

Whitehorse Industrial Precinct Review

Draft Report

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Prepared for:

CITY OF



WHITEHORSE



blair warman economics
bwec

Contents.

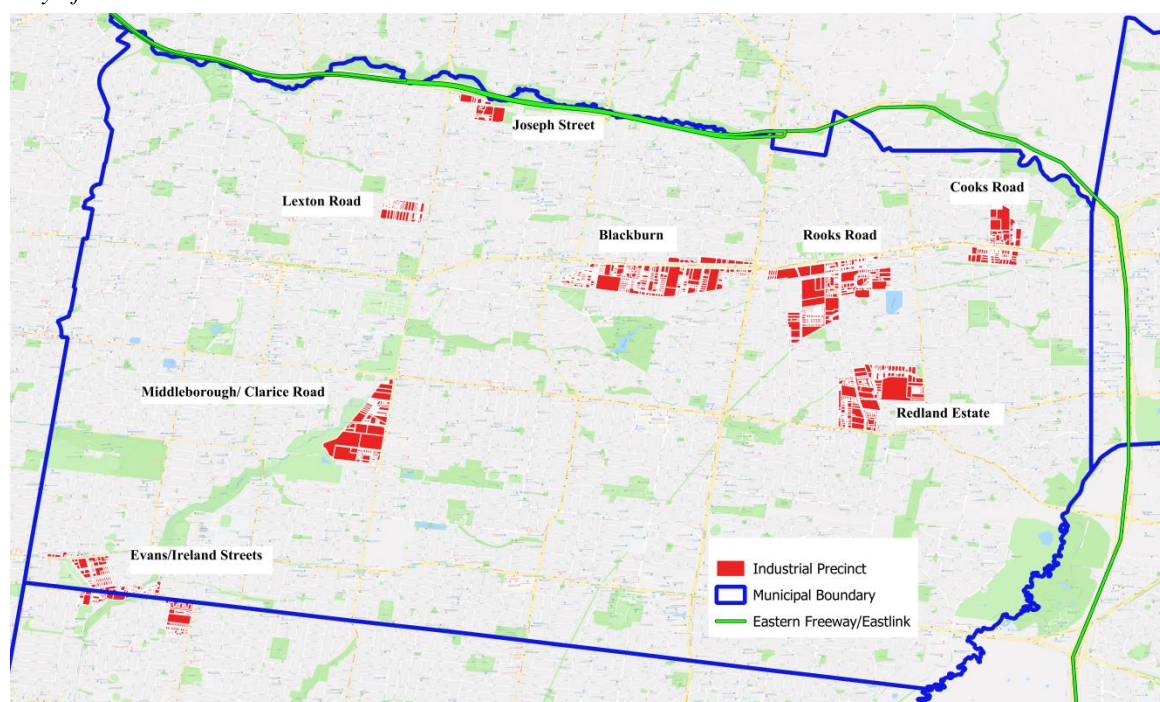
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1. Executive Summary

In April 2019 the City of Whitehorse appointed Blair Warman Economics to undertake a review of the municipality's eight industrial precincts to provide guidance on their future direction. As shown in the figure below, these precincts are distributed across the municipality. They are also generally well serviced by both public transport services and Melbourne's freeway network, particularly when compared to competing industrial areas in adjacent municipalities.

City of Whitehorse Industrial Precincts



Context

Whitehorse's industrial precincts, and other middle suburban industrial areas, are strategically important in accommodating higher value adding businesses close to the markets they service, while also providing local employment opportunities for an increasing number of higher skilled workers living within Whitehorse. These precincts also play an important role in meeting the needs of households for a range of light industrial services across the automotive and building services sectors.

Given a limited supply of vacant development sites, Whitehorse relies upon the reuse and redevelopment of existing properties to accommodate business and employment growth. This requires a balance between providing affordable, older style industrial accommodation that may not always be the most efficient, and ensuring a supply of contemporary office warehouses. The combined industrial precincts currently have a vacancy rate of 2.6%, indicating that the current building stock is generally well matched to the needs of businesses.

The challenge for Whitehorse's industrial precincts is how best to continue to evolve to meet the changing location and accommodation requirements of future businesses. The mix of businesses locating within industrial areas is becoming more diverse with an associated increase in employment densities. This has resulted in growing demand for car parking and public transport, improved amenity, access to eateries and retail services, and higher levels of amenity. Whitehorse's industrial precincts are generally well placed to meet these challenges given their proximity to activity centres and transport infrastructure and the continued redevelopment of industrial properties.

Industry and Land Use Trends

Industry restructuring has redefined the role of industrial precincts and the types of businesses that locate within them. At an industry level, the decline in manufacturing employment in Victoria over the past three decades has been more than offset by the growth in employment in the construction sector which has been driven by historically high population growth. More recently, the growth in e-commerce has resulted in increased employment in the transport, postal and warehousing sector. These trends have also been reflected in the business mix of Whitehorse's industrial precincts with construction services having a major presence. Similarly, many businesses also offer an online store where previously they would have relied upon traditional retail channels to distribute products.

Whitehorse's industrial precincts will continue to evolve in response to economic, industry and property market trends with an increasing number of service related businesses requiring accommodation with greater levels of office space. This has already been demonstrated by recent office warehouse developments in precincts such as Cooks Road, Rooks Road and Redland Estate.

Planning reforms in 2013 that removed default floorspace area restrictions for office space have paved the way for industrial areas to play an increasingly important role in accommodating office uses. The experience of other middle suburban industrial areas including the Monash Technology Precinct, Hawthorn East Industrial Area, Bayside Business and Employment Area (Cheltenham) and Parkview Estate (Heatherston) highlight the opportunity for Whitehorse's industrial precincts to support increased office development, thereby providing more intensive higher skilled employment opportunities for residents.

Industrial Land Supply and Employment

Since the opening of Eastlink in 2008, there has been considerable new development within Dandenong South and Carrum Downs where there was an available supply of vacant industrial land. This however has not had a significant impact upon Whitehorse's industrial precincts as these areas have typically attracted traditional industrial activities such as manufacturing and wholesaling, rather than higher value adding businesses employing higher skilled workers for which Whitehorse represents a more attractive location.

Employment within Whitehorse's industrial precincts averaged 2.6% per annum over 2011-2016, which is above the growth rate for metropolitan Melbourne of 1.9% per annum, but below that of the higher profile Monash Technology Precinct (3.6%). Similarly, the number of higher skilled workers (bachelor degree or above) employed in Whitehorse's industrial precincts increased by 44% from 3,516 to 5,051 workers, which is similar to the Monash Technology Precinct (43%) and other precincts in neighbouring municipalities. This broad trend towards higher skilled employment may therefore be expected to continue to support demand for more contemporary industrial buildings with a higher proportion of office space as well as dedicated offices.

Over the past decade a total of 13.5 ha of industrial land has been developed in Whitehorse, with only 3.25 ha being previously vacant. The redevelopment of industrial sites therefore plays a major role in facilitating the transformation of Whitehorse's industrial precincts. Given that the area of sites being redeveloped varied from just over 1,400 m² to 2 ha, and occurred across six of Whitehorse's eight precincts, there is considerable opportunity for all precincts to continue to evolve and meet the needs of a new generation of businesses.

Property Market and Business Conditions

Property market conditions across Whitehorse's industrial precincts are generally healthy with an overall vacancy rate of 2.6%, below the 3% considered to represent a balance between supply and demand. Council's rates data indicates that over the period 2014-2018, the site value of properties has increased by an average of between 6% and 14% per annum across the precincts.

The number of properties becoming available for sale or lease reflects the number of properties in each precinct, as well as the number of new properties being developed. The building area of leased properties varies

noticeably across the precincts, typically reflecting the age of the building stock within each. Most notable is the Blackburn precinct where a notably higher proportion of properties have floor areas over 400 m² reflecting the older age profile of its building stock. Conversely, the Middleborough/Clarice Road, Road and Rooks Road precincts have a much higher proportion of leased properties with floor areas under 300 m² due to the extent of more recent development within each.

A business survey undertaken by Council received 73 responses which, although representing a low response rate, does provide a broad indication of the location decision making and confidence of businesses. While the availability of suitable sites and/or building costs are particularly important for businesses in choosing where to locate, proximity to customers, suppliers and qualified workers was of less importance. The latter may however reflect the accessibility of many industrial areas within the eastern region to Melbourne's freeway network as well as business been primarily focused upon local geographic markets. While businesses are generally quite positive with respect to their future financial position and demand for additional workers, this contrasts with national business surveys suggesting that confidence is falling and a forecast slowing in economic growth.

Property market conditions are likely to continue to remain relatively strong, albeit subject to any slowing in economic growth. While the ability of businesses to purchase or lease properties that meet their requirements may be limited by the size of their preferred precinct, any redevelopment of sites will increase the availability of properties. Properties may however be predominantly smaller office warehouses with floor areas under 300 m² that meet the price points of both investors and tenants.

Strategic Direction and Recommendations

Based upon the analysis undertaken, strategic directions and associated recommendations have been identified for each precinct as outlined below.

Joseph Street

Strategic Direction

- Joseph Street is expected to continue its role as an industrial / office precinct that leverages off its proximity to the Eastern Freeway. This may be reinforced through the redevelopment of selected sites for more intensive industrial / office uses. Given its size and limited range of accommodation options the precinct will continue to fulfil a niche role.

Recommendations

- Investigate with Vicroads the opportunities for the installation of traffic lights at Middleborough Road to improve access into and from the precinct.
- Support appropriate redevelopment of sites for more intensive commercial / industrial uses under current zoning.
- Promote Joseph Street as a commercial / industrial location focused upon higher value adding activities that contribute to the profile and amenity of the precinct.

Lexton Road

Strategic Direction

- Lexton Road will primarily remain a light industrial precinct but with the opportunity for some more intensive development such as high-tech office warehouses and potentially dedicated offices that leverage off its proximity to the Eastern Freeway similar to Joseph Street.

Recommendations

- Support the redevelopment of sites for more intensive commercial / industrial uses subject to adequate provision of off-street car parking.
- Monitor opportunities for the two sites at the corner of Middleborough Road to better identify the precinct.
- Support the redevelopment of larger sites with the capacity to incorporate on-site parking for more intensive employment uses.
- Encourage the relocation of less intensive uses such as self-storage to larger industrial precincts such as Blackburn.

Blackburn**Strategic Direction**

- The Blackburn Industrial Precinct offers the opportunity for an increasing focus upon higher value adding activities while maintaining its role as a location for light industrial activities. The redevelopment of sites to provide more contemporary industrial accommodation that includes on-site parking will play a key role in facilitating increased employment. This direction for the precinct will enable it to leverage off its proximity to public transport and the Mega Mile Activity Centre.

Recommendations

- Encourage the redevelopment of sites for more intensive development which would increase the diversity of employment opportunities within the precinct.

Cook Road**Strategic Direction**

- The Cook Road precinct is expected to experience ongoing renewal with the opportunity to attract higher value adding activities that take advantage of the precinct's proximity to Eastlink and its relatively high amenity.
- Restricted retailing will continue to play a key role in maintaining the precinct's profile and benefits associated with its Maroondah Highway frontage.

Recommendations

- Monitor the occupancy of recent developments in Cook Road to determine the extent of demand for smaller office warehouses.
- Investigate the potential for the six sites between Cochrane Street and Lee Parade to be amalgamated and more intensively developed..
- Support the showroom precinct fronting Maroondah Highway to support the precinct's profile and amenity.

Rooks Road**Strategic Direction**

- Rooks Road industrial precinct will continue to offer a diverse mix of industrial properties that cater for a range of traditional and more contemporary industrial / commercial activities. Future demand for industrial properties will be met through the redevelopment of larger sites for smaller office warehouses that meet the needs of a new generation of businesses. Infrastructure provision will need to ensure that growth does not impact accessibility and movement within the precinct.

Recommendations

- Investigate potential traffic issues that may arise as a result of further development within the precinct including the need for signalised access to Rooks Road from Station Street.
- Commence discussion with owners of the former Amcor site to determine longer-term development intentions and the potential for more intensive development upon the site.
- Identify opportunities for more accessible eateries within the precinct. For example, within the proposed brickworks development to service the growing number of workers in Norcal Road.

Middleborough / Clarice Roads**Strategic Direction**

- Key manufacturers including the Asaleo Care and Maton will provide a diversity of employment opportunities within the precinct and Whitehorse generally. This should be complemented by the redevelopment of underutilised sites to leverage off the precinct's strategic location to support increased employment opportunities including business / professional services.

Recommendations

- Redevelopment of underutilised sites should be encouraged in order to reinforce the non-retail role of the precinct and generate new employment opportunities.
- Further expansion of retail activities should be discouraged in order to preserve the precinct's role as a location for industrial activity and employment.

Redland Estate**Strategic Direction**

- Redland Estate will continue to be Whitehorse's premier industrial precinct offering contemporary industrial and office accommodation of a standard that will attract high value adding businesses.

Recommendations

- Monitor future opportunities for the development of sites with land owners.
- Support the attraction of higher value adding activities through the development of contemporary industrial facilities.
- Monitor traffic volumes along Rooks Road to identify any need for traffic calming measures to improve amenity and provide safe accessibility to and from properties.

Evans / Ireland Streets**Strategic Direction**

- Evans / Ireland Streets represents a key strategic opportunity for a corporate style employment area that supports high value adding activities and employment that are consistent with the needs of residents within Melbourne's inner east region. Future development of contemporary office warehouses may be facilitated by the availability of key catalyst sites and supported by the precinct's location within the high profile Burwood Highway corridor and proximity to Deakin University, public transport, retail services and amenities.

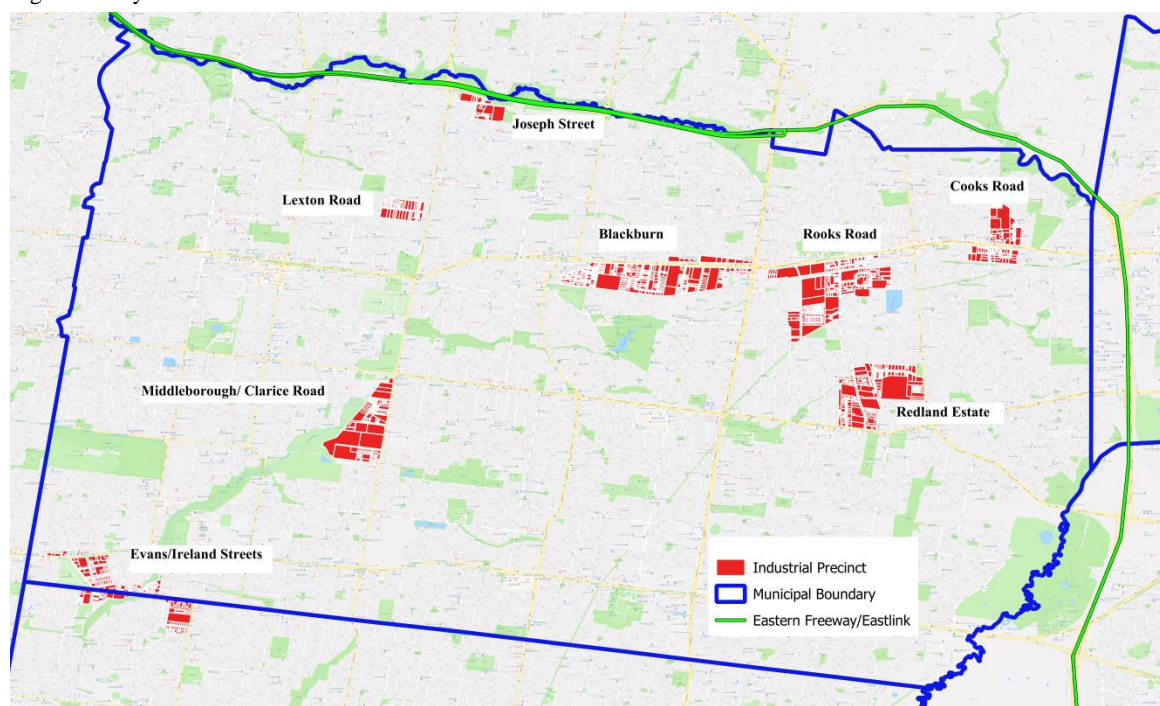
Recommendations

- Monitor short and longer-term development opportunities for the Reece Plumbing site.
- Support continued redevelopment of sites to ensure that the building stock continues to meet the needs of businesses given the high proportion of properties developed during the 1950s.

2. Introduction

Blair Warman Economics was appointed by the City of Whitehorse in April 2019 to assess the role, performance and future direction of the municipality's eight industrial precincts as shown in Figure 1 below.

Figure 1: City of Whitehorse Industrial Precincts



2.1 Context

The City of Whitehorse's industrial precincts offer the opportunity to attract businesses seeking a middle suburban industrial location that is well serviced by transport infrastructure, potentially higher levels of amenity and accessibility to local services. These precincts will however continue to face strong competition from high profile industrial precincts within the neighbouring City of Monash and City of Knox which are also more easily accessed by the growing number of suitable workers across Melbourne's south-east region.

While the overall supply of industrial land across metropolitan Melbourne continues to be focused upon outer suburban locations, traditional industrial precincts across the inner and middle suburbs are strategically important for more intensive, higher value adding, activities. Growth in employment in these activities has offset the decline in traditional manufacturing and wholesaling functions. Structural and economic changes that have positively impacted upon demand for industrial land in inner and middle suburban locations include:

- Planning reforms providing greater flexibility for offices in industrial areas.
- Growth of e-commerce creating a requirement for well-located industrial accommodation.
- Traditional retailers expanding their market footprint via online stores.
- Continued growth in industrial services associated with increasingly sophisticated products that are often imported rather than produced locally.
- Melbourne's recent construction boom generating demand for industrial floorspace for construction businesses and suppliers in locations that may easily service regional markets.

These trends have supported recent strong growth in employment across Whitehorse's eight industrial precincts. Given the well-established nature of Whitehorse's industrial precincts, there is a reliance upon the reuse and redevelopment of its ageing building stock to accommodate increased business activity and employment. Where this has occurred through the reuse of older properties for more labour intensive activities there has been an

associated growth in demand for on-street parking. This may negatively impact upon the performance of some precincts in terms of their ability to continue to attract businesses.

The redevelopment of older properties therefore plays an important role in supporting the continued viability of precincts through:

- Providing contemporary commercial / industrial accommodation that is more efficient for businesses operations, thereby supporting increased employment density.
- Facilitating on-site parking which increases the availability of casual on-street parking for visitors and delivery vehicles.
- Improving the overall amenity of precincts and thereby supporting their competitiveness relative to other industrial locations.

The industrial properties will however continue to have an important role in accommodating activities such as automotive services that may not require modern industrial facilities yet still play an important role in servicing local households. Similarly, more affordable older style industrial properties are important for start-up businesses that may not have the financial capacity to occupy modern office warehouses.

The future role and performance of Whitehorse's industrial precincts therefore relies upon a diversity of accommodation options for existing and future businesses, while also ensuring that the provision of infrastructure and amenity within precincts is of a standard that continues to attract business investment.

2.2 Methodology

The methodology adopted for the purpose of this review focuses upon determining the role, function and future direction of Whitehorse's industrial precincts through a combination of:

- Understanding the economic, industrial and policy context within which the precincts operate as well as the nature of competition with other industrial locations and property market dynamics.
- Researching the nature of business activities, the supply and demand of industrial properties and factors influencing businesses location decisions.
- Case studies of other industrial precincts that provide lessons for Whitehorse's industrial precincts.
- Inspections of each precinct to observe the factors that influence their performance.
- Profiling each precinct with respect to their existing role, function and performance, and future direction..

Key data collection and analysis included:

- A land use survey to identify businesses located within each precinct with further research of the activities of each business undertaken from company websites.
- An analysis of data from the state government's Urban Development Program to profile lot sizes across the precincts as well as draw comparisons with competing locations.
- A survey of businesses to identify factors influencing location decisions.
- An analysis of census data to identify employment characteristics and trends for each precinct.

The remainder of this report reflects this methodology which is as follows.

Section 3 reviews of relevant state and local government policies and strategies which Whitehorse's industrial precincts will play a role in achieving or will be influenced by.

Section 4 establishes the economic and industrial context within which the precincts operate. This includes the influence of decades of industry restructuring and more recent industry trends upon the business mix of industrial areas. Similarly the potential for office uses within industrial precincts is explored through case studies of where this has occurred. Finally, factors influencing Whitehorse's industrial role within the wider eastern and south-eastern regions is explored.

Section 5 provides an analysis of industrial land supply and employment, both within the City of Whitehorse as well as within competing industrial areas and municipalities. This includes identifying the extent to which Whitehorse's precincts are providing local employment opportunities for residents. Industrial development projects within Whitehorse over the past decade are profiled to understand the nature of contemporary accommodation for a new generation of businesses.

