

Preston Market Planning Review: Planning Benchmarks and Tools

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Report Prepared for:

Victorian Planning Authority

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Executive Summary

VPA has commissioned TQ Urban Planning to undertake the Preston Market Planning Review: Stage 2 Planning Benchmarks and Tools. The purpose of this project is:

‘to support VPA in developing the appropriate strategic planning evidence base and foundational elements for new planning controls for Preston Market site’.

This Report is one component of a broader program of planning work and urban design work being undertaken for Preston Market.

This work follows on from the Stage 1 Review of Planning controls, prepared by VPA. This report identified the potential for preparation of new controls to explore the use of floor area ratio to support variations in heights throughout the site.

A primary function of this report is to provide advice regarding potential dwelling densities that could be achieved on the site. The approach to providing this advice has included:

- A review of demographic projections for numbers of dwellings required in Preston Activity Centre over the period to 2041
- Consideration of the strategic role of the Preston Market site in the context of other strategic opportunity sites in the centre
- Identification of a ‘demand based’ dwelling density for the site, also translated into a residential FAR
- Benchmarking of dwelling densities against an analysis and comparison of dwelling densities (and FAR) achieved in ten comparable developments in other major activity centres in metropolitan Melbourne, selected in consultation with Council and VPA,
- Benchmarking of dwelling densities for the site against dwelling densities (and FAR’s) identified in an analysis of ‘planning best practice and emerging trends’ relating to use of dwelling densities (and FAR) controls to manage development.

More specifically, this report:

- Sets out the strategic planning context for considering future development
- Provides details of the site location and the relationship between the Preston Market Site and the broader Preston Market Urban renewal precinct.
- Provides an analysis and strategic assessment of future numbers of dwellings needed to meet housing need in Preston Activity Centre, to 2031 and beyond to 2041, and expresses this as a demand based dwelling density range.
- Identifies future dwelling mix scenarios, based on demographic projections and previous analysis of the Preston housing market undertaken by Council.
- Provides an assessment of future residential floor space needs, based on the dwelling forecasts, dwelling mix scenarios and analysis of the average dwelling sizes in the area, drawn for recent sales and current property listing to express this as a demand based FAR for the site
- Provides a review of ten development sites comparable in terms of their activity centre context, site size, development heights, and other key features.
- Provides an analysis of planning best practice as demonstrated via recent planning work for other activity centres and urban renewal precincts.
- Identifies benchmark dwelling densities from the comparable developments and best practice examples
- Expresses residential floorspace requirements as an FAR applicable to the Preston Market site, and benchmarks these against recent best practice planning work for other activity centres and urban renewal precincts.
- Provides an estimate of the potential residential floor uplift that may be achieved over and above the floorspace achievable within the current Incorporated Document height controls.
- Identifies indicative residential values (expressed as Gross Realised Values per square metre) and an indicative value of potential residential uplift.

The focus of this work has been on the residential densities, noting that limited analysis has been provided on the potential future employment role of the site, as a result of limited data and projections readily available, although the best practice examples set out some potential approaches for managing this issue, as well as delivery of affordable housing and public benefits.

The key conclusions of this report include:

- Demographic projections indicate future demand for an additional 5700 dwellings over the period from 2016-2041. Recently developed and approved sites are expected to deliver approximately 1200 dwellings. There remains a need to accommodate an additional 4500 dwellings within the centre.
- Preston Market is located within a 'Substantial Change Area', and demonstrates ALL characteristics of a Strategic Opportunity Site' as defined in the planning scheme. There is very strong strategic planning and policy justification for directing residential/mixed use development at increased densities to this site. Council's housing strategy and local policy also direct substantial growth to strategic opportunity sites, and the Market site has a key role to play in accommodating future dwelling demand.
- An analysis of Strategic Opportunity Sites greater than 1000sqm located in the centre which could potentially be developed indicates that between 2340 to 3000 dwellings could be expected to be delivered on these other sites in Preston Activity Centre in the period to 2041. This estimate is based on averaged dwelling density of between 314dw/ha to 402dw/ha for these sites which aligns with recent development trends.
- There is therefore a strategic need for the Preston Market site to accommodate approximately 1500 to 2160 dwellings on the site, representing 26% to 38% of the total demand for 5700 dwellings forecast to 2041. Based on the land area of 4.6ha, this yield would equate to low-high range dwelling densities of **327dw/ha to 470dw/ha**. This would generate residential floor space demand of approximately 180,000 to 280,000sqm, depending on dwelling mix, which translates to a residential **FAR of 3.9 to 6.2**

- A mid range point of **421dw/ha** would delivering **1935 dwellings**, representing **34%** of future demand for 5700 dwellings. This would generate residential floor space demand of approximately 230,000 to 250,000sqm, depending on dwelling mix, which translates to a residential **FAR of 5.0 to 5.5**
- These densities are also comparable to densities seen in the ten developments assessed with comparable size or approved development heights, which ranged from **333dw/ha to 469 dw/ha**, and with urban renewal precincts reflecting recent planning best practice of **323dw/ha to 429dw/ha**.
- The comparable development analysis also indicates potential for densities in the order of up to **470dw/ha** to be accommodated within development of **10-15 storeys**, subject to urban design testing.
- It is recommended that the higher range density at **470 dw/ha** (which translates to a residential **FAR of 5.5 to 6.2**) may also be achievable on the Preston Market Site given the absences of sensitive interfaces, subject to urban design testing of potential offsite impacts on the public realm. This would provide flexibility to meet approximately 38% of total housing need to 2041.

The report strongly recommends that further work is now required to:

- Undertake urban design testing of the potential floorspace/FAR generated by the suggested dwelling densities to test potential amenity impacts of the scale of development required to deliver the potential dwelling densities.
- Commission further research on the future economic role of Preston Central and future employment floorspace requirements, to provide further guidance about the potential role that Preston Market could play as a truly mixed use site and establish appropriate employment or commercial FAR for the site.

1 Preston Market Planning Review: Benchmarks and Tools - Overview

1.1 Project Objective

The objective of this project can be articulated as:

‘to support VPA in developing the appropriate strategic planning evidence base and foundational elements for new planning controls for Preston Market site’.

1.2 Background – Stage One: Review of planning controls

The VPA is partnering with the City of Darebin to undertake a review of the current planning controls and prepare a new planning framework for the Preston Market site.

The Stage One review, completed in October 2018, provided an assessment of the current planning controls against the relevant policy context (local and state) and recommendations of the Community Reference Group. It also provided direction on how the site could address built form and urban design elements that align with the policy and community directions.

This work found that the current controls require revision, concluding that:

- the current controls do not align with strategic direction established by Plan Melbourne 2017-2050
- the controls provide an insufficient certainty regarding key elements of future development.
- the site is suitable for accommodating increased densities and a diverse mix of land uses
- further planning evidence is needed to understand the appropriate land use mix and future built form controls for the site
- the current incorporated document provides inadequate protection and guidance for the ongoing operation of the fresh food market

- existing planning controls and the recent planning approvals for the site do not address ‘affordable housing’.

Key recommendations of the Stage One review centred on the VPA preparing a planning scheme amendment to apply new controls to the site, including exploration of application of the Activity Centre Zone or Comprehensive Development Zone to guide future development.

The Stage One review report also specifically identifies potential for preparation of new controls to explore the use of floor area ratio to support variations in the heights throughout the site.

1.3 Purpose of this report – Stage Two: foundational elements for new planning controls

The purpose of Stage Two of the Preston Market Planning Review is to develop the foundational elements for new planning controls. This work builds on the findings and conclusions of the Stage One Review, with an emphasis on providing strategic planning evidence to support the potential approach identified in Stage One. It is to be considered in the context of a broader program of planning work as set out in the project brief (see below).

This advice will be used to inform a future planning scheme amendment for the site (Stage Three), based on its attributes, context and strategic role. Requirements of the project brief.

A primary output of this report relates to the advice and benchmarking regarding potential dwelling densities for the site which, subject to further urban design testing, may be used to inform a future planning scheme amendment.

1.4 Project brief

1.4.1 Strategic context

The project brief confirms that the advice for the site needs to be considered in the context of:

- the wider area
- the existing planning controls for the site
- proximity to the Preston train station

- potential involvement of the LXRA
- other activity centres (especially those with recently approved planning scheme amendments)
- DELWP's recent work researching heights in activity centres
- The guiding principles of the Preston Market Planning Review so far
- any other relevant matters.

The project brief sets out the following scope of work.

1.4.2 Appropriate Dwelling densities and floor space ratios

- Provide advice on an appropriate range for dwelling densities and floor spaces, based on the review.
 - a) Express suitable dwelling numbers as a range.
 - b) Determine the potential residential floorspace based on an appropriate and diverse mix of dwelling types and sizes that reflects the needs of future residents of the City of Darebin and the expectations within Council's Housing Strategy.

1.4.3 Review of comparable development

- Undertake a review of other development with comparable features to the Preston Market site, identifying the number of dwellings per developable hectare, residential floorspace, commercial (non-retail) and retail floorspace. The Review should consider similar development:
 - a) Within the City of Darebin;
 - b) Within other comparable major activity centres; and
 - c) Sites of a similar size and with proximity to a railway station and/or activity centre.

1.4.4 Planning tools best practice analysis

- Examine recently amended planning controls in comparable major activity centres to identify the potential dwelling densities and employment floorspaces that could be achieved through the planning controls.

1.4.5 Determining potential for uplift

- Based on modelling (provided by the VPA) on the density and floorspace that could potentially be delivered through the current planning controls, identify any additional floorspace that could potentially be delivered.

1.4.6 Identify indicative economic value of uplift

- Identify the economic value (in m2) of any additional residential, commercial and retail floorspace on the site so the VPA can calculate the potential value uplift from the existing planning controls.

This report responds to those requirements.

2 Strategic Planning Context

2.1 Plan Melbourne 2017-2050

Plan Melbourne 2017-2050 is a long-term plan to accommodate Melbourne's future growth in population and employment. The Vision for Melbourne is of a 'A global city of opportunity and choice'. The vision is guided by 9 key principles including the principles of '**Living Locally – 20 Minute neighbourhoods**' and '**Infrastructure investment that supports balanced city growth**'.

Plan Melbourne identifies Preston Central as a Major Activity Centre which is part of a broader Metropolitan network of activity centres, as shown in Figure 1. Plan Melbourne encourages the intensification of housing and employment within activity centres, providing housing choice and diversity in locations that will encourage people to walk cycle or use public transport to meet everyday needs and to make better utilisation of existing transport infrastructure. It also seeks to achieve a distinctive and liveable city with quality design and amenity.

Key directions and supporting policies are identified below.

Map 14

Metropolitan and major activity centres



Source: Department of Environment, Land, Water and Planning
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Figure 1 Metropolitan and Major Activity Centres (Source Plan Melbourne 2017-2050)

Direction 1.2 Improve access to jobs across Melbourne and closer to where people live

This is supported by Policy 1.2.1 support the development of a network of activity centres linked by transport. It states:

All activity centres have the capacity to continue to grow and diversify the range of activities the offer. Opportunities to partner with the private sector to enable future diversification, investment and employment growth should be explored and where appropriate, facilitated through planning provisions.

Direction 2.2 Deliver more housing closer to jobs and public transport

This is supported by Policy 2.2.3 'Support new housing in activity centres and other places that offer good access to jobs, services and public transport'. Plan Melbourne states:

Many activity centres can support additional housing growth and will need flexibility, particularly where there is a significant population and household growth forecast.

Policy 2.3.3 Strengthen the role of planning in facilitating and delivering the supply of social and affordable housing. Plan Melbourne states:

[Planning] Reforms will also include new planning provisions or tools to deliver social and affordable housing. These reforms will explore inclusionary zoning and mechanisms to capture and share value created through planning controls.

Direction 2.5 Provide greater choice and diversity of housing

This is supported by Policy 2.5.1 Facilitate housing that offers choice and meets changing household needs

Direction 5.1 Create a city of 20-minute neighbourhoods is supported by Policy 5.1.2 Support a network of vibrant neighbourhood activity centres. Plan Melbourne states:

The 20-minute neighbourhood is all about 'living locally'—giving people the ability to meet most of their everyday needs within a 20-minute walk, cycle or local public transport trip of their home.



Figure 2 Plan Melbourne 20 Minute neighbourhoods

2.2 Darebin Planning Scheme - Existing State and Local Planning Policy

2.2.1 State Planning Policy

State Planning policy directions relevant to planning for Preston Market.

- **Clause 11 Settlement**
- **Clause 15 Built Environment**
- **Clause 16 Housing**
- **Clause 17 Economic Development**
- **Clause 18 Transport**
- **Clause 19 Infrastructure**

State planning policy directs that the following documents are considered as relevant:

- *Urban Design Guidelines for Victoria* (DELWP, 2017)
- *Apartment Design Guidelines for Victoria* (DELWP, 2017)
- *Homes for Victorians - Affordability, Access and Choice* (Victorian Government, 2017)
- *The Victorian Transport Plan* (Victorian Government, 2008)
- *Principal Public Transport Network 2017* (DEDJTR, 2017)
- *Public Transport Guidelines for Land Use and Development* (Victorian Government, 2008)

2.2.2 Local Planning Policy

- Clause 21.01 MSS Introduction - Strategic Framework Plan
- Clause 21.03 Housing
- Clause 21.04 Economic Development
- Clause 21.05 Transport and Infrastructure

- Clause 22.06 Multi-residential and mixed use development policy

Key Reference Documents listed within LPP include:

- *Preston Central Structure Plan* (Darebin Council 2006)
- *Darebin Housing Strategy* (Darebin Council 2013 (Revised 2015)).

2.2.3 Summary of key policy directions:

Key policy directions that emerge from State and Local Planning policy include:

- Direct growth and urban intensification, and higher density development into Metropolitan and Major Activity Centres. Clauses 11, 16, 21.01, as per the Darebin Strategic Framework Plan shown in Figure 3.
- Preston Central is identified as an area of 'highest priority' for residential growth in Darebin. (Clause 11, Clause 16, Clause 21.03).
- Preston Market is identified as being located within a 'Substantial Change Area' to support increased residential densities and housing diversity. (Clause 16, Clause 21.03).
- Preston Market is identified within the Darebin Housing Strategy as a Strategic Opportunity Site. It achieves all 'favourable locational criteria' and is suitable for residential/mixed use redevelopment at increased densities (Clause 16, Clause 21.03).
- Intensification of economic and employment activity, and higher intensity and scale of mixed use (residential and commercial/retail) development is supported in Preston Central (Clause 17, Clause 21.04).
- Integration of land use and transport infrastructure is supported. Encourage development that makes efficient use of existing infrastructure and promotes walking, cycling and use of public transport for daily activities. Support development that contributes to creation of a 20 minute neighbourhood. (Clause 15, Clause 18, Clause 21.05).
- Social and cultural infrastructure should be located in activity centres and on strategic redevelopment sites. (Clause 19, Clause 21.05).

Appendix 1 provides a details of relevant State and local planning policy.



2.3 Darebin Housing Strategy 2013 (updated 2015)

Prepared by Darebin Council, the Darebin Housing Strategy 2012 (updated 2015) sets out the municipal level strategies for responding to the local housing needs and managing housing growth over the period to 2031. A key component of the Strategy is the Housing Change Framework Plan, as shown in Figure 4, which identifies the appropriate level of change in different areas across the municipality, designated as 'Minimal', 'Incremental', and 'Substantial' change areas. It also identifies, and clarifies the anticipated role of, Strategic Opportunity Sites across Darebin.

