SUBURBAN RAIL LOOP EAST

SRL East Draft Structure Plan

Land Use Scenario and Capacity Assessment

More Homes For Victorians

VICTORIA State Government

Suburban Rail Loop

PREPARED FOR SUBURBAN RAIL LOOP AUTHORITY

SRL East Draft Structure Plan - Land Use Scenario and Capacity Assessment

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Contents

Appendices

Abbreviations

ABS	Australian Bureau of Statistics
AJM JV	Aurecon, Jacobs, Mott MacDonald and Urbis Joint Venture
ANZSIC	Australian and New Zealand Standard Industrial Classification
BIC	SRL Business and Investment Case (BIC)
CBD	Central Business District
DEECA	Department of Energy, Environment and Climate Action
DTP	Department of Transport and Planning
FAR	Floor area ratio
GBA	Gross building area
LUSCA	Land Use Scenario and Capacity Assessment
LUTI	Land Use Transport Interaction
PSMA	Public Sector Mapping Agency
SPA	Structure Plan Area
sq.m	Square metres
SRL	Suburban Rail Loop
SRLA	Suburban Rail Loop Authority
TZN	Travel zone
VITM	Victorian Integrated Transport Mode

Executive summary

SRL East involves delivering six new underground stations at Cheltenham, Clayton, Monash, Glen Waverley, Burwood, and Box Hill, scheduled to open in 2035.

As part of the SRL East project, Draft Structure Plans (Structure Plans) are being prepared for the neighbourhoods surrounding the new underground stations.

The Structure Plans will set a vision and framework to guide growth and change in each neighbourhood, while protecting and preserving the character and features people love about them now.

LAND USE SCENARIO AND CAPACITY ASSESSMENT

This report sets out the results of the Land Use Scenario and Capacity Assessment (LUSCA). The LUSCA has guided the development of the Draft Structure Plans and proposed planning controls to deliver a sufficient supply of zoned land with capacity to accommodate the required land uses in preferred locations.

The LUSCA tests the capacity of each Structure Plan Area, as well as neighbourhoods within them, to accommodate the floorspace demand generated by the projected population and employment growth to 2041, with some further buffer to support continued growth beyond 2041.

The key elements of the LUSCA approach are outlined below.

Floorspace demand

The residential and employment floorspace demand estimates are provided in the SRL East Structure Plan – Economic Profile Technical Reports, the Housing Needs Assessment Technical Reports, and the Retail Assessment Technical Reports. These floorspace demand estimates are based on population and employment projections derived from the CityPlan projections presented in the SRL Business Investment Case (2021). These projections are strategic in nature and should be considered indicative. Further, it is important to recognise that the projections also factor in some land use change that would not be possible without delivery of SRL East such as the provision of over-station and adjacent-to-station development, along with the development of strategic sites (such as the PMP Printing site, former Box Hill Brickworks).

Through the LUSCA process, floorspace demand is distributed across each Structure Plan area based on the existing distribution of floorspace, where growth is expected if proposed built form guidance is in place and the market is otherwise left to develop residential and employment floorspace in preferred locations, and the location of strategic sites. The resultant distribution of floorspace demand is referred to as the “adjusted distribution".

The demand estimates are compared against the calculated theoretical capacity of each Structure Plan Area and defined neighbourhoods within them.

Floorspace capacity

Floorspace capacity examines the existing floorspace on a property before determining the potential additional floorspace that could be developed based on the built form guidance underlying the Draft Structure Plans and considering various criteria, including property size, planning overlays, and other relevant factors.

The capacity estimated is a theoretical capacity – it presumes each property will be developed to its maximum potential as allowed by the built form guidance underlying the Draft Structure Plans and other characteristics of the property. However, the theoretical capacity may not be achieved in practice, hence the need for a buffer which is discussed below.

Given the mixed-use outcomes anticipated within each Structure Plan Area, it is important to consider if residential and employment uses can be supported alongside each other. In other words, capacity is not divided between employment and residential use; the total capacity is neutral and can be applied to any land use.

In addition to comparing floorspace capacity to floorspace demand, a series of scenarios were run for each Structure Plan Area based on specific issues identified by SRLA and AJM JV Structure Planning teams. The scenarios examined what happens if floorspace demand deviates from the adjusted distribution by varying the share of new space directed to each neighbourhood. The testing determined if specific controls are needed to accommodate certain land uses in their preferred locations. For example, to help prevent an area intended for long-term office development from being overrun by short-term residential development.

Appropriate buffer

Considering the SRL East stations open in 2035, 2041 marks a relative early stage in the development timeline for the areas surrounding each station. To support growth beyond 2041, it is essential that floorspace demand remains below floorspace capacity. This requires an appropriate buffer for each Structure Plan Area to support continued growth beyond 2041, and to account for higher-than-expected demand. The buffer also recognises that not every site will be developed to its full potential – widespread property amalgamation may not occur, or owners may simply choose not to develop a site to its full potential.

The analysis detailed in this report determines that by 2041, an acceptable floorspace demand should range between 60% and 70% of the total calculated capacity across the Structure Plan Area and within each neighbourhood. Accordingly, 65% is set as a threshold for further investigation, while 70% is established as the upper limit, meaning it is preferable for floorspace demand not to exceed 70% of the total capacity by 2041.

The 65% threshold is not a target, and the appropriate level of demand relative to capacity may differ by Structure Plan Area and neighbourhood:

- In certain cases, demand is projected to approach maximum capacity by 2041. Capacity being approached in one neighbourhood can be acceptable if more of the growth is anticipated in the short term, or there is capacity for demand to shift to an adjoining or similar neighbourhood. However, if the uses creating demand in a neighbourhood can only be located within that neighbourhood (such as a health precinct), the capacity threshold is more critical.
- In some areas, demand is estimated to be a much lower proportion of capacity by 2041. However, this is not considered a reason to modify built form guidance. Available capacity allows for flexibility for changes in growth, encourages development activity with greater site potential increasing feasibility, and provides choice to the community. Further, creating the potential for growth does not mean that opportunity will be taken up on every site or even most sites.
- The design guidance generally allows for an increased development opportunity on sites by proposing FARs that are materially above current developed levels. This is necessary to incentivise development of some higher density living or workspaces to support growth. However, only a proportion of sites will be developed up to what is allowed under the proposed built form outcomes and FARs (e.g. some may be developed to four stories instead of the allowable six, or only a proportion of sites in an area will be developed at all). If estimated demand in a Structure Plan Area is well below 65% of capacity, this does not mean FARs should be lowered to reduce available capacity. This risks impacting the feasibility of redevelopment and in turn, the achievement of projected growth. The consequences of not having enough capacity are far greater than demand consuming a lower share of capacity. This can, include overcrowding, strains on infrastructure, constrained growth, and rapid rises in property costs. Results where demand is 65% should not be interpreted as there being “too much” capacity - flexibility and opportunity for growth is critical.

The LUSCA modelling approach was designed as an iterative process, providing a feedback loop between urban economists, strategic planners, and urban designers. The following results presented relate to the final

proposed built form outcomes and FARs presented in the Urban Design Reports that have informed preparation of the Structure Plans. However, a series of model runs and scenarios were conducted to reach this point.

FINDINGS AND RECOMMENDATIONS

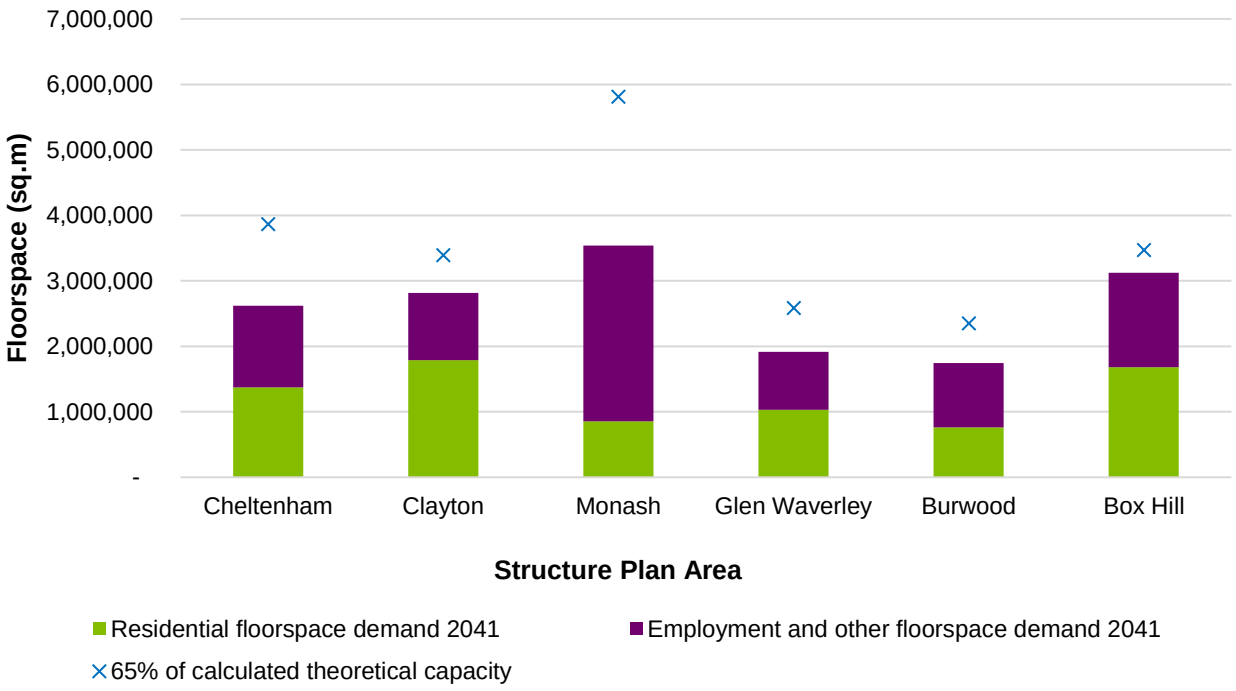
The table and figure below show the projected floorspace demand in 2041 as a percentage of calculated theoretical capacity in the SRL East Structure Plan Areas. Key points to note:

- Overall, the LUSCA identifies that SRL East Structure Plan Areas have sufficient capacity planned to support the projected population and employment growth to 2041 and beyond. This indicates the proposed built form guidance underlying the Draft SRL East Structure Plans is appropriate to create sufficient capacity to support growth over the anticipated Structure Plan timeframe and beyond.
- The floorspace demand to capacity comparison is tightest in the Box Hill Structure Plan Area, with 2041 demand equal to 59% of capacity. At the other end, demand in the Monash Structure Plan Area equates to around 40% of the calculated capacity.
- While floorspace demand is further below the 65% threshold in the Monash and Cheltenham Structure Plan Areas, available capacity is preferable to limited capacity. There are reasons why demand needs to be a lower proportion of capacity in these locations, as discussed in the results specific to each Structure Plan Area below and through this report.

CAPACITY VS. DEMAND: SRL EAST STRUCTURE PLAN AREAS

	Cheltenham	Clayton	Monash	Glen Waverley	Burwood	Box Hill
Floorspace demand 2041 (sq.m)	2,620,000	2,814,700	3,536,800	1,918,000	1,746,100	3,124,600
Theoretical floorspace capacity (sq.m)	5,946,800	5,217,000	8,943,300	3,978,400	3,619,000	5,338,800
Floorspace demand as a share of capacity (%)	44%	54%	40%	48%	48%	59%

Source: AJM JV



2041 FLOORSPACE DEMAND VS. FLOORSPACE CAPACITY 2041: SRL EAST STRUCTURE PLAN AREAS
Source: AJM JV

The results of the LUSCA analysis at the neighbourhood level for each Structure Plan Area, along with specific recommendations to address the balance of demand between neighbourhoods in each location are summarised over the following pages.

CHELTENHAM STRUCTURE PLAN AREA

RESULTS

In the Cheltenham Structure Plan Area, floorspace demand as a share of capacity at 2041 is projected to be 44%. The share of capacity reached overall (44%) is largely due to the significant capacity planned for within the Bayside Business District neighbourhood to encourage investment, regeneration and more substantial employment growth opportunities.

The results at a neighbourhood level (adjusted baseline) are shown below. The Southland neighbourhood has adequate capacity but may require management of the uses preferenced in this area.

- **Scenario 1** – considers if capacity still exists in the other neighbourhoods should the Bayside Business District not support its projected office growth. Removing office from the Bayside Business District does not have a significant impact on capacity elsewhere as only 33,000 sq.m of space needs to be redistributed.
- **Scenario 2** – seeks to understand the impact on employment uses should the amount of residential floorspace increase in the Bayside Business District neighbourhood. With over 2 million sq.m of floorspace capacity, to hit 65% of the floorspace capacity at 2041, almost 700,000 sq.m of residential floorspace could fit in the Bayside Business District neighbourhood alongside the projected employment floorspace. This increase exceeds the total demand for new residential floorspace across the entire Cheltenham Structure Plan Area from 2024 to 2041. This suggests that residential space can be accommodated without undermining the potential for employment growth, although it does not imply residential development of this scale should be supported.
- **Scenario 3** – seeks to understand the impact of potential limits on growth in peripheral residential areas. Floorspace demand as a share of capacity increases to 66% in the Southland neighbourhood under this Scenario. There would be more of a capacity concern, indicating some residential growth is necessary elsewhere.

FLOORSPACE DEMAND AS A SHARE OF CAPACITY

Neighbourhood	Adjusted baseline	Scenario 1	Scenario 3
CTM A: Southland	57%	58%	66%
CTM B: Highett	46%	46%	30%
CTM C: Nepean Highway East	49%	49%	49%
CTM D: Pennydale	42%	42%	41%
CTM E: Bayside Business District	32%	30%	32%
Total	**44%**	**44%**	**44%**

*Source: AJM JV *Scenario 2 is modelled differently so these results at the neighbourhood level are not available.*

CHELTENHAM RECOMMENDATIONS

1. Support significant growth of high-density buildings to accommodate residential uses and employment uses (such as retail, office, health, other commercial, community) in the Southland neighbourhood.
2. Encourage office, retail and other commercial development in the Southland neighbourhood to meet the significant employment growth.
3. Promote the continued regeneration of the Bayside Business District as the key employment precinct outside of the areas closest to the SRL station.
4. Consider supporting an increase in residential space in the Bayside Business District neighbourhood.
5. Maintain the planned capacity in the largely residential neighbourhoods by supporting property amalgamation and discouraging under-development to support sustained, viable residential development that protects the opportunity for longer-term growth.
6. Maximise the development outcome on key strategic sites across the Structure Plan Area.
7. Investigate opportunities for high-density residential development as part of mixed-use outcomes on the Southland Shopping Centre site, while protecting the retail asset.

CLAYTON STRUCTURE PLAN AREA

RESULTS

- In the Clayton Structure Plan Area, floorspace demand as a share of capacity at 2041 is projected to be 55%.
- Clayton Central and the Health neighbourhoods are identified as having potential capacity issues. While these levels are enough to trigger a flag in this analysis, there is still capacity identified beyond 2041.
- In regard to the Health neighbourhood, reaching 74% of capacity is not viewed as a concern, as the results largely depend on Monash Health's plans. The projected health-related jobs and the floorspace capacity for the hospital were estimated without input from Monash Health. At this stage, adjusting the FAR or land use controls to increase capacity would be unnecessary, as the outcome will ultimately depend on Monash Health's decisions about the hospital site.
- **Scenario 1** – seeks to identify what is driving the capacity issue in the Health neighbourhood and reduces the amount of residential, office, other employment and education space directed to the area. There is still a capacity flag in the Health neighbourhood even after reducing new space in other categories. However, it is less of an issue under this scenario with demand as a share of capacity falling from 74% under the adjusted baseline to 66%, meaning there would be opportunity for ongoing growth. The capacity issue in the Clayton Central neighbourhood worsens as this is the key alternative area capable of accommodating the other employment uses the Health neighbourhood can't.
- **Scenario 2** – seeks to understand the impact of potential limits on growth in peripheral residential areas and pushes 100% of new residential space into the Clayton Central neighbourhood. This causes a significant capacity issue in the Clayton Central Neighbourhood (demand increases to 147% of capacity) but reduces the issue in the Health Neighbourhood (reduction in residential growth reduces demand to 69% capacity). This shows the Clayton Central Neighbourhood does not have capacity to be the only location where residential growth occurs.

FLOORSPACE DEMAND AS A SHARE OF CAPACITY

Neighbourhood	Adjusted baseline	Scenario 1	Scenario 2
CLA A: Clayton Central	66%	71%	147%
CLA B: Health	74%	66%	69%
CLA C: Flora Road	32%	34%	27%
CLA D: Inner East	42%	43%	28%
CLA E: Dunstan	52%	55%	44%
CLA F: Central South	60%	64%	55%
Total	**54%**	**54%**	**54%**

Source: AJM JV

CLAYTON RECOMMENDATIONS

1. Further investigate the specific requirements for expansion of Monash Health and surrounding land through consultation.
2. Preference the delivery of health-related activity within the Health neighbourhood.
3. Support higher-density development for residential uses and employment uses (such as retail, office, health, other commercial, community) in the Clayton Central neighbourhood by facilitating property amalgamation and leveraging key sites.
4. Encourage retail, office and other commercial development to be directed to the Clayton Central neighbourhood to meet the significant employment growth.
5. Promote the regeneration of the Audsley Street industrial area and key road corridors to support greater employment growth.
6. Maintain the planned capacity in the largely residential neighbourhoods by supporting property amalgamation and discouraging under-development to support sustained, viable residential development that protects the opportunity for longer term growth.
7. Maximise the development outcome on key strategic sites across the Structure Plan Area.

MONASH STRUCTURE PLAN AREA

RESULTS

- In the Monash Structure Plan Area, floorspace demand at 2041 equates to 40% of the calculated capacity. Having a larger buffer in Monash is preferred as most growth is expected to occur post 2041.
- The Monash University and CSIRO neighbourhood is calculated to have a notional capacity issue. However, this is driven by high education employment projections and a potentially conservative estimate Monash University's capacity (the university development potential has not been specifically considered in the Draft Structure Plan). It is ultimately up to the development ambition of the University for development on the site. There is also significant capacity in adjoining neighbourhoods, indicating potential for demand to flow to other areas. The identified demand being slightly greater than capacity in the Monash University neighbourhood is not seen as a material issue in planning for the area.
- **Scenario 1** – seeks to understand if significant residential growth would impact employment outcomes in the Monash Central neighbourhood by assessing the amount of residential space that could be directed to the neighbourhood before it reaches 65% capacity. To hit 65% of the floorspace capacity at 2041, almost 600,000 sq.m of new residential space could fit in the Monash Central neighbourhood alongside the projected employment floorspace. This increase is equivalent to almost three times the total amount of new residential floorspace demanded across the entire Monash Structure Plan Area from 2024 to 2041. This growth is not necessary, but does show residential development will not crowd out employment growth.
- **Scenario 2** – considers if capacity still exists in the other neighbourhoods if housing is not permitted in the Monash Central neighbourhood. Removing new residential space from the Monash Central neighbourhood sees roughly 130,000 sq.m of residential space redistributed to the Notting Hill, Wellington Road and Clayton North neighbourhoods. At face value, there appears to be no issue. However, if widespread amalgamation isn't feasible in these areas, or if capacity is constrained for other reasons, directing this additional residential space to these neighbourhoods would result in floorspace demand reaching levels much closer to capacity thresholds—placing areas like Notting Hill on the verge of a potential capacity issue.

FLOORSPACE DEMAND AS A SHARE OF CAPACITY

	Adjusted baseline	Scenario 2
Neighbourhood	Floorspace demand as a share of capacity (%)	Floorspace demand as a share of capacity (%)
MSH A: Monash Central	30%	20%
MSH B: Employment Growth	18%	18%
MSH C: Health Innovation	39%	39%
MSH D: Monash University & CSIRO	100%	100%
MSH E: Notting Hill	35%	45%
MSH F: Wellington Road	36%	39%
MSH G: Clayton North	36%	40%
Total	**40%**	**40%**

*Source: AJM JV *Scenario 1 is modelled differently focussing on a single neighbourhood, so these results at the neighbourhood level are not available.*

MONASH RECOMMENDATIONS

1. Support significant growth of high-density buildings to accommodate residential uses and employment uses (such as retail, office, health, other commercial, community) in the Monash Central neighbourhood.
2. Maintain the large capacity buffer in the Employment Growth neighbourhood as this area will support the longer-term growth of the Monash Structure Plan Area employment base and can present opportunities for expansion of activity linked to Monash University.
3. Further investigate the specific requirements for expansion of Monash University, CSIRO and surrounding land through consultation.
4. Support the evolution of existing industrial areas towards higher value employment precincts.
5. Encourage the delivery of catalytic development outcomes on key strategic sites across the Structure Plan Area.
6. Maintain the planned capacity in the largely residential neighbourhoods by supporting property amalgamation and discouraging under-development to support sustained, viable residential development that protects the opportunity for longer-term growth.

GLEN WAVERLEY STRUCTURE PLAN AREA

RESULTS

- In the Glen Waverley Structure Plan Area, floorspace demand at 2041 equates to around 48% of the calculated capacity.
- At a neighbourhood level, there also appears to be sufficient capacity to accommodate projected growth to 2041.
- **Scenario 1** – aims to accommodate sufficient employment and residential space in the Central Glen Waverley neighbourhood, even if residential demand exceeds expectations and with 100% of new residential space into the area. Since the core area is already the focus of residential growth, this scenario adds only an additional 24,000 sq.m of floorspace to the neighbourhood – a small change that does not significantly impact the overall results.
- **Scenario 2** – intends to inform consideration of the preferred land use mix in the Central Glen Waverley neighbourhood and also considers if it is necessary to accommodate office development in the Central Glen Waverley neighbourhood. This scenario removes all new office growth from Central Glen Waverley and distributes it to other areas suitable for office development, namely Waverley Road. As there is sufficient capacity in all neighbourhoods, and the total office requirement is not high (81,500 sq.m), this shift does not impact other areas materially. However, it is noted that significant office development outside the Central Glen Waverley neighbourhood is not likely.

FLOORSPACE DEMAND AS A SHARE OF CAPACITY

Neighbourhood	Adjusted baseline	Scenario 1	Scenario 2
GWY A: Central Glen Waverley	51%	53%	48%
GWY B: Bogong	49%	48%	49%
GWY C: Glen Waverley North	38%	37%	39%
GWY D: Springvale Road East	57%	57%	57%
GWY E: Waverley Road	40%	40%	45%
Total	**48%**	**48%**	**48%**

Source: AJM JV

GLEN WAVERLEY RECOMMENDATIONS

1. Support significant growth of high-density buildings to accommodate residential uses and employment uses (such as retail, office, health, other commercial, community) in the Central Glen Waverley neighbourhood.
2. Encourage office, retail and other commercial development in the Central Glen Waverley neighbourhood to meet the growth and changing nature of employment projected.
3. Maximise the development outcome on key strategic sites across the Structure Plan Area.
4. Investigate the potential opportunity for further high-density development on The Glen Shopping Centre site, while preserving the retail asset.
5. Encourage appropriate density in the largely residential neighbourhoods by supporting property amalgamation and discouraging under-development to support sustained, viable residential development that protects the opportunity for longer-term growth.
6. Promote the regeneration of the Aristoc Road industrial area and parts of the Springvale Road area to support greater employment growth.

BURWOOD STRUCTURE PLAN AREA

RESULTS

- In the Burwood Structure Plan Area, floorspace demand at 2041 equates to around 48% of the calculated capacity. This is the result of capacity being created to incentivise development around the station, in the Station Street neighbourhood, and in large areas of existing low density residential.
- The Education neighbourhood has a potential capacity issue, with the allocated demand just triggering the capacity flag at 66%. This is driven by high education employment projections. However, the capacity to achieve employment projections and develop the area is ultimately up to the development ambitions and needs of Deakin University. This is consequently not seen as a significant issue.
- The Employment C2 neighbourhood is modelled to reach 79% of capacity by 2041. This is a relatively small area that would be expected to reach capacity earlier than some precincts. While consideration could be given to whether capacity should be increased through allowing for greater FARs, should capacity be approached in the Employment C2 neighbourhood, demand will likely shift to nearby comparable areas.
- There is significant capacity in the nearby Employment C1 neighbourhood to accommodate further floorspace demand. Consequently, a need to increase capacity simply to address a higher share of capacity being reached in Employment C2 is not considered necessary. The market will respond to the available capacity existing across the combined employment neighbourhoods.
- **Scenario 1** – seeks to guide the land use mix in the core of the Burwood Structure Plan Area, and tests removing office space from the Burwood Central neighbourhood. Floorspace demand in the Burwood Central neighbourhood only decreases by ~14,000 sq.m. Pushing this office space into other neighbourhoods does not create capacity issues in those areas, and does not change the shares materially at all.
- **Scenario 2** – aims to understand the impact of potential limits on growth in peripheral residential areas, and pushes 100% of new residential space in the Structure Plan Area into the Burwood Central neighbourhood. Floorspace demand in the Burwood Central neighbourhood increases by 136,100 sq.m, creating a potential capacity issue in the core. This highlights that other neighbourhoods need to support some residential growth.

FLOORSPACE DEMAND AS A SHARE OF CAPACITY

Neighbourhood	Adjusted baseline	Scenario 1	Scenario 2
BUR A: Burwood Central	42%	39%	70%
BUR B: McIntyre	46%	46%	33%
BUR C1: Employment Neighbourhood	53%	54%	45%
BUR C2: Employment Neighbourhood	79%	79%	79%
BUR D: Ashwood	49%	49%	49%
BUR E: Lundgren	38%	38%	32%
BUR F: Station Street	30%	30%	28%
BUR G: Education Neighbourhood	66%	66%	64%
Total	**48%**	**48%**	**48%**

Source: AJM JV

BURWOOD RECOMMENDATIONS

1. Support growth of high-density buildings to accommodate residential uses and some employment uses (such as retail, office, health, other commercial, community) in the Burwood Central neighbourhood, and along Burwood Highway.
2. Further investigate the specific requirements for expansion of Deakin University and the schools through consultation.
3. Promote the regeneration of the industrial areas to support greater employment growth.
4. Maintain the planned capacity in the largely residential neighbourhoods by supporting property amalgamation and discouraging under-development to support sustained, viable residential development that protects the opportunity for longer-term growth.
5. Maximise the development outcome on key strategic sites across the Structure Plan Area.

BOX HILL STRUCTURE PLAN AREA

RESULTS

- In the Box Hill Structure Plan Area, floorspace demand at 2041 equates to around 59% of the calculated capacity. This is higher than other Structure Plan Areas, reflecting that Box Hill is forecast to be closer to 2056 population and employment projections by 2041.
- Central Box Hill and Health and Education neighbourhoods are modelled to be approaching potential capacity thresholds by 2041.
- **Scenario 1** – aims to accommodate sufficient space in the Central Box Hill neighbourhood for residential and employment uses, particularly if residential demand is much greater than projected. This scenario directs 100% of new residential space in the Structure Plan Area into the Central Box Hill neighbourhood. Floorspace demand in the Central Box Hill neighbourhood increases by 345,500 sq.m, generating a moderate capacity issue. While this is an extreme scenario, it does highlight that unlimited residential development in Central Box Hill may have the potential to crowd out employment uses.
- **Scenario 2** – considers the quantum of residential uses that could be added in the Health and Education neighbourhood before capacity constraints are reached. To hit 65% of capacity, residential floorspace demand in the Health and Education neighbourhood would need to increase by around 48,000 sq.m (compared to the adjusted distribution). There is capacity for some residential development in the neighbourhood without crowding out employment growth.

FLOORSPACE DEMAND AS A SHARE OF CAPACITY

Neighbourhood	Adjusted baseline	Scenario 1	Scenario 2
BOX A: Central Box Hill	64%	76%	63%
BOX B: Health & Education	61%	57%	65%
BOX C: Surrey Park	51%	33%	50%
BOX D: Gardens	55%	51%	54%
BOX E: Laburnum	50%	43%	48%
BOX F: Albion	48%	48%	47%
Total	**59%**	**59%**	59%

Source: AJM JV

BOX HILL RECOMMENDATIONS

1. Support significant growth of high-density buildings to accommodate residential uses and employment uses (such as retail, office, health, other commercial, community) in the Central Box Hill neighbourhood.
2. Encourage office, retail and other commercial development in the Central Box Hill neighbourhood to meet the growth and changing nature of employment projected.
3. Preference the delivery of health and education related activity within the Health and Education neighbourhood.
4. Further investigate the specific requirements for expansion of the hospitals, Box Hill Institute and surrounding land through consultation.
5. Maintain the planned capacity in the largely residential neighbourhoods by supporting property amalgamation and discouraging under-development to support sustained, viable residential development that protects the opportunity for longer-term growth.
6. Maximise the development outcome on the key strategic sites across the Structure Plan Area.

1. Introduction

Suburban Rail Loop (SRL) is a transformational project that will help shape Melbourne's growth in the decades ahead. It will better connect Victorians to jobs, retail, education, health services and each other – and help Melbourne evolve into a 'city of centres'.

SRL will deliver a 90-kilometre rail line linking every major train service from the Frankston Line to the Werribee Line via Melbourne Airport.

SRL East from Cheltenham to Box Hill will connect major employment, health, education and retail destinations in Melbourne's east and south east. Twin 26-kilometre tunnels will link priority growth suburbs in the municipalities of Bayside, Kingston, Monash and Whitehorse.

SRL East Draft Structure Plan (Structure Plan) Areas will surround the six new underground stations at Cheltenham, Clayton, Monash, Glen Waverley, Burwood, and Box Hill. The new SRL East stations are scheduled to open in 2035.

1.1 Role of the Land Use Scenario and Capacity Analysis (LUSCA)

The Land Use Scenario and Capacity Analysis (LUSCA) tests the capacity of the SRL East Structure Plan Areas to accommodate projected population and employment growth. This technical report will inform the development of the Structure Plans to guide land use planning and development in the Structure Plan Areas of SRL East.

The SRL East Structure Plan – Economic Profile Technical Reports, the Housing Needs Assessment Technical Reports, and the Retail Assessment Technical Reports prepared to inform the Draft Structure Plans have respectively estimated the residential and employment floorspace required to support the population and employment growth projected for each Structure Plan Area.

However, the analysis for those Technical Reports did not consider the capacity for that floorspace to be supported within the context of the proposed built form outcomes and FARs presented in the Urban Design Reports that have informed preparation of the Structure Plans (hereafter referred to as built form guidance) and the need to accommodate all uses together in preferred locations. The Technical Reports referred to above were prepared as documents to inform the development of the Structure Plans, without the benefit of urban design guidance to allow consideration of the capacity of the areas to accommodate that growth.

The role of the LUSCA is to bring the residential and employment floorspace demand estimates together and compare them collectively against calculated future capacity of each Structure Plan Area and neighbourhood. Given the mixed-use outcomes anticipated within the Structure Plan Areas, it is important to consider if both residential and employment floorspace can be supported. In some locations, such as central activity areas, residential and employment uses will both need to be supported.

It is vital there is capacity in the Structure Plan Areas to allow a balance of residential and employment development in key locations. As land values increase and market cycles influence development preferences in the short versus longer term, it will be important that development of one use does not 'crowd out' development of other necessary uses. For example, current market conditions are more supportive of the delivery of higher-density residential buildings in the core areas around the SRL stations. If there is insufficient capacity in those

core areas, there is a risk they will be filled by predominantly residential uses in the short to medium term, with limited scope for development of office space or other necessary employment floorspace in the longer term.1

Consequently, the LUSCA has been developed in a way to test that residential and employment floorspace can both be accommodated in the preferred locations for each use to 2041, with further capacity for growth beyond.

Considering the SRL East stations open in 2035, 2041 marks a relative early stage in the development timeline for the areas surrounding each station. A capacity buffer is considered through this assessment to support continued growth beyond 2041, account for higher-than-expected demand, and to allow for that fact that not every site will be developed to its full potential – widespread property amalgamation may not occur or owners may simply choose not to develop a site to its full potential.

While this report summarises the results and recommendations based on the built form guidance underlying the Structure Plans, the LUSCA has been an iterative approach to inform the development of the Structure Plans. The LUSCA modelling has been used through the structure planning process to progressively test proposed controls such as height limits and their impact on floor area ratios (FARs), appropriate distribution of floorspace demand, and the balance between employment and housing uses.

Throughout the process, a series of scenario or sensitivity tests were conducted to assess the impacts of adjusting proposed built form outcomes and FARs or altering the distribution of floorspace demand. This has been part of an ongoing feedback loop, identifying neighbourhoods where capacity is more likely to be exhausted based on the proposed built form guidance. Where capacity issues were identified across a Structure Plan Area or in a neighbourhood, there was opportunity to review the proposed built form guidance and retest the demand versus capacity balance.

Through this process of testing the effects of different FARs and demand distribution on neighbourhood capacity, the LUSCA has assisted in identifying the need for specific built form guidance or other interventions to provide for the accommodation of both residential and employment land uses, in total as well as considering the desired locations for each use. These amendments that were made progressively are reflected in the latest proposed built form outcomes and FARs and other interventions, and inform the capacity estimates presented in this report.

This report details the LUSCA methodology and the results of the analysis. Recommendations based on the analysis to inform the Structure Plans are made.

1.2 Project context

Construction of the SRL East underground stations is underway at Cheltenham, Clayton, Monash, Glen Waverley, Burwood and Box Hill. This provides an opportunity to enhance the surrounding neighbourhoods. Each neighbourhood has its own distinct character, offering different opportunities to investigate through the structure planning process. SRL East will support thriving and sustainable neighbourhoods and communities that offer diverse and affordable housing options, with easy access to jobs, transport networks, open space, and community facilities and services.

A Vision has been developed in consultation with the community and stakeholders for each Structure Plan Area and surrounds. The visions set out the long-term aspirations for these areas, ensuring they are ready to meet the needs of the growing population.

[1] It should be noted that floorspace capacity is not segmented separately into capacity for residential or employment floorspace. This recognises that in most mixed-use areas (e.g. where an Activity Centre or Commercial 1 zone applies) both use types are supported with limited, if any controls on the weighting between uses. Therefore, while the process allocates floorspace demand for residential and employment uses in a way that allows estimation of the relative mix between uses, demand is aggregated for a Structure Plan Area or neighbourhood to compare against the respective floorspace capacity. Floorspace capacity is a single figure against which total floorspace demand is compared.

Figure 1.1 shows SRL East in the context of the entire SRL project and Melbourne's rail network.

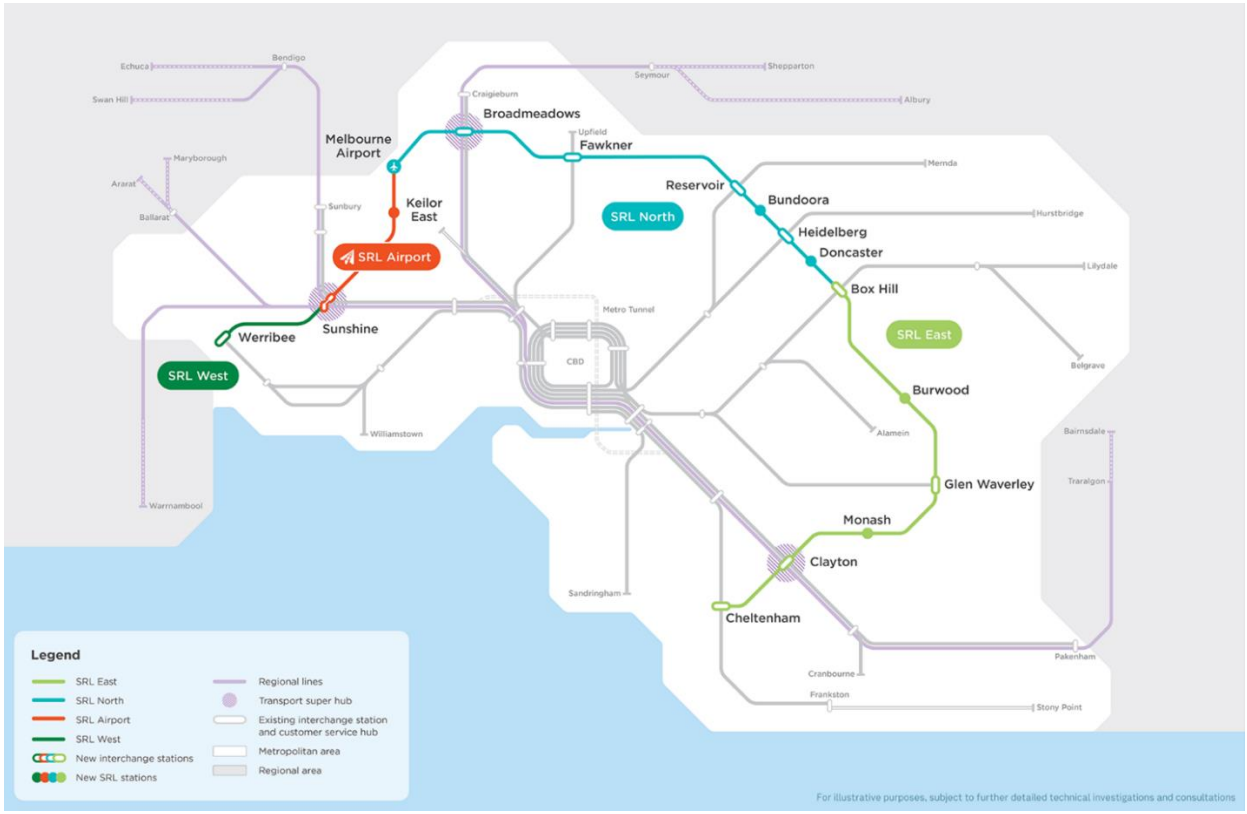


FIGURE 1.1 SRL EAST IN MELBOURNE'S RAIL NETWORK

1.3 Structure planning for SRL East

Structure Plans are being prepared for defined areas surrounding the new SRL East stations.

The Structure Plans cover defined Structure Plan Areas that can support the most growth and change. These areas cover a walkable catchment that extends from the SRL station entrances. Additional places are included within each Structure Plan Area as required to make planning guidance more robust and effective, and to align with each community's aspirations and current and future needs.

A Structure Plan is a blueprint to guide how an area develops and changes over a period of time (generally 15-20 years). Structure Plans describe how future growth within the area will be managed in an appropriate and sustainable way to achieve social, economic and environmental objectives. The Structure Plans cover a wide range of matters, such as transport connections and car parking, housing and commercial development, community infrastructure, urban design, open space, water and energy management, climate resilience and sustainability.

By tailoring planning decisions to reflect the needs of a defined area, Structure Plans give effect to the policies and objectives set for these areas and cater for changing community needs. They also provide certainty for residents, businesses and developers by identifying the preferred locations and timing of future land uses, development and infrastructure provision.

Structure Plans take a flexible and responsive approach that enables places to evolve over time.

Planning scheme amendments will be required to implement the Structure Plans into the planning schemes of the cities of Bayside, Kingston, Monash and Whitehorse.

1.4 Structure of this report

The remainder of the report is structured as follows:

- **Section 2 – Methodology:** outlines the methodology for testing if capacity exists to physically accommodate the projected population and employment growth.
- **Section 3 – Results:** presents the capacity modelling results for each Structure Plan Area in total and at and neighbourhood level, as well as a series of scenarios designed to test different distributions of floorspace demand.
- **Section 4 – Key findings and recommendations:** provides a summary of the results and highlights recommendations to consider when developing the Structure Plans, or for ongoing monitoring of land use development.

1.5 Geographic boundaries

The Structure Plan Areas occupy the land surrounding each SRL station, where most change and development will occur over the next decades. These areas are smaller than the 1600m radius areas used in the *SRL Business and Investment Case (BIC) (2021)*.

For the purpose of testing floorspace demand versus capacity, each Structure Plan Area was separated into several urban form areas and neighbourhoods:

- Urban form areas represent areas of similar building typology as determined by the urban design assessments through the structure planning process. Each urban form area is allocated a specific FAR. The capacity of each developable property is determined using the FAR.
- Neighbourhoods represent areas with either a similar land use mix, or mixed-use areas logically defined by physical or geographic barriers referenced through the structure planning process. Floorspace demand (and scenario testing) is modelled at the neighbourhood level.

Appendix A provides a map of each Structure Plan Area showing the neighbourhoods and urban form areas, as well as the FARs corresponding to each urban form area.

1.6 Key definitions

Key definitions used in the LUSCA are outlined below:

- **Floorspace demand** represents the estimated floorspace across various land uses required to accommodate the projected population and employment growth within each Structure Plan Area. Floorspace demand estimates are sourced from the SRL East Structure Plan – Economic Profile Technical Reports, the Housing Needs Assessment Technical Reports, and the Retail Assessment Technical Reports.
    - » These Technical Reports estimate floorspace demand using population and employment projections for each Structure Plan Area. The projections were derived from the CityPlan population and employment projections outlined in the SRL Business and Investment Case (2021). CityPlan is a strategic scale Land Use Transport Interaction (LUTI) model used to estimate the broad land use impacts of major transport and precinct initiatives. The CityPlan model was developed by KPMG for the Victorian Government's Department of Transport and Planning (DTP).
    - » For the purpose of reporting, the LUSCA splits floorspace demand between residential, and employment and other (which includes all employment uses and infrastructure):
        - – Residential floorspace includes low-, medium- and high-density dwellings as well as aged care and student accommodation.

- Employment floorspace includes:
  - Office – includes multi-storey office towers, campus style buildings and commercial tenants in shopping centres, mixed-use developments or along the street
  - Health – includes hospitals, medical centres and health tenancies in shopping centres, mixed-use developments or along the street
  - Education – includes schools and universities and education tenancies in shopping centres, mixed-use developments or along the street
  - Retail – includes shopping centres, retail on high streets and standalone sites
  - Public Use – includes courts, town halls, police stations, fire stations and the like
  - Industrial – industrial uses in warehouse and factory typologies
  - Entertainment / Recreation – includes structures in sporting contexts (such as club rooms), bars or clubs, cinemas and other commercial entertainment (such as mini golf)
  - Accommodation – includes hotels, serviced apartments and short-stay accommodation.
- Note Retail, Accommodation, Public Use and Entertainment/Recreation are combined and reported as 'Other Employment'.
- Other floorspace includes:
  - Infrastructure – includes podium car parking and public utilities such as electrical sub-stations and waste and recycling facilities.

» The technical reports indicate total floorspace demand for each Structure Plan Area. However, for the purpose of testing floorspace capacity and demand, it is necessary to understand the distribution of floorspace demand across each Structure Plan Area. The current distribution of floorspace for each land use type is referred to as the **'baseline distribution'**. This is used as the starting point for distributing future floorspace demand.