Section 6 analyses the level of sales and leasing activity across the precincts as an indicator of the likely future availability of properties for new businesses potentially locating in each precinct. A profile of the building stock within each precinct on a number of measures also provides an insight into the likelihood of meeting future accommodation requirements of businesses as well as the opportunity for sites being redevelopment.

Section 7 presents the findings of a survey of a small number of businesses which provides some insight into the factors influencing location decisions, the geographic markets that they service and their expectations with regard to profitability and employment.

Section 8-15 profiles each of the eight industrial precincts based upon the above analysis and a number of performance indicators. A strategic assessment of each precinct is also provided.

3. Policy and Strategy Review

There are a number of local and state planning policies of relevance to Whitehorse’s industrial precincts which have been summarised below.

3.1 Whitehorse Economic Development Strategy 2014-2019

The City of Whitehorse’s Economic Development Strategy aims to:

- Promote the municipality’s social, economic and environmental sustainability.
- Improve the overall quality of life of people in the local community.
- Promote appropriate business and employment opportunities.

This will be achieved through Council ‘assisting to retain and expand local businesses, and attract new businesses that contribute positively to the overall enhancement of the local economy, natural environment and quality of life for the community’.

Whitehorse’s economic potential is reflected in the strategy’s theme, ‘Whitehorse: Gateway to the east’, which envisages the municipality being a leader for the eastern Melbourne region given Box Hill’s existing role as a regional employment hub. These opportunities are also reflected in the strategy’s vision for the municipality to be:

‘A gateway to Melbourne’s east, with a high degree of self-sufficiency, yet well connected to the regional economy. It is a place of opportunity and innovation, with a skilled workforce and a diversity of employment opportunities, excellent economic prospects and a relaxed, enjoyable lifestyle’.

The strategy comprises five strategic project areas being:

- Retail activity centres.
- Box Hill Central Activities Area.
- Local business development.
- Regional development and investment attraction.
- Skilled people and businesses.

Council’s role in promoting local economic development as summarised in Figure 2.

Figure 2: Economic Development Mandate of Local Government



Source: City of Whitehorse Economic Development Strategy

3.1.1 The Whitehorse Economy

The strategy correctly highlights that while manufacturing activity in Melbourne has declined, the extent to which this has occurred has been overstated due to non-core activities now being outsourced to other industries. The strategy indicates that there is still a role for creative and competitive manufacturing firms within a new global trading environment.

Service orientated industries such as public administration and safety, administration and support services, health care and social assistance, and education and training are identified by the strategy as being within an expanding phase of their life cycle. As a result, the strategy recommends that the growth of these industries should be supported. Other industries offering growth potential over the medium to long-term, including arts and recreation services, professional, scientific and technical services, rental, hiring and real estate services, accommodation and food services, transport, postal and warehousing and construction have also been identified for support.

The wholesale trade, retail trade and manufacturing industries have been identified by the strategy as requiring a greater focus upon value adding in order to reverse the recent decline. Similarly, the information, media and telecommunications sector is identified as being at risk and in need of increased innovation and productivity improvements to support its competitiveness.

The strategy identifies Whitehorse's strategic position as being focused upon service based businesses, as well as the opportunity for relatively strong industrial growth driven by changing business models. Analysis undertaken by SGS Economics and Planning estimates that over the 20 year period 2011-2031 Whitehorse's stock of office space will increase by 173,000 m² and industrial floorspace by almost 1,000,000 m².

3.1.2 Local Business Development

The strategy recognises the municipality's strong manufacturing sector, established retail sector and emerging education and health sectors. Key strategy objectives include:

- Providing a responsive and proactive land use planning environment to accommodate changing economic conditions.
- Recognising and supporting the diversity of local businesses ranging from major office parks to micro home-based businesses.
- Working with neighbouring municipalities to identify where Whitehorse can provide appropriately sized land for new businesses.

3.1.3 Regional Development and Investment Attraction

The City of Whitehorse's role in attracting investment across the wider region is also recognised in the strategy. Key objectives include ensuring appropriate land use zoning and infrastructure provision across the region, as well as promoting Whitehorse as a location for business investment. Supporting tasks include:

- Maintaining a database of investment opportunities.
- Engaging with potential investors.
- Mapping current transport infrastructure and identifying areas that require future investment.
- Ensuring that Council provides clear and accessible information regarding investment opportunities within Whitehorse.

3.1.4 Skilled People and Businesses

Whitehorse's Economic Development Strategy recognises the opportunities offered by existing educational institutions and office precincts as locations for the continued growth of higher skilled employment. In particular, it identifies the opportunity to:

- Further support the growth of the Deakin/Tally Ho Knowledge Precinct as an employment node, which includes identifying the potential for sites along Burwood Highway between Deakin University and Tally Ho to be redeveloped.

- Leverage off major education and health service providers in developing specialised, knowledge intensive businesses.
- Ensuring that land use planning policies support the attractiveness of residential and commercial precincts for skilled residents and employers.

3.2 Whitehorse: Discover the Advantage

As a prospectus for attracting new business investment within Whitehorse, this document highlights a range of locational advantages offered by the municipality including:

- One of the highest levels of economic density outside of central Melbourne.
- A diverse industry base and skilled workforce.
- A large and growing knowledge sector including health care and social assistance, education and training.
- Access to major roadways (e.g. Eastern Freeway and Eastlink) and public transport, a growing economy and population, a highly qualified workforce and a range of lifestyle choices.

3.3 Plan Melbourne 2017-2050

Plan Melbourne contains a number of key policy directions of relevance to Whitehorse’s industrial precincts which have been briefly summarised below.

- Access to Local Employment

Plan Melbourne identifies a need to increase the number and diversity of jobs close to where people live, particularly within suburban employment clusters, health and education precincts and industrial precincts. It envisages that this will be facilitated through taking advantage of land that is available for renewal as well as through activity centres supporting a greater diversity of activities.

- Commercial Land Supply

A requirement for an adequate supply of commercial land across metropolitan Melbourne to meet the needs of a growing population is identified by Plan Melbourne (Policy 1.1.7). However it recognises that while it is desirable for mixed-use development to occur, this can result in residential uses competing with commercial uses and employment opportunities.

- Urban Renewal Opportunities

Urban renewal precincts and sites are identified in Plan Melbourne as offering the opportunity to ‘improve local amenity, accommodate more housing and offer a greater mix of uses to support local communities’. It further indicates that Councils have a role in facilitating their redevelopment to create jobs and accommodate growth.

3.4 Suburban Rail Loop

The state government is currently assessing the opportunity for a 90km suburban rail loop to provide an underground rail connection between Melbourne’s major employment, health services, education and activity precincts outside the central business district. As shown in Figure 3, this may potentially provide a new station at Burwood which, together with Box Hill Station, would be connected to other stations across Melbourne’s middle suburbs. This may provide a catalyst for development around these stations as businesses and workers will have expanded workplace opportunities.

Figure 3: Suburban Rail Loop Conceptual Map



Source: Development Victoria, Suburban Rail Loop Strategic Assessment

3.5 Conclusion

The state and local policies reviewed in this section highlight the importance of maintaining the viability of existing land uses that support the Whitehorse economy, while also facilitating opportunities for ongoing development that not only supports economic growth but also results in improved social and environmental outcomes.

A number of important themes are contained within the various documents including:

- Leveraging off major institutions and the employment nodes to support employment growth, while also recognising the opportunities for major urban renewal sites and precincts.
- Whitehorse continuing to play a regional role in the provision of services and employment opportunities.

4. Economic and Industrial Context

Future opportunities for Whitehorse's industrial precincts will be determined by their ability to respond to a range of external factors including the increasing diversity of activities locating within Industrial areas. This is largely due to industry restructuring which has resulted in a shift from production functions to pre and post production activities such as conceptual design marketing, distribution, installation and servicing of products that are often manufactured off-shore.

The role of industrial areas varies significantly depending upon their location relative to major infrastructure, local workforce profile and characteristics of their existing building stock. Some elements of an industrial area's existing mix of activities will often reflect the economic and industrial context. For an established industrial location such as Whitehorse offering access to higher skilled workers this is being reflected in a new generation of industrial activities and services. This section reviews some of the key factors influencing the future direction of Whitehorse's industrial precincts.

4.1 Defining Industrial Activity and Land Use

Industrial activity has traditionally been measured by employment within the manufacturing, wholesale trade, and transport, postal and warehousing sectors. Industry restructuring over recent decades has seen a blurring of what may be considered industrial activity.

The increased outsourcing of non-core functions by traditional industrial activities now means that there is now a variety of businesses that may be considered part of a broader definition of industrial activity. Similarly, there is also a wide range of 'non-industrial' activities locating within industrial areas in order to better meet their accommodation requirements.

The decline in many traditional lower value adding manufacturing activities has also resulted in improved amenity, reduced land use conflicts, and the availability of development sites for higher quality industrial development such as office warehouses which have also contributed to the amenity of industrial precincts. Hence, a new generation of businesses are now located within industrial areas that fall outside of the traditional definition of an industrial activity. These include engineering consultants, construction firms, on-line retailers and IT related activities that may have located within an industrial area due to a requirement for a mix of office and industrial space. Similarly, many dedicated office uses such as recruitment and engineering consultants may prefer an industrial location close to the businesses they service.

4.1.1 Whitehorse Industrial Precincts: Business Mix

A land use survey undertaken for the purpose of this review identified businesses occupying 58% of properties with the mix of activities undertaken by these businesses shown in Figure 4. Traditional industrial activities, being manufacturing, wholesale trade and transport, postal and warehousing, together account for only 31% of identified businesses.

Wholesaling is still a major activity in Whitehorse's industrial precincts, accounting for 18% of identified businesses, with a wide range of products ranging from traditional materials and equipment wholesaling through to high valued equipment requiring associated professional services. The markets for these products would range from local manufacturers requiring packaging supplies through to interstate businesses requiring specialised electronics and healthcare equipment and consumables.

Automotive related services are also significant activities within Whitehorse's industrial precincts, accounting for 15% of identified businesses. The dominance of these activities reflects the extent of demand from local households and businesses for services located close to where they live.

Construction services, which account for 11% of businesses within Whitehorse's industrial precincts, cater for both commercial and domestic property requirements. Construction companies represent a further 5% of businesses. While these businesses may be impacted from an anticipated slowing in building activity, there will be ongoing demand due longer-term population growth and the maintenance requirements of properties.

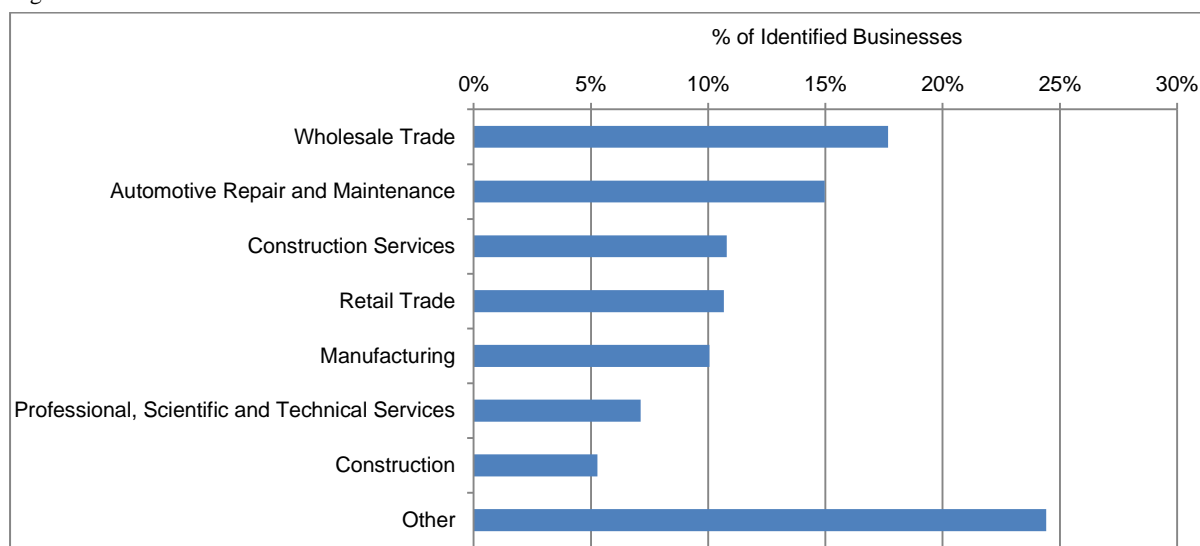
Nevertheless any slowing in overall construction activity has the potential to negatively impact upon Whitehorse’s industrial precincts

Retailing activities include both bricks and mortar retailers located on industrial zoned sites as well as online retailers which together represent 11% of identified businesses across the eight precincts. For the purpose of this review businesses with an on-line store are considered to be retailers as they are able to sell directly to the public. Previously, such businesses may have been seen as wholesalers given that they would have relied solely upon retailers to distribute products. As a result of the opportunities created for online retailing there is now some blurring between the classification of wholesalers and retailers in industrial areas.

Manufacturing is the next largest activity, accounting for 10% of businesses. The range of products manufactured ranges from traditional activities such as packaging, steel fabrication and furniture manufacturing through to advanced manufacturing such as the production of medical instruments and electrical control systems.

Professional, scientific and technical services, which account for 7% of businesses, are largely accommodated in purpose built offices and include business and professional services, recruitment and other consultants, IT services and financial services.

Figure 4: Whitehorse Industrial Precincts Business Mix – Identified Businesses



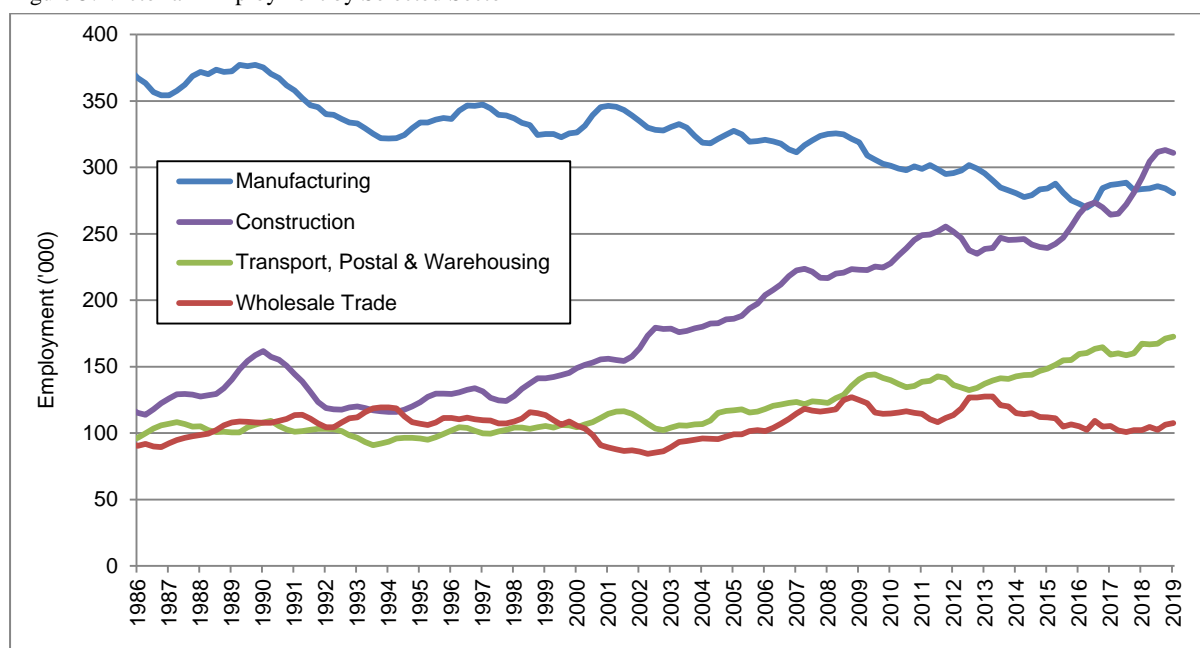
Source: BWEC Land Use Survey

4.2 Industry Trends

Despite the issues associated with defining the activities of which generate demand for industrial land, broader industry trends still provide a useful context. Figure 5 highlights the decline in Victorian manufacturing employment which has resulted from both the relocation of production offshore as well as the outsourcing of non-core activities to other sectors. This decline in manufacturing employment has however been more than offset by growth in employment in the construction sector, while the transport, postal and warehousing sector has also shown strong employment growth. Employment in the wholesale trade sector has generally remained stable over the past three decades.

While the construction sector has not traditionally been considered to be a major source of demand for industrial land, it accounts for a significant share of businesses within Whitehorse’s industrial precincts as well as other industrial locations. Examples of such businesses include trade services, appliance installation and maintenance services and construction companies. The level of construction activity also provides an indication of demand for industrial land by businesses manufacturing and wholesaling of building related products.

Figure 5: Victoria - Employment by Selected Sector*



Source: ABS Cat No. 6291.0.55.003 Labour Force, Australia, Detailed, Quarterly

*Moving average annual employment

The construction industry has been a major source of full-time employment growth in Victoria, accounting for 21.7% of additional jobs over the past decade, 26.9% over the past three years and 56.4% over the past year. The recent increase in building activity has also been a major catalyst for employment growth in those industries that provide inputs to the construction industry such as the manufacturing sector, wholesale trade, and professional, scientific and technical services.

A recent assessment of the economic significance of the property industry to the Victorian economy undertaken by the AEC Group for the Property Council of Australia¹ identified that:

- The property sector directly contributed \$45.1 billion to Gross State Product (GSP) in 2015-16 (12.4% of the total contribution to GSP by all industries in the state), and is estimated to have contributed a further \$60.2 billion to Victorian GSP through flow-on demand for goods and services.
- The property sector directly employed more than 331,000 full time equivalent employees in 2015-16 (12.4% of Victoria's total), and supported almost 435,000 FTE jobs through flow-on activity.

The property industry is defined by the AEC Group as including all construction activity, property operations and real estate services together with a portion of the activities of other industries including finance, insurance and superannuation funds, and professional, scientific and technical services. This allows those activities that rely upon construction activity to be incorporated into the broader classification of the property industry.

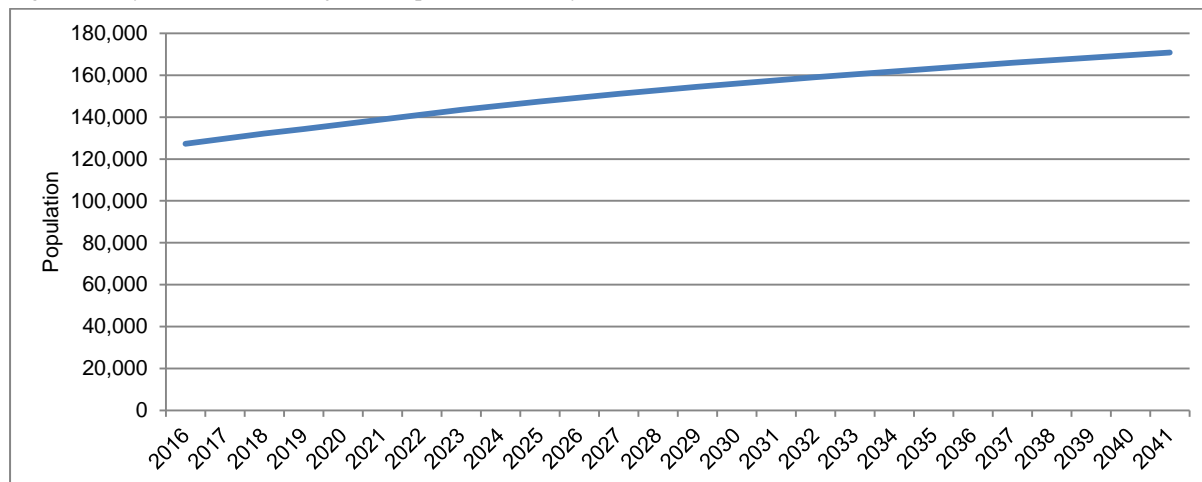
While the residential construction boom has supported Victoria's economic growth over recent years, the analysis undertaken by the AEC Group also highlights the potential risks to the state's economy of any slowing in residential construction activity. This may however be offset to some extent by the recent increase in infrastructure development that is occurring in Melbourne.

Automotive services are an often over looked source of demand for industrial floorspace. Typically these businesses locate in older style industrial premises given that they do not require high clearance or a clear span space. There has however been a gradual trend towards higher quality premises particularly for businesses servicing prestige vehicles.

¹ AEC Group (2017) Economic Significance of the Property Industry to the Victorian Economy.

