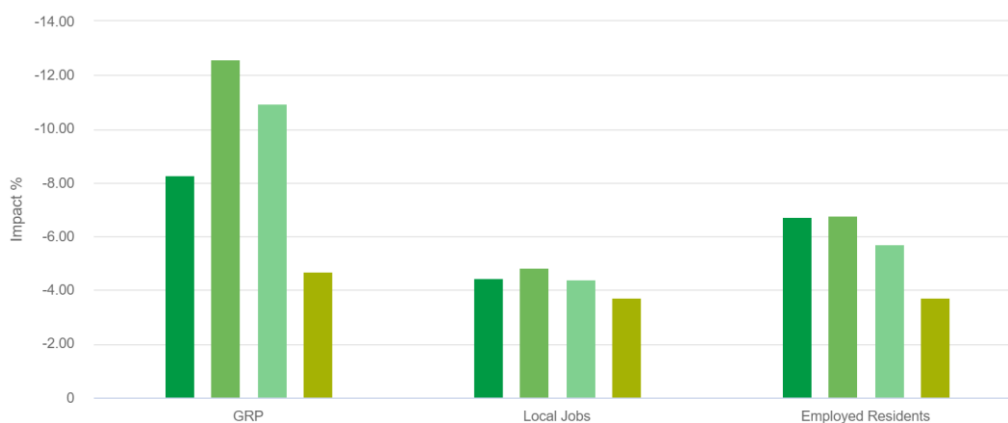
Employed resident change

**-6.7%**

(-13.3% without the JobKeeper scheme)

### COVID-19 Impacts by Region, Sept 2019 to Sept 2020

City of Moreland Greater Melbourne Victoria Australia



Source: National Institute of Economic and Industry Research (NIEIR) Version 2.1 (Sept 2020). ©2020 Compiled and presented in economy.id by .id the population experts.

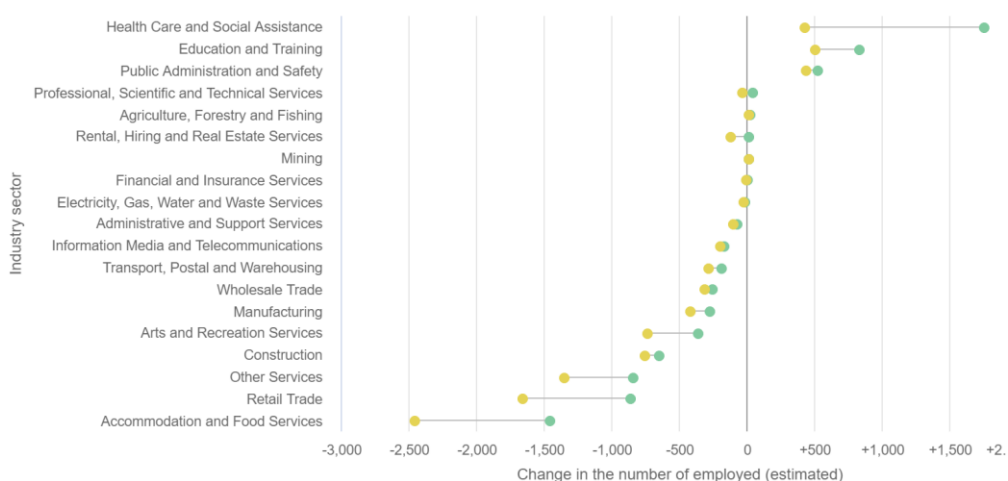
**.id** the population experts

The sectors hit hardest by COVID-19 are expected to be:

