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Merrifield North Precinct Structure Plan

DRAFT Economic and Employment Needs Assessment

Prepared for the Department of Transport and Planning

Prepared by Colliers Urban Planning

1 July 2026 | 3250284

'Gura Bulga'

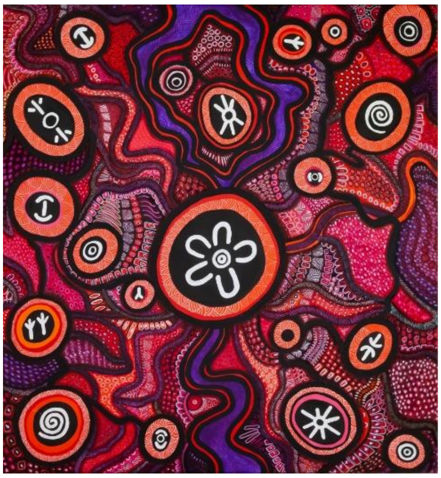
Liz Belanjee Cameron

'Gura Bulga' – translates to Warm Green Country. Representing New South Wales.

'Dagura Buumarri'

Liz Belanjee Cameron

'Dagura Buumarri' – translates to Cold Brown Country. Representing Victoria.



'Gadalung Djarri'

Liz Belanjee Cameron

'Gadalung Djarri' – translates to Hot Red Country. Representing Queensland.

Colliers Urban Planning acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We pay our respects to their Elders past and present.

In supporting the Uluru Statement from the Heart, we walk with Aboriginal and Torres Strait Islander people in a movement of the Australian people for a better future.

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Version No.	**Date of issue**	**Prepared by**	**Approved by**
A (DRAFT)	02/02/2026	ZH, JOC	JOC, NB
B (FINAL)	26/06/2026	JOC	JOC

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1. The Department of Transport and Planning (DTP) is preparing the Merrifield North Precinct Structure Plan (PSP) which will provide a strategic framework to implement planning controls and coordinate servicing and development in the Merrifield North Precinct Structure Plan (PSP) Precinct (the Precinct).
2. DTP has commissioned Colliers Urban Planning to prepare an Employment and Retail Needs Assessment (the Project) as input to the Merrifield North PSP. The Project provides the foundational economic and strategic analysis to inform guidance in the forthcoming Merrifield North PSP regarding economic and employment components.

Location and Strategic Policy Overview

3. The Precinct is located in the Northern Growth Corridor approximately 35km north of Melbourne's CBD and comprises 988 hectares (ha), including areas in Mitchel Shire and Hume City LGAs.
4. The Precinct is west of the Hume Freeway and immediately north and northeast of Merrifield Central Employment Area and Merrifield West PSP precincts.
5. Substantial areas within the Precinct are low lying land that are important from an environmental, cultural heritage and/or drainage perspective, including Kalkallo Creek, Kalkallo Retarding Basin (KRB), Inverlochy Wetland, Marram baba Merri Creek Regional Parklands, and Wallan Wallan Regional Park. The Precinct also includes some land that is proximate the Western Outer Ring (WORM) gas pipeline and will not be appropriate for certain sensitive uses.
6. Preliminary estimates by the VPA indicate the Precinct's NDA could be in the order of 255ha (rounded). It is expected that this figure will be refined during the PSP process.
7. The Precinct's key locational attributes include:
   - Strong accessibility to strategic freight networks, and national supply chains and gateways.
   - Proximity to a large, skilled and diverse workforce in northern metropolitan Melbourne.
   - Nationally and state significant projects coming online, including Inland Rail, the BIFT, and North East Link.
8. The supply context for employment land in the Northern Growth Corridor is dynamic and the timing and development of range of key employment nodes have potential to influence development outcomes at the Precinct.
9. Strategic policies highlight:
   - The importance of maintaining sufficient well-located industrial land near the PFN and key transport gateways.
   - The Precinct will play a role in the Northern Growth Corridor that assists in supporting the state's economic competitiveness and generates employment opportunities for a growing population.

Regional Economic Structure

10. For the purposes of analysing the regional economy a study area was defined comprising Tullamarine-Broadmeadows ABS Statistical Area 3 and Wallan-Whittlesea ABS Statistical Area 3.
11. Population growth is a key demand driver of industrial development – particularly e-commerce aligned warehousing, and construction and local service aligned industry. The study area's population has increased by +251,500 persons since 2006 and is projected to increase by a further +210,100 persons from 2024 to 2036, according to Victoria in Future 2023 (VIF2023) rebased to the most recent ABS Regional Population estimates.
12. The industrial sector plays a critical role in the regional economy and supports more than 60,000 jobs within the study area. The transport, postal and warehousing and construction are the major sectors for industrial development and have grown significantly across all indicators, including number of jobs, value added and business counts.
13. Approximately $4.8 billion in industrial building approvals have been recorded in the study area since the start of 2017. Warehouses have been the primary source of investment, totalling $3.6 billion.
14. Broadmeadows, Campbellfield, Craigieburn, Epping and Mickleham are the main locations for industrial investment in the study area. At Craigieburn and Mickleham, new industrial estates such as Amaroo Business Bark and Merrifield Business Park are accommodating large scale occupiers including Amazon (at Amaroo Business Park) and DHL (at Merrifield Business Park).

Melbourne Industrial Market Overview

15. Population growth, online retailing and e-commerce expansion, onshoring to mitigate global supply chain risks, and demand from non-traditional industrial uses such as data centres will underpin long-term land consumption in the industrial sector.
16. Melbourne's industrial supply totals 12,800ha (rounded) of gross developable supply (zoned and unzoned) according to the Urban Development Program 2025. Of this, the Northern Corridor is estimated to support approximately 4,000ha of industrial supply. Around 1,510ha (or 38%) of supply in the Northern Corridor is zoned, with the balance (2,500ha or 62%) unzoned.
17. Melbourne's industrial land take-up is projected to average 330ha per annum (pa) between 2025 and 2035 based on analysis prepared by JLL[1]. This level of demand is slightly above the recent five-year average of 323ha pa. The Northern Region's average industrial land take-up is projected to average 90ha pa annum over the next 10-years under JLL's medium scenario.

Regional and Local Industrial Market

18. The Northern SSIP has an estimated vacant industrial land supply of approximately 2,003.6ha at December 2025.
19. Approximately 1,288ha (or 62%) of total industrial supply is currently unzoned land that requires a PSP to be completed to be brought online. Around 45% of this unzoned supply is with the Northern Freight precinct.
20. Between November 2020 and December 2025 industrial take-up in the Northern SSIP averaged 48.6ha per year. The majority of land consumed (57.5%) was lots larger than one hectare. Medium sized lots (from 0.25-1ha) comprised 23.3% and smaller lots (under 0.25ha) 19.1%.
21. The significant ongoing and projected population growth in the Northern Growth Corridor necessitates opportunities are facilitated in the industrial supply framework for local (population serving) industry.
22. A review of available information indicates lots suitable for local service industry could be brought to market in a range of approved and future PSPs. However, the ultimate development outcomes in these precincts are subject to some uncertainty and the land areas are generally smaller relative to the broader quantum of future supply in the Northern SSIP.
23. Merrifield Business Park provides an indication of the nature of industrial development that could occur in the Precinct. It has been developing for a mix of larger format industrial uses and local population serving industry. Take-up has averaged 8.7ha pa.

Precinct Opportunities and Recommendations

24. The Precinct's highest and best strategic use is for a mix of regional and state significant large format industry and finer grain local service industry, having regard to its locational and site attributes, planning policy, and the demand and supply context.
25. It is recommended that in the order of 65-75% of NDA in the Precinct should be developed for medium to large footprint industrial uses (including manufacturing, warehousing, logistics, and data centres etc). The balance of the Precinct (i.e. 25-35%) should be developed for finer-grain local service industry and include a convenience node comprising in the order of 3,500m^2 of retail and commercial floorspace.
26. The timing of development in the Precinct is uncertain. While the completion of a PSP for the Precinct is in the VPA's Horizon 2 (i.e. completion by 2033), the timing of catalytic infrastructure, such as the Gunns Gully Road interchange and Aitkens Boulevard has not yet firmed-up.
27. Development would conceivably commence in the eastern area of the Precinct subsequent delivery of the Gunns Gulley Road Interchange (and completion of the PSP) and then sequence further west as the road network and infrastructure are incrementally extended. Alternatively, delivery of Aitken Boulevard ahead of the Gunns Gulley Road Interchange may mean development commences in the central and western areas of the Precinct.
28. Larger format industrial uses are conceivably better suited to the central and eastern areas of the Precinct where land highly accessible to the Hume Freeway and can be more easily subdivided into large 'regular shaped' parcels.

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[1] The analysis informed the preparation of A 10-year Plan for Industrial Land (2025) by the Department of Transport and Planning (DTP).

Finer grain local service industry is better suited to the western area which will be better connected to neighbouring residential precincts (north and south) and has constraints that may result in some developable areas being irregularly shaped.

29. The Industrial 1 Zone (IN1Z) would be the most appropriate 'applied zone' under the UGZ for the vast majority of the Precinct, while the Commercial 2 Zone (C2Z) considered suitable for the local convince node and adjacent local service industry (such as showrooms and trade supplies).
30. The Precinct could support in the order of 5,780 to 6,260 FTE jobs (rounded) at full development based on an NDA of 255ha and the recommended land use mix. This is equivalent to approximately 22.7 and 24.5 FTE jobs per NDA across the Precinct, respectively.
31. The following key economic considerations should inform the preparation of a PSP for Merrifield North:
    - Merrifield North should support a diversity of employment and economic development opportunities.
    - Embed flexibility to respond to an uncertain and dynamic future supply framework.
    - Leverage environmental and other constraints in the planning vision.
    - Support the delivery of local amenities while ensuring the primacy of nearby higher order centres.

Introduction

The Department of Transport and Planning (DTP) is preparing the Merrifield North Precinct Structure Plan (PSP). The PSP will provide a strategic framework to implement planning controls and coordinate servicing and development in the Merrifield North Precinct (the Precinct).

Comprising some 988 hectares (ha), the Precinct is located in the North Growth Corridor around 35km north of Melbourne's CBD and includes land in the Local Government Areas (LGAs) of Mitchell and Hume.

DTP has commissioned Colliers Urban Planning to prepare an Employment and Retail Needs Assessment (the Project) as input to the Merrifield North PSP.

The Project provides the foundational economic and strategic analysis to inform guidance in the forthcoming Merrifield North PSP regarding employment components. Specifically, the analysis undertaken assists DTP in understanding the:

- Employment typologies that reflect the highest and best strategic use of the land having regard to the Precinct's strategic attributes, employment sector demand drivers and trends, and the planning policy context.
- Locational requirements for identified typologies, in view of planned infrastructure within and nearby the Precinct.
- Delivery outlook and timing of employment components, having regard to the land supply context and consumption trends in the local region and metropolitan Melbourne.
- Need for an activity centre(s) in the Precinct and likely characteristics in terms of scale, location etc.
- Jobs that would be supported by the Precinct when fully developed.

1.0 Location and Strategic Policy Overview

This chapter provides a high-level overview of the Merrifield North Precinct (the Precinct), focusing on:

- The locational context and the Precinct's attributes for employment uses
- Relevant planning policies guiding future development.

Key Findings

- The Precinct is located in the Northern Growth Corridor approximately 35km north of Melbourne's CBD and comprises 988ha, including areas in Mitchell Shire and Hume City LGAs.
- The Precinct is west of the Hume Freeway and immediately north and northeast of Merrifield Central Employment Area and Merrifield West PSP precincts.
- Substantial areas within the Precinct are low lying land that cannot be developed but are important from an environmental, cultural heritage and/or drainage perspective.
- Preliminary estimates by the VPA indicate the Precinct's Net Developable Area (NDA) could be in the order of 255ha (rounded). It is expected this figure will be refined during the PSP process.
- The development context for employment land in the Northern Growth Corridor dynamic, and a range of key employment nodes have potential to influence the future development of the Precinct.
- Strategic policies highlight:
  - The importance of maintaining sufficient well-located industrial land near the Principal Freight Network (PFN) and key transport gateways.
  - The Precinct will play a role in the Northern Growth Corridor that assists in supporting the state's economic competitiveness and will generate employment opportunities for a growing population.

1.1 Regional Context

The Precinct is located at the intersection of Mickleham and Beveridge in Melbourne's Northern Growth Corridor, approximately 35km north of Melbourne's CBD. It comprises a gross land area of 988ha and includes areas in Mitchell Shire and Hume City Local Government Areas (LGAs).

The Northern Growth Corridor comprises developed, developing and future greenfield residential communities and employment areas within the Urban Growth Boundary (UGB), generally extending north from Craigieburn and Epping. The Corridor includes land in the Whittlesea, Hume and Mitchell LGAs and will ultimately support approximately 260,000 residents and 83,000 jobs[2].

The Northern Growth Corridor supports a range of significant employment nodes and precincts (existing and future). Major employment centres include Melbourne Airport and the Northern State Significant Industrial Precinct (SSIP)[3]. The Northern SSIP is Melbourne's second largest SSIP by land area, comprising approximately 5,179ha of industrial land (existing and future). It includes major established industrial areas such as Campbellfield, Somerton, Craigieburn, Mickleham, Epping, Broadmeadows and Thomastown.

The region is well connected to the broader Melbourne transport network and national supply chains via the Hume Freeway, Melbourne Airport, the Melbourne-Sydney-Brisbane railway line and its proximity and transport links to the Port of Melbourne. These links will be further improved by future infrastructure projects including North East Link, the Beveridge Intermodal Terminal (BIFT), Inland Rail and the Melbourne Intermodal Terminal (at Somerton).

[2] As outlined in the North Growth Corridor Plan (2012).

[3] SSIPs are Melbourne's largest and highest order industrial areas. These precincts:

- Connect into the Principal Freight Network (PFN) and link into metropolitan, state, national and global supply chains
- Are located strategically on different sides of Melbourne's radial urban structure.

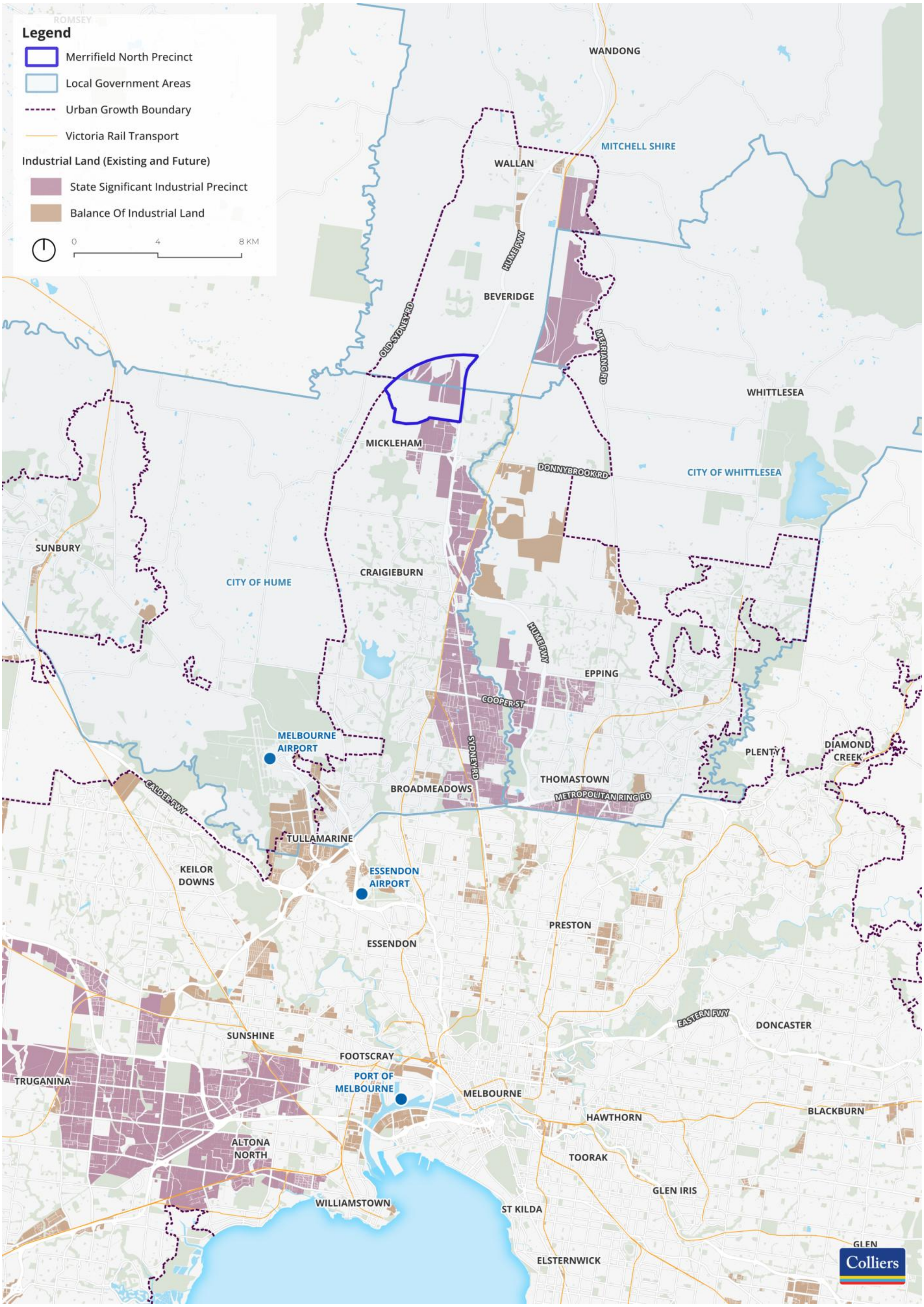

Figure 1 Regional Context

Source: Colliers Urban Planning

1.2 The Precinct

The Precinct is within the traditional lands of the Wurundjeri people and comprises a gross land area of 988ha. It is bounded by:

- The future Outer Metropolitan Ring (OMR)/E6 transport corridor to the north and northwest. The Beveridge South West PSP area (residential) is immediately north of the OMR/E6 transport corridor.
- The Hume Freeway to the east. The Lockerbie PSP area is east of the Hume Freeway and will accommodate the future Cloverton Metropolitan Activity Centre.
- The Merrifield Central Employment Area (E1) PSP area (Merrifield Central PSP) to the south. Merrifield Central PSP supports Merrifield City (and Major Activity Centre) and Merrifield Business Park – both developing employment areas.
- The Merrifield West PSP area (residential) to the south and southwest, which is significantly built out.

PSPs have been completed for the Lockerbie, Merrifield Central and Merrifield West precincts. The PSP for Beveridge South West is categorised as Horizon 2 (completion by 2033) under the '10-year plan for Melbourne's greenfields' prepared by the DTP.

Precinct Characteristics

The Precinct is currently undeveloped (for urban uses) and supports agricultural grazing and cropping activities with some associated rural dwellings and sheds.