» Rather than assuming future land uses will be developed proportionately with where existing floorspace is located, the **'adjusted distribution'** allocates floorspace spatially based on where demand would realistically be directed, considering how development of each use type would respond with FARs as proposed, but in the absence of other policy intervention or capacity constraints. The adjusted distribution takes into account the existing distribution of floorspace, makes adjustments for strategic sites and future development sites around the SRL stations that create new opportunities for development in different locations, and incorporates recommendations from the SRL East Structure Plan – Economic Profile Technical Reports, the Housing Needs Assessment Technical Reports, and the Retail Assessment Technical Reports relating to preferred development locations.

- **Floorspace capacity** represents the estimated total floorspace that can be delivered over time based on the proposed built form outcomes and FARs presented in the Urban Design Reports that have been prepared to inform preparation the Structure Plans (that is, the proposed **built form guidance**). Floorspace capacity is calculated at a property level and can be aggregated up to larger areas such as Structure Plan Areas or neighbourhoods.

  » The capacity estimated is a calculated theoretical capacity – it presumes each property will be developed to its maximum potential as allowed by the built form guidance and other characteristics of the property. However, the theoretical capacity may not be realised in practice. In this report, all mentions of capacity refer to the calculated theoretical capacity.

  » Floorspace capacity is determined by examining the existing floorspace on a property, before determining the potential additional floorspace that could be developed on that property under proposed built form guidance. The additional floorspace that could be developed on a property is calculated using the designated FAR and considering any development constraints.

  - FAR is a representation of developable floorspace relative to land area. It represents the preferred average development outcome, determined through an urban design typology testing process. Most of the FARs modelled in the LUSCA are taken directly from the SRL East Structure Plan – Urban Design reports or are within a range listed within these reports.
  - A development constraint refers to planning overlays or other constraints such as strata title that restrict a property's potential for development. For example, development is prohibited on properties designated as open space.
- Floorspace capacity refers to total floorspace. It is not segmented into capacity for residential or employment floorspace as most mixed-use areas will support both uses, with limited controls on the weighting between uses.

- Floorspace demand and floorspace capacity are stated in **gross building area (GBA)**, which refers to the total floorspace of a building including areas such as stairs, hallways and plant equipment rooms.
- **Capacity buffer** refers to the margin by which floorspace demand should stay below floorspace capacity to prevent land shortages, accommodate growth beyond 2041 and account for higher-than-expected demand. A buffer also recognises that not every site will be developed to its full potential – widespread property amalgamation may not occur, or owners may simply choose not to develop a site to its full potential.
- When evaluating the balance between floorspace capacity and demand, 'sufficient' capacity means the demand derived from the population and employment projections is met with an adequate buffer.

A comprehensive compilation of definitions is provided in Appendix B.

1.7 Key data sources and interdependencies

The LUSCA was informed by other technical reports prepared to inform preparation of the SRL East Structure Plans. The key data sources used, and other interdependent technical reports prepared to inform the development of the SRL East Structure Plans are detailed below. The Technical Reports and key data sources informing the demand for floorspace are outlined first, followed by those which relate to establishing the capacity of the Structure Plan Areas.

1.7.1 FLOORSPACE DEMAND

1.7.1.1 Technical reports informing demand inputs

The total residential, employment and retail floorspace derived from the following reports were a direct input into the LUSCA, informing the demand side of the modelling:

- *SRL East Structure Plan – Economic Profile Technical Report.* An Economic Profile Technical Report was prepared for each Structure Plan Area. Each report forecast the long-term economic function of each Structure Plan Area, with projected employment growth by industry used to determine the amount and type of floorspace needed to support the employment growth. The estimate of total employment floorspace by use in these reports was a direct input into the LUSCA modelling.
- *SRL East Structure Plan – Housing Needs Assessment.* A Housing Needs Assessment Technical Report was prepared for each Structure Plan Area. Each report forecast the long-term housing needs to accommodate the projected resident population growth in each Structure Plan Area, including the number, type and size of dwellings. The estimate of total residential floorspace in these reports was a direct input into the LUSCA modelling.
- *SRL East Structure Plan – Retail Assessment Technical Report.* A Retail Technical Report was prepared for each Structure Plan Area. Each report considers the location, amount and type of floorspace needed to support the future users of each location. The estimate of total retail floorspace needed in these reports was a direct input into the LUSCA modelling.

Appendix B provides the floorspace demand presented in these Technical Reports. The locational recommendations in the Technical Report informed the distribution of floorspace demand by use across the neighbourhoods of each Structure Plan Area.

1.7.1.2 Population and employment projections

The demand for floorspace calculated in the SRL East Structure Plan – Economic Profile Technical Reports, the Housing Needs Assessment Technical Reports, and the Retail Assessment Technical Reports Housing was largely based on the population and employment projections for each Structure Plan Area. These projections are outlined here to provide context of the scale of growth to be accommodated in each Structure Plan Area to 2041, and how this relates to longer-term projections for the wider 1600m radius areas presented in the SRL Business and Investment Case (2021).

Projections for each Structure Plan Area were derived from the CityPlan projections generated for the SRL Business and Investment Case (2021). These CityPlan projections related to areas that are a 1600-metre radius around each SRL station, and so do not correspond directly with the smaller Structure Plan Areas.

The population and employment projections for the 1600-metre radius areas from each SRL East station and for the smaller SRL East Structure Plan Areas are outlined in Table 1.1 and Table 1.2, respectively.

Since the Structure Plans are designed to support change over a 15-20 year period, population and employment projections (along with floorspace demand estimates) for the Structure Plan Areas have only been produced for 2041.

However, given it is necessary to maintain some capacity in the Structure Plan Areas to allow for continued growth beyond 2041, the 2056 projections for the 1600-metre radius areas are relevant context to consider the projected population and employment growth in the years leading up to 2041, compared to the growth anticipated from 2041 to 2056.

TABLE 1.1 POPULATION AND EMPLOYMENT PROJECTIONS: SRL EAST 1600-METERE RADIUS AREAS, 2041 AND 2056

1600-metre radius area from SRL East station	2041		2056	
	Population	Employment	Population	Employment
Cheltenham	34,000	28,500	52,500	36,500
Clayton	40,500	41,500	55,000	57,500
Monash	21,000	72,000	30,500	162,000
Glen Waverley	33,500	17,500	46,500	25,000
Burwood	33,000	19,000	44,500	24,000
Box Hill	52,000	41,500	77,500	48,500

Source: CityPlan modelling published in SRL Business and Investment Case (2021)

TABLE 1.2 POPULATION AND EMPLOYMENT PROJECTIONS: SRL EAST STRUCTURE PLAN AREAS, 2021 AND 2041

Structure Plan Area	2021		2041	
	Population	Employment	Population	Employment
Cheltenham	9400	10,600	20,800	22,600
Clayton	14,200	12,700	26,900	29,600
Monash	10,000	20,900	17,900	50,000
Glen Waverley	7100	7800	11,700	13,800
Burwood	5300	9000	11,100	16,900
Box Hill	13,300	18,500	29,100	38,700

Source: Derived from CityPlan modelling published in SRL Business Investment Case (2021)

1.7.2 FLOORSPACE CAPACITY

The data and analysis provided in the SRL East Structure Plan Technical Reports listed below were direct inputs into the LUSCA, informing the capacity side of the modelling:

- *SRL East Structure Plan – Urban Design Technical Reports.* These reports identify the urban design strategies and initiatives that should be incorporated within each Structure Plan and provide built form guidance. Each report includes an Urban Form Framework which indicates the most appropriate development type for each urban form area based on its ability to deliver on the role and function of the urban form area and achieve the future character drivers. A floor area ratio (FAR) is provided for each urban form area. Most of the FARs modelled in the LUSCA are taken directly from the SRL East Structure Plan – Urban Design Technical Reports, or are within a range listed within these reports.
- *Draft SRL East Structure Plans* – A Draft Structure Plan has been prepared for each SRL East Structure Plan Area. Each Structure Plan Area is divided into a series of neighbourhoods used for LUSCA reporting. The Draft Structure Plans also indicate strategic sites which influence floorspace capacity. It is assumed that development is more likely on these sites, so development opportunity ratings are revised from modelled results for these often larger and therefore critical sites. Draft versions of the Structure Plans were reviewed, with guidance on method and inputs from the AJM JV Structure Planning team.

Other inputs which informed the calculation of the modelled capacity in each Structure Plan Area were:

- *AJM JV Floorspace Audit* – this audit indicates the amount and type of existing floorspace on a property. A floorspace audit identified and categorised residential and employment land in the Structure Plan Area. This process included review of several data sources (such as The Department of Energy, Environment and Climate Action (DEECA), Public Sector Mapping Agency (PSMA) and Space Syntax) to understand, for each building, the existing employment land use and estimate the amount of floorspace.
- *CoreLogic Cordell Connect* and *Urbis Apartment Essentials* – to identify which properties have projects that are in progress or planned, influencing the potential development outcome for that property.
- Relevant planning scheme overlay layers – to understand development constraints for a property.
- Consultation with the AJM JV Structure Planning and Urban Design teams helped determine the rules relating to whether a property is developable or not, and relative weighting of factors impacting the development opportunity.

A comprehensive list of data sources is provided in Appendix B.

1.8 Key assumptions and limitations of projections

Population and employment projections are critical for calculating floorspace demand. The key assumptions and limitations related to these are outlined below.

1.8.1 INHERENT UNCERTAINTIES IN POPULATION AND EMPLOYMENT PROJECTIONS

The population and employment data used to determine the required level of residential and employment floorspace in the SRL East Structure Plan – Housing Needs Assessment Technical Reports and the Economic Profile Technical Reports are derived from the CityPlan projections at a small area level (Travel Zone, TZN).

As highlighted in the appendices of the SRL Business Investment Case (2021), the CityPlan population and employment projections are strategic in nature and should be considered indicative - the outputs are an approximation of what can be expected in the real environment. It is noted City Plan and other models *"are strategic planning tools that are best at representing strategic level demands and patterns, rather than for small areas, or individual links within a transport network. Notwithstanding this, there will usually be differences between forecasts or projected and actual results because events and circumstances frequently do not occur as expected or predicted, and those differences may be material".*[2]

KPMG, as developers of CityPlan, advise that analysis of CityPlan data is best conducted using more aggregate geographies, such as SA2, SA3 or LGA rather than the more fine-grained Travel Zone scale, given it is a strategic representation.

The Structure Plan Area population and employment projections were generated by amalgamating several Travel Zones, with adjustments to match Structure Plan Area boundaries. At this level, and in total (that is, total population, total jobs), the projections are considered appropriate. The Structure Plan Areas are akin to an SA2 (one of the recommended geographies per KMPG guidance).

However, for the purpose of the SRL East Structure Plan – Economic Profile Technical Reports, it was necessary to analyse the industry classification of jobs built up from the Travel Zone (TZN) scale. These industry-level projections informed estimates of employment floorspace demand by use (such as office, education). While these were the best available estimates and an appropriate base for this task, given the limitations in using small area data which is then further broken down into industry-level data, the ultimate employment land use mix at a small area could be different. While employment data is segmented by use (based on the industry breakdown), the focus should be on the capacity of employment floorspace on the whole, not the capacity of specific employment land use types to fit.

1.8.2 LAND USE CHANGE FACTORED INTO PROJECTIONS

While structure planning will focus policy direction and planning controls in and around each SRL East station and will have significant direct effects on land use change, it is important to recognise that the population and employment projections derived from the CityPlan model presented in the SRL Business Investment Case (2021) which underpin modelled floorspace demand also factor in some land use change that would not be possible without delivery of SRL East.

The population and employment projections in the SRL Business and Investment Case (2021) consider changes to the transport network, and land use and precinct initiatives delivered by SRL, including station development and catalyst projects. These projections incorporate a degree of land use change such as the provision of over-station and adjacent-to-station development, along with the development of strategic sites (such as the PMP Printing site or the former Box Hill Brickworks).

[2] Suburban Rail Loop Demand Modelling Report, KPMG, 15 February 2021

CityPlan projections at a small-area level (TZN) were provided to AJM JV and on review these land use changes are evident. For example, strong residential growth is projected in the TZNs covering areas where development capacity is currently limited such as the former Box Hill Brickworks, the sites over or adjacent to the new SRL East station at Cheltenham (where development is currently constrained since it is designated as open space) and the core area of Monash (where residential development is currently not permitted in the National Employment and Innovation Cluster (NEIC)).

Therefore, in some limited key locations, the development opportunity rating described in the methodology section of this report is adjusted to reflect the land use changes inherent in the projections, as well as to align with current understanding of likely changing development outcomes for a site that otherwise might not be possible under the applicable zone or overlay (for example, overriding / removing open space as a constraint on the SRL East station site at Cheltenham). Therefore, the adjustment to the opportunity rating is appropriate to reflect the true development opportunity of these sites.

Furthermore, when distributing floorspace demand for 2041, the LUSCA also considers the land use changes that are inherent in the population and employment projections. For example, the LUSCA assumed greater residential growth in the neighbourhoods surrounding the SRL stations, or the neighbourhoods with strategic sites where development is currently constrained but likely to proceed over time (such as the former Box Hill Brickworks site). These assumed changes and the adjustments made are further described in this report, with a list provided in Appendix D.

1.9 The concept of floorspace capacity

The notes on floorspace capacity provided below should be considered when interpreting the results of this analysis.

1.9.1 A CALCULATED THEORETICAL TOTAL CAPACITY

The floorspace capacity estimated through the LUSCA methodology is a calculated theoretical capacity – it presumes each developable property can be developed to its maximum potential as allowed by the built form guidance. Whether a property is developable or not, and the share of capacity that might be achieved on a property is determined by a series of factors including those considered in this report.

The theoretical capacity may not be realised in practice. For example, the adopted Structure Plan may permit development on a property up to 10 storeys, but development on that property might only reach six storeys. Further, not all properties that are considered developable will be developed within the 15–20-year timeframe of the Structure Plan. What ultimately occurs on a particular property will depend on the intentions of the landowner.

Conversely, there may situations where the estimated development capacity is exceeded. For example, if an uplift incentive scheme is put in place which permits extra height and/or floorspace if certain criteria are met, such as a proportion of the development is designated affordable housing.

As the capacity calculation is an estimate only, this model is not intended to be used on a property-by-property basis. It is best applied as a check of the potential capacity at a wider area such as the entire Structure Plan Area, or the neighbourhoods within that area (recognising reliability of data decreases as the area of review gets smaller).

It should be noted that floorspace capacity is not segmented separately into capacity for residential or employment floorspace. This recognises that in most mixed-use areas (such as where an Activity Centre or Commercial 1 zone applies) both use types are supported with limited, if any controls on the weighting between uses. Therefore, while the process allocates floorspace demand for residential and employment uses in a way that allows estimation of the relative mix between uses, demand is aggregated for a Structure Plan Area or neighbourhood to compare against the respective floorspace capacity. Floorspace capacity is a single figure against which total floorspace demand is compared.

While limitations noted, it does not mean the capacity estimates are an unrealistic indication of the capability of the Structure Plan Areas to support floorspace growth. The methodology provided in Section 2 of this report highlights that capacity is not merely land area multiplied by a floor area ratio (FAR). Properties are considered non-developable and excluded from calculations for various reasons, and even developable properties have their potential revised down due to constraints or site attributes. The capacity estimates in this report are therefore considered reasonable across Structure Plan Areas and neighbourhoods within them. Nonetheless, recognising that not every square metre of floorspace capacity will be used before an area is 'full', capacity 'buffers' are a critical part of the analysis, as explained below.

1.9.2 APPROPRIATE CAPACITY BUFFER

Given that floorspace capacity is a theoretical estimate as described above, and recognising there will be growth in the areas surrounding the SRL East stations beyond 2041, it is essential that floorspace demand remains below floorspace capacity by an appropriate margin.

In some instances, it is expected that demand may get close to maximum capacity by 2041, particularly for those key locations preferred for growth over the short- to medium- term. Nonetheless, it is necessary to provide a buffer relative to the full capacity to support growth beyond 2041.

The importance of considering capacity over the longer term is reflected in Planning Practice Note 58, which relates to structure planning for activity centres. This note refers to the need to plan for '*sufficient land to provide for the commercial (retailing, office, fringe retailing and support activities such as entertainment) activities needed over a 15 to 20 year time frame and then into the 30-year horizon*'.[3]

In line with this, the focus of analysis is the capacity to 2041. However, it is important to consider the necessary 'buffer' to support further growth projected out to 2056 (consistent with the population and employment forecast timeframes in the SRL Business and Investment Case).

The analysis detailed to follow in this report determines that by 2041, generally, floorspace demand should not exceed 60% and 70% of the total calculated capacity across the Structure Plan Area and within each neighbourhood. Accordingly, 65% is set as a threshold for further investigation, while 70% is established as the upper limit, meaning it is preferable for floorspace demand not to exceed 70% of the total capacity by 2041.

There are two elements that combine to determine an appropriate buffer allowance:

1. The point at which development activity is impacted by a lack of capacity.

Constraints on a city or precinct's ability to grow and adapt begin to emerge before full build-out is achieved. As precincts approach their floorspace capacity, the market responds to the level of scarcity. Sites available for development become scarce, limiting potential development activity and forcing up land prices and rents. The ability to accommodate an increasing population and worker base becomes constrained.

A comprehensive review of potential capacity issues within Melbourne's CBD undertaken by Urbis identified indicators of a lack of capacity (a shortage of available sites, slowing development activity, rising prices and rents) begin to emerge in a city or precinct when around only 20% of developable capacity remains.[4] These circumstances were observed in the Sydney CBD around 10 to 15 years ago before the expansion of available land through new precincts such as Barangaroo. Melbourne's Hoddle Grid was facing similar challenges pre-COVID before the office market growth was impacted.

While these examples are in CBD locations, the concept of a precinct experiencing constraints on development before reaching full capacity equally applies to a precinct or other activity centre in other contexts. On this basis, a threshold of 80% of total capacity is estimated to represent the point where the Structure Plan Areas will experience evidence of constrained development.

[3] Department of Environment, Land, Water and Planning, Planning Practice Note 58 (2018)
[4] Urbis, Unlocking Melbourne's CBD (2018)

2. The need to allow for continued growth beyond 2041.

If all the growth anticipated in the Structure Plan Areas was anticipated to occur within the timeframe of the Structure Plan (before 2041), then the 80% threshold outlined above may be sufficient in considering how much of a buffer needs to be allowed for. However, in all the Structure Plan Areas, growth in population and employment is projected to continue beyond that time. The projections in the SRL Business and Investment Case (2021) reflect this.

Table 1.3 below highlights that the 2041 population figures for a 1600-metre radius around each SRL station (presented in the SRL Business and Investment Case) are around 65% to 75% of the 2056 projections for the same area (an average of 70%), with 2041 employment figures for the 1600-metre radii typically 70% to 80% of 2056 estimates (an average of 72%). There are some outliers to this. The 2041 employment projection for the 1600-metre radius area of the Monash Structure Area is only 44% of the 2056 estimate, indicating that most growth will occur post-2041, with significant employment capacity outside the Structure Plan Area but within the 1600-metre radius area. The 2041 estimate for the Box Hill Structure Plan Area is 86% of 2056, indicating that most growth will occur earlier, pre-2041.

While future structure plans in these areas may implement settings to accommodate more growth, it important to consider this allowance now. Setting capacity too low through proposed built form outcomes and FARs in the current Structure Plans will limit future expansion opportunities. Once a site is redeveloped, it is removed from the pool of potential future development opportunities for at least the next 30 years.

If the average share of the projected 2056 population and employment achieved by 2041 (70%) is applied to the 80% threshold under element 1 above, the buffer for 2041 falls to 56% (70 x 80%). However, the share of 2056 growth achieved by 2041 is for the 1600-metre radius area, not the smaller Structure Plan Area. Introducing the SRL stations and the application of the Structure Plans, combined with other development drivers, will see growth likely concentrated in the Structure Plan Areas rather than the edges of the wider 1600-metre radius. As a result, a higher share of the capacity is expected to be used earlier (pre-2041) within the Structure Plan Areas compared to the entire 1600-metre radius areas.

The acceptable buffer for 2041 was therefore determined as higher than 56%.

TABLE 1.3 POPULATION AND EMPLOYMENT PROJECTIONS, 1600-METRE AREA FROM EACH SRL STATION, 2041 AND 2056

1600-metre radius area from SRL station	Population			Employment		
	2041	2056	2041 as a share of 2056	2041	2056	2041 as a share of 2056
Cheltenham	34,000	52,500	65%	28,500	36,500	78%
Clayton	40,500	55,000	74%	41,500	57,500	72%
Monash	21,000	30,500	69%	72,000	162,000	44%
Glen Waverley	33,500	46,500	72%	17,500	25,000	70%
Burwood	33,000	44,500	74%	19,000	24,000	79%
Box Hill	52,000	77,500	67%	41,500	48,500	86%
Average			**70%**			**72%**
80% of average			**56%**			**57%**

Source: CityPlan modelling published in SRL Business and Investment Case (2021)

It should be noted there are no definitive rules about how much of the calculated capacity can be taken up before development is materially constrained.

The 80% threshold was a generally accepted estimate of where capacity constraints emerge before full build-out, and a further allowance for continued population and employment growth beyond 2041 was considered appropriate.

Based on the analysis above, and through workshopping the appropriate buffer to be applied with experts across various planning-related disciplines within AJM JV and SRLA, it was concluded that floorspace demand is considered acceptable within a range of 60% and 70% of the total calculated capacity across the Structure Plan Area and within each neighbourhood. Accordingly, 65% of the calculated capacity was identified as an appropriate trigger point to more closely consider the demand versus capacity balance in a Structure Plan Area or neighbourhood. Meanwhile, 70% is established as the upper limit, meaning it is preferable for floorspace demand not to exceed 70% of the total capacity by 2041.

While modelling showing demand exceeding 65% of capacity in a Structure Plan Area may be cause for reviewing the built form guidance and other inputs, there is more flexibility at a neighbourhood level. In some cases, capacity being approached in one neighbourhood can be acceptable if there is capacity for demand to simply shift to an adjoining or otherwise similar neighbourhood. However, if the uses creating demand in a neighbourhood can only be located within that neighbourhood (such as a health precinct), the capacity threshold is more critical. A case-by-case assessment is therefore needed, with the 65% threshold being a flag for consideration, not a strict rule to be achieved in every neighbourhood.

Some areas will develop earlier and may exceed the 2041 buffer. This may be appropriate. For example, in the Box Hill Structure Plan Area, most of the growth is projected before 2041. In other areas, such as the Monash Structure Plan Area, longer-term growth needs to be considered when assessing demand relative to capacity, and capacity for growth in the large employment areas outside the Structure Plan Area.

If total demand versus capacity sits below the 65% threshold, the built form guidance should not necessarily be reduced to contain capacity. The proposed design guidance has been developed to produce an appropriate urban design response. If the opportunity for development this guidance affords is not fully taken up (represented by demand being less than the 65% flag), particularly in the short to medium term, this is still an appropriate and positive outcome from an economic standpoint. Available capacity in an area is preferable to limited capacity for several reasons, including:

- **Flexibility and growth** – ample capacity allows for flexibility in accommodating population and employment increases which can be uncertain over the long term, enabling better management of demand fluctuations.
- **Economic attractiveness** – areas with substantial capacity can attract businesses and residents looking for space to expand, which generates economic development and stimulates investment.
- **Incentive for development and regeneration** – further to the above point, the capacity to deliver a greater critical mass on a site supports more feasible property development and creates an incentive to deliver the additional dwellings or employment spaces needed.
- **Community choice** – a diverse range of available spaces makes the market more competitive and affordable, enhancing the area's appeal.

In contrast, insufficient capacity can lead to immediate and significant challenges, such as overcrowding, strains on infrastructure, decreased quality of life, stunted growth, and rising property costs (reflected in higher prices and rents). Tackling these challenges typically requires urgent and costly interventions that can be disruptive and difficult to implement quickly.

There are a few reasons why demand being materially lower than 65% of capacity at 2041 might be expected and necessary. Key amongst these reasons is where the population or employment growth in the area around an SRL East station to 2041 is projected to be a small share of the longer-term growth. Consequently, greater

potential to support ongoing growth needs to be allowed for. Demand being is less than a 65% share of capacity at 2041 is necessary in these cases.

Ensuring at least enough capacity is maintained for future growth and allowing for realistic take up of the opportunity created by the design guidance, is an appropriate, conservative approach. Recognising this modelling is based on a series of assumptions, it is important to allow for some variability in results. With the consequences of not having enough capacity being far greater than demand consuming a lower share of capacity, results where demand is below 65% of capacity should not be interpreted as there being “too much” capacity. Flexibility and opportunity for growth is critical.

With planning and urban design guidance that encourages regeneration in the Structure Plan Areas to support necessary growth, and recognising that redevelopment will not occur on every site, demand should typically not reach the 65% of capacity level over the medium-term timeframe of the structure plans (i.e. to 2041). Often demand could be below the 65% level by some margin, particularly where redevelopment of sites is not expected to be as frequent initially.

An example of where demand is likely to be a much lower share of capacity than 65% is in existing low density residential areas. The proposed built form guidance generally allows for increased development opportunity on sites by proposing certain FARs. This is necessary to incentivise development of some higher density living to support growth. However, there is no expectation that the full opportunity will be taken up on every developable site, and only a portion of sites will be developed to their full potential under the proposed built form outcomes and FARs. The fact that demand is well below 65% of capacity does not justify lowering FARs. Lower FARs may impact the feasibility of development, in turn preventing the change needed to support growth.

2. Methodology

This section outlines the methodology to evaluate the capacity of the Structure Plan Areas to accommodate the floorspace needed to support the projected population and employment growth.

An overview of the iterative process of the LUSCA is provided, showing how the technical streams interacted to share information through the LUSCA process. The final demand versus capacity estimates based on the built form guidance underlying the Draft Structure Plans are provided. These estimates evolved over time with feedback from the LUSCA.

The section is subsequently divided into four parts corresponding to the modelling process steps:

- The approach to assess floorspace demand
- The approach to assess floorspace capacity
- Comparison of floorspace demand with floorspace capacity
- Conducting scenario testing, which involves evaluating different distributions of floorspace demand to consider the impact of alternative land use or distribution outcomes.

2.1 An iterative and collaborative process

The LUSCA has formed part of an iterative process and relies on data and analysis from other SRL East Structure Plan Technical Reports and input from specialists including urban economists, strategic planners and urban designers. Reaching agreement on inputs and assumptions was collaborative. While this report shows final built form guidance, the floorspace demand and capacity were compared throughout the structure planning process to inform the guidance for each Structure Plan Area.

This report summarises the results and recommendations and urban design guidance from the Draft Structure Plans. The LUSCA contributed to this iterative process, informing the development of Draft Structure Plans. Modelling was used to test controls like height limits, floorspace distribution, and the balance between employment and housing.

Where capacity issues were identified across a Structure Plan Area or within a neighbourhood, there was opportunity to review the proposed built form guidance (as represented by the FARs) and to retest the demand versus capacity balance. The majority of these amendments were incorporated into the latest built form guidance, and inform the capacity estimates presented in this report.

This process has seen the LUSCA assist with identifying the need for specific controls or other interventions to provide sufficient land to accommodate residential and employment land uses, in total and considering the desired locations for each use.

Figure 2.1 provides an overview of the process of comparing demand with capacity, including key inputs from various workstreams. The components are described in more detail through this report.

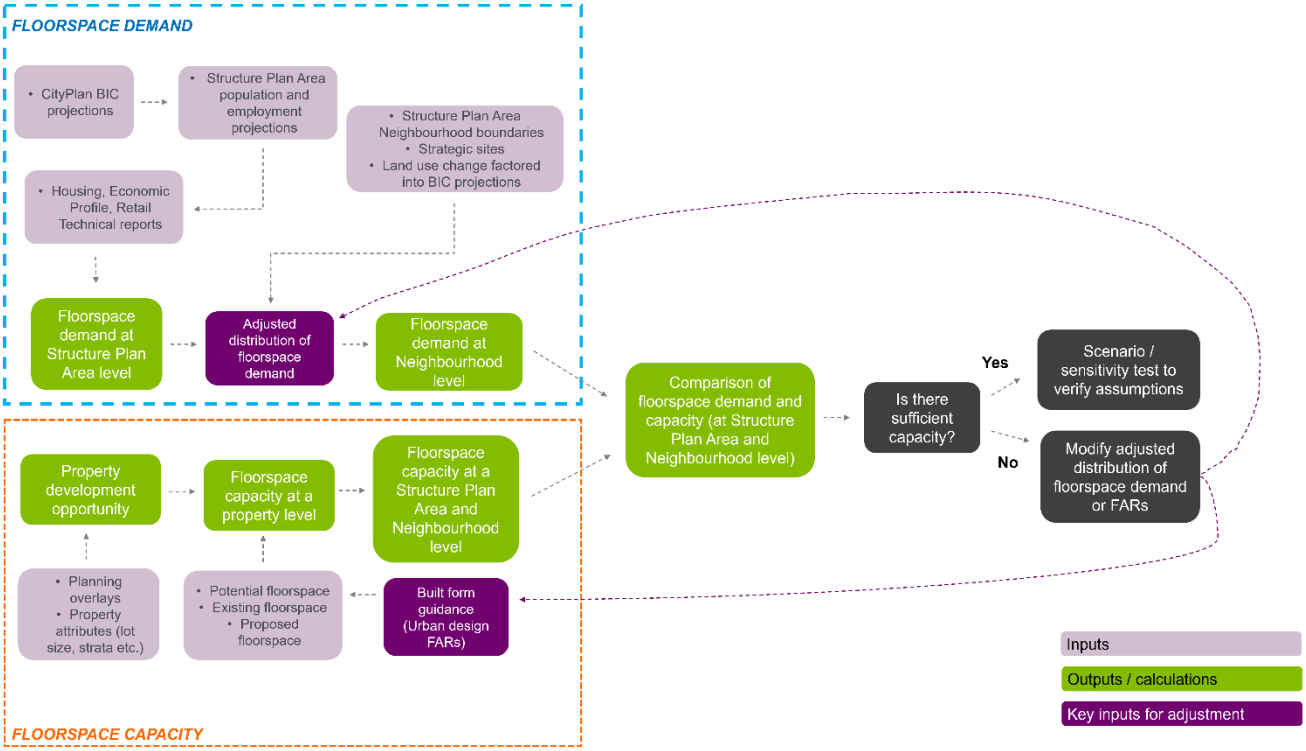


FIGURE 2.1 LAND USE SCENARIO AND CAPACITY ANALYSIS OVERVIEW

2.2 Floorspace demand

2.2.1 FLOORSPACE DEMAND PROCESS

The floorspace demand component of the model assesses the residential and employment floorspace required to support the projected population and employment growth in each Structure Plan Area.

The SRL East Structure Plan – Economic Profile Technical Reports, the Housing Needs Assessment Technical Reports, and the Retail Assessment Technical Reports developed assumptions to convert population and employment projections into estimated floorspace demand by use across the whole Structure Plan Area. This process is summarised in Figure 2.2.

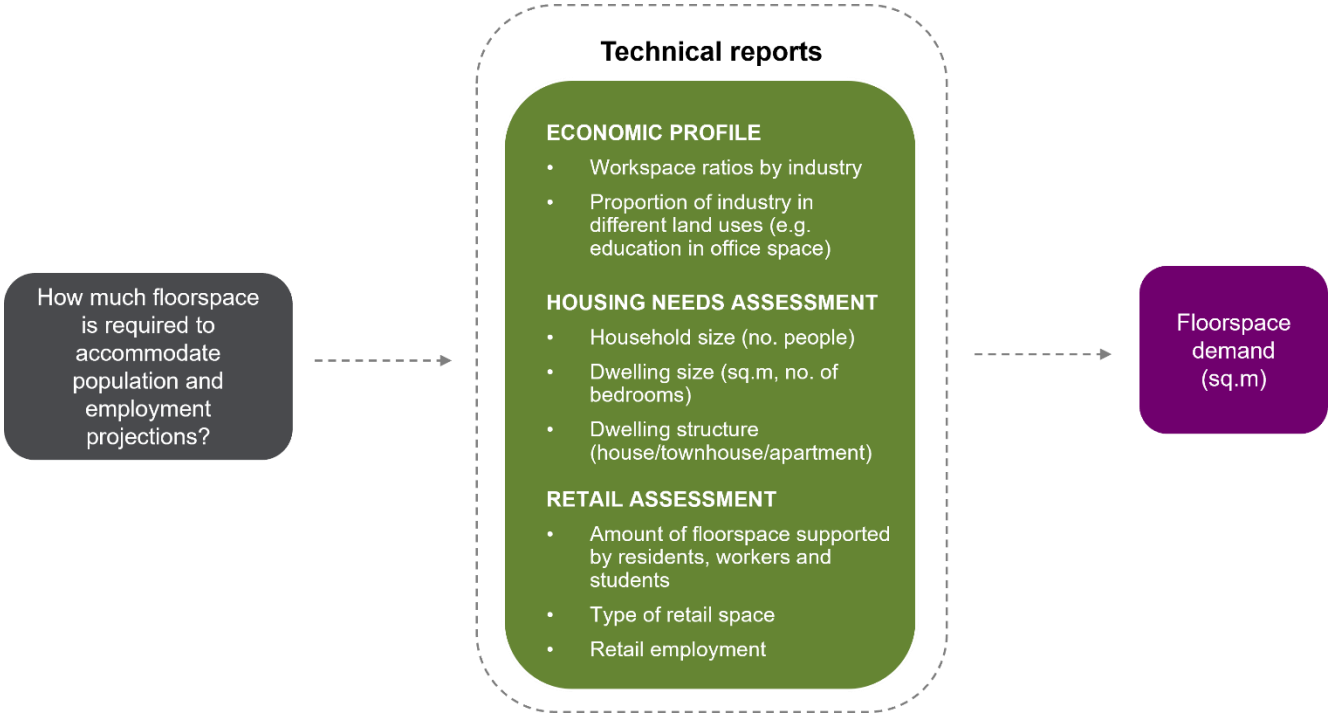


FIGURE 2.2 FLOORSPACE DEMAND ESTIMATION PROCESS

Source: AJM JV

2.2.2 KEY COMPONENTS

2.2.2.1 Total floorspace demand by use

Converting resident and worker population numbers to the required floorspace involves applying assumptions to the population and employment projections. The SRL East Structure Plan Technical Reports provide evidence for these assumptions, such as average workspace and employment ratios, and household size for residential space.

The Technical Reports also identify preferred locations for different types of residential and employment floorspace.

Floorspace demand is calculated separately for different land uses, and aggregated for the purposes of the capacity model as follows:

- Residential (including Student Accommodation and Aged Care)
- Office
- Health
- Education
- Industrial
- Other Employment (Retail + Accommodation + Public Use + Entertainment / Recreation)
- Other (Infrastructure).

Note that 'Infrastructure' includes podium car parking and public utilities such as electrical sub-stations and waste and recycling facilities. For this analysis, infrastructure floorspace demand at 2041 is set at current levels; that is, infrastructure floorspace does not increase or decrease. Most infrastructure space is car parking. In line with the aims for SRL East to reduce car dependency in areas well-served by public transport, and with the

expectation that new car parking can increasingly be delivered in basements as land values increase (not consuming above-ground floorspace capacity), it is considered a reasonable assumption to not increase above-ground car parking allowances (and therefore total infrastructure space) in line with the growth of other uses. Note that as it is assumed car parking in buildings above-ground remains constant, there is still some car parking allowed for above ground in this modelling.

Refer to Appendix I for sensitivity testing related to the infrastructure assumption, which demonstrates that this assumption has minimal impact on the overall outcome.

2.2.2.2 Distributing floorspace demand

The SRL East Structure Plan – Economic Profile Technical Reports, the Housing Needs Assessment Technical Reports, and the Retail Assessment Technical Reports estimate the total amount of floorspace required to support the population and employment projections for the entire Structure Plan Area. Although these reports identify the preferred location/s for certain uses, they do not quantify floorspace demand by use for smaller areas.

To determine if specific areas within each Structure Plan Area may face capacity constraints and to provide for the accommodation of certain uses in their preferred locations, it is critical to understand how floorspace demand will be distributed across each Structure Plan Area. The demand in each neighbourhood of the Structure Plan Areas needs to be estimated to enable a comparison against calculated capacity.

This methodology develops two approaches to distributing floorspace demand:

1. **Baseline distribution** – follows the current distribution of floorspace:

    - The baseline distribution is based on existing floorspace determined in the Floorspace Audit (see Appendix C for description of this process). The share of the total current floorspace in each neighbourhood of the Structure Plan Areas is estimated for each land use type. This is used as the basis for distributing future floorspace demand.
    - This does not account for planned changes on strategic sites (such as residential development at the former Box Hill Brickworks site).
    - The baseline distribution does not allow for changing land use preferences in neighbourhoods.

    It is not realistic to assume future land uses will be developed proportionately with where existing floorspace is located. Therefore, this baseline distribution should only be considered as a starting point.

2. **Adjusted distribution –** the adjusted distribution of floorspace is based on a series of assumptions about where the demand for floorspace will be allocated. Rather than assuming that growth in residential or employment floorspace will occur proportionately across all neighbourhoods in line with the existing distribution of space, adjustments are made to reflect likely future shifts where demand for space will be directed.

    The adjusted distribution therefore uses the baseline distribution as a starting point, with adjustments for strategic sites and potential development sites around the SRL stations, and incorporating recommendations from the SRL East Structure Plan – Economic Profile Technical Reports, the Housing Needs Assessment Technical Reports, and the Retail Assessment Technical Reports relating to appropriate locations for residential or employment use.

    The specific adjustments or considerations include:

    - How development of each use type would respond to a change in planning settings
    - Recommendations provided in the SRL East Structure Plan – Economic Profile Technical Reports, the Housing Needs Assessment Technical Reports, and the Retail Assessment Technical Reports about preferred locations for different land uses

- » Insight from the SRLA and AJM JV Structure Planning teams on where floorspace demand would occur if the market was allowed to develop residential and employment spaces in preferred locations, and how development might respond to planning changes.
- » No capacity constraints are considered across neighbourhoods in allocating demand.
- » Land use is assumed to be generally consistent with what is currently allowable (such as employment precincts remaining largely for employment). The exception is specific strategic sites or previously identified change areas that are reflected in the population or employment projections (such as the former Burwood Brickworks site, PMP site, and the Monash town centre to allow residential uses)
- » Development trends and the evolution of cities and precincts, including but not limited to factors such as the observed market preference for higher residential development in core areas, and the clustering of aligned uses (such as health-related uses around a hospital).

Examples of applying this adjustment process are:

- No residential development is currently permitted in the Monash National Employment and Innovation Cluster (NEIC). However, with the opportunity for a new town centre around the SRL station, demand for residential development in the neighbourhood to support forecast population growth and create a vibrant mixed employment zone was identified in the SRL East Structure Planning – Housing Needs Assessment Technical Reports, and the Economic Profile Technical Reports. The existing distribution would see no residential space allocated in the Monash Central neighbourhood. The adjusted distribution instead allocates a share of residential demand to that neighbourhood.
- If the SRL East Structure Plan – Economic Profile Technical Report recommends that 50,000 sq.m of office space for health-related uses should be accommodated within the designated Health and Education neighbourhood of the Box Hill Structure Plan Area, the share of office floorspace demand to that neighbourhood will be adjusted to account for that.

A hypothetical example is shown in Appendix E illustrating the difference in modelling floorspace demand using the baseline distribution (2024) versus the adjusted distribution of residential floorspace for 2041 (this approach is similarly applied to all land uses).

The total residential (or employment) floorspace is allocated to each neighbourhood in line with the adjusted distribution shares, and compared against the results if the existing distribution was used.

Note the distribution of total floorspace in 2041 is the only aspect that is adjusted – the share of new floorspace is a calculated output from this analysis. That is, new space per neighbourhood equals future space based on adjusted distribution less existing space. The share of new space equals new space per neighbourhood divided by total Structure Plan new space demand.

The ‘new floorspace’ is used as a check of the reasonableness of the adjustments made. For example, if 2041 floorspace minus the existing amount is negative and unexpected (or for that matter too high or low), the demand shares will be adjusted. A negative result may be appropriate in certain circumstances, such as where there is an expectation of industrial floorspace being displaced.

Scenario testing set out in Section 2.5 of this report is then used to examine how results may differ if growth deviates from the ‘adjusted distribution’.

2.3 Floorspace capacity

This sub-section explains how floorspace capacity was calculated.

2.3.1 FLOORSPACE CAPACITY PROCESS

The floorspace capacity component of the LUSCA model considers the existing floorspace on a property before determining the potential additional floorspace that could be developed under proposed built form guidance. Potential development constraints are considered. The modelling evaluates the net developable land and its capacity to support more floorspace across each Structure Plan Area, excluding roads and footpaths and the like.

The capacity of each property, depending on the circumstances that apply to that property, is determined based on either:

- The total existing floorspace (if there is no further development potential)
- The total approved development specified in an existing planning application, or
- The total calculated potential floorspace (as described below).

To assess potential floorspace capacity on a property, the following steps were taken:

- The existing level of residential and/or employment floorspace on the property was determined.
- If there is an approved planning application, the property's capacity is based on the floorspace specified in that application (this is contingent upon the development stage indicated in the permit application database being contract let or construction – projects with approval and in early planning stages are not assumed to be delivered as proposed[5]).
- If an existing planning application does not apply to the property, the development opportunity rating for the property is derived (see the explanation below in Section 2.3.2.1).
- In some limited instances, the development opportunity is adjusted if the property is identified as a strategic site where the calculated development opportunity does not accord with the expected outcome on that property. Given the typically larger size of these sites, they have the potential to impact results more significantly and so warrant individual assessment (see Appendix D for the strategic sites and reasons for adjustments).
- The potential floorspace is calculated by taking the product of the development opportunity rating, the preferred FAR applicable in the urban form area the property is in (provided by the AJM JV Urban Design team in line with their recommended outcomes), and the property area.
- Floorspace capacity is determined for each property by comparing calculated potential floorspace to existing floorspace on the property:
    - » If the existing floorspace surpasses the calculated potential, the existing floorspace is adopted as the property's capacity.
    - » In rare cases, the LUSCA applies a specific capacity estimate to a property (see Appendix D for a list of these sites as well as what the collective adjustment across each SRL East Structure Plan area is). This approach is used for very large sites where applying an indicative FAR across the entire site could significantly overestimate capacity.

[5] It is possible approved developments will not proceed, particularly with the prospect of new controls about to be introduced.

    - » Otherwise, the capacity is determined by the calculated potential floorspace.