Under Housing Issues, the Strategy states:

Activities areas have superior access to services, employment and public transport. In recognition of this and to support urban consolidation goals, the State Planning Policy Framework provides for the “build-up of activity areas as a focus for high-quality development, activity and living for the whole community”³⁹. The Northcote Major Activity Centre Structure Plan (2007), Preston Central Structure Plan (2006) and the recently adopted Reservoir Structure Plan (2012) all identify opportunities for residential intensification within activity area boundaries. (Pg 45)

The 'Plan for Growth' notes:

The decline in vacant land across Darebin in recent years, significant heritage and environmental constraints and development feasibility limitations in certain areas mean that the opportunities to absorb increases in housing growth in the coming years in Darebin will generally be delivered in the form of brownfield or infill redevelopment, particularly on strategic opportunity sites, within and near activity areas and in well serviced and accessible areas of the municipality...

... The redevelopment of strategic opportunity sites in and around these accessible areas should be designated for larger infill housing redevelopment projects, particularly those sites which are not constrained by sensitive interfaces. This will enable areas that are not well serviced or of high amenity value to be protected from intensive development. (Pg 48)

Figure 25 - Darebin Housing Change Framework

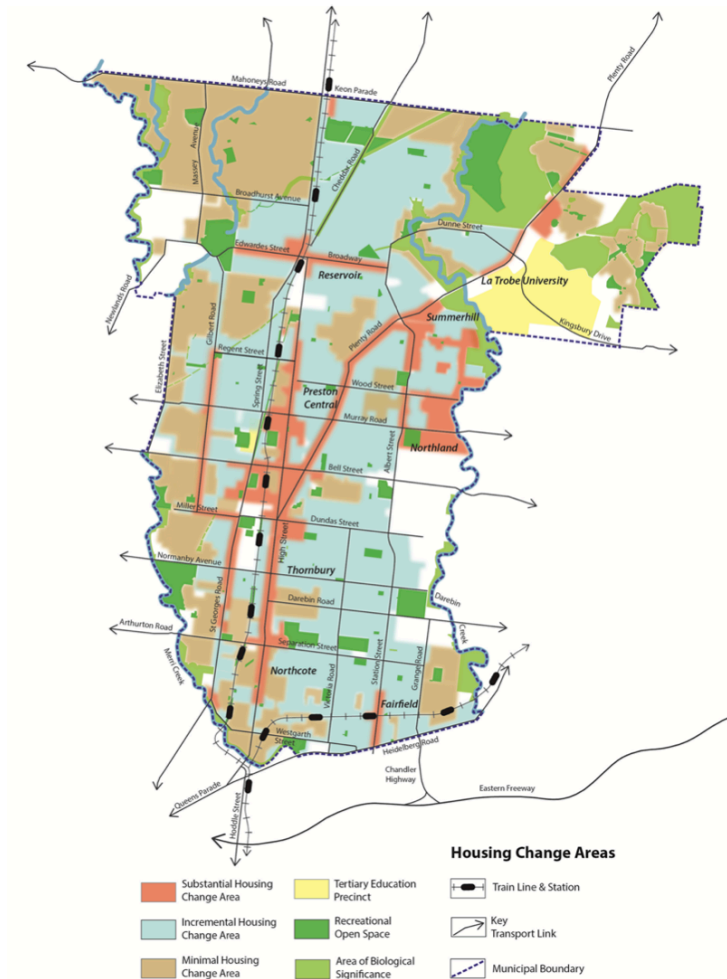


Figure 4 Housing Change Framework (Darebin Housing Strategy 2013 updated 2015)

2.4 Preston Central Structure Plan

The Preston Central Structure Plan was prepared by Darebin Council to sets out the vision, objectives, strategies and policy directions for how Preston Central should be developed in the foreseeable future (up to 2030). The Structure Plan describes Preston Central as

‘one of the largest ‘traditional, multi-dimensional’ activity centres in northern Melbourne, forming a major focus for business, shopping, community, culture and recreation.’

2.4.1 Vision for Preston Central

The vision for Preston Central as set out in the Structure Plan highlights the community, cultural, social and economic role played by the market. The vision is:

Preston Central will strengthen its role as the main focus of community activity, independent shops and government and business services for the northern suburbs of Melbourne. At the same time, it will become more socially inclusive, economically prosperous and environmentally sustainable. This will be achieved by intensifying and broadening its mix of activities, enhancing its accessibility and physical environment, and demanding environmentally-responsive buildings, while maintaining its traditional street-based form and articulating and celebrating its diverse culture and character.

2.4.2 Role and activity mix

The Structure Plan provides Six themes to guide development, each supported by Strategic objectives, each supported by objectives as shown in Figure 5.

In relation to Theme 1 Expanded role and activity mix, it states:

There are also substantial opportunities for new development to expand its non- food specialty shopping, commercial office and residential activity—particularly

the ‘arc of opportunity’ cradling the western part of the centre[which encompasses Preston Market].....It is critical that higher density, multi-level development occurs at these and other development opportunities. Under-development will seriously detract from the potential for Preston Central to achieve Melbourne 2030’s goals for concentrating growth in activity centres. Pg 37

Figure 5 Structure Plan Development Principles for Preston Market (2006) Source Presont Central Structure Plan 2006 pg 35

An expanded role and activity mix	To support and promote Preston Central as a major integrated sustainable centre of economic, social, community, civic and residential activity for Darebin and the northern region of Melbourne.
A unique cultural identity	To recognise and include Darebin’s indigenous, diverse and multicultural community.
An accessible place	To provide integrated, safe and convenient access to and circulation within Preston Central, with priority for walking, cycling and public transport.
A high quality environment	To ensure an attractive physical form, scale and character that expresses the role and function of Preston Central and strongly encourages positive outcomes for the natural environment.
A people place	To provide additional social infrastructure including passive and active open space that is accessible and reflects community needs.
An integrated place	To encourage and improve the integration and appropriate positioning of activities, services and facilities in Preston Central.

The structure plan identifies that a total of **2500-3000 new dwellings** could be provided should all of the key development opportunities in Preston Central be taken up. (Preston Central Structure Plan Pg 39)

2.4.3 Preferred Future Role and Character

The Structure Plan describes a 'preferred future role and character' of the Market Precinct involving the retention and enhancement of Preston Market, and **substantial change** to create:

- A high quality public transport interchange
- Medium-high rise buildings (generally up to 10 storeys) containing large-format shops with parking, apartments and/or offices above (except on the footprint of the existing fresh food market which may remain as a single storey building if deemed necessary to protect the ambience of the Market and 3-storey residential development only facing Clinch Avenue)
- Buildings addressing surrounding streets with minimal front and side setbacks
- All visitor parking in structures behind 'active' uses

Preston Central Structure Plan, September 2006 (Version 2) Pp119.

This is shown in Figure 6 Preston Central Structure Plan 2006 - Preferred Future Character, below.

2.4.4 Preston Market – a key attractor

Preston Market is identified in the Structure Plan as one of Preston Central's key attractors, described as follows:

Preston Market is Melbourne's second-largest fresh food market, which draws 5.5 million visitors every year; Preston Market is one of the last original fresh food markets remaining in metropolitan Melbourne. The catchment of these markets cover large regional areas given the unique experience gained from visiting such markets and the limited supply.

2.4.5 Development Principles for Preston Market.

The structure plan identifies a series of development Principles (pg128):

1. To retain a substantial fresh food Market with associated market activities and to encourage the development of Preston Market as a multi level mixed-use area comprising numerous uses including (but not limited to) retail, commercial offices, residential, entertainment and leisure activities.
2. To upgrade and integrate the Preston Railway Station with the Preston Market and High Street.
3. To provide through the Preston Market a direct and continuous east-west pedestrian thoroughfare (the "East/West Link") aligned with an upgraded Preston Railway Station and an improved pedestrian link to High Street.
4. To provide through the Preston Market a direct and continuous north-south pedestrian thoroughfare (the "North/South Link") linking Murray Road and Cramer Street generally along the alignment of Mary Street (south of Cramer Street).
5. To provide a direct and continuous north-south pedestrian thoroughfare linking Murray Road and Clinch Avenue generally along the western boundary of the Safeway site.
6. To provide a significant public space outside the Preston Station and a 'focal' space centrally within the Market.
7. To encourage increased activity, both during the day and evening, within the Preston Market and the pedestrian thoroughfares.
8. To encourage car parking within multi-level or basement structures.
9. To ensure that development of less than 4 storeys is accompanied by a strategy for not impeding future redevelopment at higher density in accord with Melbourne 2030 objectives for higher density.
10. To provide for a built form within the Market precinct that maintains continuity with the existing character and protects public realm amenity.

It is noted that these principles have been updated in subsequent work undertaken in 2018 by Council and VPA (refer to Section 2.6, 2.7).

Figure 3.7 - The Structure Plan - Preferred Future Character of Preston Central

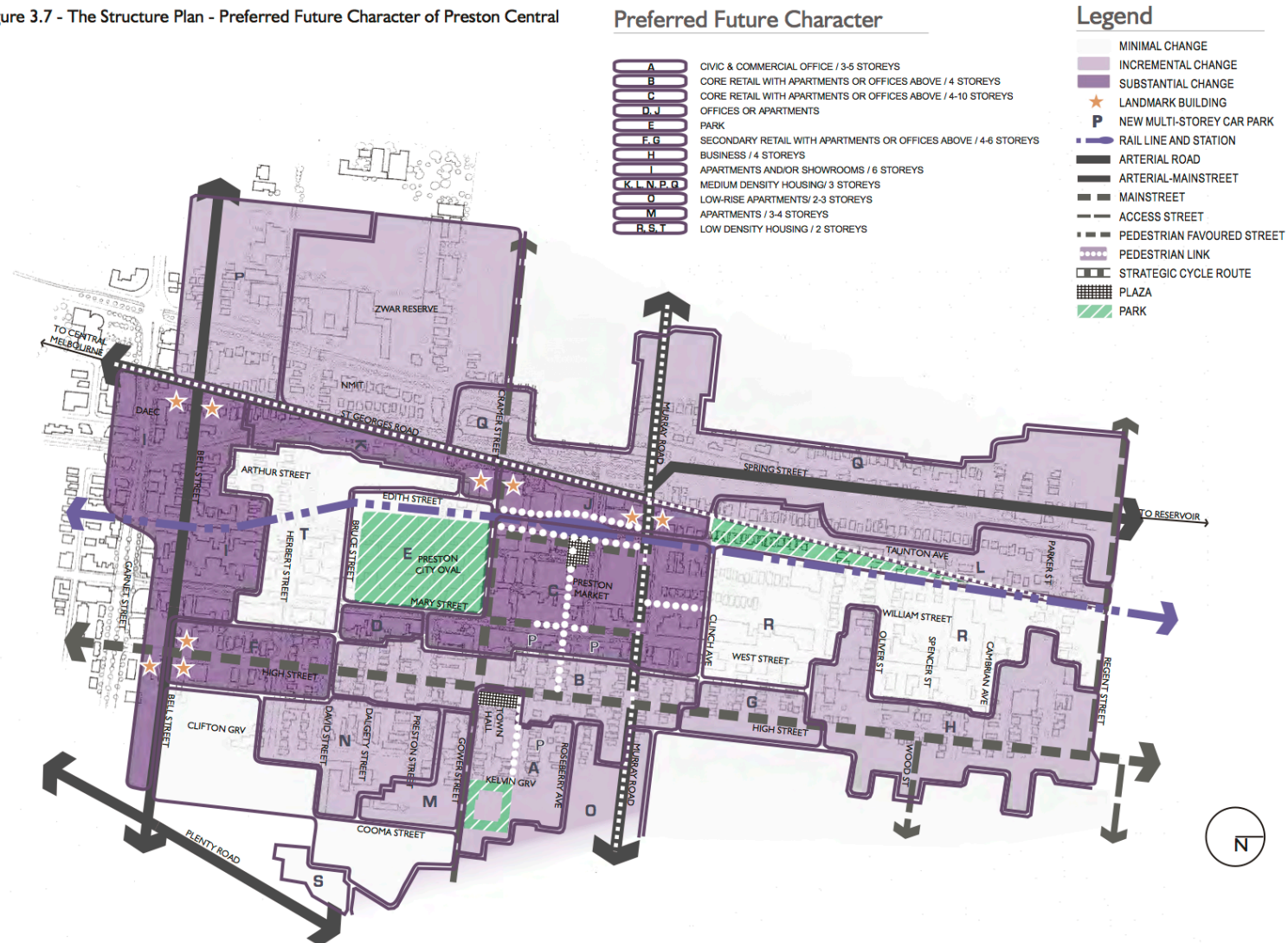


Figure 6 Preston Central Structure Plan 2006 - Preferred Future Character

2.5 Preston Market Priority Development Zone and Incorporated Document

The Preston Market is zoned Priority Development Zone (PDZ).

The purpose of the PDZ is

- To recognise or provide for the use and development of land for projects and areas of regional or State significance.
- To provide for a range of uses and the development of land in accordance with a plan incorporated in this scheme.

Schedule 1 to the PDZ (PDZ1) applies to the Preston Market site. The objectives of the Schedule are:

- To implement the use and development objectives and design principles of the Preston Market Incorporated Plan (2007).
- To encourage intensive development and use of the land for retail, residential, office, entertainment, community and civic activity.
- To encourage high quality urban design that is responsive to the site's environs, improves local accessibility and permeability through the site, and provides active edges throughout the site.
- To provide opportunities for sustainable travel and increased use of public transport.

The **Preston Market Incorporated Plan, 2007**, Urbis JHD, is the Incorporated Plan under this schedule. It includes the Use and Development Objectives and sets out the Design Principles to guide future redevelopment of the Preston Market, relating to:

- Land Use Composition
- Built form and design
- Pedestrian environment
- Station Square
- Landscaping

- Vehicle access, car parking and loading

A copy of the Framework Plan and Preferred Building Height map from that document is provided at **Appendix 2**.

The Incorporated Plan (2007) nominates preferred heights of 8-10 storeys across most of the site.

In August 2017, Amendment C160 to the Darebin Planning Scheme amended PDZ1 to introduce mandatory 9m height controls to the existing Preston Market footprint area on an interim basis until 30 June 2019. Height limits elsewhere on the site remain discretionary.

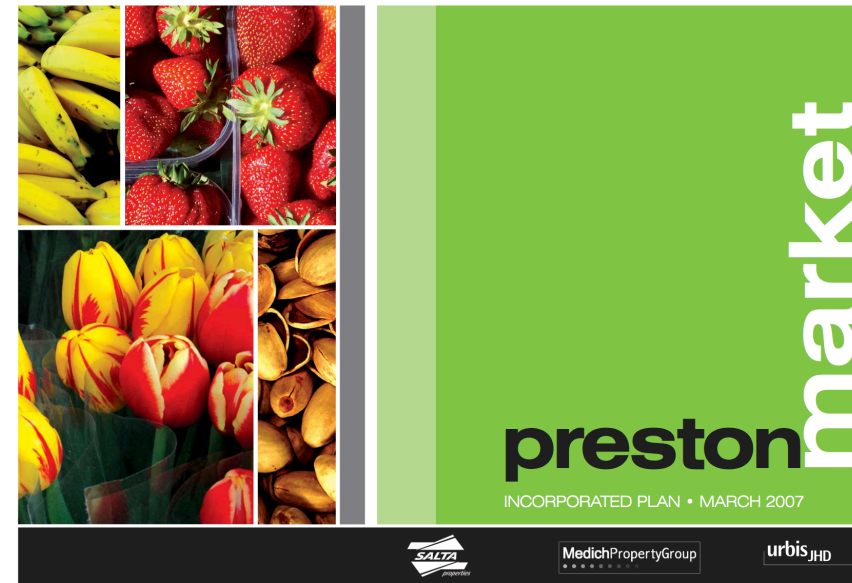


Figure 7 Preston Market Incorporated Document 2007 (Urbis GHD)

2.6 Preston Market Vision (20 18)

The VPA developed the following draft vision for the (whole) Preston Market site:

“The Preston Market site is a thriving place with a fresh food market at its core, complemented by housing; office and retail jobs; community services; and vibrant and accessible public spaces.