- Hospitality
- Retail Trade
- Other Services

### Local Jobs Impact in Sept quarter 2020 (compared to Sept quarter 2019)

Local Jobs change without JobKeeper Local Jobs change



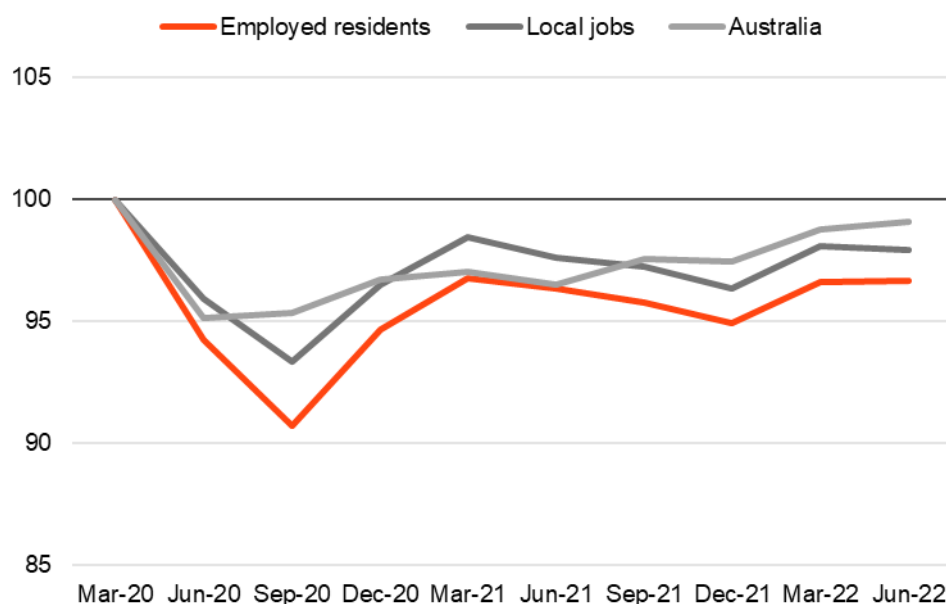
Source: National Institute of Economic and Industry Research (NIEIR) Version 2.1 (Sept 2020). ©2020 Compiled and presented in economy.id by .id informed decisions.

**.id** informed decisions

Local Jobs change without JobKeeper Local Jobs change

Job growth in Moreland is forecast to bounce back in the December Quarter of 2020, and then grow by around 1% in the 2021 calendar year. By June 2022, local jobs are forecast to be around 2% lower than the pre-COVID position (March Quarter 2020).



This suggests the floor space demand is likely to be subdued in the short to medium term (to mid-2021) before then growing back in line with previous trends. There are however several long run implications that provide positive and negative risk factors for the Moreland economy.



The long-run damage to the economy from the impact of COVID-19 will stem from:

- ▾ **Disruption to export markets and supply chains** – businesses may face difficulties and higher costs when re-establishing export markets and supply chains. Some export markets might be lost permanently.
- ▾ **Lower household spending** – financial and property asset reductions and increased debt will limit spending capacity. This is likely to impact centres like Brunswick and Coburg which have a very high share of household serving businesses.
- ▾ **Government debt** - Increased public sector debt requiring higher tax rates and lower expenditures. This will put pressure on local government grants.
- ▾ **Increased debt by businesses** – will reduce internal cash flows to support investment or recruitment. This may also reduce investment by businesses on training and reskilling. This may limit investment by businesses within Moreland (e.g. expansions, new equipment, etc).
- ▾ **Reduced job generation** - There is the potential for increased acceptance of online shopping and this extending beyond traditional retail. COVID19 may

results in an acceleration of the trend away from retail with this having implications for the retail performance of Activity Centres.

-  **Negative effects on the longer-term outlook for commercial property –** According to the RBA, lower valuations for commercial property are expected because of lost rental income and lower expectations of future rental growth. Lower valuations may affect the viability of future projects. Businesses may also reduce their long-term floor space requirements due to increased acceptance of working from home. This may impact office development rates in places like Brunswick Activity Centre.
-  **Impact on younger workers and female workers –** The impacts of COVID19 fall disproportionately on younger workers and female workers. This is likely to result in long term unemployment and disengagement for many vulnerable workers.

However, there is considerable uncertainty surrounding tenant demand for office in the longer term, including greater potential for working from home, increased demand for suburban office, space requirements, etc. Some of these factors provide upside risk to future commercial demand in Moreland.