Future demand for automotive services will be primarily driven by car ownership within the 18-69 year age group. Forecasts prepared by Id Consultants for the City of Whitehorse predict that the number of Whitehorse residents in this age group will increase by 25% over 2019-2039 (refer Figure 6). This would be expected to result in an equivalent increase in demand for industrial floorspace for automotive services across the municipality.

Figure 6: City of Whitehorse Projected Population (18-69 years)



Source: Id Consultants

4.3 Office Activities

The opportunity for office-based activities within industrial areas has been supported by reforms to the Victorian Planning Provisions in 2013 which removed the default floorspace area restriction for industrial zones in favour of locally set floorspace caps.

Within the City of Whitehorse’s industrial areas the most significant contemporary office developments are located within Redland Estate industrial precinct. Three office buildings with a total floor area of 8,200 sqm were developed in approximately 2005 at the entrance to the precinct (630 Mitcham Road) with current occupants including an online training provider, religious organisation, chemical distributor, community health services provider, and consulting engineers. A second office development comprising eight office suites was developed in 2014 on a 2,021 sqm site at 31 Redland Drive. Occupants of this development now include architects, surveyors, recruitment consultants and an IT services provider. More recently the Industria Nunawading development in Norcal Road Nunawading has incorporated dedicated office space.

In total there is estimated to be approximately 100 office-based businesses located across Whitehorse’s industrial precincts including those that have not been able to be identified. Many of these businesses are located in modern office warehouses.



630 Mitcham Road Mitcham (Redland Estate Industrial Precinct)

4.3.1 Case Studies: Industrial Precinct Office Developments

An understanding of the potential for dedicated office development within Whitehorse is industrial precincts may be gained from the experience of other locations across Melbourne's south eastern and southern regions. Four office developments/precincts in locations comparable to Whitehorse's industrial precincts have been profiled below being:

- Uni Central Business Park located in the Monash Technology Precinct.
- Tulip Green Business Centre in the Bayside Business and Employment Area (Cheltenham).
- Parkview Estate - Corporate Drive Heatherton.
- Hawthorn East Industrial Area.

All these developments have successfully attracted businesses despite many being less accessible by public and private transport than Whitehorse's industrial precinct.

Uni Central Business Park – Notting Hill

The former Monash Secondary College site in Duerdin Street Notting Hill has been redeveloped as the Uni Central Business Park (unicentralnottinghill.com.au). This development comprises a mix of office warehouses and dedicated offices across five stages being:

- 19-25 Duerdin Street: Six office warehouses marketed as hi-tech offices due to office space accounting for 60% of the total floorarea of 4,078 sqm.
- 27-31 Duerdin Street: 26 office suites with a combined floorarea of 2,424 sqm and ranging in size from 39 sqm to 164 sqm.
- 33-37 Duerdin Street: six offices ranging from 257 sqm to 732 sqm with a total floorarea of 2,495 sqm.
- 39-43 Duerdin Street 12 office warehouses ranging from 263 sqm to 525 sqm with a combined floorarea of 4,446 sqm. Office space accounts for 1,256 sqm or 28% of the total floorarea.
- 45-53 Duerdin Street: Seven office warehouses ranging from 445 sqm to 1,300 sqm. Office space accounts for 1,560 sqm (36%) of the total floorarea of 4,270 sqm.

This development is significant in terms of the proportion of total floorspace accounted for by offices, either as dedicated offices or within office warehouses. Of the development's total floorarea of 17, 713 sqm, office space accounts for 10,192 sqm or 58%. This is significantly greater than industrial building previously constructed for traditional manufacturing and wholesaling activities.

The ability to support this amount of office space reflects a number of factors being:

- The Monash Technology Precinct's profile as a corporate office location together with the development's location close to Monash University.
- Proximity to Monash Freeway via both Blackburn Road and Wellington Road.
- General amenity offered by the site given its location adjacent to a residential area to the north.

It is notable that the development does not have exposure to an arterial road which has traditionally been a key requirement for offices. This reflects the increasing range of businesses requiring office space, not all of whom require an activity centre or high profile location. In addition, lower land costs within industrial areas enables affordable on-site car parking to be provided.

Duerdin Street is relatively narrow with a width of approximately 8 metres and parking on one side. This highlights the reduced requirement by businesses for truck access compared to traditional manufacturing and warehousing operations. Businesses occupying office warehouses within the development are typically advanced manufacturing / distribution activities associated with physically small but high value products that may be transported by small trucks or delivery vans.

Examples of these businesses are:

- SmartLock Digital (smartlock.com.au) – Access control engineering.
- Vitronic (vitronic.com) - Traffic technology and logistics systems.
- Extron (extron.com) - Professional audio visual integration products, software, and expert system support

Structural changes within the Australian economy and continued growth in demand for more sophisticated industrial products and services, combined with the increasing obsolescence of ageing industrial buildings, is expected to result in a growing number of sites within the City of Monash being redeveloped for contemporary office / industrial facilities similar to the Uni Central Business Park.

Hawthorn East Industrial Area

This Commercial 2 zoned precinct is located adjacent to the Monash Freeway and Toorak Road in Hawthorn East. Despite not having exposure to Toorak Road, and originally not considered an office location, this precinct has attracted the head offices of a number of high profile businesses including Bunnings and fashion retailers Kookai and Gazman. In addition to these retailers, the professional, scientific and technical services sector was a major employer in 2016 with 311 jobs.

In addition to the precinct's proximity to the Monash Freeway, businesses are also attracted by the precinct's proximity to Tooronga Shopping Centre. The precinct is located approximately 1km from the Kooyong and Tooronga railway stations.



Tulip Green Business Centre: 75 Tulip Street Cheltenham

This development comprises 28 office suites together with basement car parking upon a 1,624 sqm site. It is located within the Bayside Business and Employment Area which was established through the Bayside City Council rezoning the Cheltenham industrial area in the early 2000's to what is now a Commercial 2 zone in order to facilitate more intensive employment outcomes.

While offering views over an adjacent golf course, this office development is not located in a high exposure location and offers limited access to amenities such as eateries, retailing and public transport services. It has however attracted a mix of smaller businesses requiring dedicated office space. A key driver of demand has however been the relatively high socio-economic profile of residents within the bayside area seeking to locate businesses close to where they live.



Occupants

Accountancy Connect-Accountants	EChoice & PSS – Mortgage Brokers
Bayside Glen Eira Kingston Local Learning and Employment Network – Employment Network	Crack - fleet management and vehicle tracking solutions
Initiative Sport – Event management	Future Sport & Entertainment – Sports Management
Share Wealth Systems – Financial Services	Novare Finance Group – Financial Services
Optimal Data Services – IT Services	Glendora Commercial Services - Accountants
Elite Crossings – Engineering consultants	Good Times Co – Building supplies
Broadbent Finance – Financial services	Brava Tango Bravo - Advertising
Integrated Bulk Systems – Engineering consultants	Dovetail Developments – Property development
Loans Australia – Mortgage brokers	RPI Financial Systems – Financial services
Atkins Maritime – Engineering consultants	Limited-Space.com
Ezy2c - GPS Tracking	ICommuniqué – Marketing services
Brickcorp – Builders	Carcorp – Recruitment consultants
VicSurvey – Land surveyors	

Parkview Estate: 13-15 Corporate Drive Heatherton

These recently completed corporate style offices are located within the Parkview Industrial Estate on Warrigal Road in Moorabbin. The adjacent land uses are predominantly larger scale warehousing together with a bulky goods precinct fronting Warrigal Road, behind which this office development is located. Immediately to the west of the Parkview Estate is the Moorabbin industrial area which is characterised by older style industrial development.

While access to public transport is limited, the location benefits from the Dingley Bypass which provides access for workers living in Melbourne's south eastern suburbs, together with Warrigal Road providing north-south access. On-site car parking is provided via a decked car park at the rear which again highlights the viability of providing affordable on-site car parking.

Offices benefit from the high profile offered by the Parkview Estate and the generally higher amenity within the estate with key activities including local cafe, gym, childcare facilities, supermarket and the Moorabbin Super Centre. This has been achieved through a large site enabling a master planned development that has created its own amenity rather than rely upon that of the surrounding area.



Home Timber and Hardware Group - Retail

Supersearch – Financial services

Toshiba

Infomedia – IT Solutions

Enterprise Law – Financial services

Technicalities – IT services

South Eastern Melbourne Primary Health Network

Ergopouch

The Factory Showroom

Carrier

Healthscope – Health services

North Park Group – Property development

Fibrevision Networks

Carrier – Air conditioners

These case studies highlight a number of key factors that have driven the development of dedicated office space within industrial areas being:

- An increasing diverse range of office users which includes businesses that do not require high profile locations to promote their image.
- Lower land values within industrial areas allowing affordable car parking and lower occupancy costs for businesses.
- The overall amenity of industrial areas improving over time with reduced manufacturing activity and high quality office warehouse development.

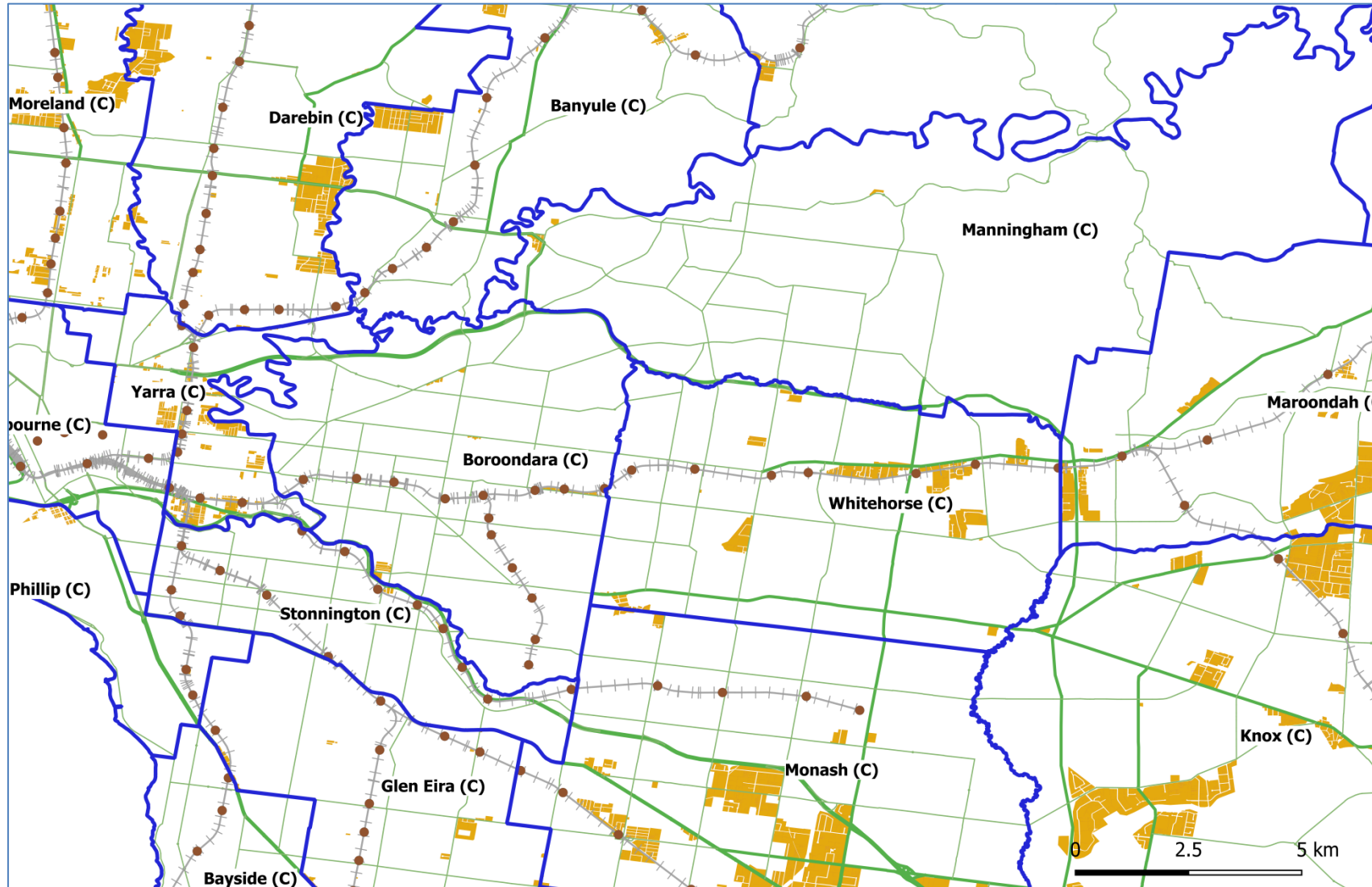
While dedicated office development within Whitehorse’s industrial areas has favoured Redland Estate and Joseph Street precincts for historical reasons, there is considerable potential for more intensive employment activity to be supported within other precincts given that:

- Whitehorse’s industrial precincts are well serviced by public transport, with Blackburn, Cook Road, and Rooks Road being close to railway stations, and the Evans / Ireland precinct being serviced by tram services along Burwood Highway.
- Most of Whitehorse’s industrial precincts are within walking distance of retail centres with the exception of Joseph Street and Lexton Road.
- The majority of precincts are located within 2-3 km of either the Eastern Freeway or Eastlink which provides access to both potential customers and workers.
- The industrial building stock will become increasingly obsolete prompting the redevelopment of sites for either more intensive office warehouses or dedicated offices.

4.4 Regional Context

The City of Whitehorse’s industrial precincts compete with significant industrial areas within the municipalities of Monash to the south and Knox and Maroondah to the east (refer Figure 7). These adjacent municipalities are well serviced by Monash Freeway and Eastlink and have ready access to a rapidly growing resident workforce within Melbourne’s south east region (refer). They however are not well serviced by rail services which limits transport options for workers.

Figure 7: Industrial Areas

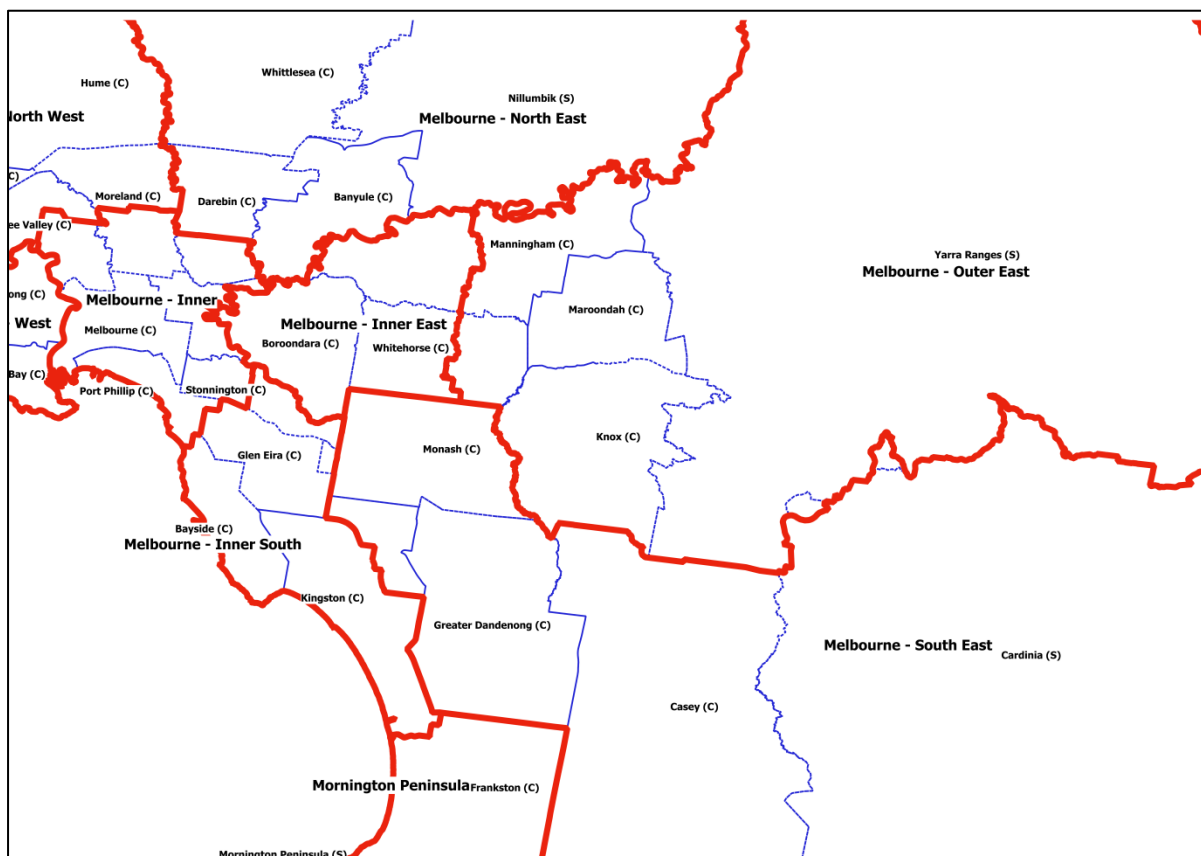


Source: Urban Development Program 2017

To a lesser extent Whitehorse also faces competition from industrial precincts within Banyule and Darebin such as Heidelberg, East Preston and Fairfield in attracting businesses looking to service households and businesses within Boroondara and Manningham where there is a limited supply of industrial land.

The number of resident workers within Melbourne’s South-East region has grown by 28% over 2006-2016 compared to only 6% within the Outer East and Inner East regions (refer Figure 9). This variation in growth of the regional labour force will have influenced the location decisions of businesses with owners seeking to locate close to potential workers, as well as where they also live.

Figure 8: Regions (ABS Statistical Area 4)



Source: ABS

Figure 9: Resident Workforce by Region

	2006	2011	2016	2006-2016	10 Year Growth (% p.a.)
Melbourne Inner East	158,695	164,215	168,603	9,908	6.2%
Melbourne Outer East	234,256	244,593	247,729	13,473	5.8%
Melbourne South East	262,493	300,603	335,693	73,200	27.9%
Total	657,450	711,422	754,041	96,591	14.7%

Source: ABS Census

Higher level of residential development and population growth within the South-East region (refer Figure 10) has also generated demand for industrial activities that service households and local businesses. These include automotive, construction and trade services that represent a significant component of most industrial precincts.

Figure 10: Resident Population by Region

	2006	2011	2016	2006-2016	10 Year Growth
Inner East	328,985	340,002	359,644	30,659	9.3%
Outer East	466,039	479,105	499,608	33,569	7.2%
South East	585,010	658,018	755,265	170,255	29.1%
Total	1,380,034	1,477,125	1,614,517	234,483	17.0%

Source: ABS Census

4.5 Conclusion

The environment within which Whitehorse’s industrial precincts exist is one of ongoing change which is occurring on a number of levels. Industry restructuring, which initially involved the offshoring of production functions, has continued to evolve in response to the process of digital disruption occurring across all industries.

However at the same time, comparatively basic local activities such as car servicing, and the construction and maintenance of houses and other buildings, has also become an increasingly important role of many industrial precincts including those within Whitehorse. Just as cafés and restaurants have been the saviour of traditional shopping strips, these local trade related activities have played an important role in the survival and vibrancy of traditional industrial areas. This largely reflects the physical aspect of these activities that cannot be outsourced through digital networks.

Traditional industrial sectors such as manufacturing and wholesaling have responded to the out-sourcing of production processes offshore by focusing on higher value adding, pre and post production, stages. This has had a major impact upon the skill requirements of workers and the form of industrial accommodation required, Access to higher skilled workers living within Melbourne’s eastern region has facilitated the transformation of the region’s industrial areas with the Monash Technology Precinct being a prime example.

As industry has transformed to higher value adding activities there has been growing demand for an increased office component in new higher quality industrial developments, resulting in improved amenity where this has occurred. This improved amenity and recent planning reforms have supported the development of purpose built office space that is now transforming traditional industrial areas into employment nodes with a greater diversity of activities.