- Finally, the floorspace capacities for all properties are combined to obtain the total floorspace capacity within the Structure Plan Area. Properties are also aggregated to defined neighbourhoods.
- To assess the impact of various modelled assumptions, two additional sensitivity tests are conducted, calculating capacity by modifying two components: excluding the allowance for amalgamation of properties (see Appendix G) and without adjusting the development outcome on specific properties mentioned above (see Appendix D).

A high-level overview of this process is shown in Figure 2.3.

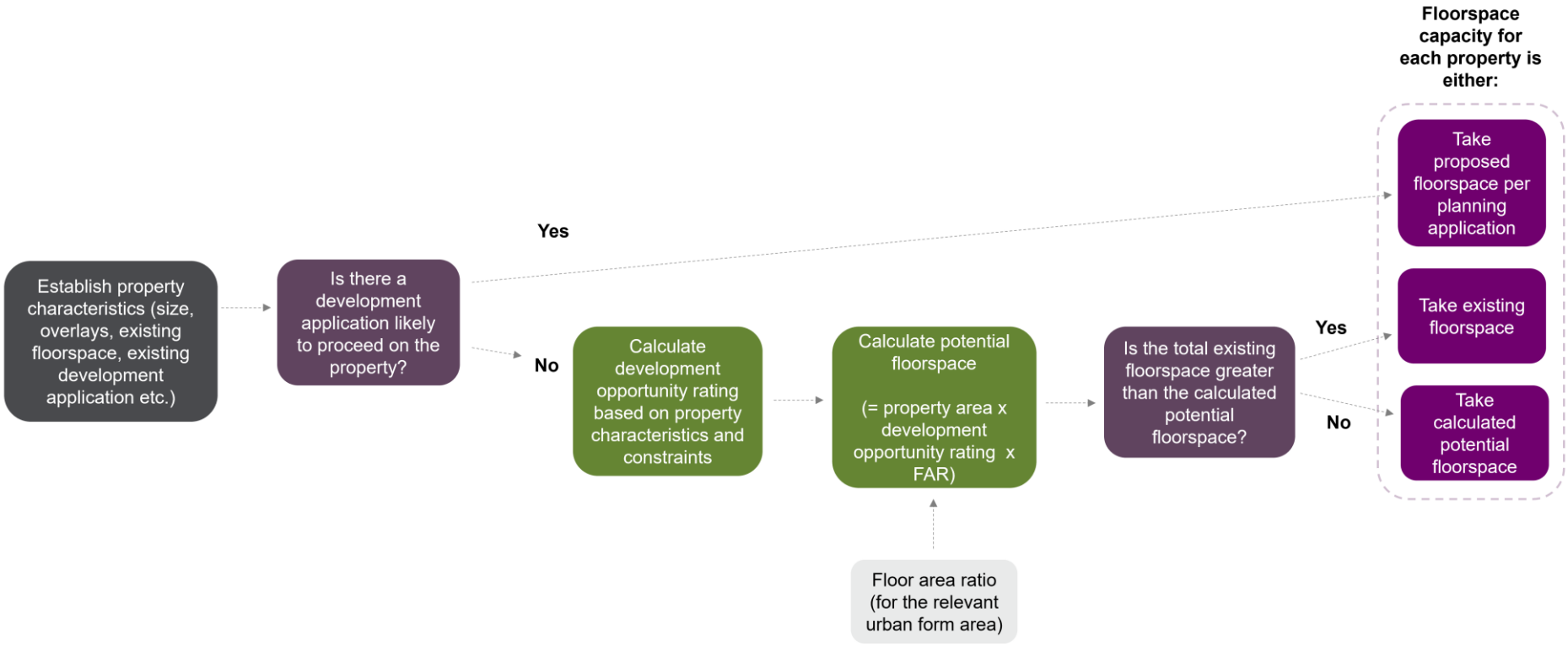


FIGURE 2.3 ESTABLISHING FLOORSPACE CAPACITY FOR A PROPERTY

Source: AJM JV

2.3.2 KEY COMPONENTS

2.3.2.1 Development opportunity rating

To calculate the floorspace capacity of each SRL East Structure Plan Area, a development opportunity rating is calculated for each property within the Structure Plan Area. The development opportunity rating is applied to reflect the relative likelihood of a property being developed to its theoretical maximum capacity. It recognises that various constraints might prevent developing a site to the full extent allowed by the floor area ratio (FAR).

The development opportunity rating is a score from 0 to 1 which is multiplied by the maximum total floorspace that could be accommodated on the property (based on the FAR) to calculate development capacity. Each property is given a score against a series of potential constraints based on decision rules for that constraint. The lower the score, the bigger impact on the overall development opportunity (that is, 1= greatest opportunity, 0 = no opportunity).

Table 2.1 shows the factors that are considered, on a property-by-property basis, to establish the development opportunity rating for a property. The rules and relative scoring were derived in consultation with the AJM JV Structure Planning and Urban Design teams based on professional judgment about the impact of each constraint on the likelihood of the full floorspace capacity being developed.

The factors can be aggregated based on the degree of impact on the development potential of a property:

- **Definitive constraints** – if any of these conditions apply to a property, it is assumed that further development is not possible. These constraints include the property being within a road or rail alignment, being designated as open space, or having a public acquisition overlay applied.
- **Prohibitive constraints** – these are constraints that do not necessarily prevent further development but can limit the potential for expansion on a property relative to an unencumbered property. Prohibitive constraints include being a recently developed property (reduces likelihood of development over the life of the Structure Plan), strata titles,[6] heritage registrations or overlays, or other environmental or development planning overlays.
- **Property size** – smaller properties are more challenging and less feasible to develop than larger properties. Therefore, adjustments to the development opportunity rating are made based on the size of the property, with smaller properties allocated a smaller score to reflect lower development potential. Recognising there is opportunity for developers to amalgamate adjacent properties, a further adjustment is calculated based on the potential opportunity for amalgamation based on the development potential and size of adjoining sites. For example, a small site might be amalgamated with a large adjoining site, increasing the potential for redevelopment.

While the development opportunity score is applied to each individual property, the purpose is to reduce the total development potential of all properties impacted by a particular constraint, preventing inflation of the calculated capacity of the area. While based on individual characteristics and applicable overlays, properties are not individually inspected to assess development potential and scale. The development opportunity rating aims for a more realistic calculated development capacity on average across the Structure Plans Areas and their neighbourhoods. Actual future development potential may differ for individual properties from the calculated capacity (higher or lower), but the methodology seeks to provide a realistic average development potential for larger areas.

For example, by applying a score of 0.4 to all properties with a heritage overlay, the modelling assumes only 40% of the total floorspace capacity of all heritage-impacted properties combined will be achieved. In practice, some individual properties may deliver more than 40% of the maximum allowable floorspace, but these properties would likely be offset by others which might not be developable at all because of the heritage overlay.

[6] Strata titles are only applied as a constraint on existing residential properties.

TABLE 2.1 FACTORS DETERMINING PROPERTIES AVAILABLE FOR DEVELOPMENT - CONSTRAINT SCORES

CONSTRAINT	DETAILS	SCORE IF IMPACTED BY CONSTRAINT[7]
DEFINITIVE CONSTRAINTS		
Within Road Casement		0
Within Rail Casement		0
Within Open Space		0
Public Acquisition Overlay		0
PROHIBITIVE CONSTRAINTS		
Development Year	If developed after…**2014**[8]	0.6
Strata Title (no. of owners) (for residential properties only)	If the number of owners is less than **10** but greater than **4**	0.5
	If there are more than **10** owners	0.1
Property/Development in the Victorian Heritage Register (VHR)		0.2
Environmental Audit Overlay		0.6
Heritage Overlay		0.4
Land Subject to Inundation Overlay		0.9
Special Building Overlay		0.9
PROPERTY SIZE		
Property Size (sq.m)	If the property size is less than…**500 sq.m**	0.1
	If the property size is between…**500** and **800 sq.m**	0.4
	If the property size is greater than…**800 sq.m**	1
Adjusted Property Size (sq.m)	If adjusted property size is greater than…**0**	0.1
	If adjusted property size is greater than…**500 sq.m**	0.3
	If adjusted property size is greater than…**800 sq.m**	0.7

Source: AJM JV

The lower this score, the bigger impact on the overall development opportunity.

1= Greatest opportunity
0 = No opportunity

1. No development potential if 'Yes' to any of these (that is, overall development rating is 0).

2. **Rating A** is calculated as the product of scores against all prohibitive constraints.

3. Adjusted property size is calculated by summing property size and the property size of adjacent properties (adjusted for Rating A of each property).

Calculate **Rating B** (higher of single property size score and adjusted property size score).

4. Overall development opportunity calculated as the product of Rating A and Rating B (if no definitive constraint).

[7] If property is not impacted by a constraint, it gets a score of 1 against that constraint.

[8] Development year - from Cordell's development database which primarily records recently built properties. Where n.a. assume pre-2014 development.

The only properties that are considered individually in more detail are a small number of large strategic sites where it is more appropriate for the purpose of this analysis to take a more conservative estimate of capacity given these large sites have the potential to heavily influence the results. This includes universities, hospitals and large brownfield redevelopment sites. See Appendix D for a list of these sites.

The steps and calculations involved to determine the development opportunity rating are:

- If any of the first four definitive constraints apply, development is automatically ruled out. If they do not apply, proceed.
- Two ratings are used to determine the overall development opportunity rating of a property:
  - » **Rating A** considers the series of prohibitive constraints that reduce the likelihood of a property's development but ignores the size of the property. Rating A is calculated as the product of the scores against each prohibitive constraint listed in Table 2.1.
  - » **Rating B** considers the size of the property, as well as the size and opportunity of adjacent properties[9] (that is, the amalgamation potential[10]). Rating B is calculated as follows:
    - – Calculate a property size score for a specific property (smaller sites have a lower score)
    - – Calculate modified size of adjacent properties = sum of (Rating A x property size) for all adjacent properties
    - – Sum the property size for the original property with the adjusted size of adjacent properties to get an adjusted property size
    - – Calculate the adjusted property size score
    - – Select the higher score between the standard property size score and the adjusted property size score – this is used as Rating B.
- The overall development opportunity rating is then calculated as the product of prohibitive constraints (Rating A) and Rating B.

An example of how Rating B is calculated is provided below. Appendix E steps through the entire development opportunity rating for some worked examples on different conceptual properties.

Rating B example calculation:

- Take Property X with a size of 550 sq.m – its property size score is 0.4
- There are three properties adjacent to Property X:
  - » Property 1: Size = 800 sq.m, Rating A = 0.4, Modified property size = 320 sq.m
  - » Property 2: Size = 400 sq.m, Rating A = 0.6, Modified property size = 240 sq.m
  - » Property 3: Size = 600 sq.m, Rating A = 0.9, Modified property size = 540 sq.m
- Therefore, the adjusted property size for Property X is 1650 sq.m (= 550 + 320 + 240 + 540) which would yield an adjusted property size score of 0.7
- **Rating B** for Property X is 0.7 as the adjusted property score is greater than the property size score (0.7 > 0.4).

[9] Note as a value for Rating A is required to calculate the adjusted property size, the calculation only considers adjacent properties within the Structure Plan Area.

[10] The potential for amalgamation considers any property adjacent to the subject property– there is no limit as to the number of adjacent sites and it does not differentiate between properties at the front/rear or to the side of the subject property.

2.3.2.2 Floor area ratio (FAR)

FARs represent the relationship between the land area of a property and the floor area. For example, a 1000 sq.m property with a FAR of 10 could support 10,000 sq.m of building area. FARs are applied generally across an urban form area (see the maps in Appendix A for an example of scale of the urban form areas) to reflect the **average built form outcomes expected over the long term**. FARs are a simple depiction of the combined effects of height limits and building setbacks, reflecting the urban design recommended outcomes and built form guidance for each urban form area in the Draft Structure Plans.

The urban development testing examined how the built form can fulfil the future role and function of each urban form area, while achieving each of their future character drivers. Most of the FARs modelled in the LUSCA are taken directly from the SRL East Structure Plan – Urban Design Reports or are within a range listed within those reports (see Appendix A for FARs adopted).

The assigned FAR to each urban form area is a result of testing the chosen urban development types and their application to typical property sizes within each urban form area.

The FAR assumptions were based on benchmark projects that represent the typologies expected to be delivered within the specific type of change area. The FARs were adjusted depending on how they might vary from the benchmark and to reflect possible property amalgamation policies that could accompany any land use planning changes to the area.

The FARs represent the external building envelope above ground minus an allowance of 10% to provide for architectural articulation. To avoid buildings that are all uniformly built to the full envelope, architects will reduce heights in parts of the building, reducing slightly the built floorspace relative to that allowed within the envelope.

The envelope includes:

- Circulation areas
- Communal areas
- External walls
- Balconies.

The envelope does not include:

- Underground carparking
- Any communal outdoor areas not under a roof.

The FAR, and therefore the total capacity calculated from them, are prepared independently of land use. There are not separate FARs or capacities for residential and employment floorspace. Capacity is only calculated at the total floorspace level and cannot be split by land use given the mix of uses intended to be supported. The Draft Structure Plans, as a general rule, do not place controls on the proportionate mix of uses in an area. Therefore, in mixed areas, there is no way to definitively indicate what share of the capacity is available to residential uses.

For example, should a Commercial 1 Zone apply in a neighbourhood, residential and employment uses can be delivered under that zone. There isn't a separate FAR or capacity for residential versus employment uses, or for different types of employment use. The relative mix of uses is addressed through the demand side, as described in Section 2.2, and consideration is then given to whether, in total, the anticipated demand for all uses can be accommodated physically by the capacity of each Structure Plan Area or neighbourhood.

It is noted that opportunity may exist for floor area uplift schemes in the Structure Plan Area that allow development over and above recommended design guidance. No adjustment is made for this opportunity because, as indicated above, the FAR estimates represent average built form outcomes expected over the long

term. Although some developments might exceed the FAR, others will not be delivered up to the full extent implied by the FAR. On average, the adopted FARs are thought to be a reasonable representation of capacity.

Should capacity be higher because of the application of uplift schemes, the approach used is appropriately conservative. The primary purpose of this modelling is to test if enough capacity is provided for. If more capacity is created compared to what is modelled, there is limited downside, as discussed in Section 1. It may also mean that demand can be met through development of fewer sites.

2.4 Assessing capacity vs. demand

The LUSCA combines the residential and employment floorspace demand estimates and compares them as a total against calculated future capacity of each Structure Plan Area and neighbourhood.

Table 2.2 outlines an example of the procedure for comparing floorspace capacity and demand. For this example calculation, all employment floorspace as well as other floorspace is combined. In practice, this is performed separately for different categories such as office, health, and education.

The comparison of demand for floorspace versus capacity floorspace is provided in volume terms (sq.m) and demand as a proportion of capacity (percentage).

TABLE 2.2 COMPARING FLOORSPACE CAPACITY AND DEMAND EXAMPLE

	Residential		Employment & Other		Total floorspace demand	
	Sq.m	%	Sq.m	%	Sq.m	%
Floorspace demand for the entire SPA at 2041 (sq.m) (A)	500,000		1,000,000		1,500,000	
Existing floorspace (2024) by neighbourhood (B)						
Neighbourhood A	37,500	15%	80,000	20%		
Neighbourhood B	212,500	85%	320,000	80%		
Total	**250,000**	**100%**	**400,000**	**100%**		
Adjusted distribution of total floorspace at 2041 (C)						
Neighbourhood A		20%		25%		
Neighbourhood B		80%		75%		
Total		**100%**		**100%**		
Distributing floorspace demand at 2041 using adjusted distribution (D) = (A) x (C)						
Neighbourhood A	100,000		250,000		350,000	
Neighbourhood B	400,000		750,000		1,150,000	
Total	**500,000**		**1,000,000**		**1,500,000**	
Floorspace capacity (E)						
Neighbourhood A					1,000,000	
Neighbourhood B					1,500,000	
Total					**2,500,000**	
Floorspace capacity minus floorspace demand (F) = (E) - (D)						
Neighbourhood A					650,000	
Neighbourhood B					350,000	
Total					**1,000,000**	
Floorspace demand as a share of capacity (G) = (D) / (E)						
Neighbourhood A						35%
Neighbourhood B						77%
Total						**60%**

From the Economics, Housing and Retail technical reports.

Established through the *AJM Floorspace Audit*.

Derived considering factors as outlined in Section 2.2.2.2.

Floorspace capacity examines the existing floorspace on a property before determining the potential additional floorspace that could be developed under built form guidance (FARs) and considering development constraints. It is totalled up to the neighbourhood level.

There is no capacity issue in total across the combined neighbourhoods. However, as demand is greater than 70% of capacity in Neighbourhood B, there needs to be a determine of whether action needs to be taken through structure planning to increase the capacity or reduce the demand allocation in Neighbourhood B.

2.5 Scenario testing

A series of scenario tests were conducted to assess the impacts of adjusting proposed built form guidance (as represented by the FARs) or altering the distribution of floorspace demand.

The scenario testing evaluated whether capacity issues might arise, indicating that capacity would not meet demand if it were not distributed to neighbourhoods according to the adjusted distribution. The testing also aimed to determine if specific controls were needed to accommodate certain land uses in their preferred locations.

For example:

- If higher-density residential development is restricted in lower-density neighbourhoods, would there still be capacity for residential and employment uses in a central core area?
- If residential development continues to be preferred over employment uses in the short-term, will this hinder future office development, and are specific controls needed to preserve opportunity for office development?

The adjusted distributions described in Section 2.2.2.2 are the best estimates of how demand will be allocated to neighbourhoods, they are one potential outcome for the demand distribution across the Structure Plan Areas. By considering potential alternative outcomes, the scenarios provide a form of sensitivity testing, considering the effects on demand versus capacity under different assumptions. The scenarios examined what happens if floorspace demand deviates from the adjusted distribution, by changing the share of new space directed to each neighbourhood. A series of scenarios were designed for each Structure Plan Area based on specific issues identified by the SRLA and AJM JV Structure Planning teams, or capacity constraints emerging through earlier runs of the LUSCA modelling.

For example, under the adjusted distribution, the core neighbourhood may be allocated 15% of new residential space and 70% of new employment space to 2041. If the goal is to provide adequate office and residential space in the core, one scenario could involve modelling the core receiving 100% of all new residential space across the Structure Plan Area, while new employment space remains distributed according to the adjusted distribution. If there was still capacity for the increased residential floorspace and the employment space, concerns around the employment uses being crowded out of the core area were allayed.

The scenarios typically used extreme cases to assess the impact on capacity. If there is capacity under the worst-case scenario, there is no cause for concern.

The scenarios applied, the reasons for adopting each, and the results from the testing for each Structure Plan Area are detailed in Section 3.

2.6 Peer review

This technical report has been independently peer reviewed by Julian Szfraniec of SGS Economics and Planning. The peer review report is attached as Appendix J of this report, which sets out the peer reviewer's opinion on the SRL East Draft Structure Plan – Land Use Scenario and Capacity Assessment.

3. Results

This section summarises the results of the capacity modelling under the adjusted distribution for each Structure Plan Area as well as the results of scenario testing.

When reviewing and interpreting the results, the following points are important:

- The existing and adjusted distributions relate to the total share of floorspace by use. The share of new space is calculated from the adjusted distribution applied to the total floorspace.
- The total share of floorspace for a certain use can reduce between the existing and adjusted distribution in a specific neighbourhood, but the floorspace of that use in that neighbourhood can still increase in net terms. A declining share relates to change in the distribution across the Structure Plan Area, not a decline in floorspace. See Appendix F for a comparison of total floorspace in 2024 and 2041.

  For example, assume a low-rise residential neighbourhood on the outskirts of a hypothetical Structure Plan Area currently contains 250,000 sq.m of residential floorspace, which represents 30% of the total residential space in the Structure Plan Area. By 2041, as growth is expected to concentrate in the core, this neighbourhood's share of the total residential floorspace is projected to decline to 20% but achieve a net increase of 5,000 sq.m, bringing the total to 255,000 sq.m. This net increase accounts for the replacement of low-density housing with smaller, higher-density dwellings.

  While the overall growth in residential floorspace may seem modest, a decrease in average floorspace per person allows for population growth. For instance, in 2024, the neighbourhood might house 2,500 residents, averaging 100 sq.m per person (250,000 sq.m total). By 2041, it is projected to contain 3,200 residents with an average of 80 sq.m per person (256,000 sq.m total). This represents average annual population growth of 1.4%, despite the modest net increase in floorspace.
- A negative floorspace share under the adjusted distribution reflects a decline in the amount of floorspace of that use in a neighbourhood. This is offset by the share of growth being greater than 100% in another neighbourhood (or all other neighbourhoods collectively). This is typical in relation to industrial use where areas are anticipated to transition to other uses.
- The distribution and total amount of infrastructure floorspace is assumed constant from 2024 to 2041. There is 0% share of new infrastructure space distributed as no new infrastructure space is assumed. As outlined earlier, 2024 levels of infrastructure are maintained to 2041. Refer to Appendix I for sensitivity testing related to the infrastructure assumption, which demonstrates that this assumption has minimal impact on the overall outcome.
- Capacity for retail floorspace is also considered across each Structure Plan Area in the results below. Recognising that retail floorspace will be largely on the ground floor, analysis to compare the developable land area (in areas where retail space could locate) with the demand for retail space was undertaken. If the developable land area exceeds the retail space requirement, it implies that all the retail space could be accommodated at ground level in appropriate locations.
- The results presented relate to the final built form guidance developed for the Draft Structure Plans. However, as stated previously, this process was iterative and ongoing, and a series of model runs and scenarios were conducted to reach this point.

3.1 SRL East Structure Plan Areas

Table 3.1 shows floorspace demand compared to floorspace capacity for each SRL East Structure Plan Area.

Overall, each Structure Plan Area has sufficient capacity to support forecast population and employment growth to 2041 and beyond.

The floorspace demand to capacity comparison is tightest in the Box Hill Structure Plan Area, with 2041 demand equal to 59% of capacity. At the other end, floorspace demand in the Monash Structure Plan Area only equates to around 40% of the calculated capacity, indicating there is significant capacity available in this large Structure Plan Area. All other Structure Plan Areas fall in a range of 44% to 54% of capacity reached, well below the identified 70% upper limit.

The Box Hill and the Monash Structure Plan Areas being the outliers is consistent with the expectation of the timing of growth. As detailed earlier in the discussion around the appropriate buffer to apply in Section 1.9.2, in terms of employment projections, the Box Hill 1600-metre radius area is forecast to reach 86% of the 2056 level by 2041. Conversely, the Monash 1600-metre radius area is forecast to be just 44% of the 2056 employment level by 2041. Consequently, it would be expected that Box Hill is closer to capacity than Monash.

A sensitivity analysis calculates floorspace capacity without property amalgamation (see Appendix G). Across the SRL East Structure Plan Areas, capacity decreases by 6% to 21% without property amalgamation, with the largest impact observed in the Clayton Structure Plan Area. Removing property amalgamation from the model most significantly affects capacity in existing residential areas on the periphery of the SRL East Structure Plan Areas. If widespread property amalgamation does not occur, development in the core areas will be more critical to meet population and employment growth.

The share of capacity on nominated strategic sites is also calculated (see Appendix H). The amount of floorspace capacity on strategic sites as a share of total capacity ranges from 15% in the Clayton Structure Plan Area to 41% in the Monash Structure Plan Area. This underscores the need to support the redevelopment of strategic sites where appropriate, and for engagement with owners of large properties where development potential or intentions are not fully understood.

TABLE 3.1 CAPACITY VS. DEMAND: SRL EAST STRUCTURE PLAN AREAS

Structure Plan Area	Existing floorspace (sq.m) (A)	Floorspace demand (sq.m) (B)	Floorspace capacity (sq.m) (C)	Floorspace change (sq.m) (D) = (B) – (A)	Capacity / demand difference (sq.m) (E) = (C) – (B)	Floorspace demand as a share of capacity (F) = (B) / (C)
Cheltenham	1,864,600	2,620,000	5,946,800	755,400	3,326,800	44%
Clayton	1,875,300	2,814,700	5,217,000	939,400	2,402,300	54%
Monash	2,341,200	3,536,800	8,943,300	1,195,600	5,406,500	40%
Glen Waverley	1,623,000	1,918,000	3,978,400	295,000	2,060,400	48%
Burwood	1,240,700	1,746,100	3,619,000	505,400	1,872,900	48%
Box Hill	2,012,000	3,124,600	5,338,800	1,112,600	2,214,200	59%

Source: AJM JV

3.2 Cheltenham Structure Plan Area

3.2.1 ADJUSTED DISTRIBUTION

Table 3.2 shows the existing and adjusted distribution for residential and employment and other floorspace for the Cheltenham Structure Plan Area. Points to note about the adjusted distribution relative to the existing distribution include:

- As the location of the SRL station, the Southland neighbourhood is anticipated to see increased high-density residential development. New office development and improved amenity to support residents and workers is expected. Education facilities are also expected as there are currently no large schools or tertiary education facilities in the Structure Plan Area.
- As an activity centre, the Highett neighbourhood is forecast to see a slight increase in residential floorspace due to policy direction and market demand.
- Residential development in established low-density residential areas is expected to decrease as high-density development is directed to neighbourhoods earmarked for more development, although this does not mean growth will not occur in these areas.
- In the Bayside Business District neighbourhood, the residential share is expected to stay the same. The employment share will decrease, but this is due to the expected increased employment activity in the Southland neighbourhood. Employment floorspace increases are expected to be lower intensity given the industrial nature of the area.

TABLE 3.2 CHANGES TO DISTRIBUTION OF FLOORSPACE, CHELTENHAM STRUCTURE PLAN AREA

Neighbourhood	Residential floorspace		Employment and other floorspace	
	Existing distribution	Adjusted distribution	Existing distribution	Adjusted distribution
CTM A: Southland	22%	37%	35%	43%
CTM B: Highett	28%	30%	6%	5%
CTM C: Nepean Highway East	19%	12%	0%	0%
CTM D: Pennydale	30%	20%	0%	0%
CTM E: Bayside Business District	1%	1%	59%	52%
Total	**100%**	**100%**	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

The adjusted distribution outlined above result in the new space being distributed across the Structure Plan Area in the proportions shown in Table 3.3.

TABLE 3.3 SHARE OF NEW FLOORSPACE UNDER ADJUSTED DISTRIBUTION, CHELTENHAM STRUCTURE PLAN AREA

Neighbourhood	Residential	Health	Office	Education	Industrial	Other Employment	Infrastructure
CTM A: Southland	65%	68%	69%	70%	-11%	93%	0%
CTM B: Highett	33%	30%	4%	18%	-11%	6%	0%
CTM C: Nepean Highway East	0%	0%	0%	0%	0%	0%	0%
CTM D: Pennydale	1%	0%	0%	1%	0%	0%	0%
CTM E: Bayside Business District	1%	2%	28%	11%	122%	1%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**0%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

3.2.2 RESULTS AT A NEIGHBOURHOOD LEVEL

Table 3.4 shows floorspace demand and floorspace capacity across the Cheltenham Structure Plan Area.

Floorspace demand across the Cheltenham Structure Plan Area equates to around 44% of the calculated capacity. At a neighbourhood level, only the Southland neighbourhood has demand over 50% of capacity, at 57%.

The built form guidance provides sufficient capacity to support the projected population and employment growth in the Cheltenham Structure Plan to 2041 and beyond, across the Structure Plan Area and within each neighbourhood.

While the capacity is below the 65% threshold, available capacity is preferable to limited capacity. A larger buffer is necessary to support continued growth beyond 2041 and account for higher-than-expected demand. The buffer also recognises that not every site will be developed to its full potential – widespread property amalgamation may not occur, or owners may simply choose not to develop a site to its full potential.

In Cheltenham, the share of capacity reached overall (44%) is lower than some of the other SRL East Structure Plan Areas. This is largely due to the significant capacity planned for within the Bayside Business District neighbourhood to encourage investment, regeneration and more substantial employment growth opportunities. To 2041, it is not expected that this opportunity will be taken up across all, or even most sites. However, the incentive needs to be created for redevelopment.

Like other SRL East Structure Plan Areas, demand in the largely residential neighbourhoods (Highett, Nepean Highway East, Pennydale) is estimated to be a lower proportion of capacity in the 40%-50% range. This reflects that demand is expected to initially be directed more centrally to the Southland neighbourhood, before extending into surrounding areas over the longer term. The opportunity for growth is provided for, while preventing short term development of low scale taking away the opportunity to achieve longer term growth.

Compared to the other SRL East Structure Plan Areas, Cheltenham has the lowest share of the 2056 population in the 1600m radius from the station projected at 2041. In other words, it has the greatest need to allow for residential growth beyond 2041. While there will be opportunities for residential growth outside the Structure Plan Area, including within the Cheltenham Major Activity Centre just outside the boundary, there is a need to accommodate growth within the Structure Plan Area beyond 2041 (more so than some other SRL East Structure Plan Areas). The lower share of capacity taken up by 2041 in the residential neighbourhoods is therefore important.

TABLE 3.4 CAPACITY VS. DEMAND, CHELTENHAM STRUCTURE PLAN AREA – ADJUSTED DISTRIBUTION

		Adjusted baseline		
Neighbourhood	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)
CTM A: Southland	1,837,600	1,040,100	797,500	57%
CTM B: Highett	1,046,000	476,200	569,800	46%
CTM C: Nepean Highway East	337,600	166,800	170,800	49%
CTM D: Pennydale	661,000	274,900	386,100	42%
CTM E: Bayside Business District	2,064,500	662,000	1,402,500	32%
Total	**5,946,800**	**2,620,000**	**3,326,800**	**44%**

Source: AJM JV

3.2.3 SCENARIO TESTING

The scenario testing below considers if capacity issues emerge if the allocation of growth differs from the adjusted distribution. There is a particular focus on the Southland and Bayside Business District neighbourhoods and their relative mix of uses.

3.2.3.1 Cheltenham: Scenario 1

PURPOSE – to consider if capacity still exists in the other neighbourhoods if the Bayside Business District does not support its projected office growth. As the logical alternative location for office space, the Southland neighbourhood is the focus of this scenario.

ADJUSTMENTS MADE TO MODEL – removes all new office growth from the Bayside Business District neighbourhood and distributes it to other areas suitable for office development, specifically the Southland (predominantly) and Highett neighbourhoods as shown in Table 3.5.

TABLE 3.5 SHARE OF NEW FLOORSPACE, CHELTENHAM: SCENARIO 1

	Office	
Neighbourhood	Adjusted Dist'n	Scenario 1
CTM A: Southland	69%	95%
CTM B: Highett	4%	5%
CTM C: Nepean Highway East	0%	0%
CTM D: Pennydale	0%	0%
CTM E: Bayside Business District	28%	0%
Total	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

RESULTS – the results of this scenario are presented in Table 3.6, with the following observations:

- Removing office space from the Bayside Business District neighbourhood does not have a significant impact on capacity.
- While 28% of office space growth is projected within the Bayside Business District neighbourhood under the adjusted distribution, this translates to less than 33,000 sq.m. This is not significant enough to impact capacity elsewhere if it's not developed in the Bayside Business District neighbourhood.
- Floorspace demand in the Southland neighbourhood increases by ~31,000 sq.m, which increases the share of capacity from 57% to 58%.

- Floorspace demand in the Highett neighbourhood only increases by ~1,700 sq.m, which is not enough to impact the capacity share.

TABLE 3.6 CAPACITY VS. DEMAND, CHELTENHAM: SCENARIO 1

	Scenario 1				Adjusted baseline
Neighbourhood	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)	Floorspace demand as a share of capacity (%)
CTM A: Southland	1,837,600	1,071,400	766,200	58%	57%
CTM B: Highett	1,046,000	477,900	568,100	46%	46%
CTM C: Nepean Highway East	337,600	166,800	170,800	49%	49%
CTM D: Pennydale	661,000	274,900	386,100	42%	42%
CTM E: Bayside Business District	2,064,500	629,000	1,435,500	30%	32%
Total	**5,946,800**	**2,620,000**	**3,326,800**	**44%**	**44%**

Source: AJM JV

3.2.3.2 Cheltenham: Scenario 2

PURPOSE – to inform consideration of the preferred Bayside Business District land use mix, specifically the impact on employment uses if residential floorspace increases.

ADJUSTMENTS MADE TO MODEL – Cheltenham: Scenario 2 assesses the amount of residential space that could be directed to the Bayside Business District neighbourhood before it hits 65% capacity, while new employment and other floorspace is distributed in line with the adjusted distribution.

TABLE 3.7 POTENTIAL RESIDENTIAL FLOORSPACE INCREASE BEFORE 65% CAPACITY REACHED, CHELTENHAM: SCENARIO 2

		CTM E: Bayside Business District
Floorspace capacity (sq.m)	(A)	2,064,500
65% of floorspace capacity (sq.m)	(B) = 65% x (A)	1,341,900
2041 Employment floorspace demand (sq.m)	(C)	650,800
Residential floorspace able to be accommodated at 2041 (sq.m)	**(D) = (B) - (C)**	**691,100**

Source: AJM JV

RESULTS – the following observations are made in regard to Cheltenham: Scenario 2:

- With over 2 million sq.m of floorspace capacity to hit 65% of the floorspace capacity at 2041, 691,100 sq.m of residential floorspace could fit in the Bayside Business District neighbourhood alongside the projected employment floorspace.
- With 8500 sq.m of existing residential floorspace estimated in the Bayside Business District neighbourhood at 2024, this represents 682,600 sq.m of new residential space. This increase exceeds the total demand for new residential floorspace across the entire Cheltenham Structure Plan Area from 2024 to 2041 (482,400 sq.m).
- This suggests that adding more residential floorspace, even a sizeable amount, in the Bayside Business District neighbourhood is manageable from a capacity perspective, and will not crowd out the projected employment increase.
- However, the capacity for residential growth should not be interpreted as an opportunity to change the intent of the Bayside Business District. An increase in residential space to almost 700,000 sq.m would far exceed

what is needed to meet projected population growth across the whole Structure Plan Area, and be greater than the projected employment floorspace at 2041. The Bayside Business District would then have a changed focus as a true mixed-use neighbourhood. This is not the intent of recommendations in other SRL East Structure Plan Technical Reports, which indicate that some residential development could be a positive catalyst in the Bayside Business District.

- The key take away from this scenario is that potential exists for a reasonable increase in residential space in the Bayside Business District neighbourhood without reducing the capacity for employment growth. However, other factors need to be considered when determining the appropriate quantum and locations for residential use.

3.2.3.3 Cheltenham: Scenario 3

PURPOSE – to understand the impact of potential limits on growth in peripheral residential areas. That is, to consider whether all new residential development could be accommodated within the core area.

ADJUSTMENTS MADE TO MODEL – Cheltenham: Scenario 3 pushes 100% of new residential space in the Cheltenham Structure Plan Area into the Southland neighbourhood, while new employment and other floorspace is distributed in line with the adjusted distribution.

TABLE 3.8 SHARE OF NEW FLOORSPACE, CHELTENHAM: SCENARIO 3

	Residential	
Neighbourhood	**Adjusted Dist'n**	**Scenario 3**
CTM A: Southland	65%	100%
CTM B: Highett	33%	0%
CTM C: Nepean Highway East	0%	0%
CTM D: Pennydale	1%	0%
CTM E: Bayside Business District	1%	0%
Total	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

RESULTS – the results of this scenario are presented in Table 3.9, with the following observations:

- Floorspace demand in the Southland neighbourhood increases by ~167,900 sq.m
- Floorspace demand as a share of capacity increases to 66% – there is now more of a capacity concern, although not overwhelming given it is still below the 70% upper limit.
- Should the capacity in the Southland neighbourhood be less than estimated, the need to provide for residential growth outside that core area would increase. This scenario highlights that some growth in residential development in other neighbourhoods is needed to take the pressure off the Southland neighbourhood to support population growth.

TABLE 3.9 CAPACITY VS. DEMAND, CHELTENHAM: SCENARIO 3

		Scenario 3			Adjusted baseline
Neighbourhood	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)	Floorspace demand as a share of capacity (%)
CTM A: Southland	1,837,600	1,207,000	630,600	66%	57%
CTM B: Highett	1,046,000	317,700	728,300	30%	46%
CTM C: Nepean Highway East	337,600	164,700	172,900	49%	49%
CTM D: Pennydale	661,000	271,400	389,600	41%	42%
CTM E: Bayside Business District	2,064,500	659,300	1,405,200	32%	32%
Total	**5,946,800**	**2,620,100**	**3,326,700**	**44%**	**44%**

Source: AJM JV

3.2.4 CAPACITY FOR RETAIL FLOORSPACE

Since retail floorspace in the Structure Plan Area is recommended mainly at ground level, consideration of capacity to support retail space in the core retail neighbourhood assumed it is all provided on a single level.

Table 3.10 compares the total retail floorspace demand projected for 2041 with a high-level estimate of the potential amount of ground floor space that could be located in the core area.

The potential ground floor retail capacity in the core area is approximated as the sum of the following:

- Existing retail floorspace on undevelopable sites is assumed to remain unchanged
- Potential new ground floor retail space is calculated as the land area of developable sites, multiplied by an 80% site coverage factor and the development opportunity rating for each site.

There is an estimated 323,200 sq.m of ground floor retail space capacity in the Southland neighbourhood. This includes 8700 sq.m of existing space on undevelopable sites.

With a total retail floorspace demand of 251,000 sq.m by 2041 across the Structure Plan Area (see Appendix B), even if all this space was accommodated in the Southland neighbourhood, there would be more than enough capacity to accommodate the total retail space needed at ground level. This is also overstating the floorspace need in the core, given that some retail space will also be supported in other neighbourhoods such as Highett.

This is a conservative estimate of the retail space required. Some of the retail space will likely be on multiple levels. This is already evident at Southland Shopping Centre which has multiple levels. If the retail space can be accommodated in a single level across the core area, it can certainly fit if some is developed as multi-level centres in some locations.

This confirms it is not necessary for every building in the core area to accommodate ground floor retail space. Given the ample ground floor capacity, it is possible to focus retail in strategic locations within the core nearest to the SRL station and building on the existing offer at Southland Shopping Centre.

TABLE 3.10 RETAIL FLOORSPACE CAPACITY, CHELTENHAM STRUCTURE PLAN AREA CORE

Neighbourhood	Retail on existing sites that are not developable (sq.m) (A)	Land area of developable sites @ 80% site coverage (sq.m) (B)	Total potential ground floor retail capacity (sq.m) (C) = (A) + (B)	Retail floorspace demand at 2041 (sq.m)
CTM A: Southland	8,700	314,500	323,200	251,000

Source: AJM JV

3.3 Clayton Structure Plan Area

3.3.1 ADJUSTED DISTRIBUTION

Table 3.11 shows the existing and adjusted distribution for residential and employment and other floorspace for the Clayton Structure Plan Area. Points to note about the adjusted distribution relative to the existing distribution include:

- Clayton Central neighbourhood – this area covers the existing activity centre and is the location of the SRL station. High-density residential development is expected, with office development and growth in other employment uses to provide amenity. Residential and employment growth is expected to increasingly occur in this area.
- Health neighbourhood – increased residential demand is expected given this neighbourhood's proximity to the SRL station and the amenity of the area. The need to accommodate hospital and related uses (including office space) will slightly increase in the share of overall employment, noting this neighbourhood is already the focus for employment.
- Inner East neighbourhood – the PMP site is within this area, resulting in an increase in the residential share. The loss of industrial land will be offset by other employment uses, but as this is not seen as a preferred location for office development given its distance from the SRL station and activity centre, the share of employment is assumed to remain constant.
- The share of residential floorspace will decline in established low-density residential areas (the Flora Road, Dunstan and Clayton South neighbourhoods) as the share allocated to other neighbourhoods will likely support higher-density growth. Absolute growth in residential floorspace will still occur in these areas, but the overall share is projected to decline.
- Central South neighbourhood – with the industrial use in this area declining in relative terms, the employment share will decline as professional services and health grow in other locations.

TABLE 3.11 CHANGES TO DISTRIBUTION OF FLOORSPACE, CLAYTON STRUCTURE PLAN AREA

Neighbourhood	Residential floorspace		Employment and other floorspace	
	Existing distribution	Adjusted distribution	Existing distribution	Adjusted distribution
CLA A: Clayton Central	5%	9%	13%	16%
CLA B: Health	10%	11%	60%	61%
CLA C: Flora Road	23%	20%	0%	0%
CLA D: Inner East	25%	27%	4%	4%
CLA E: Dunstan	26%	22%	3%	3%
CLA F: Central South	12%	10%	20%	16%
Total	**100%**	**100%**	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

The adjusted distribution outlined above results the new space being distributed across the Structure Plan Area in the proportions shown in Table 3.12.

TABLE 3.12 SHARE OF NEW FLOORSPACE UNDER ADJUSTED DISTRIBUTION, CLAYTON STRUCTURE PLAN AREA

Neighbourhood	Residential	Health	Office	Education	Industrial	Other Employment	Infrastructure
CLA A: Clayton Central	21%	2%	54%	12%	0%	65%	0%
CLA B: Health	12%	96%	34%	7%	0%	7%	0%
CLA C: Flora Road	12%	0%	0%	0%	0%	2%	0%
CLA D: Inner East	35%	0%	0%	71%	8%	7%	0%
CLA E: Dunstan	14%	1%	2%	10%	0%	10%	0%
CLA F: Central South	6%	0%	10%	0%	92%	8%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**0%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

3.3.2 RESULTS AT A NEIGHBOURHOOD LEVEL

Table 3.13 shows floorspace demand and floorspace capacity across the Clayton Structure Plan Area.

Floorspace demand in the Clayton Structure Plan Area equates to around 54% of the calculated capacity. This is one of the highest demand versus capacity shares of any of the SRL East Structure Plan Areas. This partly reflects that the share of the projected growth to 2056 achieved by 2041 in the 1600m area around the station is the highest of any SRL East station. The employment growth to 2041 is also a significant share of the 2056 projection. This influences the higher share of capacity reached in the central areas of the Clayton Structure Plan Area noted below.

A high-level estimate of the further floorspace growth required beyond 2041 puts in context the need for the capacity that is created by the Structure Plan. Assuming that to 2056, the Structure Plan Area maintains the same share of the projected population and employment in the 1600m area as in 2041, the estimated

floorspace demand for the Structure Plan Area could increase by approximately 1.2 million sq.m. By 2056, this would result in demand approaching 80% of the calculated capacity, the point where it is acknowledged the impact of capacity constraints emerges. Although controls could be revised by 2056 to increase capacity, this highlights that the capacity created is essential to support growth beyond 2041.