## 11. Appendix C - Market Sounding Interview

### Summary

A market sounding was conducted to understand the drivers of office development in Melbourne's inner-city fringe and the market appetite for office development in Moreland. The interviews were undertaken with developers, planning permit applicants, property consultants, real estate agents and local businesses active in Moreland and Yarra. The suitable candidates for the interview were identified with consideration of:

- ▣ Development companies with commercial and mixed-use project experience in either Moreland or Yarra
- ▣ Development companies with commercial and mixed-use permit applications experience in Moreland
- ▣ Property development advisors and consultants with commercial and mixed-use project experience in Moreland
- ▣ Real estate agents with commercial experience in Moreland and Northern Region
- ▣ Businesses actively engaged in renting/leasing office spaces within Moreland.

Among several companies and businesses that met one or more of the above criteria, 25 candidates were contacted, nine responded, and eight candidates participated in market sounding.

Each of the eight interview participants was invited to a remote interview session that lasted around 30 to 60 minutes. The interview sessions consisted of a brief introduction and a question and answer time. The key questions asked in the interviews were:

- ▣ What are the current trend and the nature of demand and supply for Moreland and the inner-city fringe office market?
- ▣ What are the long-term office market opportunities in Moreland?
- ▣ What could be done by Moreland Council to grow the local office market?
- ▣ What would be the impacts of COVID-19 on office development?

The participants were notified that the interviews were strictly confidential and the names of the interviewees or the company would not be attributed in the report.

The consolidated interview responses and key insights are summarised below.

### **Current trend and the nature of demand and supply of the office market in Moreland**

The inner-city fringe office market experienced substantial growth over the last few years. According to the developers and experts (consultants, advisors and real estate agents), the inner-city fringe offices offer larger floorplate, lower rent, better fit-out and environmentally friendly buildings compared to the CBD. Most interviewees agreed that the inner-city fringe has good connectivity to CBD and other areas despite the heavy traffic in the main roads. Experts also pointed out that the businesses can enjoy better access to workforces who are increasingly valuing flexibility and quality of life and choosing to work closer to where they live.

In Moreland, developers and experts noted that the main commercial precincts, Brunswick and Coburg have a good supply of larger sites available for redevelopment. Most interviewees identified both east and west areas along Sydney Road from Brunswick Road to Hope street as suitable for office development. According to some of these experts, the location has proximity to the railway station, the ability to access workforce and customers, as well as good amenities. A developer and a real estate agent identified that areas north of Albion Street are less prime, and the Lygon Street corridor does not have as good amenities.

### **Large commercial office space**

According to the interviewees, Moreland's large commercial office space faces stiff competition from the CBD and other inner-city fringe office market. An interviewee noted that 'despite the potential to become a major commercial precinct, areas like Brunswick and Coburg are missing a couple of factors to kick start major office developments'. These factors, also identified by most of the interviewees, are:

- ▾ Access to capital: Generally, the developers require a pre-commitment from a major tenant with strong financial creditworthiness to attract capital to develop a large commercial office development. According to an expert, Brunswick and Coburg are not close enough and not far enough from the CBD, to be a logical alternative to the CBD for a large organisation to locate into (as opposed to a place like Cremorne or Dandenong). Developers and experts



pointed out that developers face difficulty finding a major tenant to pre-commit, restricting access to capital for development.

- Low rental rate: According to all the experts and developers active in Moreland, the current office rental rates in Brunswick and Coburg does not generate enough yield for developers to build dedicated large commercial office spaces. Some experts and developers pointed out that the office rental rate in Brunswick capped out at \$350 per sqm before COVID-19, while other areas such as Cremorne, Collingwood and Fitzroy yield a higher rate.

### **Small office and shared workspace market**

Experts and local business owners pointed out that Brunswick and Coburg, situated between the CBD and northern residential areas, have a unique opportunity to serve the small office and shared workspace market for the North Region.

According to the experts, the demand for small spaces are from typically small, and start-up businesses focused on the service sector. These businesses choose to locate in Moreland due to proximity to where they live, good connection to the CBD and amenities. An interviewee (business engaged in providing shared office space) identified there is an increasing demand for shared workspaces from contractors, inter-state workers, and workers based in the CBD but looking for a part-time space closer to where they live.