Continuing its role as the gateway to Preston, the site welcomes a diverse community from the local area and across Melbourne.”

The VPA’s vision for the Preston Market site was informed by both a vision produced by the community reference group and relevant state and local planning policy (Preston Market Planning Review (Stage One) VPA 2018 pp4)

2.7 Preston Market Guiding Principles (2018)

The five guiding principles developed with the community and City of Darebin, which will inform the new planning controls for the site are:

A thriving fresh food market

- Continuous operation of an open, light and airy fresh food market
- Staging development to support ongoing operation of traders

A diversity of land uses and vibrant amenity

- Increase jobs, services and affordable housing

Culturally diverse character and adaptable community spaces

- Cultural significance and character respected in land use and design

Sustainable, liveable and accessible precinct

- Environmentally sustainable design
- Integrate with Preston Station and High Street
- Encourage shift to public and active transport

Flexible and efficient car parking and access

- Adequate car parking during and after any development
- Loading, servicing and parking located away from public realm areas



Figure 8: Preston Market Guiding Principles - Planning Review (Stage One) VPA 2018 p 5 and Section 5.5

2.8 Level Crossings removal program (LXRA)

The Level Crossing Removal Authority has previously commenced planning and construction work for the removal of the level crossing at Bell Street, Preston, located approximately 1km south of Preston Station and Preston Market.

The proximity of nearby level crossings at Bruce Street, Cramer Street and Murray Road has presented unique challenges to the Bell Street project.

In November 2018, LXRA confirmed that Cramer Street and Murray Road level crossing in Preston had also been identified as a priority site for removal. These crossings are all located within about 800m of the current level crossing removal site at Bell Street in Preston. Removing these crossings together would present significant delivery efficiencies – it would be cost effective and limit disruption to road and rail users.

The removal of these level crossings will result in the construction of a new Preston Station.

Early investigations suggest the most likely design to remove each of these three level crossings would be to elevate the rail line over the road. Using an elevated rail solution could provide significant local amenity benefits to the community including connectivity across the rail corridor and new open space. These options would be subject to further engineering assessments and community engagement will also take place.

Source <https://levelcrossings.vic.gov.au/projects/cramer-street-preston>

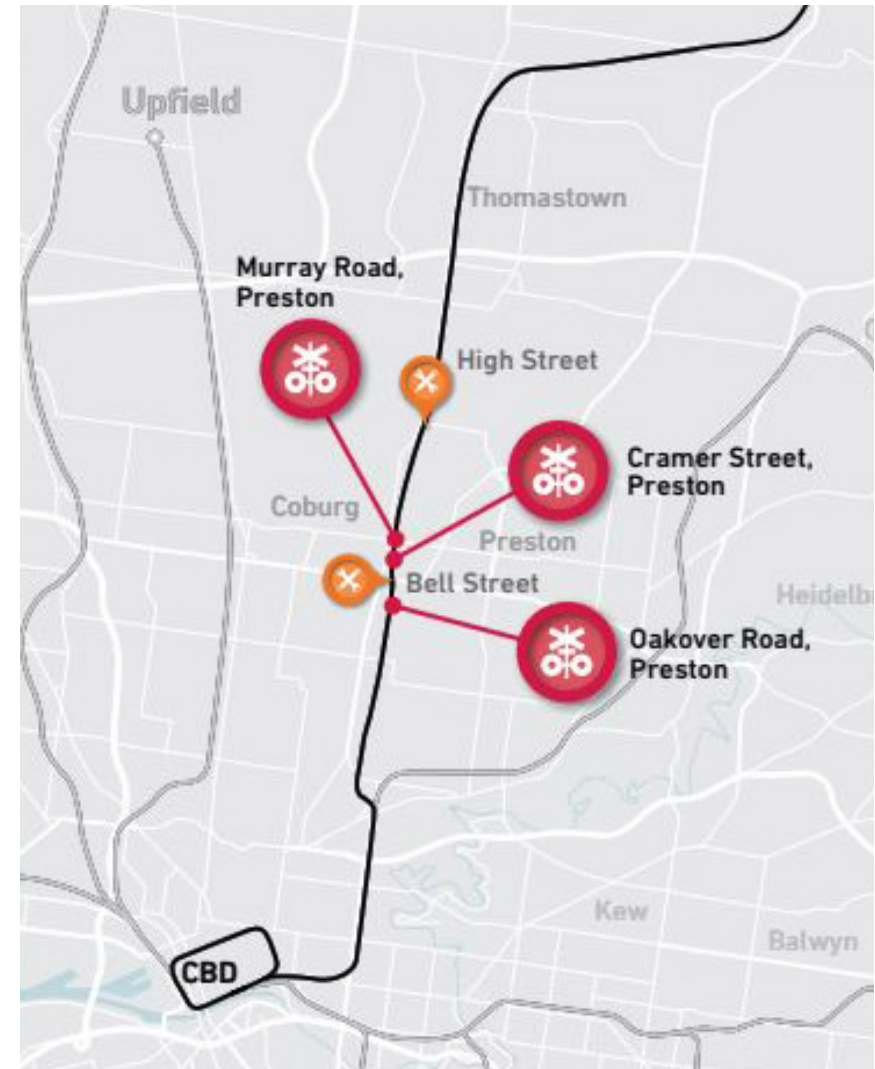


Figure 9 Priority Level Crossing Removal Sites Preston (LXRA 2018)

2.9 VCAT Decisions - Preston Market Developments Pty Ltd v Darebin CC [2017] VCAT 1689

In October 2017, VCAT issued a decision to approve two permit applications sought by Preston Market Developments Pty Ltd for redevelopment of the at-grade parking area in the north west corner of the Preston Market Site. The proposed works did not affect the existing low scale, established central market area. These applications, referred to as Stage 1A and Stage 1B, collectively provided approval for a total 283 dwellings.

The application generated a large number of objections. The Council delegate planner recommended approval, however Councillors resolved to refuse the applications. The applicant subsequently appealed the decision to VCAT.

2.9.1 P569/2017 – Stage 1B

This permit will allow:

Development of two (2) ten-storey buildings comprising 128 dwellings, the re-location of the existing Aldi supermarket, offices, retail tenancies, a food and drink premises, a reduction to the car parking requirements and alterations to the existing vehicle access to Murray Road.

2.9.2 P565/2017 – Stage 1C

This permit will allow:

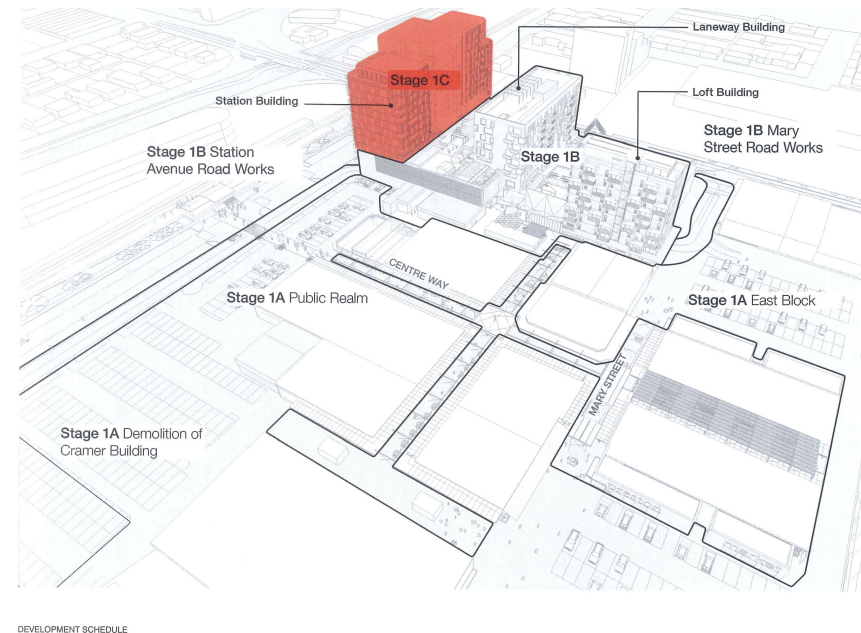
Development of a ten storey building above a four storey podium (total of 14 storeys) comprising 155 dwellings and a reduction to the car parking requirements.

2.9.3 Tribunal's key findings

In reaching its decision, the Tribunal gave significant weight to the strategic attributes of the site, stating

There is no question that the Planning Scheme is anticipating enormous change for the Preston Activity Centre and that the population pressures facing Melbourne and Darebin will reinforce and give greater weight to policies aimed at intensifying development on large sites such as the Preston Market. {See VCAT 1689-137}

We find that the Preston Market site has some major locational advantages for the type of redevelopment now before us for assessment. [VCAT 1689 - 158]... These all represent significant benefits for future residents and should not be underestimated in assessing whether the proposed development should be supported [See VCAT 1689-162].



DEVELOPMENT SCHEDULE

Figure 10 Preston Market Developments VCAT 1689 [2017] Birds eye view of Stage 1B and 1C

In conclusion, the Tribunal found:

‘very strong policy support for higher density, more intensive development on this large, centrally located site within a Major Activity Centre adjacent a train station on the Principal Public Transport Network,[See VCAT 1689-193]

Other key findings included that:

- the applications were 'generally in accordance' with the *Preston Market Incorporated Plan 2007*
- neither Stage 1B or 1C would not impact on the valued central area of the existing market [see VCAT 1689 – 117 to121]
- the proposal would result in improved pedestrian experience [see VCAT 1689 - 141]
- the layout and built form and height, including the proposed four storey exceedance of the preferred height limit was acceptable [See VCAT 1689- 126-138]

In relation to height, the Tribunal noted:

'We may well be wary of allowing additional height if there were identifiable adverse amenity impacts caused to the public realm or to private properties. However we are not persuaded there are any such unacceptable impacts caused by the additional four storeys, particularly on the existing Preston market. We therefore support the height of the Station Building and consider that it is generally in accordance with the Preston Market Incorporated Plan 2007. '[see VCAT 1689- 138]:

The Tribunal did not support the inclusion of Councils draft permit condition requiring 15% of all dwellings be provided on an affordable housing model, noting the potential for uncertainties in administration of the condition, it was an inappropriate mechanism for requirement of a development contribution, and that there was a lack of justification for how the 15% rate was determined.

2.10 Activity Centres Pilot Program Key Findings Report DELWP (2018)

A key purpose of the Activity Centres Pilot Program (the pilot program) was to identify how planning controls could be used to provide greater clarity and certainty about development heights in activity centres and to ensure the community and developers have a clearer understanding of the form of new development expected in activity centres.

In particular, the pilot program was to investigate how planning controls could be improved to better reflect and support strategic work undertaken by councils, and lessen the instances of proposals far exceeding preferred maximum heights in place and being out of step with community expectations.

Three activity centres were identified for inclusion as part of the pilot program – Moonee Ponds in the City of Moonee Valley, Ivanhoe in the City of Banyule and Johnston Street in the City of Yarra

The pilot program has found that:

- discretionary height controls, that is – preferred maximum height controls – are generally an effective tool for facilitating development and administering height in activity centres and should continue to be the preferred way in which height controls are applied in activity centres.
- preferred heights are more commonly exceeded on larger sites, noting:

Larger sites, by their inherent size or location within an activity centre, may play a strategic role in fulfilling and implementing local and state policy objectives. Inevitably these sites will have different built form outcomes compared to smaller or more generic sites within a centre
- if set at appropriate levels that will deliver desired growth targets, mandatory controls do not necessarily inhibit development and can deliver clarity, certainty and consistency in outcomes regarding allowable building height.
- Floor area ratios can guide preferred built form outcomes in activity centres . The coupling of floor area ratios and height controls is an approach that can allow flexibility in design while providing guidance on appropriate height within the site context.

- Requirements for public benefits need to be unambiguous. Requirements should be included in the controls that directly relate additional height to the provision of a specified benefit that supports the objectives. Proposed public benefits should be strategically justified.

Based on the findings from the pilot program, relevant Planning Practice Notes (PPN) have been revised and updated.

PPN60 height and Setback Controls for Activity Centres has been revised to outline instances where mandatory building height controls can be considered in activity centres subject to the fulfillment of clear criteria which include:

- Council has undertaken comprehensive strategic work and is able to demonstrate that mandatory controls are appropriate in the context, and
- They are absolutely necessary to achieve the preferred built form outcomes and it can be demonstrated that exceeding these development parameters would result in unacceptable built form outcomes.

PPN 60 continues to state that mandatory building height controls will also be considered in 'exceptional circumstances'.

Minor changes have also been made to **PPN58: Structure Planning for Activity Centres** and **PPN59: The Role of Mandatory Provision in Planning Schemes**.

3 Site Context

3.1 Location

Preston Central is centred on High Street at the geographical centre of the City of Darebin, 9 kilometres north of Melbourne's CBD and 6 kilometres south of the Metropolitan Ring Road. It is described in the Preston Structure Plan as one of the largest 'traditional, multi-dimensional' activity centres in northern Melbourne, forming a major focus for business, shopping, community, culture and recreation.



Figure 11 Context Map (Source Preston Central Structure Plan Darebin City Council 2006)

3.2 Preston Market Development Site

The land referred to as the 'Preston Market' includes the land bounded by Murray Road to the north, Cramer Street to the south, the north-south road (known as Station Avenue) to the west and the access road to the rear of the High Street shops to the east (refer to Map 1).

The site is adjacent to the Preston Railway Station and rail reserve to the west, commercial properties of Preston Activity Centre to the east, Preston Oval to the south. There is a Woolworths Supermarket to the North.



Figure 12 Preston Market Site (Source Preston Market Incorporated Document 2007)

The **4.6 hectare** site currently occupied by the Preston Market, comprising 120 market traders, including greengrocers, delis, a meat and fish section and speciality shops, Preston Market is Melbourne's second largest fresh food market. The site also accommodates an Aldi supermarket and Centrelink offices. There are currently 810 publicly accessible car parking spaces available in the large at-grade car park around these existing buildings. The site comprises 49 certificates of title, most of which are owned by the Applicant, but with a handful having separate ownership. This site includes the developments recently approved by VCAT in 2017

3.3 Preston Market Urban Renewal Precinct

The Preston Market Urban Renewal Precinct are shown below in Figure 13

The Level Crossings Removal Program will result in the removal of the Cramer Street and Murray Road crossings as well as construction of a new Preston Station. The likely preferred design outcome of elevated rail over road will create opportunities for additional open space and connectivity within the precinct, as well as potentially additional development opportunities. Further planning and design work will need to be undertaken by the LXRA to resolve this in the context of longer term needs for the centre.