While there is capacity across the whole Structure Plan Area, at a neighbourhood level:

- Clayton Central and the Health neighbourhoods have potential capacity issues, with demand reaching 66% and 74% of capacity respectively. While these levels are enough to trigger a flag in this analysis, there is still capacity identified beyond 2041. These areas are considered further in the scenarios to follow and in the recommendations provided in Section 4.3.
- The Clayton Central neighbourhood result is based on the assumption the FAR on the Hospital site remains at its current level of 1.6. If the site increases its floorspace (and so has a higher FAR), the capacity issue could be alleviated. Reaching 74% of capacity is not viewed as a concern, as the results largely depend on Monash Health's plans. The projected health-related jobs and the floorspace capacity for the hospital were estimated without input from Monash Health. At this stage, adjusting the FAR or land use controls to increase capacity would be unnecessary, as the outcome will ultimately depend on Monash Health's decisions about the hospital site. The most effective approach is to engage with Monash Health and move forward based on its guidance.
- The Clayton South neighbourhood is the next closest to capacity, but at 60%, this is not considered an issue. This is primarily the result of the low FAR on industrial sites, and the employment projections indicating growth in industrial employment that is contrary to recent observed declines.
- Demand in some of the largely residential neighbourhoods (e.g. Flora Road, Inner East) is estimated to be a lower proportion of capacity in the 30%-45% range. This reflects that demand is expected to initially be directed more centrally to the Clayton Central and Central South neighbourhoods, before extending more into surrounding areas over the longer term. The opportunity for growth is provided for, while preventing short term development of low scale taking away the opportunity to achieve longer term growth. Given the capacity constraints potentially emerging in some of the central neighbourhoods, the ability for demand to shift into surrounding residential areas beyond 2041 is important.

TABLE 3.13 CAPACITY VS. DEMAND, CLAYTON STRUCTURE PLAN AREA – ADJUSTED DISTRIBUTION

	Adjusted baseline			
Neighbourhood	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)
CLA A: Clayton Central	500,100	330,600	169,500	66%
CLA B: Health	1,102,300	820,200	282,100	74%
CLA C: Flora Road	1,115,200	359,500	755,700	32%
CLA D: Inner East	1,274,400	531,700	742,700	42%
CLA E: Dunstan	812,600	425,100	387,500	52%
CLA F: Central South	577,700	347,600	230,100	60%
Total	**5,217,000**	**2,814,700**	**2,402,300**	**54%**

Source: AJM JV

3.3.3 SCENARIO TESTING

3.3.3.1 Clayton: Scenario 1

PURPOSE – to understand the key factors behind the capacity issue in the Health neighbourhood. If employment is the most important use in this Neighbourhood, this scenario helps identify what action is needed to provide sufficient employment floorspace.

ADJUSTMENTS MADE TO MODEL – Clayton: Scenario 1 reduces the amount of residential, office, other employment and education space directed to the Health neighbourhood. This demand is directed across other neighbourhoods. Residential uses can be accommodated in most neighbourhoods, but Clayton Central has to absorb most of the excess office, other employment and education floorspace. Consequently, it was assumed the residential share in Clayton Central remains constant.

TABLE 3.14 CHANGES TO SHARE OF NEW FLOORSPACE, CLAYTON – SCENARIO 1

	Residential		Health		Office		Education		Industrial		Other Employment	
Neighbourhood	Adjusted Dist'n	Scenario 1	Adjusted Dist'n	Scenario 1	Adjusted Dist'n	Scenario 1	Adjusted Dist'n	Scenario 1	Adjusted Dist'n	Scenario 1	Adjusted Dist'n	Scenario 1
CLA A: Clayton Central	21%	21%	2%	2%	54%	75%	12%	19%	0%	0%	65%	71%
CLA B: Health	12%	0%	96%	96%	34%	0%	7%	0%	0%	0%	7%	0%
CLA C: Flora Road	12%	15%	0%	0%	0%	0%	0%	0%	0%	0%	2%	2%
CLA D: Inner East	35%	38%	0%	0%	0%	5%	71%	71%	8%	8%	7%	7%
CLA E: Dunstan	14%	17%	1%	1%	2%	5%	10%	10%	0%	0%	10%	10%
CLA F: Central South	6%	9%	0%	0%	10%	15%	0%	0%	92%	92%	8%	10%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

RESULTS – the results of this scenario are presented in Table 3.15, with the following observations:

- There is still a capacity flag in the Monash Health neighbourhood even after reducing new space in other categories. However, at 66%, this is not a significant issue under this scenario, with capacity remaining for ongoing growth.
- However, the capacity issue in the Central neighbourhood worsens as this is the key alternative area capable of accommodating the other employment uses the Health neighbourhood won't.
- Recommendations in relation to this outcome are outlined in Section 4.

TABLE 3.15 CAPACITY VS. DEMAND, CLAYTON – SCENARIO 1

	Scenario 1				Adjusted baseline
Neighbourhood	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)	Floorspace demand as a share of capacity (%)
CLA A: Clayton Central	500,100	353,300	146,800	71%	66%
CLA B: Health	1,102,300	724,400	377,900	66%	74%
CLA C: Flora Road	1,115,200	374,800	740,400	34%	32%
CLA D: Inner East	1,274,400	551,300	723,100	43%	42%
CLA E: Dunstan	812,600	443,100	369,500	55%	52%
CLA F: Central South	577,700	367,800	209,900	64%	60%
Total	**5,217,000**	**2,814,700**	**2,402,300**	**54%**	**54%**

Source: AJM JV

3.3.3.2 Clayton: Scenario 2

PURPOSE – to understand the impact of potential limits on growth in peripheral residential areas. That is, to consider whether all new residential development can be accommodated within the Clayton Central neighbourhood.

ADJUSTMENTS MADE TO MODEL – Clayton: Scenario 2 pushes 100% of new residential space in the Clayton Structure Plan Area into the Clayton Central neighbourhood, while new employment and other floorspace is distributed in line with the adjusted distribution.

TABLE 3.16 CHANGES TO SHARE OF NEW FLOORSPACE, CLAYTON – SCENARIO 2

	Residential	
Neighbourhood	Adjusted Dist'n	Scenario 2
CLA A: Clayton Central	21%	100%
CLA B: Health	12%	0%
CLA C: Flora Road	12%	0%
CLA D: Inner East	35%	0%
CLA E: Dunstan	14%	0%
CLA F: Central South	6%	0%
Total	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

RESULTS – the results of this scenario are presented in Table 3.17 with the following observations:

- There is now a significant capacity issue in the Clayton Central neighbourhood. Floorspace demand exceeds capacity by 234,700 sq.m.
- On the other hand, there is less of an issue in the Health neighbourhood as residential floorspace demand decreases.
- Nonetheless, this shows the Clayton Central neighbourhood does not have capacity to be the only location for residential growth. To achieve projected population growth, residential growth is needed across much of the Structure Plan Area, particularly increasing the density of the largely low-density surrounding residential neighbourhoods.

TABLE 3.17 CAPACITY VS. DEMAND, CLAYTON – SCENARIO 2

		Scenario 2			Adjusted baseline
Neighbourhood	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)	Floorspace demand as a share of capacity (%)
CLA A: Clayton Central	500,100	734,800	- 234,700	147%	66%
CLA B: Health	1,102,300	757,600	344,700	69%	74%
CLA C: Flora Road	1,115,200	296,900	818,300	27%	32%
CLA D: Inner East	1,274,400	355,000	919,400	28%	42%
CLA E: Dunstan	812,600	355,200	457,400	44%	52%
CLA F: Central South	577,700	315,100	262,600	55%	60%
Total	**5,217,000**	**2,814,600**	**2,402,400**	**54%**	**54%**

Source: AJM JV

3.3.4 CAPACITY FOR RETAIL FLOORSPACE

Since retail floorspace in the Structure Plan Area is recommended mainly at ground level, consideration of capacity to support retail space in the core retail neighbourhood assumed it is all provided on a single level.

Table 3.18 below compares the total retail floorspace demand projected for 2041 with a high-level estimate of the potential amount of ground floor space that could be located in the core area.

The potential ground floor retail capacity in the core area is approximated as the sum of the following:

- Existing retail floorspace on undevelopable sites is assumed to remain unchanged
- Potential new ground floor retail space is calculated as the land area of developable sites, multiplied by an 80% site coverage factor and the development opportunity rating for each site.

In total, there is estimated capacity for around 99,300 sq.m of ground floor retail space in the Clayton Central neighbourhood. This includes 8600 sq.m of existing space on undevelopable sites.

With a total retail floorspace demand of 81,200 sq.m by 2041 across the Structure Plan Area (see Appendix B), even if all this space was accommodated in the Clayton Central neighbourhood (noting a small amount of space is anticipated in some other neighbourhoods), there would be more than enough capacity to accommodate the total retail space needed at ground level.

This is a conservative estimate of the footprint required for retail space. Some retail space will likely be delivered over multiple levels, although this is noted as not being the preferred development form. If the retail space can be accommodated in a single level across the core area, it can certainly fit if some is developed as multi-level.

This confirms it is not necessary for every building in the Clayton Central neighbourhood to accommodate ground floor retail space. It is possible to focus retail in strategic locations within the core nearest to the SRL station and along the Clayton Road strip where continuity of retail shopfronts is desirable. However, it is noted there are limited locations to the rear of the strip within the Clayton Central neighbourhood suitable for retail space in any event.

TABLE 3.18 RETAIL FLOORSPACE CAPACITY, CLAYTON STRUCTURE PLAN AREA CORE

Neighbourhood	Retail on existing sites not developable (sq.m) (A)	Land area of developable sites @ 80% site coverage (sq.m) (B)	Total retail floorspace potential (sq.m) (C) = (A) + (B)	Retail floorspace demand at 2041 (sq.m)
CLA A: Clayton Central	7,600	91,700	99,300	81,200

Source: AJM JV

3.4 Monash Structure Plan Area

3.4.1 ADJUSTED DISTRIBUTION

Table 3.19 shows the existing and adjusted distribution for residential and employment and other floorspace for the Monash Structure Plan Area. Points to note about the adjusted distribution relative to the existing distribution include:

- Monash Central neighbourhood – with a new town centre planned around the SRL station, high-rise development including residential uses will be a focus. Residential use is currently not permitted in the area of the Monash National Employment and Innovation Cluster (NEIC), so the residential share is anticipated to increase dramatically. Growth in office space and other employment (including retail) to support residents and workers will also increase the adjusted share in employment, despite industrial floorspace being displaced.
- The residential share in the established low-rise residential areas is expected to decline with growth in high-density in the core, although in volume terms, floorspace will still increase.
- Monash University and CSIRO neighbourhood – the residential share (currently student housing) will reduce as residential development in the Monash Central neighbourhood increases. The employment share also declines with growth in other employment in the Monash Central and the Health Innovation neighbourhoods.

TABLE 3.19 CHANGE TO DISTRIBUTION OF FLOORSPACE, MONASH STRUCTURE PLAN AREA

Neighbourhood	Residential floorspace		Employment and other floorspace	
	Existing distribution	Adjusted distribution	Existing distribution	Adjusted distribution
MSH A: Monash Central	1%	16%	4%	10%
MSH B: Employment Growth	0%	0%	22%	17%
MSH C: Health Innovation	0%	0%	19%	23%
MSH D: Monash University and CSIRO	13%	10%	48%	45%
MSH E: Notting Hill	37%	29%	1%	1%
MSH F: Wellington Road	25%	23%	5%	4%
MSH G: Clayton North	24%	21%	1%	1%
Total	**100%**	**100%**	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

The adjusted distribution outlined above results in the new space being distributed across the Structure Plan Area in the proportions set out in Table 3.20.

TABLE 3.20 SHARE OF NEW FLOORSPACE UNDER ADJUSTED DISTRIBUTION, MONASH STRUCTURE PLAN AREA

Neighbourhood	Residential	Health	Office	Education	Industrial	Other Employment	Infrastructure
MSH A: Monash Central	66%	23%	50%	0%	-38%	38%	0%
MSH B: Employment Growth	0%	0%	13%	1%	13%	13%	0%
MSH C: Health Innovation	0%	0%	18%	1%	130%	2%	0%
MSH D: Monash University & CSIRO	2%	71%	16%	96%	-5%	13%	0%
MSH E: Notting Hill	5%	0%	0%	0%	0%	4%	0%
MSH F: Wellington Road	14%	2%	2%	0%	0%	27%	0%
MSH G: Clayton North	13%	4%	0%	1%	0%	2%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**0%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

3.4.2 RESULTS AT A NEIGHBOURHOOD LEVEL

Table 3.21 shows floorspace demand and floorspace capacity across the Monash Structure Plan Area.

Floorspace demand in the Monash Structure Plan Area equates to 40% of the calculated capacity. While floorspace demand is under the 65% threshold, available capacity is preferable to limited capacity. A larger buffer is preferred, particularly in Monash, as most growth is expected to occur post 2041. Reducing heights simply to reduce the gap between capacity and demand would limit future development opportunities. Instead, the focus should be maximising the potential of key sites, especially around the SRL station.

As alluded to above, the lower share of capacity reached by 2041 partly reflects that a greater share of growth in the 1600m area around the station is projected to occur post 2041. The employment growth, in particular, is projected to occur over an extended timeframe. As indicated in Section 1, the employment projection for the 1600m area at 2041 is less than half of the 2056 projection. This influences the lower share of capacity reached in the key employment areas such as Monash Central and the Employment Growth Neighbourhoods as noted below.

A high-level estimate of the further floorspace growth required beyond 2041 puts in context the need for the capacity that is created by the Structure Plan. Assuming that to 2056, the Structure Plan area maintains the same share of the projected population and employment in the 1600m area as in 2041, the estimated floorspace demand for the Structure Plan area could increase by approximately 3.8 million sq.m. By 2056, this would result in demand reaching approximately 80% of the calculated capacity, the point where it is acknowledged the impact of capacity constraints emerges. Although controls could be revised by 2056 to increase capacity, this highlights that the capacity created is essential to support growth beyond 2041.

Further, it is important for significant capacity planned for within Monash's employment neighbourhoods to encourage investment, regeneration and more substantial employment growth opportunities. To 2041, it is not expected that this opportunity will be taken up across all, or even most sites. However, the incentive needs to be created for redevelopment. While the station opening will be a catalyst, more needs to be done for Monash to develop as the significant suburban employment hub envisaged for it.

While there is capacity across the whole Structure Plan Area, at a neighbourhood level:

- The Monash University and CSIRO neighbourhood has a capacity issue based on the adjusted demand allocation versus calculated capacity. However, this is driven by high education employment projections and a potentially conservative estimate of capacity of Monash University through the structure planning process. It ultimately relies on the development plans of the University. There is significant capacity in adjoining neighbourhoods, indicating the potential for demand to flow to other areas relatively freely. The identified demand being slightly greater than capacity in the Monash University and CSIRO neighbourhood is not a material issue in planning for the area.
- Importantly, there is a significant level of remaining capacity in the Monash Central and the Employment Growth neighbourhoods. While growth is expected to accelerate post-2041 in these areas, there is opportunity for demand from the Monash University and CSIRO neighbourhood to shift to these neighbouring areas.
- Given the significant anticipated growth in the Monash Central neighbourhood and the current lack of dedicated infrastructure space (with none projected for the future under the assumptions built into the model), it may be valuable to consider a sensitivity analysis to assess the impact on remaining capacity if infrastructure floorspace was not constant. If infrastructure demand represented a further 5% on top of total non-infrastructure floorspace demand at 2041 in this neighbourhood, this would require adding 5% to the current floorspace demand estimate (with a new total of 415,600 sq.m). Even with a 5% increase in floorspace demand, there would still be ample capacity, as the demand-to-capacity ratio would only rise to 32% from 30%. See Appendix I for infrastructure sensitivity analysis for the entire Structure Plan area.
- Like other SRL East Structure Plan Areas, demand in the largely residential neighbourhoods (Notting Hill, Wellington Road, Clayton North) is estimated to be a lower proportion of capacity in the 30%-40% range. This reflects the longer-term growth need and that demand is expected to initially be directed more centrally to the Monash Central neighbourhood, before extending more into surrounding areas over the longer term. The opportunity for growth is provided for, while preventing short term development of low scale taking away the opportunity to achieve longer term growth.

TABLE 3.21 CAPACITY VS. DEMAND, MONASH STRUCTURE PLAN AREA– ADJUSTED DISTRIBUTION

		Adjusted baseline		
Neighbourhood	**Floorspace capacity (sq.m)**	**2041 Floorspace demand (sq.m)**	**Capacity minus demand (sq.m)**	**Floorspace demand as a share of capacity (%)**
MSH A: Monash Central	1,316,500	395,800	920,700	30%
MSH B: Employment Growth	2,552,400	458,900	2,093,500	18%
MSH C: Health Innovation	1,577,900	607,900	970,000	39%
MSH D: Monash University & CSIRO	1,284,900	1,289,500	- 4,600	100%
MSH E: Notting Hill	753,500	264,300	489,200	35%
MSH F: Wellington Road	871,500	311,200	560,300	36%
MSH G: Clayton North	587,400	209,200	378,200	36%
Total	**8,943,300**	**3,536,800**	**5,406,500**	**40%**

Source: AJM JV

3.4.3 SCENARIO TESTING

3.4.3.1 Monash: Scenario 1

PURPOSE – to inform consideration of the preferred land use mix in the Monash Central neighbourhood, specifically whether significant residential growth would impact employment outcomes from a capacity perspective.

ADJUSTMENTS MADE TO MODEL – Monash: Scenario 1 assesses the amount of residential space that could be directed to the Monash Central neighbourhood before 65% of capacity is reached, with new employment and other floorspace maintained in line with the adjusted distribution.

TABLE 3.22 POTENTIAL RESIDENTIAL FLOORSPACE INCREASE BEFORE 65% CAPACITY REACHED, MONASH: SCENARIO 1

		MSH A: Monash Central
Floorspace capacity (sq.m)	(A)	1,316,500
65% of floorspace capacity (sq.m)	(B) = 65% x (A)	855,700
2041 Employment floorspace demand (sq.m)	(C)	256,667
Residential floorspace able to be accommodated at 2041 (sq.m)	**(D) = (B) - (C)**	**599,033**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

RESULTS – the results of this scenario are presented in Table 3.22, with the following observations:

- With roughly 1.3 million sq.m of floorspace capacity, to hit 65% of the floorspace capacity at 2041, almost 600,000 sq.m of residential floorspace could fit in the Monash Central neighbourhood alongside the projected employment floorspace.
- With 7800 sq.m of existing residential floorspace estimated in the Monash Central neighbourhood at 2024, this represents approximately 591,000 sq.m of new residential space. This increase is equivalent to almost three times the total amount of new residential floorspace demanded across the entire Monash Structure Plan Area from 2024 to 2041, which is 200,400 sq.m.
- This suggests that adding residential floorspace in the Monash Central neighbourhood is manageable, with capacity to spare for a significant share of the new floorspace to be directed there while not compromising employment outcomes.
- However, the capacity for residential growth should not be interpreted as an opportunity to flood the Monash Central neighbourhood with residential floorspace. Incorporating almost 600,000 sq.m of residential floorspace in the neighbourhood would be well over and above what is needed to meet projected population growth across the whole Structure Plan Area, and greater than the projected employment floorspace at 2041. This would shift the focus of the Monash Central neighbourhood from employment and could potentially limit employment growth beyond 2041.
- The key take away from this scenario is that capacity exists for a sizeable amount of residential space in the Monash Central neighbourhood without reducing the capacity for employment growth. However, there are other factors that need to be considered in determining the appropriate quantum and locations for residential floorspace.

3.4.3.2 Monash: Scenario 2

PURPOSE – to consider if capacity still exists in the other neighbourhoods if housing is not permitted in the Monash Central neighbourhood.

ADJUSTMENTS MADE TO MODEL – Monash: Scenario 2 removes new residential space from the Monash Central neighbourhood and distributes all residential space across other areas that are suitable for residential development. The allocation of residential floorspace to the Monash University and CSIRO neighbourhood is in line with the adjusted distribution while new residential space is allocated to the Notting Hill, Wellington Road and Clayton North neighbourhoods in proportion with the amount of existing residential floorspace in these areas.

TABLE 3.23 CHANGES TO SHARE OF NEW FLOORSPACE, MONASH: SCENARIO 2

	Residential	
Neighbourhood	**Adjusted Dist'n**	**Scenario 2**
MSH A: Monash Central	66%	0%
MSH B: Employment Growth	0%	0%
MSH C: Health Innovation	0%	0%
MSH D: Monash University & CSIRO	2%	2%
MSH E: Notting Hill	5%	42%
MSH F: Wellington Road	14%	29%
MSH G: Clayton North	13%	27%
Total	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

RESULTS – the results of this scenario are presented in Table 3.24 , with the following observations:

- Under this scenario, roughly 130,000 sq.m of residential space that would have gone to the Monash Central neighbourhood is redistributed to the Notting Hill, Wellington Road and Clayton North neighbourhoods.
- This does not appear to be an issue, as increasing the amount of residential floorspace in these areas sees demand at 38% to 44% of capacity.
- Nevertheless, the capacity to accommodate residential growth in other neighbourhoods should not be interpreted as an opportunity for Monash Central not to be developed as a mixed-use precinct. Other SRL East Technical Reports have indicated some residential development is necessary to support amenity and employment growth.
- If capacity is constrained due to the absence of widespread property amalgamation (see Appendix G) or other factors, it may not be possible to direct this additional residential space to these neighbourhoods, potentially increasing reliance on the Monash Central neighbourhood for residential growth.

TABLE 3.24 CAPACITY VS. DEMAND, MONASH: SCENARIO 2

		Scenario 2			Adjusted baseline
Neighbourhood	**Floorspace capacity (sq.m)**	**2041 Floorspace demand (sq.m)**	**Capacity minus demand (sq.m)**	**Floorspace demand as a share of capacity (%)**	**Floorspace demand as a share of capacity (%)**
MSH A: Monash Central	1,316,500	264,500	1,052,000	20%	30%
MSH B: Employment Growth	2,552,400	458,900	2,093,500	18%	18%
MSH C: Health Innovation	1,577,900	607,900	970,000	39%	39%
MSH D: Monash University & CSIRO	1,284,900	1,289,500	- 4,600	100%	100%
MSH E: Notting Hill	753,500	338,400	415,100	45%	35%
MSH F: Wellington Road	871,500	340,700	530,800	39%	36%
MSH G: Clayton North	587,400	236,600	350,800	40%	36%
Total	**8,943,300**	**3,536,400**	**5,406,900**	**40%**	**40%**

Source: AJM JV

3.4.4 CAPACITY FOR RETAIL FLOORSPACE

Since retail floorspace in the Structure Plan Area is recommended mainly at ground level, consideration of capacity to support retail space in the core retail neighbourhood assumed it is all provided on a single level. Table 3.25 below compares the total retail floorspace demand projected for 2041 with a high-level estimate of the potential amount of ground floor space that could be located in the core area.

The potential ground floor retail capacity in the core area is approximated as the sum of the following:

- Existing retail floorspace on undevelopable sites is assumed to remain unchanged
- Potential new ground floor retail space is calculated as the land area of developable sites, multiplied by an 80% site coverage factor and the development opportunity rating for each site.

In total, there is estimated capacity for around 119,700 sq.m of ground floor retail space in the Monash Central neighbourhood.

With a total retail floorspace demand of 56,700 sq.m by 2041 across the Structure Plan Area (see Appendix B), even if all this space was accommodated within the Monash Central neighbourhood, there would be more than enough capacity to accommodate the total retail space needed at ground level. This is also overstating the floorspace need in the Monash Central neighbourhood, given that some retail space will be supported in other neighbourhoods such as Wellington Road (where M-City is located).

This is a conservative estimate of the footprint required for retail space. Some retail space will likely be delivered over multiple levels, although this is noted as not being the preferred development form. If the retail space can be accommodated in a single level across the core area, it can certainly fit if some is developed as multi-level in some areas.

This confirms it is not necessary for every building in the core area to accommodate ground floor retail space. Given the ground floor capacity, it is appropriate to focus retail in a more consolidated core nearest to the SRL station to maximise cross usage between retail facilities. Some retail space may spread across Monash Central serving particularly needs (such as cafes at ground level of residential or office buildings).

Despite sufficient floorspace capacity being identified in the core area, careful consideration is still needed to accommodate specific uses. For example, a full-line supermarket requires a site large enough. This includes a 3000 to 4000 sq.m footprint for the supermarket itself, with supporting specialty shops, loading / unloading arrangements, car parking access (even if in a basement) and other circulation space.

TABLE 3.25 RETAIL FLOORSPACE CAPACITY, MONASH STRUCTURE PLAN AREA CORE

Neighbourhood	Retail on existing sites that are not developable (sq.m) (A)	Land area of developable sites @ 80% site coverage (sq.m) (B)	Total potential ground floor retail capacity (sq.m) (C) = (A) + (B)	Retail floorspace demand at 2041 (sq.m)
MSH A: Monash Central	-	119,700	119,700	56,700

Source: AJM JV

3.5 Glen Waverley Structure Plan Area

3.5.1 ADJUSTED DISTRIBUTION

Table 3.26 shows the existing and adjusted distribution for residential and employment and other floorspace for the Glen Waverley Structure Plan Area. Points to note about the adjusted distribution relative to the existing distribution include:

- Central Glen Waverley neighbourhood – an increasing share of residential floorspace is assumed as this area is expected to be the focus of future high-density development. This has recently been the case, and these trends are expected to continue.
- The distribution of employment across the entire Glen Waverley Structure Plan Area is largely unchanged.

TABLE 3.26 CHANGES TO DISTRIBUTION OF FLOORSPACE, GLEN WAVERLEY STRUCTURE PLAN AREA

Neighbourhood	Residential floorspace		Employment and other floorspace	
	Existing distribution	Adjusted distribution	Existing distribution	Adjusted distribution
GWY A: Central Glen Waverley	11%	17%	60%	60%
GWY B: Bogong	38%	36%	4%	4%
GWY C: Glen Waverley North	12%	11%	1%	1%
GWY D: Springvale Road East	32%	30%	3%	3%
GWY E: Waverley Road	7%	7%	32%	31%
Total	**100%**	**100%**	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

The adjusted distribution outlined above results in the new space being distributed across the Structure Plan Area in the proportions shown in Table 3.27.

TABLE 3.27 SHARE OF NEW FLOORSPACE UNDER ADJUSTED DISTRIBUTION, GLEN WAVERLEY STRUCTURE PLAN AREA

Neighbourhood	Residential	Health	Office	Education	Industrial	Other Employment	Infrastructure
GWY A: Central Glen Waverley	75%	80%	83%	1%	0%	82%	0%
GWY B: Bogong	11%	1%	0%	21%	0%	3%	0%
GWY C: Glen Waverley North	4%	3%	6%	0%	0%	1%	0%
GWY D: Springvale Road East	3%	11%	0%	19%	0%	0%	0%
GWY E: Waverley Road	7%	4%	10%	59%	100%	14%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**0%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

3.5.1 RESULTS AT A NEIGHBOURHOOD LEVEL

Table 3.28 shows floorspace demand and floorspace capacity across the Glen Waverley Structure Plan Area.

Floorspace demand in the Glen Waverley Structure Plan Area equates to around 48% of the calculated capacity.

At a neighbourhood level, there appears to be sufficient capacity to accommodate projected growth to 2041. The highest share of capacity is 57% in the Springvale Road East neighbourhood.

While the total Structure Plan Area demand as a share of capacity is in the middle of the range of the six Structure Plan Areas, 48% is still considered to represent a sizeable share of capacity consumed by 2041. This is because large parts of the Glen Waverley Structure Plan Area outside Central Glen Waverley are currently lower density residential areas.

As seen in other areas, the share of capacity taken up in these residential areas is typically lower than areas close to the stations, often in the 30%-40% range. This reflects where demand will initially be focussed, and that residential areas will be slower to regenerate. In Glen Waverley though, the residential areas are reaching a higher share of capacity by 2041 (mostly above 40%, up to 57%). The share of the longer-term population growth expected prior to 2041 is higher than most other Structure Plan Areas, so this result is somewhat expected. Nonetheless, capacity will still exist to accommodate growth beyond 2041, while preventing short term development of low scale taking away the opportunity to achieve longer term growth. The opportunity for growth to move to other interchangeable neighbourhoods (particularly residential growth) is maintained.

TABLE 3.28 CAPACITY VS. DEMAND, GLEN WAVERLEY STRUCTURE PLAN AREA – ADJUSTED DISTRIBUTION

	Adjusted baseline			
Neighbourhood	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)
GWY A: Central Glen Waverley	1,383,400	705,600	677,800	51%
GWY B: Bogong	821,600	405,900	415,700	49%
GWY C: Glen Waverley North	329,500	124,000	205,500	38%
GWY D: Springvale Road East	582,800	334,200	248,600	57%
GWY E: Waverley Road	861,100	348,300	512,800	40%
Total	**3,978,400**	**1,918,000**	**2,060,400**	**48%**

Source: AJM JV

3.5.2 SCENARIO TESTING

3.5.2.1 Glen Waverley: Scenario 1

PURPOSE – to accommodate sufficient employment and residential space in the Central Glen Waverley neighbourhood, even if residential demand is stronger than expected in that neighbourhood.

ADJUSTMENTS MADE TO MODEL – Glen Waverley: Scenario 1 pushes 100% of new residential space projected to be needed to 2041 in the Glen Waverley Structure Plan Area into the Central Glen Waverley neighbourhood. New employment space is maintained in line with the adjusted distribution.

TABLE 3.29 CHANGES TO SHARE OF NEW FLOORSPACE, GLEN WAVERLEY: SCENARIO 1

	Residential	
Neighbourhood	Adjusted Dist'n	Scenario 1
GWY A: Central Glen Waverley	75%	100%
GWY B: Bogong	11%	0%
GWY C: Glen Waverley North	4%	0%
GWY D: Springvale Road East	3%	0%
GWY E: Waverley Road	7%	0%
Total	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

RESULTS – the results of this scenario are presented in Table 3.30, with the following observations:

- Floorspace demand in the Central Glen Waverley neighbourhood increases by 24,000 sq.m. As this neighbourhood is already a focus for residential growth (75% of total), this scenario doesn't materially change the residential outcome. As there is no capacity issue, this small change does not impact the results.
- This demonstrates that potential for residential development to crowd out employment uses across the Central Glen Waverley neighbourhood is relatively limited under the projected population and employment growth. Before 65% of capacity is reached, a further ~170,000 sq.m of residential floorspace could be accommodated in the neighbourhood. New residential demand across the entire Structure Plan Area from 2024 to 2041 is only estimated at 94,400 sq.m.

TABLE 3.30 CAPACITY VS. DEMAND, GLEN WAVERLEY: SCENARIO 1

	Scenario 1				Adjusted baseline
Neighbourhood	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)	Floorspace demand as a share of capacity (%)
GWY A: Central Glen Waverley	1,383,400	728,900	654,500	53%	51%
GWY B: Bogong	821,600	395,100	426,500	48%	49%
GWY C: Glen Waverley North	329,500	120,700	208,800	37%	38%
GWY D: Springvale Road East	582,800	331,700	251,100	57%	57%
GWY E: Waverley Road	861,100	341,700	519,400	40%	40%
Total	**3,978,400**	**1,918,100**	**2,060,300**	**48%**	**48%**

Source: AJM JV

3.5.2.2 Glen Waverley: Scenario 2

PURPOSE – to inform consideration of the preferred land use mix in the Central Glen Waverley neighbourhood AND to consider if it is necessary to accommodate office development in the Central Glen Waverley neighbourhood.

ADJUSTMENTS MADE TO MODEL – Glen Waverley: Scenario 2 removes all new office growth from the Central Glen Waverley neighbourhood and distributes it to other areas suitable for office development, particularly the Waverley Road neighbourhood.

TABLE 3.31 CHANGES TO SHARE OF NEW FLOORSPACE, GLEN WAVERLEY: SCENARIO 2

	Office	
Neighbourhood	Adjusted Dist'n	Scenario 2
GWY A: Central Glen Waverley	83%	0%
GWY B: Bogong	0%	1%
GWY C: Glen Waverley North	6%	15%
GWY D: Springvale Road East	0%	0%
GWY E: Waverley Road	10%	84%
Total	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

RESULTS – the results of this scenario are presented in Table 3.32, with the following observations:

- As there is sufficient capacity in all neighbourhoods, and the office requirement is not high, this shift does not materially impact other areas.
- However, this does not imply that office development in the core area should not be prioritised. The type of tenants and office developments likely to be attracted to the Central Glen Waverley neighbourhood would differ from those in the Waverley Road neighbourhood. While the capacity in the Waverley Road neighbourhood might technically accommodate these developments, tenants may not choose that location if it doesn't align with their needs. In particular, the amenity provided in the Central Glen Waverley neighbourhood supports greater office development. In effect, if high-density office development does not take place in the Central Glen Waverley neighbourhood, it is unlikely to happen in the Glen Waverley Structure Plan Area at all.

TABLE 3.32 CAPACITY VS. DEMAND, GLEN WAVERLEY: SCENARIO 2

	Scenario 2				Adjusted baseline
Neighbourhood	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)	Floorspace demand as a share of capacity (%)
GWY A: Central Glen Waverley	1,383,400	661,800	721,600	48%	51%
GWY B: Bogong	821,600	406,400	415,200	49%	49%
GWY C: Glen Waverley North	329,500	128,500	201,000	39%	38%
GWY D: Springvale Road East	582,800	334,200	248,600	57%	57%
GWY E: Waverley Road	861,100	387,000	474,100	45%	40%
Total	**3,978,400**	**1,917,900**	**2,060,500**	**48%**	**48%**

Source: AJM JV

3.5.3 CAPACITY FOR RETAIL FLOORSPACE

Since retail floorspace in the Structure Plan Area is recommended mainly at ground level, consideration of capacity to support retail space in the core retail neighbourhood assumed it is all provided on a single level.

Table 3.33 below compares the total retail floorspace demand projected for 2041 with a high-level estimate of the potential amount of ground floor space that could be located in the core area.

The potential ground floor retail capacity in the core area is approximated as the sum of the following:

- Existing retail floorspace on undevelopable sites is assumed to remain unchanged
- Potential new ground floor retail space is calculated as the land area of developable sites, multiplied by an 80% site coverage factor and the development opportunity rating for each site.

In total, there is estimated capacity for around 140,500 sq.m of ground floor retail space in the Central Glen Waverley neighbourhood. This includes 32,700 sq.m of existing space on undevelopable sites.

Contrary to the other Structure Plan Areas, the total retail floorspace demand of 181,700 sq.m by 2041 across the Glen Waverley Structure Plan Area (see Appendix B) is greater than the ground floor retail space potential of just over 140,000 sq.m identified above.

This is not considered a major concern though. Firstly, the floorspace need in the central neighbourhood is potentially overstated here, given some retail space will also be supported in other neighbourhoods.

Secondly, this is a conservative estimate of the footprint required for retail space. Some retail space will likely be delivered over multiple levels. This is already evident in The Glen Shopping Centre and some other retail complexes in Glen Waverley which have developed over multiple levels. Multi-level development in select locations (2 to 3 levels maximum) will support the retail space needed, with a large share of retail space likely in The Glen Shopping Centre.

What it does confirm is that large parts of the ground level across Central Glen Waverley will be needed for retail facilities. This is already largely true, although it will mean most street-facing locations will sustain retail activity as the central area develops.

TABLE 3.33 RETAIL FLOORSPACE CAPACITY, GLEN WAVERLEY STRUCTURE PLAN AREA CORE

Neighbourhood	Retail on existing sites that are not developable (sq.m) (A)	Land area of developable sites @ 80% site coverage (sq.m) (B)	Total potential ground floor retail capacity (sq.m) (C) = (A) + (B)	Retail floorspace demand at 2041 (sq.m)
GWY A: Central Glen Waverley	32,700	107,800	140,500	181,700

Source: AJM JV

3.6 Burwood Structure Plan Area

3.6.1 ADJUSTED DISTRIBUTION

Table 3.34 shows the existing and adjusted distribution for residential and employment and other floorspace for the Burwood Structure Plan Area. Points to note about the adjusted distribution relative to the existing distribution include:

- Burwood Central neighbourhood – this area includes the SRL station and so significant growth across several uses is expected with a greater share of residential, office and other employment floorspace.
- Employment C1 neighbourhood – some residential development is allowed for along the highway frontage, with an increase office development along the highway adjacent to the SRL station and through the existing industrial areas.
- Education neighbourhood – while education remains critical in volume terms, the share of total employment will slightly decline as growth in other industries occurs. The residential floorspace share also declines. While growth in student accommodation is expected, other areas are expected to grow faster.
- Station Street neighbourhood – growth in this neighbourhood is influenced by the opportunity to expand the Greenwood business park, with a marginal increase in the employment share, although offset with a reduced residential share.

TABLE 3.34 CHANGES TO DISTRIBUTION OF FLOORSPACE, BURWOOD STRUCTURE PLAN AREA

Neighbourhood	Residential floorspace		Employment and other floorspace	
	Existing distribution	Adjusted distribution	Existing distribution	Adjusted distribution
BUR A: Burwood Central	8%	18%	5%	7%
BUR B: McIntyre	13%	13%	0%	2%
BUR C1: Employment Neighbourhood	1%	5%	21%	20%
BUR C2: Employment Neighbourhood	0%	0%	11%	9%
BUR D: Ashwood	12%	8%	0%	0%
BUR E: Lundgren	33%	27%	0%	0%
BUR F: Station Street	14%	12%	11%	12%
BUR G: Education Neighbourhood	19%	16%	51%	50%
Total	**100%**	**100%**	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

The adjusted distribution outlined above results in the new space being distributed across the Structure Plan Area in the proportions shown in Table 3.35.

TABLE 3.35 SHARE OF NEW FLOORSPACE UNDER ADJUSTED DISTRIBUTION, BURWOOD STRUCTURE PLAN AREA

Neighbourhood	Residential	Health	Office	Education	Industrial	Other Employment	Infrastructure
BUR A: Burwood Central	42%	26%	17%	0%	0%	41%	0%
BUR B: McIntyre	14%	0%	6%	0%	0%	20%	0%
BUR C1: Employment Neighbourhood	15%	54%	38%	0%	62%	20%	0%
BUR C2: Employment Neighbourhood	0%	0%	1%	0%	38%	4%	0%
BUR D: Ashwood	0%	0%	0%	0%	0%	1%	0%
BUR E: Lundgren	15%	7%	0%	0%	0%	1%	0%
BUR F: Station Street	6%	7%	29%	12%	0%	7%	0%
BUR G: Education Neighbourhood	9%	7%	9%	88%	0%	6%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**0%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

3.6.2 RESULTS AT A NEIGHBOURHOOD LEVEL

Table 3.36 shows floorspace demand and floorspace capacity across the Burwood Structure Plan Area.

Floorspace demand in the Burwood Structure Plan Area equates to around 48% of the calculated capacity.

In the Education neighbourhood there is a potential capacity issue, with the allocated demand just triggering the capacity flag at 66%. This is driven by high education employment projections. However, the capacity to achieve employment projections and develop the area is ultimately relies on the development ambitions and needs of Deakin University. The capacity ratio is consequently not seen as significant.

The Employment C2 neighbourhood area is modelled to reach 79% of capacity by 2041. This is a relatively small area that would be expected to reach capacity earlier than other areas. While evaluating the potential increase in capacity by allowing for greater FARs if capacity is reached in the Employment C2 neighbourhood, it is likely that demand will shift to nearby comparable areas. There is significant capacity in the nearby C1: Employment neighbourhood to accommodate more floorspace demand. Increasing capacity simply to balance the model is therefore not considered necessary. The market will respond to the available capacity existing across the combined employment neighbourhoods.

Beyond the two neighbourhoods noted above, the demand as a share of capacity in each neighbourhood is typically around 40% to 55%. The key exception to this is the Station Street neighbourhood (30%) which, with almost 500,000 sq.m of remaining capacity, contains over a quarter of the remaining capacity in the Structure Plan Area. This is in part the result of the opportunity existing for a major uplift of development on the Greenwood Business Park site. While the demand for office space to 2041 based on modest employment projections may not see capacity taken taken up initially, it is appropriate for the Structure Plan to create this longer-term opportunity for more significant change.

Also within the Station Street neighbourhood, significant indicative capacity has been estimated on the Mt Scopus site, noting the Draft Structure Plan has not established explicit built form guidance across the education sites. The outcome on this site will ultimately be determined by the intentions for the school.

As seen in other areas, the share of capacity taken up in residential areas is typically lower than areas close to the stations, often in the 30%-40% range. This reflects where demand will initially be focussed, and that residential areas will be slower to regenerate. In Burwood, the residential areas are generally reaching a higher share of capacity by 2041, reflecting the higher share of the longer-term regional population growth expected prior to 2041. Nonetheless, capacity will still exist to accommodate growth beyond 2041, while preventing short term development of low scale taking away the opportunity to achieve this. The opportunity for growth to move to other similar neighbourhoods (particularly residential growth) is maintained, while over time, residential growth can also extend beyond the Structure Plan Area.

TABLE 3.36 CAPACITY VS. DEMAND, BURWOOD STRUCTURE PLAN AREA – ADJUSTED DISTRIBUTION

		Adjusted baseline		
Neighbourhood	Floorspace capacity	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)
BUR A: Burwood Central	482,900	203,600	279,300	42%
BUR B: McIntyre	249,600	115,500	134,100	46%
BUR C1: Employment Neighbourhood	457,300	240,100	217,200	53%
BUR C2: Employment Neighbourhood	109,800	87,200	22,600	79%
BUR D: Ashwood	133,900	65,900	68,000	49%
BUR E: Lundgren	554,600	210,400	344,200	38%
BUR F: Station Street	706,300	209,100	497,200	30%
BUR G: Education Neighbourhood	924,600	614,400	310,200	66%
Total	**3,619,000**	**1,746,100**	**1,872,900**	**48%**

Source: AJM JV

3.6.3 SCENARIO TESTING

3.6.3.1 Burwood: Scenario 1

PURPOSE – to guide the land use mix in the core of the Burwood Structure Plan Area, specifically whether there is capacity elsewhere should it not accommodate office development.

ADJUSTMENTS MADE TO MODEL – Burwood: Scenario 1 removes office space from the Burwood Central neighbourhood and distributes new office space across other areas that are suitable for office development.