According to most of the interviewees, there is a limited supply of quality small office spaces available in Moreland. Developers identified that the yield for Moreland is too low for new purpose-built development for small offices. Similarly, shared office and co-working space providers found difficulty generating revenue and the majority of these providers are businesses renting out their excess office space.

### **Long-term office development opportunities in Moreland**

All interviewees agree that, in the long-term, there will be a high chance of an increase in demand for office spaces in Brunswick and Coburg as Melbourne grows and the CBD and other established inner-city office rental prices increase.

Developers and experts noted there is a need to conserve land for the coming office developments in the long-term. An expert commented, 'if the major activity centres are rezoned for residential in the immediate term, there will be no land available for commercial development when there is an actual demand for commercial spaces in the future'.

Some experts and businesses interviewed pointed out that the office market in Moreland has the advantage of having the engine room of gentrification compared to other areas in Melbourne. According to a couple of interviewees, the gentrification, which has been taking place in Moreland over the last 10 to 15 years, is replacing the traditional, ethnic and multi-cultural residents with white-collar, skilled and professional workforce living and increasingly working in Moreland. Those types of workers create businesses as well as attracting existing businesses to the region.

### **Initiatives Moreland Council can undertake to grow the local office market**

There were mixed responses regarding the impact the council can have on the local office market. Some interviewees viewed the office market as driven by demand and supply fundamentals while some responded that the council could have a significant impact by undertaking initiatives to support and stimulate the growth of the local office market. According to the interviewees supportive of the council role to grow the local office market, the initiatives the council can undertake are:




-  promote office developments by providing assistance securing tenants. Especially, larger commercial office developments generally require a pre-commitment from a major tenant to gain access to funding. Alternatively, the council can provide an incentive to developers by pre-committing as a major tenant for the development.
-  assist in planning permit application process. The interviews identified obtaining planning permits are relatively more difficult in Moreland compared to other areas.
-  promote small office development by becoming a leaseholder of office spaces and providing space to small businesses. Despite Brunswick Business Incubator, interviewees identified there is lack of small office and shared working spaces available in Moreland.
-  give clear direction on what can and can't be developed on each of the zones and provide a consistent signal that the activity centres are an office development area by keeping the centres as either commercial or retail and restricting residential developments.

### **The impacts of COVID-19 on office market and development**



All interviewees agree that COVID-19 will have a significant impact on the office market. However, most interviewees, especially developers and experts, point out

that the impact is unlikely to cause a fundamental change in the office market. Some interviewees, particularly local businesses, viewed the current pandemic will increase demand for inner-city fringe office space.

Impact on office demand:









-  According to some developers and experts, the demand for large floorplate office space is unlikely to be affected by COVID-19 despite organisations, typically large, adopting more flexible working arrangements. An expert pointed out that the large floorplate office space won't be much affected as most of the organisations are already operating at a most efficient per employee office space requirements (including desks, meeting rooms, amenities).
-  The expert also noted that large organisations would find it difficult to monitor off-site working spaces to meet the Health and Safety regulations.
-  According to most of the interviewees, the demand for small office spaces and shared workspaces will increase. Experts and local business interviewees view that the flexible working arrangements and an increase in contractor and part-time workers will boost the demand for shared workspaces, while small businesses will increasingly set up offices closer to where they live for a better lifestyle and access to amenities.

The impact on office supply

-  All developers and experts interviewed agree that the increase in economic uncertainty will have a significant impact on the supply of the office spaces. According to some developers, funding for office developments will be difficult as businesses are unlikely to commit to leasing new office development and tenants are likely to demand a shorter-term lease due to business uncertainty.
-  Some developers pointed out the supply of office spaces will increase as a significant number of existing office developments, under construction and approved before COVID-19, will come into the inner-city fringe office market. Most developers responded that the developers would only explore safe development opportunities, residential and office developments on established office precincts, such as Cremorne, Collingwood and Fitzroy.