Figure 13, Aerial photo of Preston Market Urban Renewal Precinct (VPA)

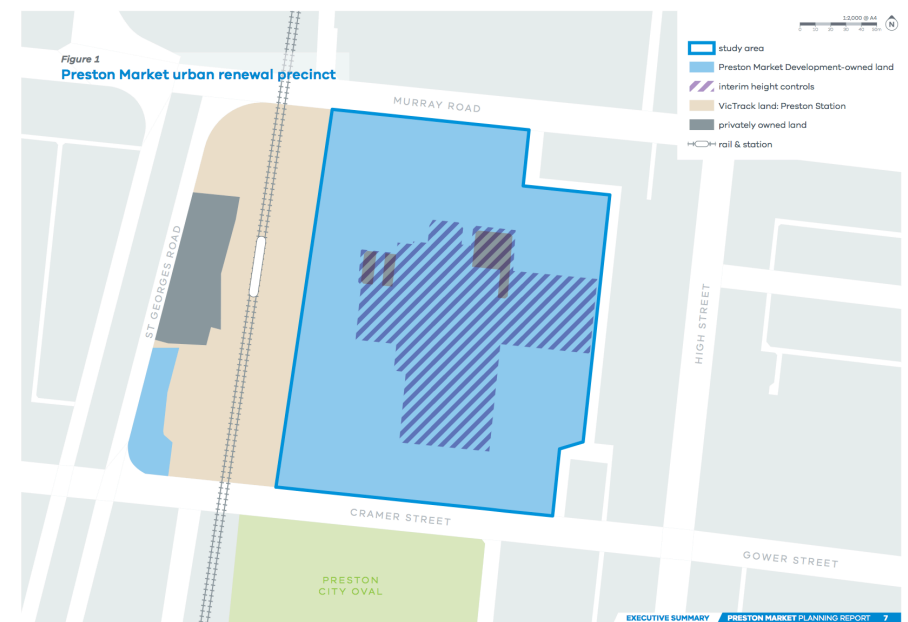


Figure 14 Preston Market Urban Renewal Precinct land holdings (VPA 2018)

4 Determining appropriate dwelling densities and floor space

4.1 Approach

4.1.1 Task

Project Requirement: Provide advice on an appropriate range for dwelling densities and floor spaces, based on the review.

- Express suitable dwelling numbers as a range.
- Determine the potential residential floorspace based on an appropriate and diverse mix of dwelling types and sizes that reflects the needs of future residents of the City of Darebin and the expectations within Council's Housing Strategy.

4.1.2 Methodology

- Population forecasts for Preston Central Activity Centre, provided by ID Consulting, have been used to identify:
 - forecast numbers of dwellings (expressed as a range) to the period to 2041
 - appropriate mix of one, two and three bedroom dwellings. This will be provided in the form of different scenarios to reflect potential shifts in market demand for larger or smaller apartment/dwelling sizes.

Note that ID advises that forecast data for the period 2016-2026, as the short to medium term is likely to be the most accurate and useful forecast information for immediate planning purposes. Where relevant, forecast period to 2031 has also been identified to enable direct comparison with planning work undertaken for the Preston Central Structure Plan 2006, in addition to forecasts to 2041.

- Determine residential floor space requirements for different dwelling mix scenarios. This has been informed by:
 - the analysis of comparable developments (as per Section 4)

- data on average apartment sizes obtained from recent and current sales activity in the local area (as per Appendix 9)
- Provision will also need to be made for 'non-residential' / employment floor space and in particular for office and other commercial or community uses, in addition to the ongoing retail operation of the Preston Market. Limited analysis has been provided on the potential future employment role of the site, as limited data is readily available. The best practice and emerging trends analysis (as per Section 5) provides some examples of different planning mechanisms that could be used ensure provision of employment floor space, however further analysis of employment floor space as a proportion of total development yield is required.

4.2 Summary

4.2.1 Dwelling demand forecasts

- Preston Activity Centre is forecast to need an **additional 5700 dwellings over the period 2016 to 2041**. This comprises 3100 dwellings from 2016 to 2031 (short term), with an additional 2600 dwellings are forecast to be needed by 2041 (medium term).
- 2016 Census data confirms that approximately **240 dwellings have been delivered** between 2006 to 2016. Housing Dwelling Data indicates this was delivered at an average density of 191 dw/ha.
- ID Residential Development Forecasts identify assumed development for 25 sites in Preston Activity Centre, accounting for approximately **1220 forecast dwellings** to 2026 (short term). This does not include the Preston Market site, which has approval for 283 dwellings. The i.D forecast includes some 'non-strategic sites' of less than 1000sqm.
- Information provided by Council of ALL already developed/approved sites greater than 1000sqm identifies approximately **1200 dwellings** on PDZ, RGZ and GRZ land in the Preston Activity Centre. This also excludes the Preston Market Site.
- This means there remains a need to accommodate **4,500 dwellings** of the forecast demand for 5700 dwellings in the centre.

- Further analysis of the strategic sites (greater than 1000sqm) identified by I.D and Council indicate average densities delivered of **422dw/ha** and **338dw/ha**, respectively.

4.2.2 Accommodating future demand for housing growth

- There remains a need to accommodate an additional 4500 dwellings somewhere in the centre** (i.e 5700-1200= 4500).
- The Preston Market site has approval for 283 dwellings. Therefore, approximately an additional **4,220 dwellings are yet to be allocated** within the centre. (i.e 4500– 283 = 4217 rounded to 4220)
- This raises the question as to what should be the role of Preston Market and other strategic redevelopment sites in accommodating this as yet unallocated demand for growth of **approximately 4220 dwellings by 2041**.
- Preston Structure Plan 2006 identifies capacity for 2500 to 3000 new dwellings by 2031 (short term). The structure plan does not identify specific sites, but strategically directs growth to substantial change areas and strategic opportunity sites. It does not provide a medium or long term strategy for the period to 2041 or beyond.
- Preston Market is located within a 'Substantial Change Area', and demonstrates ALL characteristics of a 'Strategic Opportunity Site' as defined in the planning scheme. There is very strong strategic planning and policy justification for directing residential/mixed use development at increased densities to this site.
- The Darebin Housing Strategy and local policy direct substantial growth to strategic opportunity sites. Strategic Opportunity Sites greater than 1000sqm located in the centre have been identified (Refer **Appendix 8**). These could potentially be developed as detailed below.
- There are limited alternative opportunities for accommodating significant housing growth elsewhere in the centre in Minimal and Incremental Change Areas.

4.2.3 Role other strategic opportunity sites zoned PDZ in Preston Activity Centre

- Estimated of potential yield from the Strategic Opportunity Sites is identified at **Appendix 8**. This indicates these sites could deliver between **approximately**

2600 dwellings. This estimate is based on an assumption of 50dw per site, with adjustments (increased yield) assumed for larger sites, which aligns with trends of recently developed/approved sites greater than 1000sqm zoned PDZ. This equates to an average dwelling density of **314 dw/ha**. This has been adopted as a 'likely low range yield' from these sites.

- Of the sites all recently developed/approved greater than 1000sqm in the **PDZ**, the average density is **402dw/ha** with an average yield of 50 dwellings per site. All PDZ sites recently constructed have an average density of **344dw/ha**.
- If the average densities of recently developed/approved permits were applied to the Strategic Opportunity Sites identified:
 - A dwelling density of 402dw/ha would yield a total of approximately **3330 dwellings**. This has been adopted as a 'likely maximum yield' from these sites.
 - A dwelling density of 344dw/ha would yield a total of approximately **2850 dwellings**. This has been adopted as a 'likely midrange yield' from these sites.
- All the Strategic Opportunity Sites identified are zoned to allow for residential use and are assumed not to be unreasonable constrained by sensitive interfaces. However, there is difficulty in projecting the likelihood for development of these sites in the short to medium term. **Appendix 8** indicates a conversion rate from permit to construction of approximately 50% for permits on PDZ land over recent times. Over the medium term it has been assumed that **90%** of identified sites will be developed over the timeframe to 2041 as sites become scarcer and demand pressure continues.
- This provides a low to high range of **2340 to 3000 dwellings delivered on identified strategic sites by 2041** excluding the Preston Market Site.
- This would leave approximately **1220 to 1880 dwellings** to be accommodated on the Preston Market site.
- This is **in addition to the 283 already approved dwellings**, being delivered on the Preston Market giving a total of approximately **1500 to 2160 dwellings** on the Preston Market Site (i.e 1220 + 283 = 1503 and 1880 + 283 = 2163).

- This represents approximately **26% to 38%** of the **5700 total projected dwelling demand to 2041**.
- These projections and calculations do not consider potential demand for additional dwellings into the long term beyond 2041, or the potential for higher than projected growth rates to occur. Additional strategic redevelopment opportunities will need to be identified. Minimal and Incremental Change Areas can be expected to play a continued limited role in accommodating growth.

4.2.4 Dwelling densities

- Based on a land area of 4.6 ha, the dwelling density required to accommodate the total of **1500 to 2160 dwellings** ranges from **327 to 470 dwellings per hectare (dw/ha)**, or a mid range yield of **421 dwellings per hectare**.
- The mid-range yield is comparable to of other strategic opportunity sites already developed or approved in the Preston Activity Centre, which indicate an average densities of **402dw/ha to 422 dw/ha** for all strategic sites identified by Council and sites assumed for development by ID forecasts, respectively.
- The densities are also comparable to densities seen in the ten developments assessed with comparable size or approved development heights, which ranged from **333dw/ha to 469 dw/ha**, and with urban renewal precincts reflecting recent planning best practice of **323dw/ha to 429dw/ha**.
- The higher range density at **470 dw/ha** may be achievable given the absences of sensitive interfaces, and subject to urban design testing of potential offsite impacts on the public realm.
- The Comparison of Densities and dwelling yields achieved if these densities were applied to the Preston Market Site is shown in Figure 15

Figure 15 Summary of Dwelling Densities and hypothetical dwelling yields on Preston Market site

Site	Dwelling Densities	# Dwellings if density applied to 4.6ha site (Low) – High)
Preston Market (4.6ha NDA) – to meet housing need to 2041	327 dw/ha to 470dw/ha (mid point 421 dw/ha)	1500 to 2160 dwellings (mid range 1935 dwellings)
Comparable Developments		
Development Sites with comparable size (3.2-5.0ha NDA)	333dw/ha to 429dw/ha	1500 to 2000 dwellings
Development sites with comparable approved development heights (9-15 storeys)	405dw/ha to 469dw/ha	1900 to 2150 dwellings
Development sites with comparable planning controls (6-10 storeys)	175dw/ha to 266dw/ha	800 to 1200 dwellings
Urban Renewal Precincts		
Joseph Road Precinct (7ha GDA)	429 dw/ha	1973 dwellings
Arden (50ha GDA)	330 dw/ha	1518 dwellings
Fishermans Bend (250ha GDA)	323 dw/ha	1472 dwellings

4.2.5 Calculating floor areas

- Residential Floor Space demands will be affected by the ultimate dwelling mix of one, two and three bedroom dwellings. Three dwelling mix scenarios have been considered, based on::
 - Scenario 1 2016 Census approximation** - Dwelling mix of 10/40/45 for 1/2/3 bedroom dwellings respectively
 - Scenario 2 2031 Projected Dwelling Mix** (based on 2011 Census) – Dwelling mix of 25/40/30 for 1/2/3 bedrooms respectively
 - Scenario 3 Assumed alternative scenario** responding to change seen between 2011 and 2016 – Dwelling mix 20/45/30 for 1/2/3 bedrooms dwellings respectively
- Recent and current sales in Preston Activity Centre indicate an overall median apartment size of 82sqm with detailed benchmarks as follows:
 - 1 bedroom – average size of 62sqm**
 - 2 bedroom - average size of 87sqm**
 - 3 bedroom - average size of 128sqm**
- These average apartment sizes reflect current sales activity within the area and have been used to calculate total residential floor space requirements for each scenario, as set out in Figure 26 Summary of dwelling mix scenarios and average apartment sizes

Residential Floor space required to meet housing need to 2031, and resultant FAR is summarised in the Figure below.

Figure 16 Summary of Floorspace and FAR by Scenario.

	Low Range (1500 dwellings)	Mid range (1935 dwellings)	High Range (2160 dwellings)
Scenario 1 - 2016 Census Data Approximations			
Total Res GFA rounded (sqm)	178,000	254,000	284000
Res FAR (GDA= 46,000sqm)	3.9	5.5	6.2
Scenario 2 - 2031 Council Projected dwelling mix			
Total Res GFA rounded (sqm)	178,000	229,000	259000
Res FAR (GDA= 46,000sqm)	3.9	5.0	5.6
Scenario 3 - Assumed alternative dwelling mix			
Total Res GFA rounded (sqm)	180,000	232,000	255000
Res FAR (GDA= 46,000sqm)	3.9	5.0	5.5

4.2.6 Summary of key conclusions

Overall, It is suggested that:

- A dwelling density in the order of **420dw/ha** would deliver approximately **1930 dwellings** on the site and will enable approximately **34%** forecast housing need to 2041 to be accommodated on the Preston Market Site.
- The comparable development analysis also indicates potential for densities in the order of up to **470dw/ha** to be accommodated within development heights of 10-15 storeys, subject to urban design testing. This would provide scope to accommodate approximately **2160 dwellings**, including the already approved 283 dwellings on the sites. This approximately **38%** of the forecast total of 5700 dwellings needed to 2041.
- A Residential **FAR of 5.5:1 to 6.2:1** would provide flexibility to respond to different potential dwelling mixes to meet approximately 38% of forecast housing need to 2041.

4.3 Dwelling densities

4.3.1 Forecast number of dwellings

Figure 17 below show the forecast population households and household size forecasts for Preston Activity Centre. It is forecast that:

- Total population will reach 11,417 by 2031, up from 4,339 in 2016. This is an increase of 7078 persons, and represents a 263% increase in population.
- Population will reach 17,172 by 2041, an increase of an additional 5754 persons. This represents a total increase of 12,833 persons from 2016, or a fourfold (395%) increase in population by 2041
- Total household size is expected to increase from 2.36 in 2016 to 2.40 in 2031, and remain steady to 2041, but will remain lower than the Darebin average household size which is expected to be peak at 2.48 in 2021/26 and then decrease to 2.47 by 2031 and 2.44 by 2041.
- Total number of dwellings is forecast to be 5088 by 2031, and 7688 by 2041, up from 1957 in 2016. This is an increase of 3131 dwellings by 2031, and represents a 259% increase in numbers of dwellings.
- The Preston Central Structure Plan 2006 identifies a total of **2500-3000 new dwellings** could be accommodated within the centre by 2031 should all of the key development opportunities in Preston Central be taken up. (PCSP 2006 Pg 39). The Structure Plan also emphasises the need to encourage higher density, multi level development, and the risk of underdevelopment detracting from the potential for Preston Central to achieve broader metropolitan planning directions for concentrating growth in activity centres (pg 37)

To summarise, Preston is expected to see an approximate **260% increase in population and households** and will require an **additional 3100 dwellings to accommodate an additional 7000 people**, over the period from **2016 to 2031**. A **further 2600 dwellings** are forecast to be required over the period from **2031 to 2041**.

The total forecast demand is therefore for an additional **5700 dwellings** over the period from **2016 to 2041**.