Substantial areas within the Precinct are low lying land which are important from an environmental, cultural heritage and/or drainage perspective. In particular:

- Kalkallo Creek runs through the western and southern areas of the Precinct.
- The Kalkallo Retarding Basin (KRB), a significant Melbourne Water asset, is located in the south-west corner of the Precinct. The exact extent of the KBR will be determined through the PSP process. Preliminary technical investigations indicate the KBR could comprise 35% of the Precinct's total land area.[4]
- The Inverlochy Wetland is in the northeastern area of the Precinct and extends into the neighbouring Beveridge South West PSP precinct.
- The marram baba Merri Creek Regional Parklands in the southeastern corner of the Precinct and includes two Bio Conversation Strategy (BCS) conservation areas.
- Wallan Wallan Regional Park, comprising land in Kalkallo Creek's riparian catchment in the northeastern area of the Precinct.

The Precinct also includes the Western Outer Ring Main (WORM) gas pipeline, constructed and operated by APA, which is aligned adjacent to Gunns Gully Road on the southern side of the road – approximately 9m to the south of the future road reserve. Gunns Gully Road is also the municipal boundary between Mitchell to the north and Hume to the south.

The draft Safety Management Study (SMS) report, prepared by Arup, has identified that:

> "*APA have specified* ***an area of consequence of 65m*** *from the pipeline (figure 3 below). It is Arup's opinion that this can be interpreted as being an absolute area where APA would require* ***additional protection of the pipeline*** *should a more intense (T2) or sensitive (S) land use be proposed, subject to the SMS process.*
>
> *T2 or S category land use situated greater than 65m but* ***less than the measurement length (526m****) from the pipeline would be subject to the SMS* ***process but is in Arup's opinion unlikely to result in extra measures being applied to the pipeline*** **(P.9)**."

Arup also noted that:

> *"T2 or S category land use situated greater than 65 m but less than the measurement length (526 m) from the pipeline would be subject to the SMS process but is in Arup's opinion unlikely to result in extra measures being applied to the pipeline (P.9)."*

[4] Refer Victorian Department of Transport and Planning, Merrifield North Desktop Due Diligence Report, 2024 (revised 2025)

Mitchell Planning Scheme Clause 13.07-1L-01 requires sensitive uses to be kept outside the pipeline Measurement Length; and defines sensitive uses to include things like aged care, **childcare**, education, hospitals, **places of worship/assembly**, **retail**, **service stations**, and residential at over 50 dwellings/ha.

DTP have advised that since some of these uses (bolded) are as-of-right in INZ1, the PSP will include specific provisions excluding sensitive uses from the Measurement Length.

Transport infrastructure of specific relevance to the Precinct's planning that may affect the urban structure, development yield or eventual timing of development, includes:

- The alignment and delivery of Aitken Boulevard, which would act as the key north-south arterial road bisecting the Precinct, extending from Merrifield Business Park to the south to the proposed OMR in the north.
- The delivery of Gunns Gully Road, which is critical to connect the Precinct to the Hume Freeway and facilitating access for heavy vehicles. The timing of this is currently unknown.
- The location of key intersections, including the intersection at:
  - Aitken Boulevard and Gunns Gully Road
  - Aitken Boulevard and the proposed OMR.

Preliminary estimates by the VPA indicate the Precinct's NDA could be in the order of 255ha (rounded). It is expected that this figure will be refined during the PSP process.

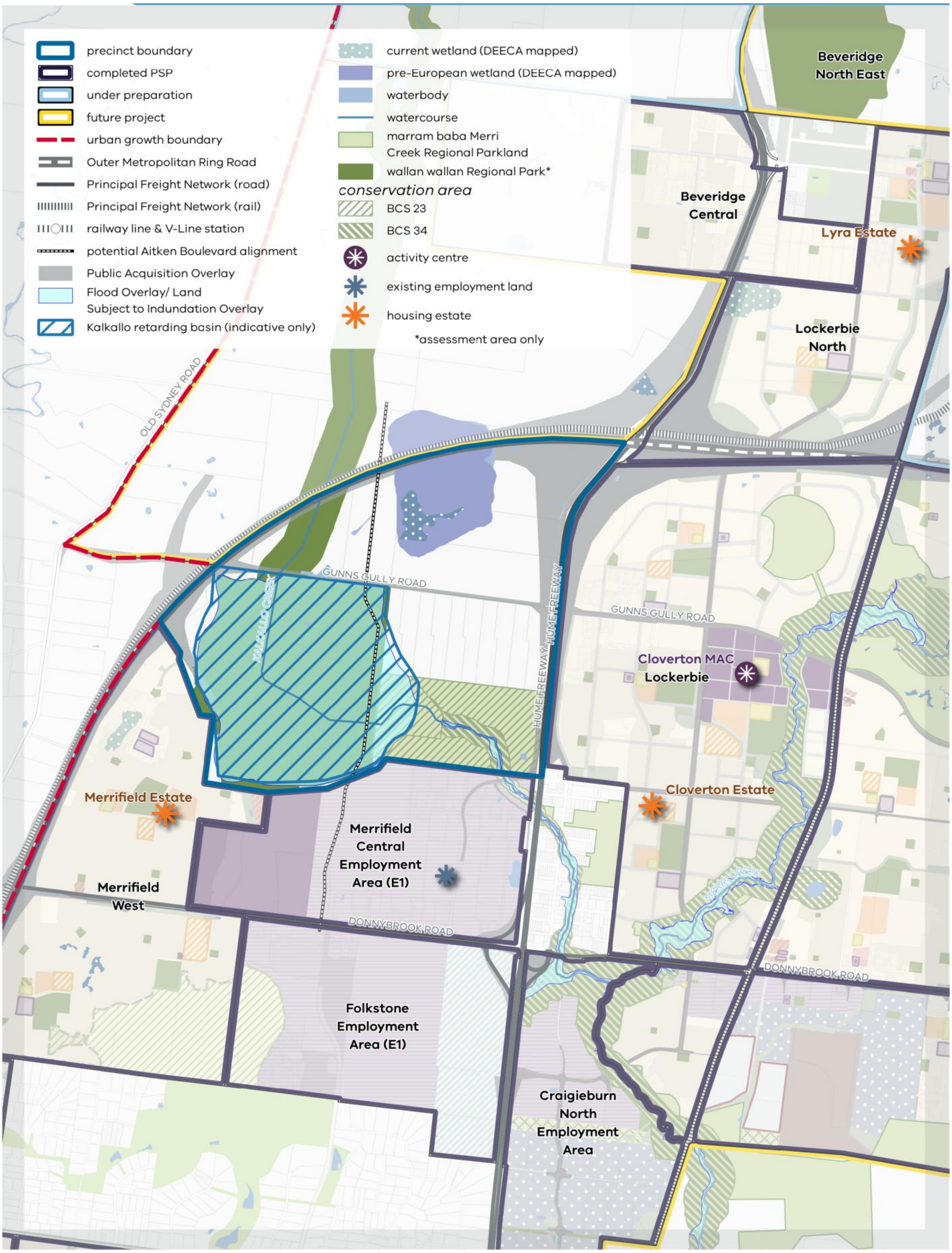

Figure 2 Preliminary Merrifield North Precinct Plan

Source: Victorian Department of Transport and Planning, Merrifield North Precinct Structure Plan Pitching Summary Report (August 2025) (pg.9)

1.3 Nearby Employment Nodes and Precincts

The employment context in the region is dynamic, characterised by a significant supply of established, developing and/or planned industrial precincts, alongside a network of metropolitan and major activity centres that support a diverse range of employment.

Key employment nodes in the area that have potential to influence the future development and positioning of the Precinct include:

- **Northern Freight**. The Northern Freight PSP is located some 3km northeast of the Precinct and comprises approximately 1,400ha of future State Significant Industrial Land. The precinct will accommodate the Beveridge Intermodal Freight Terminal (BIFT) connecting into Inland Rail and will primarily support higher-order industry aligned to freight and distribution. Planning for the precinct is currently underway which has an estimated employment capacity for approximately 14,300 jobs[5].
- **Cloverton Metropolitan Activity Centre (MAC).** Located in the Lockerbie PSP area, the Cloverton MAC will be the largest activity centre in the North Growth Corridor and is envisaged to support a full range of higher-order retail and commercial uses, including supermarkets, discount department stores, mini-majors, department stores, and dedicated offices. Cloverton MAC is intended to support approximately 7,500 jobs at full development[6].
- **Merrifield Central Employment Area (E1) and Folkstone Employment Area (E1)**. These two employment PSPs are located immediately south of the Precinct and comprise significant retail, commercial and industrial employment land. This includes:
  - Merrifield City, which will have capacity for up to 200,000m^2 of retail and commercial floorspace upon completion[7]. Existing development currently comprises a 7,000m^2 shopping centre anchored by a Coles supermarket and a four-level commercial building.
  - Merrifield Business Park, comprising approximately 271.5ha in the Comprehensive Development Zone (Schedule 2). This precinct is developing for a mix of higher order large industrial lots to the north of Donnybrook Road and finer grain light industrial uses to the south of Donnybrook Road. Key occupiers include DHL, Ford and Dulux.
  - Fusion Business Park, a 67-hectare business park that will comprise approximately 110 lots.
- **Craigieburn North Employment Area.** The Craigieburn North Employment Area is located approximately 3km southeast of the Precinct and comprises approximately 353ha of state significant industrial land. Industrial development has recently commenced in the southern part of the PSP area and includes the under-construction 209,000m^2 four-level warehouse for Amazon.
- **Wallan East (Part 2).** This future PSP precinct is located approximately 8.5km north of the Precinct and is exclusively designated for industrial use in the State Government's 10-year Plan for Industrial Land.

Residential PSPs in close proximity to the Precinct are anticipated to have a total dwelling capacity of up to 31,600 dwellings[8], comprising:

- 10,070 dwellings in Beveridge South West
- 4,430 dwellings in Lockerbie North
- 10,220 dwellings in Lockerbie
- 6,880 dwellings in Merrifield West.

Significant future residential development is also planned immediately to the north within the Beveridge North West (~14,990 dwellings), Beveridge North East (~4,720 dwellings) and Wallan South (~7,000 dwellings) PSP areas, noting that dwelling yields for these precincts will be refined in future and/or ongoing PSP processes.

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[5] A 10-year plan for industrial land (2025), Department of Transport and Planning

[6] Hume City Council, https://www.hume.vic.gov.au/Building-and-Planning/Strategic-Planning/Strategic-Plans-and-Policies/Cloverton-Metropolitan-Activity-Centre

[7] MAB

[8] Department of Transport and Planning, Urban Development Program 2025 (Greenfield land data) and Relevant PSPs.

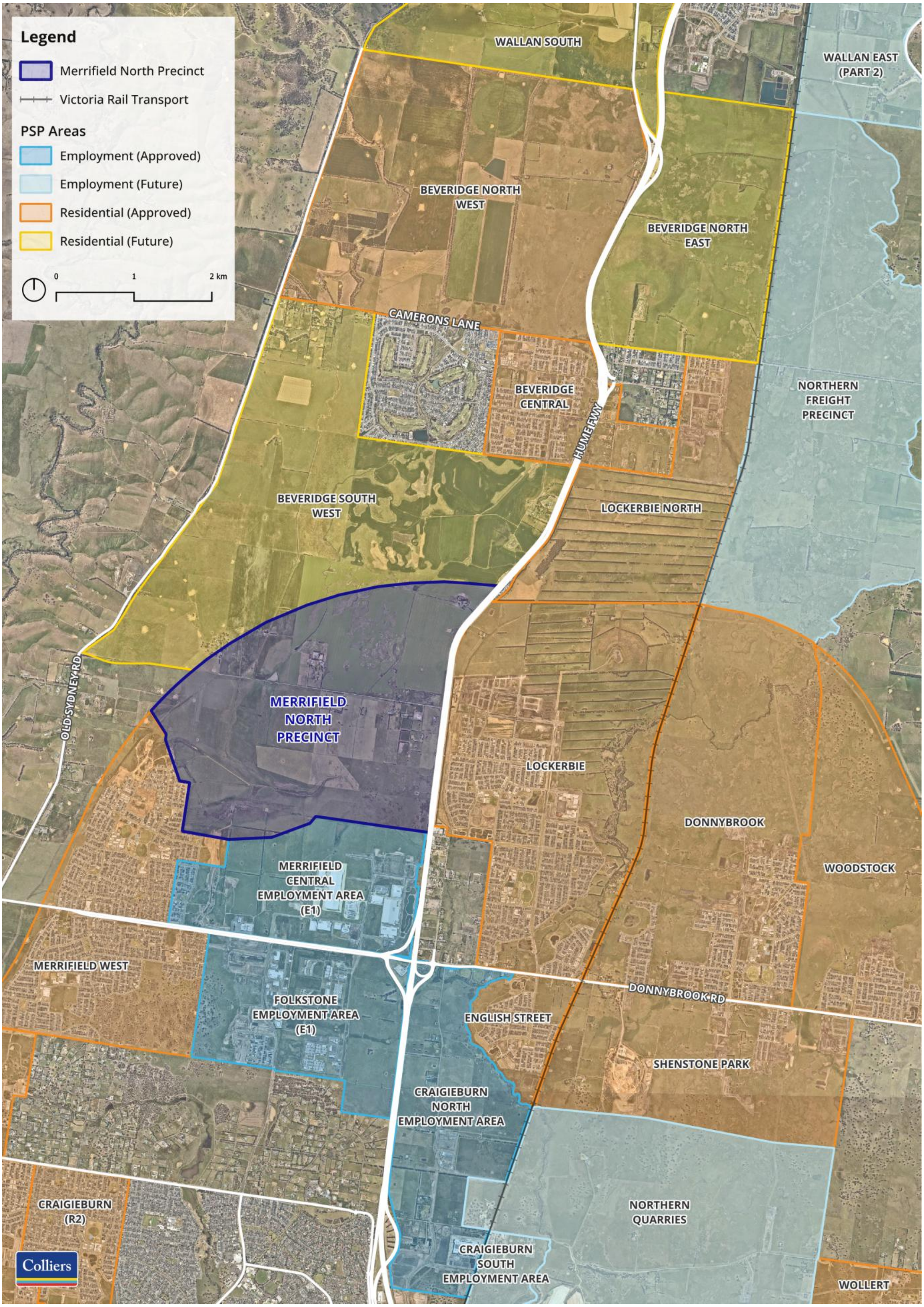


Figure 3 Subject Land and Local Context

Source: Colliers Urban Planning

Note: Shenstone Park PSP area also includes approximately 125.5ha of Regionally Significant Industrial Land.

1.4 Precinct Locational Attributes

The Precinct is located adjacent the Hume Freeway and within a growing and nationally significant industrial and logistics corridor with convenient access to:

- Strategic freight networks, and national supply chains and gateways (Port of Melbourne); and
- A large, skilled and diverse workforce in northern metropolitan Melbourne.

Its employment role also has potential to benefit from a range of infrastructure projects including Inland Rail, BIFT, and North East Link.

Key attributes are summarised below.

Attribute	Overview
Links to national and metropolitan freight supply chains and key infrastructure	Industrial precincts benefit from convenient access to state or nationally significant infrastructure such as major highways and freeways, national/international airports, ports, and intermodals. The Northern SSIP connects directly to Victoria's PFN via the Hume Highway and Hume Freeway, providing strong access to: • The Western Ring Road and broader metropolitan freight network. • State and national supply chains heading north, including to Sydney and Brisbane, and inland centres such as Albury, Dubbo and Toowoomba. Melbourne's major trade gateways – Melbourne Airport, Port of Melbourne, and Avalon Airport – are accessible to industry in the Northern SSIP.
Access to a Skilled and Diverse Workforce	Melbourne's Northern Growth Corridor has experienced significant recent population growth which is projected to continue. The Corridor includes developing areas within Hume, Mitchell and Whittlesea LGAs. Combined, these LGAs had an estimated resident population of 581,300 persons in June 2024, which is anticipated to increase to more than 811,200 persons by 2036, according to *Victoria in Future 2023*. The growing regional population base provides industry in the NFP and balance of the Northern SSIP with access to a large labour force and will generate demand for local service industry and last mile logistics. The significant and growing regional population also necessitates that employment opportunities are available in Melbourne's north to ensure that new residents have access to local jobs.
Planned and Committed State and National Infrastructure Projects	Several infrastructure projects will significantly enhance the Northern SSIP's role as a strategic location for industry, including: • Inland Rail • Beveridge Intermodal Freight Terminal • North East Link • Melbourne Intermodal Terminal (Somerton) • Outer Metropolitan Ring/E6 Transport Corridor

1.5 Strategic Policy Context

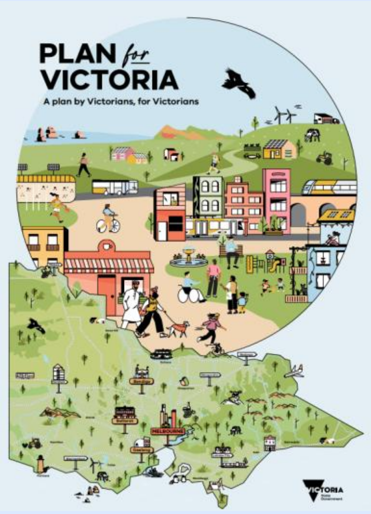
This subsection presents a summary of findings from a review of key strategic policies of specific relevance to the Precinct's future economic role and use.

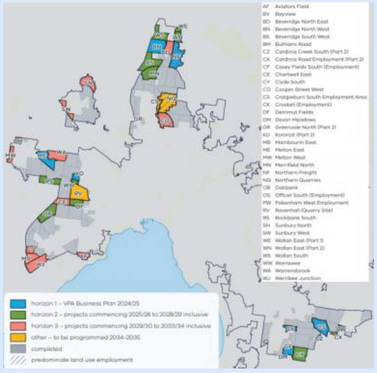
Strategic policies make clear:

- The importance of maintaining sufficient well-located industrial land near the PFN and key transport gateways to support economic growth and keep Melbourne globally competitive as a location for industry.
- The Precinct will play a role in the Northern Growth Corridor that assists in supporting Victoria's economic competitiveness, generates employment opportunities for a growing population and ensure a long-term provision of industrial supply that leverages existing and planned infrastructure.

Key state, regional and local planning policies are presented below.

State Planning Policies

Policy	Relevant Directions, Objectives or Strategies
 **Plan for Victoria (2025)** Plan for Victoria was released in March 2025 and is the overarching strategy guiding the planning and development of housing, transport infrastructure and employment land in Victoria.	Plan for Victoria connects many of the State Government's planning initiatives, including the Economic Growth Statement, Activity Centre Program and Local Government Housing Targets into an overarching strategic framework and action plan. Plan for Victoria is built on five key pillars, including: • Pillar 1: Housing for all Victorians • Pillar 2: Accessible Jobs and Services • Pillar 3: Great Places, Suburbs and Towns • Pillar 4: Sustainable Environments • Pillar 5: Self Determination and caring for Country Most relevant to this assessment is Pillar 2: Accessible Jobs and Services which aims to: • *'Deliver more jobs near homes by planning for, protecting and readying commercial and industrial land for developments in locations well-serviced with jobs, shops, public transport and community services.'* Relevant actions supporting this pillar include: • *Action 8 – Ensure new industrial and commercial land is ready for development. The Government released a 10-year plan for unlocking land in October 2025 to help achieve this action.* SSIPs are defined as: • *'Strategically located land for major industrial development linked to the Principal Freight Network and transport gateways that will be protected from encroachment by sensitive or incompatible land uses to allow continual growth in investment in manufacturing, storage, freight and other logistics, logistics and investment.'*



A 10-year Plan for Melbourne's Greenfields (Victorian Planning Authority, 2025)

The Plan provides an indicative 10-year work program to inform the VPA's planning of future residential and employment PSP precincts.