TABLE 3.37 CHANGES TO SHARE OF NEW FLOORSPACE, BURWOOD: SCENARIO 1

	Office	
Neighbourhood	Adjusted Dist'n	Scenario 1
BUR A: Burwood Central	17%	0%
BUR B: McIntyre	6%	6%
BUR C1: Employment Neighbourhood	38%	47%
BUR C2: Employment Neighbourhood	1%	1%
BUR D: Ashwood	0%	0%
BUR E: Lundgren	0%	0%
BUR F: Station Street	29%	37%
BUR G: Education Neighbourhood	9%	9%
Total	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

RESULTS – the results of this scenario are presented in Table 3.32, with the following observations:

- Floorspace demand in the Burwood Central neighbourhood decreases by ~14,000 sq.m. Pushing this office space into other neighbourhoods does not create any capacity issues in those areas, and in fact does not materially change the shares at all. The Employment C2 and Education neighbourhoods were already identified as approaching capacity buffers, but this scenario does not alter this outcome.
- Office demand overall in the Burwood Structure Plan Area is not excessive and the core is not seen as a primary location for new space, unlike other SRL East Structure Plan Areas. From a capacity point of view, office space does not need to be accommodated in the core. However, this does not mean the core area can develop without employment uses. A mixed-use town centre is identified in other SRL East Structure Plan Technical Reports as helping to support a vibrant area around the SRL station (the SRL East Structure Plan – Economic Profile Technical Reports, the Housing Needs Assessment Technical Reports, and the Retail Assessment Technical Reports).

TABLE 3.38 CAPACITY VS. DEMAND, BURWOOD: SCENARIO 1

		Scenario 1			Adjusted baseline
Neighbourhood	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)	Floorspace demand as a share of capacity (%)
BUR A: Burwood Central	482,900	190,100	292,800	39%	42%
BUR B: McIntyre	249,600	115,500	134,100	46%	46%
BUR C1: Employment Neighbourhood	457,300	247,500	209,800	54%	53%
BUR C2: Employment Neighbourhood	109,800	87,200	22,600	79%	79%
BUR D: Ashwood	133,900	65,900	68,000	49%	49%
BUR E: Lundgren	554,600	210,400	344,200	38%	38%
BUR F: Station Street	706,300	215,300	491,000	30%	30%
BUR G: Education Neighbourhood	924,600	614,400	310,200	66%	66%
Total	**3,619,000**	**1,746,100**	**1,872,900**	**48%**	**48%**

Source: AJM JV

3.6.3.2 Burwood: Scenario 2

PURPOSE – to understand the impact of potential limits on growth in peripheral residential areas. That is, to consider whether all new residential development can be accommodated within the core area.

ADJUSTMENTS MADE TO MODEL – Burwood: Scenario 2 pushes 100% of new residential space in the Burwood Structure Plan Area into the Burwood Central neighbourhood, while new employment and other floorspace is distributed in line with the adjusted distribution.

TABLE 3.39 CHANGES TO SHARE OF NEW FLOORSPACE, BURWOOD: SCENARIO 2

	Residential	
Neighbourhood	Adjusted Dist'n	Scenario 2
BUR A: Burwood Central	42%	100%
BUR B: McIntyre	14%	0%
BUR C1: Employment Neighbourhood	15%	0%
BUR C2: Employment Neighbourhood	0%	0%
BUR D: Ashwood	0%	0%
BUR E: Lundgren	15%	0%
BUR F: Station Street	6%	0%
BUR G: Education Neighbourhood	9%	0%
Total	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

RESULTS – the results of this scenario are presented in Table 3.40, with the following observations:

- Floorspace demand in the Burwood Central neighbourhood increases by 136,100 sq.m
- Floorspace demand as a share of capacity increases to 70% – there is now a capacity issue in the Burwood Central neighbourhood
- This indicates that while the core should be a focus area for residential growth, other neighbourhoods will also need to accommodate residential growth to meet the projected population increase.

TABLE 3.40 CAPACITY VS. DEMAND, BURWOOD: SCENARIO 2

		Scenario 2			Adjusted baseline
Neighbourhood	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)	Floorspace demand as a share of capacity (%)
BUR A: Burwood Central	482,900	339,700	143,200	70%	42%
BUR B: McIntyre	249,600	83,200	166,400	33%	46%
BUR C1: Employment Neighbourhood	457,300	205,200	252,100	45%	53%
BUR C2: Employment Neighbourhood	109,800	87,200	22,600	79%	79%
BUR D: Ashwood	133,900	65,900	68,000	49%	49%
BUR E: Lundgren	554,600	176,200	378,400	32%	38%
BUR F: Station Street	706,300	194,400	511,900	28%	30%
BUR G: Education Neighbourhood	924,600	594,200	330,400	64%	66%
Total	3,619,000	**1,746,100**	**1,872,900**	**48%**	**48%**

Source: AJM JV

3.6.4 CAPACITY FOR RETAIL FLOORSPACE

Since retail floorspace in the Structure Plan Area is recommended mainly at ground level, consideration of capacity to support retail space in the core retail neighbourhood assumed it is all provided on a single level.

Table 3.41 below compares the total retail floorspace demand projected for 2041 with a high-level estimate of the potential amount of ground floor space that could be located in the core area.

The potential ground floor retail capacity in the core area is approximated as the sum of the following:

- Existing retail floorspace on undevelopable sites is assumed to remain unchanged
- Potential new ground floor retail space is calculated as the land area of developable sites, multiplied by an 80% site coverage factor and the development opportunity rating for each site.

In total, there is estimated capacity for around 97,000 sq.m of ground floor retail space in the Burwood Central neighbourhood.

With a total retail floorspace demand of 54,500 sq.m by 2041 across the Structure Plan Area (see Appendix B), even if all this space was accommodated in the Burwood Central neighbourhood, there would be more than enough capacity to accommodate the total retail space needed at ground level. This is also overstating the floorspace need in the Burwood Central neighbourhood, given that some retail space will be supported in other neighbourhoods such as the Employment neighbourhoods and Station Street.

This calculation is a conservative estimate of the footprint required for retail space. Some retail space will likely be delivered over multiple levels, although this is noted as not being the preferred development form. If the retail space can be accommodated in a single level across the Burwood Central neighbourhood, it can certainly fit if some is developed as multi-level in some areas.

This confirms it is not necessary for every building in the core area to accommodate ground floor retail space. Given the ample ground floor capacity, it is appropriate to focus retail in strategic locations within the core nearest to the SRL station, clustered around an anchor tenant such as a supermarket.

Despite sufficient floorspace capacity being identified, careful consideration is needed to accommodate specific uses. For example, a full-line supermarket requires a site large enough to support it, including a 3,000-4,000 sq.m footprint for the supermarket itself, supporting specialty shops, loading/unloading arrangements, car parking access (even if in a basement) and other circulation space.

TABLE 3.41 RETAIL FLOORSPACE CAPACITY, BURWOOD STRUCTURE PLAN AREA CORE

Neighbourhood	Retail on existing sites that are not developable (sq.m) (A)	Land area of developable sites @ 80% site coverage (sq.m) (B)	Total potential ground floor retail capacity (sq.m) (C) = (A) + (B)	Retail floorspace demand at 2041 (sq.m)
BUR A: Burwood Central	-	96,900	96,900	54,500

Source: AJM JV

3.7 Box Hill Structure Plan Area

3.7.1 ADJUSTED DISTRIBUTION

Table 3.42 shows the existing and adjusted distribution for residential and employment and other floorspace for the Box Hill Structure Plan Area. Points to note about the adjusted distribution relative to the existing distribution include:

- Central Box Hill neighbourhood – most of the residential floorspace demand is estimated to be high-density, which increases the share of residential floorspace. Growth in office and other employment floorspace is expected, although the overall share of employment doesn't increase as much because the share of total employment is already high at 44%.
- Health and Education neighbourhood – the share of residential floorspace is maintained, reflecting the area's popularity for its amenity close to the core and open space. A slight increase in the employment share is expected with growth in office space related to health uses and health floorspace.
- Surrey Park neighbourhood – an increased share of residential floorspace reflects future development on the former Box Hill Brickworks site.
- The share of overall residential floorspace will decline in established low-density residential areas as the share increases in neighbourhoods supporting more high-density development.

TABLE 3.42 CHANGES TO DISTRIBUTION OF FLOORSPACE, BOX HILL STRUCTURE PLAN AREA

Neighbourhood	Residential floorspace		Employment and other floorspace	
	Existing distribution	Adjusted distribution	Existing distribution	Adjusted distribution
BOX A: Central Box Hill	35%	43%	44%	46%
BOX B: Health & Education	7%	7%	40%	42%
BOX C: Surrey Park	23%	25%	6%	4%
BOX D: Gardens	17%	12%	3%	3%
BOX E: Laburnum	6%	5%	5%	4%
BOX F: Albion	13%	8%	2%	1%
Total	**100%**	**100%**	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

The adjusted distribution outlined above results in the new space being distributed across the Structure Plan Area in the proportions shown in Table 3.43.

TABLE 3.43 SHARE OF NEW FLOORSPACE UNDER ADJUSTED DISTRIBUTION, BOX HILL STRUCTURE PLAN AREA

Neighbourhood	Residential	Health	Office	Education	Industrial	Other Employment	Infrastructure
BOX A: Central Box Hill	56%	4%	76%	3%	54%	85%	0%
BOX B: Health & Education	9%	92%	22%	67%	0%	2%	0%
BOX C: Surrey Park	28%	1%	1%	1%	44%	9%	0%
BOX D: Gardens	3%	3%	1%	4%	0%	2%	0%
BOX E: Laburnum	4%	0%	0%	25%	2%	3%	0%
BOX F: Albion	0%	0%	0%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**0%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

3.7.2 RESULTS AT A NEIGHBOURHOOD LEVEL

Table 3.44 shows floorspace demand and floorspace capacity across the Box Hill Structure Plan Area.

Floorspace demand in the Box Hill Structure Plan Area equates to around 59% of the calculated capacity.

The Central Box Hill and the Health and Education neighbourhoods are approaching potential capacity thresholds under the adjusted distribution with respectively demand around 64% and 61% of the capacity. However, capacity is below the threshold levels. The remaining capacity in volume terms is still the most significant in these two areas.

There are limited concerns in other neighbourhoods where demand is less than 60% of capacity.

The Box Hill Structure Plan Area is expected to develop earlier than other SRL East Structure Plan Areas. This is reflected by the high share of growth projected by 2041 as a share of the 2056 projection. Neighbourhoods approaching 65% or even 70% should be expected, which is not a concern.

While the capacity at the neighbourhood level does not raise red flags, the Central Box Hill and the Health and Education neighbourhoods are approaching the threshold. Employment could be prioritised to some degree in these areas. Residential development is more capable of being accommodated elsewhere, whereas most employment uses are required in these areas.

The analysis in this report has indicated the share of capacity taken up in residential areas is typically lower than areas close to the stations, often in the 30%-40% range. In Box Hill though, the residential areas are reaching a higher share of capacity by 2041 (mostly around 50% or above). The share of the longer-term population growth expected prior to 2041 is higher than most other Structure Plan Areas, so this result is somewhat expected. Nonetheless, capacity will still exist to accommodate growth beyond 2041, while preventing short term development of low scale taking away the opportunity to achieve longer term growth. The opportunity for growth to move to other interchangeable neighbourhoods (particularly residential growth) is maintained, while residential development in particular is expected to extend beyond the Structure Plan Area beyond 2041.

A high-level estimate of the further floorspace growth required beyond 2041 puts in context the need for the capacity that is created by the Structure Plan. Assuming that at 2056, the Structure Plan area maintains the same share of the projected population and employment in the 1600m area as in 2041, the estimated floorspace demand for the Structure Plan area could increase by approximately 1.1 million sq.m. By 2056, this would result in demand approaching 80% of the calculated capacity. Although controls could be revised by 2056 to increase capacity, this highlights that the capacity created is essential to support growth beyond 2041.

TABLE 3.44 CAPACITY VS. DEMAND, BOX HILL STRUCTURE PLAN AREA – ADJUSTED DISTRIBUTION

	Adjusted baseline			
	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)
BOX A: Central Box Hill	2,152,400	1,373,700	778,700	64%
BOX B: Health & Education	1,186,400	723,200	463,200	61%
BOX C: Surrey Park	932,400	478,900	453,500	51%
BOX D: Gardens	440,000	242,300	197,700	55%
BOX E: Laburnum	300,500	149,400	151,100	50%
BOX F: Albion	327,100	157,100	170,000	48%
Total	**5,338,800**	**3,124,600**	**2,214,200**	**59%**

Source: AJM JV

3.7.3 SCENARIO TESTING

3.7.3.1 Box Hill: Scenario 1

PURPOSE – to accommodate sufficient residential and employment space in the Central Box Hill neighbourhood, particularly if residential demand is much greater than projected.

ADJUSTMENTS MADE TO MODEL – Box Hill: Scenario 1 pushes 100% of new residential space in the into the Central Box Hill neighbourhood, while new employment and other floorspace is distributed in line with the adjusted distribution.

TABLE 3.45 CHANGES TO SHARE OF NEW FLOORSPACE, BOX HILL: SCENARIO 1

	Residential	
Neighbourhood	Adjusted Dist'n	Scenario 1
BOX A: Central Box Hill	56%	100%
BOX B: Health & Education	9%	0%
BOX C: Surrey Park	28%	0%
BOX D: Gardens	3%	0%
BOX E: Laburnum	4%	0%
BOX F: Albion	0%	0%
Total	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

RESULTS – the results of this scenario are presented in Table 3.46, with the following observations:

- Floorspace demand in the Central Box Hill neighbourhood increases by 345,500 sq.m.
- A moderate capacity issue in the Central Box Hill neighbourhood emerges under Scenario 1 (76% of capacity reached in 2041). This is an extreme scenario (100% of residential demand in Central Box Hill), but it does highlight that unlimited residential development in Central Box Hill may have the potential to crowd out employment uses. Some consideration so this point is not reached may be necessary.

- In the Central Box Hill neighbourhood, the floorspace split between residential and employment uses increases from 49 to 51% in 2024 to 52 to 48% under the adjusted distribution. In other words, development of residential use is already anticipated to outstrip employment use.
- This ratio moves to 60 / 40% in Scenario 1, at which point capacity constraints appear to emerge. This shows that if residential development proceeds to develop at a significantly greater rate than employment floorspace (that is, the weighting moving too far towards residential) there may be challenges emerging in accommodating the necessary employment uses.
- Some consideration of balancing residential and employment use in the Central Box Hill neighbourhood may be necessary. However, as the capacity still only reaches 76% in 2041 under an extreme scenario (that is, a high capacity but still with some room for growth), it is not considered that drastic measures are needed to control residential development. Nonetheless, this should be monitored and considered when preparing the Structure Plan.
- Under this scenario, the capacity share reduces in the Health and Education neighbourhood (as the other area over 60% capacity under the adjusted distribution) with less residential floorspace demand directed here. This indicates there is some potential flow between these two neighbouring areas for residential and employment use.

TABLE 3.46 CAPACITY VS. DEMAND, BOX HILL: SCENARIO 1

	Scenario 1				Adjusted baseline
	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capcity minus demand (sq.m)	Floorspace demand as a share of capacity (%)	Floorspace demand as a share of capacity (%)
BOX A: Central Box Hill	2,152,400	1,632,000	520,400	76%	64%
BOX B: Health & Education	1,186,400	670,700	515,700	57%	61%
BOX C: Surrey Park	932,400	311,900	620,500	33%	51%
BOX D: Gardens	440,000	225,900	214,100	51%	55%
BOX E: Laburnum	300,500	128,500	172,000	43%	50%
BOX F: Albion	327,100	155,500	171,600	48%	48%
Total	**5,338,800**	**3,124,600**	**2,214,200**	**59%**	**59%**

Source: AJM JV

3.7.3.2 Box Hill: Scenario 2

PURPOSE – to consider the quantum of residential uses that could be added in the Health and Education neighbourhood before capacity constraints are reached.

ADJUSTMENTS MADE TO MODEL – Box Hill: Scenario 2 increases the amount of residential space directed to the Health and Education neighbourhood to a point so the neighbourhood hits 65% of its capacity.

TABLE 3.47 CHANGES TO SHARE OF NEW FLOORSPACE, BOX HILL: SCENARIO 2

	Residential	
Neighbourhood	Adjusted Dist'n	Scenario 2
BOX A: Central Box Hill	56%	53%
BOX B: Health & Education	9%	17%
BOX C: Surrey Park	28%	26%
BOX D: Gardens	3%	2%
BOX E: Laburnum	4%	3%
BOX F: Albion	0%	0%
Total	**100%**	**100%**

Note: Percentages may not add to 100% due to rounding. Source: AJM JV

RESULTS – the results of this scenario are presented in Table 3.48, with the following observations:

- To hit 65% of capacity, residential floorspace demand in the Health and Education neighbourhood would need to increase by around 48,000 sq.m (compared to the adjusted distribution). In other words, residential development could be 48,000 sq.m greater than under the adjusted distribution before capacity constraints might emerge. This amounts to a total of approximately 172,000 sq.m of residential space. Of course, to maintain capacity for employment growth beyond 2041, it would be preferable not to reach this point.
- This residential space is diverted from somewhere else – Box Hill: Scenario 2 largely reallocates it from the Central Box Hill neighbourhood, and to a lesser extent other neighbourhoods. Any capacity concerns that may exist in the Central Box Hill neighbourhood are less as a result.
- This scenario indicates that the increase in residential space in the Health and Education neighbourhood could be quite significant. However, there is a limit to the amount of residential space that could be supported before capacity constraints emerge. Some consideration should be given to moderating residential growth, although it does not need to be prohibited.
- Supporting capacity for health and education uses in the Health and Education neighbourhood is important as there are limited other locations in the Structure Plan Area to support the projected growth in health particularly. Some demand could spill over into the Central Box Hill neighbourhood, but otherwise the growth would unlikely be supported in the Box Hill Structure Plan Area.

TABLE 3.48 CAPACITY VS. DEMAND, BOX HILL: SCENARIO 2

	Scenario 2				Adjusted baseline
	Floorspace capacity (sq.m)	2041 Floorspace demand (sq.m)	Capacity minus demand (sq.m)	Floorspace demand as a share of capacity (%)	Floorspace demand as a share of capacity (%)
BOX A: Central Box Hill	2,152,400	1,352,300	800,100	63%	64%
BOX B: Health & Education	1,186,400	771,200	415,200	65%	61%
BOX C: Surrey Park	932,400	467,100	465,300	50%	51%
BOX D: Gardens	440,000	236,400	203,600	54%	55%
BOX E: Laburnum	300,500	143,500	157,000	48%	50%
BOX F: Albion	327,100	154,100	173,000	47%	48%
Total	**5,338,800**	**3,124,600**	**2,214,200**	**59%**	**59%**

Source: AJM JV

3.7.4 CAPACITY FOR RETAIL FLOORSPACE

Since retail floorspace in the Structure Plan Area is recommended mainly at ground level, consideration of capacity to support retail space in the core retail neighbourhood assumed it is all provided on a single level.

Table 3.49 below compares the total retail floorspace demand projected for 2041 with a high-level estimate of the potential amount of ground floor space that could be located in the core area.

The potential ground floor retail capacity in the core area is approximated as the sum of the following:

- Existing retail floorspace on undevelopable sites is assumed to remain unchanged
- Potential new ground floor retail space is calculated as the land area of developable sites, multiplied by an 80% site coverage factor and the development opportunity rating for each site.

In total, there is estimated capacity for around 204,500 sq.m of ground floor retail space in the Central Box Hill neighbourhood. This includes 20,900 sq.m of existing space on undevelopable sites.

With a total retail floorspace demand of 157,700 sq.m by 2041 across the Structure Plan Area (see Appendix B), even if all this space was accommodated in the core, there would be more than enough capacity to accommodate the total retail space needed at ground level. This is also overstating the floorspace need in the central neighbourhood, given some retail space will also be supported in other neighbourhoods such as Box Hill South.

This is a conservative estimate of the footprint required for retail space. Some retail space will likely be delivered over multiple levels. This is already evident in some centres in Box Hill which have developed over multiple levels. If the retail space can be accommodated in a single level across the core area, then it can certainly fit if some is developed as multi-level centres in some locations.

This confirms it is not necessary for every building in the core area to accommodate ground floor retail space. Given the ample ground floor capacity, it is appropriate to focus retail centrally within the core nearest to the SRL station, with some peripheral locations radiating out from supporting retail space where appropriate (such as supporting office workers or fronting main roads).

TABLE 3.49 RETAIL FLOORSPACE CAPACITY, BOX HILL STRUCTURE PLAN AREA CORE

Neighbourhood	Retail on existing sites that are not developable (sq.m) (A)	Land area of developable sites @ 80% site coverage (sq.m) (B)	Total potential ground floor retail capacity (sq.m) (C) = (A) + (B)	Retail floorspace demand at 2041 (sq.m)
BOX A: Central Box Hill	20,900	183,600	204,500	157,700

Source: AJM JV

4. Findings and recommendations

The discussion below presents the findings and recommendations for the preparation of each SRL East Structure Plan, as informed by the LUSCA.

The recommendations presented are based on the final results of the iterative LUSCA process, including scenario testing. It should be noted that other recommendations drawn from the process progressively informed the development of the Draft Structure Plans, including adjustments to built form guidance where it was evident greater capacity was required in some neighbourhoods.

The modelling has indicated the proposed built form guidance provides for sufficient capacity to support the projected population and employment growth across the Structure Plan Areas. The recommendations therefore detail actions to support appropriate development in neighbourhoods which may be at or approaching capacity thresholds, either modelled or based on the scenarios. The recommendations also identify major factors contributing to capacity estimates that structure planning can support, such as the amalgamation of properties or development of strategic sites.

As the recommendations below were finalised towards the end of the SRL East structure planning process, most are reflected in the Draft SRL East Structure Plans.

4.1 Capacity across SRL East Structure Plan Areas

Table 4.1 shows the projected floorspace demand in 2041 as a percentage of calculated capacity in the Draft SRL East Structure Plan Areas. The population and employment projections for 2041 as a percentage of 2056 projections for the wider 1600-metre radius areas surrounding each SRL station are also shown for context.

From this, and the other analysis in this report:

- Overall, the LUSCA identifies the SRL East Structure Plan Areas have sufficient capacity planned to support the projected population and employment growth to 2041. Each area also includes some buffer to support continued growth beyond 2041.
- **This indicates the proposed built form guidance underlying the Draft SRL East Structure Plans is appropriate to create sufficient capacity to support growth to 2041.**
- The floorspace demand to capacity comparison is tightest in the Box Hill Structure Plan Area, with 2041 demand equal to 59% capacity. At the other end, demand in the Monash Structure Plan Area equates to around 40% of the calculated capacity.
- Floorspace demand is further below the 65% threshold in the Monash and Cheltenham Structure Plan Areas, reflecting a smaller proportion of long-term growth is anticipated by 2041. Available capacity is preferable to limited capacity. A buffer is necessary to support continued growth beyond 2041 and to account for higher-than-expected demand. A buffer also recognises that not every site will be developed to its full potential – widespread property amalgamation may not occur or owners may simply choose not to develop a site to its full potential.

TABLE 4.1 CAPACITY VS. DEMAND AND SHARE OF 2056 GROWTH ACHIEVED BY 2041: SRL EAST STRUCTURE PLAN AREAS

	Cheltenham	Clayton	Monash	Glen Waverley	Burwood	Box Hill
Floorspace demand as a share of capacity (%)	**44%**	**54%**	**40%**	**48%**	**48%**	**59%**
1600-metre radius area 2041 population as a share of 2056 population (%)	65%	74%	69%	72%	74%	67%
1600-metre radius area 2041 employment as a share of 2056 employment (%)	78%	72%	44%	70%	79%	86%

Source: AJM JV

While there is sufficient capacity overall, there is some variation at the neighbourhood level across each Structure Plan Area. Notable neighbourhoods where capacity exceeds or is approaching the 65% threshold include:

- **Cheltenham** – Southland neighbourhood (57%)
- **Clayton** – Clayton Central neighbourhood (66%), Health neighbourhood (74%)
- **Monash** – Monash University and CSIRO neighbourhood (100%)
- **Burwood** – Employment C2 neighbourhood (79%), Education neighbourhood (66%)
- **Box Hill** – Central Box Hill neighbourhood (64%), Health and Education neighbourhood (61%).

These areas are often the focus of scenario testing and the recommendations that follow in this section.

In certain cases, even if floorspace demand as a proportion of capacity at the neighbourhood level is relatively low, it still merits closer examination to consider the balance between population and employment growth. This has been the subject of scenario testing to assess the mix of uses within these neighbourhoods, which include:

- **Cheltenham** – Bayside Business District
- **Monash** – Monash Central
- **Glen Waverley** – Central Glen Waverley
- **Burwood** – Burwood Central.

A significant portion of each Structure Plan Area's floorspace capacity is located within predominantly residential neighbourhoods. While these areas generally have sufficient capacity (often below the 65% threshold), when property amalgamation is removed from the modelling, capacity issues may emerge. This is important to consider, highlighting the importance of encouraging property amalgamation where possible.

Strategic sites identified in the Draft SRL East Structure Plans contribute substantially to the overall capacity – from 15% in the Clayton Structure Plan Area to 40% in the Monash Structure Plan Area. Failing to achieve significant development on these sites could limit floorspace capacity and raise capacity concerns.

Sections 4.2 to 4.7 below outline specific recommendations to help balance demand across neighbourhoods within each Structure Plan Area, considering the scenario testing results from Section 3.

4.2 Cheltenham recommendations

1. Support significant growth of high-density buildings to accommodate residential uses and employment uses (such as retail, office, health, other commercial, community) in the Southland neighbourhood.

The analysis indicates around 40% of total floorspace demand (just over 1 million sq.m) will be directed to the Southland neighbourhood to 2041, with almost 60% of capacity consumed. This scale of growth will require a significant increase in density within the neighbourhood, with most growth needing to be supported by large, high-density buildings consistent with the higher FAR applied in this area. Since the capacity buffer will be approached, key sites within the neighbourhood such as Southland Shopping Centre and the land around the SRL station will be important for supporting these higher density buildings.

2. Encourage office, retail and other commercial development in the Southland neighbourhood to meet the significant growth in employment.

As a key location for a mix of uses, the Southland neighbourhood will be closest to capacity at 2041. While the analysis has indicated that capacity exists for residential and employment uses in the neighbourhood, employment uses such as office development are likely to have less market interest in earlier stages of the Structure Plan Area's development compared to residential. Employment uses may need to be encouraged so that residential development does not reduce the opportunity for jobs growth, particularly over the longer term beyond 2041 when strong employment growth is still projected. Residential development will be an important part of the mix and should be allowed for. However, employment-related development is more at risk without support.

3. Promote the continued regeneration of the Bayside Business District as the key employment precinct outside the areas closest to the SRL station.

The LUSCA identified extensive capacity is planned for the Bayside Business District, with 2041 demand estimated to represent just 32% of capacity. This is a function of the large industrial sites and land area which can generate a substantial supply of new floorspace with only modest increases in density.

There is a significant opportunity for the Structure Plan to encourage much higher intensity employment activity in the Bayside Business District, acting as an alternative for businesses suited to operating in an employment-focused precinct rather than close to the SRL station. While the nature of the areas differ and Bayside Business District neighbourhood is not a direct substitute for the Southland neighbourhood, this would reduce the need for all growth to be achieved in the Southland neighbourhood. Growth in the Bayside Business District can be achieved with limited conflict or competition for sites from other uses.

The lower percentage of capacity reached reflects that while the opportunity for change needs to be created through the Structure Plan, it is not expected in the short to medium term that opportunity will be taken up across all or even most sites. While the change will be in the longer term, it is still important to create the opportunity now.

4. Consider supporting an increase in residential space in the Bayside Business District neighbourhood.

The capacity analysis has indicated the Bayside Business District neighbourhood has extensive capacity for growth as currently planned, and the scenarios also demonstrate that an increase in residential floorspace will not crowd out potential employment growth. Some residential floorspace in the Bayside Business District is recommended in SRL East Structure Plan Technical Reports for other disciplines to encourage activity and development and support business growth in the Bayside Business District, while reducing pressure to achieve higher-density growth in established residential neighbourhoods. Residential growth can be supported in select locations within the Bayside Business District neighbourhood, such as parts of the northern side of Bay Road. However, it is recommended that residential growth is not extended to locations where its presence might limit the activities of employment uses, particularly beyond the Bay Road corridor.

Scenario 2 identified that almost 700,000 sq.m of residential floorspace could be developed in the Bayside Business District neighbourhood before development reached 65% of capacity. However, this scale of development in the Bayside Business District neighbourhood is not considered necessary to meet population growth projections or to encourage mixed-use development in the Bayside Business District. The employment focus of the area should be prioritised, with more modest residential development in appropriate locations.

Several other factors influence development outcomes in employment areas, beyond capacity alone, including changing built form needs of businesses, industry trends, and access to skilled workforces. Maintaining a significant capacity buffer in the employment area is therefore appropriate.

5. Maintain the planned capacity in the largely residential neighbourhoods by supporting property amalgamation and discouraging under-development to support sustained, viable residential development that protects the opportunity for longer-term growth.

Recognising that only a share of sites in the existing residential neighbourhoods will develop, allowing for a significant capacity buffer as indicated by LUSCA is appropriate. If sites are underdeveloped, the opportunity is lost for delivering more houses on those sites for an extended period. In the Cheltenham residential-focused neighbourhoods, floorspace demand is estimated to reach 40% to 50% of capacity by 2041.

Allowing for greater density is also needed to encourage feasible development of more housing. The opportunity for amalgamating smaller residential properties (as assumed in the capacity analysis) should be encouraged to provide more homes in the established areas.

Given the 2041 population projection is only two thirds of the longer-term estimate in the area surrounding Cheltenham, available capacity is still important to maintain the opportunity to adapt to future needs.

Scenario 3 tested the effect of no residential growth in the largely residential neighbourhoods, with all new residential floorspace directed to the Southland neighbourhood. This demonstrated this would stretch the capacity of the Southland neighbourhood with 66% of capacity reached by 2041. To achieve the projected growth, some increase in residential development in existing low-density areas is important. Property amalgamation will be important. This sensitivity analysis in this report identified that eliminating the ability to amalgamate properties in the modelling reduces capacity in the Structure Plan Area by 649,200 sq.m or 11% (see Appendix G). The most significant impact is observed in existing residential areas. Eliminating property amalgamation results in the Nepean Highway East neighbourhood reaching over the 65% threshold (73%), while the Pennydale and Highett neighbourhoods approach capacity issues (62% and 58% respectively).

6. Maximise the development outcome on the key strategic sites across the Structure Plan Area.

Given the size and opportunity for planned, higher-density outcomes, achieving significant development on the identified strategic sites will deliver much of the calculated Structure Plan Area capacity. The modelling highlights that 20% of the estimated capacity will be delivered by strategic sites such as around the SRL station, Southland Shopping Centre, Highett Gasworks, the CSIRO site and large land holdings in the Bayside Business District. It is important for the Structure Plan to leverage these sites by supporting sustainable, high-density outcomes aligned to the conditions of each site.

7. Investigate opportunities for high-density residential development as part of mixed-use outcomes on the Southland Shopping Centre site, while protecting the retail asset.

Further to the above recommendation around maximising strategic sites, Southland Shopping Centre is a key site given its scale and proximity to the SRL station. However, opportunity to deliver apartment buildings and other uses (such as office space, hotels) needs to be assessed in consultation with the Scentre Group as the property owner. The LUSCA adopts a specific capacity estimate for Southland Shopping Centre to reflect the potential for development. This considered the circumstances of the site such as the need to maintain retail as the core use and potential for development around or above the centre. However, this estimated capacity may not be consistent with the owner's intentions. It should not be assumed development of scale can occur across the entire site (which was taken into account in this analysis). Development above the core shopping centre may undermine its future expansion potential and asset value.

4.3 Clayton recommendations

1. Further investigate the specific requirements for expansion of Monash Health and surrounding land through consultation.

The substantial employment-related floorspace demand within the Health neighbourhood is due to the significant health sector jobs forecast in the Clayton Structure Plan Area to 2041 and beyond. It is noted the health jobs estimates and floorspace capacity for the hospital were modelled without detailed consultation with Monash Health. For this reason, demand being modelled at 74% of capacity is considered acceptable at this stage. The results largely depend on the plans of Monash Health, with the result based on the hospital site's capacity modelled at its current level. If the site increases its floorspace, the capacity issue could be alleviated. Further investigations and consultation leading to the master planning of the hospital sites and surrounding land is recommended to accurately reflect and align with the growth plans of Monash Health and the health ecosystem.

2. Preference the delivery of health-related activity within the Health neighbourhood.

The significant growth in health-related jobs in the Health neighbourhood results in the highest floorspace demand of any neighbourhood. This includes allowances for health-aligned uses such as short-stay accommodation, supporting office space, and potentially some key worker housing.

Consequently, while the areas surrounding the hospital include existing residential uses, and may continue to see residential development, accommodating health-related floorspace should be the priority in that neighbourhood. Key worker housing should still be considered given the alignment to the health uses.

Scenario test 1 in Clayton indicates that limiting other non-health uses such as office, convenience retail or education facilities may alleviate capacity constraints in the Health neighbourhood (a reduction from 74% of capacity to 66%). However, this would transfer capacity issues to the Clayton Central neighbourhood (up to 71%). Where those uses are aligned to and support the health offer, they should still be encouraged in the Health neighbourhood.

3. Encourage retail, office and other commercial development to the Clayton Central neighbourhood to meet the significant employment growth.

As a key location for a mix of uses, the Clayton Central neighbourhood is another neighbourhood expected to be approaching the capacity threshold (66%) at 2041. As noted above, this could be exacerbated if capacity constraints in the Health neighbourhood created a spill over to the Clayton Central neighbourhood. While the analysis indicated capacity broadly exists for residential and employment use types in the neighbourhood, employment uses such as office development, which are likely to have less initial market interest, may need to be encouraged so that residential development does not crowd out the opportunity for jobs growth, particularly in higher value sectors such as professional services and health-aligned activity.

Scenario 2 conducted for Clayton tested the outcome should all residential demand across the Structure Plan Area be accommodated in Clayton Central neighbourhood. Although this is an unlikely outcome and deliberately extreme, it does highlight that residential development cannot be unlimited in the central area, with other neighbourhoods needing to accommodate a share of residential growth.

Residential development will still be an important component to activate the Clayton Central neighbourhood. Indeed it will still represent most of the floorspace. However, employment-related development needs to be supported.

4. Support for higher-density development for residential and employment uses (such as retail, office, health, other commercial, community) in the Clayton Central neighbourhood will require property amalgamation and leveraging key sites.

The demand analysis indicates that while the Clayton Central neighbourhood will be a focus for housing and employment uses, it has the lowest capacity of any neighbourhood at just over 500,000 sq.m. This is partly due to its smaller neighbourhood size, but also because the fine-grain, small property nature of the area can make redevelopment challenging.

This scale of floorspace growth will require a significant increase in density within the neighbourhood, most likely achieved with larger, high-density buildings where possible (while maintaining the retail environment along Clayton Road). This will require the Structure Plan to supporting property amalgamation to allow development density. Analysis in this report has identified that eliminating the ability to amalgamate properties in the modelling reduces the total capacity in the Clayton Central neighbourhood by 90,500 sq.m, or 18% of total capacity.

The potential of key sites within the neighbourhood, such as the Cooke Street Car Park, and around the SRL station and other larger land holdings north of the existing rail line will need to be maximised.

5. Promote the regeneration of the Audsley Street industrial area and key road corridors to support greater employment growth.

Given the closer match between demand and capacity in the Clayton Central and the Health neighbourhoods where most employment growth is expected, opportunities to intensify employment activity in other areas will be important.

The Audsley Street industrial area will continue to play a local service industrial role, but job numbers have historically been declining. The regeneration of Audsley Street to support greater employment density should be encouraged, including with complementary office space. While the nature of Audsley Street is not a direct substitute for the Clayton Central neighbourhood, greater employment generation in the industrial area could assist in achieving employment growth should other areas be more constrained. Greater employment density along Centre Road could also assist, while the northern part of Clayton Road should support spillover demand from the Health neighbourhood.

6. Maintain the planned capacity in the largely residential neighbourhoods by supporting property amalgamation and discouraging under-development to support sustained, viable residential development that protects the opportunity for longer-term growth.

Recognising that only a share of sites in the existing residential neighbourhoods will develop, allowing for a significant capacity buffer as indicated by LUSCA is appropriate. If sites are underdeveloped, the opportunity is lost for delivering more houses on those sites for an extended period. The Clayton residential-focused neighbourhoods are estimated to achieve around 30% to 50% of capacity by 2041.

Allowing for greater density is also needed to encourage feasible development of more housing. To this end, the opportunity for amalgamating smaller residential properties (as assumed in the capacity analysis) should be encouraged to allow the delivery of more homes in the established areas. The sensitivity analysis for this report identified that eliminating the ability to amalgamate properties in the modelling reduces capacity in the Structure Plan Area by 1,091,000 sq.m or 21% (see Appendix G). This results in floorspace demand as a percentage of

capacity increasing to 68% for the Structure Plan Area. Without property amalgamation, four of the six neighbourhoods in the Clayton Structure Plan Area would be over the 65% capacity threshold.

Given the 2041 population projection is 69% of the 2056 estimate in a 1600-metre radius from the SRL station, available capacity is still important to maintain the opportunity to adapt to future needs.

7. Maximise the development outcome on the key strategic sites across the Structure Plan Area.

Given the site sizes and opportunity for planned, higher-density outcomes, achieving significant development on the identified strategic sites will deliver much of the identified Structure Plan Area capacity. The modelling indicates that 15% of the estimated capacity will be delivered by strategic sites such as around the SRL station and north of the existing rail line along Clayton Road, the Cooke Street Car Park, and the PMP Printing site among others. It is important for the Structure Plan to leverage these sites by supporting sustainable high-density outcomes aligned to the conditions of each site.

4.4 Monash recommendations

1. Support significant growth of high-density buildings to accommodate residential uses and employment uses (such as retail, office, health, other commercial, community) in the Monash Central neighbourhood.

With a mix of uses proposed in the Monash Central neighbourhood surrounding the SRL station, strong residential and employment demand is expected to 2041, reflecting improved transport access and amenity. Given the relatively small footprint of the neighbourhood and the absence of conflict with existing residential uses, significant density should be encouraged to maximise the opportunity in the immediate area around the SRL station.

The LUSCA established capacity for residential and employment uses within the Monash Central neighbourhood close to the SRL station. This is recommended in SRL East Structure Plan Technical Reports for other disciplines, to activate the neighbourhood and sustain amenity to support population and employment growth. From a capacity perspective alone, Scenario 1 indicates that almost 600,000 sq.m of residential development could be developed in the Monash Central neighbourhood to 2041 while maintaining the projected employment level. This is three times greater than the entire Structure Plan Area is estimated to require to this time, highlighting the capacity for residential growth alongside employment floorspace to activate the area.

Scenario 2 indicates that capacity will remain in other neighbourhoods if the Monash Central neighbourhood doesn't support residential development. Including residential development is to support amenity and vibrancy of the neighbourhood as a successful mixed-use precinct.

Allowing for buildings of greater scale in the Monash Central neighbourhood will support apartment development to activate the area, as well as high-rise office buildings. These buildings would be larger in scale than most office development to date, but would be intended to service the supporting professional service workers attracted to this neighbourhood over time (that is, businesses and institutions requiring traditional office space, rather than research and development facilities).

Given the current nature of the area around the SRL station, including clusters of small factoryettes, property amalgamation needs to be facilitated to create larger footprint sites suitable for diverse office typologies and residential uses. Property amalgamation will necessitate the relocation of small format industrial uses currently in the area. Larger sites will also need to be managed to support a new street layout consistent with a town centre. These changes are appropriate to support the Vision for Monash as an innovation precinct, attracting more activity and higher-value and density employment.

2. Maintain the large capacity buffer in the Employment Growth neighbourhood to support the longer-term growth of the Monash Structure Plan Area employment base, and provide opportunities to expand activity linked to Monash University and a growing innovation precinct.

The Employment Growth neighbourhood is projected to reach only 18% of capacity by 2041. However, this does not imply the built form guidance is allowing too much capacity. Firstly, the area is expected to be a focus for significant growth beyond 2041 as demand expands out from the Monash Central neighbourhood. Secondly, given the capacity constraint identified on the Monash University and CSIRO land, the Employment Growth neighbourhood is a logical adjacent area that could support the overflow of demand. This could be by expanding university land holdings into the area, or other aligned activity. Thirdly, the urban design guidance applying to the neighbourhood is not simply about creating general capacity, but creating the potential for development uplift on sites – not all sites will develop to the full capacity, but the opportunity to do so can be a catalyst for change achieving long-term employment goals the existing Monash National Employment and Innovation Cluster (NEIC) has not realised to date. Finally, creating long-term capacity in one neighbourhood allows for managed transition or staging of growth. The initial focus of development will likely be concentrated around the SRL station and will logically radiate out into the Employment Growth neighbourhood over time. Rather than all areas being under a state of constant construction, development fronts can more easily shift over time if there are areas of greater capacity for future expansion.

3. Further investigate the specific requirements for expansion of Monash University, CSIRO and surrounding land through consultation.

The substantial growth in education jobs estimates derived from CityPlan have contributed to the outcome where demand is slightly greater than capacity at 2041 in the Monash University and CSIRO neighbourhood. However, these estimates were modelled without opportunity for detailed verification of student, employment or floorspace needs from Monash University and the CSIRO. For this reason, demand being modelled at slightly greater than capacity is not a particular concern at this stage. It should be recognised the Draft Structure Plan has not established explicit built form guidance across the Monash University and CSIRO neighbourhood. The FAR applied is therefore a best estimate for the purposes of the LUSCA modelling. This is necessary and appropriate to estimate total capacity across the Structure Plan Area and compare it against demand for floorspace which includes education facilities.

Further investigations and consultation leading to the master planning of the university and surrounding land is recommended to accurately reflect and align with the growth plans of Monash University and other institutions. Future development could be guided by more detailed economic development strategies that specifically address the needs of anchor institutions and the clustering and co-location of businesses.

4. Support the evolution of existing industrial areas towards higher-value employment precincts.

While the modelling used to inform LUSCA indicated some need to expand industrial floorspace, mostly in the Health Innovation neighbourhood, the majority of employment floorspace growth will be supported with the continued shift of activity towards high-value employment uses such advanced manufacturing, research and development, and supporting professional services. These uses require a different workspace typology to what currently exists in the industrial areas. Consequently, a transition of traditional industrial areas in the Structure Plan Area should be facilitated over time.