### 11.1.1 Think Tank Summary

In 2021, Moreland Council facilitated several Think Tank workshops with developers, researchers and planning experts. The following summary was prepared by Council:

-  Council to take a strong lead and work closely with State government to advocate and identify where Moreland can link opportunities and utilise funding in smart ways and for great initiatives.
-  Council's potential to explore relationships with those investing in developments and drive future jobs growth.
-  Facilitate the development of local connections and supply chains to support local manufacturing.
-  Council to foster a business support climate that encourages social enterprises to locate within Moreland.
-  Moreland as a facilitator of start-up and scale up business growth initiatives.
-  Reinvigorate brand Brunswick (to identify Moreland's point of difference – diversity, demographics, workforce skills, start-ups and entrepreneurs etc.).
-  Attraction of large-format business and offices to be explored.
-  Council to lead and promote environmentally friendly, smart technology and innovative initiatives that leverage local talent and attract investors.
-  Vacant shops – MoreSpace – working with commercial real estate agents, landlords and makers (link to Invest Moreland).
-  Opportunity to improve planning approval timeframes for large scale developments.
-  Develop partnerships to support job growth initiatives.
-  Explore opportunities utilising State government owned, vacant sites.
-  Invest Moreland website improvements to include industry data and investment attraction information.
-  Council to facilitate business to business opportunities – supporting local suppliers.
-  Drive Love Moreland Buy Local campaign.
-  Drive Brunswick Design District awareness, projects and outcomes.
-  Transformation of 420 Victoria Street site.

## 12. Appendix D – Planning Assessment

The Moreland Planning Scheme guides land use and development within the municipality. Its strategic directions and the zoning of land are important regulation that provide a framework for how land can be used and developed.

### 12.1 Planning overview

The Moreland Planning Scheme guides land use and development within the municipality. Its strategic directions and the zoning of land are important regulation that provide a framework for how land can be used and developed.

#### 12.1.1 Planning policy

Planning policy at both the state and local level within the Moreland Planning Scheme support economic development, with activity centres being a focus for investment and development. Industrial land is to be protected and adequately planned for.

At a state level, the key policy directions within the Planning Policy Framework include to:

- ▣ Plan for an adequate supply of commercial and industrial land in appropriate locations (Clauses 17.02-1S and 17.03-1S).
- ▣ Provide aggregated commercial facilities, with viability and accessibility to markets (Clause 17.02-1S).
- ▣ Locate commercial activity in existing and planned activity centres (Clauses 11.03-1S and 17.02-1S).
- ▣ Ensure that activity centres are a focus for business, shopping, working, leisure and community facilities (Clause 11.03-1S).
- ▣ Undertake strategic planning to guide land use and development and give clear direction on preferred locations for investment (Clause 11.03-1S).

Plan Melbourne 2017-2050 is a policy document within the Planning Policy Framework. Plan Melbourne is the metropolitan strategy and guides land use planning for population and economic growth towards 2050.

There are several relevant directions within Plan Melbourne for Moreland's economic land. Direction 1.1 seeks to create a city structure that strengthens Melbourne's competitiveness for jobs and investment.

Policies under this direction seek to plan for industrial land in the right locations and plan for adequate commercial land.

Direction 1.2 seeks to improve access to jobs across Melbourne and closer to where people live. Policy 1.2.1 supports the development of a network of activity centres linked by transport. While activity centres serve diverse roles, including housing, retail, commercial and civic purposes, the focus in higher order activity centres, like major activity centres is on employment, complemented by housing opportunities commensurate to the role and scale of the activity centre.

Plan Melbourne relevantly identifies that Brunswick, Coburg and Glenroy are Major Activity Centres.

At a local level, Clause 02.03-6 identifies that industry is in transition, with a decline in manufacturing and growth in the service economy. It recognises that the ratio of local jobs to residents in the workforce is low compared to the metropolitan average and that the vast majority of Moreland residents in the workforce travel outside the municipality to work in nearby areas. This position is consistent with the findings of the analysis in this report.

The strategic directions for the municipality are outlined at Clause 02.03. There are two important economic strategic directions:

- Clause 02.03-1 'Settlement' (which includes Activity Centres).
- Strategic Direction 2: Land for Industry and Economic Regeneration.

Clause 02.03-1 seeks to support a hierarchy and network of different sized activity centres. Within this hierarchy, Brunswick, Coburg and Glenroy Activity Centres are the largest centres and provide a broad mix of employment options and retail land uses. These centres serve an important regional role for the Moreland community. There are 12 Neighbourhood Centres that play a role for the local community in meeting daily and weekly shopping needs. These higher and middle order centres are complemented by Local Centres which provide daily convenience shopping needs for localised community catchments.