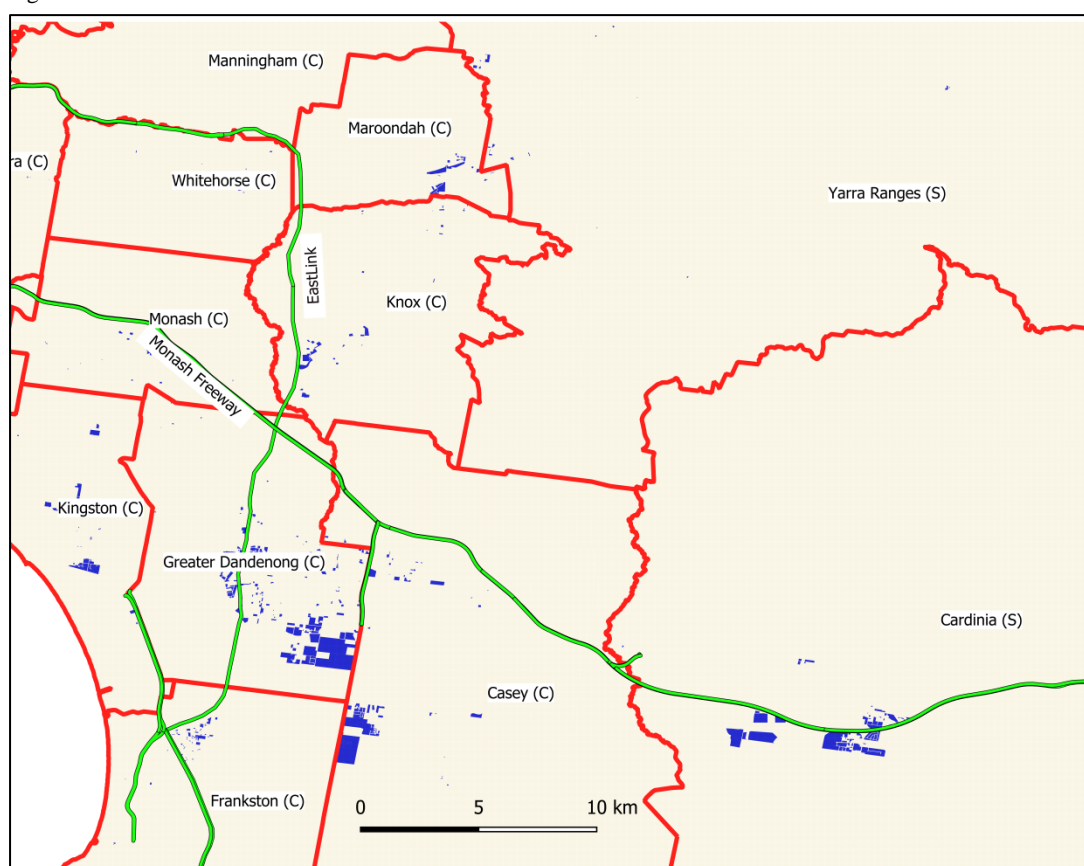
The City of Whitehorse’s industrial precincts remain vibrant locations for an increasingly diverse mix of activities. The continuation of this trend will however be determined by its ability to compete with other industrial areas, particularly those within the City of Monash that are better located to access the growing numbers of workers within Melbourne’s south eastern region. The recent development of a number of new industrial estates may provide the necessary momentum for this to occur and coinciding with an increasing demand for dedicated office developments within Whitehorse’s industrial precincts.

5. Industrial Land Supply and Employment

The availability of vacant industrial, combined with growth in population and labour supply as discussed in Section 4, has influenced the pattern of industrial development across Melbourne’s eastern and south-eastern regions. New industrial development may occur either upon previously undeveloped sites or through the demolition of existing buildings for more intensive industrial facilities. Therefore the supply of industrial land available for new industrial development is dynamic, increasing when existing industrial buildings are demolished to make a site available for redevelopment, and decreasing as vacant sites are developed.

The relative importance of vacant industrial land and redeveloped sites in facilitating new industrial development varies significantly between middle ring municipalities with well-established industrial areas such as Whitehorse and Monash, and outer municipalities such as Greater Dandenong, Casey and Cardinia which offer substantial areas of greenfield industrial land (refer Figure 11). The municipalities of Maroondah and Knox immediately to the east of Whitehorse also have notably more vacant industrial land than Whitehorse.

Figure 11: Vacant Industrial Land 2017



Source: Urban Development Program 2017

Figure 12 indicates the amount of vacant and occupied land within Whitehorse’s eight industrial precincts as well as competing precincts and municipalities in 2017 according to the most recent Urban Development Program report. This highlights the significant availability of vacant industrial land (excluding Commercial 2 zoned land) for immediate development within the adjacent municipalities of Knox (26.5 ha) and Maroondah (60.1 ha). Further to the south, Greater Dandenong has an even greater supply (585 ha). The remaining industrial locations have a minimal supply of vacant land which places a greater reliance upon the redevelopment of existing industrial sites in order to provide contemporary industrial facilities for modern industrial businesses.

Figure 12: Industrial Land Occupancy 2017 (Excluding Commercial 2 Zoned Land)

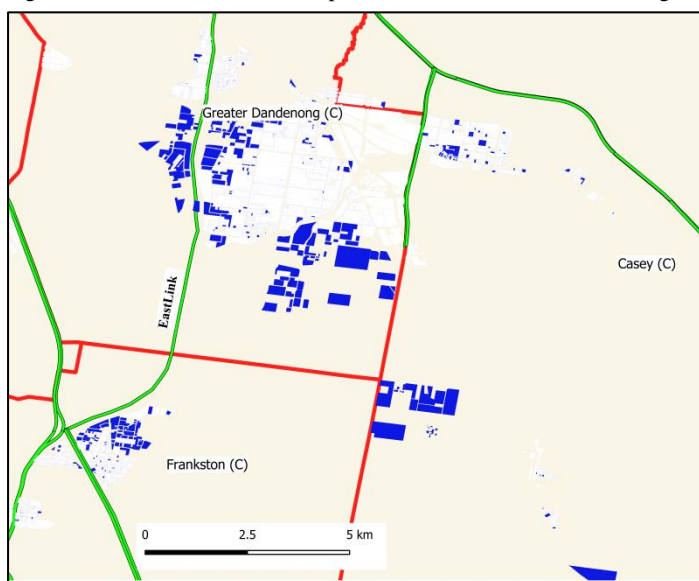
Precinct / Municipality	Occupied	Vacant	Total
Blackburn	26.9		26.9
Middleborough/Clarice Roads	32.5		32.5
Cook Road	15.2	0.6	15.8
Evans / Ireland Streets	11.1		11.1
Joseph Street	8.0		8.0
Lexton Road	8.8	0.4	9.2
Redland Estate	40.3	0.9	41.2
Rooks Road	36.2	2.5	38.7
Whitehorse (8 Precincts)	179.1	4.3	183.4
Monash	681.6	9.1	690.7
Knox	557.0	26.5	583.5
Maroondah	382.6	60.1	442.7
Eastern Region	1,621	96	1,716
Greater Dandenong	1,778.2	585.4	2,363.6
Frankston	335.7	30.1	365.8
South Eastern Region	2,114	615	2,729
East Preston	125.1	2.8	127.9
Heidelberg	82.2	-	82.2
Fairfield	34.8	0.3	35.1
Bulleen	8.3	-	8.3
Northern Region	250.4	3.1	253.5
Total	4,165	719	4,883

Source: Urban Development Program 2017

The opening of Eastlink in 2008, together with a substantial supply of vacant industrial land, resulted in considerable new industrial development within the expanded Dandenong South Industrial Area and Carrum Downs Industrial Precinct. Figure 13 shows the consumption of vacant industrial land within these areas over 2007-2017 compared to that which has occurred within Melbourne's eastern region (refer Figure 14).

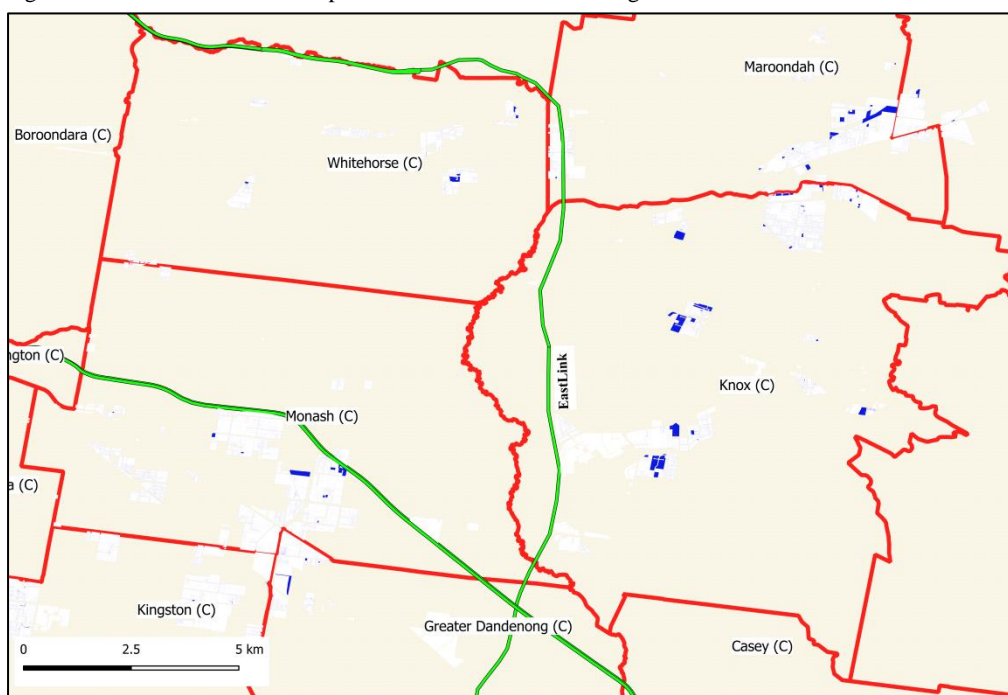
With businesses now able to travel from the Dandenong South Industrial Area to Ringwood within 30 minutes, Eastlink has expanded the location options available to businesses. These businesses would typically service Melbourne's eastern and south-eastern regions and be less reliant upon higher skilled workers.

Figure 13: New Industrial Development 2007-2017 – South East Region



Source: Urban Development Program 2007 and 2017

Figure 14: New Industrial Development 2007-2017 – Eastern Region



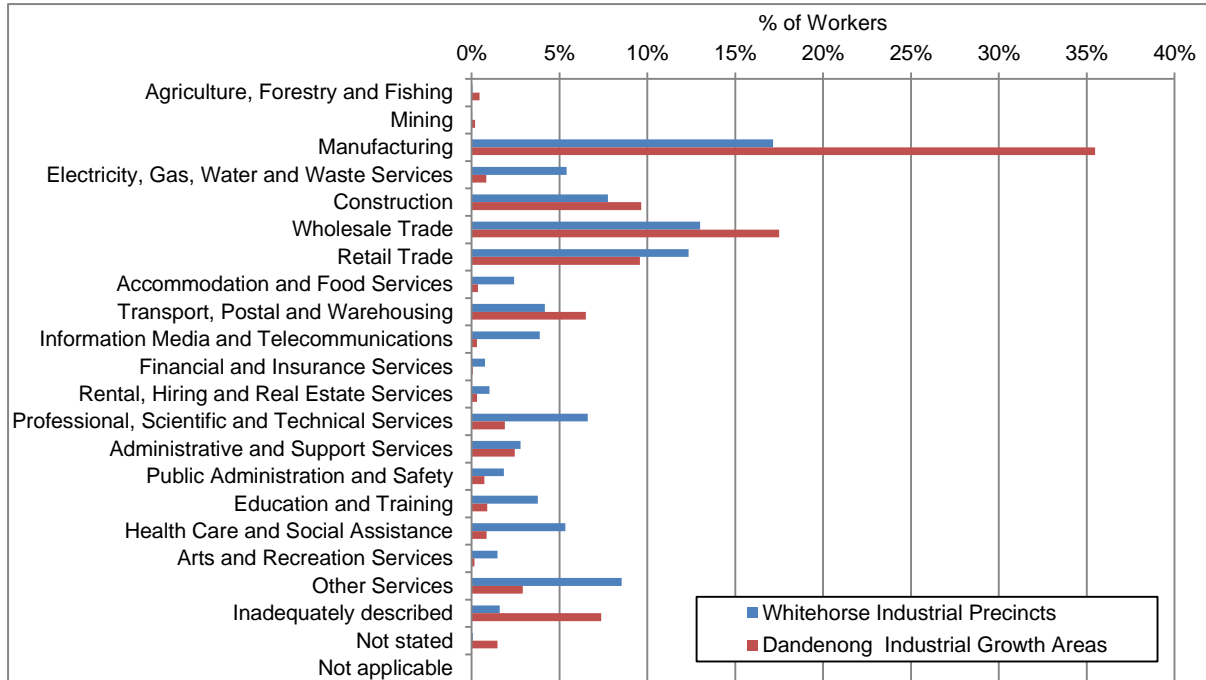
Source: Urban Development Program 2007 and 2017

While Eastlink has encouraged new industrial development within Greater Dandenong and Frankston, this has not necessarily impacted upon Whitehorse’s ability to attract new businesses. Figure 15 and Figure 16 highlight the notable differences in the industry mix and education qualification of workers within those areas of the Dandenong where there has been significant industrial development over 2007-2017, and Whitehorse’s eight industrial precincts.

The Dandenong industrial growth areas have a much higher proportion of employment within the manufacturing construction, wholesale trade, and transport, postal and warehousing sectors than Whitehorse. Conversely, a higher proportion of workers within Whitehorse’s industrial precincts are employed in professional, scientific

and technical services, education and training, health care and social assistance and other services sectors. The data for Dandenong’s industrial growth areas relates to newly located businesses whereas data for Whitehorse also includes long-established businesses. As a result, these differences would be expected to be even greater if only new businesses locating in Whitehorse were able to be identified.

Figure 15: Employment by Industry 2016 – Whitehorse Industrial Precincts vs. Dandenong Industrial Growth Areas*



Source: ABS Census Working Population

*Transport Destination Zones: 213140002, 213142838, 213112828, 213110006, 213112871, 213112877.

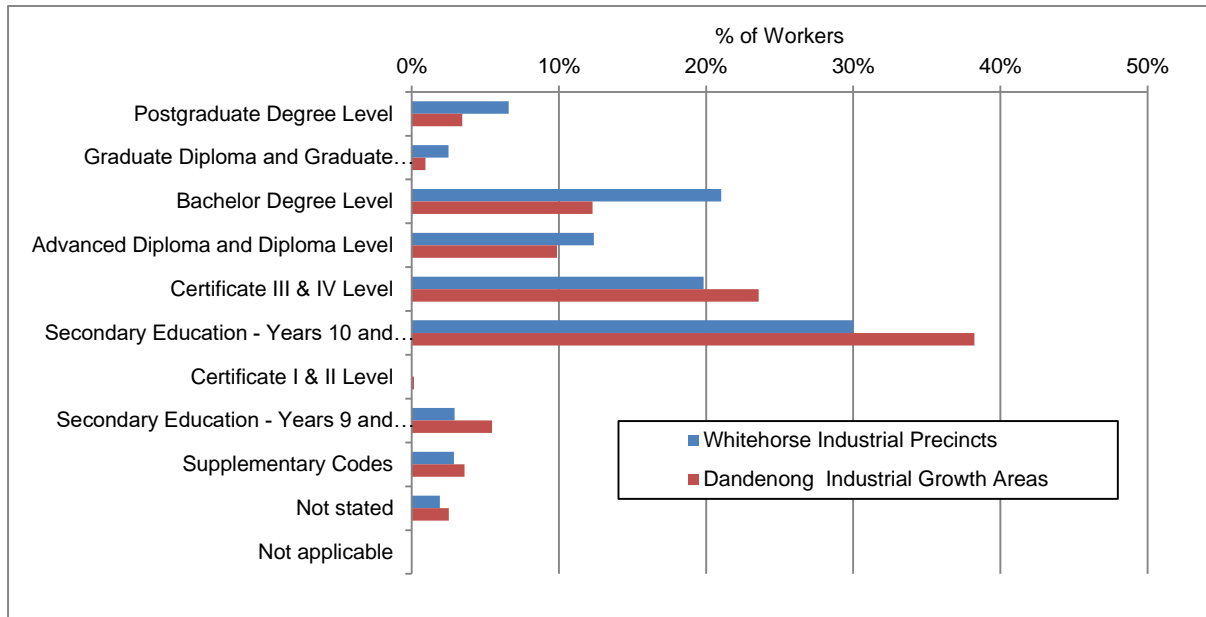
The education profile of workers within Dandenong’s industrial growth areas is also notably lower than for Whitehorse’s industrial precincts with only 26.5% of workers having a tertiary qualification compared to 42.5% in Whitehorse. New businesses establishing in Whitehorse’s industrial areas would again be expected to have an even higher proportion than all existing businesses which census data measures.

The key implication of this analysis is that while areas such as Dandenong have experienced strong industrial development, the jobs that have been created are less consistent with the educational profile of residents within the City of Whitehorse. As result, Dandenong’s industrial growth areas do not represent a significant form of competition for Whitehorse in attracting local employment opportunities for Whitehorse residents.

Closer to Whitehorse there have been a number of industrial and commercial office developments within the Monash Technology Precinct and further to the east within the City of Knox. These projects highlight both the opportunities for similar forms of development within Whitehorse as well as the level of competition that these locations may exert in attracting new businesses.

While the Monash Technology Precinct’s profile has continued to support the development of large sites with main road exposure for corporate offices, there have also been smaller scale office warehouse developments with increasingly higher office components that cater for the new generation of industrial activities attracted to the area. The Uni Central Business Park profiled in Section 4 is one example of this.

Figure 16: Employment by Highest Education Level 2016 – Whitehorse Industrial Precincts vs. Dandenong Industrial Growth Area*



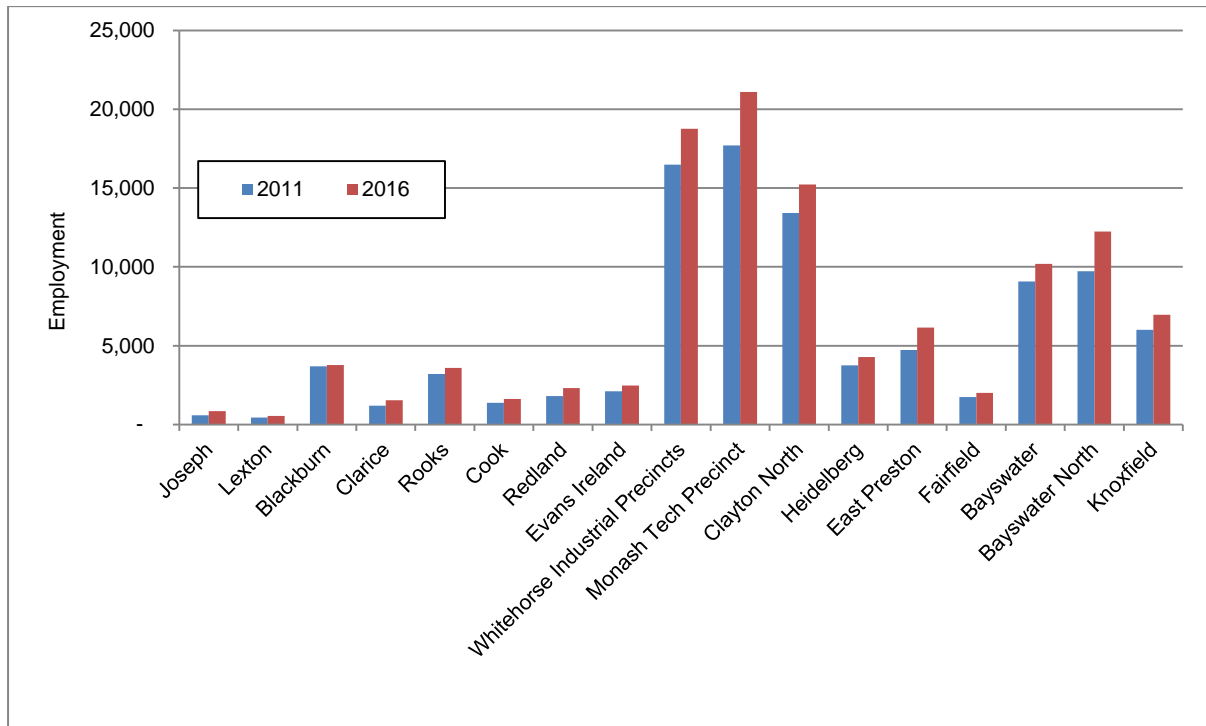
Source: ABS Census Working Population

*Transport Destination Zones: 213140002, 213142838, 213112828, 213110006, 213112871, 213112877.

5.1 Employment

Employment within Whitehorse’s industrial precincts grew strongly over 2011-2016 at an average of 2.6% per annum. This is generally comparable to the nearest competing precincts of Clayton North (2.6%) and the Monash Technology Precinct (3.6%). Further to the east, employment within the Bayswater and Bayswater North industrial areas grew by 2.3% and 4.7% respectively.