Figure 17 Summary of forecasts for population, households, dwellings (Source ID Forecasts 2016)

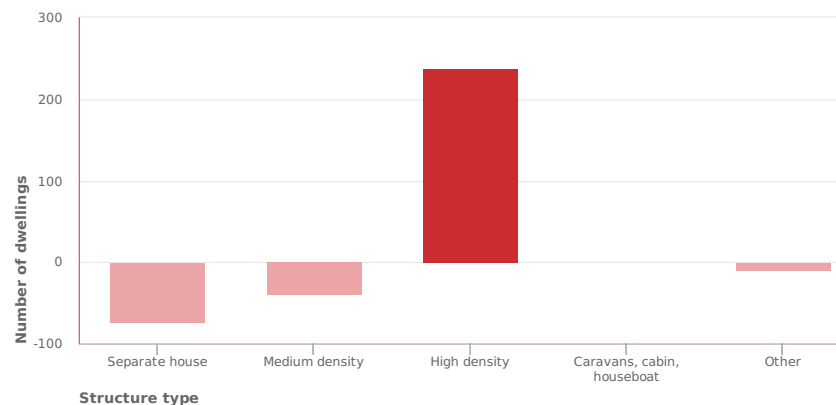
Preston Activity Centre	Forecast year					
Summary	2016	2021	2026	2031	2036	2041
Population	4,339	6,496	8,735	11,417	14,322	17,172
Change in population (5yrs)		2,157	2,239	2,682	2,905	2,849
Average annual change		8.40	6.10	5.50	4.64	3.70
Households	1,832	2,712	3,626	4,740	5,950	7,159
Average household size	2.36	2.39	2.40	2.40	2.40	2.40
Population in non private dwellings	23	23	23	23	23	23
Dwellings	1,957	2,900	3,893	5,088	6,388	7,688
Dwelling occupancy rate	93.61	93.52	93.14	93.16	93.14	93.12

4.3.2 Residential development delivered 2006-2016 and future opportunities

Census data indicates that over the period from **2006 to 2016**, the number of high density dwellings in the PAC increased from 112 in 2006 to 350 in 2016 – **an increase of 238 dwellings**. (ID Community Profile – Dwelling Structure census data 2006-2016).

Change in dwelling structure, 2006 to 2016

Preston Activity Area



Source: Australian Bureau of Statistics, Census of Population and Housing, 2006 and 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

.id

Figure 18 Change in dwelling structure 2006-2016 (ID Community Profiles Census 2016)

Figure 19 shows a summary of individual developments as per Housing Development Data compiled by DELWP. This confirms that a total **net increase of 238 dwellings** has been delivered in Preston Activity Centre since 2006.

For comparison purposes with the dwelling density analysis provided in this report, Figure 19 also shows the dwelling densities delivered by these developments. It indicates an high density development delivered between 2006-2016 has achieved an averaged dwelling density of **191 dwellings per hectare**.

Continued development at this density is unlikely to meet forecast housing need, as explained in Section 4.3.3. below.

Figure 19 Housing Development Data - net increase in dwellings 2006-2016 in Preston AC

Year	Land Area sqm	# Dwellings (net increase)	Dwelling Density
2007	724	12	166
2009	2258	23	102
2015	916	11	120
2015	1769	20	113
2015	5271	133	252
2016	1869	45	241
Total	12806	244	191
Dwelling loss		-7	
Total NET increase		238	

4.3.3 Accommodating dwelling growth to 2031 and 2041

ID forecasters work with Council planners to understand the likely development activity in each small area. ID have **assumed residential development activity on 25 separate sites** in Preston Activity Centre which account for **1218 dwellings** over the period to 2026. The list of forecast developments and infill assumptions is provided at **Appendix 6** (This figure excludes the estimated 300 dwellings identified for Preston Market, now approved at 283 dwellings.)

The analysis of ALL already developed/approved sites greater than 1000sqm (refer **Appendix 8**) identifies approximately **1200 dwellings** on PDZ, RGZ and GRZ land in the Preston Activity Centre. This excludes the Preston Market Site.

Adopting this figure, this means there remains a need to accommodate **4,500 dwellings** of the forecast demand for 5700 dwellings in the centre.

This compares to:

- the ‘capacity’ identified in the Structure Plan to accommodate an additional **2500-3000 dwellings** over the period to 2031 (of which 240 have been delivered between 2006-2016).
- the forecast ‘need’ of **3100 dwellings** identified through population forecasts over the period from 2016 to 2031 indicating that there remains a need to accommodate an additional **1880 dwellings somewhere within the centre by 2031**.
- The forecast need for a further **2600 dwellings** are forecast to be required over the period from **2031 to 2041**, indicating that there remains a need to accommodate **4,500 dwellings** of the total forecast demand for 5700 dwellings in the centre by 2041.

This raises the question: What is the additional capacity of the Market Site to accommodate growth and what proportion of the total 4500 dwellings should potentially be directed to the Preston Market site?

As demonstrated below, the Preston Market provides opportunity to accommodate a significant portion of this demand, however, consideration also needs to be given to longer term growth and the role of other strategic sites in the centre.

4.3.4 Preston Market as a strategic opportunity site

Clause 21.03 of the Darebin Planning Scheme provides the Strategic Framework Plan for Darebin. It identifies Preston Central as a ‘Substantial Change Area’ and area of ‘highest priority’ for accommodating residential growth in Darebin. Substantial Change Areas are described in Clause 21.03 as:

- Residential, commercial and designated activity centres that have the capacity to accommodate substantial residential development over time. Substantial Change Areas will support increased residential densities and increased housing diversity. It is expected that the character of these areas will change substantially in the future.
- Substantial Change Areas generally display one or more of the following characteristics:
 - Are within or immediately adjacent to activity centres that possess superior access to the Principal Public Transport Network.

- Are generally within 400 metres of a train station or tram route.

The Preston Market site is located within this Substantial Change Area and is also specifically identified as a ‘Strategic Opportunity Site’ within the Darebin Housing Strategy 2013 (updated 2015).

Clause 21.03 identifies criteria for Strategic Opportunity Sites as ‘sites that possess the following characteristics that make them suitable for residential and/or mixed use redevelopment at increased densities:

- Over 1000sqm in lot size
- In a zone that permits residential use
- Not constrained by a Heritage Overlay and/or Minimal Housing Change Area
- Displaying one or more of the more of the following favourable locational criteria:
 - within 500 metres of train station
 - within 400 metres of tram route
 - fronting a strategic corridor (High St, Bell St, Plenty Rd, St Georges Rd) within a designated activity centre

The Preston Market site and broader Urban Renewal Precinct, as identified by VPA, demonstrates ALL of these characteristics. There is therefore very strong planning support for directing residential/mixed use redevelopment at increased densities to this site and the site has a key role to play in accommodating a significant portion of future demand.

4.3.5 Other strategic opportunity sites in Preston identified in the Housing Strategy 2013 (updated 2015)

The Darebin Housing Strategy 2013(updated 2015) includes a list of Strategic Opportunities by suburb in Darebin. It identifies 39 sites in Preston **as provided in Appendix 7**. All sites listed are at least 1000sqm (0.1ha) in size.

Figure 20 Strategic Opportunity Sites (Darebin Housing Strategy 2013(updated 2015) shows that only 3 of these sites are located within the boundaries of the Preston Activity Centre. These area:

- 33 Cramer Street (0.13ha), which has been redeveloped for 9 townhouses

- 37-39 Cramer Street (0.28ha), which is included in the forecast residential developments (for 24 dwellings in 2021)
- 504-506 Bell Street (0.15ha), zoned GRZ affected by an 11m/3 storey height limit and will be suitable for medium density development only
- 411-423 Bell Street (0.37ha) zoned Commercial 1 zone, currently occupied by McDonalds restaurant with preferred height of 5-6 storeys stated in the Preston Central Structure Plan.



Figure 20 Strategic Opportunity Sites (Darebin Housing Strategy 2013(updated 2015))

Other 'substantial change areas' within the Activity Centre, as identified in the Planning Scheme in the Strategic Housing Framework Plan at Clause 21.03 include land zoned C1Z, PDZ or MUZ along High Street and Bell Street.

4.3.6 Role other strategic opportunity sites zoned PDZ in Preston Activity Centre

Strategic Opportunity Sites **greater than 1000sqm** located in the centre, which could potentially be developed, are identified at **Appendix 8**. This list and map includes sites zoned PDZ, C1Z, and also includes some sites zoned RGZ or GRZ.

Estimate of potential yields from the Strategic Opportunity Sites identified are based the following yield assumptions

- 50 dwellings per site of 1000-2000sqm
- 100 dwellings per site up to 4000sqm
- 200 dwellings per site up to 6000sqm
- 300 dwellings per site up to 8000sqm
- 350 dwellings per site greater than 10000sqm

Appendix 8 indicates:

- the strategic opportunity sites could deliver **approximately 2600 dwellings**. This equates to an average dwelling density of **314 dw/ha**. This has been adopted as a 'likely low range yield' from these sites.
- Development was being approved or delivered at an average density of **338dw/ha**, (or 1200 dwellings) across the centre on sites zoned PDZ, C1Z, RGZ or GRZ greater than 1000 sqm
- Development of recently developed/approved **PDZ zoned** sites was being delivered at average density of **402dw/ha** with an average yield of 50 dwellings per site (and total yield of approximately 1100 dwellings).
- Developments constructed/under construction on **PDZ zoned land** were achieving an average density of **344 dw/ha** and an average yield of 50 dwellings per site.

If the average densities of recently developed/approved permits were applied to the strategic opportunity sites:

- A dwelling density of 344dw/ha would yield a total of approximately **2850 dwellings**. This has been adopted as a 'likely midrange yield' from these sites.

- A dwelling density of 402dw/ha would yield a total of approximately **3330 dwellings**. This has been adopted as a 'likely maximum yield' from these sites.

All the Strategic Opportunity Sites identified are zoned to allow for residential use and are assumed not to be unreasonable constrained by sensitive interfaces. However, there is difficulty in projecting the likelihood for development of these sites in the short to medium term. Information provided by Council indicates a conversion rate from permit to construction of approximately 50% for permits on PDZ land over recent times. All sites are zoned for residential with no particular impediments for redevelopment. For this report, over the medium term it has been assumed that **90%** of identified sites will be developed over the timeframe to 2041 as sites become scarcer and demand pressure continues.

This results in a low to high range of **2340 to 3000 dwellings delivered on identified strategic sites by 2041** excluding the Preston Market Site.

There are limited alternative opportunities for accommodating significant housing growth elsewhere in the centre in Minimal and Incremental Change Areas.

Much of centre is designated as Incremental Change or Minimal Change. Note that from 2006-2016, HDD indicates 'Infill' development accounted for a net increase of 93 dwellings (average of just approximately 9 dwellings per year), and at this rate could be expected to accommodate about 135 dwellings up to 2031, or a total of 225 dwellings by 2041.

These projections and calculations do not consider potential demand for additional dwellings into the long term beyond 2041, or the potential for higher than projected growth rates to occur. Additional strategic redevelopment opportunities will need to be identified in the longer term.

Infill development within and around the activity centre, and any new urban renewal opportunities identified will also need to continue to play a role however Minimal and Incremental Change Areas can be expected to play a continued limited role in accommodating growth

4.3.7 Proportion of development for Preston Market

Taking into account the anticipated role of other strategic opportunity sites in Preston, there remains a significant unmet demand to be accommodated within the centre. The high-low range identified leaves approximately **1220 to 1880** dwellings

to be accommodated on the Preston Market site, representing approximately **36% to 51%** of the **projected total unmet demand to 2041**.

This is **in addition to the 283 already approved dwellings**, being delivered on the Preston Market giving a total of approximately **1500 to 2160 dwellings** on the Preston Market Site (I.e 1220 + 283 = 1503 and 1880 + 283 = 2163). This represents approximately **26% to 38%** of the **5700 total projected dwelling demand to 2041**. This is summarised in the Figure below.

Figure 21 Summary of role of Strategic Sites and Preston Market in accommodating growth.

	High range	Mid-range	Low range
Total Demand to 2041	5700	5700	5700
Less Dwellings recently approved	1200	1200	1200
Total Unmet Demand	4500	4500	4500
Less 280 already approved for Preston Market	-280	-280	-280
Remaining unmet demand to 2041	4220	4220	4220
Role of other strategic sites			
Estimated Number of dwellings	2600	2850	3330
(Dwelling density)	(314)	(344)	(402)
Estimated number of Dwellings delivered on other strategic sites (90% of sites developed)	2340	2565	2997
Role of Preston Market Site			
Remaining unmet demand (4220dw less dwellings on other sites)	1880	1655	1223
Plus 280 already approved for Preston Market	280	280	280
Total dwellings to be accommodated	2160	1935	1503
Dwelling density at 4.6ha (dw/ha)	470	421	327
Total dwellings as proportion of unmet demand to 2041	51%	46%	36%
Total dwellings as proportion of total demand to 2041	38%	34%	26%

4.3.8 Dwelling density ranges

Based on a land area of 4.6 ha, the dwelling density required to accommodate **1500 to 2160 dwellings** ranges from **327 to 470 dwellings per hectare**, or a mid range of **421 dwellings per hectare**.

These dwelling densities compare with the densities achieved for comparable development and planning work as identified in Section 5 and 6 of this report:

- Densities of **333 dw/ha to 429dw/ha** for sites of comparable size would yield **1500 to 2000 dwellings** if applied to the Preston Market site
- Densities of **405dw/ha to 469dw/ha** for sites with comparable heights which would yield **1900 to 2160 dwellings** if applied to the Preston Market site
- Densities derived from the Vision for Arden Central Vision at **300 dw/ha** and as, identified in the Fishermans Bend Framework Plan, which average out at **323dw/ha** for the whole Urban Renewal Precinct, and, and would yield **1380 to 1486 dwellings** if applied to the Preston Market Site

It also compares to interstate example of Central Park, Broadway Sydney NSW, at **344 dw/ha** and International examples of Manhattan Island, New York at **272 dw/ha** and L'Example, Barcelona at **359dw/ha** (Hodyl 2018 FB Urban design Strategy pg 62 and 18).

4.4 Residential floor space

4.4.1 What type of households will need to be accommodated?

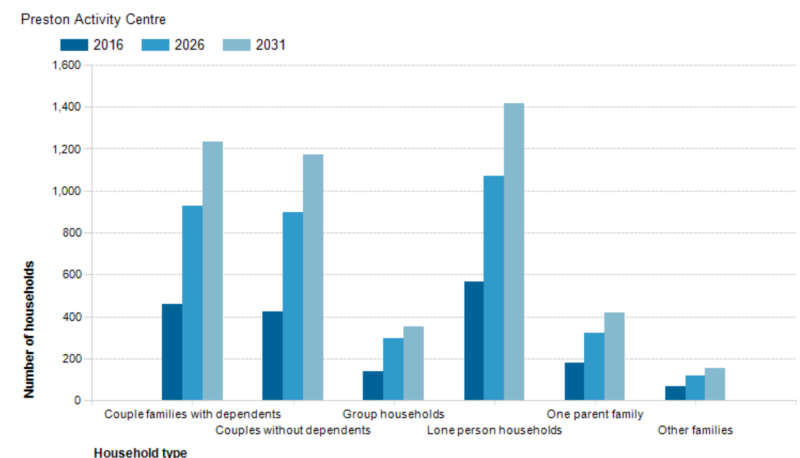
Key findings from ID forecasts include:

- In 2016, the dominant household type in Preston Activity Centre was 'Lone person households', and by 2031 the largest forecast increase is expected in 'Lone person households'.
- In 2016, the dominant household type in Preston Activity Centre was Lone person households, which accounted for 31.0% of all households.
- The largest increase between 2016 and 2031 is forecast to be in Lone person households, which will increase by 849 households and account for 29.9% of all households.

- By 2031, Couple families with dependents are expected to account for 26% of households, a modest increase from 25.1% in 2016.
- By 2031, Couple families without dependants are expected to increase from 23% to 24.7% of households.

The dominance in 'lone person households' is clearly shown in Figure 22 Forecast household types (ID Forecasts, Census 2016).

Forecast household types



Population and household forecasts, 2016 to 2041, prepared by .id the population experts, November 2017.

Figure 22 Forecast household types (ID Forecasts, Census 2016)

4.4.2 What type of dwellings will be provided?

In Preston Activity Area in 2016, 47.9% of the dwellings were medium or high density, compared to 42% in City of Darebin, and up from 37.7% in 2006.. (ID and Census – Dwelling Structure). The greatest change was in high density dwellings – the number of high density dwellings in the PAC increased from 112 in 2006 to 350 in 2016 – a 312% increase.