The Plan notes that 27 new PSPs will be developed across the following horizons:

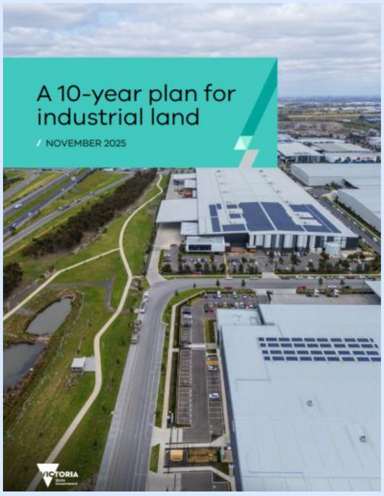
- Horizon 1: Plans under preparation in 2024/25 with a target completion by the end of 2028. This includes six residential PSPs and four employment PSPs.
- Horizon 2: Plans commencing between 2025/26 and 2028/29, with completion by 2033. This includes six residential PSPs and six employment PSPs.
- Horizon 3: Plans commencing between 2029/30 and 2033/34 with no set completion date. This includes eight residential PSPs and four employment PSPs.

The Precinct is categorised as Horizon 2.

Other PSPs designated entirely for employment or accommodating employment (industrial) components in the Northern Growth Corridor are categorised as follows:

- Northern Freight (Horizon 1)
- Wallan East (Part 2) (Horizon 2)
- Cooper Street West (Horizon 3)
- Craigieburn South Employment Area (to be programmed 2034-2035)
- Northern Quarries (to be programmed 2034-2035).

Beveridge South West, located immediately north of the Precinct, is also categorised as Horizon 2.



A 10-year plan for industrial land (2025)

This document provides a 10-year roadmap to bring industrial supply online in Victoria in response to increasing demand.

The Plan notes that:

- *'Victoria's industrial footprint is evolving in response to changing demand drivers. Growth in e-commerce is driving demand for warehouses and distribution centres, while advanced manufacturing, automation and AI are increasing productivity.*
- *'Melbourne's industrial land take-up is projected at 330 hectares each year over the next decade. This is higher than the historic 10-year average (302 hectares) but consistent with the historic 5-year average (323 hectares). The forecast assumes no loss of existing industrial land.'*
- *'Based on forecast take-up, existing and future supply can accommodate 38 years of development, but realising the economic benefits of remaining supply requires timely and well-coordinated planning and infrastructure delivery.'*

The Northern Region is estimated to support approximately 2,487ha of unzoned industrial supply, representing the highest quantum of unzoned supply of Melbourne's regions. Some 1,515ha of zoned industrial supply is estimated to remain in the Northern Region.

The Plan notes that *'the Northern Region is expected to play a key role in accommodating demand, with growing levels of take-up, future rezoning of precincts including Northern Freight and Merrifield North, and delivery of key supporting infrastructure.'*

In the next 10-years, 14 employment precincts are nominated for delivery in Melbourne including Merrifield North, Northen Freight, Wallan East (Part 2), Cooper Street West, Craigieburn South and Northen Quarries in Melbourne's Northern Region.

The Plan states that Merrifield North's indicative employment capacity is equivalent to 4,700 jobs, acknowledging these job estimates could be subject to change based on precinct planning and further NDA refinement.

Melbourne Industrial and Commercial Land Use Plan (MICLUP) 2020

MICLUP:

- Considers the current and future needs for industrial and commercial land across metropolitan Melbourne, and
- Provides a strategic framework to guide the planning of employment areas over the next 30 years.

MICLUP outlines four overarching principles to guide the future planning of industrial and commercial land:

- The provision of long-term land supply.
- Recognition of the contribution industrial and commercial areas make to state and local economies.
- Providing clarity and certainty.
- Supporting industry and business to innovate and grow.

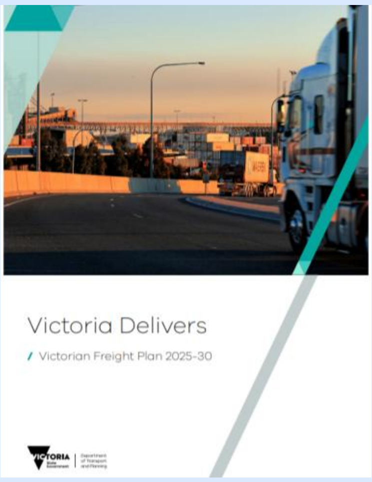
To achieve these principles, MICLUP establishes a hierarchy for commercial and industrial land consisting of state, regional and local precincts.

Merrifield North is designated as 'State Significant Industrial Land – Future'. MICLUP notes that:

- *'State Significant Industrial Land'*[9] *has been identified to ensure there is a sufficient land supply available for major industrial development*
- *The purpose of SSIPs is to provide strategically located land for major industrial development linked to the PFN and transport gateways.*

MICLUP outlines the Northern SSIP:

- *'Has access to significant transport infrastructure including interstate rail freight connections and the key roads of the Hume Highway and Freeway, Metropolitan Ring Road, and potential OMR which could provide important orbital connections to industrial land throughout the region and beyond.'*
- *'Is well placed with easy road and rail access to interstate markets along the eastern seaboard and has a number of distinct precinct.'*



Victorian Freight Plan (2025-2030): Victoria Delivers

The Victorian Freight Plan outlines the State Government's vision and actions for freight and supply chains in Victoria.

The Victorian Freight Plan – Delivering the Goods (the Freight Plan) states:

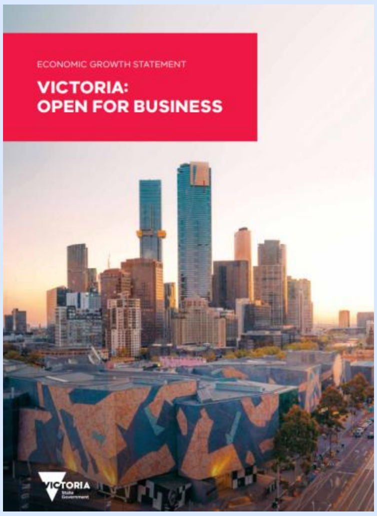
- *'As the nation's largest exporter of agricultural commodities and the engine room of manufacturing, Victoria is the freight and logistics capital of Australia.'*
- *'High-quality, reliable freight transport and logistics services are essential to our connectedness and liveability, for the success of Victorian businesses and primary producers and job creation across all parts of our economy.'*

The Freight Plan anticipates that freight volumes in Victoria will increase from 360 million tonnes in 2014, to approximately 900 million tonnes by 2051, and that Metropolitan freight is expected to increase at an average annual rate of +2.6% between 2014 and 2051.

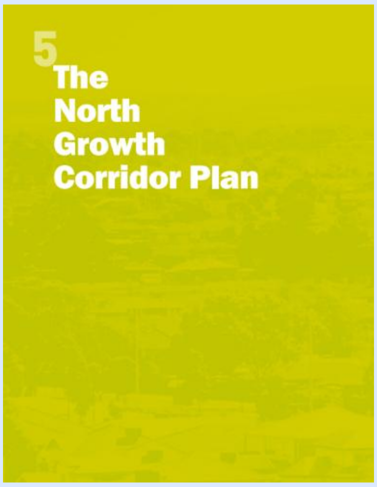
Relevant actions include:

- Planning and protecting current and future freight corridors and places
- Reducing the impact of congestion on supply chain costs and urban communities
- Using our rail freight assets better.

[9] State Significant Industrial Land is also commonly referred to as State Significant Industrial Precincts (or SSIPs)

 **Economic Growth Statement (2024)** The Economic Growth Statement outlines the Victorian Government's vision for growing the economy.	The Economic Growth Statement identifies the 'Priority Sectors' for Victoria. Priority sectors include: • Advanced manufacturing and defence • Health technologies • Circular economy • Digital technologies • Agribusinesses. Regarding advanced manufacturing the Statement notes: • Manufacturing is a cornerstone of Victoria's economy – and key to sharpening our state's competitive advantage. • Advanced manufacturing has an important role to play in maintaining high living standards for all Victorians. The Statement makes reference to Merrifield North and notes: • *'This precinct is close to the future Cloverton Metropolitan Activity Centre and comprises more than 900 hectares and with capacity for up to 4 700 jobs, with planning to commence this financial year.'*

Regional Plans

Policy	Relevant Directions, Objectives or Strategies
 **North Growth Corridor Plan (2012)** Prepared some 13 years ago, the Growth Corridor Plans are high level integrated land use and transport plans that guide the planning and development of Melbourne's growth corridors.	The North Growth Corridor Plan (NGCP) applies to the greenfield development corridor that extends north from Craigieburn and Epping and comprises land in the UGB in Hume, Whittlesea, Mitchell LGAs. The NGCP states the North Growth Corridor: • *'Will eventually accommodate a population of 260,000 or more people and has the capacity to provide for at least 83,000 jobs.'* • *'Is one of the most important industrial regions in Australia, with good road and rail links to metropolitan markets and to New South Wales, in particular, via the Sydney rail line and the Hume Freeway, and because of its proximity to Melbourne Airport, which is the region's largest employer.'* • *'Has good accessibility to the CBD and other major employment precincts and features excellent road, rail, freight and public transport infrastructure, most notably Melbourne Airport and other significant logistics hubs.'* • *'The majority of new industrial land for the northern metropolitan region will be located within the north Growth corridor.'*

Hume and Mitchell Planning Schemes

Policy	Relevant Directions, Objectives or Strategies
Planning Policy Framework The PPF integrates State and local policy content in Victorian planning schemes.	Relevant clauses, objectives and strategies include: • **Clause 02 (Municipal Planning Strategy – Vision):** Hume – *Hume's vision is to be a sustainable and thriving community with great health, education, employment, infrastructure and a strong sense of belonging.* (Council Plan 2021 – 2025, p26). This will be achieved by, among other aspects, '*enabling local economic growth through the creation of local jobs and supporting local industries.*' – Mitchell – *Mitchell is embarking upon a journey of significant growth. Mitchell will have capitalised on its natural advantages, its location and excellent infrastructure to attract employment and investment, particularly for industrial and primary production.* • **Clause 02.03-7 Strategic Directions – Economic Development:** Hume – *Facilitate the delivery of jobs across a broad range of employment sectors, including within the existing and future employment land identified in the Strategic Framework Plan to Clause 02.04.* – *Facilitate economic growth and job diversity through the continued support of existing businesses and the attraction of new businesses.* – *Encourage site consolidation and integrated development on small sites within existing employment areas to improve their functionality.* – Mitchell – *Ensure sufficient land is zoned, serviced and available to attract investment and generate a diverse range of additional jobs.* – *Support the development of the BIFT as a regional transport, logistics and employment precinct.* • **Clause 11 (Settlement)** states that *'Planning is to anticipate and respond to the needs of existing and future communities through provision of zoned and serviced land for housing, employment, recreation and open space, commercial and community facilities and infrastructure.'* • **Clause 11.02-1S (Development Capacity)** has the objective *'to ensure sufficient development opportunities are available to meet the needs of current and future Victorians'.* It includes a strategy to: – *Ensure that sufficient land is available to meet forecast demand and the needs of current and future Victorians for commercial, retail, recreational, institutional and other community needs.* • **Clause 17.01-1S (Diversified Economy)** has the objective *'to strengthen and diversify the economy'*, and includes strategies to: – *Protect and strengthen existing and planned employment areas and plan for new employment areas.* – *Improve access to jobs closer to where people live.* • **Clause 17.01-1R (Diversified Economy – Metropolitan Melbourne)** – includes strategies to: – *Support diverse employment generating uses, including offices, innovation and creative industries in identified areas within regionally significant*

	industrial precincts, where compatible with adjacent uses and well connected to transport networks. – *Plan for industrial land in suitable locations to support employment and investment opportunities.* • **Clause 17.03-1S (Industrial Land Supply)** – includes strategies to: – *Provide an adequate supply of industrial land in appropriate locations including sufficient stocks of large sites for strategic investment.* – *Identify land for industrial development in urban growth areas where:* *Good access for employees, freight and road transport is available.* *Appropriate buffer areas can be provided between the proposed industrial land and nearby sensitive land uses.* – *Protect and carefully plan existing industrial areas to, where possible, facilitate further industrial development.* – *Preserve locally significant industrial land for industrial or employment generating uses, unless long-term demand for these uses can be demonstrably met elsewhere.* – *Avoid non-industrial land uses that will prejudice the availability of land in identified industrial areas for future industrial use.* • **Clause 17.03-3R (Significant Industrial Land)** has a strategy to: – *Encourage the consolidation of land holdings in the Northern State Significant Industrial Precinct (SSIP) and discourage subdivision that would lead to the creation of small lots.*

2.0 Regional Economic Structure

This chapter provides an overview of key economic and demographic indicators influencing the development outlook in the Northern Growth Corridor and Northern SSIP. The findings inform analysis and discussion in subsequent chapters.

Key Findings

- Population growth is a demand driver of industrial development (particularly e-commerce aligned warehousing), and construction and local service aligned industry. The study area's population has increased by +251,500 persons since 2006 and is projected to grow by a further +210,100 persons from 2024 to 2036.
- The industrial sector plays a critical role in the regional economy supporting more than 60,000 jobs within the study area.
- The transport, postal and warehousing and construction are the major sectors for industrial development and have grown significantly across all indicators, including number of jobs, value added and business counts. Approximately $4.8 billion in industrial building approvals have been recorded in the study area since the start of 2017. Warehouses have been the primary source of investment, totalling $3.6 billion.
- Broadmeadows, Campbellfield, Craigieburn, Epping and Mickleham are the main locations for industrial investment in the study area. At Craigieburn and Mickleham, new industrial estates such as Amaroo Business Bark and Merrifield Business Park are accommodating large scale occupiers including Amazon (at Amaroo Business Park) and DHL (at Merrifield Business Park).

2.1 Study Area

A study area comprising the Tullamarine-Broadmeadows and Wallan-Whittlesea ABS Statistical Area 3 has been defined to understand local market trends and conditions relevant to the Precinct and the Northern SSIP (refer **Figure 4**).

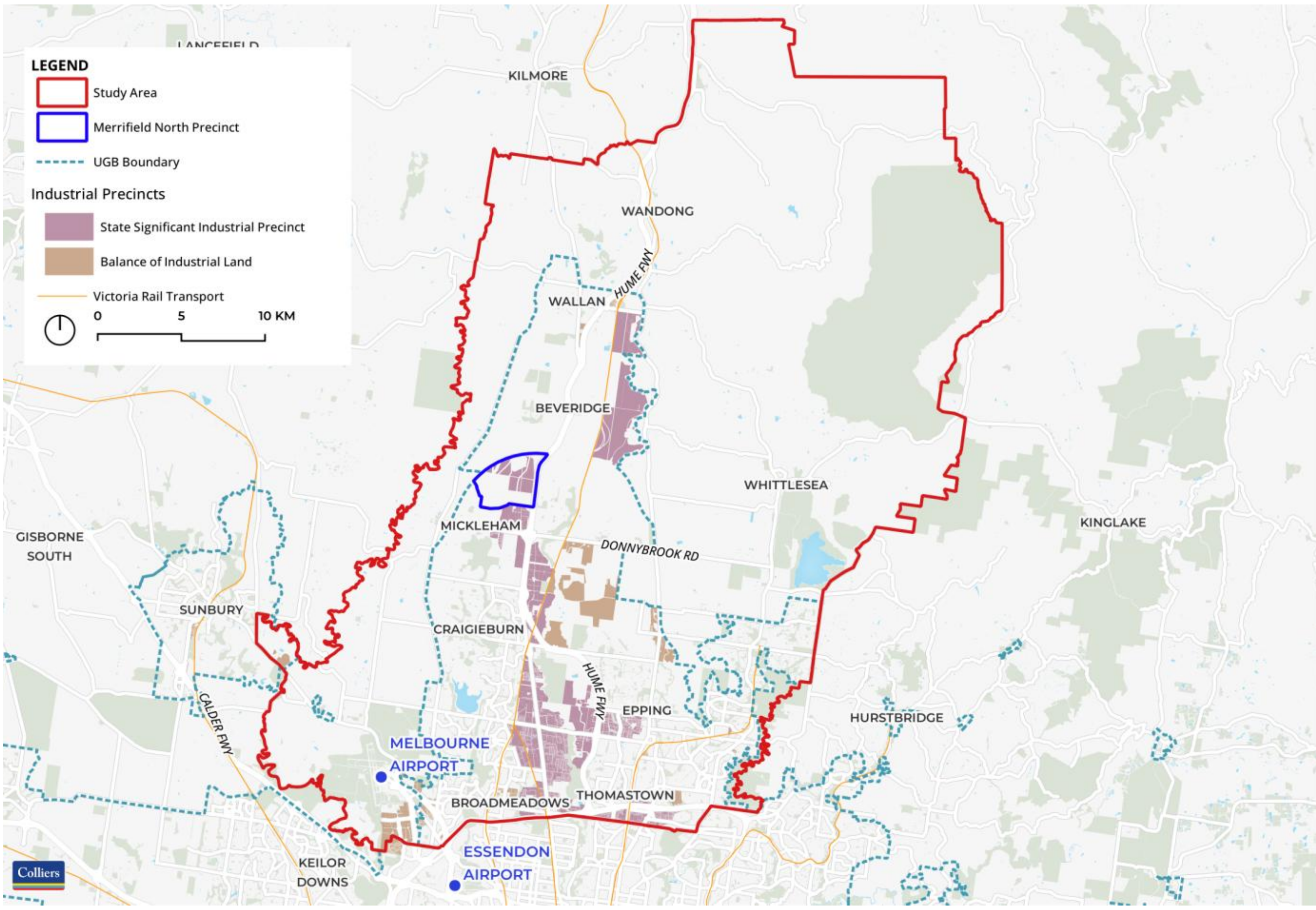


Figure 4 Study Area Context

Source: Colliers Urban Planning

Note: Industrial land includes unzoned land that has been identified for future industrial uses (sourced from the Urban Development Program 2025)

2.2 Recent and Projected Population Growth Trends

Population growth is an important driver of industrial development, generating demand for industrial space to support construction-related industry, local service industry, and warehousing/e-commerce space.