Figure 17: Employment by Industrial Precinct 2011 vs. 2016

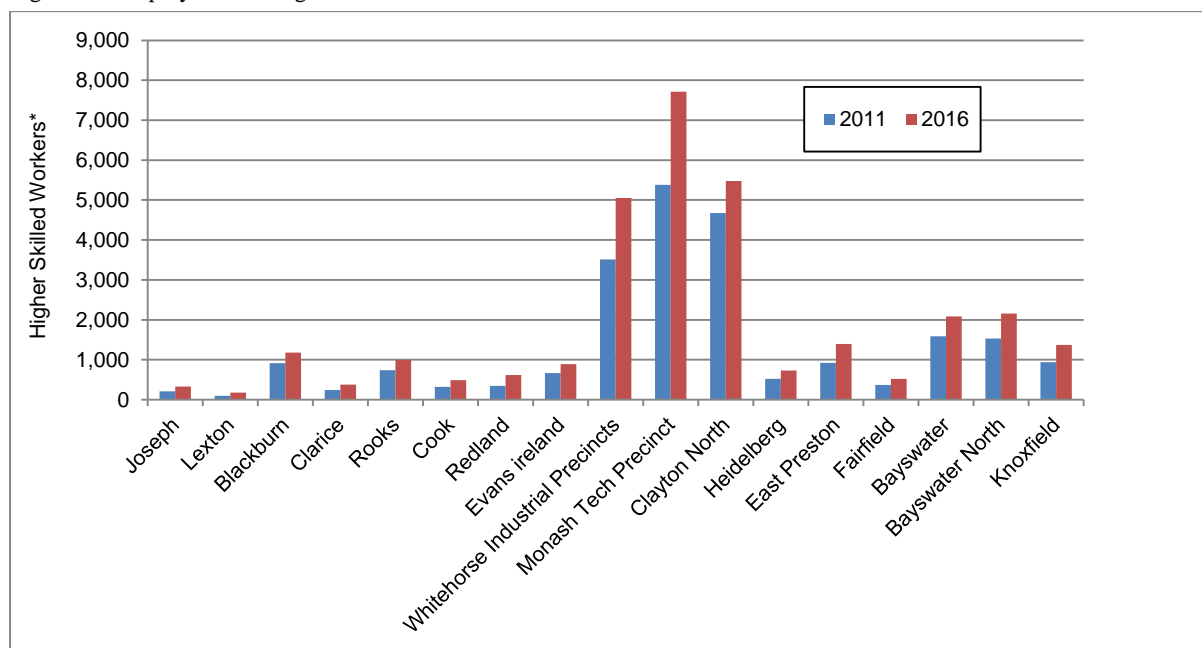


Source: ABS Census

The number of higher skilled workers (defined as having a bachelor degree or above) employed in Whitehorse’s industrial precincts grew strongly over 2011-2016 from 3,516 to 5,051 workers (refer Figure 18). This represents an increase of 44% over the period which is consistent with the 43% growth achieved in the Monash Technology Precinct and other competing precincts.

As Figure 18 shows, growth in the employment of higher skilled workers has occurred across all precincts within Whitehorse as well as competing industrial precincts. This indicates that this trend is broad based and likely to continue, which will generate further demand for more contemporary industrial buildings with a larger proportion of office space as well as dedicated office developments.

Figure 18: Employment of Higher Skilled Workers 2011 vs. 2016



Source: ABS Census
 *Bachelor Degree and above

The distance travelled by employees to work at Whitehorse’s industrial precincts is generally consistent with that of most competing industrial locations with the exception of the Monash Technology Precinct and the Clayton North industrial area. Workers in these latter two precincts travel noticeably further with only around 23% of workers travelling less than 10 km compared to 38% of workers within the combined Whitehorse precincts. This most likely reflects the more specialised and higher skilled nature of jobs which attract workers from a wider area.

Figure 19: Travel Distance to Work by Precinct - Cumulative Percentage

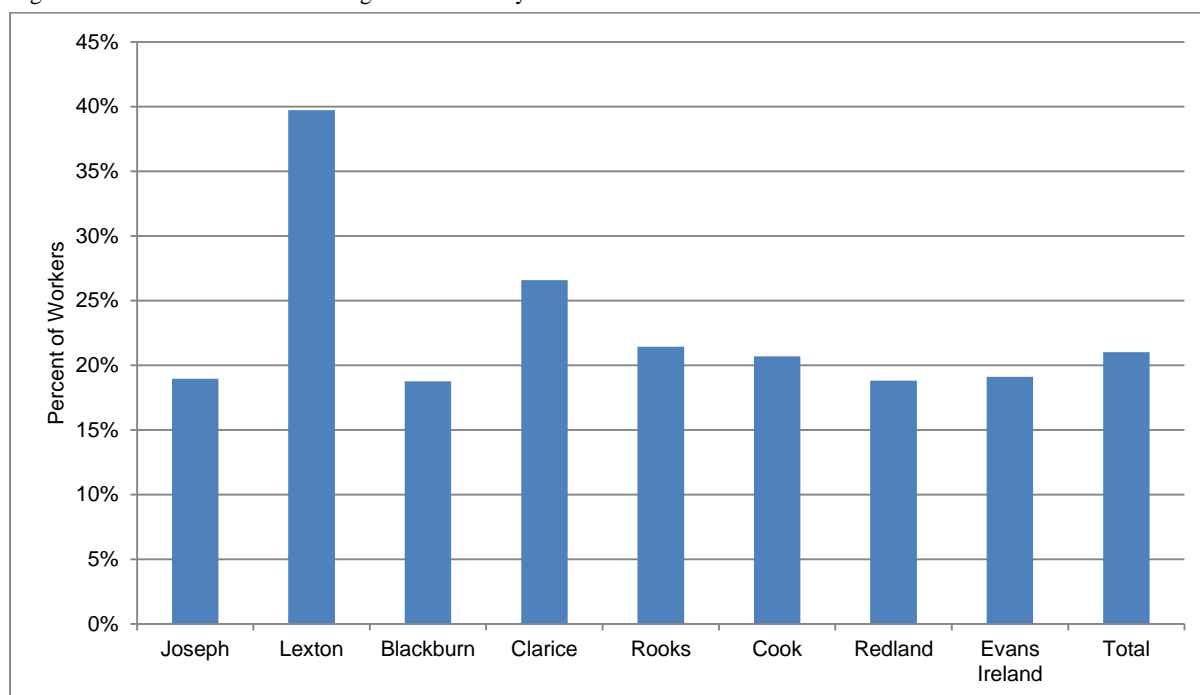
Precinct	<2 km	<5 km	<10 km	<15 km	<20 km	Over 20km
Joseph	4.2%	13.6%	28.7%	46.8%	66.0%	100%
Lexton	8.9%	22.9%	49.0%	64.3%	80.0%	100%
Blackburn	2.8%	15.2%	37.1%	55.0%	68.6%	100%
Middleborough/Clarice	4.7%	21.5%	42.7%	57.8%	72.1%	100%
Rooks	3.5%	15.2%	37.6%	57.8%	68.7%	100%
Cook	6.0%	16.0%	43.3%	61.6%	72.4%	100%
Redland	4.1%	14.7%	35.5%	54.3%	66.7%	100%
Evans Ireland	4.6%	16.8%	37.0%	53.6%	70.0%	100%
Whitehorse Industrial Precincts	4.1%	16.2%	38.0%	56.1%	69.5%	100%

Precinct	<2 km	<5 km	<10 km	<15 km	<20 km	Over 20km
Monash Technology Precinct	1.0%	6.9%	23.7%	43.2%	58.5%	100%
Clayton North	1.1%	7.5%	22.5%	44.7%	58.1%	100%
Heidelberg	3.8%	14.9%	37.3%	59.1%	71.1%	100%
East Preston	2.5%	14.7%	33.5%	56.7%	69.7%	100%
Fairfield	4.7%	15.2%	35.8%	55.1%	67.8%	100%
Bayswater	1.6%	14.5%	38.8%	57.4%	65.2%	100%
Bayswater North	2.6%	15.6%	45.0%	60.9%	68.1%	100%
Knoxfield	2.3%	13.1%	30.1%	46.7%	61.1%	100%
Total	2.2%	12.0%	32.2%	51.5%	63.9%	100%

Source: ABS Census

The proportion of workers living within the City of Whitehorse is generally consistent across the precincts at around 20% with the exception of the Lexton Road precinct where it is 40%. This higher proportion most likely reflects the lower demand for higher skilled workers (refer Figure 18) and as a result businesses being able to source labour from within the local area.

Figure 20: Percent of Workers Living Within the City of Whitehorse



Source: ABS Census

5.2 Development Activity 2009-2019

Vacant industrial land represents only one measure of potential land availability for businesses seeking to establish within Melbourne’s eastern region. More established industrial areas such as Whitehorse and Monash offer the opportunity for existing occupied sites to be redeveloped for more intensive industrial activities. The redevelopment of large industrial sites for smaller office-warehouses, as has occurred along Norcal, Rooks and Cook Roads are examples of this occurring in Whitehorse.

Over the 10 year period 2009-2019 a total of 13.5 ha of land has been identified as being developed, or currently under development, for new industrial facilities within the City of Whitehorse with vacant sites accounting for only 3.2 ha (24%). These new developments have delivered a total of 238 new industrial / office premises, the majority of which were contemporary office warehouses ranging in size up to 400 sqm.

Larger corporate businesses have also been accommodated in freestanding corporate style office warehouses developed on vacant sites in Redland Drive which includes Stirling Fildes Healthcare and Smash Enterprises with the latter occupying 6,435 sqm of floorspace (including a 3 level office building of 1,766 sqm).

Retail development has also occurred in high exposure locations with the Home Consortium Homemaker Centre and Officeworks store being developed on Middleborough Road within the Middleborough / Clarice Road industrial precinct.

Figure 21 summarises new development activity that has occurred over the period 2009-2019. Five larger sites of more than 1 ha accounted for approximately 60% of the total area developed with one of these sites being developed for the Home Consortium Homemaker Centre (313 Middleborough Road Box Hill South). The remaining sites were developed for smaller office warehouses that may potentially also have been developed upon smaller sites. Seven vacant sites were developed over the period with all being located within Redland Estate. In total 289 new industrial / office premises were developed with redevelopment sites accounting for 251 or 87% of these.

Further details of each of these developments undertaken over this period are provided in Figure 22 and Figure 23.

Figure 21: City of Whitehorse Development Activity 2009-2019 – Site Characteristics

Site Area	Redeveloped Sites		Vacant Sites		Total	
	No.	Total Area (sqm)	No.	Total Area (sqm)	No.	Total Area (sqm)
1,000 - 4,999 sqm	5	14,238	5	12,099	10	26,337
5,000-9,999 sqm	3	19,246	1	8,471	4	27,717
10,000 sqm +	4	69,090	1	12,000	5	81,090
Total	12	102,574	7	32,570	19	135,144

Source: Google Earth, Bing Maps, Landchecker.com.au, City of Whitehorse, BWEC

The key implication of this pattern of development that is that:

- Larger industrial sites offer the opportunity for a significant amount of new industrial floorspace to be developed within a relatively short time period. However the availability of these sites is limited and any redevelopment is likely to be dependent upon the capacity of the market to absorb this supply within the necessary time frame in order to make redevelopment commercially viable.
- Large scale developments may address amenity issues within the immediate area through providing a high level of on-site amenity that attracts higher quality businesses.
- Contemporary office warehouse facilities are typically occupied by a new generation of industrial activities that are much less reliant upon heavy vehicle transport but generate higher demand for car parking for workers and visitors. However these developments also have greater capacity to provide on-site parking thereby reducing demand for on-street parking.

Figure 22: Development Activity 2009-2019 – Site Address

Precinct / Address	Site Area (sqm)	Previous Use	No. New Units (Non-Retail)
Middleborough/Clarice Roads			
313 Middleborough Road	16,000	Manufacturing	Retail
23-25 Clarice Road	3,541	Factories	12
263 Middleborough Road	3,119	Warehousing / showroom	Retail
Redland Estate			
26 Redland Drive	3,528	Vacant Site	1
31 Redland Drive	2,021	Vacant Site	8
32 Redland Drive	1,556	Vacant Site	1
33 Redland Drive	8,471	Vacant Site	1
34 Redland Drive	3,242	Vacant Site	6
36 Redland Drive	1,752	Vacant Site	1
125-135 Rooks Road	13,000	Timber retailing	31
153-155 Rooks Road	12,000	Vacant Site	20
Cook Road			
9-21 Cook Road	6,929	Warehousing	21
23 Cook Road	7,017	Manufacturing	18
25-29 Cook Road	20,000	Manufacturing	38
8-10 Monomeeth	5,300		19
Lexton Road			
61-63 Lexton Road	3,525	Factories	32
Evans / Ireland Streets			
5-13 Sinnott Street	2,681	Factories	6
2-12 Tudor Street	1,372	Older style warehouses	3
Rooks Road			
31-37 Norcal Road	20,090	Infrastructure Services (Transfield)	
Total	135,144		289
Redeveloped Sites	102,574		251
Vacant Sites	32,570		38

Source: Google Earth, Bing Maps, Landchecker.com.au, City of Whitehorse, BWEC

Figure 23: Development Project Profiles

<p>Middleborough / Clarice Road</p>	
<p>313 Middleborough Road Box Hill South Previous Use: Chemical manufacturing (Hexion) Site Area: 1.6 ha Zoning: Industrial 1 Development: Home Consortium Homemaker Centre (13,950 sqm) Opened: December 2018 Current Tenants: Goodlife Gym, Chemist Warehouse, Kitchen Warehouse, Funtopia, Decathlon, Amway, Repco, Petbarn. Currently for lease: 6 tenancies Website: home-co.com.au</p>	
<p>23-25 Clarice Road Previous Use: Factories (2) Site area: 3,541 sqm Development: 12 office warehouses</p>	
<p>263 Middleborough Road Previous Use: Warehouse / Showroom Site Area: 3,119 sqm Zoning: Industrial 1 Development: Officeworks store</p>	
<p>Redland Estate</p>	
<p>26 Redland Drive Previous Use: Vacant Site Site Area: 3,528 sqm Zoning: Industrial 1 Development: Corporate Office warehouse Occupant: Stirling Fildes Healthcare</p>	
<p>31 Redland Drive Previous Use: Vacant Site Site Area: 2,021 sqm Zoning: Industrial 1 Development: 8 offices, ranging from 87sqm to 174sqm</p>	

32 Redland Drive

Previous Use: Vacant Site
 Site Area: 1,556 sqm
 Zoning: Industrial 1
 Development: Office Warehouse



33 Redland Drive

Previous Use: Vacant Site
 Site Area: 8,471 sqm
 Zoning: Industrial 1
 Occupant: Smash Enterprises (consumer goods wholesaler)
 Corporate Office Warehouse (Total building area 6,435 sqm including 1,760 sqm of office space).



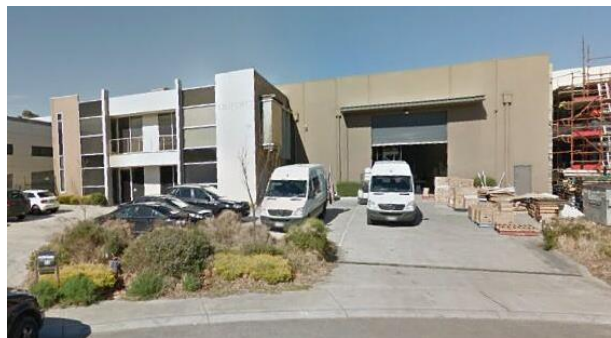
34 Redland Drive

Previous Use: Vacant Site
 Site Area: 3,242 sqm
 Zoning: Industrial 1
 Development: Six office warehouses



36 Redland Drive






Previous Use: Vacant Site
 Site Area: 1,752 sqm
 Zoning: Industrial 1
 Development: 20 Office warehouses



125-135 Rooks Road

Previous Use: Timber retailing (Matthews Timber)
 Site Area: Approx. 1.3 ha
 Zoning: Industrial 3
 Development: Pivotal Business Estate (31 office warehouses with building areas in the range 178-628 sqm)



<p>153-155 Rooks Road Previous Use: Vacant Site Site Area: Approx. 1.2 ha Zoning: Industrial 1 Development: 20 office warehouses</p>	
<p>Cook Road 9-21 Cook Road Previous use: Warehousing (Nippon Air Parts) Site Area: 6,929 sqm Zoning: Industrial 3 Development: 21 warehouses</p>	
<p>23 Cook Road Previous use: manufacturing (Teson Trims – ceased trading) Site Area: 7,017 sqm Zoning: Industrial 3 Development: 18 Office Warehouses</p>	
<p>25-39 Cook Road Previous use: manufacturing (Forgecast-ceased trading) Site Area: 13,800 sqm Zoning: Industrial 3 Development: 38 office warehouses</p>	
<p>8-10 Monomeeth Drive Previous use: Factories Site Area: 5,300 sqm Zoning: Industrial 1 Development: 19 warehouses – building areas ranging 123 sqm to 231 sqm</p>	

<p>Lexton Road</p>	
<p>61-63 Lexton Road Previous use: Industrial Supplies – Alliance Hardware (relocated to Joseph Street precinct) Site Area: 3,525 sqm Zoning: Industrial 3 Development: 32 lot sub-division (under construction)</p>	
<p>Evans / Ireland Streets</p>	
<p>5-13 Sinnott Street Previous use: Older style factoryettes Site Area: 2,681 sqm Zoning: Industrial 3 Development: six office warehouses</p>	
<p>2-12 Tudor Street Previous use: Older style warehouses Site Area: 1,372 sqm Zoning: Industrial 3 Development: Three office warehouses</p>	
<p>Rooks Road</p>	
<p>31-37 Norcal Road Previous use: Infrastructure Services (Transfield) Site Area: 2.09 ha Zoning: Industrial 1 Development: Industria Nunawading (71 office warehouses, three level office building)</p>	

Larger sites are strategically important due to the opportunity to potentially deliver a higher quality of development through providing on-site amenity, efficient car parking and circulation. In addition they offer the opportunity for higher profile developments that may potentially act as a catalyst for further redevelopment within a precinct.

Whitehorse had a total of 28 sites of over 1 ha in 2017 compared to 56 sites within the Monash Technology Precinct and a further 41 sites within the Clayton North industrial area. Knox and Maroondah together had a total of 177 sites of more than 1 hectare, while the competing industrial areas of East Preston and Heidelberg had a total of 41 sites of at least 1 ha.

Figure 24: Industrial Lots Size Profile 2017 (Excluding Commercial 2 Zoned Land) – Number of Lots

Location	0-249 sqm	250-499 sqm	500-749 sqm	750-999 sqm	1,000 - 4,999 sqm	5,000- 9,999 sqm	10,000 sqm +	Total
Blackburn	28	85	52	53	48	5	1	272
Middleborough/ Clarice Roads	40	14	38	7	29	3	7	138
Cook Road	23	13	4	10	25	4	3	82
Evans / Ireland Streets	9	40	23	29	22	2		125
Joseph Street	3	8	5		12	2	2	32
Lexton Road	20	32	10	1	26	1		90
Redland Estate	68	60	38	20	57	11	6	260
Rooks Road	48	64	57	31	41	8	7	256
Whitehorse (8 Precincts)	239	316	227	151	260	36	26	1,255
Monash Tech	133	103	145	54	198	71	56	760
Clayton North	59	74	33	29	146	34	41	416
Knox	976	957	199	213	900	126	97	3,468
Maroondah	356	401	161	154	421	72	80	1,645
Eastern Region	1,524	1,535	538	450	1,665	303	274	6,289
East Preston	80	106	205	59	149	26	30	655
Heidelberg	85	77	344	49	129	12	11	707
Fairfield	83	40	105	76	66	2	4	376
Bulleen	33	31	43	12	15			134
Northern Region	281	254	697	196	359	40	45	1,872
Total	2,044	2,105	1,462	797	2,284	379	245	9,416

Source: Google Earth, Bing Maps, Landchecker.com.au, City of Whitehorse, BWEC

5.3 Conclusion

Despite not having a significant supply of vacant industrial land, Whitehorse's industrial precincts offer a variety of larger sites where an ageing building stock offers the opportunity for redevelopment for contemporary industrial and office accommodation for an increasingly diverse mix of businesses. The level of development activity which has occurred over the past decade across Whitehorse's industrial precincts may be expected to continue given the availability of potential redevelopment sites of a suitable size.

Whitehorse's competitive position lies between that of Monash Technology Precinct which benefits from its corporate profile and proximity to Melbourne's growing south-east region, and other nearby industrial precincts within Knox and Maroondah. However despite any competition between precincts, all have experienced strong employment growth, particularly amongst higher skilled workers, which highlights the broad-based transformation that is occurring.

A trend towards value adding activities requiring higher skilled workers provides greater diversity of local employment opportunities for workers. However at the same time this increasing diversity of jobs also results in workers potentially having to travel outside their local area to obtain employment which best meets their skills. Nevertheless the distances travelled by workers to Whitehorse's industrial precincts are generally comparable to other industrial areas. With around 20% of workers living within Whitehorse, the precincts provide a valuable source of household income, of which a significant portion would be spent at local activity centres.