The Darebin Housing Strategy 2013 (updated 2015) draws on modelling work undertaken by Charter Keck Cramer to provide an indicative assessment of future housing needs by type across Darebin. It identifies that higher density forms of

housing (medium and high density) will represent a significantly greater share of housing stock in 2031 compared to 2011. (pg 20 Housing Strategy). This is consistent with trends emerging over the 2006, 2011 and 2016 Census.

Dwelling Type is an important determinant of Preston Activity Area's residential role and function. A greater concentration of higher density dwellings is likely to attract more young adults and smaller households (ID Dwelling type).

This is supported by the forecast age structure. Figure 23 Forecast age structure 2016-2031 clearly shows the greatest increases in population occurring in the 25-29 year old and 30-34 year old age groups, followed by the 20-24 and 35-39 year old age groups (ID population age forecasts)

When dwelling type is considered with size of dwellings (see 4.4.3 below) this gives insight into the role Preston Activity Area plays in the housing market. As described by ID, for example, an area of high density dwellings that are predominantly 1-2 bedroom are likely to attract students, single workers and young couples, whereas a high density area with dwellings that are predominantly 2-3 bedroom may attract more empty nesters and some families (ID consulting – How do we live? Number of bedrooms.)

Forecast age structure - 5 year age groups

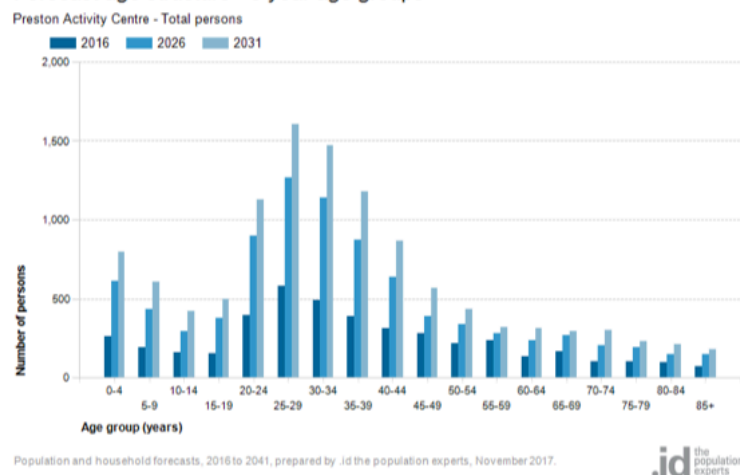
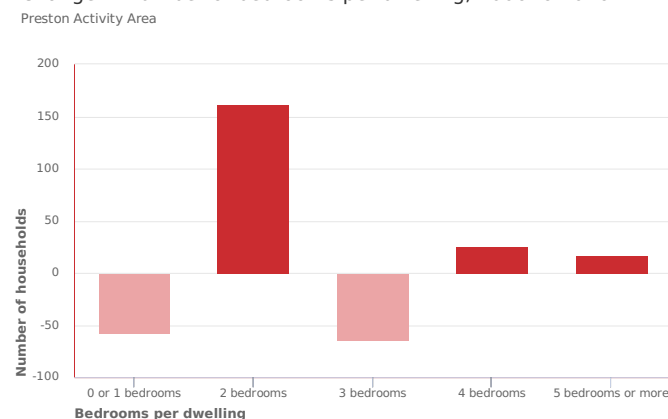


Figure 23 Forecast age structure 2016-2031(ID Forecasts, Census 2016)

4.4.3 Changing dwelling mix (number of bedrooms)

Dwellings with 2 bedrooms were the most common in Preston Activity Area in 2016, representing 39.4% compared to 30.5% for Darebin. The largest change in numbers of bedrooms per dwelling in the Preston Activity Area over the period from 2006 to 2016 was also in 2 bedroom dwellings, as shown below in Figure 24 Change in number of bedrooms 2006-2016 (ID Community profiles, Census 2016)

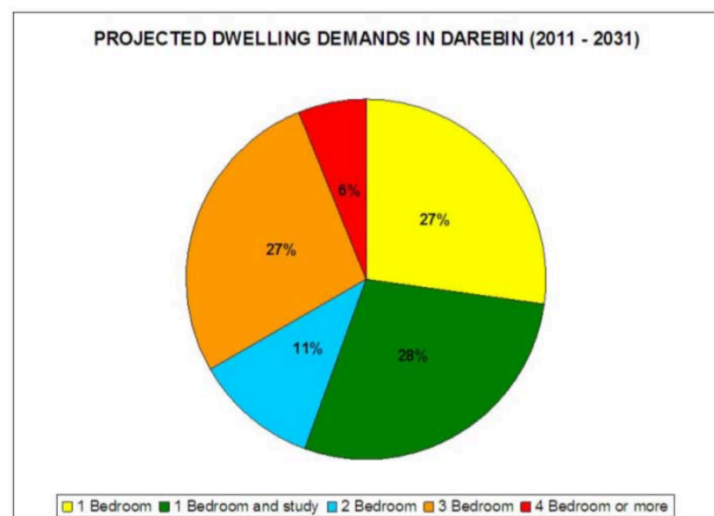
Change in number of bedrooms per dwelling, 2006 to 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2006 and 2016 (Enumerated data). Compiled and presented in profile .id by .id the population experts.

Figure 24 Change in number of bedrooms 2006-2016 (ID Community profiles, Census 2016)

The Darebin Housing Strategy Census (2011) based on market assessments of the propensity for certain households to occupy certain types of dwellings, estimates that the projected demand for dwellings in Darebin over 2011-2031 as depicted in Figure 25 This further emphasises the growing significance of higher density forms of housing, principally 1 and 2 bedroom housing, to cater for Darebin's future housing needs. (Housing Strategy pg 33) This suggest that at a municipal level a total of **66% of new dwellings will be one or two bedroom dwellings**, 39% of dwellings will be one bedroom plus study or two bedroom dwellings, and another 27% will be one bedroom dwellings



Source: Darebin City Council, based on ABS Census data

Figure 25 Projected dwelling mix by number of bedrooms (Darebin Housing Strategy Census 2011)

4.4.4 Demographics Summary:

To summarise:

- Lone person households are expected to be the dominant expected to be the dominant household type in Preston Activity Centre over the period to 2031.
- Preston Activity Centre is expected to continue to accommodate an increasingly high proportion of high density dwellings.
- This is supported by population age forecasts which show greatest increases in the young adult cohorts.
- Preston Activity Centre has seen a significant increase in numbers and proportion of two bedroom dwellings, is expected to continue to accommodate a high proportion of two bedroom dwellings

- These factors suggest that Preston Activity Centre is likely to attract smaller households comprising students, young adults, single workers and young couples.

4.4.5 Dwelling Mix Scenarios

Figure 26 below outlines three dwelling mix scenarios provide the foundation for estimating floor space requirements for residential purposes

- **Scenario 1 – 2016 Census approximation:** The mix of 1, 2 and 3+ Bedroom dwellings approximates the Census Data for the Preston Activity Centre, which was 8%, 39% and 44% respectively, with 9% unstated. **Scenario 1 uses a dwelling mix of 10/40/45 for 1/2/3 bedrooms respectively.**
- **Scenario 2 – 2031 Projected dwelling mix (Housing Strategy 2015)–** The dwelling mix approximates the Council projections for 2031 (based on 2011 Census data), as identified in the Housing Strategy, for 1, 2, and 3+ bedroom dwellings which was 27%, 39% and 33% respectively. (One bedroom plus study is counted as a two bedroom dwelling for this purpose). **Scenario 2 uses a dwelling mix of 25/40/30 for 1/2/3 bedrooms respectively.**
- **Scenario 3 – Assumed alternative distribution** which responds to Council's overall projection of 66% one and two bedroom dwellings, but also responds to the very high growth seen in 2 bedroom dwellings in 2016 Census and anticipated demand **Scenario 3 uses a dwelling mix of 20/45/30 for 1/2/3 bedrooms respectively.**

Figure 26 Summary of dwelling mix scenarios and average apartment sizes

Scenario and Dwelling Mix	One Bedroom	Two Bedroom	Three + Bedroom
Scenario 1 – 2016 Census approximation	10%	40%	45%
Scenario 2 2031 Projections (Housing Strategy 2015)	25%	40%	30%
Scenario 3 Assumed alternative distribution	20%	45%	30%
'Average' apartment size used	62sqm	87sqm	128sqm

(Numbers may not total 100% due to 'unstated' proportions in Census)

4.4.6 Residential floor space requirements – ‘average’ apartment sizes

The analysis of recent and current sales in Preston Activity Centre (**Appendix 9**) identified average sizes for Preston Activity Centre and other comparable residential markets (Heidelberg, Moonee Ponds). This identified an overall median apartment size of 82sqm and provides more appropriate and detailed benchmarks as follows:

- **1 bedroom – average size of 62sqm**
- **2 bedroom - average size of 87sqm**
- **3 bedroom - average size of 128sqm**

These average apartment sizes reflect current sales activity within the area and have been used to calculate total residential floor space requirements.

For comparative purposes, it is noted that the Fishermans Bend Urban Design Strategy 2017 used average dwelling sizes which varied between precincts, from 74sqm in Sandridge MAC to 81sqm in Wirraway NAC. This was based on an analysis of apartment developments in the inner city (CBD, Docklands, Southbank). Apartment sizes in these areas respond to the inner city market and reflect higher land values and significantly higher GRV per sqm that are achieved in the inner city area. It is not appropriate to simply apply these same averages in the Preston context, being a middle suburban activity centre with distinctly different demographics and residential development market from Preston.

4.4.7 Total Residential Floor Space and FAR

Section 4 of this report identified the need, and strategic imperative, to accommodate between **1500 - 2160 dwellings** on the Preston Market site. These options equated to dwelling density ranges from **327 to 470 dw/ha**, with a mid range of **421 dw/ha**.

Figure 27 below models the residential floor space implications for each of the three scenarios for both the ‘low range’, ‘mid range’ and ‘high range’ options for housing need to 2041.

The floorspace modelling has involved:

- Identifying the number of dwellings of each size according to the dwelling mix set out in the scenario.

- establishing an estimate of total Net Saleable Area using the average apartment sizes set out above.
- Applying an assumed floorspace efficiency ratio of 75% to calculate an estimate of Gross Floor Area (residential). The estimates have been rounded up to the nearest 10,000 for comparative purpose.
- Calculating the residential Floor Area Ratio generated by the GFA, based on the site area of 46000sqm (4.6ha).

Key findings for the 2041 low, mid and high range options include:

- The 2016 Census Data dwelling mix (Scenario 1) generated the highest total floor areas for both the ‘low range’ and ‘high range’ options with FARs from **4.3:1 to 6.2:1**. The large variation occurs because the dwelling mix reflects the current still has a high proportion of 3+ bedroom dwellings Preston Activity Centre. However, it is noted that 3 bedroom dwellings experienced the largest decrease over the period from 2006, and the largest increase was in 2 bedroom dwellings. This dwelling mix is not expected to be sustained into the medium and longer term future.
- The 2031 projected dwelling mix (Scenario 2) generated the lowest total floor areas for both the ‘low range’ and ‘high range’ options with FARs between **3.9:1 to 5.6:1**. The lower FARs are generated because of the higher proportions of smaller 1 bedroom dwellings assumed in this scenario.
- For the ‘**Low Range**’ options, the scenarios generated **between 178,000sqm to 198,000sqm** of residential GFA, depending on dwelling mix. The resultant FAR’s ranged from **3.9:1 to 4.3:1**
- For the ‘**High range**’ options, the scenarios generated **between 254,000sqm to 283,000sqm** of residential GFA, depending on dwelling mix. The resultant FAR’s ranged from **5.5:1 to 6.2:1**
- Only a marginal difference in GFA was created by changing the proportions of 1 and 2 bedroom dwellings between Scenario 2 (2031 projections) and Scenario 3 (alternate dwelling mix).
 - For the ‘Low Range’ option, there was no difference between the scenarios in the resultant FAR at **3.9:1**.

-
- For the 'High range' option, the FAR decreased from **5.6:1** in Scenario 2 to **5.5:1** in Scenario 3.

The dwelling mix scenarios are just that: Scenarios. It is exceptionally difficult to predict the ultimate dwelling mix with accuracy, noting that a range of factors including purchaser preferences, housing need, and housing market and development industry conditions will affect the mix delivered. For example, there are currently shifts occurring within the market toward an owner occupier dominated market, away from investor driven market, which can be expected to generate demand for larger 2 bedroom and 3 bedroom dwellings. In addition, there are emerging government policy directions to support 'family friendly' apartment living, which may also drive demand for larger apartment stock. This could result in dwelling mix more akin to Scenario 1 eventually being delivered.

In contrast, recent census data (2016) suggest that high proportions of lone person households and growth in young adult age cohorts will play a significant role in the Preston housing market, with high demand for one and two bedroom dwellings eventuating, as per the 2031 projections (Scenario 2 and 3)

Overall, It is suggested that an **Residential FAR of 5.5:1 to 6.2:1** would:

- enable flexibility to accommodate at least the 'low range' dwelling densities if current dwelling mix is retained (as per Scenario 1 2016 Census).
- Provide for the 'high range' dwelling densities to be achieved assuming that proportions of one and two bedroom dwellings increase as per Scenario 2 and 3.
- If the higher FAR of 6.2 is adopted, this would enable some additional need beyond 2041 to be accommodated on the site, assuming dwelling mix is reflective of either Scenario 2 or 3.

Figure 27 Modelling of floorspace requirements by dwelling mix scenarios

Scenario 1 - 2016 Census Data Approximations	Low Range (1500 dwellings)		Mid Range (1935 dwellings)		High Range (2160 dwellings)	
	# Dw	Floor area (sqm)	# Dw	Floor area(sqm)	# Dw	Floor area(sqm)
10% 1 Bedroom NSA	150	9325	194	11997	215	13330
40% 2 Bedroom NSA	602	52339	774	67338	860	74820
45% 3+ Bedroom NSA	677	86630	871	111456	968	123840
Total Res NSA		148294		190791		211990
Total Res GFA (NSA=75% GFA)		197725		254387		282653
Total Res GFA rounded (sqm)		198,000		254,000		283000
Res FAR (GDA= 46,000sqm)		4.3		5.5		6.2
Scenario 2 - 2031 Council Projected dwelling mix	Low Range (1500 dwellings)		Mid Range (1935 dwellings)		High Range (2160 dwellings)	
	# Dw	Floor area (sqm)	# Dw	Floor area(sqm)	# Dw	Floor area(sqm)
25% 1 Bedroom NSA	376	23312	484	29993	430	26660
40% 2 Bedroom NSA	602	52339	774	67338	968	84173
30% 3 Bedroom NSA	451	57754	581	74304	645	82560
Total Res NSA		133405		171635		193393
Total Res GFA (NSA=75% GFA)		177873		228845		257856
Total Res GFA rounded (sqm)		178,000		229,000		258000
Res FAR (GDA= 46,000sqm)		3.9		5.0		5.6
Scenario 3 - Assumed alternative dwelling mix	Low Range (1500 dwellings)		Mid Range (1935 dwellings)		High Range (2160 dwellings)	
	# Dw	Floor area (sqm)	# Dw	Floor area(sqm)	# Dw	Floor area(sqm)
20% 1 Bedroom NSA	301	18650	387	23994	538	33325
45% 2 Bedroom NSA	677	58882	871	75755	860	74820
30% 3 Bedroom NSA	451	57754	581	74304	645	82560
Total Res NSA		135285		174053		190705
Total Res GFA (NSA=75% GFA)		180379		232070		254273
Total Res GFA rounded (sqm)		180,000		232,000		254000
Res FAR (GDA= 46,000sqm)		3.9		5.0		5.5

5 Comparable Development Analysis

5.1 Approach

5.1.1 Task

- Undertake a review of other development with comparable features to the Preston Market site, identifying the number of dwellings per developable hectare, residential floorspace, commercial (non-retail) and retail floorspace. The Review should consider similar development:
 - d) Within the City of Darebin;
 - e) Within other comparable major activity centres; and
 - f) Sites of a similar size and with proximity to a railway station and/or activity centre.