The study area has experienced strong population growth since 2006, increasing at an average rate of +3.8% between 2006 and 2024. Over this period, the study area's population increased by approximately +251,500 persons (refer **Table 1**). Population growth has primarily been driven by residential greenfield development in the Northern Growth Corridor.

Population projections have been provided by rebasing the official State Government population projections – Victoria in Future 2023 (VIF2023) – to the most recent ABS Regional Population estimates. The study area's population is anticipated to reach 719,050 residents by 2036, representing an increase of +211,200 persons on 2024 levels. This is equivalent to an average growth rate of +2.9% per annum (pa).

Table 1 Study Area Recent Population Trends and Projections

Category	2006	2016	2021	2024	2026	2036	Change 2024-2036
Population	258,820	392,370	461,540	507,850	542,590	719,050	+211,200
Annual Average Growth (no.)		+13,360	+13,830	+15,440	+17,370	+17,650	+17,600
Annual Average Growth (%)		+4.2%	+3.3%	+3.2%	+3.4%	+2.9%	+2.9%

Source: ABS, Regional Population; Colliers Urban Planning; Department of Transport and Planning, Victoria in Future 2023

Figures rounded

2.3 Resident Labour Force Trends

The study area's employed resident labour force (resident workers) are people aged 15 to 64 years who are in paid employment, regardless of their place of work.

An analysis of resident workers in the study area (refer **Table 2**) indicates that the five largest industries of employment, as a share of total employment in 2021, were:

- **Health care and social assistance at 14.0%,** compared to 10.2% in 2011.
- **Construction at 11.5%,** compared to 10.3% in 2011.
- **Retail Trade at 9.9%,** compared to 11.6% in 2011.
- **Manufacturing at 8.6%,** compared to 14.7% in 2011.
- **Transport, postal and warehousing at 8.1%,** compared to 8.2% in 2011.

Relative to Greater Melbourne, the study area has a higher proportion of resident workers in industrial related sectors, including construction, manufacturing, transport, postal and warehousing, and wholesale trade.

Table 2 Study Area Labour Force by Industry, 2011 to 2021

Industry	2011	2021	Change (% Points)	Greater Melbourne
Primary Sector				
Agriculture, Forestry and Fishing	0.4%	0.5%	+0.1%	0.6%
Mining	0.1%	0.1%	0.0%	0.2%
Sub-Total	**0.5%**	**0.6%**	**+0.1%**	**0.8%**
Secondary Sector				
Construction	10.3%	11.5%	+1.2%	9.3%
Manufacturing	14.7%	8.6%	-6.1%	6.9%
Sub-Total	**25.0%**	**20.1%**	**-4.9%**	**16.1%**
Tertiary Sector				
Producer Services				
Electricity, Gas, Water and Waste Services	1.1%	1.0%	-0.1%	1.0%
Financial and Insurance Services	3.6%	3.4%	-0.3%	4.7%
Information Media and Telecommunications	1.5%	1.2%	-0.3%	1.8%
Rental, Hiring and Real Estate Services	1.2%	1.2%	0.0%	1.6%
Transport, Postal and Warehousing	8.2%	8.1%	-0.1%	4.9%
Wholesale Trade	4.6%	2.8%	-1.9%	3.0%
Sub-Total	**20.2%**	**17.6%**	**-2.6%**	**17.0%**
Consumer Services				
Accommodation and Food Services	5.5%	5.7%	+0.2%	6.1%
Administrative and Support Services	3.6%	3.5%	0.0%	3.2%
Arts and Recreation Services	1.1%	1.1%	-0.1%	1.8%
Education and Training	5.7%	7.4%	+1.6%	8.8%
Health Care and Social Assistance	10.2%	14.0%	+3.8%	13.5%
Other Services	3.9%	3.7%	-0.2%	3.4%
Professional, Scientific and Technical Services	4.4%	5.2%	+0.8%	9.6%
Public Administration and Safety	5.1%	5.6%	+0.6%	5.4%
Retail Trade	11.6%	9.9%	-1.8%	9.4%
Sub-Total	**51.2%**	**56.1%**	**+4.9%**	**61.2%**
Sub-Total Tertiary Sector	**71.4%**	**73.7%**	**+2.3%**	**78.2%**
Inadequately described	*1.4%*	*3.7%*	*2.3%*	*3.4%*
Not stated	*1.7%*	*1.9%*	*0.2%*	*1.4%*

Source: Colliers Urban Planning

2.4 Industry Structure and Trends

Workforce Trends

The study area's workforce are persons employed within the study area, regardless of where they live, and is analysed having regard to 2011 and 2021 Census of Population and Housing data[10]. Understanding an area's workforce by industry helps identify the structure of its economy.

The study area had a total workforce of approximately 164,430 workers in 2021, representing an increase of +60,270 workers on 2011 levels. Key findings by industry for the study area (refer **Figure 5** and **Table 3**) include:

- **Manufacturing** is the largest employing industry (supporting 23,200 jobs). While share of manufacturing workers decreased from 22.5% in 2011 to 14.1% in 2021, it remains significantly higher than the Greater Melbourne benchmark (7.1%). The long-term decline in manufacturing employment is a national trend underpinned by technology change and Australia's high input prices.
- **Transport, postal and warehousing** and **construction** industries are the second and third largest employing industries in the study area and increased by +9,500 workers and +6,200 workers, across the ten years. In particular, the share of transport, postal and warehousing jobs in the study area (12.5%) is significantly higher than Greater Melbourne (4.9%).
- The **health care and social assistance** industry was the fastest growing industry in the study area between 2011 and 2021. Many of these jobs are located at Epping.
- Overall, knowledge worker industries, including **professional, scientific and technical services (2.6%), financial and insurance services (1.1%)** and **information media and telecommunications (0.6%)** comprise 4.3% of total employment in the study area, compared to 16.5% in Greater Melbourne.

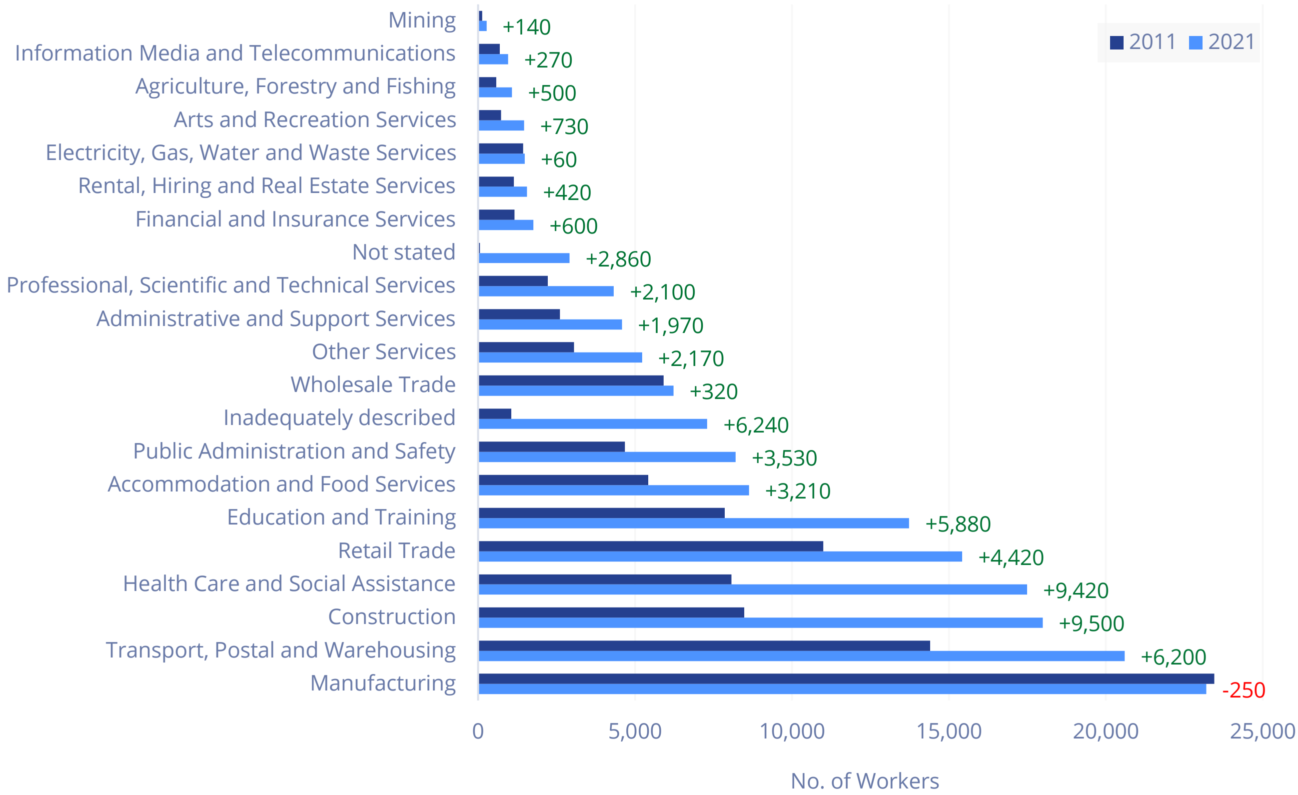


Figure 5 Study Area Workforce by Industry, 2011 to 2021

Source: ABS Census of Population and Housing, 2011 and 2021; Colliers Urban Planning
Figures rounded

[10] Although this is considered the best available data for local employment estimates, Census Place of Work data has an approximate 10% undercount of total jobs. Additionally, that data is from 2021 and current employment is likely higher in the Northern Growth Corridor. These caveats highlight the need to interpret the findings as indicative and contextual rather than absolute.

Table 3 Study Area Workforce by Industry compared to Greater Melbourne, 2021

Industry	Study Area	Greater Melbourne
Agriculture, Forestry and Fishing	0.7%	0.6%
Mining	0.2%	0.2%
Manufacturing	14.1%	7.1%
Electricity, Gas, Water and Waste Services	0.9%	1.1%
Construction	10.9%	8.0%
Wholesale Trade	3.8%	3.1%
Retail Trade	9.4%	9.6%
Accommodation and Food Services	5.2%	6.2%
Transport, Postal and Warehousing	12.5%	4.9%
Information Media and Telecommunications	0.6%	1.8%
Financial and Insurance Services	1.1%	4.9%
Rental, Hiring and Real Estate Services	0.9%	1.6%
Professional, Scientific and Technical Services	2.6%	9.8%
Administrative and Support Services	2.8%	3.0%
Public Administration and Safety	5.0%	5.6%
Education and Training	8.4%	9.0%
Health Care and Social Assistance	10.6%	13.5%
Arts and Recreation Services	0.9%	1.8%
Other Services	3.2%	3.4%
Inadequately described	4.4%	3.4%
Not stated	1.8%	1.4%

Source: ABS Census of Population and Housing, 2021; Colliers Urban Planning

Business Counts

Approximately 50,500 businesses were located in the study area at June 2025, having increased significantly (by +52.1%) between 2019 and 2025 (refer **Table 4**).

Growth has been most prominent in the transport, postal and warehousing, and construction industries which accounting for nearly half of all new business growth in the study area over the same period. Manufacturing has been the industry which has attracted the largest share of businesses (net) employing 200 or more employees, accounting for 50% of business growth in this cohort.

Table 4 Study Area Change in Business Counts by Industry and Employment Size, June 2019 to June 2025

Industry	Non-Employing	1-19	20-199	200+	Total
Agriculture, Forestry and Fishing	+19	-1	0	0	+18
Mining	0	-6	0	0	-6
Manufacturing	+281	-50	-7	+9	+233
Electricity, Gas, Water and Waste Services	+34	+31	-5	0	+60
Construction	+2,716	+579	+8	+3	+3,306
Wholesale Trade	+185	-3	+6	0	+188
Retail Trade	+811	+429	+24	-3	+1,261
Accommodation and Food Services	+285	+327	+14	+0	+626
Transport, Postal and Warehousing	+4,431	+25	+12	-3	+4,465
Information Media and Telecommunications	+44	+3	+6	0	+53
Financial and Insurance Services	-327	+77	+9	0	-241
Rental, Hiring and Real Estate Services	+1,233	+113	-4	0	+1,342
Professional, Scientific and Technical Services	+847	+462	+11	0	+1,320
Administrative and Support Services	+1,042	+155	+26	0	+1,223
Public Administration and Safety	+73	+17	+6	0	+96
Education and Training	+175	+85	+2	+6	+268
Health Care and Social Assistance	+1,275	+486	+89	+6	+1,856
Arts and Recreation Services	+117	+61	0	0	+178
Other Services	+780	+286	+6	0	+1,072
Currently Unknown	-21	-6	0	0	-27
Total	**+14,000**	**+3,070**	**+203**	**+18**	**+17,291**

Source: ABS Counts of Australian Businesses, including Entries and Exits; Colliers Urban Planning

Note on Non-Employing Businesses: The ABS defines non-employing businesses as those with no employees, including sole traders and partnerships with no employees in addition to the business owners. For example, they include sole proprietors, partnerships and trusts, which vastly outnumber employing business sizes. They are more common in some industries, such as financial services, health and construction. They are least common in industries needing large amounts of capital investment and assets, such as manufacturing, utilities and mining.

2.5 Investment Trends

Building Approvals

The study area observed a significant increase in the value of industrial building approvals from 2021 onwards. The value of industrial building approvals per year from 2021 and 2025 averaged $705 million compared to $323 million between 2017 and 2020 (refer **Figure 6**).

Warehouses have been the primary source of investment in the study area since 2017, totalling $3.6 billion.

The quantum of building approvals in warehouses and other industrial related buildings highlights the significant role of the industrial sector plays in attracting investment in the study area (refer **Figure 7**).

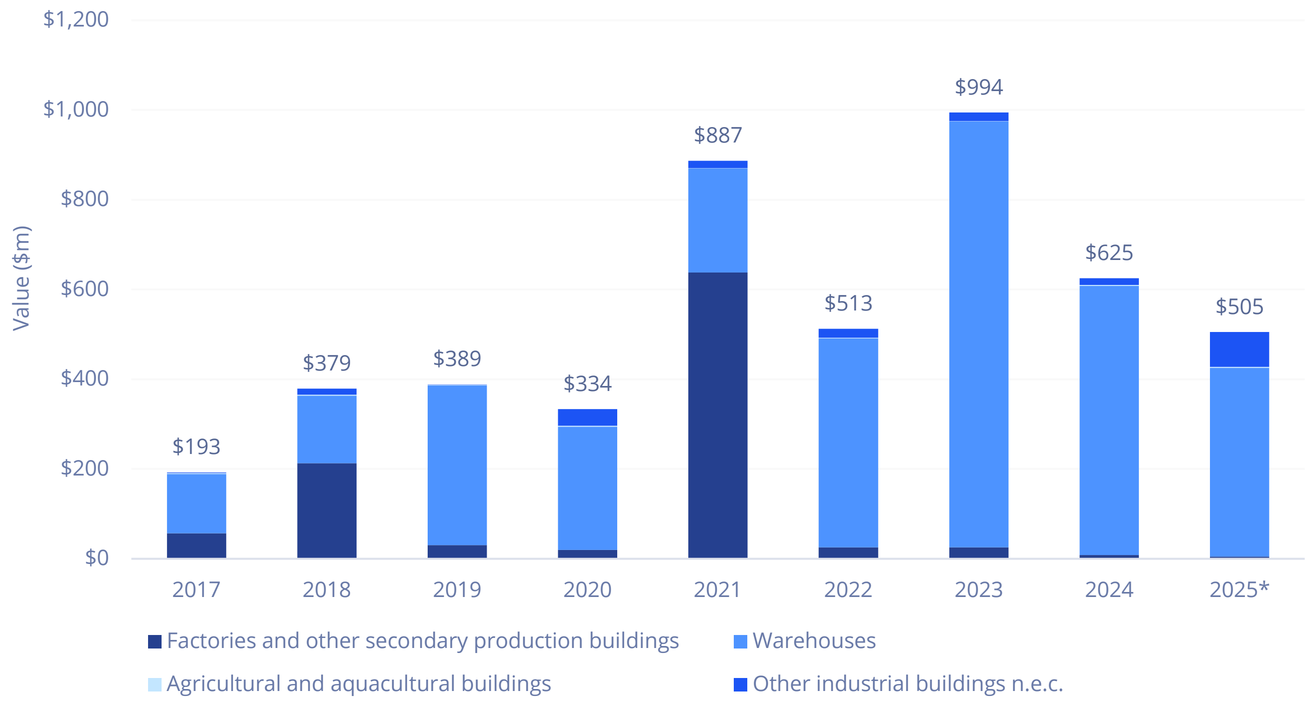


Figure 6 Study Area Industrial-Related Building Approvals, 2017 to 2025 (year ending December)

Source: ABS Building Approvals; Colliers Urban Planning

*2025 is year ending November.

Note: $ values are expressed in current $ (ie., include inflation).

Note: Warehouses are primarily used for transport and logistics uses. This differs to factories and other secondary production buildings which, in an urban industrial estate setting, are defined as buildings housing, or associated with, production and assembly processes of intermediate and final goods (i.e., manufacturing).

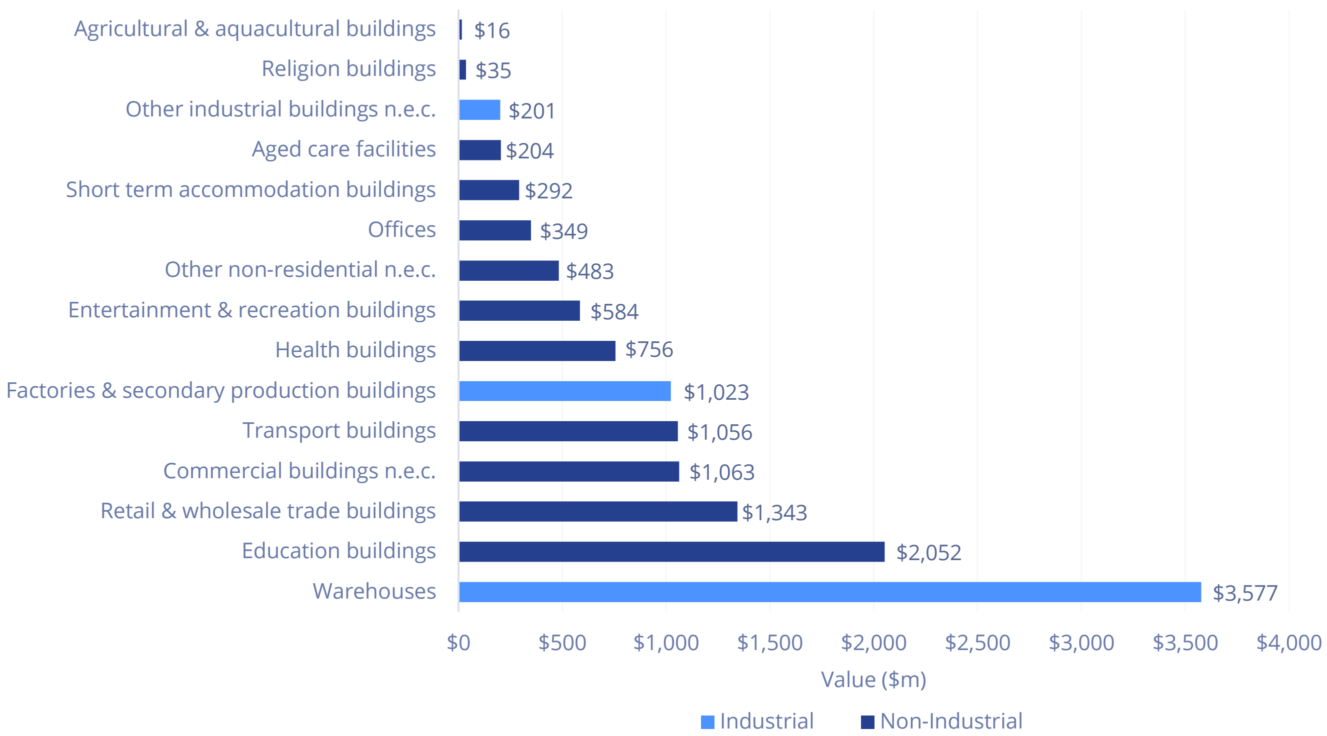


Figure 7 Study Area Total Non-Residential Building Approvals, 2017 to 2025* (year ending December)

Source: ABS Building Approvals; Colliers Urban Planning

*2025 is year ending November.