Clause 02.03-6 acknowledges that industry makes a contribution to a sustainable economy and diversity of employment opportunities. It recognises direction from the *Moreland Industrial Land Strategy 2015-2030 (MILS)*. It identifies Core Industry and

Employment Areas (Category 1), which are industrial precincts identified for long term retention. Employment Areas (Category 2) are anticipated to transition from industry to a broader commercial base, where residential uses are supported only where commercial activity is prioritised. The Strategic Direction also identifies a small number of industrial areas as Transition Residential Areas (Category 3), which will cease to be designated as land for economic opportunity and will support residential development.

The vision and strategic directions outlined in Clause 02.03 are supported by strategies within the Planning Policy Framework.

Policy direction at Clause 17.01-1L provides objectives and strategy that support that the strategic direction for MILS Categories 1, 2 and 3 land, consistent with the vision outlined in Clause 21.02.

### 12.1.2 Zoning and controls

The zoning of land is the primary planning mechanism to influence land use and development outcomes. Zones act as the main indicator as to what type of use and development can occur on the land, through establishing whether a use or development:

- ▣ Can be undertaken 'as of right', without a planning permit.
- ▣ Needs a planning permit to allow the activity.
- ▣ Is prohibited and cannot occur.

The industrial areas of the municipality are zoned either Industrial 1 or Industrial 3. The industrial zones are applied to MILS Category 1 land, which are identified for long term retention in zones that facilitate industry and employment uses. Some MILS Category 2 land is also within the Industrial 3 Zone and Commercial 2 Zone.

Most commercial land within Moreland's activity centres is within either the Commercial 1 Zone or the Mixed Use Zone. The exception is the Coburg Activity Centre, where the Activity Centre Zone has been applied. The land use table within the Activity Centre adopts similar conditions to the Commercial 1 Zone for land identified for commercial or retail purposes.

The predominant zone applied for commercial activity within activity centres is the Commercial 1 Zone.

### 12.1.3 Supporting documents

The economic directions in the Moreland Planning Scheme are supported by a number of relevant background documents, including:

- ▣ Brunswick Structure Plan 2010 and addendum to the Brunswick Structure Plan 2012.
- ▣ Central Coburg 2020 Structure Plan 2006.
- ▣ Glenroy Structure Plan 2008.
- ▣ Moreland Activity Centre Framework 2014.
- ▣ Moreland Economic Development Strategy 2011-2016.
- ▣ Moreland Industrial Land Strategy 2015-2030.
- ▣ Moreland Neighbourhood Centres Strategy 2017.

At a metropolitan level, MICLUP is also relevant and provides key guidance. MICLUP puts in place a planning framework to support council to more effectively plan for future employment and employment needs. MICLUP should inform the municipality's future strategic land use planning directions.

MICLUP recognises that Brunswick, Coburg and Glenroy are regionally significant commercial areas and that the municipality also contains regionally significant industrial areas in Brunswick, Newlands (Coburg North) and Coburg North/Pascoe Vale.

## 12.2 The challenges of the current planning scheme position

### 12.2.1 The market is not delivering the commercial land use outcomes sought by policy

As explored in Chapter 7.3, the extent of commercial floorspace within the Brunswick Activity Centre is declining. An analysis of planning permits granted within the activity centre highlights that approximately 31% of site area is provided for commercial floorspace in recently approved development, with very few developments providing any additional commercial floorspace above ground level.

Brunswick is experiencing substantial change, in line with expectations for redevelopment outlined in built form controls and its proximity to the CBD, transport and other infrastructure.



Accommodation uses, predominantly dwellings, are provided at all levels above ground in most circumstances, despite policy in Clause 17.01-1L preferencing commercial uses at ground and first floor level in areas identified as Employment Areas in the Strategic Framework Plan at Clause 02.04. Notably, as a result of the translation of this clause as part of the PPF translation exercise, it applies to a small subset of employment land.