5.1.2 Methodology

- Identify, and confirm with VPA, 10 approved or constructed developments on sites comparable to Preston market, considering site size and features, access to public transport, and strategic positioning within the metropolitan activity centre hierarchy. Additional sites can be reviewed at hourly rates if required.
- Key metrics for dwelling density, and amount and type of floor space will be determined by:
 - Reviewing publicly available information about the development, including planning permit or development plan application material for the development, where relevant
 - Making direct contact with council/developers/architects of the project to obtain further information if necessary.

5.2 Criteria for 'comparable' development

The Preston Market Site has a unique set of attributes that make identifying direct comparisons difficult. There are very few sites of such substantial size within an activity centre context, and/or with immediate proximity to a rail

station, that exist in Metropolitan Melbourne. In addition, there are very few sites that play host to an existing fresh food market.

To identify developments with comparable elements, the following criteria were considered.

- The site must be located within an Metropolitan or Major activity centre context
- The development site must have excellent access to public transport, either by being located within 400m of a railway station or light rail/tram routes.
- The development site must be a strategic redevelopment opportunity or urban renewal precinct.
- The site should be at least 2ha, and must be at least 1ha.
- The site should have development of substantial scale, with at least some components of 8-10 storeys or more.

5.3 Summary of developments compared

Ten development projects were identified in consultation with Council and VPA. All were located in inner north and west metropolitan or major activity centres 3km to 12 km from the CBD. These included projects in:

- **Sunshine Metropolitan Activity Centre (City of Brimbank)**
- **Footscray Metropolitan Activity Centre (City of Maribyrnong)**
- **Richmond Victoria Street Major Activity Centre (City of Yarra)**
- **Richmond Swan Street Major Activity Centre (City of Yarra)**
- **Fitzroy Smith Street Major Activity Centre (City of Yarra)**
- **Moonee Ponds Major Activity Centre (City of Moonee Valley)**
- **Coburg Major Activity Centre (City of Moreland) – two projects**
- **Caulfield Major Activity Centre (City of Glen Eira)**
- **Northcote Major Activity Centre (City of Darebin)**

Appendix 3 provides a detailed review of each project.

5.4 Summary of Development features analysed

The following features of development have been analysed to provide comparable metrics:

- **Project Name/Location** This includes the 'name' of the project, as marketed, and the site address.
- **Status** – The project is listed as either 'planned', 'approved', 'under construction' or 'completed'.
- **Activity Centre – Location** The geographic location of the site by name of activity centre and municipality.
- **Plan Melbourne Activity Centre Designation** – as listed in Plan Melbourne, categorized as either 'Metropolitan' or 'Major' centres.
- **Distance from CBD** – measured in km, 'as the crow flies'.
- **Public Transport Access (via Walkscore and Transit Score)** – further details are provided in **Appendix 4**.
- **Site area sqm (ha)** – Site Size provided as the Gross Developable Area in hectares, used as the basis for calculating dwelling density.
- **No of Dwellings** – The total number of dwellings within the development based on either approved plans (where available) or estimated yield as per development planning/master planning work.
- **Height** – Provided in storeys, as approved or drawn from master planning work.
- **Type of 'non-dwelling' floor space** – listing of types of commercial, retail, community or other use, with areas provided in sqm where available.
- **Dwellings per hectare** Calculated by dividing the total number of dwellings by the site area.
- **Total non dwelling GFA** was also provided where this was available, expressed as a ratio of total site area (eg 0.5:1) and sqm.

5.5 Key findings – dwelling densities

Error! Reference source not found. provides a summary of dwelling densities for the ten developments compared.

The sites most comparable to Preston Market in terms of site area, and the dwelling densities yielded, included:

- **Coburg Quarter - 4.2ha at 333dw/ha**
- **Fitzroy Gasworks - 3.2ha at 343dw/h**
- **Caulfield Village - 5.0ha at 348 dw/h**
- **Joseph Road Precinct - 4.2ha at 728dw/h (NDA) /(429 dw/ha GDA)**

In addition to having a comparable site area, the building heights of these sites were also comparable to the Preston Market, noting that they were in the range of **10-15 storeys**, except for Joseph Road which has a preferred height limit of 25 storeys across much of the precinct. The Joseph Road Precinct includes a number of new roads and open space which reduces the developable area. If the dwelling density is calculated on a Gross Developable Area, rather than Net Developable Area the dwelling density would be approximately 429dw/ha. This is most relevant when dealing with a precinct rather than defined site to ensure 'like with like' densities are compared. This highlighting the extent of variation in building heights that can be achieved with comparable densities.

These densities compare to Urban Renewal Precincts in Victoria of **Fishermans Bend at 323dw/ha, and Arden at 300 dw/ha**. It also compares to interstate example of **Central Park, Broadway Sydney NSW, at 344 dw/ha**. (Fishermans Bend Urban Design Strategy Hodyl 2017)

If densities in the above range were applied to the Preston Market site, it would yield approximately **1500 to 2000 dwellings**

Other Sites with development heights comparable to the **10-14 storey** heights currently approved for Preston Market, and the dwelling densities yielded include:

- **Eden Haven Sanctuary – 11-13 storeys at 405dw/ha**
- **Coppins Corner – 9-12-15 storeys at 407 dw/ha**
- **Foundry Towers – 8-13-15 storeys at 469dw/ha**

These sites were significantly smaller than the Preston Market site, with **site sizes** of approximately **1.1ha to 1.4 ha**. Higher densities were required in order to achieve economically feasible developments that responded to market conditions at the time. The **Coppins Corner** site also includes substantial portion of 'non-dwelling' development (eg office, retail, hotel) which equated to a non-dwelling floor space to site area ratio of approximately 1.4:1 reflective of the truly mixed use nature of development on the site.

The **Mason Square** development on the former Moonee Ponds Market site has a site area of **1.16ha**, similar to the above sites but the highest dwelling density observed at **849dw/ha**. The approval of the Hall Street development at **30 storeys** exceeded the preferred 16 storey height limits set out in the planning work for the centre.

If the dwelling densities for **Eden, Haven, Sanctuary, or Coppins Corner or Foundry Towers** were applied to the Preston Market site, it would yield approximately **1900 to 2150 dwellings**.

If the dwelling densities for **or Mason Square** were applied to the Preston Market site, it would yield approximately **3900 to 4100 dwellings**. For this site, the panel's reasons for supporting this height included the 23 storey precedent previously supported by Council, and the level of public benefits delivered (open space, pedestrian linkages, which accounted for 27% of the site area. This decision has prompted a review of height limits and strategic planning work for the centre. This dwelling density outcome reflects specific, or 'exceptional', circumstances which are not necessarily applicable or transferrable to the Preston Market site, other than to the extent that the development yield will need to offset the cost of retaining, refurbishing or relocating the existing market within the site.

Lower order densities are yielded by the following sites:

- **Coburg Square - 290 dwellings on 1.65ha at 175dw/ha**
- **Australian Horizons Site – 400 dwellings on 1.5ha at 266dw/ha**

These sites are affected by height controls of 6-10 storeys, which are comparable to the existing height controls in the current approved Incorporated Document for the site. If the dwelling densities for Coburg Square or the Australian Horizons Site applied to the Preston Market site, it would yield approximately **800 to 1200 dwellings**.

Figure 28 Summary of dwelling densities of comparable developments

Project	Height	# dwellings	Land Area (NDA)	Dwellings density
Coburg Square Waterfield St, Coburg (City of Moreland)	6-10 storeys	290 dwellings	1.65ha	175 dw/ha
Australian Horizons Site Arthurlton Rd, Northcote (City of Darebin)	3-8 storeys	400 dwellings	1.5ha	266 dw/ha
Coburg Quarter Urquhart St, Coburg (City of Moreland)	4-16 storeys	1400 dwellings	4.2ha	333 dw/ha
Fitzroy Gasworks Smith Street, Fitzroy (City of Yarra)	10 storeys	1100 dwellings	3.2ha	343 dw/ha
Caulfield Village Station St, Caulfield (City of Glen Eira)	4-15 storeys	1740 dwellings	5.0ha	348 dw/ha
Eden Haven Sanctuary Acacia Place, Abbotsford (City of Yarra)	11-13 storeys	567 dwellings	1.42ha	405 dw/ha
Coppins Corner, Malt District, Gough St Cremorne (City of Yarra)	9-12-15 storeys	460 dwellings	1.13 ha	407 dw/ha
Foundry Towers Hampshire Rd, Sunshine (City of Brimbank)	8-13-15 storeys	469 dwellings	1.46ha	469 dw/ha
Joseph Road Precinct Hopkins St, Footscray (City of Maribyrnong)	4-32 storeys	3061 dwellings	4.2ha NDA (7ha GDA)	728 dw/ha (429dw/ha)
Mason Square Hall St, Moonee Ponds (City of Moonee Valley)	6-23-30 storeys	1304 dwellings	1.16ha	849 dw/ha

6 Planning best practice and emerging trends

6.1 Approach

6.1.1 Task

Project Requirement: Examine recently amended planning controls in comparable major activity centres to identify the potential dwelling densities and employment floorspaces that could be achieved through the planning controls.

6.1.2 Methodology

Tasks:

- Provide an analysis and discussion of different planning approaches and mechanisms for managing dwelling and employment floor space in comparable centres, as established by other recent planning scheme amendments in Metropolitan and Major centres
- Provide a high level analysis and discussion on current and emerging planning mechanisms for facilitating delivery of affordable housing, as articulated through recently amended planning controls.
- Provide comment on whether the comparable developments, and the dwelling densities and floor spaces achieved (as identified in Section 4 of this report) comply or exceed the recently approved planning controls for the centre – noting this is only relevant in relation to the Moonee Ponds centre

6.2 Summary of best practice examples

The Best Practice analysis included a review of the following planning scheme amendments:

- **Melbourne C270 (Central City Built Form Review 2016)**
- **Melbourne and Port Phillip GC81 (Fishermans Bend Framework 2018)**
- **Moonee Valley C183 (Moonee Ponds Activity Centre Pilot Project DELWP 2017)**

- **Melbourne C190 (Arden Macaulay Structure Plan 2012 and Arden Vision 2018)**
- **Melbourne C309 (West Melbourne Structure Plan 2018)**
- **Moreland C158 (Employment areas local policy 2016 - prescribed ratios of employment floorspace)**
- **Stonnington C172 (Chapel revision Structure Plan 2015 – vertical zoning)**

Appendix 5 provides a detailed review of each project.

6.3 Summary of key findings

6.3.1 Planning approaches to managing dwelling density

There are few examples of dwelling density controls being used in contemporary planning in Victoria, with the exception of Fishermans Bend. Amendment GC81 to Melbourne and Port Phillip Planning Schemes implemented the Fishermans Bend Framework. This draft controls originally proposed use of mandatory Floor Area Ratio (FAR) controls, (ranging from 4.1 to 8:1 in core areas). The Planning Review Panel recommended that dwelling density controls expressed as dw/ha were a more effective mechanism for managing dwelling numbers and by derivation, population. Ultimately, controls in the form of Dwelling densities/ha were supported ranging from **184dw/ha to 450dw/ha** for core areas or with an overall dwelling density of **323dw/ha** for the precinct overall. These are comparable to those observed in the development projects assessed in Section 4 of this report.

The Melbourne C270 Central City Built form review recently introduced mandatory FAR of 18:1 over most of the CBD. These controls were primarily a response to concern about emerging development trends the overall visual and amenity impact of the building itself, rather than as a population or dwelling density controls. The Central City FAR controls did not distinguish between residential or commercial uses within the building.

This highlights a need to be clear from the outset about the intended purpose of the density controls – are they primarily about managing population and dwelling numbers, or about built form and amenity impacts?

The Melbourne Amendment C309 (West Melbourne Structure Plan) also proposes to introduce mandatory FAR controls ranging from 3.1 to 6.1. These FARs are, underpinned by population projections, coupled with built form controls with preferred (discretionary) heights ranging from 4 to 16 storeys. It is understood the City of Moonee Valley is adopting a similar approach for the revised Moonee Ponds Activity Centre Pilot Project.

To date, planning for Arden Macaulay, via Amendment C190, has relied on discretionary and mandatory height controls only.

6.3.2 Planning approaches to providing for 'employment' or 'non-residential' floor space

Amendment GC81 Fishermans Bend also introduced 'minimum plot ratio not used as a dwelling' to support employment outcomes for the precinct. These ranged from 1.6:1 to 3.7:1 across different precincts.

This approach has also been reflected in Amendment C309 West Melbourne Structure Plan which applies minimum non-residential FARs of 0.5 or 1:1 in different precincts. A similar approach is also understood to be proposed for Moonee Ponds. It is also reflective of earlier approach used in Moreland C158 (Employment Areas policy) which required employment floorspace equivalent to the ground and first floor.

This work is underpinned by strategic economic analysis and forecasts of future employment requirements, translated into job numbers and floor areas. Without this form of robust strategic work it would be difficult to strategically justify introduction of prescribed minimum floor areas for employment uses.

A further distinction is made between these amendments – for West Melbourne the proposed controls exclude all types of 'accommodation uses' from the prescribed minimum floor area, whereas Fishemans Bend, excludes only 'dwelling' and allows other forms of employment generating accommodation uses (eg hotel, aged care) within the prescribed minimum FARs.

The Coppins Corner project (See Section 4.7), Caulfield Village (See Section 4.11) and Mason Square project (See 4.9) and are examples of truly mixed use projects delivering a substantial portion of 'non-dwelling' uses. These delivered 'non-dwelling' floor space ratios of approximately 0.5:1, 0.7:1 and 1.4:1 respectively. These outcomes are a result of the purpose of the underlying zones and development feasibility, rather than prescriptive requirements.

A different approach has been adopted in Stonnington C172. This preceded these amendments and gave effect to 'vertical zoning' via an ACZ to direct employment uses to lower levels (G,1-3) and dwelling uses to upper levels (above level 4), by way of a specific permit trigger, but without specifically prescribing floor areas. This approach provides a greater level of flexibility for development to respond to market conditions and for Council to manage 'residential crowding out' of commercial and retail uses in the centre.

6.3.3 Planning approaches to support delivery of public benefits

In the case of Fishermans Bend and the Central City, Amendments GC81 and C270 both included an 'uplift' mechanism. Development can only exceed base level density/FAR thresholds if additional public benefits are delivered. In Fishermans Bend this applied only to provision of Social Housing. In the Central City, a broader range of eligible public benefits include Affordable Housing, Public open space and laneways, Commercial use, public space within the building, or undertaking a design competition. In both instances, prescribed ratios of development uplift to public benefit delivered apply, supported by specific policy direction and guidance for decision makers. It is also understood that Moonee Valley is exploring potential use of public benefit uplift mechanisms for the Moonee Ponds centre.