Current and Proposed Major Industrial Development

Craigieburn, Campbellfield, Broadmeadows and Mickleham are the current focus for industrial investment in the study area based on a review of projects in Cordell Connect (refer **Figure 8** and **Figure 9**).

Major projects in the study area of relevance, include:

Craigieburn

- Amazon Robotics Centre (~$500 million) in Craigieburn Logistics Estate.
- 95-135 Amaeroo Road Warehouses (~$50 million). Refers to the development of new warehouses and ancillary offices in Amaroo Business Park.
- 810 Summerhill Road Warehouses (~$42 million), comprising the development of six warehouses with ancillary offices.

Campbellfield

- Assembly Broadmeadows (~$250 million), comprising the redevelopment of Ford's former manufacturing facility.
- North Melbourne Logistics Hub (~$55 million).

Broadmeadows

- 1-7 Riggall Street, Broadmeadows Warehouse Development (~$65 million).
- Woolworths Warehouse Melbourne North Customer Fulfilment Centre (~$47 million).

Mickleham

- 1A Innovation Drive Warehouse (~$33 million). Construction of a warehouse & ancillary office within Merrifield Business Park.
- 200 Donnybrook Road (Lot 2, Lot V & Lot X) Mixed Use Development (~$29 million).

Other significant investments include:

- 485 Cooper Street, Epping (~$50 million).
- Melbourne Airport Business Park – Stacked Farm ($50 million). Refers to the construction of the world's largest fully automated indoor vertical farm by volume output.
- Austrak Drive Lot 13, Somerton (~$40 million). Refers to the design & construction of a dual-tenancy warehouse 21,356m^2 and 960m^2 2-level office and dock office (total site area 41,226m^2).

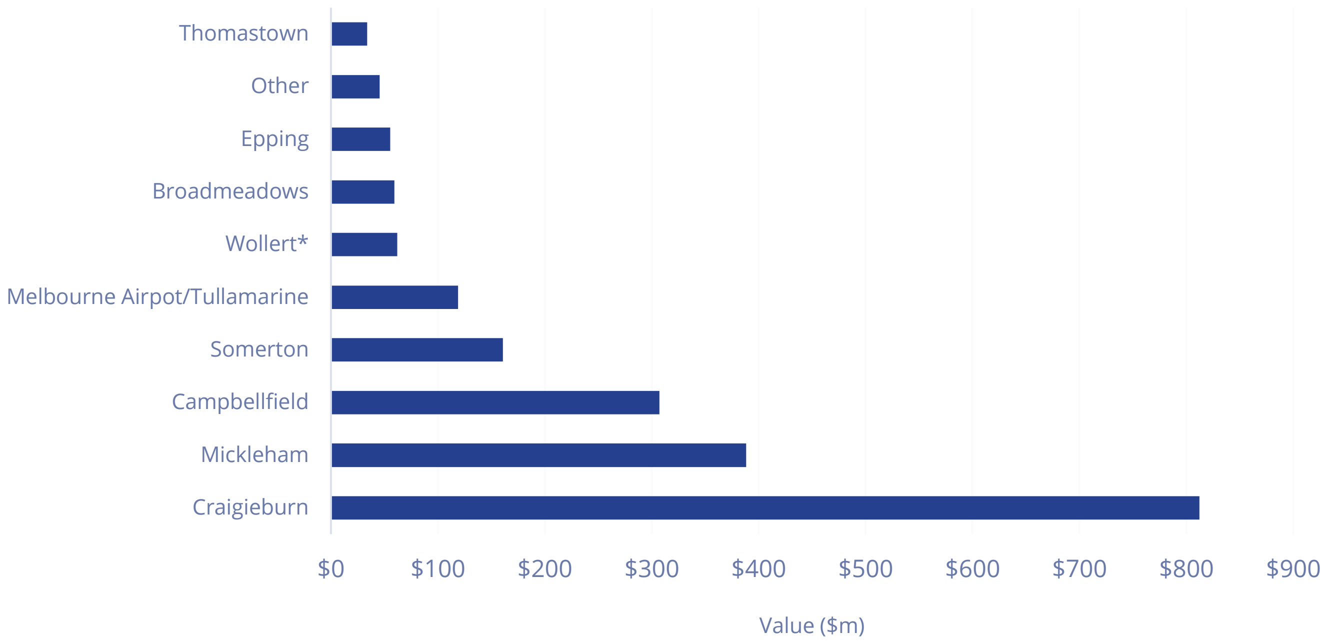


Figure 8 Industrial Activity by Estimated Investment Value ($m) at January 2026

Source: Cordell Connect; Colliers Urban Planning

Note: Cordell Connect may not capture all development activity, and as such, some approved, proposed or projects in early planning may not be included in the analysis.

*Includes Wollert Waste to Energy Facility

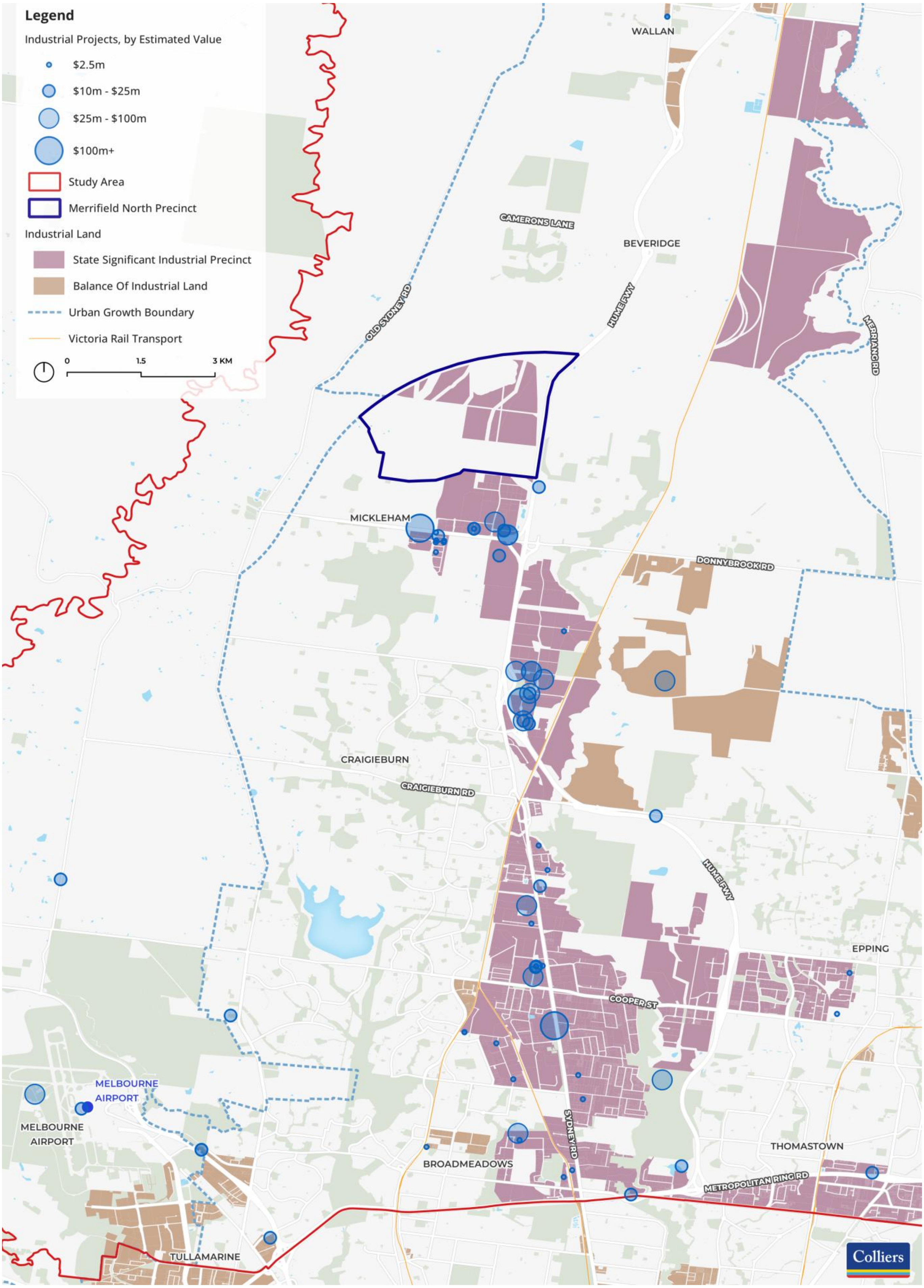


Figure 9 Study Area, Industrial-Related Projects, by Estimated Investment Value ($m)

Source: Cordell Connect; Colliers Urban Planning

Note: Only projects with a total investment value greater than $2.5 million have been included.

3.0 Industrial Market Overview

This chapter provides an overview of industrial market and development trends in metropolitan Melbourne. It examines:

- Evolving trends in Melbourne's industrial market and current and future supply at the metropolitan level.
- Key market trends specific to the Northern SSIP and its role in the broader metropolitan industrial context.

Key Findings

- Population growth, online retailing and e-commerce expansion, onshoring to mitigate global supply chain risks, and demand from non-traditional industrial uses such as data centres will underpin long-term land consumption in the industrial sector.
- Melbourne's industrial supply totals 12,800ha (rounded) of gross developable supply (zoned and unzoned) according to the Urban Development Program 2025. Of this, the Northern Corridor is estimated to support approximately 4,000ha of industrial supply. Around 1,510ha (or 38%) of supply in the Northern Corridor is zoned, with the balance (2,500ha or 62%) unzoned.
- Melbourne's industrial land take-up is projected at 330ha pa between 2025 and 2035 based on JLL analysis commissioned by the DTP. This level of demand is slightly above the recent five-year average at 323ha pa.
- For the Northern Region, three demand forecast scenarios for average annual take-up were advanced by JLL:
  - Low: 81.8ha
  - Medium: 90.0ha
  - High: 99.0ha.

3.1 Trends Shaping Victoria's Industrial Market

A range of macro-economic trends are reshaping Victoria's industrial market and are relevant to Merrifield North's development and planning outlook.

Strong population growth

The substantial growth projected for Melbourne's Northern Growth Corridor will drive additional demand for industrial space to support construction related supply chains, local industrial services, and warehousing space servicing e-commerce.

Acceleration in e-Commerce

COVID-19 accelerated the take-up of online retailing which in-turn has increased demand for warehouse space. Although e-commerce growth has slowed from pandemic highs, the share of online retailing will continue to fuel future demand for industrial spaces, particularly as businesses compete for strategic locations close to their customer base.

A shift in supply chain strategy

Global supply chain risk has increased during the COVID-19 pandemic and remains at elevated levels due to global geopolitical instability. This has led to global firms shifting inventory closer to final consumers and allowing for goods to be held for multiple retail cycles. Additionally, growth in online retailing is driving investment in hub-and-spoke distribution networks including last mile facilities close to urban residential areas.

Increase in non-traditional industrial uses such as Data Centres

Data centres are critical infrastructure supporting Australia's digital transition which is fuelled by an exponential increase in data generation, cloud computing, and the artificial intelligence revolution. Data centres are often located in industrial zones due to the need for ample land, reliable power, and robust infrastructure, which are typically available in these areas. In Sydney and Melbourne, large hyperscale data centres supporting cloud storage or AI training workloads are increasingly being delivered in industrial areas and can require anywhere between 10-50ha of land area.

Transitioning economy redefining the traditional industrial precinct

In response to evolving tenant requirements, the distinction between industrial and commercial uses is blurring. Flexible 'enterprise' tenancies for small to medium sized businesses are increasingly being developed that include warehouse, showroom and office aspects. These facilities provide flexibility to accommodate a range of activities including light manufacturing, wholesaling and online distribution and are suited to tenants seeking a higher amenity space than the traditional warehouses.

Advances in Onshore manufacturing

Growth of the manufacturing sector will further underpin demand in industrial real estate, with demand for larger warehouses – especially those in the food and life sciences sectors – which are projected to increase significantly. Trends such as advanced automation, robotics, artificial intelligence and machine learning are benefiting manufacturers in first-world economies.

Focus on Environmental, Social and Governance (ESG)

Higher transportation costs and requirements to measure emissions, particularly across supply chains, are increasing demand for well-located assets with high sustainability credentials. Industrial precincts proximate population centres and transport hubs are now viewed as playing an important role in supporting environmental objectives by driving supply chain efficiencies.

Planning and investment in freight-related infrastructure

Significant planning and investment have been undertaken to deliver state and nationally significant infrastructure projects that will benefit industry in the Northern Growth Corridor including Inland Rail, BIFT and North East Link.

Recalibrating Market After Significant Construction Costs

Melbourne's industrial market is recalibrating following a period of elevated construction costs and accelerated speculative development. Melbourne led national completions in 2025, as its speculative cycle matured. Vacancy rates in Melbourne's north held steady over 2025, with strong underlying occupier demand remains robust, supporting a positive long-term outlook for rental growth and asset values. Developers are increasingly prioritising pre-commitments, anchor tenants and flexible building designs to de-risk delivery, improve leasing and maintain market competitiveness.

Vertical Warehousing

Multi-level warehouses are becoming more prevalent globally as land scarcity is necessitating that development becomes more intensive. Sydney is Australia's foremost location for multi-storey warehousing due to its extremely constrained industrial supply and high industrial land prices which are currently in the order of 150% above Melbourne. Although multi-level warehouses are beginning to be proposed and developed in the Melbourne's legacy industrial areas, prices will need to increase significantly for them to be viable in a greenfield context – particularly warehouses suitable for large format warehousing and logistics.

3.2 Melbourne's Industrial Land Market

An overview of Melbourne's key industrial markets and State Significant Industrial Precincts (SSIPs) are presented below.

Northern Region

The **Northern SSIP** extends from Beveridge to the north and Thomastown to the south, and includes industrial precincts at Epping, Somerton and Campbellfield. New development is now occurring as far north as Craigieburn and Mickleham, where new industrial estates such as Amaroo Business Bark and Merrifield Business Park are accommodating large scale occupiers. Demand for industrial land in the Northern SSIP will increase off the back of significant transport/logistics infrastructure (namely, BIFT and the North East Link) and as well as existing strengths including food manufacturing.

South East Region

The **Southern SSIP** comprises industrial zoned land at Dandenong and Dandenong South and is Melbourne's most is nationally renowned precinct for its export-orientated manufacturing activities and logistics and warehousing role. Land scarcity is pushing prices up making it more challenging for businesses to find available and affordable space. More recently, industrial development is shifting south eastwards to Cranbourne West and the **Pakenham – Officer SSIP**, where larger land parcels are still available. The **Hastings SSIP** is yet to be developed as an industrial precinct of the scale identified in Plan Melbourne and will be contingent on the export role played by Hastings Port.

Western Region

Industrial areas in Melbourne's **Western SSIP** have expanded considerably over the past decade. New occupiers in the Western SSIP have largely been logistics and warehousing users. Precinct's availability of relatively affordable supply, and proximity to the Western Ring Road and the Port of Melbourne, positions it favourably for distribution and warehousing activities.

3.3 Urban Development Program 2025 and Industrial Demand Projections

The Department of Transport and Planning undertakes an annual assessment of industrial land supply in Greater Melbourne, monitoring the level of supply and associated take-up. The most recent review was released in December 2025 and is based on data collated in January 2025.

Greater Melbourne Supply Overview

The UDP2025 estimates that Melbourne's industrial supply totals 12,800ha (rounded) of gross developable supply (zoned and unzoned). Of this, the Northern Corridor is estimated to support approximately 4,000ha of industrial supply. Around 1,510ha (or 38%) of supply in the Northern Corridor is zoned, with the balance (2,500ha or 62%) unzoned at this point of time (refer **Table 5**).

Table 5 Greater Melbourne Industrial Land Supply, 2025

Region	Vacant	Non-Industrial Use*	Total Zoned	Unzoned	Total Industrial
Northern Corridor					
Northern SSIP	838	178	1,016	1,736	2,752
Balance	231	268	499	751	1,250
Total Northern	**1,069**	**446**	**1,515**	**2,487**	**4,002**
Southern Corridor					
Southern SSIP	153	54	207	0	207
Pakenham/Officer SSIP	376	109	485	687	1,172
Hastings SSIP	553	542	1,095	0	1,095
Balance	688	1,065	1,753	532	2,285
Total Southern	**1,770**	**1,770**	**3,540**	**1,219**	**4,759**
Total Eastern	**72**	**10**	**82**	**0**	**82**
Western Corridor					
Western SSIP	803	111	914	992	1,906
Balance	670	224	894	1,107	2,001
Total Western	**1,473**	**335**	**1,808**	**2,099**	**3,907**
Inner Corridor					
Metro	19	4	23	0	23
South East	2	0	2	0	2

Total Inner	**21**	**4**	**26**	**0**	**25**
Total Melbourne	**4,405**	**2,565**	**6,970**	**5,805**	**12,775**

Source: Department of Transport and Planning, Urban Development Program 2022; Colliers Urban Planning

Note: UDP2025 measures supply before allowing for planning constraints or civil infrastructure requirements (i.e.., Gross Vacant Land).

*Non-industrial use is defined as land zoned industrial but with a legacy non-industrial use (eg. continuing agricultural use).

Greater Melbourne Recent Take-up and Demand Forecasts

Analysis of industrial land consumption in Melbourne was recently undertaken by JLL for DTP as input to 'A 10-year Plan for Industrial Land (2025)'.[11] The work by JLL provides forecasts of land consumption in each of Melbourne's regions (Northern, Western, Southern and Eastern) for the 10 years to 2035, having regard to a range of factors such as recent consumption, employment and population growth, emerging trends, and infrastructure investments. Three forecast scenarios are provided (low, medium, and high) for annual average take-up in each region.