6. Property Market Analysis

While the availability of industrial properties to accommodate new businesses within Whitehorse’s industrial precincts may be measured by the current supply of industrial land and floorspace, this assumes that these properties are available at any point in time. A better indicator of supply is the number of properties sold or leased annually and their characteristics such as building area. For example, properties in some locations may be more likely to be owner-occupied and therefore not become available for sale or lease as regularly as investor owned properties. Similarly, some industrial areas may have a larger number of sites available for redevelopment resulting in a greater number of new industrial premises available for sale or lease.

Details of properties sold has been sourced from the Real Estate Institute of Victoria, while information on property leasings has been analysed from listings on the prominent real estate website realcommercial.com.au. As the extent to which these sources capture all sales and leasings is unknown, it is the relative number across precincts, years and floorspace ranges rather than the nominal number of properties that is of particular importance.

Figure 25 shows the number of industrial properties sold annually for each precinct over the period 2009-2018. The Blackburn, Cook Road and Rooks Road precincts have accounted for 68% of property sales over this period. While this may reflect the number of properties in these precincts, the redevelopment of larger sites has also been a factor. Sales of properties in the Cook Road and Rooks Road precincts may remain high given the availability of a number of substantial sites that may be potentially redeveloped.

Figure 25: Industrial Property Sales (no.)

Precinct	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total	Annual Average
Blackburn	10	15	13	11	15	16	13	11	13	7	124	12.4
Middleborough/ Clarice Rd	3	8	5	5	5	5	12	6	1		50	5.6
Cook Rd	1	7	19	21	11	16	13	12	8	6	114	11.4
Evans / Ireland	3	3	7	3	5	4	6	2	2	1	36	3.6
Joseph St		3	1	1	2	1	3	1	1	1	14	1.6
Lexton Rd	3	3	4	1	2	1	5	1	1	2	23	2.3
Redland Dr	9	6	9	4	9	1	12	8	4		62	6.9
Rooks Rd	6	6	10	14	16	17	17	19	39	26	170	17.0
Total	35	51	68	60	65	61	81	60	69	43	593	59.3

Source: REIV

Annual leasing activity is show in Figure 26 for the period 2013-2018. Blackburn, Rooks Road and Evans / Ireland have had the largest number of properties become available for lease, whereas Joseph Street, Lexton Road and Redland Estate only average a few properties for lease each year.

Figure 26: Industrial Property Leases (no.)

	2013	2014	2015	2016	2017	2018	Total	Annual Average
Blackburn	12	6	11	10	12	13	64	10.7
Middleborough/ Clarice Rd	5	10	2	6	11	11	45	7.5
Cook Rd	5	5	8	3	3	15	39	6.5
Evans / Ireland	34	12	12	17	12	5	92	15.3
Joseph St	3			2		1	6	2.0
Lexton Rd	2	1	4	1		4	12	2.4

	2013	2014	2015	2016	2017	2018	Total	Annual Average
Redland Dr	1	7	3	4	2	7	24	4.0
Rooks	7	14	7	11	9	35	83	13.8
Total	69	55	47	54	49	91	365	60.8

Source: realcommercial.com.au

The distribution of leased building areas is shown in Figure 27 and Figure 28. The Cook Road precinct has had a significantly proportion of leases (88%) with building areas under 300 m² which reflects the three new developments at the northern end of Cook Road. Similarly, the Rooks Road and Middleborough / Clarice Roads precincts have also had a relatively high proportion of leased properties under 300 m² reflecting the development of Industria Nunawading in Norcal Road, and the generally smaller size of traditional factory units in Clarice Road.

Conversely, within the Blackburn precinct 50% of leased properties have had building areas in excess of 500 m². This reflects the generally older building stock within the precinct with relatively little new development.

Across the eight precincts potential businesses have had the choice of a relatively diverse range of industrial buildings for lease. However this becomes more limited where businesses are seeking to locate in a particular precinct. The availability of larger properties over 750 sqm is largely limited to the Blackburn and Evans / Ireland precincts which accounted for 60% of leased properties.

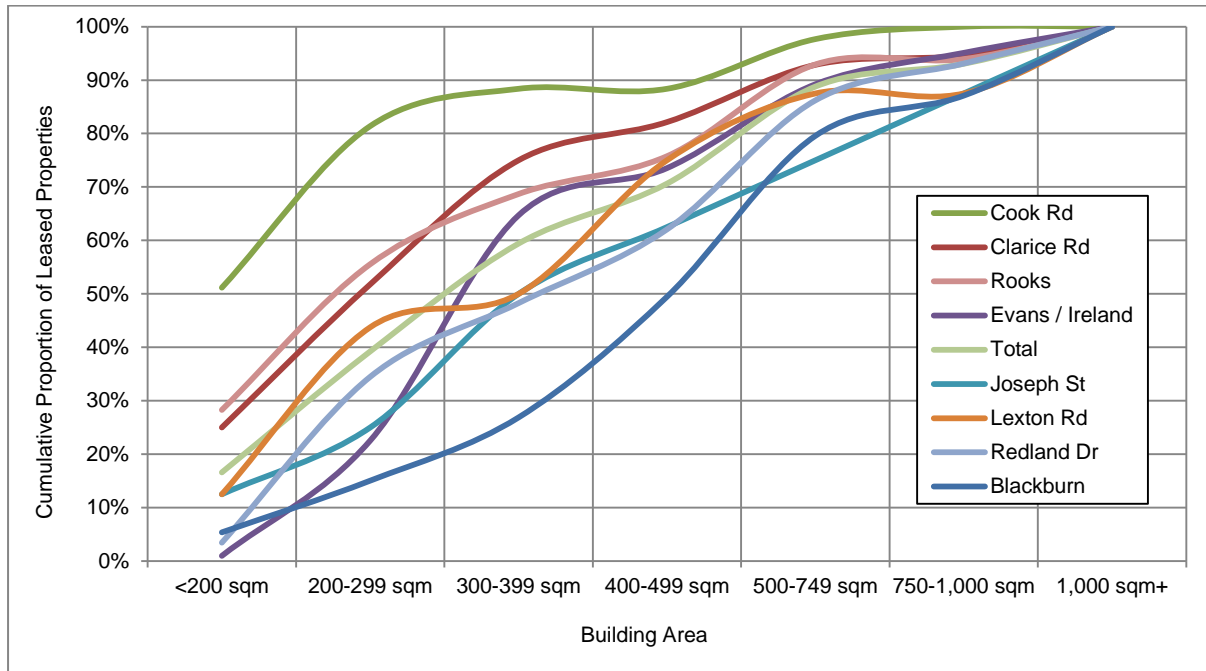
Any future redevelopment of larger sites will most likely deliver smaller office warehouses that meet the requirements of modern businesses and the price points of potential investors. From a development perspective, the commercial viability of redeveloping sites for more intensive industrial facilities is also more attractive.

Figure 27: Industrial Property Leases –Distribution of Building Areas

Precinct	<200 sqm	200-299 sqm	300-399 sqm	400-499 sqm	500-749 sqm	750-1,000 sqm	1,000 sqm+	Total
Blackburn	4.8%	1.6%	9.7%	29.0%	32.3%	11.3%	11.3%	100%
Middleborough/ Clarice Roads	25.6%	30.2%	20.9%	7.0%	7.0%	2.3%	7.0%	100%
Cook Road	53.8%	28.2%	7.7%	0.0%	7.7%	2.6%	0.0%	100%
Evans / Ireland Streets	1.1%	17.6%	46.2%	8.8%	15.4%	5.5%	5.5%	100%
Joseph Street	20.0%	0.0%	20.0%	20.0%	20.0%	0.0%	20.0%	100%
Lexton Road	8.3%	33.3%	8.3%	25.0%	16.7%	0.0%	8.3%	100%
Redland Estate	4.2%	25.0%	12.5%	16.7%	25.0%	8.3%	8.3%	100%
Rooks Road	28.9%	27.7%	13.3%	7.2%	16.9%	1.2%	4.8%	100%
Total	17.5%	20.6%	21.2%	12.0%	17.5%	4.7%	6.4%	100%

Source: realcommercial.com.au

Figure 28: Industrial Property Leases – Cumulative Distribution of Building Areas

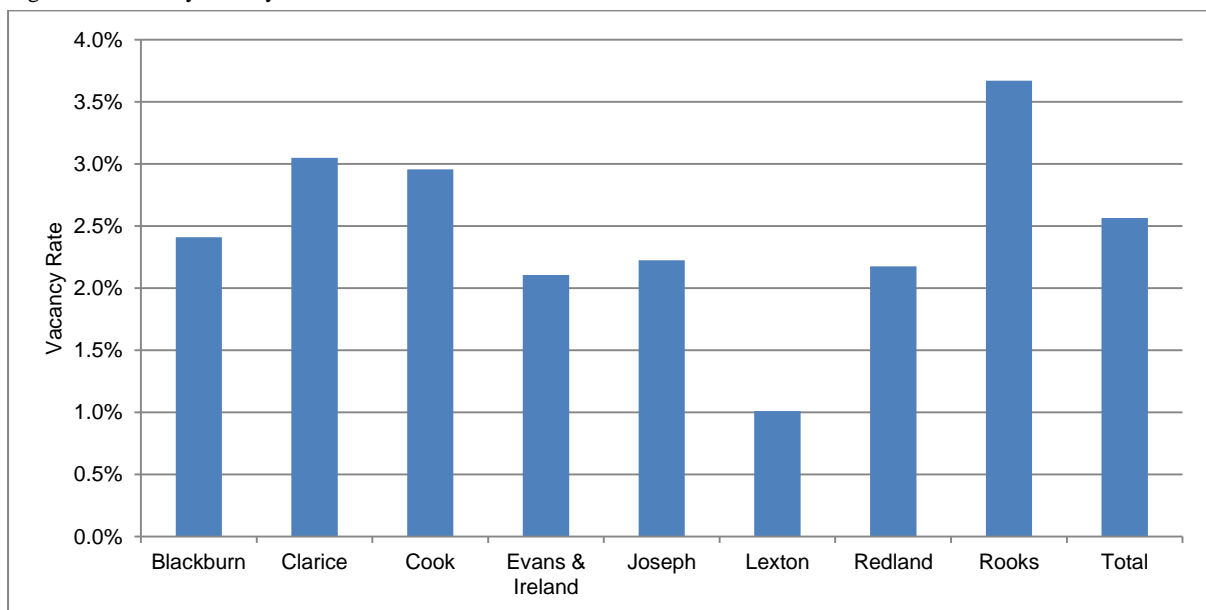


Source: realcommercial.com.au

6.1 Vacancies

The current vacancy rate for each precinct is shown in Figure 29 based upon the number of properties that are advertised for lease. Recently developed properties that are being advertised for the first time have been excluded. Given that a vacancy rate of 3% is typically considered to represent a balance between the supply and demand of properties, the overall vacancy rate of 2.6% represents a slightly tight market which suggests that there is the capacity for increased supply of industrial properties through the redevelopment of larger sites for modern office warehouses. The strongest conditions exist in the Evans / Ireland, Joseph Street and Lexton Road precincts where vacancy rates are 2.1%, 2.2% and 1% respectively, whereas Rooks Road has the highest vacancy rate at 3.7%.

Figure 29: Vacancy Rate by Precinct



Source: BWEC, realcommercial.com.au

6.2 Building Stock

Industrial properties are subject to greater obsolescence than other types of properties due to the impact of new innovations such as taller racking systems combined with modern high clearance warehouses. The efficiency of industrial buildings may therefore be reflected by the period during which they were constructed which influences the value of building improvements. Over time, older less efficient buildings are likely to be redeveloped for contemporary accommodation that better meets the needs of businesses.

6.2.1 Building Age

The distribution of building age is reasonably evenly distributed over the period since 1970 which accounts for 83% of all properties. There is however significant variance between precincts with:

- Blackburn and Lexton Road both having more than half of all buildings constructed prior to 1980 followed by Evans and Ireland Streets (43%) and the remaining precincts each having 15-32% constructed during this period.
- Cook Road has 74% of properties with buildings constructed since 2010 due to larger industrial sites at the northern end of Cook Road being redeveloped for smaller office warehouses.
- Redland Estate was a focus for development during 2000-2009 with a number of multi-unit developments within Rooks Road as well as single lot developments in Redland Drive and Trade Place.

Figure 30: Distribution of Building Age by Year

Precinct	1930 - 1939	1940 - 1949	1950 - 1959	1960 - 1969	1970 - 1979	1980 - 1989	1990 - 1999	2000 - 2009	2010 - 2019	Total
Blackburn	0.0%	0.4%	11.8%	16.8%	24.4%	26.9%	11.3%	7.6%	0.8%	100%
Lexton Road	0.0%	0.0%	20.5%	22.7%	11.4%	19.3%	4.5%	21.6%	0.0%	100%
Cook Road	0.5%	0.0%	0.0%	2.1%	12.8%	5.3%	1.1%	4.3%	73.9%	100%
Evans & Ireland Streets	0.0%	1.9%	22.9%	8.9%	8.9%	15.9%	0.6%	26.1%	14.6%	100%
Joseph Street Blackburn	0.0%	0.0%	2.3%	11.4%	18.2%	61.4%	4.5%	2.3%	0.0%	100%
Middleborough/Clarice Roads	0.0%	0.0%	5.8%	14.2%	9.7%	12.3%	20.6%	21.9%	15.5%	100%
Rooks Road	0.0%	0.3%	1.6%	6.9%	20.3%	12.5%	24.7%	7.2%	26.6%	100%
Redland Estate	0.0%	0.4%	0.4%	6.4%	8.3%	4.2%	23.0%	43.0%	14.3%	100%
Total	0.1%	0.4%	6.7%	9.9%	14.8%	14.6%	14.3%	17.7%	21.4%	100%

Source: City of Whitehorse Rates Database, BWEC

- Cook Road and Rooks Road precincts account for 72% of buildings constructed since 2010.
- Redland Estate, Evans and Ireland Streets, and Middleborough and Clarence Roads together accounted for 73% of buildings constructed during 2000-2009.
- Blackburn accounts for almost 30% of properties constructed prior to 1990 which offers opportunities for businesses seeking more affordable accommodation, or alternatively the redevelopment of sites for contemporary industrial accommodation.

Figure 31: Distribution of Building Age by Precinct

Precinct	1960 - 1969	1970 - 1979	1980 - 1989	1990 - 1999	2000 - 2009	2010 - 2019
Blackburn	27.8%	26.9%	30.0%	13.0%	7.0%	0.6%
Lexton Road	13.9%	4.6%	8.0%	1.9%	7.4%	0.0%
Cook Road	2.8%	11.1%	4.7%	1.0%	3.1%	44.7%
Evans & Ireland Street	9.7%	6.5%	11.7%	0.5%	15.9%	7.4%
Joseph Street Blackburn	3.5%	3.7%	12.7%	1.0%	0.4%	0.0%
Middleborough / Clarice Roads	15.3%	6.9%	8.9%	15.4%	13.2%	7.7%
Rooks Road	15.3%	30.1%	18.8%	38.0%	8.9%	27.3%
Redland Estate	11.8%	10.2%	5.2%	29.3%	44.2%	12.2%
Total	100%	100%	100%	100%	100%	100%

Source: City of Whitehorse Rates Database, BWEC

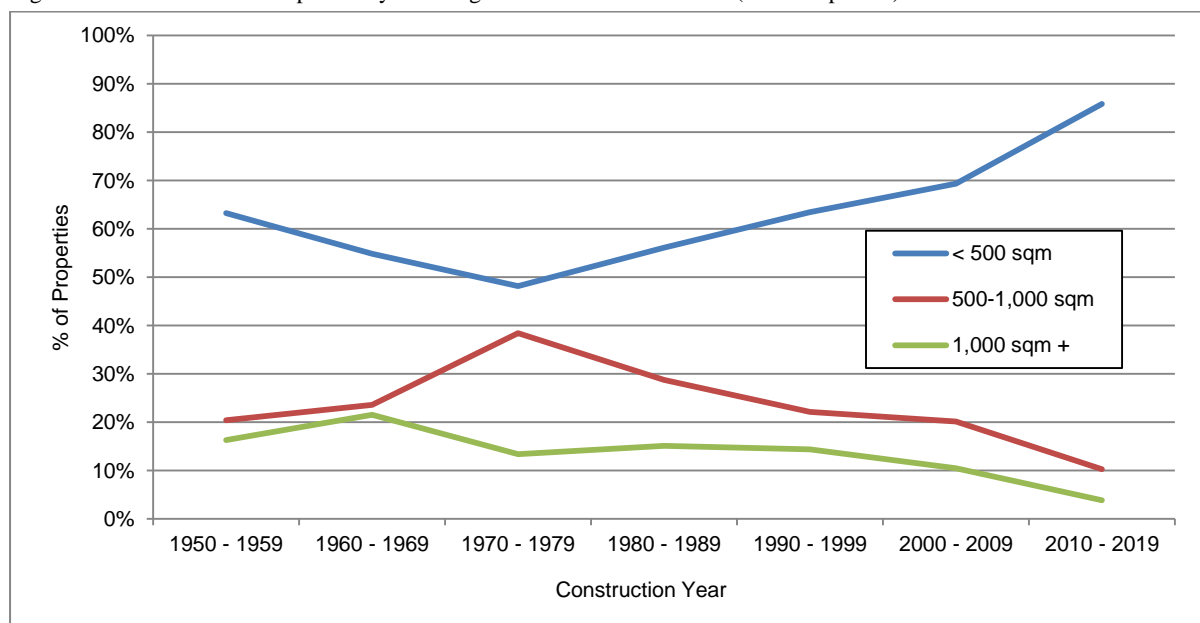
6.2.2 Building Area

There has been a notable trend towards smaller industrial properties since the 1970s as the Australian economy has restructured away from larger scale manufacturing towards more intensive and higher value adding activities.

Figure 32 shows the proportion of properties according to their lettable floorarea and the period during which they were constructed. Currently within Whitehorse’s industrial precincts, only 50% of properties that were constructed in the 1970s are less than 500 sqm compared to 86% of properties constructed since 2010. Conversely, only 4% of properties constructed since 2010 are over 1,000 sqm compared to 22% of properties constructed in the 1960s.

Over time, larger properties are expected to represent a redevelopment opportunity as demand for these properties in middle suburban declines relative to that for smaller and more efficient office warehouses.

Figure 32: Distribution of Properties by Building Area / Construction Year (% of Properties)



Source: City of Whitehorse Rates Database, BWEC

6.2.3 Site Coverage

While industrial development is becoming more intensive with large sites being subdivided, the proportion of site area allocated to lettable space has remained reasonable constant over time at around 60% (refer Figure 33). A slight increase for properties constructed over 2010-2019 reflects the inclusion of car spaces as lettable area for a number of developments.

Figure 33: Site Coverage by Construction Year

Construction Year	Land Area	Lettable Area	Site Coverage
1950 - 1959	258,643	134,089	51.8%
1960 - 1969	211,867	130,720	61.7%
1970 - 1979	276,647	169,804	61.4%
1980 - 1989	269,765	151,626	56.2%
1990 - 1999	271,798	158,887	58.5%
2000 - 2009	264,863	151,688	57.3%
2010 - 2019	161,967	100,247	61.9%

Source: City of Whitehorse Rates Database, BWEC

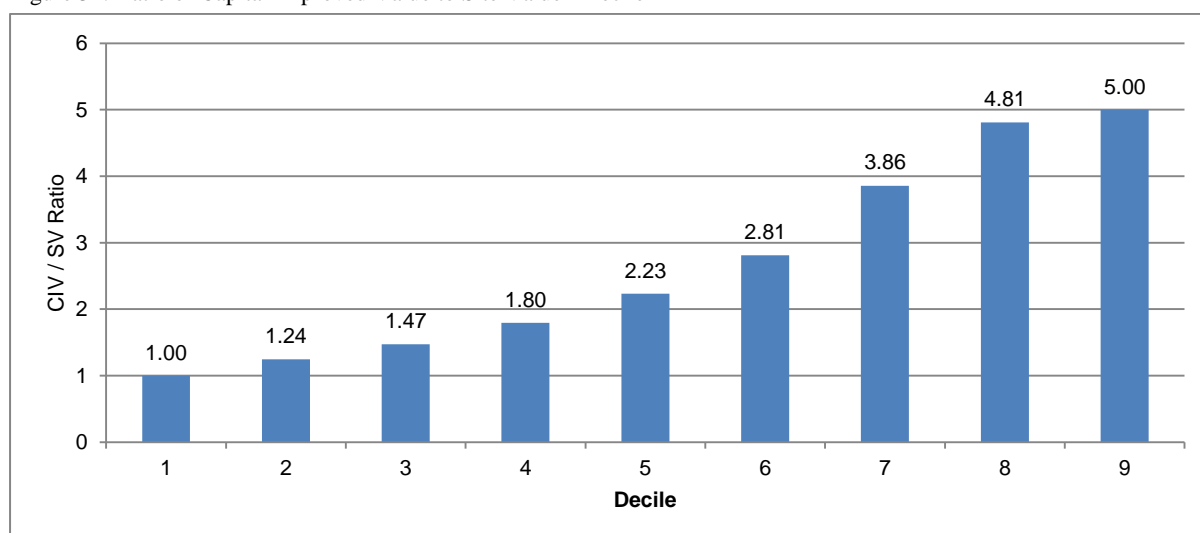
This stability in site coverage is explained by more intensive activities also requiring a greater provision of car parking and internal vehicle circulation as parking is provided adjacent to individual properties. In many cases large hardstand areas used for outside storage and/or truck access is now replaced by staff parking.