As discussed above, in the Monash Central neighbourhood, the small property industrial uses such as automotive repairs or warehousing will need to be replaced by high-density office buildings within a mixed-use setting supported by property amalgamation and new transport connections. The Employment Growth neighbourhood will continue its shift towards a more campus-style office environment. The Health Innovation neighbourhood, while still supporting some industrial use, will need to increasingly transition to a more mixed outcome with research and development, advanced manufacturing and complementary medium-rise office space.

All these employment neighbourhoods have capacity to support growth, recognising there is a need for an extended period of growth beyond 2041 to accommodate ongoing jobs growth. Aside from creating physical capacity for expansion, necessary strategies to encourage growth in line with employment projections should also be considered.

5. Encourage catalytic development outcomes on the key strategic sites across the Structure Plan Area.

Given the site sizes and opportunity to accommodate large institutions or businesses, achieving significant development on the identified strategic sites will deliver much of the identified Structure Plan Area capacity. The strategic sites are estimated to account for 40% of the capacity across the Structure Plan Area, as estimated in this report. The modelling indicates that a significant share of the estimated demand can be supported with delivery of the strategic sites around the SRL station in other employment areas. It is important for the Structure Plan to leverage these sites to deliver catalytic development of scale. As mentioned above, the master planning and strategy for the Monash University site, as the largest strategic site identified, is critical to the outcome for the Structure Plan Area.

6. Maintain the planned capacity in the largely residential neighbourhoods by supporting property amalgamation and discouraging under-development to support sustained, viable residential development that protects the opportunity for longer-term growth.

Achieving residential growth within existing residential areas can be more challenging than on unconstrained development land. The established nature of these areas requires replacement of existing stock to achieve net growth in floorspace, with smaller dwellings (e.g. apartments) replacing existing larger single homes.

Recognising that only a share of sites in the existing residential neighbourhoods will develop, allowing for a significant capacity buffer as indicated by LUSCA is appropriate. If sites are underdeveloped, the opportunity is lost for delivering more houses on those sites for an extended period. The Monash residential-focused neighbourhoods are estimated to achieve around 35% to 36% of capacity by 2041.

Allowing for greater density is also needed to encourage feasible development of more housing. To this end, the opportunity to amalgamate smaller residential properties (as assumed in the capacity analysis) should be encouraged to allow more homes in the established areas. The sensitivity analysis in this report reveals that eliminating the ability to amalgamate properties in the modelling reduces capacity in the Structure Plan Area by 579,500 sq.m or 6%. The vast majority of this capacity is lost in residential-focused neighbourhoods (Notting Hill, Wellington Road and Clayton North), where smaller properties are common (accounting for 94% of the total capacity reduction).

The capacity analysis modelling also indicates the residential density proposed in the Structure Plan Area along key main road frontages is a major contributor to the capacity created in these precincts and should be maintained.

Given the 2041 population projection is 67% of the 2056 estimate in a 1600-metre radius from the SRL station, having some available capacity is still important to support future residential growth. This is more critical as the Monash Central neighbourhood fills over time.

4.5 Glen Waverley recommendations

1. Support significant growth of high-density buildings to accommodate residential uses and employment uses (such as retail, office, health, other commercial, community) in the Central Glen Waverley neighbourhood.

The analysis indicates that 37% of total floorspace demand (over 700,000 sq.m) will be directed to this neighbourhood to 2041, an increase of almost 200,000 sq.m from current levels. This scale of growth will require a significant increase in density within the neighbourhood, with most of the growth needing to be supported with large, high-density buildings. While Central Glen Waverley is also the neighbourhood with the greatest capacity (due primarily to the planned higher density FARs), given the capacity buffer will be approached, the key sites within the neighbourhood, such as The Glen Shopping Centre, the Dan Murphy's site and carpark sites around the SRL station will be important in supporting these higher-density buildings.

2. Encourage office, retail and other commercial development in the Central Glen Waverley neighbourhood to meet the projected growth and changing nature of employment.

The Central Glen Waverley neighbourhood is the only viable location for large-scale office and other retail and commercial development. The employment projections for the Structure Plan Area indicate growth in office space not seen in Glen Waverley before, as a primarily retail and services centre. However, the employment uses need to be delivered in this neighbourhood which is also the key location for high-density residential development, which has already been shown to have market support.

While the analysis has indicated capacity ultimately exists for residential and employment uses in the neighbourhood (Scenario 1 indicated capacity for all Structure Plan residential growth and projected employment growth to 2041), employment uses such as office development will likely have less market interest in the earlier stages of the Structure Plan implementation compared to residential. Employment uses may need to be encouraged so that residential development does not reduce the opportunity for jobs growth, particularly over the longer term beyond 2041 where ongoing employment growth is still projected. Residential development will be an important part of the mix and should be allowed for. However, employment-related development, particularly high-density office space, is more at risk without support. If it is not provided in the Central Glen Waverley neighbourhood and generally close to the station, it will unlikely be delivered at all in the Structure Plan Area. Residential development will be supported further from the station.

3. Maximise the development outcome on the key strategic sites across the Structure Plan Area.

Given the size and opportunity for planned, higher-density outcomes, achieving significant development on the identified strategic sites will deliver much of the identified Structure Plan Area capacity. The modelling highlights that 19% of the estimated capacity will be delivered by strategic sites such as the carpark sites around the SRL station, The Glen Shopping Centre, and others primarily in the Central Glen Waverley neighbourhood. It is important for the Structure Plan to leverage these sites by supporting sustainable, high-density outcomes aligned to the conditions of each site.

4. Investigate the potential opportunity for further high-density development on The Glen Shopping Centre site, while preserving the retail asset.

Further to the above recommendation around maximising strategic sites, The Glen Shopping Centre is a key site where future opportunity to build on existing apartment and retail development needs to be ascertained, potentially with further consultation with Vicinity as the property owner. The LUSCA adopts a specific capacity estimate for The Glen Shopping Centre to reflect the potential development outcome. This considered the circumstances of the site such as the need to maintain retail as the core use and potential for development around or above the centre. However, this estimated capacity still may not be consistent with the owner's intentions. It should not be assumed that development of scale can occur across the entire site (which was

taken into account in this analysis). Development above the core shopping centre may undermine its future expansion potential and asset value.

5. Maintain the planned capacity in the largely residential neighbourhoods by supporting property amalgamation and discouraging under-development to support sustained, viable residential development that protects the opportunity for longer-term growth.

Recognising that only a share of sites in the existing residential neighbourhoods will develop, allowing for a significant capacity buffer as indicated by LUSCA is appropriate. If sites are underdeveloped, the opportunity is lost for delivering more houses on those sites for an extended period. The Glen Waverley residential-focused neighbourhoods are estimated to achieve demand versus capacity shares ranging from 38% in the Glen Waverley North neighbourhood to 57% in the Springvale Road East neighbourhood. The demand allocated to these precincts is largely interchangeable, and so if capacity is approached in one neighbourhood, there is the opportunity for demand to shift elsewhere.

The demand allocated to these neighbourhoods in Glen Waverley in the LUSCA is low given the size of the land area available, and as such the growth in floorspace is also low. Even minor increases in density would generate material increases in housing supply, reducing the need for housing growth to be heavily concentrated in the Central Glen Waverley neighbourhood. While Scenario 1 indicated there was theoretically capacity to support all residential growth in the central area, this may limit employment growth. Residential growth outside the central area should therefore be encouraged.

Allowing for greater density is also needed to support feasible development of more housing. To this end, the opportunity for amalgamating smaller residential properties (as assumed in the capacity analysis) should be encouraged to allow the delivery of more homes in the established areas. Property amalgamation will be important. The sensitivity analysis for this report revealed that eliminating the ability to amalgamate properties in the modelling reduces capacity in the Structure Plan Area by 516,400 sq.m or 13%. A larger portion of capacity is lost in residential-focused neighbourhoods. In the Springvale East neighbourhood, floorspace demand as a proportion of capacity increases to 76% without property amalgamation while the Bogong neighbourhood is also approaching a capacity issue without property amalgamation (64%).

Given the 2041 population projection is just over 70% of the longer-term estimate in the area surrounding the Glen Waverley Structure Plan Area, available capacity is still important to maintain the opportunity to adapt to future needs.

6. Promote the regeneration of the Aristoc Road industrial area and parts of the Springvale Road area to support greater employment growth, with improved amenity an important driver.

While the Central Glen Waverley neighbourhood does not have an identified capacity issue as now planned, supporting employment growth in other areas, particularly within the Waverley Road neighbourhood, will provide for greater diversity of employment activity.

The Aristoc Road industrial area will continue to play a local service industrial role. Job numbers have been relatively constant over the last 10 years or so. Encouraging the regeneration of Aristoc Road to support greater employment density (and potentially parts of Springvale Road around the Wilson Transformers site), including more complementary office space, could reduce the need for all the employment growth to be concentrated in the Central Glen Waverley neighbourhood. That is not to suggest office development is interchangeable between the two neighbourhoods, but greater employment growth and diversity of employment can be supported through regeneration of the Waverley Road neighbourhood offer.

Scenario 2 indicated there was capacity for much greater employment growth in the Waverley Road neighbourhood, although it is noted that improvements to amenity are needed to increase employment density.

4.6 Burwood recommendations

1. Support growth of high-density buildings to accommodate residential uses and some employment uses (such as retail, office, health, other commercial, community) in the Burwood Central neighbourhood, and along Burwood Highway.

The mix of uses proposed to be supported in the Burwood Central neighbourhood surrounding the SRL station will represent a significant shift from the current largely lower-density residential offer in the surrounding neighbourhood. The SRL station will be a catalyst for change and support increased demand. The Structure Plan needs to respond to this anticipated change. Given the relatively small footprint of the neighbourhood, significant density should be encouraged to maximise the opportunity in the immediate area around the SRL station.

The LUSCA has established there is capacity for residential and employment uses within the Burwood Central area close to the SRL station (42% of planned capacity consumed by 2041). The mix of uses is recommended in other technical reports to activate the precinct and sustain amenity to support population and employment growth.

Allowance for buildings of greater scale in the Burwood Central neighbourhood will support residential population growth to activate the area, as well as higher-rise commercial buildings (although noting demand will be more limited). These buildings would be larger in scale than most development to date, but would be intended to service the population and employment growth (particularly professional service workers).

Given the small property nature of the area currently around the SRL station, property amalgamation needs to be facilitated to create larger footprint sites suitable for larger mixed-use buildings. This is partly why a higher capacity relative to demand is appropriate – not all sites will be easily developable within the period to 2041. Scenario 2 has also established that if the residential demand was higher than anticipated in Burwood Central, capacity constraints in the neighbourhood could be reached before 2041.

Outside of the Burwood Central neighbourhood, opportunities for mixed-use development of scale are potentially more limited. This means the Burwood Highway corridor is important for generating the floorspace capacity identified in this report. Greater density of mixed-use outcomes should be supported (as currently indicated in the Structure Plan) in the commercial areas to the west along Burwood Highway, as well as in the Station Street neighbourhood, including the Greenwood Business Park and surrounds where more than a quarter of the Structure Plan capacity is projected to exist at 2041. Some areas of this corridor will support predominantly residential development, while others will support employment use. Regardless of use, achieving a material density increase along the Burwood Highway corridor, where demand is already evident and the interface naturally supports it, is important to meeting projected growth. Large areas of the Structure Plan Area are lower density where change will be a longer-term proposition.

2. Further investigate the specific requirements for expansion of Deakin University and the schools through consultation.

The substantial education jobs estimates derived from CityPlan have contributed to demand approaching the capacity threshold at 2041 (66%) in the Education neighbourhood. However, these estimates were modelled without the opportunity for detailed verification of student, employment or floorspace needs from the university and other schools. For this reason, the capacity threshold being reached is not a particular concern at this stage. It should be recognised the Draft Structure Plan has not established explicit built form guidance across the education sites. The FAR applied is therefore a best estimate used to for the purposes of the LUSCA modelling only. This is necessary and appropriate so that total capacity across the Structure Plan Area can be estimated and compared against demand for floorspace which includes education facilities.

Further investigations and consultation leading to the master planning of the University and surrounding land is recommended to accurately reflect and align with the growth plans of Deakin University and other institutions including Presbyterian Ladies' College and Mount Scopus College. Future development could be further guided

by more detailed economic development strategies that specifically address the needs of anchor institutions and the clustering and co-location of businesses.

3. Promote the regeneration of the industrial areas to support greater employment growth.

Combined, the two industrial neighbourhoods have capacity for longer-term growth. While the Employment C2 neighbourhood is projected to reach 79% of capacity, this is an anticipated result as it is a smaller area which is well established with more limited opportunities for substantial change. However, the Employment C1 neighbourhood (south-west of the SRL station) has more capacity for growth. As indicated above, it is expected that demand will shift to the nearby comparable areas should capacity be reached in one of the industrial precincts.

The industrial areas will continue to play a local service industrial role. They will evolve though, noting that job numbers have grown in recent years. Encouraging regeneration of the industrial land to support greater employment density, including more complementary office space as has been seen in some pockets already, will increase the employment capacity of the Structure Plan Area and diversify the employment mix from the current heavy education focus.

4. Maintain the planned capacity in the largely residential neighbourhoods by supporting property amalgamation and discouraging under-development to support sustained, viable residential development that protects the opportunity for longer-term growth.

Recognising that only a share of sites in the existing residential neighbourhoods will develop, allowing for a significant capacity buffer as indicated by LUSCA is appropriate. If sites are underdeveloped, the opportunity is lost for delivering more houses on those sites for an extended period. The Burwood residential-focused neighbourhoods are estimated to achieve around 30% to 50% of capacity by 2041.

Allowing for greater density is also needed to encourage feasible development of more housing. To this end, the opportunity for amalgamating smaller residential properties (as assumed in the capacity analysis) should be encouraged to allow the delivery of more homes in the established areas. The sensitivity analysis in this report revealed that eliminating the ability to amalgamate properties in the modelling reduces capacity in the Structure Plan Area by 466,900 sq.m or 13%. The most significant impact is observed in existing residential areas. For example, in the Ashwood neighbourhood, which previously had no concerns with property amalgamation, floorspace demand as a percentage of capacity jumps from 49% with property amalgamation to 69% without it.

Given the 2041 population projection is 75% of the 2056 estimate in a 1600-metre radius from the SRL station at Burwood, available capacity is still important to maintain the opportunity to adapt to future needs.

5. Maximise the development outcome on the key strategic sites across the Structure Plan Area.

Given the site sizes and opportunity for planned, higher-density outcomes, achieving significant development on the identified strategic sites will deliver much of the identified Structure Plan Area capacity. The modelling indicates that 31% of the estimated capacity will be delivered by strategic sites such as around the SRL station and further south, along with Greenwood Business Park. Other strategic sites identified are Deakin University and Mount Scopus College which support a large share of the modelled capacity, although outcomes will be influenced by the plans of those institutions. It is important for the Structure Plan to leverage strategic sites through supporting sustainable, high-density outcomes aligned to the conditions of each site.

4.7 Box Hill recommendations

1. Support significant growth of high-density buildings to accommodate residential uses and employment uses (such as retail, office, health, other commercial, community) in the Central Box Hill neighbourhood.

The demand analysis indicates that 44% of total floorspace demand (almost 1.4 million sq.m) will be directed to the Central Box Hill neighbourhood to 2041. This is an increase of over 582,000 sq.m from current levels, resulting in an estimated 64% of capacity being consumed by this time. This scale of growth will require a significant increase in average density across the neighbourhood, with most of the growth needing to be supported by large, high-density buildings (which already exist to some extent but not across the central area). While Central Box Hill is also the neighbourhood with the greatest capacity (due primarily to the planned higher density FARs), buildings of significant scale are necessary, including residential towers as seen in recent years, but increasingly office and other commercial buildings. With Central Box Hill estimated to reach 64% of capacity by 2041, there is not material available capacity that has been planned for, and so delivering the proposed scale is important to meet population and employment projections.

2. Encourage office, retail and other commercial development in the Central Box Hill neighbourhood to meet the growth and changing nature of employment projected.

Central Box Hill is the primary location suitable for large-scale office and other retail and commercial development (with the exception of some aligned office space in the Health and Education neighbourhood). The employment projections for the Structure Plan Area indicate growth in office space (~156,000 sq.m) that is well beyond the current moderate office provision. Aside from the Health and Education neighbourhood which is also estimated to be approaching capacity, the Central Box Hill neighbourhood is the only location where major employment floorspace can be accommodated.

Of course, the Central Box Hill neighbourhood remains the key location for high-density residential development, which has already been shown to have market support. While the analysis has indicated capacity ultimately exists for residential as well as employment uses in the neighbourhood, employment uses such as office development are likely to have less market interest in the earlier stages of the Structure Plan implementation compared to residential. Scenario 1 indicates that capacity of the Central Box Hill neighbourhood will be stretched if residential development is greater than estimated. Employment uses may need to be encouraged so that residential development does not reduce the opportunity for jobs growth. Residential development will be an important part of the mix and should be allowed for at scale given estimated demand of over 330,000 sq.m. However, employment-related development is more at risk without support as residential development can flow to other neighbourhoods.

It is beyond the scope of this assessment to identify particular actions or interventions to avoid residential development crowding out employment uses, but given the tighter capacity gap in the Central Box Hill neighbourhood, structure planning should seek to support employment growth.

3. Preference the delivery of health and education related activity within the Health and Education neighbourhood.

The large employment-related floorspace demand within the Health and Education neighbourhood is a function of the significant health sector jobs forecast, and to a lesser extent, education jobs. This results in significant floorspace demand (behind only the Central Box Hill neighbourhood), including allowances for some health and education-aligned uses such as short-stay accommodation, supporting office space, and potentially some key worker housing.

Consequently, while the areas surrounding the hospital and Box Hill Institute include existing residential uses, and the scenario testing indicates that some residential development could be supported without eliminating the employment growth opportunity, accommodating particularly health-related floorspace should be the priority in

the Health and Education neighbourhood. While employment may need to be encouraged over general residential development, key worker housing should still be supported given the alignment to the health uses.

Scenario testing indicates that a sizeable increase in residential floorspace relative to the adjusted distribution (~65,000 sq.m) could occur before the Health and Education neighbourhood reaches 67% of capacity at 2041 (assuming other floorspace demand was held constant). This indicates there is not a need to prohibit new residential development in the neighbourhood. However, at the same time, residential development cannot be unlimited if employment projections are to be achieved. It is recommended that most of the health and education floorspace needs, along with aligned uses such as accommodation, office suites, key worker housing and ancillary retail, should be supported in the Health and Education neighbourhood as a priority over purely residential outcomes. The Structure Plan should consider ways to achieve this balance.

4. Further investigate the specific requirements for expansion of the hospitals, Box Hill Institute and surrounding land through consultation.

It is noted the health jobs estimates resulting in the indication of demand being 61% of capacity at 2041 were modelled without detailed consultation with the hospital operators and other key stakeholders. Similarly, the SRL East Structure Plan – Economic Profile Technical Report – Box Hill identified the education jobs projections used to estimate floorspace needs represent strong growth which is higher than past growth and activity at Box Hill Institute. Increasing understanding of the future intentions of Box Hill Institute will assist in defining the future needs in the Health and Education neighbourhood.

Given this, demand being modelled at 61% of capacity, approaching the threshold flag, is considered appropriate at this stage. Further investigations and consultation leading to the master planning of the hospital and education sites and surrounding land is recommended to accurately reflect and align with the growth plans of the key institutions and supporting activity.

5. Maintain the planned capacity in the largely residential neighbourhoods by supporting property amalgamation and discouraging under-development to support sustained, viable residential development that protects the opportunity for longer-term growth.

Recognising that only a share of sites in the existing residential neighbourhoods will develop, allowing for a significant capacity buffer as indicated by LUSCA is appropriate. If sites are underdeveloped, the opportunity is lost for delivering more houses on those sites for an extended period. The Box Hill residential-focused neighbourhoods are estimated to achieve 45% to 55% of capacity by 2041, which is among the highest of the SRL East Structure Plan Areas.

Allowing for greater density is also needed to encourage feasible development of more housing. To this end, the opportunity for amalgamation of smaller residential properties (as assumed in the capacity analysis) should be encouraged to allow the delivery of more homes in the established areas. The sensitivity analysis in this report revealed that eliminating the ability to amalgamate properties in the modelling reduces capacity in the Structure Plan Area by 551,000 sq.m or 10%. This results in floorspace demand as a percentage of capacity increasing to 65% for the Structure Plan Area. Eliminating property amalgamation raises capacity concerns in the core area, where floorspace demand as a percentage of capacity increases to 69%. All other neighbourhoods are also on the verge of having capacity issues with floorspace demand as a share of capacity ranging from 58% to 64% without property amalgamation.

Given the 2041 population projection is only two thirds of the longer-term estimate in the area surrounding Box Hill, available capacity is still important to maintain the opportunity to adapt to future needs.

6. Maximise the development outcome on the key strategic sites across the Structure Plan Area.

Given the size and opportunity for planned, higher-density outcomes, achieving significant development on the identified strategic sites will deliver much of the identified Structure Plan Area capacity. The modelling highlights that 24% of the estimated capacity will be delivered by strategic sites such as centrally around the SRL station, the health and education institutions (subject to further investigation of growth plans) and the former Box Hill Brickworks. The latter is particularly important in delivering residential density outside the Central Box Hill neighbourhood, contributing 100,000 to 130,000 sq.m of capacity which is 6% of the capacity in the neighbourhoods outside of the Central Box Hill neighbourhood and the Health and Education neighbourhood. Also, aside from the size and capacity of these sites, it is easier to deliver growth on an amalgamated, planned site, rather than scattered through established areas. It is important for the Structure Plan to leverage these sites by supporting sustainable, higher-density outcomes aligned to the conditions of each site.

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Appendix A

Structure Plan Areas

Urban form area	FAR
A	7.5
B	3.5
C	3.5
Cemetery	0
D	2
E	2
F	6.5
G	2
H	4
I	1.5
J	3
K	3.5
L	2
M	3
O	2
OS	0
P	2
Q	1.2
R	4.5
S	4
T	7.5
U	1.2

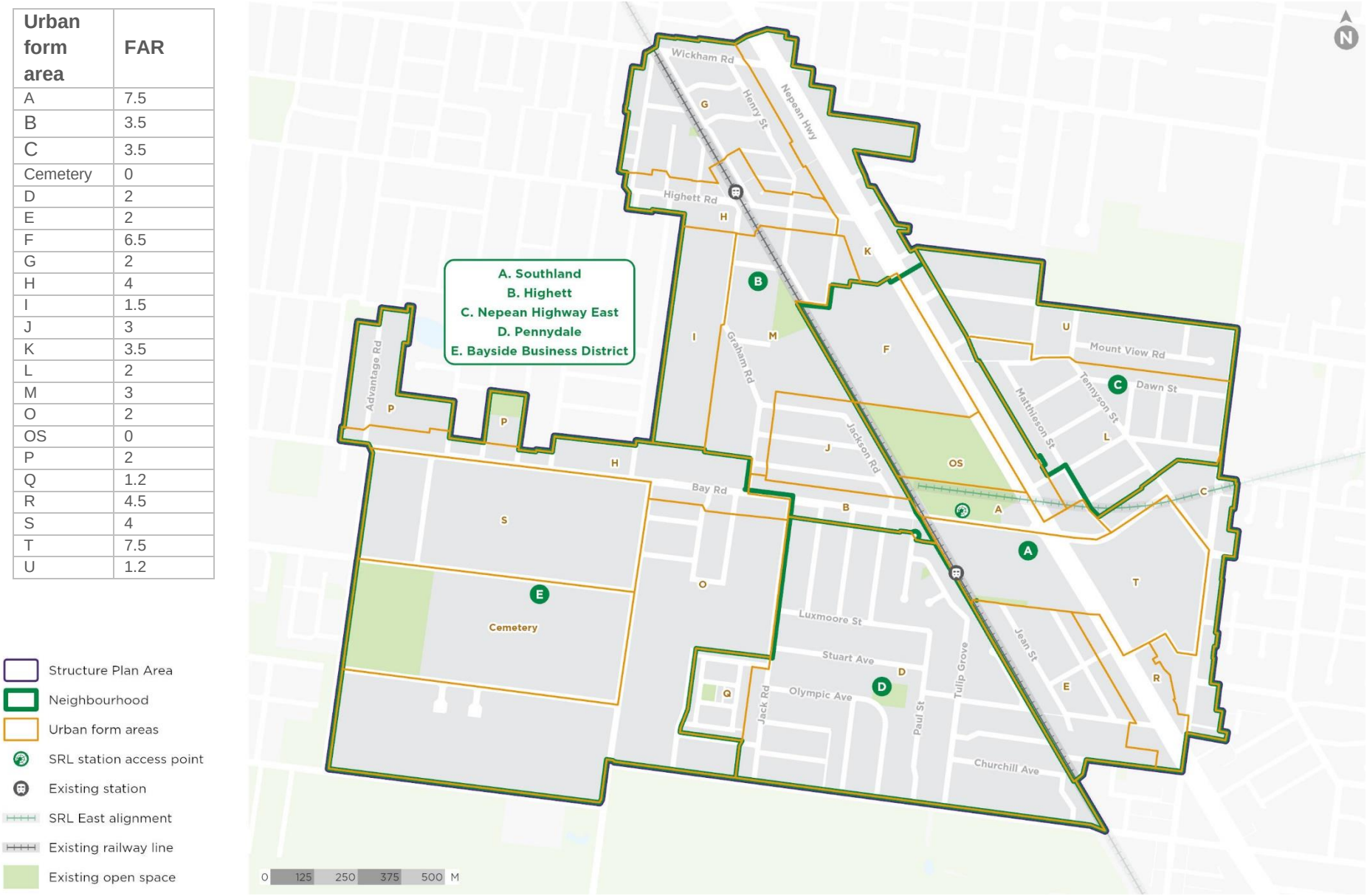

FIGURE A.1 CHELTENHAM STRUCTURE PLAN AREA, NEIGHBOURHOODS AND URBAN FORM AREAS

Urban form area	FAR
A	8.5
B	5.5-6
C	4
D	3.5
E	3.5
F1	3
F2	4
G	2.2
H	2.2
Hospital	1.6
I	1.5
J	2
K	1.5-2
L	2
Library	0.3
M	2.2
N	3.5
O	3.5
OS	0
Rail Line	0
School	0.35

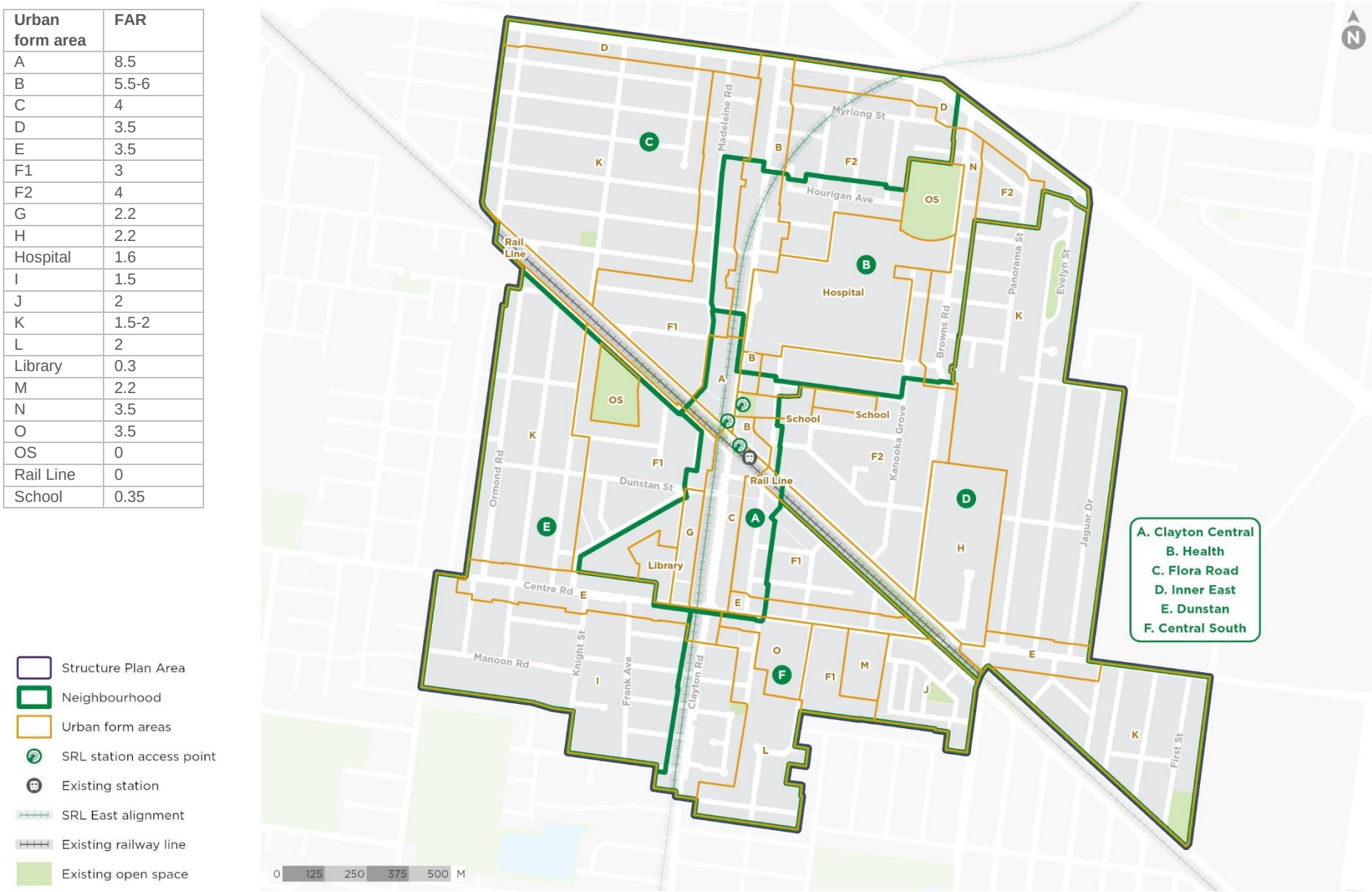

FIGURE A.2 CLAYTON STRUCTURE PLAN AREA, NEIGHBOURHOODS AND URBAN FORM AREAS

Urban form area	FAR
A	11
B	3.5
C	3.5
CSIRO	1
D	3.5
E	3.5
F	3.5
G	3
H	3.8
I	3.1
J	2
K	1.75
L	1.75
M	7
M-City	1.2
Monash Uni	1
OS	0

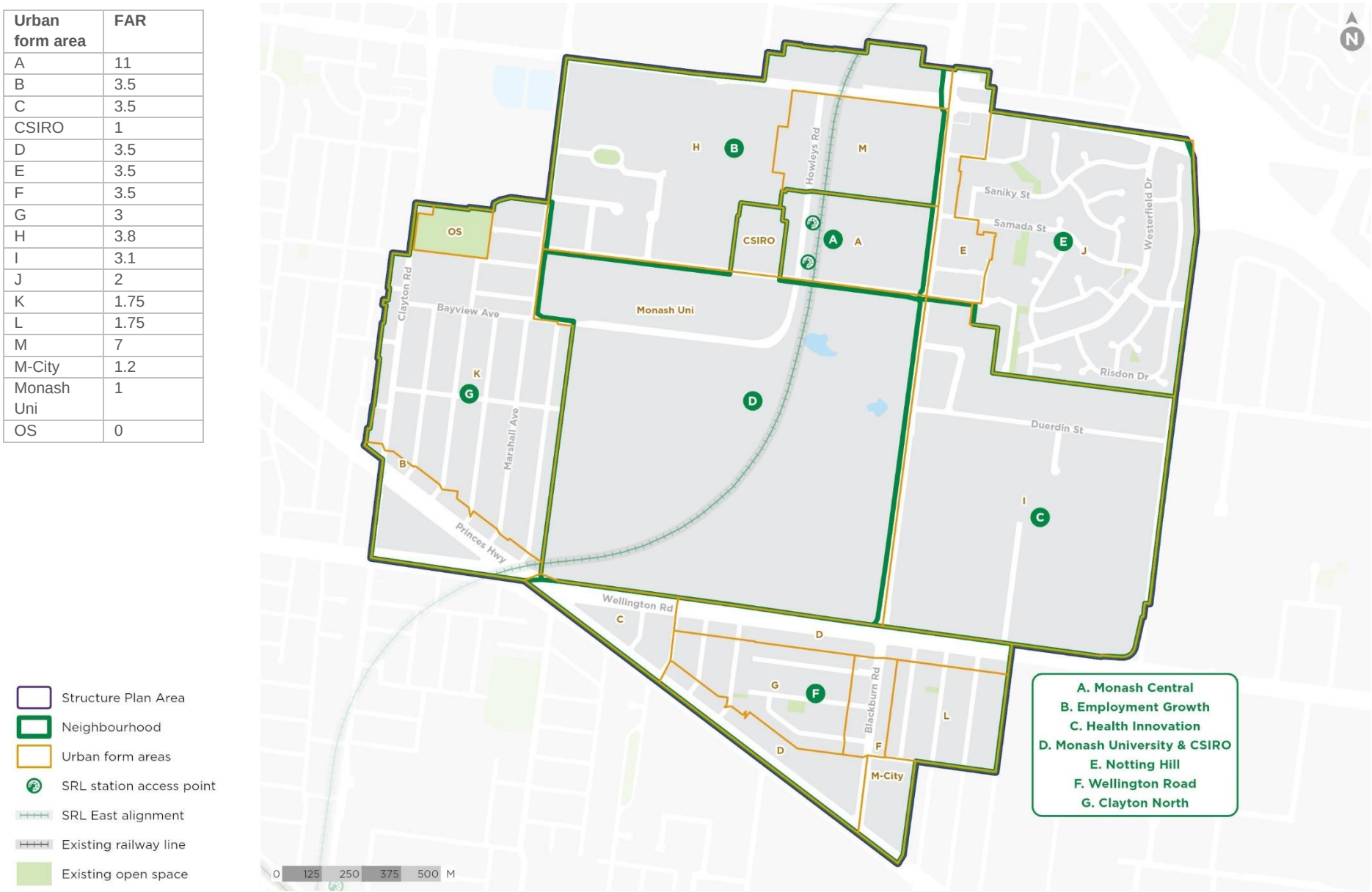

FIGURE A.3 MONASH STRUCTURE PLAN AREA, NEIGHBOURHOODS AND URBAN FORM AREAS

Urban form area	FAR
A	4.5
B	11
C	11
Civic	0.7
D	3.5
E	3.5
F	3.5
G	2
H	4
I	2
J	3
K	2
L	3.5
M	2
O	11
OS	0
P	2
Q	1.5
School	0.3-3.5

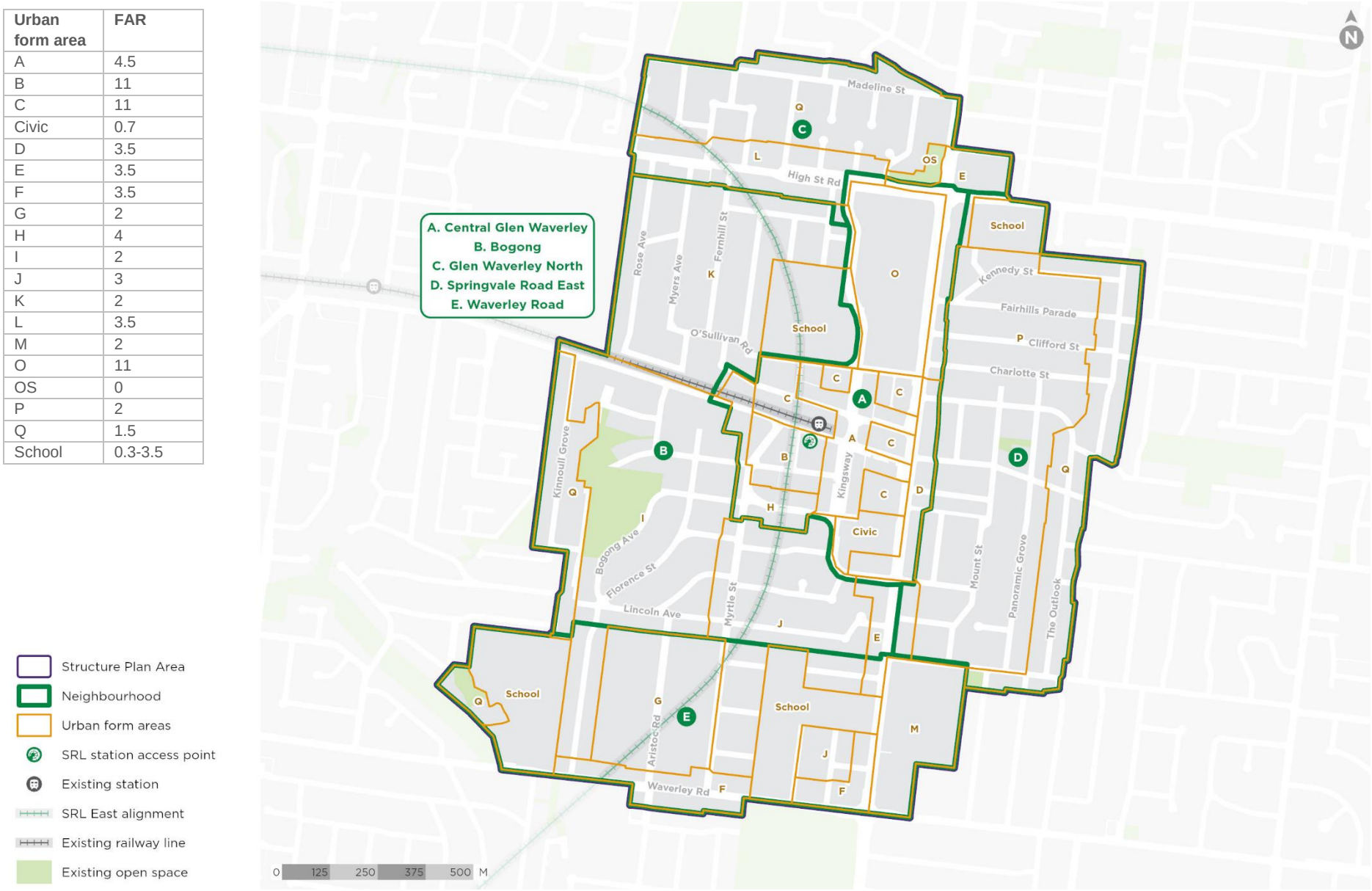

FIGURE A.4 GLEN WAVERLEY STRUCTURE PLAN AREA, NEIGHBOURHOODS AND URBAN FORM AREAS

Urban form area	FAR
A	6
B	4
C	3.5
D	3.5
Deakin Uni	3
E	3.5
F	3.5
G	3.5
H	3.5
I	3.5
J	3
K	3
L	2.2
M	2
N	2
O	1.2
OS	0
P	2
Q	2
R	1.2
S	1.2
School	0.33-2.2
T	1.2
U	1.2
V	1.2

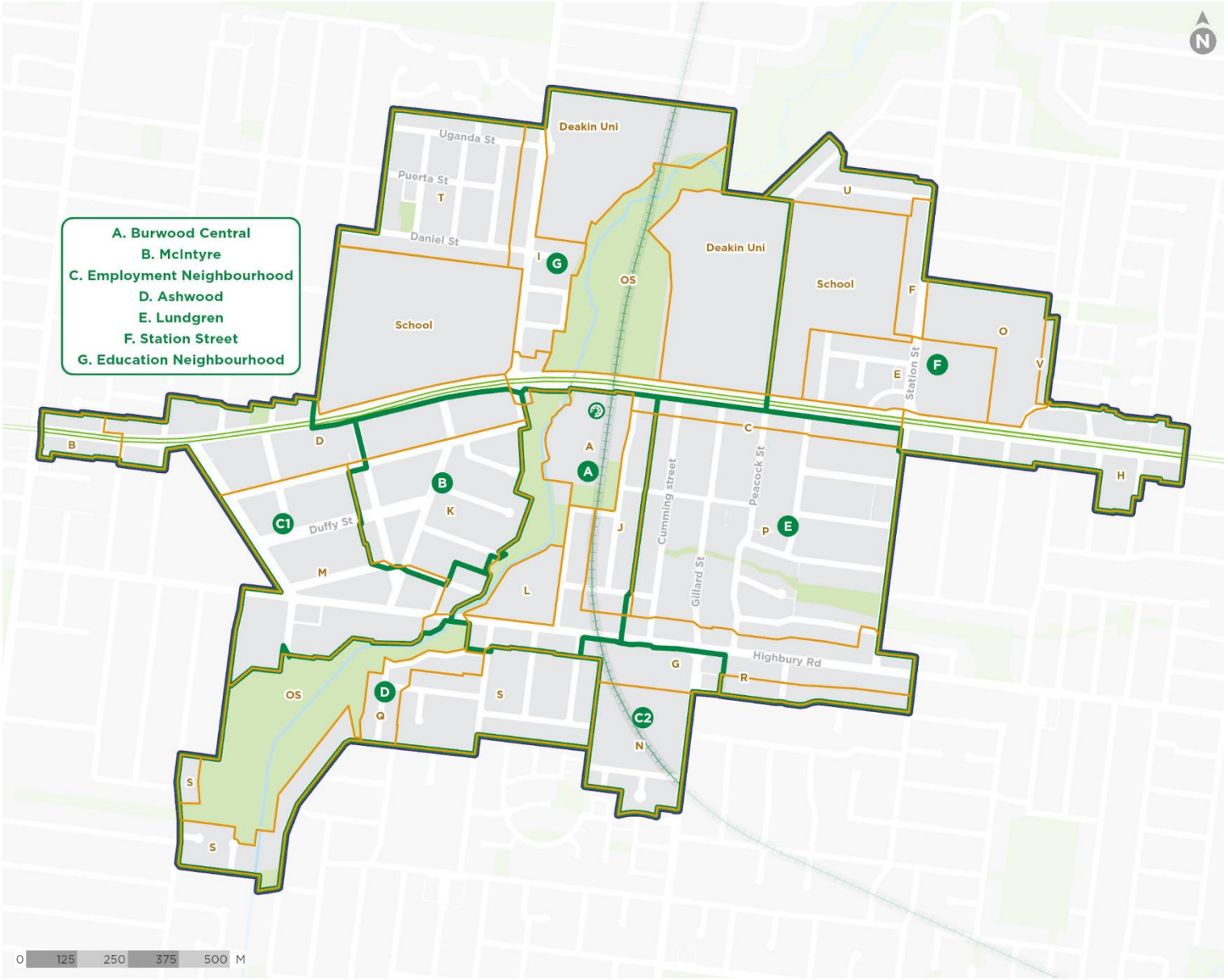

FIGURE A.5 BURWOOD STRUCTURE PLAN AREA, NEIGHBOURHOODS AND URBAN FORM AREAS

Urban form area	FAR
A	13
B	10
C	7
D	7
E	6
F	5
G	5
H	3.5
I	3.5
J	3.5
K	3.5
L	3
M	3
N	3
O	3
OS	0
P	3
Q	1.8
R	2
S	1.2
School	0.8
T	2
Town Hall	0.8
U	1.2
V	2
W	1.2
X	1.2

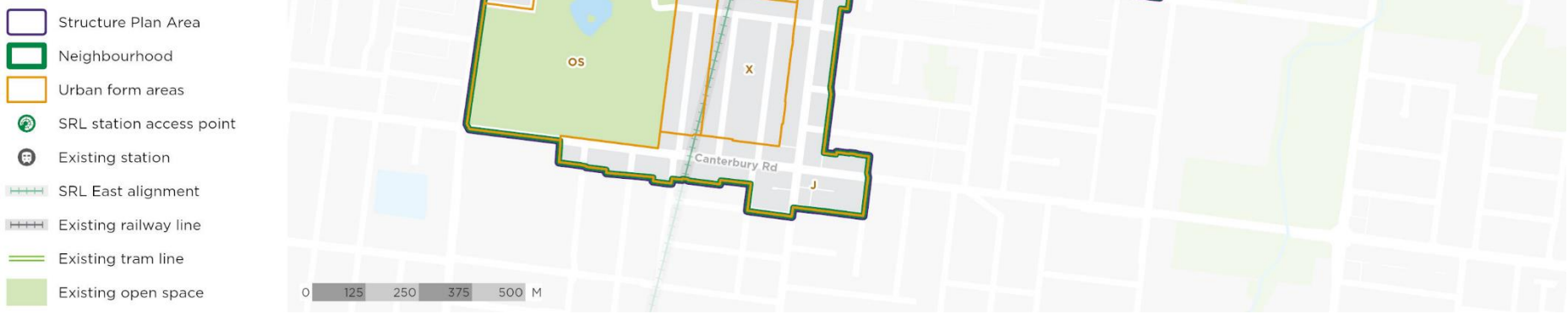

FIGURE A.6 BOX HILL STRUCTURE PLAN AREA, NEIGHBOURHOODS AND URBAN FORM AREAS

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Appendix B

Definitions and data sources

Data sources

SRL EAST TECHNICAL REPORTS

The LUSCA was informed by other reports prepared to guide the development of SRL East Structure Plans:

DISCIPLINE	TECHNICAL REPORT NAME	REVISION
Economic Assessment	SRL East Structure Plan – Economic Profile Technical Report – Cheltenham	Rev 01
	SRL East Structure Plan – Economic Profile Technical Report – Clayton	Rev 01
	SRL East Structure Plan – Economic Profile Technical Report – Monash	Rev 01
	SRL East Structure Plan – Economic Profile Technical Report – Glen Waverley	Rev 01
	SRL East Structure Plan – Economic Profile Technical Report – Burwood	Rev 01
	SRL East Structure Plan – Economic Profile Technical Report – Box Hill	Rev 01
Housing Needs Assessment	SRL East Structure Plan – Housing Needs Assessment Technical Report – Cheltenham	Rev 01
	SRL East Structure Plan – Housing Needs Assessment Technical Report – Clayton	Rev 01
	SRL East Structure Plan – Housing Needs Assessment Technical Report – Monash	Rev 01
	SRL East Structure Plan – Housing Needs Assessment Technical Report – Glen Waverley	Rev 01
	SRL East Structure Plan – Housing Needs Assessment Technical Report – Burwood	Rev 01
	SRL East Structure Plan – Housing Needs Assessment Technical Report – Box Hill	Rev 01
Retail Assessment	SRL East Structure Plan – Retail Assessment Technical Report – Cheltenham	Rev 01
	SRL East Structure Plan – Retail Assessment Technical Report – Clayton	Rev 01
	SRL East Structure Plan – Retail Assessment Technical Report – Monash	Rev 01
	SRL East Structure Plan – Retail Assessment Technical Report – Glen Waverley	Rev 01
	SRL East Structure Plan – Retail Assessment Technical Report – Burwood	Rev 01
	SRL East Structure Plan – Retail Assessment Technical Report – Box Hill	Rev 01

Urban Design	SRL East Structure Plan – Urban Design Report – Cheltenham	Rev 01
	SRL East Structure Plan – Urban Design Report – Clayton	Rev 01
	SRL East Structure Plan – Urban Design Report – Monash	Rev 01
	SRL East Structure Plan – Urban Design Report – Glen Waverley	Rev 01
	SRL East Structure Plan – Urban Design Report – Burwood	Rev 01
	SRL East Structure Plan – Urban Design Report – Box Hill	Rev 01
	SRL East Structure Plan – Urban Design Supporting Research - Attachment A	–

CITYPLAN POPULATION AND EMPLOYMENT PROJECTIONS

Floorspace demand estimated in the SRL East Structure Plan – Economic Profile Technical Reports, the Housing Needs Assessment Technical Reports, and the Retail Assessment Technical Reports is based on the population and employment growth projections for each Structure Plan Area. These projections were derived from the CityPlan population and employment projections outlined in the SRL Business and Investment Case (2021).