Melbourne's industrial land take-up is projected at 330ha pa between 2025 and 2035, slightly above the recent five-year average at 323ha pa (refer **Figure 10** and **Table 6**).

The Western Region has the highest average annual demand forecasts at 160ha over the next 10-years under the medium scenario. For the Northern Region, the three forecast scenarios for average annual take-up are:

- Low: 81.8ha
- Medium: 90.0ha
- High: 99.0ha.

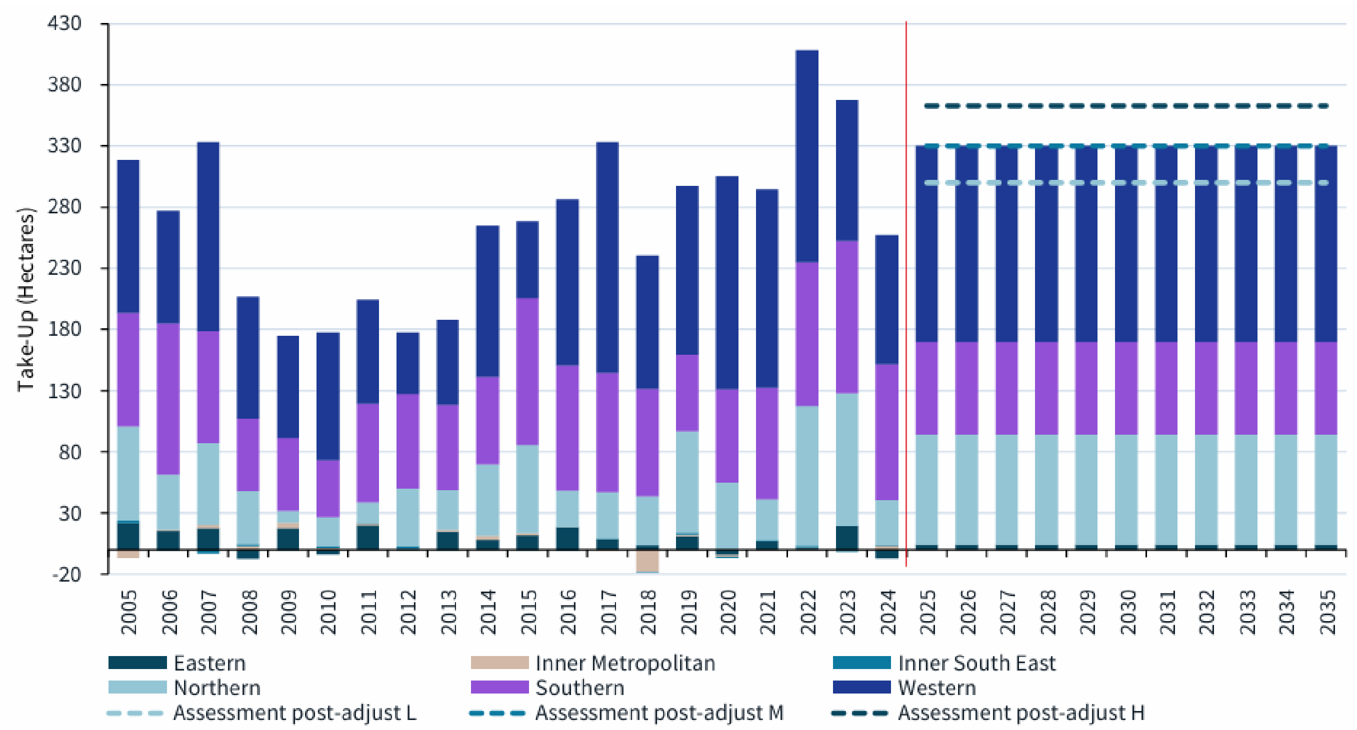


Figure 10 JLL Analysis of Consumption

Source: Future Industrial Lands Demand (2025), JLL

[11] Refer report titled *Future Industrial Lands Demand Melbourne*

Table 6 Greater Melbourne Demand Overview, by Region

Average Annual Take-Up	Low	Medium	High
Western	145.5	160.0	176.0
Southern	69.1	76.0	83.6
Northern	81.8	90.0	99.0
Eastern	3.6	4.0	4.4
Greater Melbourne Total	**300.0**	**330.0**	**363.0**

Source: Future Industrial Lands Demand (2025), JLL

4.0 Regional and Local Industrial Market

This chapter summarises the supply and demand for industrial land in the Northern SSIP, having regard to the UDP2025 industrial data. The chapter also considers the quantum of future supply designated for local service industry and provides a detailed case study on Merrifield Business Park.

Key Findings

- The Northern SSIP has an estimated vacant industrial land supply of approximately 2,003.6ha at December 2025.
- Approximately 1,288ha (or 62%) of total industrial supply is currently unzoned land that requires a PSP to be completed to be brought online. Around 45% of this unzoned supply is with the Northern Freight precinct.
- Approximately 1,288ha (or 62%) of total industrial supply is currently unzoned industrial land that requires a PSP to be completed to be brought online. Around 45% of this unzoned supply is in Northern Freight.
- Between November 2020 and December 2025 industrial take-up in the Northern SSIP averaged 48.6ha per year.
- The majority of land consumed (57.5%) was lots larger than one hectare. Medium sized lots (from 0.25-1ha) comprised 23.3% and smaller lots (under 0.25ha) 19.1%.
- The significant ongoing and projected population growth in the Northern Growth Corridor necessitates opportunities are facilitated in the industrial supply framework for local (population serving) industry.
- A review of available information indicates lots suitable for local service industry could be brought to market in a range of approved and future PSPs. However, the ultimate development outcomes in these precincts are subject to some uncertainty and the land areas are generally smaller relative to the broader quantum of future supply in the Northern SSIP.
- Merrifield Business Park provides an indication of the nature of industrial development that could occur in the Precinct. It has been developing for a mix of larger format industrial uses and local population serving industry. Take-up has averaged 8.7ha pa.

4.1 Northern SSIP Supply and Demand Assessment

For the purposes of this assessment analysis of the following has been undertaken:

- Current industrial land supply in the Northern SSIP at December 2025; and
- Recent industrial take-up trends between December 2020 and December 2025.

UDP2025 figures for the Northern SSIP (based on January 2025 aerial imagery) have been updated by the consultant to reflect Nearmap aerial imagery dated December 2025.

Supply

The UDP2025 reports gross land supply without accounting for planning constraints, civil infrastructure and open space for larger lots that are yet to be subdivided.

For this analysis, supply has been converted to net supply—excluding constraints such as roads, and open space—to more accurately reflect the amount of vacant industrial land available for development. Accordingly, to account for these allowances, it is assumed that 70% of land in lots greater than five hectares can ultimately be developed.

The Northern SSIP has an estimated zoned and unzoned industrial vacant land supply of approximately 2,069ha at December 2025 (refer **Table 7**), comprising:

- **781ha of zoned vacant and zoned non-industrial land.** Zoned vacant land is primarily located in Craigieburn (286.6ha) [12], Mickleham (212.6ha), Epping (173.9ha). Campbellfield, Somerton and Thomastown – the most southern

[12] Zoned non-industrial use is primarily located within the Craigieburn North Employment Area PSP. The balance is a small precinct in Craigieburn between Craigieburn Road East and the Hume Freeway.

industrial precincts are largely developed, and support approximately 57.2ha, 47.9ha and 2.8ha of vacant zoned supply, respectively.

- **1,288ha of unzoned industrial land.** The timing of identified unzoned SSIP land is somewhat uncertain and dependent on precinct structure planning processes being completed and the timing of enabling infrastructure.

  Further details on the indicative NDA and expected PSP completion is outlined in **Table 8**.

Note the estimated quantum of unzoned industrial supply excludes the potential future supply in Northern Quarries PSP. At the time of writing, the amount of NDA and envisaged land uses within Northern Quarries have not yet been determined. This precinct is identified as 'to be programmed 2034–35' in the DTP's 'A 10-year plan for industrial land'.

Table 7 Northern SSIP Industrial Vacant Land Overview (Net Developable Area – Hectares)

Region	Zoned Vacant	Zoned Non-Industrial Use	Total Zoned	Unzoned	Total
Beveridge	0.0	0.0	0.0	722.3	**722.3**
Campbellfield	57.2	0.0	57.2	0.0	**57.2**
Craigieburn	161.3	125.3	286.6	84.5	**371.1**
Epping	173.9	0.0	173.9	94.3	**268.2**
Mickleham	212.6	0.0	212.6	150.7	**363.3**
Somerton	47.9	0.0	47.9	0.0	**47.9**
Thomastown	2.8	0.0	2.8	0.0	**2.8**
Wallan	0.0	0.0	0.0	236.1	**236.1**
Total	**655.6**	**125.3**	**781.0**	**1,288.0**	**2,069.0**

Source: Colliers Urban Planning; Urban Development Program 2025

Note: The Precinct is located across Beveridge and Mickleham.

Table 8 Northern SSIP Unzoned Industrial Land

Area	Indicative Net Developable Area (ha)*	Expected PSP Completion	Comment
Northern Freight	581.0	2028	To be delivered within the VPA's Horizon 1 program.
Merrifield North	250**	2033	To be delivered within the VPA's Horizon 2 program.
Wallan East (Part 2)	236.1	2033	To be delivered as per VPA Horizon 2 guidelines.
Craigieburn South Employment Area	84.5	2035+	Not listed under any VPA Horizon - delivery timing uncertain.
Balance of Folkstone Employment Area	38.1	2030***	Land to the north (Fusion Business Park) was recently rezoned to the Industrial 1 Zone in early 2024 and this land is likely to follow suit in the short to medium term.
Cooper Street and O'herns Road Epping	94.3	2035+	The precinct is encumbered by a number of significant constraints, including former quarries that will require remediation. Due to these factors, rezoning is a long-term prospect.

Source: Colliers Urban Planning; Urban Development Program 2025; Victorian Planning Authority

Note: Does not include unzoned land at the corner of Hume Freeway and Donnybrook Road (south of Donnybrook Road)

*Based on UDP2025 area, with a 30% deduction applied to convert to NDA.

**Based on preliminary estimates provided by the DTP

***Timing is unknown, although due to the recent rezoning at Fusion Business Park (land immediately to the north), it is considered likely that this area will come online over the next five years.

Industrial Land Take-Up

Analysis of industrial land take-up in the Northern SSIP between November 2020 and December 2025 (refer **Figure 11** and **Table 9**Table 11) indicates the following:

- Approximately 247.2ha of industrial land was developed over the period, equating to an average rate of around 48.6ha pa.
- A significant share of land take-up was in Epping, reflecting its strategic location proximate the Western Ring Road and availability of land (in the analysis period).
- Strong take-up in new industrial estates at Craigieburn and Mickleham highlights a continued northward shift in industrial development, driven by the increasing scarcity of undeveloped supply in established southern precincts, including Campbellfield, Somerton and Thomastown.
- Larger industrial lots exceeding one hectare accounted for approximately 57.5% of total land area taken up. Development for large format industrial uses such as higher-order warehousing and logistics is primarily concentrated in Epping and Craigieburn.
- Small to medium-sized lots (0.25–1ha) represented 23.3% of total land area absorbed, indicating steady demand for more small to medium flexible industrial formats.
- Lots smaller than 0.25ha, typically accommodating local service industry uses, accounted for approximately 19.1% of total land area taken up, equating to around 47.3ha over the period (or approximately 9.3ha pa). The majority of lots developed under 0.25ha have been located at Epping.

Note:

- The recent take-up of lots smaller than 0.25ha varies significantly based on the timeframe assessed. For example, a significant share of analysed take-up of lots less than 0.25ha occurred at Epping in 2020, 2021 and 2022 due to the availability of sites for market at this time. Subsequently, the delivery of smaller lots has largely occurred in Folkstone Employment PSP at Mickleham.
- The analysis does not capture the intensification and redevelopment of existing industrial sites, which can accommodate significant additional floorspace without a corresponding increase in land consumption. This includes the transition of lower-intensity uses, such as truck storage, open hardstands or older warehouses with low land use efficiency to new industrial facilities. This is evident in established industrial precincts such as Campbellfield.

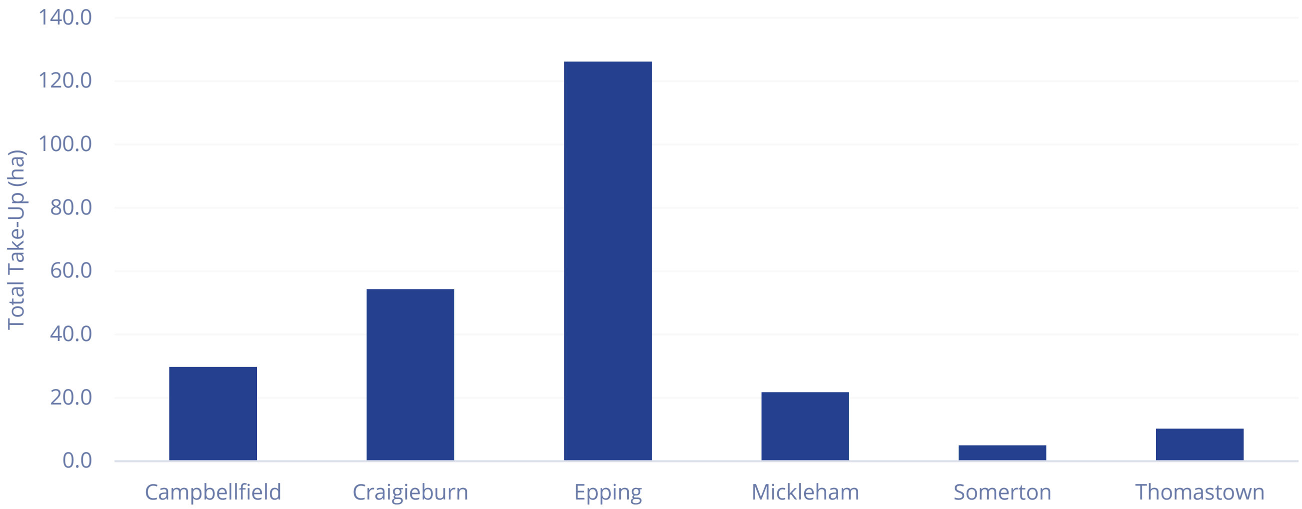


Figure 11 Northern SSIP Total Take-Up by Precinct Area, 2020 to 2025

Source: Colliers Urban Planning; Urban Development Program 2025

Table 9 Northern SSIP Take-Up (2020 to 2025) by Lot Size, Share of Total Take-Up

Area	< 0.25ha	0.25 - 1ha	1-5ha	5-20ha	20ha +
Total Take-Up (ha)					
Campbellfield	4.8	12.4	12.7	0.0	0.0
Craigieburn	4.3	4.2	17.4	28.3	0.0
Epping	29.0	33.0	34.0	6.4	23.8
Mickleham	4.1	5.2	12.4	0.0	0.0
Somerton	2.8	1.0	1.2	0.0	0.0
Thomastown	2.4	1.9	5.9	0.0	0.0
Total	**47.3**	**57.7**	**83.7**	**34.7**	**23.8**
Share breakdown					
Campbellfield	1.9%	5.0%	5.1%	0.0%	0.0%
Craigieburn	1.8%	1.7%	7.0%	11.4%	0.0%
Epping	11.7%	13.3%	13.7%	2.6%	9.6%
Mickleham	1.7%	2.1%	5.0%	0.0%	0.0%
Somerton	1.1%	0.4%	0.5%	0.0%	0.0%
Thomastown	1.0%	0.8%	2.4%	0.0%	0.0%
Total	**19.1%**	**23.3%**	**33.8%**	**14.0%**	**9.6%**

Source: Colliers Urban Planning; Urban Development Program 2025

Demand Outlook

Industrial land take-up in the Northern SSIP averaged approximately 48.6ha per year between 2020 and 2025. Demand is anticipated to strengthen over time supported by a combination of significant population growth, strong accessibility to the PFN, and state/nationally significant infrastructure investment, including North East Link, BIFT and Inland Rail.

Indeed, forecasts prepared by JLL which informed the preparation of 'A 10-year plan for industrial land' by DTP estimate annual demand will be in the order of 90ha (under the medium growth scenario) in Melbourne's Northern Region over the next 10-years.

The Northern Region considered by JLL is larger than the Northern SSIP and includes established industrial precincts in Merri-bek and Darebin LGAs, as well as Melbourne Airport and Sunbury. However, it is reasonable to expect a significant share of the future demand projected by JLL would be accommodated within the Northern SSIP, having regard for the relative supply constraints in these markets.

4.2 Review of Local Service Industrial and Commercial Floorspace

Significant ongoing and projected population growth in the Northern Growth Corridor necessitates that the need for local (population serving) industry is also considered when planning industrial precincts.

Local service industry includes anything from construction and trades depots, tools and equipment repairs and suppliers, automotive repairs, smaller scale manufacturing and fabrication, local haulage, small-scale wholesaling, and various miscellaneous uses that locate in industrial estates including gyms etc.

These operators are smaller and price sensitive businesses who typically seek industrial sites that are convenient to their customers and supply chains. Existing development of industrial land for smaller lots and warehouses geared to local service operators is mainly occurring at Epping and to some extent industrial estates at Campbellfield, Craigieburn and Mickleham.

An analysis of active industrial estates and approved PSPs in the region highlights there are several locations in the Northern SSIP where demand from local service industry could be absorbed. Potential may exist for local service components to locate in unzoned PSP areas including Wallan East (Part 2) and the balance the Folkstone Employment Area (refer **Table 10**).