6.2.4 Capital Improvements

The value of capital improvements is a key factor influencing the likelihood of properties being redeveloped as this value will be lost with the demolition of buildings. However even smaller older style buildings that seemingly have little value are still demanded by activities such as automotive services or construction services that require relatively basic accommodation.

Based upon the City of Whitehorse’s Rates Data, Figure 34 shows the distribution of industrial properties according to the ratio of their capital improved value to their site value. 10% of buildings have capital improvements of no additional value and 20% having improvements of less than 24% of site value.

Figure 34: Ratio of Capital Improved Value to Site Value - Decile



Source: City of Whitehorse Rates Database, BWEC

The precincts with the highest proportion of properties with capital improvements of less than 25% of site value are Blackburn (36%), Lexton Road (40%), and Evans and Ireland Street (27%).

Figure 35: Distribution of Capital Improved Value / Site Value Ratio by Precinct

Precinct	Capital Improved Value / Site Value Ratio								
	1.0-1.24	1.25-1.49	1.5-1.74	1.75-1.99	2.0-2.24	2.25-2.49	2.5-2.74	2.75-2.99	Over 3.0
Blackburn	36.4%	18.6%	12.8%	8.3%	10.3%	5.4%	4.5%	3.7%	0.0%
Lexton Road	39.8%	11.8%	17.2%	8.6%	9.7%	3.2%	1.1%	8.6%	0.0%
Cook Road	7.9%	3.1%	2.6%	4.7%	2.6%	1.6%	0.0%	0.0%	77.5%
Evans/Ireland Street	27.4%	14.0%	5.7%	3.2%	3.2%	1.3%	1.3%	2.5%	41.4%
Joseph Street	6.8%	9.1%	4.5%	13.6%	0.0%	0.0%	11.4%	25.0%	29.5%
Middleborough / Clarice Roads	19.7%	4.5%	2.5%	10.8%	13.4%	9.6%	6.4%	7.6%	25.5%
Rooks Road	12.4%	9.3%	7.7%	3.1%	4.3%	4.6%	1.2%	2.2%	55.1%
Redland Estate	16.7%	9.3%	7.4%	8.6%	5.9%	7.8%	0.7%	8.9%	34.6%
Total	20.5%	10.2%	7.6%	6.6%	6.4%	4.9%	2.4%	5.1%	36.4%

Source: City of Whitehorse Rates Database, BWEC

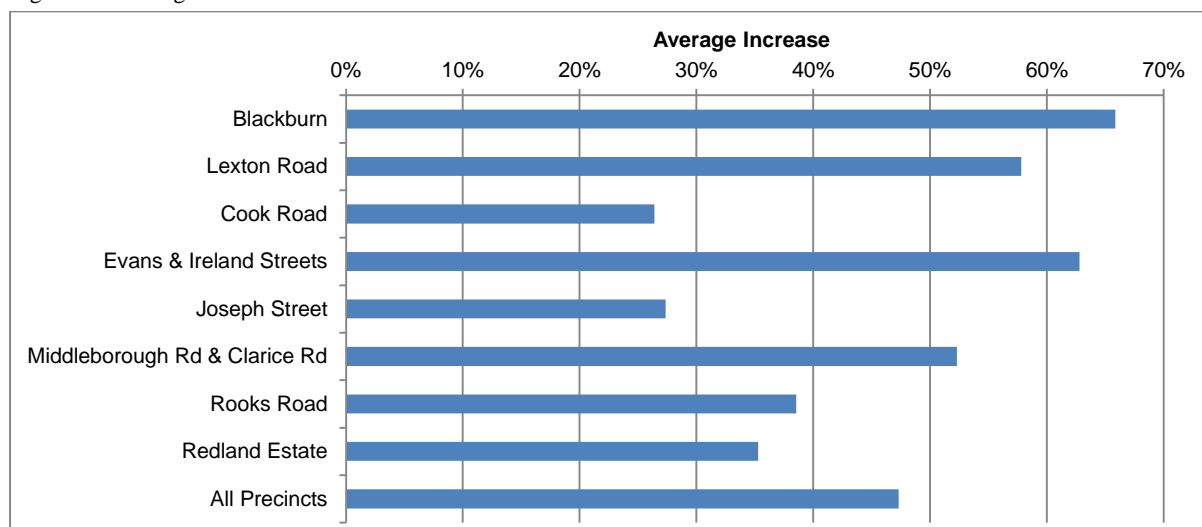
155 properties across the eight precincts are identified in Council's rates database of having capital improvements of no additional value. While this may understate the functionality of buildings, some of these properties represent potential short-medium term redevelopment opportunities.

6.2.5 Land Values

Land values provide an indication of underlying demand for industrial land independent of the value of improvements. Comparing Council valuations of individual properties over 2014-2018 indicates that land values have increased by an average of 47% over this four year period. The largest increases have occurred within Blackburn (66%) and Evans / Ireland Streets (63%). Cook Road (26%) and Joseph Street (27%) have recorded the lowest increase.

With properties increasing by an average of between 6% and 14% per annum across the eight this suggests reasonably strong demand for industrial sites. This is consistent with other indicators of demand such as low vacancy rates and the redevelopment of sites for new office warehouses.

Figure 36: Average Increase in Site Values 2014-2018



Source: City of Whitehorse Rates Database, BWEC

6.3 Conclusion

The availability of properties for sale or lease has been influenced by the amount of new development occurring within the industrial precincts. This is particularly important given that this new accommodation is generally better suited to the requirements of a new generation of businesses seeking to locate within Whitehorse. Continued redevelopment of Whitehorse’s ageing industrial stock is expected to result in a healthy supply of modern industrial facilities.

The distribution of available properties is not evenly distributed and as a result businesses may not easily find a property that meets both their location and operational requirements. Ongoing renewal of the industrial building stock through the redevelopment of sites may however expand the options available to businesses. This will be supported by relatively low vacancy rates which will encourage redevelopment of sites to take meet demand for contemporary industrial facilities.

Given a healthy level of development activity occurring within precincts, property market conditions would be expected to establish a balance between the retention of older properties for traditional light industrial activities and the redevelopment of sites for more contemporary accommodation for higher value adding activities.

Overall, Whitehorse’s industrial precincts offer a diverse mix of accommodation options that are reasonably aligned with the needs of businesses as demonstrated by an acceptable level of vacancies and capital growth. This will continues to encourage development of sites to provide ongoing supply of new industrial buildings to ensure the overall functionality of Whitehorse’s industrial building stock.

7. Business Survey

All businesses within the eight industrial precincts were sent a written survey by Council during April/May 2019 with a total of 73 responses received. As this represents a response rate of less than 5% there is a reasonably large margin of error associated with the survey results. For example if 50% of the 73 businesses that responded chose a particular response, there is a 95% likelihood that between 38% and 62% of all businesses would also have given the same response.

The accuracy of the survey results will also be dependent upon the extent to which the characteristics of survey respondents match that of all businesses. For example, comparing the industry mix of survey respondents to that of businesses identified through the land use survey indicates that, a much higher proportion of respondents were manufacturers (19%) than that identified by the land use survey (11%).

While survey results need to be treated cautiously they do confirm some aspects that would be expected. A summary of the key survey results is provided below.

7.1 Location Decisions

There is generally little variance in the importance of factors influencing businesses location decisions with the exception of ‘access to education and training facilities’ and proximity to qualified workers and proximity to suppliers which are notably lower. This may however be over-stated due to the relatively high proportion of traditional industrial activities within the survey responses.

Conversely, suitable sites and / or building costs are identified as being very important to 83% of respondents followed by accommodation costs which are very important to 48% of respondents. This highlights the importance of not only a range of accommodation options to match the needs of businesses, but also ongoing renewal of Whitehorse’s building stock.

Figure 37: Importance of Factors in Choosing Current Location (% Respondents)

	Not Important	Somewhat Important	Very Important	Grand Total
Accommodation Cost	17%	34%	48%	100%
Suitable Site and / or Building Cost	1%	16%	83%	100%
Proximity to Suppliers	48%	37%	16%	100%
Proximity to Customers	28%	38%	34%	100%
Proximity to Qualified Workers	37%	42%	22%	100%
Proximity to Residence	19%	44%	37%	100%
Access and Transport	13%	52%	34%	100%
Attractiveness of Estate	20%	42%	38%	100%
Access to Education and Training Facilities	75%	22%	3%	100%

Source: City of Whitehorse Business Survey

7.2 Key Markets

Local markets within 10 km were identified by 43% of respondents as being very important to their business. This would be expected to be the case given the large number of automotive and building services within Whitehorse’s industrial precincts. Similarly, Melbourne south-eastern suburbs were identified as being very important to 33% of businesses.

Interstate and international markets were identified as being very important to 15% and 12% of businesses respectively. This highlights the extent to which businesses may be providing more specialised products and services that are not available locally within those markets.

Figure 38: Importance of Geographic Markets (% Respondents)

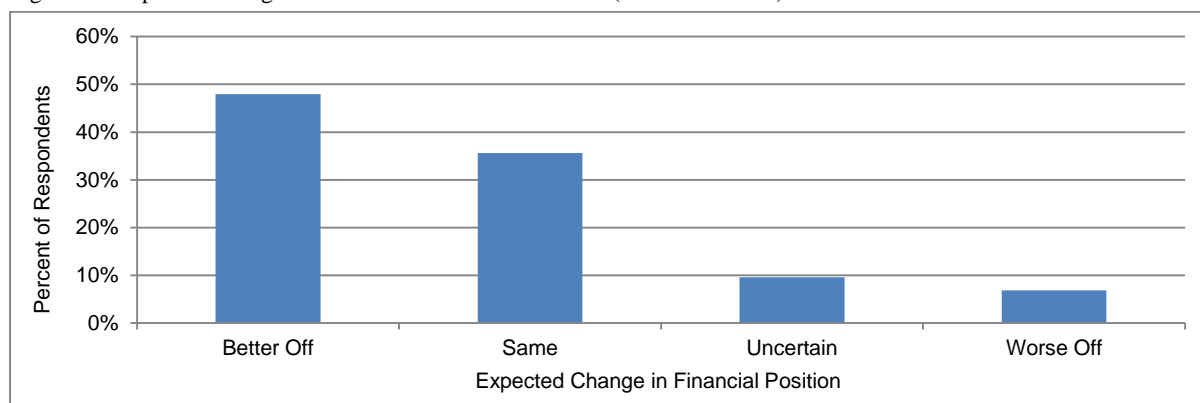
	Local (<10km)	Northern Suburbs	South-Eastern Suburbs	Western Suburbs	Regional Victoria	Interstate	International
Not Important	21%	31%	14%	38%	38%	46%	65%
Somewhat Important	19%	27%	26%	26%	32%	19%	7%
Important	18%	27%	27%	22%	18%	23%	18%
Very Important	43%	15%	33%	13%	12%	13%	10%
Total Respondents	100%	100%	100%	100%	100%	100%	100%

Source: City of Whitehorse Business Survey

7.3 Business Outlook

Surveyed businesses are generally quite positive with regard to future business prospects and demand for workers. 48% of respondents anticipated that the financial position of their business would improve over the next 12 months with a further 36% expecting it to remain the same (refer Figure 39). Only 7% of businesses expected to be worse off over this period while 10% were uncertain.

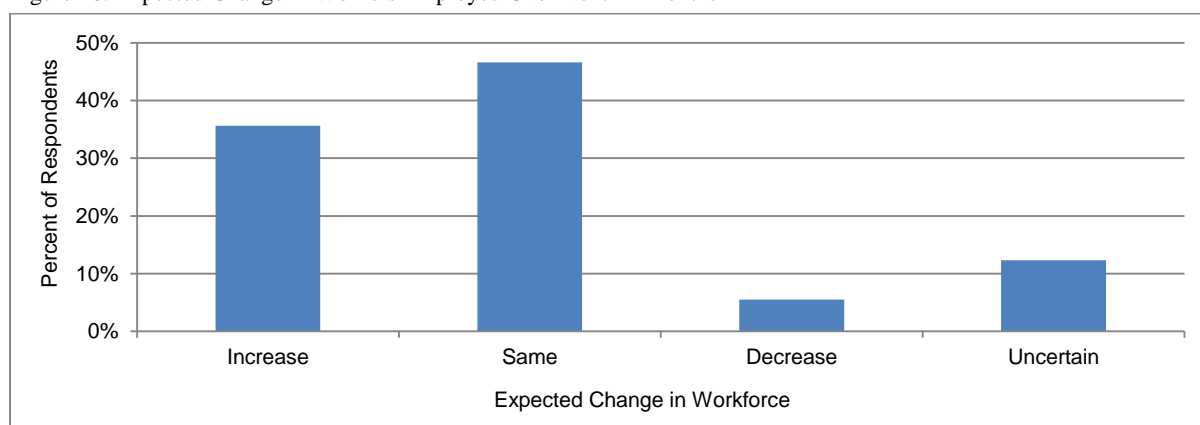
Figure 39: Expected Change in Financial Position of Business (Next 12 Months)



Source: City of Whitehorse Business Survey

The proportion of respondents that expected to increase their number of employees over the next 12 months is also quite high at 36% (refer Figure 40). A further 47% of respondents expect to maintain their workforce at current levels. Only 5% of respondents anticipate that they will need to reduce their number of employees. These findings suggest that the strong growth in employment which occurred over 2011-2016 is likely to continue despite an anticipated softening in economic conditions.

Figure 40: Expected Change in Workers Employed Over Next 12 Months



Source: City of Whitehorse Business Survey

7.4 Conclusion

Despite being based upon a small sample of businesses this survey still provides a useful insight into the role and performance of Whitehorse's industrial precincts.

Given that the affordability of properties is a major factor influencing businesses location decisions, it is important that there is a range of building formats, qualities and sizes available to best match the accommodation needs of businesses. This would include the continued supply of older style industrial buildings that may still be functional for particular activities such as automotive services. Similarly, the redevelopment of larger sites for smaller office warehouses may allow a more efficient use of space by businesses.

A positive business outlook is expected to underpin continued demand for industrial properties, resulting in low vacancy rates, continued capital growth and redevelopment of sites for new industrial buildings. This outlook however contrasts with other surveys of business confidence which indicate a sharp fall over the past 12 months².

² Roy Morgan Business Confidence Survey

8. Joseph Street

8.1 Location, Accessibility and Amenity

Location and Access

- Eastern Freeway provides direct access to Melbourne CBD and inner city commercial precincts, as well as to Eastlink and outer eastern industrial areas
- Middleborough Road offers a north-south connection to Whitehorse Road corridor (Box Hill and Mega Mile activity centres, industrial precincts) as well as Lexton Road and Clarice Road industrial precincts.
- Travelling northbound is constrained by heavy traffic during peak hour along Middleborough Road and the absence of a signalised intersection.
- Access along Joseph and Chapman Streets is consistent with local business requirements for light delivery trucks.
- Bus service 279 provides connections to Box Hill and Westfield Doncaster activity centres while bus route 303 provides a peak hour service to/from Ringwood North.
- Koornung Bike Trail provides access for cyclists adjacent to the Eastern Freeway from Burke Road to the west and Springvale Road to the east



Amenity / Sense of Place

- High level of amenity within the precinct reflects the adjacent residential area, parklands at the eastern end of Joseph Street and generally well-maintained properties. Significant office buildings at the eastern end of Joseph Street also contribute to the amenity of the precinct.
- A lack of eateries and other retail facilities within walking distance limits lunchtime activities for workers, although there is a café at the eastern end of Joseph Street.
- A lack of exposure to Middleborough Road limits the precinct's profile although this has not prevented high profile office users such as Ambulance Victoria and Arlec choosing to locate in the precinct.

8.2 Industrial Property Profile:

- Whitehorse's smallest industrial precinct with only 32 lots and a combined area of 8.0 ha (4.3% of total area within the Whitehorse industrial precincts).
- Prevalence of larger lots with 50% over 1,000 sqm compared to only 26% across all precincts.
- Sites are generally fully developed with minimal redevelopment opportunities.

Figure 41: Lot Size Distribution

	0-249 sqm	250- 499 sqm	500- 749 sqm	750- 999 sqm	1,000 - 4,999 sqm	5,000- 9,999 sqm	10,000 sqm +	Total
No. Lots	3	8	5	0	12	2	2	32
% of Total Lots	9.4%	25.0%	15.6%	0.0%	37.5%	6.3%	6.3%	100%
Whitehorse Industrial Precincts	19.0%	25.2%	18.1%	12.0%	20.7%	2.9%	2.1%	100%

Source: DWELP Urban Development Program 2017

- Annual sales and leaseings of properties are limited by the small number of properties within the precinct with an average of one property per year being sold and leased.
- There is a diversity of floor areas available, albeit based upon the small number of leases.

Figure 42: Joseph Street Annual Sales and Leasings (no.)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Annual Average
Sold	0	3	1	1	2	1	3	1	1	3	1.1
Leased	n/a	n/a	n/a	n/a	3	0	0	2	0	1	1.0

Source: REIV, realcommercial.com.au

Figure 43: Leased Industrial Properties – Building Area 2013-2018

	<200 sqm	200-299 sqm	300-399 sqm	400-499 sqm	500-749 sqm	750-1,000 sqm	1,000 sqm+
No. Leasings	1	-	1	1	1	1	1

Source: realcommercial.com.au

8.3 Business Mix

- Professional, scientific and technical services are prevalent, accounting for 21% of businesses compared to only 7% across the combined Whitehorse precincts. Together with a notable absence of automotive services this contributes to the precinct's overall amenity and profile.
- While the precinct has attracted a number of corporate head office activities (Arlec, Optus and Ambulance Victoria) to occupy the former Hewlett Packard offices, there is also a number of significant manufacturing and wholesaling activities are located within the precinct. These include steel fabricating, packaging supplies and technical equipment supplies.
- Technology related activities such as IT, telecommunications services and environmental consultants have also established in the precinct which further highlights the diverse range of businesses that value Joseph Street's location adjacent to the Eastern Freeway, from which they may service customers across a wider region.

Figure 44: Joseph Street Business Mix

Business Activity	No. Identified Businesses	% of Identified Businesses
Professional, Scientific and Technical Services	8	20.5%
Manufacturing	5	12.8%
Sports and Recreation Activities	4	10.3%
Wholesale Trade	4	10.3%
Construction Services	4	10.3%
Religious Services	3	7.7%
Automotive Repair and Maintenance	2	5.1%
Administrative Services	2	5.1%
Rental, Hiring and Real Estate Services	1	2.6%
Catering Services	1	2.6%
Construction	1	2.6%
Civic, Professional and Other Interest Group Services	1	2.6%
Internet Service Providers, Web Search Portals and Data Processing Services	1	2.6%
Building Cleaning, Pest Control and Other Support Services	1	2.6%
Food and Beverage Services	1	2.6%
Sub Total	39	100.0%
Unidentified	6	
Total	45	

Source: BWEC Land Use Survey

Business Profiles:

	<p>Bigfish was founded in 1999 and has grown to become one of Melbourne’s most successful computer services companies. We are trusted by over 500 customers in Finance, Accounting and Medical industries as well as Small to Medium Enterprises. We are proudly Melbourne based. (bigfishtech.com.au)</p>
	<p>CO2 Australia is Australia’s leading environmental services company and has been delivering projects nation-wide since 2004. We are a wholly Australian-owned environmental consultancy dedicated to providing solutions for our clients that maximise positive outcomes and minimise environmental impacts. (co2australia.com.au)</p>
	<p>Our company has been operating and growing since May 1989 and currently employs around fifty staff. Westwoods also utilises the services of over a hundred trusted subcontractors, as well as maintaining a panel of specialist service suppliers and consultants. Services are provided all across Victoria including Melbourne Metro and provincial areas.</p>
	<p>Electric Cable Duct Systems Pty Ltd (ECD) is a specialist in the designing, manufacture and supply of cable management products for commercial & industrial buildings, school & universities since our establishment in 1979. (ecd.net.au)</p>
	<p>Head Office. Arlec Australia Pty Ltd, founded in 1947, is Australia’s largest privately owned wholesaler of premium electronic and electrical products and accessories. (arlec.com.au)</p>
	<p>Celemetrix provides the Australasian IT and Industry Telecommunications market with leading specialist services designed to ensure the success of network and technology deployments. Celemetrix’s specialist services model provides a range of technical solutions that assist organisations to construct, assure, maintain and optimise the performance of Telecommunications & IT infrastructure - Wireless and Wireline. Delivering services throughout Asia Pacific and customising solutions to tackle the most complex challenges requires us to be ahead of industry technology trends. Our customers include Carriers, Utilities, equipment manufacturers, Government, Systems Integrators, Enterprise, Network Construction Companies and Defence.</p>
	<p>Optus Business Centre (Melbourne East)</p>
	<p>Soundproofing is Megasorber's expertise. Our soundproofing products are engineered, tested and manufactured in Australia with globally sourced materials. Our extensive range of acoustic materials is specially engineered to maximise the materials' performance, complete with design parameters as well as extensive laboratory and field testing.</p>
	<p>International supplier of reflective materials.</p>

8.3.1 Economic Contribution

- Employment grew by 246 workers or 41% over 2011-2016, exceeding that which occurred across metropolitan Melbourne (16.5%) and the City of Whitehorse (12.6%).