While Brunswick is currently experiencing the most level of development activity, it is anticipated that similar development patterns can be expected within Coburg and Glenroy when redevelopment occurs. This is likely to lead to a continuing decline in commercial floorspace in these higher order centres.

### 12.2.2 Land use planning controls within activity centres hinder the outcomes sought by policy

In some respects, a contributing factor to the market not delivering the commercial land uses sought by policy is that the land use zoning within activity centres often exempts activities (like dwellings, in some circumstances) from requiring a planning permit. Where a planning permit is not required for dwelling as a land use, the use-focused policy in the Moreland Planning Scheme outlined in Section 12.1.1 of this report it is likely to be afforded less weight in decision-making.

This is most evident with Strategy 5.3 at Clause 17.01-1L (previously at Clause 21.03-2 and expressed slightly differently):

*Prioritise employment uses of residential uses either by:*

- *Ensuring the amount of employment floor space in a mixed-use development is at least equivalent to the amount of all proposed ground and first floor building floor space (inclusive of car parking, other services and circulation space), or*
- *Allocating a proportion of the site to employment uses and including the area in a zone that prohibits residential use where rezoning of a large site is proposed.*

This strategy seeks for a building to comprise commercial or employment generating uses (such as Office and Retail premises) at both ground and first floor levels.

However, in the Commercial 1 Zone and the Activity Centre Zone, which are applied within the City's activity centres, the use of land for a Dwelling does not require a

planning permit, provided that any frontage at ground floor for that use does not exceed 2 metres.

This means that, if a development provides commercial activity (such as an Office or Retail premises) at ground floor level, and Dwellings at first floor (or even at the rear of the ground floor), no planning permit is triggered for the land uses.

The council is then unable to achieve policy outcomes for activity centres that seek to prioritise commercial activity at ground floor and to a greater extent than currently provided at first floor, despite all the reasonable encouragement in policy that directs that outcome.

This highlights a key limitation of the existing zoning regime that applies within these centres and contributes to the shortfall of floorspace needed for commercial activity and an ability to achieve the outcomes expected by the planning scheme.

## 12.3 Intervention is required within Activity Centres

The market and land use planning controls are not delivering the outcomes anticipated by policy, particularly within Moreland's higher order activity centres. Without intervention, the higher order centres (especially Brunswick and Glenroy) will not meet their intended economic role and cap employment growth in Moreland.

There is a need for more specific direction to be provided within these centres to achieve delivery of more commercial floorspace and greater employment self-sufficiency.

### 12.3.1 What does the intervention look like?

Zoning should be the key flag for land use intention in activity centres.

There is a need for a stronger connection between the policy outcomes sought by the planning scheme and the controls which regulate the mix of land uses within the commercial precincts of the City's higher order centres.

The Commercial 1 Zone does not provide for an appropriate land use mix to achieve the forecast commercial floorspace requirements within the municipality's higher order activity centres.

There are other zones within the Victoria Planning Provisions that could be applied in a targeted manner to achieve a better land use mix and improved commercial activity. Predominantly, these are:

- The Commercial 3 Zone.
- The Activity Centre Zone.
- The Special Use Zone.

While other zones, such as the Commercial 2 Zone, may achieve a stronger commercial floorspace mix, this would mean that Accommodation uses are prohibited, and would run counter to existing activity centre policy.

The Commercial 3 Zone prioritises industrial, commercial, office and employment generating uses, while allowing for residential uses at a maximum of between 35-50% of gross floor area, which require a permit in all circumstances.

This zone clearly presents an opportunity to prioritise and privilege commercial uses, with discretion to allow residential uses where appropriate. As Accommodation uses always require a planning permit, the existing policy at Clause 21.03 would be relevant to any consideration as to whether a permit should be granted for these uses.

However, a key limitation of the Commercial 3 Zone is that the control can only specify between 35-50% of gross floor area for Accommodation purposes. This is likely to be lower than the level of Dwelling activity required within some of Moreland's higher order centres (such as Brunswick) and would represent a significant shift from existing dwelling activity.