- Land use projections (including demographic, employment and enrolment estimates) included in the SRL Business and Investment Case are derived from the CityPlan model.
- CityPlan is a strategic scale Land Use Transport Interaction (LUTI) model used to estimate the broad land use impacts of major transport and precinct initiatives. It was developed by KPMG for the Victorian Government Department of Transport and Planning (DTP).
- CityPlan's geographic scope is confined to Victoria, with a focus on metropolitan Melbourne and surrounding settlements. In this instance, CityPlan was used to redistribute the base population and employment distribution based on the SRL transport and other related SRL precinct initiatives. These redistribution effects were contained within the total Victorian population projects, with the majority of movements contained within metropolitan Melbourne.
- The CityPlan model uses a range of data. Some of the data is publicly available and some is internal to the Victorian Government.
- The version of CityPlan used for the SRL BIC was Version 1.1.1. Key inputs into CityPlan Version 1.1.1 include:
    - » SALUP19 based on Department of Environment, Land, Water and Planning (DELWP) Projections 2018 (Unpublished)
    - » ABS Census 2016
    - » Victorian Planning Authority (VPA) potential development capacities
    - » Data is reported at the Travel Zone, SA2, SA3 and LGA level
    - » For an introduction to CityPlan, in the context of the SRL, see the SRL Business and Investment Case available at https://bigbuild.vic.gov.au/library/suburban-rail-loop/business-and-investment-case
- CityPlan employment projections report the breakdown of total jobs into the 19 ANSZIC industry classifications.

OTHER

Model base geometry: Vicmap Property – Property View

Development opportunity is calculated based on a series of development constraints. These constraints and their associated data source are provided below.

CONSTRAINT	SOURCE
Within Road Casement	Vicmap Property – Road Casement
Within Rail Casement	Manual attribution by AJM JV
Within Open Space	SRLE Public Open Space
Public Acquisition Overlay	Vicmap Planning – Planning Scheme Overlay
Development Year	Cordell Connect and Urbis Apartment Essentials (accessed May 2024)
Strata Title (no. of owners) for residential only	VGV AVPCC Model (2022) Note: The count of strata on a Property was determined by a sum of all residential strata sites identified within the *AVPCCDescription* field
Property / Development in the Victorian Heritage Register (VHR)	Victorian Heritage Register (VHR)
Environmental Audit Overlay	Vicmap Planning – Planning Scheme Overlay
Heritage Overlay	Vicmap Planning – Planning Scheme Overlay
Land Subject to Inundation Overlay	Vicmap Planning – Planning Scheme Overlay
Special Building Overlay	Vicmap Planning – Planning Scheme Overlay
Property Size	Calculated by AJM JV using ArcGIS Pro based on the geometry within the Vicmap Property View dataset

Source: AJM JV

Floorspace demand numbers

Table B.1 outlines the floorspace demand figures from the SRL East Structure Plan – Economic Profile Technical Reports, the Housing Needs Assessment Technical Reports, and the Retail Assessment Technical Reports which were inputs into the LUSCA model.

TABLE B.1 FLOORSPACE DEMAND 2041 (SQ.M, GBA)

LAND USE	CHELTENHAM	CLAYTON	MONASH	GLEN WAVERLEY	BURWOOD	BOX HILL
Residential	1,371,000	1,786,900	853,200	1,032,500	764,200	1,680,800
Health	25,500	601,400	74,300	29,600	6900	464,100
Office	174,300	96,400	730,000	81,500	126,500	408,400
Education	24,100	26,600	853,100	123,900	418,600	190,200
Retail	251,000	81,200	56,700	181,700	54,400	157,700
Public use	27,600	30,800	22,800	31,200	11,600	61,800
Entertainment / Recreation	62,000	20,200	67,100	40,000	28,600	52,400
Accommodation	20,400	8200	71,400	168,900	11,500	53,400
Industrial	527,100	152,200	687,400	131,600	216,100	14,600

Source: AJM JV

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Appendix C

Deriving existing floorspace

Deriving existing floorspace

There are two separate models for estimating existing floorspace:

- Residential floorspace model
  - » Low density (Torrens title)
  - » Medium – High density (Strata title)
- Employment floorspace model
  - » Office
  - » Retail
  - » Industrial
  - » Health
  - » Education
  - » Entertainment / Recreation
  - » Infrastructure
  - » Public use
  - » Accommodation (such as hotel).

RESIDENTIAL FLOORSPACE MODEL

The residential floorspace model utilises the **following datasets**:

- *ABS Census 2021 – Dwelling Counts*; used to quantify number of dwellings
- *CoreLogic – RP Data;* used to estimate average gross leasable area (GLA)
- *VicPlan – Digital Twin;* used to estimate gross building area (GBA).

The residential floorspace model has the **following steps**, for each dwelling typology:

1. Quantify number of dwellings:

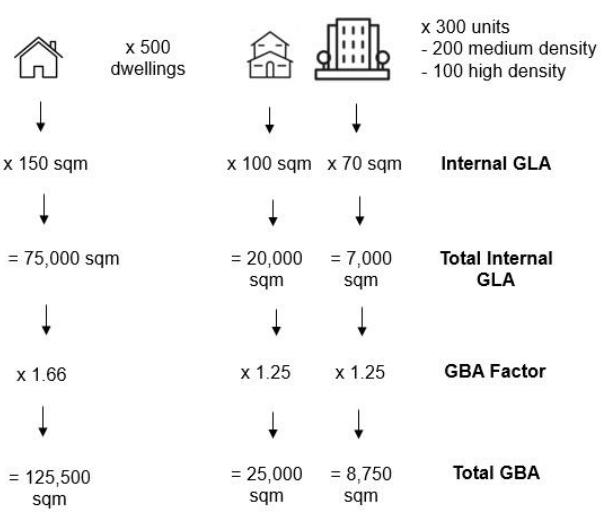
   i. Derive average internal GLA (which usually excludes balconies, common areas, garages etc.)

   ii. Derive total internal GLA, by multiplying number of dwellings by average internal GLA – i.e. step 1 x step 2

   iii. Derive total Gross Building Area (GBA, which includes anything below roof structure) by multiplying total internal GLA by two alternative GBA factors – one for low density (Torrens title); second for medium-high density (Strata titled) dwellings

Note: GLA is first calculated as RP Data is considered more accurate than the Digital Twin and provides additional insight into building efficiency.

A visual depiction of the <u>residential floorspace model</u> is provided below.



EMPLOYMENT FLOORSPACE MODEL

The <u>employment floorspace model</u> utilises the **following datasets:**

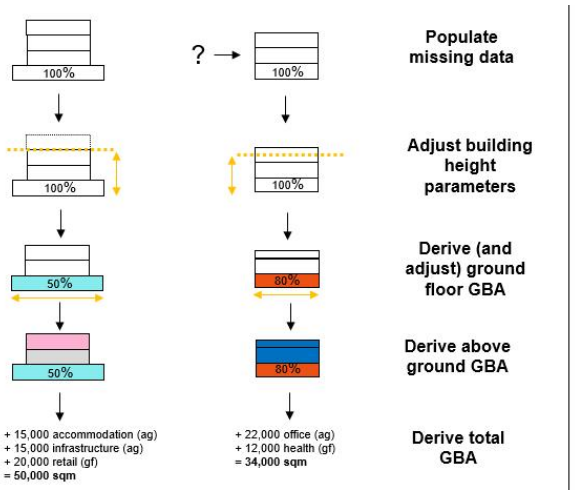
- *VicPlan – Digital Twin;* used to estimate gross building area (GBA)
- *PSMA – GNAF;* used to estimate the number of units (addresses) for each building
- *Space Syntax – Ground Floor Floorspace Audit;* used to estimate the ground floor use
- *Urbis – Above Ground Floorspace Audit;* used to estimate the above floor use and adjust digital twin parameters.

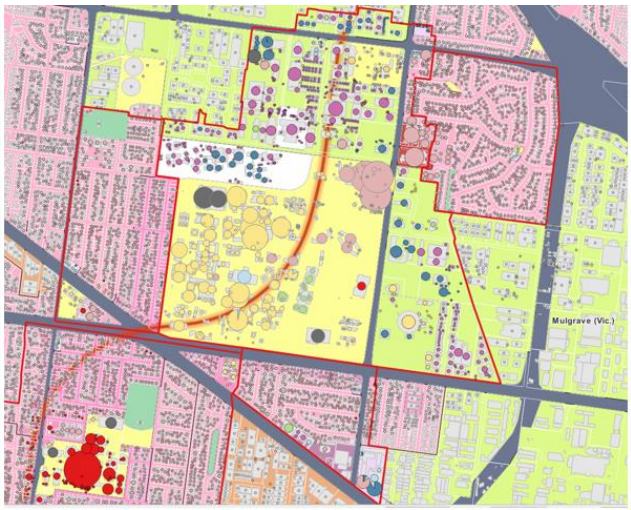
The employment floorspace model has the **following steps:**

1. Populate missing data in Digital Twin
2. Adjust building height parameters, based on *Urbis - Above Ground Floorspace Audit* – see note
3. Derive ground floor GBA, based on *Space Syntax – Ground Floor Floorspace Audit*
4. Adjust ground floor utilisation, for large buildings, based on *Urbis - Above Ground Floorspace Audit* – see note
5. Derive above ground GBA, based on *Urbis – Above Ground Floorspace Audit*
6. Derive total GBA (which includes anything below roof structure) for <u>each employment use.</u>

Note: The Digital Twin regularly overestimates building heights, due to the nature of the LIDAR technology; Space Syntax data only provides a single ground floor use for each building, with the assumptions it occupies 100% of the ground floor. Both lead to overestimation of floorspace.

A visual depiction of the employment floorspace model is provided below.





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Appendix D

Specific property adjustments

Table D.1 highlights sites where the development opportunity rating has been altered or the capacity of the property has been manually calculated outside of the model. Note where capacity is manually adjusted the development opportunity rating is ignored.

The LUSCA applies a specific capacity estimate for a very limited number of sites. This includes large shopping centres. Given the location of these shopping centres in the core areas of their respective Structure Plans, it is crucial not to significantly overestimate the capacity of these sites. The capacity estimate used in this analysis is likely more conservative than applying the indicated FARs, as there is a preference to avoid relying heavily on a single site to deliver a substantial portion of the capacity. We note the estimated capacity in the model may still differ from the owner's actual intentions, so it should be considered indicative only.

TABLE D.1 SPECIFIC PROPERTY ADJUSTMENTS

Structure Plan Area	Property	Altered development opportunity rating or manually calculated capacity
Cheltenham	SRL East station at Cheltenham (currently part of Sir William Fry Reserve)	Manually calculated capacity
	Southland Shopping Centre	Manually calculated capacity
	Highett Gasworks	Altered development score
Clayton	PMP	Altered development score
	6-18 Cooke Street North	Altered development score
	1400 Centre Road	Altered development score
Monash	30 Henderson Road (Former Telstra GOC)	Altered development score
	Monash University Clayton campus	Altered development score
	700 Blackburn Road (Monash Uni Landholding)	Altered development score
Glen Waverley	The Glen Shopping Centre	Manually calculated capacity
Burwood	SRL East station at Burwood	Altered development score
	Deakin University	Altered development score
Box Hill	Box Hill Central	Manually calculated capacity
	Former Box Hill Brickworks	Altered development score

Source: AJM JV

Table D.2 below shows the difference in floorspace capacity with and without specific property adjustments.

TABLE D.2 THEORETICAL FLOORSPACE CAPACITY WITH AND WITHOUT SPECIFIC PROPERTY ADJUSTMENTS: SRL EAST STRUCTURE PLAN AREAS

Structure Plan Area	Floorspace capacity with specific property adjustments (sq.m)	Floorspace capacity without specific property adjustments (sq.m)	Difference (absolute)	Variation (%)
Cheltenham	5,946,800	6,079,800	+133,000	+2%
Clayton	5,217,000	5,110,100	-106,900	-2%
Monash	9,532,900	9,189,700	-343,200	-4%
Glen Waverley	3,978,400	3,892,300	-86,100	-2%
Burwood	3,619,000	3,245,400	-373,600	-10%
Box Hill	5,338,800	5,630,900	+292,100	+5%

Source: AJM JV

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Appendix E

Worked examples of calculations in modelling

EXAMPLE OF ESTABLISHING AN ADJUSTED DISTRIBUTION OF FLOORSPACE FOR A STRUCTURE PLAN AREA (RESIDENTIAL EXAMPLE ONLY)

In this example, it is assumed that residential floorspace demand at 2041 is 1 million sq.m. This results in a net increase in residential floorspace to 2041 of 350,000 sq.m which is allocated across neighbourhoods.

	Residential floorspace at 2024 (sq.m) (A)	Distribution of residential floorspace at 2024 (%) (B)	Distribution of residential floorspace at 2041 (%) (C) = (B)	INPUT Adjusted distribution of residential floorspace at 2041 (%) (D)
Neighbourhood A	32,500	5%	5%	14%
Neighbourhood B	32,500	5%	5%	13%
Neighbourhood C	130,000	20%	20%	17%
Neighbourhood D	130,000	20%	20%	17%
Neighbourhood E	130,000	20%	20%	17%
Neighbourhood F	97,500	15%	15%	11%
Neighbourhood G	97,500	15%	15%	11%
Total	**650,000**	**100%**	**100%**	**100%**

Residential floorspace demand at 2041 (sq.m) (E)	1,000,000
Existing floorspace (sq.m) (A)	650,000
Total new residential floorspace (sq.m) (F) = (E) - (A)	**350,000**

	Share of new floorspace (%)		Total residential floorspace (sq.m)		
	Existing distribution (G)	Adjusted distribution (H)	Existing (2024) (sq.m) (A)	2041 - Existing distribution (I) = (C) x (E)	2041 - Adjusted distribution (J) = (D) x (E)
Neighbourhood A	5%	31%	32,500	50,000	140,000
Neighbourhood B	5%	28%	32,500	50,000	130,000
Neighbourhood C	20%	11%	130,000	200,000	170,000
Neighbourhood D	20%	11%	130,000	200,000	170,000
Neighbourhood E	20%	11%	130,000	200,000	170,000
Neighbourhood F	15%	4%	97,500	150,000	110,000
Neighbourhood G	15%	4%	97,500	150,000	110,000
Total	100%	100%	650,000	1,000,000	1,000,000

	CHECK New residential floorspace (sq.m)	
	Existing distribution (K) = (I) - (A)	Adjusted distribution (L) = (J) - (A)
Neighbourhood A	17,500	107,500
Neighbourhood B	17,500	97,500
Neighbourhood C	70,000	40,000
Neighbourhood D	70,000	40,000
Neighbourhood E	70,000	40,000
Neighbourhood F	52,500	12,500
Neighbourhood G	52,500	12,500
Total	**350,000**	**350,000**

Source: AJM JV

DEVELOPMENT OPPORTUNITY RATING: WORKED EXAMPLE PROPERTY 1

NO DEFINITIVE OR PROHIBITIVE CONSTRAINTS

CONSTRAINT	ANSWER	SCORE
DEFINITIVE CONSTRAINTS		
Within Road Casement	No	1
Within Rail Casement	No	1
Within Open Space	No	1
Public Acquisition Overlay	No	1
PROHIBITIVE CONSTRAINTS		
Development Year	n.a.	1
Strata Title (no. of owners)	0	1
Property/Development in the Victorian Heritage Register (VHR)	No	1
Environmental Audit Overlay	No	1
Heritage Overlay	No	1
Land Subject to Inundation Overlay	No	1
Special Building Overlay	No	1
Rating A (product of prohibitive constraints scores)		**1**
PROPERTY SIZE		
Property Size (sq.m)	660	0.4
Modified size of adjacent properties* (sq.m)	780	
Adjusted Property Size (sq.m)	1,440	0.7
Rating B (highest of property size and adjusted property size score)		0.7
Overall development opportunity (0 if there is a definitive constraint, else product of Rating A scores and Rating B)		**0.7**

**Taking into account Rating A of each adjacent site*

DEVELOPMENT OPPORTUNITY RATING: WORKED EXAMPLE PROPERTY 2

RECENTLY DEVELOPED (PROHIBITIVE CONSTRAINT), SMALL PROPERTY, BUT ADJOINS LARGER DEVELOPABLE PROPERTIES

CONSTRAINT	ANSWER	SCORE
DEFINITIVE CONSTRAINTS		
Within Road Casement	No	1
Within Rail Casement	No	1
Within Open Space	No	1
Public Acquisition Overlay	No	1
PROHIBITIVE CONSTRAINTS		
Development Year	2017	0.6
Strata Title (no. of owners)	2	1
Property/Development in the Victorian Heritage Register (VHR)	No	1
Environmental Audit Overlay	No	1
Heritage Overlay	No	1
Land Subject to Inundation Overlay	No	1
Special Building Overlay	No	1
Rating A (product of prohibitive constraints scores)		**0.6**
PROPERTY SIZE		
Property Size (sq.m)	250	0.1
Modified size of adjacent properties* (sq.m)	630	
Adjusted Property Size (sq.m)	880	0.7
Rating B (highest of property size and adjusted property size score)		0.7
Overall development opportunity (0 if there is a definitive constraint, else product of Rating A scores and Rating B)		**0.42**

DEVELOPMENT OPPORTUNITY RATING: WORKED EXAMPLE PROPERTY 3

PROPERTY IDENTIFIED AS OPEN SPACE (DEFINITIVE CONSTRAINT)

CONSTRAINT	ANSWER	SCORE
DEFINITIVE CONSTRAINTS		
Within Road Casement	No	1
Within Rail Casement	No	1
Within Open Space	Yes	0
Public Acquisition Overlay	No	1
PROHIBITIVE CONSTRAINTS		
Development Year	n.a.	1
Strata Title (no. of owners)	0	1
Property/Development in the Victorian Heritage Register (VHR)	No	1
Environmental Audit Overlay	No	1
Heritage Overlay	No	1
Land Subject to Inundation Overlay	No	1
Special Building Overlay	No	1
Rating A (product of prohibitive constraints scores)		**1**
PROPERTY SIZE		
Property Size (sq.m)	550	0.4
Modified size of adjacent properties* (sq.m)	450	
Adjusted Property Size (sq.m)	1000	0.7
Rating B (highest of property size and adjusted property size score)		**0.7**
Overall development opportunity (0 if there is a definitive constraint, else product of Rating A scores and Rating B)		**0**

**Taking into account Rating A of each adjacent site*

DEVELOPMENT OPPORTUNITY RATING: WORKED EXAMPLE PROPERTY 4

STRATA-TITLED BUILDING WITH A SPECIAL BUILDING OVERLAY (PROHIBITIVE CONSTRAINTS)

CONSTRAINT	ANSWER	SCORE
DEFINITIVE CONSTRAINTS		
Within Road Casement	No	1
Within Rail Casement	No	1
Within Open Space	No	1
Public Acquisition Overlay	No	1
PROHIBITIVE CONSTRAINTS		
Development Year	n.a.	1
Strata Title (no. of owners)	7	0.5
Property/Development in the Victorian Heritage Register (VHR)	No	1
Environmental Audit Overlay	No	1
Heritage Overlay	No	1
Land Subject to Inundation Overlay	No	1
Special Building Overlay	Yes	0.9
Rating A (product of prohibitive constraints scores)		**0.45**
PROPERTY SIZE		
Property Size (sq.m)	750	0.4
Modified size of adjacent properties* (sq.m)	750	
Adjusted Property Size (sq.m)	1500	0.7
Rating B (highest of property size and adjusted property size score)		**0.7**
Overall development opportunity (0 if there is a definitive constraint, else product of Rating A scores and Rating B)		**0.32**

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Appendix F

Floorspace by use and neighbourhood

TABLE F.1 FLOORSPACE BY USE AND NEIGHBOURHOOD, CHELTENHAM STRUCTURE PLAN AREA

TOTAL FLOORSPACE

	Residential		Health		Office		Education		Industrial		Other Employment		Infrastructure		Total Employment		Total	
Neighbourhood	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**
CTM A: Southland	193,300	508,900	9,900	17,400	19,300	102,100	300	9,800	7,700	4,200	178,600	269,200	128,600	128,600	344,400	531,200	537,700	1,040,100
CTM B: Highett	251,600	410,100	4,300	7,500	4,000	8,300	2,200	4,600	7,400	4,000	35,200	41,000	700	700	53,800	66,100	305,300	476,200
CTM C: Nepean Highway East	164,700	166,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	164,700	166,800
CTM D: Pennydale	270,500	274,000	-	-	-	-	400	500	300	300	-	-	-	-	800	900	271,300	274,900
CTM E: Bayside Business District	8,500	11,300	400	600	30,900	64,000	7,600	9,200	481,000	518,500	49,500	50,800	7,700	7,700	577,100	650,800	585,600	662,000
Total	**888,600**	**1,371,000**	**14,600**	**25,500**	**54,200**	**174,300**	**10,500**	**24,100**	**496,300**	**527,100**	**263,300**	**361,000**	**137,100**	**137,100**	**976,000**	**1,249,000**	**1,864,600**	**2,620,000**

FLOORSPACE CHANGE 2024-2041

	Residential		Health		Office		Education		Industrial		Other Employment		Infrastructure		Infrastructure		Total	
Neighbourhood	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
CTM A: Southland	315,600	163%	7,500	76%	82,800	429%	9,500	3167%	- 3,500	-45%	90,600	51%	-	0%	186,800	54%	502,400	93%
CTM B: Highett	158,500	63%	3,200	74%	4,300	108%	2,400	109%	- 3,400	-46%	5,800	16%	-	0%	12,300	23%	170,900	56%
CTM C: Nepean Highway East	2,100	1%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	2,100	1%
CTM D: Pennydale	3,500	1%	-	0%	-	0%	100	25%	-	0%	-	0%	-	0%	100	13%	3,600	1%
CTM E: Bayside Business District	2,800	33%	200	50%	33,100	107%	1,600	21%	37,500	8%	1,300	3%	-	0%	73,700	13%	76,400	13%
Total	**482,400**	**54%**	**10,900**	**75%**	**120,100**	**222%**	**13,600**	**130%**	**30,800**	**6%**	**97,700**	**37%**	**-**	**0%**	**273,000**	**28%**	**755,400**	**41%**

Source: AJM JV

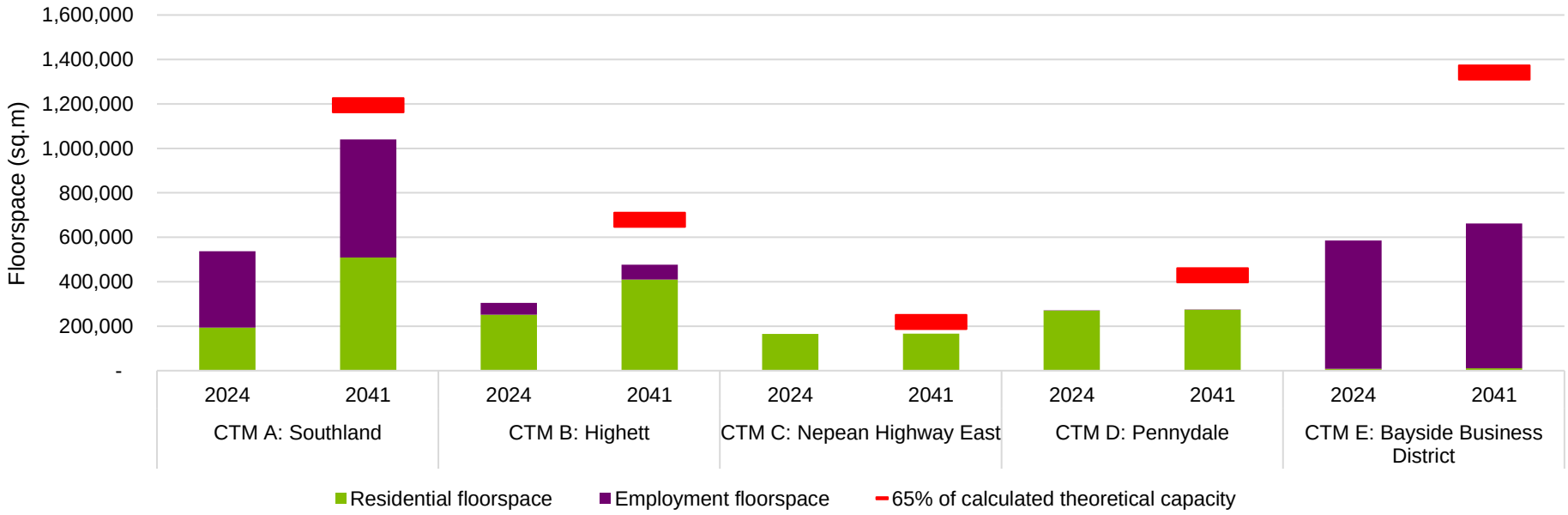


TABLE F.2 FLOORSPACE BY USE AND NEIGHBOURHOOD, CLAYTON STRUCTURE PLAN AREA

TOTAL FLOORSPACE

	Residential		Health		Office		Education		Industrial		Other Employment		Infrastructure		Total Employment		Total	
Neighbourhood	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**
CLA A: Clayton Central	61,200	168,600	6,500	12,200	8,800	55,100	1,400	3,300	-	-	62,300	91,400	-	-	79,000	162,000	140,200	330,600
CLA B: Health	126,900	189,400	341,300	579,900	-	28,900	800	1,900	-	-	6,900	10,100	10,000	10,000	359,000	630,800	485,900	820,200
CLA C: Flora Road	293,300	355,900	600	1,000	-	-	-	-	100	200	1,600	2,400	-	-	2,400	3,600	295,700	359,500
CLA D: Inner East	313,500	490,100	400	600	-	-	8,000	18,800	9,200	11,800	6,900	10,200	100	100	24,500	41,600	338,000	531,700
CLA E: Dunstan	327,900	397,800	4,500	7,700	300	1,900	1,100	2,600	-	-	9,900	14,500	600	600	16,400	27,300	344,300	425,100
CLA F: Central South	152,600	185,100	-	-	1,700	10,400	-	-	108,900	140,300	8,100	11,900	-	-	118,600	162,500	271,200	347,600
Total	**1,275,300**	**1,786,900**	**353,300**	**601,400**	**10,800**	**96,400**	**11,200**	**26,600**	**118,200**	**152,200**	**95,700**	**140,400**	**10,700**	**10,700**	**600,000**	**1,027,800**	**1,875,300**	**2,814,700**

FLOORSPACE CHANGE 2024-2041

	Residential		Health		Office		Education		Industrial		Other Employment		Infrastructure		Total Employment		Total	
Neighbourhood	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
CLA A: Clayton Central	107,400	175%	5,700	88%	46,300	526%	1,900	136%	-	0%	29,100	47%	-	0%	83,000	105%	190,400	136%
CLA B: Health	62,500	49%	238,600	70%	28,900	0%	1,100	138%	-	0%	3,200	46%	-	0%	271,800	76%	334,300	69%
CLA C: Flora Road	62,600	21%	400	67%	-	0%	-	0%	100	100%	800	50%	-	0%	1,200	50%	63,800	22%
CLA D: Inner East	176,600	56%	200	50%	-	0%	10,800	135%	2,600	28%	3,300	48%	-	0%	17,100	70%	193,700	57%
CLA E: Dunstan	69,900	21%	3,200	71%	1,600	533%	1,500	136%	-	0%	4,600	46%	-	0%	10,900	66%	80,800	23%
CLA F: Central South	32,500	21%	-	0%	8,700	512%	-	0%	31,400	29%	3,800	47%	-	0%	43,900	37%	76,400	28%
Total	**511,600**	**40%**	**248,100**	**70%**	**85,600**	**793%**	**15,400**	**138%**	**34,000**	**29%**	**44,700**	**47%**	**-**	**0%**	**427,800**	**71%**	**939,400**	**50%**

Source: AJM JV

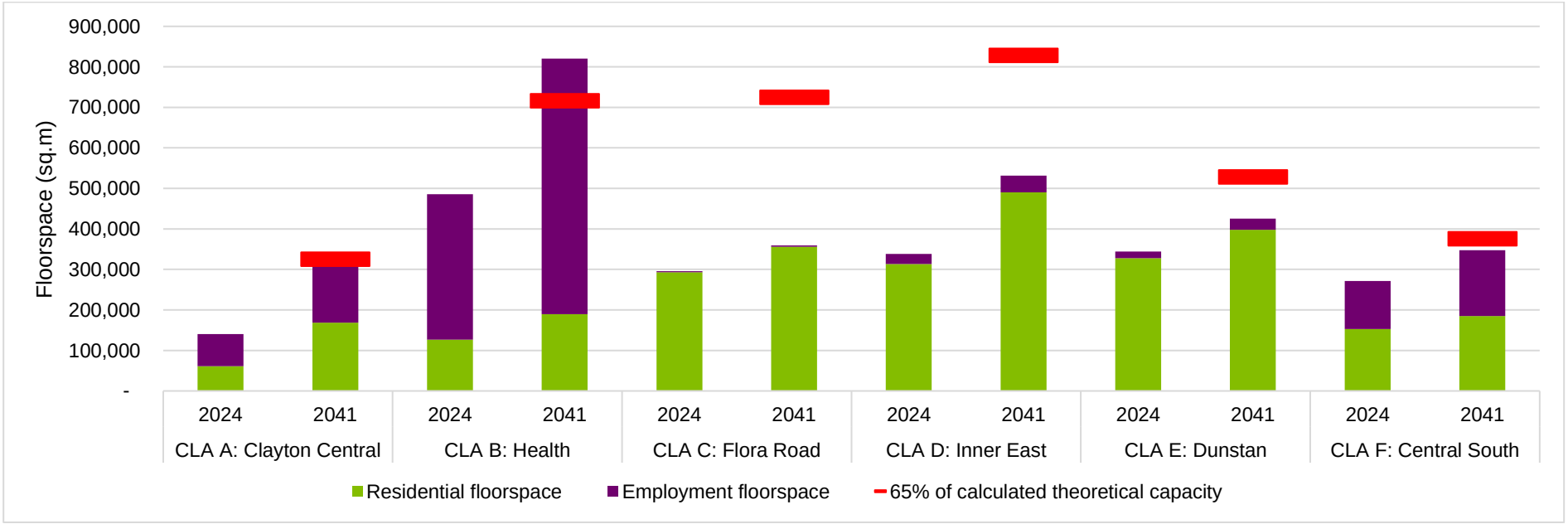


TABLE F.3 FLOORSPACE BY USE AND NEIGHBOURHOOD, MONASH STRUCTURE PLAN AREA

TOTAL FLOORSPACE (SQ.M)

	Residential		Health		Office		Education		Industrial		Other Employment		Infrastructure		Total Employment		Total	
Neighbourhood	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**
MSH A: Monash Central	7,800	139,100	-	3,700	5,900	212,600	2,400	3,800	63,000	3,200	1,000	33,300	-	-	72,200	256,700	80,000	395,800
MSH B: Employment Growth	-	-	-	-	97,000	150,600	7,600	12,300	234,300	254,400	28,800	40,000	1,600	1,600	369,300	458,900	369,300	458,900
MSH C: Health Innovation	-	-	-	-	133,600	207,300	5,900	9,500	181,600	385,300	4,200	5,800	-	-	325,300	607,900	325,300	607,900
MSH D: Monash University & CSIRO	85,100	88,800	54,000	65,500	53,800	120,600	504,200	817,900	46,700	38,600	27,900	38,800	119,300	119,300	806,000	1,200,700	891,100	1,289,500
MSH E: Notting Hill	240,100	250,300	100	100	1,100	1,700	400	600	-	-	8,400	11,600	-	-	9,900	14,100	250,000	264,300
MSH F: Wellington Road	165,700	194,400	1,100	1,400	18,000	27,900	300	400	5,500	6,000	58,300	81,000	-	-	83,300	116,800	249,000	311,200
MSH G: Clayton North	154,000	180,700	2,900	3,500	8,900	9,100	5,200	8,400	-	-	5,300	7,400	-	-	22,400	28,500	176,400	209,200
Total	**652,800**	**853,200**	**58,200**	**74,300**	**318,300**	**730,000**	**525,900**	**853,100**	**531,200**	**687,400**	**133,800**	**218,000**	**120,900**	**120,900**	**1,688,400**	**2,683,600**	**2,341,200**	**3,536,800**

FLOORSPACE CHANGE 2024-2041

	Residential		Health		Office		Education		Industrial		Other Employment		Infrastructure		Total Employment		Total	
Neighbourhood	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
MSH A: Monash Central	131,300	1683%	3,700	0%	206,700	3503%	1,400	58%	- 59,800	-95%	32,300	3230%	-	0%	184,500	256%	315,800	395%
MSH B: Employment Growth	-	0%	-	0%	53,600	55%	4,700	62%	20,100	9%	11,200	39%	-	0%	89,600	24%	89,600	24%
MSH C: Health Innovation	-	0%	-	0%	73,700	55%	3,600	61%	203,700	112%	1,600	38%	-	0%	282,600	87%	282,600	87%
MSH D: Monash University & CSIRO	3,700	4%	11,500	21%	66,800	124%	313,700	62%	- 8,100	-17%	10,900	39%	-	0%	394,700	49%	398,400	45%
MSH E: Notting Hill	10,200	4%	-	0%	600	55%	200	50%	-	0%	3,200	38%	-	0%	4,200	42%	14,300	6%
MSH F: Wellington Road	28,700	17%	300	27%	9,900	55%	100	33%	500	9%	22,700	39%	-	0%	33,500	40%	62,200	25%
MSH G: Clayton North	26,700	17%	600	21%	200	2%	3,200	62%	-	0%	2,100	40%	-	0%	6,100	27%	32,800	19%
Total	**200,400**	**31%**	**16,100**	**28%**	**411,700**	**129%**	**327,200**	**62%**	**156,200**	**29%**	**84,200**	**63%**	**-**	**0%**	**995,200**	**59%**	**1,195,600**	**51%**

Source: AJM JV

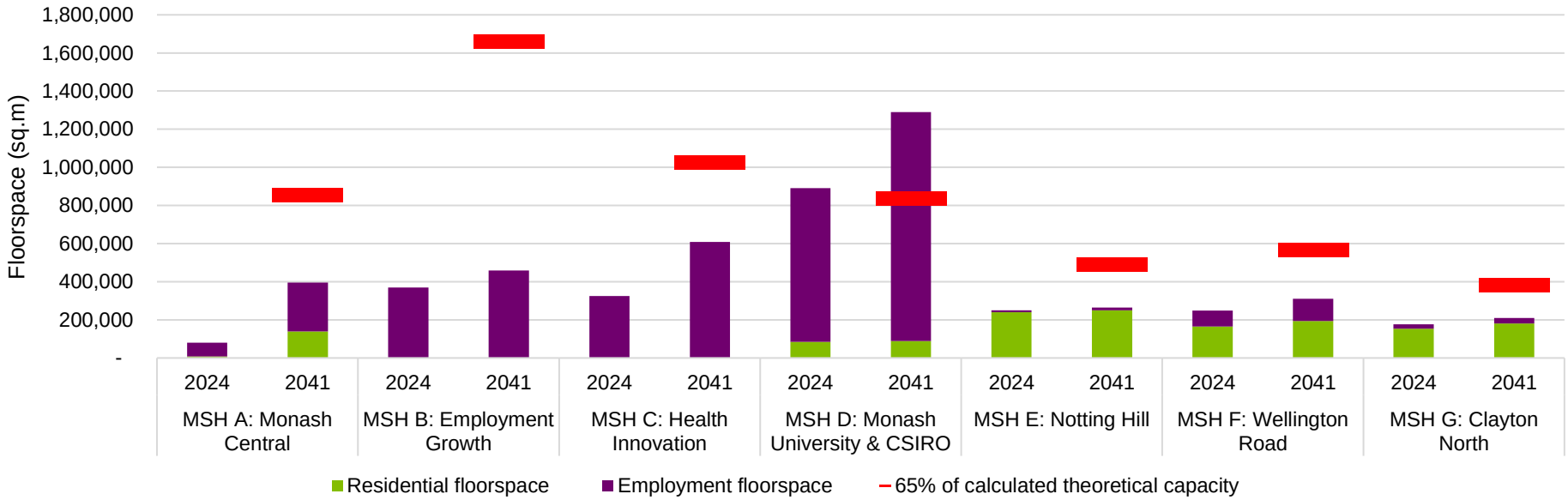


TABLE F.4 FLOORSPACE BY USE AND NEIGHBOURHOOD, GLEN WAVERLEY STRUCTURE PLAN AREA

TOTAL FLOORSPACE (SQ.M)

	Residential		Health		Office		Education		Industrial		Other Employment		Infrastructure		Total Employment		Total	
Neighbourhood	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**
GWY A: Central Glen Waverley	101,400	172,500	14,500	23,700	23,900	67,700	800	1,300	300	300	277,600	344,200	95,900	95,900	413,000	533,100	514,400	705,600
GWY B: Bogong	356,200	367,000	100	200	-	-	16,000	26,200	-	-	9,200	11,400	1,100	1,100	26,400	38,900	382,600	405,900
GWY C: Glen Waverley North	109,200	112,500	600	1,000	1,900	5,200	-	-	-	-	4,200	5,200	-	-	6,700	11,500	115,900	124,000
GWY D: Springvale Road East	303,600	306,100	2,000	3,300	-	-	14,100	23,000	-	-	1,400	1,700	-	-	17,500	28,100	321,100	334,200
GWY E: Waverley Road	67,800	74,400	800	1,300	3,000	8,500	44,900	73,400	124,500	131,300	47,800	59,300	200	200	221,200	273,900	289,000	348,300
Total	**938,100**	**1,032,500**	**18,100**	**29,600**	**28,800**	**81,500**	**75,900**	**123,900**	**124,900**	**131,600**	**340,200**	**421,800**	**97,100**	**97,100**	**684,900**	**885,500**	**1,623,000**	**1,918,000**