Table 10 Zoned and Unzoned Land with Local Service Industry Potential

Precinct	Envisaged Uses	Land Area (Ha)
Approved PSPs		
Craigieburn North Employment Area PSP: Commercial Precincts A and B	Land is identified as State Significant Industrial – Zoned. Two commercial precincts are in the northern portion of the PSP area. The vision for the commercial precincts is to: – *'encourage the development of a contemporary business park that includes adaptable commercial floorspace for modern manufacturing and technology-based industries.'*	Commercial total area: 83.3ha
Shenstone Park PSP	Land is identified as Regionally Significant Industrial – Zoned. The PSP vision regarding land identified for 'Employment' is as follows: – *'Shenstone Park will contribute to an employment hub for the north, conveniently served by a train station along a nationally significant railway line, as well as major arterial roads and freeways. Light industrial and bulky goods type employment uses will thrive in this well-connected network and will offer specialised services to the Shenstone Park PSP and complement the other parts of the state significant employment area to the south-west of the PSP area.'* – This PSP is not located in the Northern SSIP and employment components will presumably service residents and businesses in the local Donnybrook and Lockerbie area.	Employment (Excl. LTC and LCC): 125.5ha*
Wollert PSP	Land is identified as Regionally Significant Industrial – Zoned. The PSP identifies general light industry employment along the eastern boundary of the PSP area. The PSP's employment purpose is to: – *'provide a range of employment opportunities for residents in the local area and broader region.'* Areas of light industry have been nominated alongside the future E6 to provide opportunities for logistics and warehousing employment uses, with showroom opportunities along Epping Road and Boundary Road. This PSP is not located in the Northern SSIP and will presumably service residents and businesses in the local Wollert area.	168.7ha
Folkstone Employment PSP	This PSP includes the area of Merrifield Business Park (South of Donnybrook Road) and Fusion Business Park. Land is identified as State Significant Industrial – Zoned. Merrifield Business Park (south of Donnybrook road) is being developed for industrial lots in the order of 1,000m² to 5,000m² targeting small and medium enterprises (SMEs). Fusion Business Park will comprise approximately 110 lots, offered for sale in flexible sizes starting from 1,500m². However, the exact breakdown of lots is currently unknown.	84.9ha*

Unzoned Industrial Land		
Wallan East (Part 2)	Land is identified as State Significant Industrial – Unzoned. In relation to the future development of Wallan East (Part 2), Mitchell Shire Council notes: – *'There is a need to reserve land in the Greater Beveridge area for business and industry that can be located there to support the BIP. Wallan East Part 2 is earmarked for commercial development to support the BIP and could potentially accommodate small-scale industrial lots for small service industry factory outlets.'* (Mitchell Shire Council, Economic Development Strategy Project – Merging Themes).	236.1ha**
Balance of Folkstone Employment Area	Land is identified as State Significant Industrial – Unzoned. This could reflect a similar development pattern to nearby Fusion Business Park to the north, which includes a range of diverse lot sizes, including for local businesses.	38.1ha**

Source: Colliers Urban Planning

*Based on approved subdivided lots and NDA calculation for lots greater than five hectares from UDP2025 data.

**Colliers Urban Planning NDA calculation from UDP2025 data (70% of total land area)

4.3 Merrifield Business Park, Mickleham Case Study

Overview

Merrifield Business Park (Merrifield) comprises 271.5ha of industrial zoned land and is located approximately 30km north of Melbourne's CBD. It is split into two distinct precincts:

- **Northern Precinct (North of Donnybrook Road) –** Has a mix of medium to large format industrial lots accommodating national and global retailers (distribution centres), transport and logistic companies and manufacturers. Warehouses currently range from 4,000m^2 to 90,000m^2 in floorspace.
- **Southern Precinct (South of Donnybrook Road) –** This precinct offers industrial lots of approximately 1,000m^2 to 5,000m^2 targeting small and medium enterprises (SMEs).

Figure 12 Merrifield Business Park Location and Artist Impression

Source: MAB

Take-Up

Site and enabling works at Merrifield Business Park first begun in 2016. An analysis of industrial land take-up using Nearmap aerial imagery in Merrifield Business Park between 2016 and 2025 has been undertaken.

Key findings are presented in **Table 11** and are highlighted below:

- Merrifield Business Park has recorded approximately 81.9ha of industrial land take-up since commencement in 2016, equating to an average of 8.7ha pa.
- Development in the precinct was predominantly on larger lots over the first five years. This includes Dulux establishing a 22,600m^2 manufacturing facility on a 17-hectare site in 2016, followed by D'Orsogna locating in the precinct in 2018 and the development of DHL and Steritech warehouse facilities in 2019.
- Approximately 65.6% of total take-up have been lots greater than five hectares. All these lots were developed between 2016 and 2020.
- Small (0.25-1ha) to medium (1-5ha) sized warehouses accounted for 6.6ha (8.1%) and 17.4ha (21.3%) of total land take-up, respectively.
- Development on finer grain local population-serving industrial uses commenced around mid-2024, following initial earthworks in 2023. Lots less than 0.25ha have recorded a total take-up of 4.1ha across 24 lots.

Table 11 Merrifield Business Park Take-Up Overview

Category	<0.25 ha	0.25-1 ha	1-5 ha	5-20 ha	20+ ha	Total
Jul 2016 to Nov 2020						
No. of Lots	0	2	2	2	1	**7**
Area (ha)	0.0	1.4	5.0	25.8	28.0	**60.2**
Share of Total Take-Up	*0.0%*	*2.4%*	*8.3%*	*42.8%*	*46.5%*	*100%*
Nov 2020 to Dec 2025						
No. of Lots	24	10	5	0	0	**39**
Area (ha)	4.1	5.2	12.4	0.0	0.0	**21.7**
Share of Total Take-Up	*18.9%*	*23.9%*	*57.2%*	*0.0%*	*0.0%*	*100%*
July 2016 to Dec 2025						
No. of Lots	24	12	7	2	1	**46**
Area (ha)	4.1	6.6	17.4	25.8	28.0	**81.9**
Share of Total Take-Up	*5.0%*	*8.1%*	*21.3%*	*31.4%*	*34.2%*	*100%*

Source: Colliers Urban Planning; Urban Development Program 2025

Precinct Supply Overview

Merrifield Business Park has an estimated 249.5ha of NDA, with the majority of land located within the northern precinct (211.6ha, or 84.8%) and a smaller proportion within the southern precinct (37.9ha, or 15.2%) (refer **Table 12**).

The lot size profile is dominated by medium to large scale sites, with lots between 1-5ha accounting for approximately 108.6 hectares, or 43.5% of total NDA. This is followed by lots greater than five hectares, highlighting the strong role of the precinct to accommodate large-format warehousing and logistics uses.

Smaller lots of less than 0.25ha, which are commonly suited to local service industry and ancillary industrial uses, account for a total land supply of approximately 14.0ha. Lots sized between 0.25-1ha accounts for approximately 15.4ha.

Table 12 Merrifield Business Park Net Developable Area and Supply Overview (Hectares)

Precinct/Status	<0.25 ha	0.25-1 ha	1-5 ha	5-20 ha	20+ ha	Total
Northern Precinct (North of Donnybrook Road)						
Vacant	0.2	1.5	84.5	6.3	45.5*	138.0
Occupied	0.2	2.2	17.4	25.8	28.0	73.6
Total Industrial Land	**0.4**	**3.7**	**101.9**	**32.1**	**73.5**	**211.6**
Southern Precinct (South of Donnybrook Road)						
Vacant	9.7	7.3	6.7	5.9*	0.0	29.6
Occupied	3.9	4.4	0.0	0.0	0.0	8.3
Total Industrial Land	**13.6**	**11.7**	**6.7**	**5.9**	**0.0**	**37.9**
Total Merrifield Business Park						
Vacant	9.9	8.7	91.2	12.2	45.5	167.5
Occupied	4.1	6.6	17.4	25.8	28.0	81.9
Total Industrial Land	**14.0**	**15.4**	**108.6**	**38.0**	**73.5**	**249.5**

Source: Colliers Urban Planning; Urban Development Program 2025

*Lots yet to be subdivided. Future subdivision pattern unknown. An assumed 70% conversion to NDA has been applied.

Major Tenants

Merrifield Business Park accommodates a range of leading national and international occupiers, including Ford Australia, Dulux and DHL. The precinct has also established a strong automotive profile, attracting a concentration of automotive-related businesses in addition to Ford Australia, such as RMA Automotive, Aeroklas Asia Pacific Group, Stellantis and the CMV Group. More recently, a Kenworth and DAF truck dealership and service centre has been proposed at 2 Innovation Drive, located near the intersection of the Hume Freeway and Donnybrook Road.

An overview of major tenants, together with associated lot sizes and warehouse floorspace is presented in **Table 13**.

Table 13 Merrifield Business Park Major Tenants

Tenant	Type	Lot Size	Warehouse Size
DuluxGroup	Manufacturing (Paint and Coatings)	170,000m^2	22,600m^2
DHL Supply Chain	3PL	280,200m^2	90,000m^2
Ford Australia	Distribution Centre (Automotive)	87,600m^2	51,480m^2
RMA Automative	Manufacturing (Automotive)	34,400m^2	21,385m^2
D'Orsogna	Food Processing	29,800m^2	11,000m^2
Aeroklas Asia Pacific Group	Distribution (Automotive)	23,700m^2	13,252m^2
Tasman KB	Distribution Centre (Timber)	14,600m^2	8,125m^2
Sunny Queen Australia	Cold Storage	27,300m^2	8,120m^2
Steritech	Irradiation facility (Sterilisation and Decontamination Processer)	20,200m^2	3,648m^2
Stellantis	Distribution Centre (Automotive)	30,200m^2	14,000m^2
Plassdene Glass-Pak	Distribution Centre (Packaging)	21,300m^2	10,680m^2

Source: Colliers Urban Planning

Non-Industrial Uses and Amenities

Merrifield Business Park also plans to accommodate a range of non-industrial and ancillary uses that support the operation of the broader employment precinct. These uses have frontage along Donnybrook Road which serves as a key east-west arterial road connecting the residential estates in Merrifield West to the Hume Freeway.

This includes a proposed Bunnings warehouse store of approximately 16,600m^2, together with a KFC outlet, which is planned at the intersection of Donnybrook Road and Aitken Boulevard.

Merrifield Business Park is also adjacent to Merrifield City, which currently comprises approximately 7,000m^2 of gross leasable area (GLA) across 23 retail stores. It is anchored by Coles and includes a range of diverse retail and commercial tenants from cafes, takeaway, medical, services. Upon completion, the site is envisaged to support more than 200,000m^2 of retail and commercial floor space[13].

Key Infrastructure Services

Merrifield Business Park advertises the following essential industrial infrastructure and services:

- 24/7 operations with unrestricted B-Double and B-triple access.
- High voltage power. Excess of 70+ MVA power supply.
- High pressure gas main.
- High-capacity broadband services.
- Access to recycled water.

[13] MAB

5.0 Merrifield North PSP Opportunities and Recommendations

This chapter draws on findings in previous chapters to consider:

- The Precinct's land use mix and potential take-up, timing, staging and employment capacity.
- Key economic and employment considerations to inform the preparation of a structure plan for Merrifield North.

Key Findings

- The Precinct's highest and best strategic use is for a mix of regional and state significant large format industry and finer grain local service industry, having regard to its locational and site attributes, planning policy, and the demand and supply context.
- It is recommended that in the order of 65-75% of NDA in the Precinct should be developed for medium to large footprint industrial uses (including manufacturing, warehousing, logistics, and data centres etc). The balance of the Precinct (i.e. 25-35%) should be developed for finer-grain local service industry and include a convenience node comprising up to 3,500m^2 of retail and commercial floorspace.
- The timing of development in the Precinct is uncertain. While the completion of a PSP for the Precinct is in the VPA's Horizon 2 (i.e. completion by 2033), the timing of catalytic infrastructure, such as the Gunns Gully Road interchange and Aitkens Boulevard has not yet firmed-up.
- Development would conceivably commence in the eastern area of the Precinct subsequent delivery of the Gunns Gulley Road Interchange (and completion of the PSP) and then sequence further west as the road network and infrastructure are incrementally extended. However, delivery of Aitken Boulevard ahead of the Gunns Gulley Road Interchange may mean development commences in the central and western areas of the Precinct.
- Larger format industrial uses are better suited to the central and eastern areas of the Precinct where land highly accessible to the Hume Freeway and can be more easily subdivided into large 'regular shaped' parcels. Finer grain local service industry is better suited to the western area which will be better connected to neighbouring residential precincts (north and south) and has constraints that may result in some developable areas being irregularly shaped.
- The Industrial 1 Zone (IN1Z) would be the most appropriate 'applied zone' under the UGZ for the vast majority of the Precinct, while the Commercial 2 Zone (C2Z) considered suitable for the local convince node and adjacent local service industry (such as showrooms and trade supplies).
- The Precinct could support in the order of 5,780 to 6,260 FTE jobs (rounded) at full development based on an NDA of 255ha and the recommended land use mix. This is equivalent to approximately 22.7 and 24.5 FTE jobs per NDA across the Precinct, respectively.
- The following key economic considerations should inform the preparation of a PSP for Merrifield North:
  - Merrifield North should support a diversity of employment and economic development opportunities.
  - Embed flexibility to respond to an uncertain and dynamic future supply framework.
  - Leverage environmental and other constraints in the planning vision.
  - Support the delivery of local amenities while ensuring the primacy of nearby higher order centres.

5.1 Important Characteristics and Considerations

A range of characteristics and considerations will likely have a bearing on the Precinct's strategic employment role, namely:

- Location in the Northern SSIP adjacent the Hume Freeway and future OMR, which:
  - Links into nationally significant supply chains and freight gateways
  - Provides access to a substantial (and growing) resident and worker catchment
  - Is proximate to:

Key employment precincts, including Merrifield Central Employment Area, Folkstone Employment Area, the future Cloverton Metropolitan Activity Centre (in Lockerbie PSP).

Residential precincts – Merrifield West PSP (developing) and Beveridge South West PSP (future).

- Range of environmental and other constraints in the Precinct which collectively reduce the NDA and will likely result in some developable areas being irregularly shaped.
- Uncertainty surrounding key transport infrastructure, such as:
  - The ultimate alignment and timing of Aitken Boulevard – which will provide direct arterial connection into Merrifield Central Employment Area (to the south) and Beveridge South West PSP precinct (to the north).
  - The timing of Gunns Gully Road Interchange which will unlock access from the Hume Freeway and presumably the first phases of development.
  - The timing of the OMR.
- Dynamic regional supply framework for industrial land in Melbourne's Corridor which includes a range of future PSP precincts for which timing of development and staging is still relatively uncertain.
- Strong demand drivers in the Northern Growth Corridor for both higher-order regional and state significant industry and local population-serving industry.

5.2 Land Use Mix

Precinct Role

The Precinct is designated as State Significant Industrial Land. Having regard to its locational and site attributes, and the demand and supply context, the Precinct's highest and best strategic use is for a mix of:

- Regional and state significant large format industry; and
- Finer grain local service industry.

This mixed industrial function is demonstrated by developing industrial components in the Merrifield Central and Folkstone Employment Areas located south of the Precinct. It provides an opportunity to further increase and diversify employment opportunities in the Northern Growth Corridor.

Potential Land Uses

Candidate industrial typologies for the Precinct are identified in **Table 14**, along with associated site and infrastructure requirements and location considerations.

Note, heavy industry is not recommended for the Precinct due to the potential for amenity impacts on:

- Other industrial uses which could prejudice the Precinct's role as a key location for both larger footprint and finer-grain local service industry; and
- Nearby residential uses in Beveridge South West, Merrifield West, and Lockerbie North PSP.

Table 14 Summary of Potential Land Use Mix

Industrial Typology	Description	Site and Infrastructure Requirements	Precinct Locational Considerations
Distribution Centres and Transport and Logistics	Warehouses designed to support the storage and distribution of goods within a supply chain. Require large parcels of land for warehouses, depots and logistics services, located close to end users to minimise transport distances and costs. Tenants tend to be retailers, online distributors (i.e. Amazon), and freight forwarders/third-party logistics companies (3PLs).	Large sites (2ha-8ha+) B-double access Proximity to the Principal Freight Network (PFN), including road, rail, port and airports Proximity to population centres and labour force High floor area ratio for high bay warehousing 24/7 operations	Occupiers will benefit from access to the Hume Freeway facilitated by Gunns Gully Road Interchange. These uses represent the highest and best use of land in the eastern and central areas of the Precinct that can be more easily subdivided in the larger parcels.
Manufacturing	Manufacturing can be split into traditional and advanced segments. Traditional manufacturing is typically based around established and hierarchical production lines. Advanced manufacturing is more dynamic includes production and design activities that depend on information, automation, computation, software and networking.	Medium to large sites (1ha +) Proximity to the PFN, particularly if they rely on import/export activities Proximity to labour force Separation from sensitive uses Utilities access (gas, water, power)	Manufacturing facilities are well suited to the majority of the Precinct. The establishment of higher-impact manufacturing should be avoided in areas adjacent sensitive neighbouring uses.
Local Service Industry	Includes a range of finer grain industrial typologies from smaller warehouses and depots, factoryettes, and flexible enterprise tenancies for smaller scale manufacturers, fabricators, wholesalers, construction and trade services, equipment repairs, and automotive businesses etc Local Service Industry includes the various miscellaneous uses that also locate in industrial	Smaller lots (<0.25ha) Proximity to population centres and labour force Heavy vehicle access Access to convenience retail and amenities Exposure to passing traffic	Potential to locate: • Proximate Aitken Boulevard which will connect to developing residential communities (north and south) • In smaller irregular shaped areas unsuited to larger format industry

	estates including gyms, play centres, and storage etc.		
Data Centres	A data centre is a physical facility that organisations use to house their applications and data. Data centres are critical infrastructure supporting Australia's digital transition which is fuelled by an exponential increase in data generation, cloud computing, and artificial intelligence.	Larger sites (10ha +) Access to high voltage power and networks Reliable access to secure water supply Proximity to end users and major markets Proximity to a skilled workforce Low risk and hazard resistant site	Potential to locate throughout the Precinct subject to availability of appropriate infrastructure (power etc) and suitably sized sites.
Showrooms/Trade Supplies	Retail/wholesale outlets selling bulky goods or construction/trade materials.	Smaller lots (1,000-3,000m^2) Proximity to population centres Frontage to main arterial roads/highways High visibility	Potential to locate: • Proximate a retail/convenience node in the eastern Precinct, and/or • Adjacent the future Aitken Boulevard
Automotive and Machinery Sales	Heavy vehicle and machinery sales yards and showrooms	Medium to large lots (0.8-5ha +) Site size varies depends on the type of operation (i.e. car, truck or machinery)	Potential to locate in the eastern area of the Precinct with direct sight lines to passing traffic on the Hume Freeway.

Source: Colliers Urban Planning

Convenience Node Considerations

A small convenience node in the order of 3,500m^2 of retail and commercial floorspace is recommended to serve the daily convenience needs of onsite workers in the Precinct.

Uses that may be accommodated by the convenience node, include:

- Petrol station/convenience store
- Food/beverage
- Health and wellbeing (e.g., gym)
- Other miscellaneous commercial (e.g., childcare and business banking).

The planned convenience node must not undermine the role and function of nearby higher-order centres, including the future Metropolitan Activity Centre in Lockerbie PSP and the Major Activity Centre in Merrifield Central Employment PSP. Both, activity centres will draw trade from workers in the Precinct and provide access to higher-order retail.

In the longer-term it is expected that activity centre components will be accommodated in Beveridge South West PSP that may also draw some trade from the Precinct.

Accordingly, the shop offering in the convenience node should be no more than around 2,500m^2 in floorspace. It is envisaged the shop offering would include a convenience supermarket or similar use to meet the convenience needs of local workers. However, a larger supermarket over 1,000m^2 should not be included unless economically justified.

This scale of retail offering has been determined with consideration to the likely convenience needs of future workers in the local area without undermining the role of nearby higher-order activity centres.

The convenience node would be best located centrally in the eastern area of the Precinct:

- On Gunns Gully Road; or
- At the Gunns Gully Road/Aitken Boulevard.

Importantly, the location of the convenience node should be suitable for a service station, which may function as an anchor use.

Some uses that could locate in the convenience node will be likely be permissible in the balance of the Precinct subject to a planning permit, noting that convenience shops and restricted retail premises are Section 2 (permit required) uses in the IN1Z.