The Activity Centre Zone, by contrast, allows a planning authority to completely tailor the land use table and determine what uses, in what circumstances, do not require a permit, require a permit or are prohibited. The zone has been used to achieve 'vertical zoning' in the Chapel Street Activity Centre, which requires a permit for a Dwelling in lower levels of buildings. The ability to completely tailor the zone at a precinct level provides an improved ability for council to direct outcomes within activity centres.

Similar benefits apply to the Special Use Zone, which is proposed to be used in West Melbourne by Melbourne City Council to achieve integrated, mixed use buildings. While the West Melbourne example is instructive in terms of the opportunity available to regulate land use mix and provide for mixed use buildings, similar benefits can be achieved within the Activity Centre Zone.

### 12.3.2 Adopting the Activity Centre Zone in Activity Centres and Introducing a Floorspace Requirement

It is recommended that the Activity Centre Zone be adopted in the Brunswick and Glenroy Activity Centres. A tailored land use mix should be adopted within precincts of those centres where the Commercial 1 Zone current applies to improve encouragement for employment generating land uses and provide for accommodation uses, where they are complementary to the commercial land use offering.

The intention of the application of this zone would be to add further conditions to non-employment generating uses (such as Accommodation) beyond the 2 metre frontage requirement of the Commercial 1 Zone within commercial precincts of the activity centres, as well as MILS Category 2 sites.

Such conditions could be added to the use of land for Accommodation and either make them requirements to achieve the use of land for Accommodation without a permit, or as a requirement that must be met if a permit is to be granted.

The condition should only allow dwellings to establish (either as of right or with a permit) where part of the land has been set aside for the provision of commercial floorspace.

This could be achieved through adding a condition that requires a percentage of commercial floorspace when seeking to construct a development which includes Accommodation uses.

This requirement has been tested by modelling within the Brunswick Activity Centre. The model tested the following scenarios:

- ▣ Low - 35% of site area as commercial floor space
- ▣ Medium - provision of 65% of the site area as commercial floor space.
- ▣ High - provision of 75% of the site area as commercial floor space.

The modelling suggests that the low and medium capacity scenario will not achieve a sufficient supply of commercial floor space to achieve Scenario 2 (growth scenario). The high capacity scenario is likely to result in an oversupply of commercial floor space.

The capacity analysis also considered the opportunity to include MILS Category 2 sites within the commercial area to meet demand under Scenario 2. This additional

capacity results in a small under supply under the medium capacity scenario, and an oversupply under the high capacity scenario.

Accordingly, it is recommended that a moderate increase requirement be introduced, requiring 60-70% of the site area to be provided as commercial floor space. The inclusion of MILS Category 2 sites would help reduce the capacity constrain risks identified. Other options (as identified in the Neighbourhood Centre section below) could also be considered to increase capacity and delivery of commercial space (as listed in Chapter 5.4 and 8.7).

This could be drafted into a requirement in the Schedule to the Activity Centre Zone that Dwellings and other Accommodation uses do not require a permit, provided the following conditions are met:

*The frontage at ground floor level does not exceed 2 metres.*

*70% of the site area must be provided as commercial floorspace within the site.*

In Coburg, this can be adopted within the existing Activity Centre Zone schedule. For Brunswick and Glenroy, this will require the introduction of the Activity Centre Zone, with this floorspace requirement applying to precincts where the Commercial 1 Zone currently applies.

This requirement could also be applied to MILS Category 2 land in Activity Centres, as appropriate.

### 12.3.3 Maintaining opportunity within the Neighbourhood Activity Centres

There are no significant capacity constraints within most of the Neighbourhood Centres.

The general approach for Neighbourhood Centres should be to maintain existing zoning for commercial areas, but for policy to provide stronger support and guidance about achieving commercial outcomes, both from a use and a design perspective. For instance, policy should support the efficient layout of commercial and mixed use buildings within these centres and encourage adaptability of floorspace over time to meet emerging commercial floorspace and employment requirements.

In the Gaffney/Sussex Streets, Coburg North Neighbourhood Activity Centre, there is an opportunity to broaden the land use mix within the adjoining industrial areas to achieve a complementary employment offering. This could be achieved through investigating the potential to apply the Commercial 2 or Commercial 3 Zone to these areas.