FLOORSPACE CHANGE 2024-2041

	Residential		Health		Office		Education		Industrial		Other Employment		Infrastructure		Total Employment		Total	
Neighbourhood	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
GWY A: Central Glen Waverley	71,100	70%	9,200	63%	43,800	183%	500	63%	-	0%	66,600	24%	-	0%	120,100	29%	191,200	37%
GWY B: Bogong	10,800	3%	100	100%	-	0%	10,200	64%	-	0%	2,200	24%	-	0%	12,500	47%	23,300	6%
GWY C: Glen Waverley North	3,300	3%	400	67%	3,300	174%	-	0%	-	0%	1,000	24%	-	0%	4,800	72%	8,100	7%
GWY D: Springvale Road East	2,500	1%	1,300	65%	-	0%	8,900	63%	-	0%	300	21%	-	0%	10,600	61%	13,100	4%
GWY E: Waverley Road	6,600	10%	500	63%	5,500	183%	28,500	63%	6,800	5%	11,500	24%	-	0%	52,700	24%	59,300	21%
Total	**94,400**	**10%**	**11,500**	**64%**	**52,700**	**183%**	**48,000**	**63%**	**6,700**	**5%**	**81,600**	**24%**	**-**	**0%**	**200,600**	**29%**	**295,000**	**18%**

Source: AJM JV

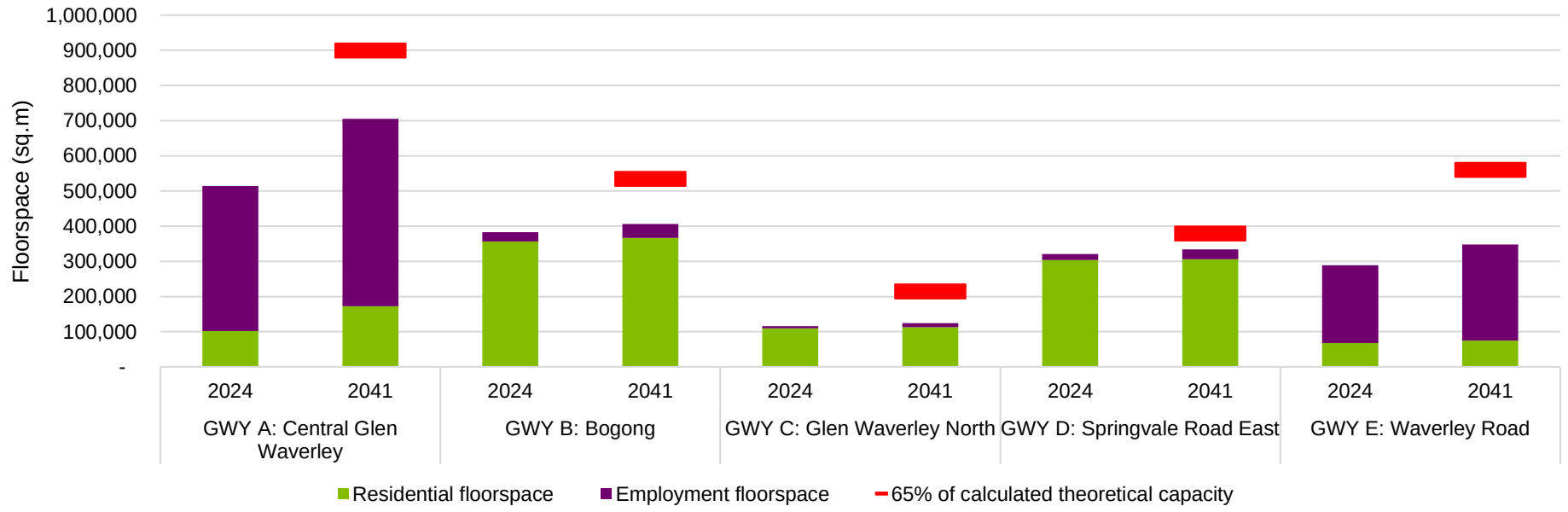


TABLE F.5 FLOORSPACE BY USE AND NEIGHBOURHOOD, BURWOOD STRUCTURE PLAN AREA

TOTAL FLOORSPACE (SQ.M)

	Residential		Health		Office		Education		Industrial		Other Employment		Infrastructure		Total Employment		Total	
Neighbourhood	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**
BUR A: Burwood Central	41,500	139,300	500	1,100	900	14,400	-	-	22,500	22,500	3,900	21,100	5,200	5,200	33,000	64,300	74,400	203,600
BUR B: McIntyre	66,600	98,800	-	-	-	5,100	-	-	-	-	-	8,500	3,100	3,100	3,100	16,600	69,700	115,500
BUR C1: Employment Neighbourhood	5,900	40,800	3,000	4,200	11,400	42,700	-	-	111,500	120,300	23,900	32,200	-	-	149,900	199,400	155,700	240,100
BUR C2: Employment Neighbourhood	300	300	-	-	7,000	7,500	-	-	67,800	73,100	4,700	6,300	-	-	79,500	86,900	79,700	87,200
BUR D: Ashwood	64,100	64,100	-	-	-	-	-	-	100	100	1,300	1,700	-	-	1,400	1,800	65,500	65,900
BUR E: Lundgren	174,300	208,500	400	600	-	-	-	-	-	-	1,000	1,300	-	-	1,400	1,900	175,700	210,400
BUR F: Station Street	75,000	89,700	400	500	25,800	49,300	35,300	51,500	-	-	15,200	18,000	-	-	76,700	119,400	151,700	209,100
BUR G: Education Neighbourhood	102,700	122,900	400	500	-	7,600	251,400	367,100	-	-	14,400	17,000	99,300	99,300	365,400	491,500	468,200	614,400
Total	**530,300**	**764,200**	**4,600**	**6,900**	**45,100**	**126,500**	**286,600**	**418,600**	**201,900**	**216,100**	**64,400**	**106,100**	**107,700**	**107,700**	**710,300**	**981,900**	**1,240,700**	**1,746,100**

FLOORSPACE CHANGE 2024-2041

	Residential		Health		Office		Education		Industrial		Other Employment		Infrastructure		Total Employment		Total	
Neighbourhood	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
BUR A: Burwood Central	97,800	236%	600	120%	13,500	1500%	-	0%	-	0%	17,200	441%	-	0%	31,300	95%	129,200	174%
BUR B: McIntyre	32,200	48%	-	0%	5,100	0%	-	0%	-	0%	8,500	0%	-	0%	13,500	435%	45,800	66%
BUR C1: Employment Neighbourhood	34,900	592%	1,200	40%	31,300	275%	-	0%	8,800	8%	8,300	35%	-	0%	49,500	33%	84,400	54%
BUR C2: Employment Neighbourhood	-	0%	-	0%	500	7%	-	0%	5,300	8%	1,600	34%	-	0%	7,400	9%	7,500	9%
BUR D: Ashwood	-	0%	-	0%	-	0%	-	0%	-	0%	400	31%	-	0%	400	29%	400	1%
BUR E: Lundgren	34,200	20%	200	50%	-	0%	-	0%	-	0%	300	30%	-	0%	500	36%	34,700	20%
BUR F: Station Street	14,700	20%	100	25%	23,500	91%	16,200	46%	-	0%	2,800	18%	-	0%	42,700	56%	57,400	38%
BUR G: Education Neighbourhood	20,200	20%	100	25%	7,600	0%	115,700	46%	-	0%	2,600	18%	-	0%	126,100	35%	146,200	31%
Total	**233,900**	**44%**	**2,300**	**50%**	**81,400**	**180%**	**132,000**	**46%**	**14,200**	**7%**	**41,700**	**65%**	**-**	**0%**	**271,600**	**38%**	**505,400**	**41%**

Source: AJM JV

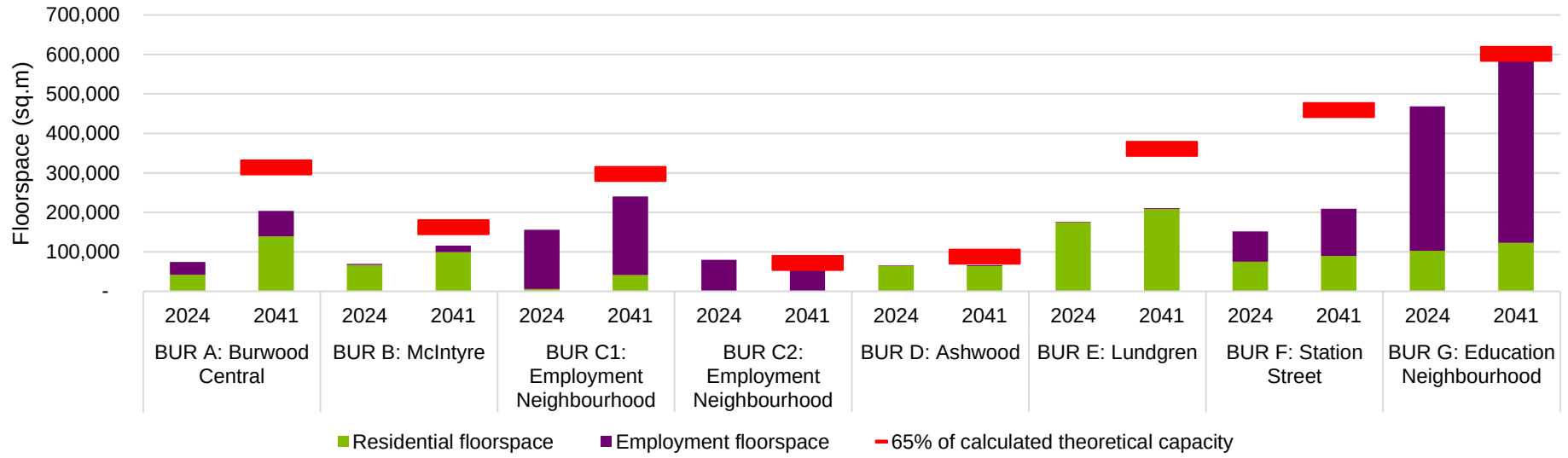


TABLE F.6 FLOORSPACE BY USE AND NEIGHBOURHOOD, BOX HILL STRUCTURE PLAN AREA

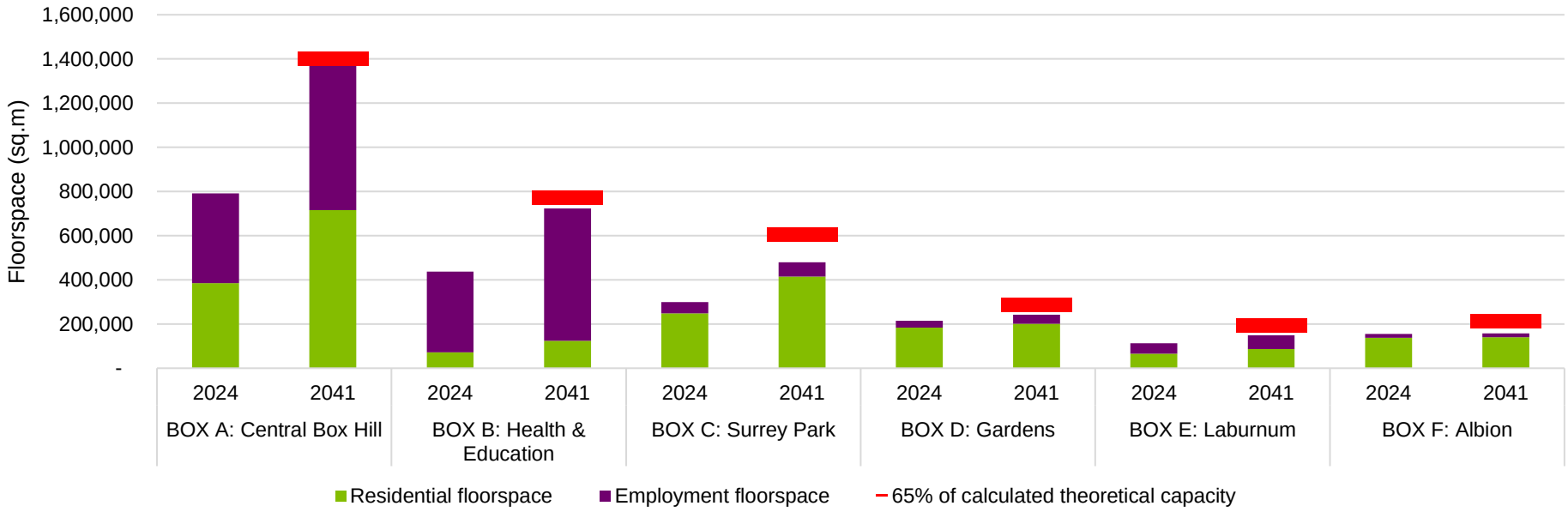
TOTAL FLOORSPACE (SQ.M)

	Residential		Health		Office		Education		Industrial		Other Employment		Infrastructure		Total Employment		Total	
Neighbourhood	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**	**2024**	**2041**
BOX A: Central Box Hill	385,200	715,800	12,600	19,700	200,000	355,800	4,600	6,200	7,000	7,900	168,400	254,400	13,800	13,800	406,400	657,900	791,600	1,373,700
BOX B: Health & Educat	71,400	123,900	272,100	424,800	-	44,900	93,800	126,900	-	-	600	2,700	-	-	366,400	599,400	437,800	723,200
BOX C: Surrey Park	247,800	414,700	2,500	3,800	1,500	2,600	1,400	1,900	5,700	6,400	40,300	49,200	200	200	51,500	64,200	299,300	478,900
BOX D: Gardens	184,100	200,500	10,100	15,800	1,600	2,900	5,800	7,800	-	-	3,200	4,800	10,600	10,600	31,200	41,800	215,400	242,300
BOX E: Laburnum	65,400	86,300	-	-	900	1,700	34,600	46,900	300	300	11,700	14,300	-	-	47,500	63,100	112,900	149,400
BOX F: Albion	138,000	139,700	-	-	300	500	300	500	-	-	-	-	16,400	16,400	17,100	17,400	155,100	157,100
Total	**1,091,900**	**1,680,800**	**297,200**	**464,100**	**204,300**	**408,400**	**140,500**	**190,200**	**12,900**	**14,600**	**224,200**	**325,400**	**41,000**	**41,000**	**920,200**	**1,443,700**	**2,012,100**	**3,124,600**

FLOORSPACE CHANGE 2024-2041

	Residential		Health		Office		Education		Industrial		Other Employment		Infrastructure		Total Employment		Total	
Neighbourhood	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
BOX A: Central Box Hill	330,600	86%	7,100	56%	155,800	78%	1,600	35%	900	13%	86,000	51%	-	0%	251,500	62%	582,100	74%
BOX B: Health & Educat	52,500	74%	152,700	56%	44,900	0%	33,100	35%	-	0%	2,100	350%	-	0%	233,000	64%	285,400	65%
BOX C: Surrey Park	166,900	67%	1,300	52%	1,100	73%	500	36%	700	12%	8,900	22%	-	0%	12,700	25%	179,600	60%
BOX D: Gardens	16,400	9%	5,700	56%	1,300	81%	2,000	34%	-	0%	1,600	50%	-	0%	10,600	34%	26,900	12%
BOX E: Laburnum	20,900	32%	-	0%	800	89%	12,300	36%	-	0%	2,600	22%	-	0%	15,600	33%	36,500	32%
BOX F: Albion	1,700	1%	-	0%	200	67%	200	67%	-	0%	-	0%	-	0%	300	2%	2,000	1%
Total	**588,900**	**54%**	**166,900**	**56%**	**204,100**	**100%**	**49,700**	**35%**	**1,700**	**13%**	**101,200**	**45%**	**-**	**0%**	**523,500**	**57%**	**1,112,500**	**55%**

Source: AJM JV



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Joint Venture

Appendix G

Floorspace capacity with and without amalgamation

TABLE G.1 THEORETICAL FLOORSPACE CAPACITY WITH AND WITHOUT AMALGAMATION: SRL EAST STRUCTURE PLAN AREAS

	Floorspace capacity with amalgamation (sq.m)	Floorspace capacity without amalgamation (sq.m)	Difference (absolute)	Difference (%)
Cheltenham	5,946,800	5,297,600	-649,200	-11%
Clayton	5,217,000	4,126,000	-1,091,000	-21%
Monash	8,943,300	8,365,400	-577,900	-6%
Glen Waverley	3,978,400	3,462,000	-516,400	-13%
Burwood	3,619,000	3,152,100	-466,900	-13%
Box Hill	5,338,800	4,787,800	-551,000	-10%

Source: AJM JV

TABLE G.2 CAPACITY VS. DEMAND WITH AND WITHOUT AMALGAMATION, CHELTENHAM STRUCTURE PLAN AREA

Neighbourhood	2041 Floorspace demand (sq.m)	Floorspace capacity with amalgamation (sq.m)	Floorspace demand as a share of capacity with amalgamation	Floorspace capacity without amalgamation (sq.m)	Floorspace demand as a share of capacity without amalgamation
CTM A: Southland	1,040,100	1,837,600	57%	1,769,000	59%
CTM B: Highett	476,200	1,046,000	46%	826,300	58%
CTM C: Nepean Highway East	166,800	337,600	49%	228,100	73%
CTM D: Pennydale	274,900	661,000	42%	441,400	62%
CTM E: Bayside Business District	662,000	2,064,500	32%	2,032,800	33%
Total	**2,620,000**	**5,946,800**	**44%**	**5,297,600**	**49%**

Source: AJM JV

TABLE G.3 CAPACITY VS. DEMAND WITH AND WITHOUT AMALGAMATION, CLAYTON STRUCTURE PLAN AREA

Neighbourhood	2041 Floorspace demand (sq.m)	Floorspace capacity with amalgamation (sq.m)	Floorspace demand as a share of capacity with amalgamation	Floorspace capacity without amalgamation (sq.m)	Floorspace demand as a share of capacity without amalgamation
CLA A: Clayton Central	330,600	500,100	66%	409,600	81%
CLA B: Health	820,200	1,102,300	74%	996,700	82%
CLA C: Flora Road	359,500	1,115,200	32%	742,400	48%
CLA D: Inner East	531,700	1,274,400	42%	988,200	54%
CLA E: Dunstan	425,100	812,600	52%	634,700	67%
CLA F: Central South	347,600	577,700	60%	482,200	72%
Total	**2,814,700**	**5,217,000**	**54%**	**4,126,000**	**68%**

Source: AJM JV

TABLE G.4 CAPACITY VS. DEMAND WITH AND WITHOUT AMALGAMATION, MONASH STRUCTURE PLAN AREA

Neighbourhood	2041 Floorspace demand (sq.m)	Floorspace capacity with amalgamation (sq.m)	Floorspace demand as a share of capacity with amalgamation	Floorspace capacity without amalgamation (sq.m)	Floorspace demand as a share of capacity without amalgamation
MSH A: Monash Central	395,800	1,316,500	30%	1,314,000	30%
MSH B: Employment Growth	458,900	2,552,400	18%	2,542,400	18%
MSH C: Health Innovation	607,900	1,577,900	39%	1,559,900	39%
MSH D: Monash University & CSIRO	1,289,500	1,284,900	100%	1,284,900	100%
MSH E: Notting Hill	264,300	753,500	35%	542,300	49%
MSH F: Wellington Road	311,200	871,500	36%	699,000	45%
MSH G: Clayton North	209,200	587,400	36%	423,600	49%
Total	**3,536,800**	**8,943,300**	**40%**	**8,365,400**	**42%**

Source: AJM JV

TABLE G.5 CAPACITY VS. DEMAND WITH AND WITHOUT AMALGAMATION, GLEN WAVERLEY STRUCTURE PLAN AREA

Neighbourhood	2041 Floorspace demand (sq.m)	Floorspace capacity with amalgamation (sq.m)	Floorspace demand as a share of capacity with amalgamation	Floorspace capacity without amalgamation (sq.m)	Floorspace demand as a share of capacity without amalgamation
GWY A: Central Glen Waverley	705,600	1,383,400	51%	1,336,800	53%
GWY B: Bogong	405,900	821,600	49%	637,800	64%
GWY C: Glen Waverley North	124,000	329,500	38%	244,300	51%
GWY D: Springvale Road East	334,200	582,800	57%	440,100	76%
GWY E: Waverley Road	348,300	861,100	40%	803,000	43%
Total	**1,918,000**	**3,978,400**	**48%**	**3,462,000**	**55%**

Source: AJM JV

TABLE G.6 CAPACITY VS. DEMAND WITH AND WITHOUT AMALGAMATION, BURWOOD STRUCTURE PLAN AREA

Neighbourhood	2041 Floorspace demand (sq.m)	Floorspace capacity with amalgamation (sq.m)	Floorspace demand as a share of capacity with amalgamation	Floorspace capacity without amalgamation (sq.m)	Floorspace demand as a share of capacity without amalgamation
BUR A: Burwood Central	203,600	482,900	42%	451,500	45%
BUR B: McIntyre	115,500	249,600	46%	175,900	66%
BUR C1: Employment Neighbourhood	240,200	457,300	53%	421,500	57%
BUR C2: Employment Neighbourhood	87,200	109,800	79%	101,300	86%
BUR D: Ashwood	65,900	133,900	49%	95,800	69%
BUR E: Lundgren	210,400	554,600	38%	396,600	53%
BUR F: Station Street	209,100	706,300	30%	639,600	33%
BUR G: Education Neighbourhood	614,400	924,600	66%	869,900	71%
Total	**1,746,100**	**3,619,000**	**48%**	**3,152,100**	**55%**

Source: AJM JV

CAPACITY VS. DEMAND WITH AND WITHOUT AMALGAMATION, BOX HILL STRUCTURE PLAN AREA

Neighbourhood	2041 Floorspace demand (sq.m)	Floorspace capacity with amalgamation (sq.m)	Floorspace demand as a share of capacity with amalgamation	Floorspace capacity without amalgamation (sq.m)	Floorspace demand as a share of capacity without amalgamation
BOX A: Central Box Hill	1,373,700	2,152,400	64%	1,982,900	69%
BOX B: Health & Education	723,200	1,186,400	61%	1,148,400	63%
BOX C: Surrey Park	478,900	932,400	51%	753,800	64%
BOX D: Gardens	242,300	440,000	55%	379,900	64%
BOX E: Laburnum	149,400	300,500	50%	256,600	58%
BOX F: Albion	157,100	327,100	48%	266,200	59%
Total	**3,124,600**	**5,338,800**	**59%**	4,787,800	**65%**

Source: AJM JV

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Appendix H

Floorspace capacity on strategic sites

TABLE H.1 FLOORSPACE CAPACITY ON STRATEGIC SITES: SRL EAST STRUCTURE PLAN AREAS

Structure Plan Area	Strategic sites	Share of floorspace capacity on strategic sites (%)
Cheltenham	Site 1 – SRL Station Development Area Site 2 – Southland Shopping Centre Site 3 – Former Highett Gasworks Site 4 – Highett Common	20%
Clayton	Site 1 – SRL Station Development Area Site 2 – 1400 Centre Road Site 3 – Cooke Street Car Park Site 4 – PMP Printing Site 5 – Centre Road Car Park Site 6 – Monash Medical Centre	15%
Monash	Site 1 – SRL Station Development Area Site 2 – 326 Ferntree Gully Road Site 3 – 625 Blackburn Road Site 4 – Monash Waster Transfer Station Site 5 – 700 Blackburn Road Site 6 – 30 Henderson Road Site 7 – Monash University (Clayton Campus) Site 8 – CSIRO & CSIRO North Site 9 – Australian Synchrotron	40%
Glen Waverley	Site 1 – SRL Station Development Area Site 2 – The Glen Shopping Centre Site 3 – Dan Murphys and Car Park Site 4 – Glen Waverley Central Car Park Site 5 – Century City Walk	19%
Burwood	Site 1 – SRL Station Development Area Site 2 – Greenwood Business Park Site 3 – Mt Scopus Site 4 – 125-127 Highbury Road Site 5 – Deakin University (Burwood Campus) Site 6 – Deakin University (Student Accommodation)	31%
Box Hill	Site 1 – SRL Station Development Area Site 2 – Former Box Hill Brickworks Site 3 – Uniting AgeWell Box Hill Site 4 – Box Hill Central Site 5 – Box Hill Hospital Site 6 – Epworth Eastern Site 7 – Box Hill Institute of TAFE (Nelson Campus) Site 8 – Box Hill Institute of TAFE (Edgar Campus)	24%

Source: AJM JV

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Appendix I

Infrastructure assumption sensitivity

The table below shows floorspace demand at 2041 calculated under different infrastructure assumptions:

1. Infrastructure floorspace demand at 2041 is set at 2024 levels; that is, infrastructure floorspace does not increase or decrease (current modelling)

2. Infrastructure floorspace demand is determined applying the 2024 ratio of infrastructure to the total non-infrastructure floorspace for each Structure Plan Area. For example, if infrastructure floorspace in 2024 is 8% of the total non-infrastructure floorspace, the 2041 infrastructure floorspace is calculated as 8% of the projected total non-infrastructure floorspace.

3. Infrastructure floorspace demand is determined using the average across all Structure Plan Areas in 2024 of the ratio of infrastructure to the total non-infrastructure floorspace which is 5%.

TABLE I.1 FLOORSPACE DEMAND UNDER VARIOUS INFRASTRUCTURE ASSUMPTIONS

	Floorspace demand at 2041 with infrastructure set at 2024 levels (1)	Floorspace demand at 2041 with infrastructure set at 2024 ratio to total non-infrastructure floorspace (2)	Floorspace demand at 2041 with infrastructure set at current average rate of all Structure Plan areas (@ 5%) (3)	Absolute difference between (1) and (2) (2) – (1)	Absolute difference between (1) and (3) (3) – (1)	Floorspace demand under (1) as a share of capacity	Floorspace demand under (2) as a share of capacity	Floorspace demand under (3) as a share of capacity
Cheltenham	2,620,000	2,680,000	2,605,300	60,000	-14,700	44%	45%	44%
Clayton	2,814,700	2,820,100	2,942,200	5,400	127,500	54%	54%	56%
Monash	3,536,800	3,601,900	3,584,200	65,100	47,400	40%	40%	40%
Glen Waverley	1,918,000	1,936,800	1,910,600	18,800	-7,400	48%	49%	48%
Burwood	1,746,100	1,794,100	1,719,100	48,000	-27,000	48%	50%	48%
Box Hill	3,124,600	3,147,800	3,235,500	23,200	110,900	59%	59%	61%

Source: AJM JV

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Appendix J

Peer Review Report

Suburban Rail Loop East Precinct Planning Peer Review of Land Use Scenario and Capacity Assessment (LUSCA)

14/02/2025

1.1 Scope of Peer Review

SGS Economics and Planning (SGS), led by Julian Szafraniec, have been engaged by White & Case together with Clayton Utz acting on behalf of the Suburban Rail Loop Authority (SRLA) to provide a peer review of the Land Use Scenario and Capacity Assessment (LUSCA) for the purpose of informing the Structure Plan (SP) and draft planning scheme amendments (PSAs) for the six SRL East structure plan areas (SPAs).

SGS was first engaged in relation to this matter in early 2024, and through an iterative approach, has reviewed the housing and economic technical reports for all six SRL East precincts, along with the LUSCA report. This peer review report documents SGS' findings as they relate to the LUSCA report (dated February 2025). The peer review advice addresses:

- The appropriateness of the methodology used to test whether the capacity, based on new floor area ratios developed in the Urban Design technical report for all six SRL East SPA, is able to sufficiently accommodate the projected growth and type of demand as identified in the Housing and Employment Technical Reports, specifically for the purposes of informing the SP and draft PSA.
- Understanding if the results of the analysis have then been appropriately presented and suitable precinct recommendations have been developed to inform the SP and draft PSA.

The peer review does not consider:

- Broader macro and regional trends, alternative population or employment growth forecasts for the SRL corridor or station precincts, or the appropriateness of earlier studies, such as the BIC.
- Other technical reports or matters, such as urban design, traffic and community infrastructure.
- The extent to which the recommendations from the LUSCA Report were ultimately used and implemented in the SPs and draft PSAs.

1.2 Summary of peer review

The remainder of this peer review document is structured as follows:

- Section 1.3 provides a summary and peer review of the appropriateness of the method used in the LUSCA for the purposes of informing the SPs and draft PSAs.
- Section 1.4 provides a peer review of the results and recommendations from the LUSCA.
- Section 1.5 provides final concluding remarks from the peer review.

1.3 Appropriateness of methodology, assumptions and limitations

The LUSCA report is split into four Sections, along with an Executive Summary and a set of Appendices. The analysis and report includes all six SRL East precincts. In summary the structure is as follows:

- Executive Summary provides an overview of the analysis and recommendations by SRL precinct.
- Section 1 (Introduction) details the scope, key definitions, key assumptions, limitations and interdependencies with other technical reports.
- Section 2 details the method used to assess capacity and demand alignment.
- Section 3 provides the results of the analysis by SRL precinct, including scenario testing.
- Section 4 provides recommendations by SRL precinct to inform the SP and draft PSA.

The advice contained within this section of the peer review report focuses on the appropriateness of the methodology used (Section 2) along with key definitions, assumptions and limitations (largely summarised in Section 1 and in the Appendices to the LUSCA).

Key inputs and interactions with other background technical reports

Given the scale of SRL, the evidence base to inform the SP process includes many technical and background reports which investigate specific issues and combine into an overall package. The LUSCA report brings together demand and supply inputs to help align and resolve findings and inform the development of optimal SP controls.

Demand

Floorspace demand is drawn from the Housing Needs, Economic Profile and Retail Assessment Technical Reports for each SRL precinct (discussed in Section 1.7.1.1 of the LUSCA). These technical reports include detailed analysis of the potential quantum and form of floorspace required in each SRL SPA as a whole, along with key locational, built form and other considerations. They use consistent definitions around floorspace to enable results to be combined in the LUSCA. Those technical reports also align to overall population, dwelling and employment projections for 1600m catchment definitions of each SRL precinct, which has been derived using CityPlan as part of the BIC (August 2021). These BIC projections are also used to inform a general understanding of the scale of growth that is anticipated in each SRL precinct beyond 2041.

While there are various limitations to all these inputs, as discussed in the respective technical reports and Section 1.8 of the LUSCA, I believe they still form an appropriate input for the LUSCA demand analysis for the purpose of informing the SPs and draft PSAs.

Floorspace capacity

Floorspace capacity calculated as part of the LUSCA (discussed further in the next section) is based on inputs from the Urban Design Technical Reports which has informed the Draft SP for each SRL precinct. Importantly, I understand, the capacity analysis presented in the LUSCA reflects the proposed built form controls in the Urban Design technical report (subject to specific adjustments for a number of sites as explained in Appendix H of the LUSCA report). This was facilitated through an iterative process, which helps to ensure alignment and feedback between the LUSCA and the Urban Design technical report.

Interdependences between reports

A key challenge (and purpose) of the LUSCA is that it is both informed *by* and informs the built form controls for each SRL precinct as part of the SP process. Often this type of demand-capacity analysis is completed sequentially, which results in a discrepancy between the built form controls used in the alignment analysis and the final controls in the Amendment. Or alternatively it has no meaningful impact on the final controls that are developed.

The development of the LUSCA has involved an iterative process which is detailed in Section 2.1 of the LUSCA. In this process, demand and capacity are compared by SRL precinct and neighbourhood, then a series of alignment 'flags' trigger a review process which either results in the floorspace demand distribution being adjusted and/or built form design controls being adjusted. This is not a purely numerical exercise to perfectly match demand with supply and various market, preference and buffer considerations are appropriately captured in the process.

This is an effective way to address the inherently circular nature of inputs and results within this type of analysis and I believe it ensures the analysis more directly informs the final SP controls that are created.

Appropriate specification and application of definitions

For the LUSCA report to appropriately inform a SP process, it is critical that any analysis directly connects with other relevant technical reports and the SPA. Further, any definitions should be clearly defined and consistently applied to ensure results can be interrogated and correctly used in subsequent work.

These definitional aspects are primarily documented in Section 1 and Appendix A of the LUSCA.

- Geography: the LUSCA relates to the six SRL east SPAs specifically. In addition, the LUSCA uses Urban Form Areas and Neighbourhoods to align with built form outcomes considered in the Urban Design Technical Reports and understand demand-supply alignment at a sub-precinct scale. These geographies are clearly documented and mapped in Appendix A. While some analysis and assumptions are applied at a lot level, the LUSCA does not include any lot level results. I believe the geographic scales used and presented in the LUSCA is appropriate. It is intended to be strategic in nature, to inform the SP process, and so cannot (and should not) capture all the nuances of an individual site or development. Therefore, where analysis was completed at a lot level, results should still be aggregated to larger geographies to reflect the higher level nature of assumptions. The use of Neighbourhoods provides a suitable intermediate geography which reflect key land use characteristics and areas which will operate differently from a demand—supply perspective.
- Time horizon: the LUSCA has primarily considered demand and supply needs out to 2041 (20 years from 2021 or 17 years from 2024). However, it has also considered growth and needs beyond this horizon via longer range projections, sourced from the BIC. This longer term view factors into how much buffer is appropriate for each precinct. I believe the focus on the 2041 planning horizon is appropriate and support the use of some high level analysis which considers growth beyond this 2041 period. This is particularly important for SRL given the long term city shaping impact of the project, which means that future growth is not linear, and some precincts will develop earlier or later.
- Floorspace and other measures: The report brings various inputs (i.e. employment, housing, planning controls) together using floorspace as the common unit. The report is clear and consistent in the use of Gross Building Area (GBA) as the central floorspace measure and is clear on alternative floorspace measures and where conversion factors are required to consistently align or to compare different

floorspace measures. Other definitions for employment and housing are also stated clearly and consistently used in the LUSCA and across other technical reports.

Capacity buffer

A key concept that is used in the LUSCA is the 'capacity buffer' (discussed in Section 1.9.2). This is fundamental to addressing the purpose of the report and determining if the SPs have provided sufficient capacity to support estimated demand.

An *appropriate* buffer needs to address a number of key factors:

- It is not realistic to assume every site across a precinct is developed to its maximum possible extent by 2041. Typically, there is a degree of under-development for various market, individual preference and other desirable (i.e. greater development diversity) reasons, which means all of the capacity can never be fully realised and will become harder to realise as there is limited capacity available.
- In addition, it is critical to recognise that there will be development beyond the SP planning horizon (2041) which might justify the need for a bigger buffer to support that continued growth. This is particularly critical for the SRL precincts, given the long term nature of the project and its impacts.
- The desired rate of change and or land use type might also influence the appropriateness of a buffer. It might be desirable and realistic to fully redevelop an entire health precinct to its maximum potential – necessitating a relatively small buffer. Conversely in a suburban street, it might be desirable to have a much larger buffer so that every house on the street doesn't need to change to address the demand.

I believe these core factors have been appropriately considered in the LUSCA. I believe an upper threshold of 80 per cent and a review 'flag' at 60 to 70 per cent is appropriate for the SRL precincts and neighbourhoods. I also support the case by case approach at both a SRL precinct and neighbourhoods, as there are a range of circumstances which may support a higher or lower buffer as being suitable.

Appropriateness of LUSCA analysis method

The core purpose of the LUSCA report is to test if there is an appropriate level of capacity within the SP controls to accommodate the demand that is estimated across the six SRL Precincts. This method is detailed in Section 3 of the LUSCA report and is summarised as follows:

- Combined (housing and employment) floorspace demand is distributed to neighbourhoods
- Capacity is estimated under the draft SP controls
- Floorspace demand is compared to capacity by neighbourhood
- Different distributions of floorspace demand are tested

As noted earlier, and in the methodology set out in the LUSCA, these steps are iterative and not completed in sequence.

These steps are discussed in further detail below:

- Floorspace Demand for the whole SPA is sourced from relevant technical reports. This is distributed down to neighbourhoods by land use type based on a baseline and then adjusted distribution (see Section 2.2.2.2). This adjustment process necessitates some professional judgement, which is unavoidable. I believe the approach is robust and clearly documents the basis behind any adjustment. The fact it is completed by land use type and leverages a baseline distribution is beneficial, as it enables various market factors to be more directly captured. There could potentially be further land use

segmentations (i.e. dwelling types). However, I believe this could also be sufficiently addressed through analysis and recommendations from other technical reports (i.e. urban design or the housing needs technical report - which includes a number of specific recommendations around housing type and diverse community needs). Given this, I don't see this as a concern related to the appropriateness of the LUSCA approach.

- Floorspace capacity is estimated at a lot level using a range of lot level characteristics and the proposed built form controls. The analysis considers definitive constraints (i.e. open space), prohibitive constraints (i.e. strata) and lot size to determine a development opportunity rating which is then combined with the proposed Floor Area Ratios (FAR). I believe it represents a robust method to estimating the 'theoretical capacity' for each SRL precinct. In addition, I note that capacity has been separately calculated or adjusted for several large or strategic sites. These are noted in Appendix D and H. I believe this is appropriate given the size or unique nature of these sites, which means the standard assumption based approach might not sufficiently represent their likely capacity.
- Total floorspace demand is then compared to floorspace capacity by neighbourhood. In this type of analysis, floorspace capacity can sometimes be estimated by multiple land use types to understand how the control more directly related to various demand segments (i.e. residential capacity vs demand or retail capacity vs demand). This is discussed in Section 2.3.2.2 of the LUSCA. Given the generally mixed use nature of most SRL precincts this is often not possible, or at least, not determined by the controls themselves. The LUSCA has sought to address these land use alignment issues through consideration of the results themselves (i.e. discussion/review of outcomes in key precincts), scenario testing and additional analysis of ground floor retail alignment specifically. I believe this is an appropriate approach to address this matter of understanding alignment for the SP.

1.4 Appropriateness of results and recommendations

The following section considers how the method was applied to all six SRL precincts specifically and provides a review of the results and recommendations that have been developed. Some general comments on the results are provided followed by precinct specific comments.

General comments

The six SRL precinct SPAs have a combined total capacity of 33 million square metres, which equates to approximately three times the existing floorspace. This SPA capacity approximately allows for the total floorspace demand required by 2041 (estimated at 15.6 million square metres), providing a demand to capacity proportion of 47.1 per cent. This varies by SRL precinct with demand representing 59 per cent of capacity in Box Hill and 40 per cent of capacity in Monash. This aligns with the development maturity and growth profile of the various SRL precincts, with Box Hill having the most mature housing and employment economy, while Monash is anticipated to continue to transform significantly beyond 2041.

This alignment also varies by neighbourhood within each SRL precinct. In general, the core precincts have more capacity consumed by 2041 (i.e. Southland 57%, Clayton Central 66%, Monash Central 30%, Central Glen Waverley 51 %, Burwood Central 42 %, Box Hill Central 64%) along with some health and education precincts (i.e. Clayton Health 74%, Monash University 100%, Burwood Education 66%, Box Hill Health and Education 61 %).

In general, scenario testing indicates there is sufficient capacity to accommodate various shifts in the market and competition between land uses.

I note there is no change to 'infrastructure space' (which includes podium carparking, substations, etc) across all precincts, neighbourhoods and scenarios. I understand (and support) that significant additional (above ground) parking or significant space for other core infrastructure is not required in the SRL precincts. But there may need to be a minimum level/allowance within areas that are experiencing significant change of use (i.e. some neighbourhoods in Monash).

The 'infrastructure space' assumption has been separately tested in Appendix I to the LUSCA which highlights it would not materially alter the overall LUSCA results and could be practically addressed through more technical work and at the delivery stages, post amendment of the planning schemes.

Precinct specific comments

The following provides additional comments relevant to specific precincts:

Box Hill	Box Hill has the most amount of capacity consumed by 2041, with 59 per cent across all Neighbourhoods. Central and the Health and Education Neighbourhoods have consumption rate at 64 and 62 per cent respectively. The scenario testing shows there is still sufficient capacity if residential development is concentrated in the Central neighbourhood and if some residential was to occur within the Health and Education Precinct. Less capacity will be consumed in peripheral neighbourhoods which will support a lower rate of change in these areas. The Recommendations identify a need to support higher density in the core and encourage employment uses. They also highlight the need to consider lot consolidation and protection of health uses in the health and education precinct, which I support.
Burwood	Floorspace demand at 2041 represents 48 per cent of capacity and varies by neighbourhood. I believe the recommendations are appropriate and encourage high density in the central neighbourhood and highlight the importance of the University and regeneration of industrial areas for more intensive employment uses.
Glen Waverley	Floorspace demand at 2041 represents 48 per cent of capacity and varies by neighbourhood. I believe the recommendations are appropriate and encourage high density in the Central neighbourhood and highlight the importance of encouraging employment uses (including Office) and the importance of leveraging The Glen Shopping Centre and other strategic sites.
Monash	Floorspace demand at 2041 represents 40 per cent of capacity and varies by neighbourhood, while lower than other SRL precincts, I believe this is still appropriate given the scale of growth planned for this precinct post 2041 (as in Table 4.1 of the LUSCA report). It will be important to support the role, and future growth, of Monash University and CSIRO as identified in Recommendation 3 and 4. Monash Central will also play a key role as an early focus for new higher density development, identified in Recommendation 1 and 2. Given the scale and change in land use anticipated for the Monash SRL precinct, new development and neighbourhoods will need to be clearly sequenced to avoid the precinct being in a constant state of construction across multiple areas- which could reduce amenity, impact market speculation and ultimately limit its development potential. This is somewhat discussed within Recommendation 2.
Clayton	Floorspace demand at 2041 represents 54 per cent of capacity and varies by neighbourhood. I support the recommendations and focus on protecting and focusing on the health precinct (Recommendation 1 and 2), noting outcomes will largely depend on Monash Health. Clayton Central will also be an important neighbourhood which will need to support a range of different land uses as identified in Recommendations 3, 4, 6 and 7.

Cheltenham	Floorspace demand at 2041 represents 44 per cent of capacity and varies by neighbourhood. Southland will be an important neighbourhood, with 57 per cent of capacity estimated to be consumed by 2041. Recommendations 1, 2, 6 and 7 all seek to maximise outcomes for this neighbourhood, and the rest of the precinct, by recommending the need to encourage higher density within the core, more employment uses, amalgamation and by maximising outcomes on strategic sides. The Bayside Business District is also identified as an important neighbourhood. Recommendations 3 and 4 both identify its important long term employment role.

1.5 Concluding comments of peer review

Overall, I believe, the LUSCA approach, findings and recommendations are an appropriate evidence base to inform the six SRL SPs and draft PSA.

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