While the consolidation of retail and amenities in a convenience node should be encouraged, in some instances retail located outside the convenience node will be justified if it enhances the amenity of workers and/or is specifically suited to a certain location (i.e. a smaller site with arterial road frontage).

Precinct Land Use Recommendation

The Precinct has an indicative NDA of 255ha based on preliminary analysis by the DTP.

It is recommended that the Precinct supports a diverse mix of industrial typologies. Three broad categories have been defined to describe the recommended land use mix and inform zoning considerations and planning guidance, namely:

- **Medium to Large Footprint Industrial.** Includes transport and logistics companies, distribution centres, manufacturing factories and data centres. These uses would indicatively require lot sizes starting from around 0.5ha and could range to 10ha+.
- **Local Service Industry.** Generally comprising industrial land allocated for small to medium enterprises with lot sizes up to approximately 0.25ha. This includes small warehouses, factoryette developments, depots and trade supplies.
- **Amenity/Convenience Node.** Comprising supporting amenities and services for workers within the Precinct. Up to 3,500m^2 of retail/commercial floorspace is suggested for the convenience node, resulting in a total site area of around 1ha.

The above categories are deliberately high-level for the purposes of spatially understanding the broad quantum and arrangement of land uses.

It is envisaged that in the order of 65-75% of NDA in the Precinct should be developed for medium to large footprint industrial uses (including manufacturing, warehousing, logistics, and data centres etc). This reflects the Precinct's strategic locational attributes for larger footprint occupiers including access to the Hume Freeway via the future Gunns Gully Road Interchange.

The balance of the Precinct (i.e. 25-35%) should be developed for finer-grain local service industry and include the identified convenience node (refer **Table 15**).

Analysis of recent industrial land consumption and future supply in the Northern SSIP, highlights:

- That approximately 9.3ha pa of recent take-up has been for finer grain local service industry (between 2020 and 2025).
- Since first development in Merrifield Business Park, take-up for finer grain local service industry has averaged approximately 2.7ha pa. However, this is expected to increase over time as ongoing development in the Mickleham, Beveridge and Lockerbie areas supports residential growth.
- A significant quantum of future supply (i.e. Northern Freight) is strategically suited to larger format industrial uses, necessitating that higher share of local service industry is considered for other future precincts in the supply framework (such as Merrifield North).

A 25-35% share of NDA allocated to local service industry is significant and would allocate between 64-89ha of NDA to local service industry.

For reference:

- In the Study Area (refer Section 2.1), the quantum of occupied industrial lots under 0.25ha per resident is broadly equivalent to 1.1ha per 1,000 residents.
- A 30% share of NDA (76ha) attributed to local service industrial would indicatively result in approximately 0.8ha of local service land per 1,000 residents in Merrifield West, Beveridge South, Lockerbie and Lockerbie North PSP (once fully developed)[14]. This means that, for example, 76ha of local service supply at the Precinct would supports approximately 71% of total demand for finer grain (local service) industry across all four PSPs.

As previously outlined, the supply framework of future industrial precincts in the Northern SSIP is dynamic due to uncertainties surrounding the timing of the development phase for different precincts and the mix of industrial uses they will accommodate.

Accordingly, developers in the Precinct will require some flexibility to strategically position developments to both respond to:

- Contemporary and evolving industrial market trends and demand drivers
- Supply being brought to market in competing precincts.

Table 15 Indicative NDA (Hectares) Land Use Breakdown

Broad Land Use Category	Indicative Share Range	Indicative NDA (ha)
Medium to Large Footprint Industrial	65-75%	166 - 191
Local Service Industry (including Amenity/Convenience Node)	25-35%	64 - 89

Source: Colliers Urban Planning

[14] Assuming a population of 97,960 residents at full development based on dwelling capacity and an average household size of 3.1 persons.

5.3 Timing, Staging and Zoning Considerations

Timing

Industrial land development is far more opportunistic than residential development, where established metrics can be employed to establish a likely market share for a new development from a more consistent annual land sales figure.

The Precinct is classified as Horizon 2 in the VPA's programming meaning the PSP process would commence between 2025/26 and 2028/29, with completion by 2033.

As noted earlier, the timing of catalytic infrastructure, such as the Gunns Gully Road interchange and Aitkens Boulevard is currently uncertain.

The development of Gunns Gully Road interchange is particularly important as it would unlock direct access to the Hume Freeway and would likely be the precursor for the initial stages of development in the Precinct.

Any delay to the delivery of Gunns Gully Road and the interchange at Hume Freeway, particularly if Aitken Boulevard were to be delivered in advance, would have implications for the sequencing, staging and overall timing of development across the Precinct.

Staging

Development in the Precinct is dependent on the timing and delivery of Aitken Boulevard and Gunns Gully Road.

Based on currently available information, and subject to the delivery of Gunns Gully Road as the initial enabling infrastructure, it is anticipated that:

- Development will commence in the eastern area of the Precinct (subject to the viability of services), subsequent delivery of the Gunns Gully Road Interchange
- Then conceivably sequence further west as the road network and infrastructure are incrementally extended.
- The western and northwestern areas of the Precinct will conceivably develop later and may include some parcels that are irregularly shaped due to their location adjacent environmental constraints and are therefore less attractive due developers.
- The delivery of Aitken Boulevard will likely influence the timing of development in the western area of the Precinct.

Land Use Configuration

Broadly speaking:

- Larger format industrial uses are better suited to the central and eastern areas of the Precinct where:
  - The land area can be more easily subdivided into large 'regular shaped' parcels; and
  - Occupiers with significant heavy vehicles movements (such as warehousing and distribution) have convenient access to the Hume Freeway and are not required to travel through the balance of the Precinct.
- Finer grain local service industry is better suited to the western area of the Precinct where the presence of environmental and other constraints results in developable areas that are irregularly shaped and less suited large format occupiers.
- A local convenience node would be best located centrally in the eastern area of the Precinct and could be co-located with a service station.

Additionally, potential may exist land for land in the eastern area of the Precinct with frontage to Hume Freeway to accommodate heavy vehicle and machinery sales occupiers such as Truck or Farm Machinery dealerships that require exposure to passing traffic.

Zoning Considerations

Development in the Precinct would be subject to the applied provisions of the Urban Growth Zone (UGZ).

The **Industrial 1 Zone (IN1Z)** would be the most appropriate 'applied zone' under the UGZ for the vast majority of the Precinct, ensuring appropriate flexibility for industrial supply to be market responsive.

There doesn't appear to be a strategic need for **Industrial 3 Zone** noting:

- The Precinct does not have sensitive interfaces with neighbouring residential uses that would require management
- The future OMR alignment will be located between future residential communities in Beveridge South West PSP and the Precinct.

The **Commercial 2 Zone (C2Z)** would be most appropriate to control the use and development of the local convenience node and adjacent local service industry (such as showrooms and trade supplies).

However, it is recommended a condition be included in the UGZ that any retail shops comprising over 1,000m^2 in floorspace (such as a small supermarket) be subject to a permit and justified by retail needs analysis.

Benefits of Clustering and Incentivising Investment

The Precinct is located within the Northern SSIP, which is a nationally renewed concentration of industrial activities that benefits from access to infrastructure (particularly transport infrastructure), linkages to national supply chains, and a growing regional population. The clustering of industrial activities both within the Precinct and the broader Northern SSIP unlocks a range of economic benefits including sharing of infrastructure, supply chain efficiencies, land use synergies, labour market benefits, and investment attraction.

For the PSP to incentivise investment in the Precinct, it will be important that ground and infrastructure costs are not development prohibitive; and planning controls are sufficiently flexible to enable proponents to respond to evolving community and industry needs in a dynamic regional market.

5.4 Indicative Employment Contribution

Employment estimates associated with industrial land over a 20-year or longer horizon are uncertain. The Precinct's employment capacity will be shaped by ongoing macro-economic and local industrial trends, including:

- Increasing adoption of automation and robotics within manufacturing, warehousing and logistics operations.
- A shift in employment composition from traditional blue-collar roles toward higher-order, white-collar and technical occupations.
- Growth in non-traditional industrial uses, such as data centres, which typically require substantial land areas but typically have lower employment densities.
- Ongoing increases in warehouse scale and building height, enabling higher floorspace yields.

Accordingly, the employment guidance presented is indicative only and is intended to provide a high-level understanding of the potential employment capacity of the Precinct at full development.

Assumptions

The NSW Common Planning Assumptions (CPA) 2023 provide the latest and most comprehensive benchmarks for workspace ratios in Australia. The CPA workspace ratios for industrial uses were informed by the following sources:

- City of Sydney Survey (2017)
- City of Melbourne Census (2022)
- Research prepared by Cox Consulting and JLL (2023) (document name is unknown)
- Urbis (2021) – 'Employment Land Strategy Guidelines on Employment Densities Analysis (2021) prepared for the Department of Planning and Environment (DPE)
- Landcom (2018) – Common Planning Assumptions, Workspace Ratios
- NSW Department of Planning and Environment (DPE) (2021) – Desktop research for 2022 Release of Sydney Jobs Supply Forecasts.

The NSW CPA recommends the following assumptions (**floorspace m^2 per FTE job**):

For industrial-related land uses:	– Warehouse, transport, and storage: 50m^2 to 300m^2. – Traditional manufacturing: 50m^2 to 200m2. – Advanced manufacturing: 150m^2 to 300m^2.

	– Data Centres: 100m² to 400m². – High technology park: 60m² to 100m².
For retail and amenities:	– Shops and cafes: 30m² to 40m².

The CPA notes that the wide 50m² to 300m² range for warehouse, transport, and storage is *'based the range of estimates supplied by different sources. City of Melbourne (2021) show 49m² and 303m² for Wholesaling and Transport, Postal and Warehousing respectively while Urbis (2021) estimate a 189m² to 276m² range for logistics and warehouses for inner to outer rings for Metropolitan Sydney.'*

The location of the industrial precinct also impacted traditional and advanced manufacturing, where Urbis found that workspaces averaged between 201m² and 208m² per FTE job in the middle and outer rings of Sydney, respectively.

Approach

Having regard to ongoing market trends and the Precinct's location and site attributes, the following assumptions have been applied to each broad land use category:

- Medium to Large Footprint Industrial: 250m² per FTE job
- Local Service Industry: 120m² per FTE job
- Local Convenience Node: 40m² per FTE job

The following assumptions are applied to provide an indicative FTE job number in the Precinct:

- Indicative land use breakdown of:
  - Medium to Large Footprint Industrial: 65-75% of total NDA
  - Local Service Industry: 25-35% of total NDA
  - Local Convenience Node: 3,000m².
  - A 12% allowance for local and connector streets.
- An average site coverage of 50% for all industrial land. For example, a ten-hectare site is equivalent to a 50,000m² warehouse.
- Apply floorspace to FTE employment ratios.

At a high-level this equates to approximately 17.6 jobs per NDA for medium to large format warehousing and 36.7 jobs per NDA for local service industry.

Employment Estimates

The Precinct could support in the order of 5,780 to 6,260 FTE jobs (rounded) at full development based on an NDA of 255ha and the floorspace assumptions outlined above**.** This is equivalent to approximately 22.7 and 24.5 FTE jobs per NDHa across the Precinct, respectively.

Direct jobs within the Precinct will support a range of indirect jobs through increasing demand for goods and services produced in other sectors as a result of the demand generated by the direct economic activity. Estimates of the number of indirect FTE jobs supported by the Precinct flow from Colliers Urban Planning proprietary input-output (IO) model (refer **Appendix A** for the methodology).

Considering multiplier effects, the indicative 5,780 to 6,260 direct FTE jobs would support a further 7,380 to 8,000 indirect FTE jobs.

Table 16 Employment Estimates

Category	Direct Jobs
FTE Jobs at Full Development	5,780 to 6,260
FTE Jobs per NDA	**22.7 to 24.5 FTE jobs per NDHa**

Implications on Employment Self-Sufficiency

The Victorian Planning Authority document titled 'Precinct Structure Planning Guidelines: New Communities in Victoria (2021)' provides a target of one job per dwelling across the Northern Growth Corridor.

The North Growth Corridor Plan states that the area covered by the growth corridor plan *'will eventually accommodate a population of 260,000 or more people and has the capacity to provide for at least 83,000 jobs'*.

The Precinct is estimated to support between 5,780 to 6,260 FTE jobs, depending on the ultimate land use mix. This represents a total contribution of between 7.0% and 7.5% to the total job capacity envisaged by the North Growth Corridor Plan.

As noted earlier, the employment context in the region is dynamic, characterised by a significant supply of established, developing and/or planned industrial precincts, alongside a network of metropolitan and major activity centres that support a diverse range of employment.

These include:

- Northern Freight PSP with capacity for up to 14,300 jobs according to the 'A 10-year plan for industrial land' report.
- Merrifield Central Employment Area (E1) and Folkstone Employment PSPs, which includes Merrifield Business Park and Merrifield Major Activity Centre. These PSPs could support 20,000+ jobs according to the 'Hume Corridor Integrated Growth Area Plan Spatial Strategy (2015)'.
- Lockerbie PSP, which includes the Lockerbie Metropolitan Activity Centre, with capacity for up to approximately 7,500 jobs based on City of Hume estimates.

Collectively, these precincts support approximately 41,800 jobs. When the employment capacity of the Merrifield North Precinct (6,260 jobs) is included, this increases to up to approximately 48,000 jobs.

The broader North Growth Corridor region also includes significant employment opportunities, including in Craigieburn North PSP (7,880 jobs), Wallan South (Part 2) (3,300 jobs), Shenstone Park (4,340 jobs), Wollert (8,040 jobs) Northern Quarries (11,600 jobs), Craigieburn South Employment Area (2,200 jobs) and Cooper Street West (1,200 jobs). These PSPs bring total jobs in excess of 86,000 jobs based on a review of gazetted PSPs and the 'A 10-year plan for industrial land' report.

These employment opportunities will be further complemented by jobs supported in activity centres located in existing and emerging residential PSPs.

Overall, the Precinct is considered to make a significant contribution to the achievement of the one job per dwelling benchmark within the Northern Growth Corridor.

5.5 Key Economic Considerations to Inform Planning

Flowing from the discussion and analysis provided in this report, the following key economic considerations should inform the preparation of a PSP for Merrifield North:

1. **Merrifield North should support a diversity of employment and economic development opportunities.** The Precinct is designated State Significant Industrial Land – Future, strategically located in the Northern SSIP and will have direct access to the Hume Freeway via the future Gunns Gully Road. This enables the Precinct to link directly into national supply chains and service broad and growing residential and worker catchments, making it ideal for larger format and higher-order industrial uses. The Precinct is also located within a local area observing significant growth; will have convenient arterial road linkages to residential communities north, east and south; and is affected by constraints that may make some land in the precinct less suitable for large lot subdivision. This positions the Precinct favourably to also support a provision of finer grain industrial supply for local 'population serving' industry.
2. **Embed flexibility to respond to an uncertain and dynamic future supply framework.** The timing of the Precinct is uncertain and will be dependent on the delivery of catalytic infrastructure such as Gunns Gully Road Interchange and/or Aitken Boulevard. Against this backdrop, the future supply framework in the Northern SSIP contains a range of future PSPs for which the timing and nature of development is also uncertain, and industrial sector is evolving rapidly as the emergence of new technologies, increasing land prices, and shifting occupier requirements (among a range of factors) are changing the industrial landscape. Accordingly, the exact nature of the market context that

developers in Merrifield North will respond to is unclear and there may be demand for new industrial typologies in the Precinct that aren't yet conceived. It is therefore important that:

- Directions in the PSP regarding to the types of industry to be accommodated are not overly prescriptive. While it would be prudent to identify generally where larger format and finer grain industry is best suited, the designation of prescriptive sub-precincts (targeted individually to freight, manufacturing, etc) that narrowly define the envisaged land uses should be avoided.
- The urban structure is sufficiently flexible for areas to be subdivided for a different lot sizes in response to market demand.

3. **Leverage environmental and other constraints in the planning vision.** The Precinct contains substantial land areas that are low lying and important from an environmental, cultural heritage and drainage perspective. These land areas collectively reduce the available NDA and will also result in some developable land being irregularly shaped. Potential exists for the planning outcome to engage constructively with these constraints by:
   - Integrating them into the overall design.
   - Leveraging them for open space where appropriate to maximise the quantum of saleable land.
   - Identifying the potential for irregular shaped NDA in the western and northern areas of the Precinct to be developed for finer grain 'local service' industry.
4. **Support the delivery of local amenities while ensuring the primacy of nearby higher order centres.** A local convenience node should be located in the Precinct that facilitates easy access to some food catering options (cafes and takeaway food etc), convenience retail, and ancillary uses. A more expansive mix of higher-order retail options will be available at Merrifield Major Activity Centre and Lockerbie Metropolitan Activity Centre, respectively. Although some flexibility regarding the nature and type of uses in the convenience node is warranted, it is important that the proposals for shop over 1,000m^2 are permit required, subject to discretion. The potential for a supermarket anchor at the convenience node that impacts the ability of Merrifield Major Activity Centre and Lockerbie Metropolitan Activity Centre to fulfil their designated roles should be avoided.

Appendix A Input-Output Modelling

Estimates of the economic contribution of the direct jobs support within the Precinct flow from input-output (IO) modelling. IO modelling assesses the contribution a sector makes to the economy to analyse the potential impacts of a change in production of a particular sector.

The primary way through which the footprint of a development or operational business is measured is by estimating its contribution to economic activity through value added and employment. The estimates of **indirect employment** outlined in this report flow from Colliers Urban Planning's proprietary input output (IO) model. This IO model is based on ABS National Accounts data and has been developed with reference and compliance to best-practice guidelines.

The model applies the **Simple Multiplier** effect measure. The Simple Multiplier is the sum of the initial and production induced effects. It does not include the additional impacts of extra wages and employment income being spent across the economy (consumption effect). Use of the Simple Multiplier effect measure is in-line with best practice industry standards and reflects a more conservative position. As consumption induced effects are tentative and unobservable, it is considered best practice to exclude them from IO impact analysis

Accordingly, the **indirect benefit** captures the supply chain activity associated with the demand for goods and services generated from other sectors of the economy.

Results from the modelling should be interpreted as indicative of the potential impact likely to result from the indicative reference scheme on the Australian economy.

Limitations

IO modelling is a useful tool to estimate the effect that a project will have on the structure of an economy. However, there are several limitations to IO modelling. These include:

- Lack of additionality: the assessment does not account for displacement or reductions in economic activity in other parts of the economy that offset the project's impacts.
- Lack of supply-side constraints: the assessment assumes that the availability of labour and other supply-side inputs is unconstrained.
- Fixed prices: prices for inputs, such as labour, are assumed to be fixed and do not respond to additional demand generated by the project.
- Static economy: the assessment is built on a static picture of the economy that does not consider how the economy may change over time, nor dynamic adjustments that occur over time or as a result of a project.
- Fixed ratios for inputs and production: economies or diseconomies of scale are not captured.

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