This prescriptive approach to extracting public benefits is more transparent and certain than the approaches used in Arden Macaulay and Stonnington. These amendments allowed for base level height controls to only be exceeded where the development delivers 'demonstrable' or 'significant' public benefits. This approach provides broader scope for negotiation and subjective decision making. This approach does not respond to the Pilot project recommendations that requirements for public benefits need to be unambiguous and strategically justified.

The Mason Square project in Hall Street Moonee Ponds (Refer Section 4.9) is an example of a development substantially exceeding preferred height limits, was supported partially on the basis that 27% of the site was delivered as public benefits. There was no 'uplift' framework in place at the time to guide decision making, and it was at the Advisory Committee's discretion that this was supported.

6.3.4 Planning approaches to facilitating affordable housing

Recent changes to the Planning and Environment Act 1987 (P&EAct) have introduced a legislative framework to facilitate delivery of affordable housing. This included introduction of a new definition for Affordable Housing as follows:

Affordable Housing is housing, including social housing, that is appropriate for the housing needs of very low, low, and moderate income families.

The legislative framework emphasises the role of voluntary negotiated agreements via Section 174 of the P&EAct between a landowner and the responsible authority. It is this framework that will be used to facilitate delivery of Social or Affordable Housing as a 'public benefit' via the uplift mechanisms in the Fishermans Bend and Central City controls.

The prescribed ratios of development uplift to public benefit that apply are:

- In Fishermans Bend, eight additional private dwellings (eg market rate) to one social housing dwelling (eg a ratio of 8:1) where the dwelling density exceeds the base level dwelling density.
- In Central City, the agreed public benefit to be provided should be equal to or greater than the total value of Floor Area Uplift. The value of Floor Area Uplift is measured as 10% of the gross realisation value per square metre for all additional floor area above the 18:1 base level FAR. (i.e a 10:1 ratio)

In Fishermans Bend, the Social Housing Uplift mechanism applies in addition to a policy direction that at least 6% of dwellings within the base dwelling density should be provided as Affordable Housing, as defined in the P&EAct.

In the Central City, the Affordable Housing units must be 'gifted' at no cost to a registered housing association or provider. This does not apply in Fishermans Bend which provides greater scope for the terms of provision to be negotiated by agreement with the housing association/provider and responsible authority

To be effective, the establishment of any development uplift to public benefit ratio, or base level affordable housing provision, must be underpinned by an understanding of development economics, land values, and subject development feasibility testing.

The approach proposed for West Melbourne via Amendment C309 requires at least 6% of dwellings in developments of 10 or more developments to be provided. This provision is included as a permit requirement, rather than a policy

direction, and has more statutory effect than the policy based approach in Fishermans Bend. These requirements apply 'unless otherwise agreed to by the responsible authority, with the applicant required to demonstrate the affordable housing requirement would render the project economically unviable. While the form and terms of affordable housing provision are not prescribed, this potentially represents a shift in emphasis to being a 'requirement', rather than a voluntary negotiated agreement. The legal validity of this approach will no doubt be tested during the course of exhibition and panel hearing for this amendment.

7 Determining potential for uplift

7.1 Approach

7.1.1 Task

Project Requirement: Based on modelling (provided by the VPA) on the density and floorspace that could potentially be delivered through the current planning controls, identify any additional floorspace that could potentially be delivered.

7.1.2 Methodology

- Provide an demand based assessment of floor area required to meet 'need' (as per 4.4.6 above)
- Compare this against a supply based assessment of potential floor area that can be achieved:
 - Within the current planning controls, and
 - As demonstrated by the built form modelling (provide by VPA)

7.2 Demand and supply of floor space

7.2.1 How does potential residential floorspace demand compare to potential supply?

The analysis in Section 6 confirms a need for between approximately **1500 to 2160 dwellings by 2041** to be accommodated on the site, subject to urban design testing.

This has translated into dwelling densities of between 327dw/ha to 470 dw/ha to accommodate 2041 housing need, with a mid point of 421 dw/ha housing need.

This results in generating residential floor space demand of around 180,000sqm to 200,000sqm at the low range, or around 260,000sqm to 280,000sqm at the high range, by 2041.

The current planning controls include height limits of 8-10 storeys. The analysis of development sites with comparable development heights (6-10 storeys) indicated dwelling densities in the order of 175dw/ha to 270 dw/ha were being

achieved. If this density were applied to the Preston Market site, it would yield approximately 800-1200 dwellings.

VPA built form modelling demonstrates that the building envelope achievable within the current Incorporated Plan will yield approximately 1150 dwellings. This modelling has used an assumed average apartment size of 70sqm. **It is estimated that this would equate to a total Residential Floor Area Supply of approximately 115,000sqm of residential floor area.**

This report has identified an overall median apartment size of 82sqm would be more appropriate, with floor spaces varying from 62sqm for a 1 bedroom dwelling to 128sqm for a three or more bedroom dwelling. If the average of 82sqm was applied, this would reduce the yield achieved within the modelling to approximately 1000 dwellings within the same floor area.

It is clear that the floor space supply of approximately 115,000sqm will not go close to meeting forecast housing need of at least 180,000sqm up to 280,000sqm.

The yield of 1150 dwellings achieved within the current planning controls represents a dwelling density of 250dw/ha. The reduced yield of 1000 dwellings represents a dwelling density of 213 dw/ha.

The comparable development analysis has demonstrated that developments on sites with similar site area and building heights, within activity centre contexts, have achieved dwelling densities in the order of 330dw/ha to 470dw/ha. In urban renewal precincts reflecting recent planning best practice of densities in the order of 320dw/ha to 430dw/ha are achieved.

If these densities were applied to the Preston Market site it would yield approximately 1500 to 2100 dwellings, which closely aligns with forecast dwelling need.

This suggests that, subject to urban design testing, there is further capacity for dwelling density uplift on the site, and resultant residential floor area uplift of between 65,000sqm to 165,000sqm

8 Identify indicative economic value of uplift

8.1 Approach

8.1.1 Task

Project Requirement: Identify the economic value (in m2) of any additional residential, commercial and retail floorspace on the site so the VPA can calculate the potential value uplift from the existing planning controls.

8.1.2 Methodology

Tasks:

- Estimates of revenue rates per square metre (GRV) for different types of land uses will be provided, based on recent sales data.
- Undertake 'ground truthing' via discussions with local real estate agents, subject to VPA agreement.

8.2 Estimated revenue rates

8.2.1 Residential values

Four forms of estimates have been used:

- Review of annual median unit price by suburb – from *A Guide to Property Values Annual data and analysis from Valuer-General Victoria 2017*. This shows annual median values on a per square metre rate ranging over the period from 2014 to 2018 from \$5059/sqm (2018) to \$5353 /sqm (2016) (Refer Figure 31)
- Review of quarterly median sales prices by suburb for the 15 month period from April 2017 (June 2018 Quarter) from *Victorian Property Sales Report* December 2018. This shows median values ranging over the period from \$4941 (Q12018) to \$5941 (Q4 2017). (Refer Figure 32)
- Review of recent sales data for 'like' individual projects within the Preston Activity Centre, provided by Colliers International which shows per sqm

rates ranging from \$4844 (Aug 2017) to \$5394.sqm (Feb 2018) (Refer Appendix 9)

- A review of a sample of current properties for sale within the Preston Activity Centre (as listed on Realestate.com) shows asking prices ranging from \$5054/sqm to \$7563, with a median of \$6167 per sqm for all apartment sizes or \$5701 for 2 bedroom apartments. These prices do not represent actual sales and may ultimately be discounted in response to market competition or conditions. (Refer Appendix 9)

Note that for the purposes of estimating per square meter rate for annual and quarterly sales data, a median apartment size of **85sqm** has been assumed. Actual apartment sizes have been used for calculating per square metre rates for recent sales data and properties for sale.

Figure 29 below provides a visual summary of these findings.

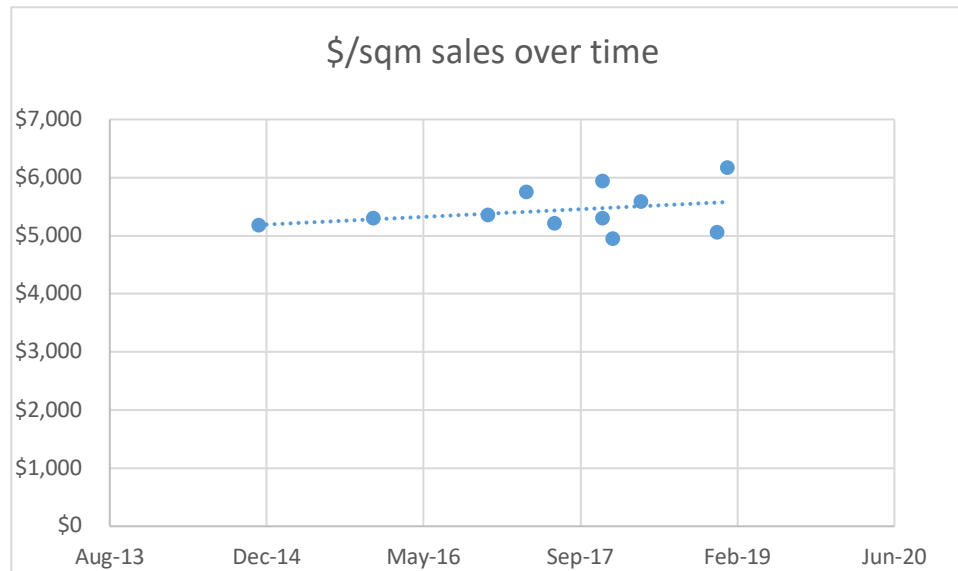
This analysis suggests that for the purposes of estimating the value of **residential floor space**, a value of **\$5000-\$6000 per square meter** (Gross Realised Value) can be assumed.

Based on the floor areas of **between 178,000sqm to 283,000sqm** generated by the different dwelling mix scenarios for housing need to 2041, this potentially generates an Total **Residential GRV of between \$890m to \$1.698b**. The ultimate amount will be influenced by the dwelling mix and rates per square metre achieved.

The floor area of approximately 229,000 sqm to 254,000sqm generated by mid range housing need equates to **Residential GRV of between \$1.145b to \$1.524b**

These findings are estimates only, and should be verified by advice from a land valuer.

Figure 29 Per square metre gross realised values for residential uses 2014-2018



- **\$3500per sqm for Office,**
- **\$2500 to \$3500 for Retail**
- **\$5300 for Supermarket (based on Metro data)**
- **\$10,000 for 'Café'**

These findings are estimates only, and should be verified by advice from a land valuer.

8.2.2 Non-residential values

Two forms of estimates have been used:

- Sales data for '**Commercial**' (retail) sales in Preston provided by Colliers international indicate per sqm rates of approximately **\$5300 to \$5900**. This data includes sales dating to 2014 which includes 3 sales.
- The *Guide to Property Values* provides annual sales data by Municipality for commercial property (in addition to residential and industrial). Due to the low volume of sales for Darebin, it is difficult to obtain a clear indication of likely values. For comparison purposes, Metro wide values have also been provided drawing data from a larger number of sales. The data indicates significantly higher values are being realised in Preston compared to Metro medians, with the exception of 'café' which has a lower than Metro median. The median per sqm rates for different uses are summarised in the Figures below. It indicates values for Preston of approximately:

Figure 30 Commercial values per square metre (Landata.vic.gov.au 2018)

Median Non Residential Sales Values 2018	Darebin		Metro Melbourne	
Type of Commercial Land Use	No of Sales	Median Price (\$/sqm)	No of Sales	Median Price (\$/sqm)
Café	2	10242.72	29	15801.89
Multi-Level Office	1	3553.72	35	1388.89
Restaurant	1	2624.11	16	1597.40
Shop	12	3521.55	57	1562.50
Supermarket	0		3	5366.07

Figure 31 Guide to Property Values Annual sales data median unit values in Preston 2014-2018 (landata.vic.gov.au 2018)

Preston median annual sales values 2014-2018					
Year	2014	2015	2016	2017	prelim 2018
Median Price	\$440000	\$450000	\$455000	\$450000	\$430000
Estimated \$/sqm	\$5176	\$5294	\$5353	\$5294	\$5059

Figure 32 Victorian Property Sales Report median sale prices by suburb for units in Preston June Quarter 2018 (released Dec 2018 landata.vic.gov.au 2018)

Preston Median Unit Prices as at 2nd Quarter 2018					
Quarter	Apr- Jun 17	Jul - Sep 17	Oct - Dec 17	Jan - Mar 18	Apr- Jun 18
Median Price	\$489200	\$443000	\$505000	\$420000	\$475000
Estimated \$sqm	\$5,755	\$5,212	\$5,941	\$4,941	\$5,588

9 Conclusions and findings

This report has found that the Preston Market site has a key role to play in meeting future housing demand within the Activity Centre up to 2031, and potentially beyond. Preston Activity Centre will need to accommodate approximately **1500 to 2160 dwellings to meet housing need to 2041**.

There is strong strategic planning justification, and imperative, for this Strategic Opportunity Site to accommodate significantly increased housing densities.

A **Dwelling density** in the order of **330 to 470dw/ha** will enable between 26% to 38% of forecast housing need to 2041 to be accommodated on the Preston Market Site.

The analysis of other strategic sites in Preston has revealed that these sites could be expected to accommodate approximately 2340 to 3000 dwellings, assuming 90% of these sites are developed within the timeframe to 2041 based on current trends of averaged densities of between 314 dw/ha to 402dw/ha.

In urban renewal precincts reflecting recent planning best practice, densities in the order of **320dwha to 430dw/ha** are achieved.

The comparable development analysis also indicates potential for densities in the order of up to **470dw/ha** to be accommodated within development heights similar to those already approved for Preston Market site 10-15 storeys), subject to urban design testing.

Densities in this order would provide scope to accommodate approximately **2000 to 2150 dwellings** closely aligning with low to high range forecast additional housing needed on the site to 2041.

The above dwelling numbers and densities **generate residential floor space demand of around 180,000sqm to 200,000sqm at the low range and around 260,000sqm – 280,000 sqm by 2041**. A **Residential FAR of 5.5:1 – 6.2:1** would provide flexibility to respond to different potential dwelling mixes in meeting forecast housing need to 2041.

Based on built form modelling within the current **Incorporated Document** height controls, it is estimated that approximately **1000-1150 dwellings** will be delivered on the site, depending on the dwelling size assumed.

This would equate to a total **Residential Floor Area Supply of approximately 115,000sqm of residential floor area. (A FAR of 2.5)** This level of dwelling/residential floorspace supply does not go close to meeting the dwelling/residential floorspace need. The dwelling densities achieved under the current Incorporated Document are approximately **210dw/ha to 250dw/ha**, significantly lower than those achieved in comparable developments and best practice planning in urban renewal precincts..

This suggests that there is further capacity for substantial dwelling density uplift on the site, and resultant residential floor area uplift of between 65,000sqm to 165,000sqm. It is strongly recommended that further urban design testing is undertaken to test the potential off site impacts of additional development uplift.

The analysis in this report suggests that for the purposes of estimating the value of **residential floor space**, a value of **\$5000-\$6000 per square meter** (Gross Realised Value) can be assumed.

The value of the residential floor area uplift can therefore be estimated at \$325m to \$990m. The ultimate amount will be influenced by the dwelling mix and rates per square metre achieved, and should be subject to feasibility testing and further advice from a land valuer.

In the absence of recent or reliable floorspace projections being available for retail and commercial uses, it has not been possible to provide advice about potential land use mix or value uplift relating to amount of non-residential / employment floor area. It is strongly recommended that this work is commissioned so as to be able to inform the future role of the Preston Market in providing for employment and economic activity, as well as housing.

APPENDICES

TQ Urban Planning