- Strong employment growth reflects the movement of a number of larger organisations into the former Hewlett Packard offices over 2012-2013 including Arlec, Ambulance Victoria and Fire Protection Association Australia, resulting in more intensive use of floorspace.
- Together with growth in in ‘healthcare and social assistance’ employment (Ambulance Victoria), there has been a shift away from manufacturing and wholesaling employment towards higher value adding sectors such as ‘information, media and telecommunications’ and ‘professional, scientific and technical services’. This is consistent with industry trends as well as the evolving role of industrial precincts that offer good accessibility and amenity.
- The changing role of industrial areas is also highlighted by increased employment in ‘arts and recreational services’ due to Bounce Trampoline Centre moving into the precinct.

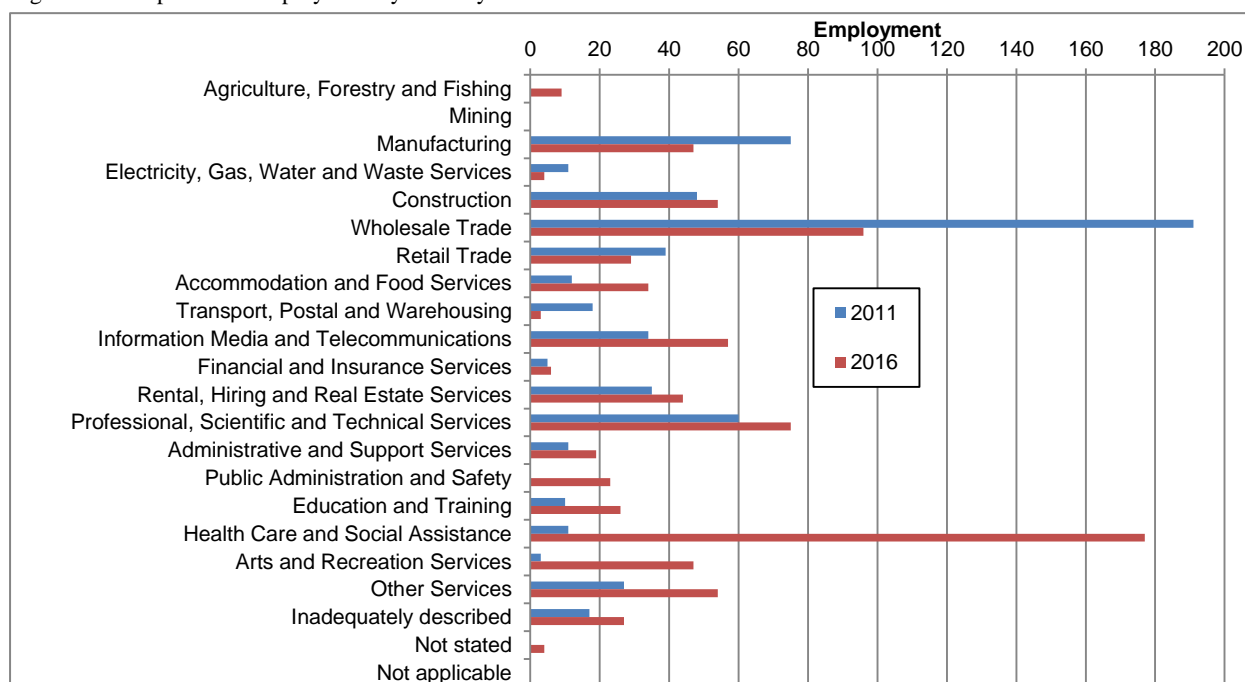
Figure 45: Employment Growth 2011-2016

	2011	2016	Increase (no.)	Increase (%)
Total Employment	600	846	246	41%
Higher Skilled Workers*	206	325	119	58%
Other Workers	394	521	127	32%

Source: ABS Census

*Bachelor Degree or Higher

Figure 46: Joseph Street Employment by Industry 2011 vs. 2016



Source: ABS Census

- Workers are drawn from a slightly wider catchment than the combined precincts with 13.6% of workers living within 5 km compared to 16.2% across all of Whitehorse’s industrial precincts.
- 19% (158) of workers live within the City of Whitehorse which contributes \$8 million per annum to local household income.

Figure 47: Worker Catchment (% of Workers)

Precinct	<2 km	<5 km	<10 km	<15 km	<20 km	Over 20km
Joseph	4.2%	13.6%	28.7%	46.8%	66.0%	100%
Whitehorse Industrial Precincts	4.1%	16.2%	38.0%	56.1%	69.5%	100%

Source: ABS Census

Figure 48: Local Economic Impact

Whitehorse Residents Employed	Average Income (per annum)	Total Income Generated (\$mill)
158	\$50,974	\$8.05 mill

8.4 Strategic Assessment

SWOT Analysis

- Proximity to the Eastern Freeway will continue to be a major attraction for businesses as will the precinct's amenity and profile provided by a number of corporate style businesses.
- Immediate accessibility and exposure from Middleborough Road is limited, which may increasingly impact upon the attractiveness of the precinct as a business location.
- While public transport and retail facilities are limited, to date this has not impacted upon the precinct's performance. Given the relatively small size of the precinct, additional eateries are unlikely to be supported.
- In the event that current office users relocated from Joseph Street, there is the potential for long-term vacancies given that the precinct is not a recognised office location.

Development Opportunities

- A small number of sites may represent potential redevelopment opportunities given minimal building improvements.

Strategic Direction

- Joseph Street is expected to continue its role as an industrial / office precinct that leverages off its proximity to the Eastern Freeway. This may be reinforced through the redevelopment of selected sites for more intensive industrial / office uses. Given its size and limited range of accommodation options the precinct will continue to fulfil a niche role.

Recommendations

- Investigate opportunities with Vicroads for the installation of traffic lights at Middleborough Road to improve access into and from the precinct.
- Support appropriate redevelopment of sites for more intensive commercial / industrial uses.
- Promote Joseph Street as a commercial / industrial location focused upon higher value adding activities that contribute to the profile and amenity of the precinct.

9. Lexton Road

9.1 Location, Accessibility and Amenity

Location and Access

- Located approximately 1.5 km south of the Eastern Freeway (and Joseph Street industrial precinct) along Middleborough Road.
- Lack of exposure to Middleborough Road limits ability to establish a profile and general awareness.
- Unlike Joseph Street, the intersection with Middleborough road is signalised which enhances accessibility into and from the precinct.
 - Middleborough Road offers a north-south connection to the Whitehorse Road corridor (Box Hill and Mega Mile activity centres, industrial precincts) as well as Joseph Street and Middleborough/Clarice Road industrial precincts.
- Accessibility within the precinct is generally adequate for the types of businesses located there, which would generally not require heavy vehicle access.
- Bus service 279 provides connections to Box Hill and Westfield Doncaster activity centres while bus route 303 provides a peak hour service from / to Ringwood North.



Amenity / Sense of Place

- Amenity is consistent with that of a post-war industrial estate with the majority of buildings constructed during the 1950s/60s.
- The level of amenity is considered adequate for the light industrial activities that characterise the precinct, particularly given a number of street trees. It is expected that any future redevelopment of sites could incorporate landscaping to further improve the precinct's amenity.
- Lack of exposure to Middleborough Road may limit precinct's overall profile and business mix.

9.2 Industrial Property Profile

- Lexton Road is Whitehorse's second smallest precinct with a total of 90 lots and a combined area of 9.2 ha representing 5% of total land area across Whitehorse's industrial precincts.
- The availability of properties for sale has averaged only 2.3 sales per annum over the past decade, with an average of two properties per annum available for lease over the past six years. Currently there is only one property available for lease, which represents a vacancy rate of only 1%.

Figure 49: Lot Size Distribution

	0-249 sqm	250- 499 sqm	500- 749 sqm	750- 999 sqm	1,000 - 4,999 sqm	5,000- 9,999 sqm	10,000 sqm +	Total
No. Lots	20	32	10	1	26	1	0	90
% of Total Lots	22.2%	35.6%	11.1%	1.1%	28.9%	1.1%	0.0%	100.0%
Whitehorse Industrial Precincts	19.0%	25.2%	18.1%	12.0%	20.7%	2.9%	2.1%	100%

Source: DWELP Urban Development Program 2017

Figure 50: Annual Property Sales and Leasings (no.)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Annual Average
Sold	3	3	4	1	2	1	5	1	1	2	2.3
Leased	n/a	n/a	n/a	n/a	2	1	4	1	0	4	2.0

Source: REIV, realcommercial.com.au

Figure 51: Leased Industrial Properties – Building Area 2013-2018

	<200 sqm	200-299 sqm	300-399 sqm	400-499 sqm	500-749 sqm	750-1,000 sqm	1,000 sqm+
No. Leasings	1	4	1	3	2	0	1

Source: realcommercial.com.au

9.3 Business Mix







- Business mix reflects the availability of smaller properties that provide suitable accommodation for automotive repair and maintenance services, construction services and smaller scale wholesaling which together account for 53% of businesses. The availability of larger sites also allows more substantial wholesalers such as Cooldrive to be accommodated on a site of 7,200 sqm.
- Manufacturing is not significant within the precinct with only two businesses.
- Despite the precincts relatively low profile there are a number of long-established businesses with a significant market presence including Cooldrive which is a leading distributor of automotive parts, and Pinpak which is a major manufacturer and distributor of plastic bags and films.
- New generation businesses include Melbourne Mail Management being a multi-platform communications service provider, while Cortrols Temperature Systems is a long-established building services provider adopting new technologies.

Figure 52: Lexton Road Business Mix

Business Activity	No. Identified Businesses	% of Identified Businesses
Automotive Repair and Maintenance	14	23.3%
Wholesale Trade	9	15.0%
Construction Services	9	15.0%
Sports and Recreation Activities	4	6.7%
Professional, Scientific and Technical Services	3	5.0%
Retail Trade	3	5.0%
Warehousing and Storage Services	3	5.0%
Development Site	3	3.3%
Road Transport	2	3.3%
Manufacturing	2	3.3%
Construction	2	3.3%
Road Transport	1	1.7%
Religious Services	1	1.7%
Laundry and Dry-Cleaning Services	1	1.7%
Repair and Maintenance	1	1.7%
Food and Beverage Services	1	1.7%
Motor Vehicle Parts and Tyre Retailing	1	1.7%
Printing	1	1.7%
Sub Total	60	100.0%

Business Activity	No. Identified Businesses	% of Identified Businesses
Unidentified	38	
Total	98	

Business Profiles

	<p>We use the latest technologies to deliver personalised and relevant communication across both print and digital channels. Services include: campaign planning & management, data services, content & asset management, multichannel delivery, workflow automation & integration.</p>
	<p>Tax Accountants</p>
	<p>CoolDrive Auto Parts is Australasia’s Premier Trade Supplier of Automotive Aftermarket Parts. Operating from branches in all Australian states, with distributors in New Zealand, CoolDrive Auto Parts was established in 1977 and now employs about 470 staff in Australia and New Zealand. (cooldrive.com.au)</p>
	<p>Cortrols Temperature Systems has been delivering imaginative and innovative service to the HVAC industry since 1980. With over 40 years’ experience and thousands of projects successfully completed throughout Australia, we get to the core of optimising Building Management Systems. (cortrols.com.au)</p>
	<p>Pinpak-Grayson (incorporating Warehouse Wrappings) is a family business with over 28 years experience (Est. 1987), dedicated to working with, and for our customers Australia wide. Pinpak specialise in the fastest turnaround of made to order plain and printed plastic bags and films on the planet. (pinpak.com.au)</p>
	<p>SES Lighting has more than 30 years experience in the manufacture, installation and maintenance of Tennis, Sports, Commercial & Carpark lighting. Our Company services domestic and overseas clientele directly, or via our network of national distributors. (seslighting.com.au)</p>

9.4 Economic Contribution

- Employment has increased at above the metropolitan rate, growing by 22% from 451 to 552 workers over 2011-2016.
- Higher skilled workers have accounted for the majority (77%) of this increase with employment within this group increasing by 79%. Employment across other workers also increased, albeit much lower, by 7%.
- Employment trends reflect a shift away from manufacturing, and to a lesser extent wholesaling, to ‘professional, scientific and technical services’.

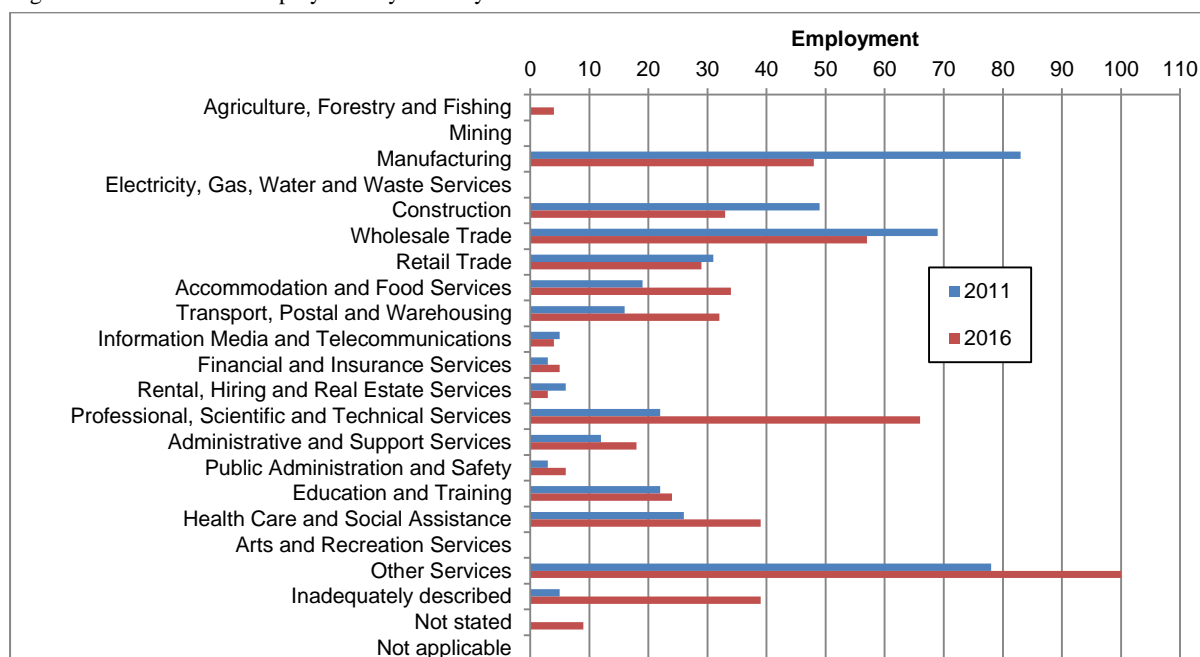
Figure 53: Employment Growth 2011-2016

	2011	2016	Increase (no.)	Increase (%)
Total Employment	451	552	101	22%
Higher Skilled Workers*	98	175	77	79%
Other Workers	353	377	24	7%

Source: ABS Census

*Bachelor Degree or Higher

Figure 54: Lexton Road Employment by Industry 2011 vs. 2016



Source: ABS Census

- Lexton attracts a much higher proportion of workers from within the immediate area than other precincts with 23% living within 5km compared to 16% across the combined precincts. However, it is likely that a continued shift to higher skilled occupations will result in workers being drawn from a wider area.
- 218 workers, or 39% of the total workers in the precinct, live within the City of Whitehorse which is notably higher than for the Joseph Street precinct (19%) located a short distance to the north but with a greater focus upon office activities.
- Income generated for these Whitehorse residents is estimated to be \$10.2 million which is 27% higher than the higher profile Joseph Street precinct.

Figure 55: Worker Catchment (% of Workers) 2016

Precinct	<2 km	<5 km	<10 km	<15 km	<20 km	Over 20km
Lexton Road	8.9%	22.9%	49.0%	64.3%	80.0%	100%
Whitehorse Industrial Precincts	4.1%	16.2%	38.0%	56.1%	69.5%	100%

Source: ABS Census

Figure 56: Local Economic Impact 2016

Whitehorse Residents Employed	Average Income (per annum)	Total Income Generated (\$mill)
218	\$46,633	\$10.2 mill

Source: ABS Census

9.5 Strategic Assessment

SWOT Analysis

- Absence of industrial areas north of the Eastern Freeway provides the opportunity to provide industrial services to residents and businesses within that area.
- Proximity to Eastern Freeway offers the opportunity to attract higher value adding businesses servicing a wider regional market (similar to Joseph Street) however this will be limited by the precinct's existing amenity.
- Significant number of larger sites with relatively little value attributable to building improvements, offer the opportunity for redevelopment, thereby allowing the amenity of the precinct to be improved.
- More intensive development will require the provision of on-site car parking to ensure the availability of casual on-street parking, otherwise the overall performance of the precinct may be impacted.
- Automotive services will be expected to dominate the precinct given the financial capacity of these uses to afford rents ahead of alternative industrial activities

Development Opportunities

- A significant number of properties developed during the 1950s and 1960s represent potential redevelopment opportunities. Some larger properties offer the potential to support much higher employment activity.

Strategic Direction

- Lexton Road will primarily remain a light industrial precinct but with the opportunity for some more intensive development such as high-tech office warehouses and potentially dedicated offices that leverage off its proximity to the Eastern Freeway similar to Joseph Street.

Recommendations

- Support the redevelopment of sites for more intensive commercial / industrial uses subject to adequate provision of off-street car parking.
- Support the redevelopment of larger sites with the capacity to incorporate on-site parking for more intensive employment uses.
- Encourage the relocation of less intensive uses such as self-storage to larger industrial precincts such as Blackburn.

10. Blackburn

10.1 Location, Accessibility and Amenity

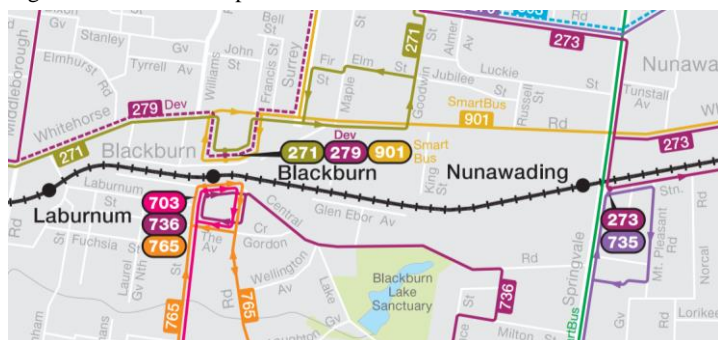
Location and Access

- Precinct is located between the Megamile Activity Centre and the railway line to the south, both of which limit its exposure while the railway line also limits accessibility.
- Road infrastructure is good with Whitehorse Road providing an east-west connection while access from the Eastern Freeway is via Springvale Road or Surrey Road. Eastlink may be accessed approximately 4km to the east along Whitehorse Road. Springvale Road also provides a north-south connection to major employment areas including the Tally Ho Business Park and the Monash Technology Precinct



- Excellent public transport services are available as the precinct is located between the Blackburn and Nunawading railway stations with the former also being a hub for a significant number of connecting bus services.

Figure 57: Public Transport Services



- Accessibility within the precinct varies with the width of roads noticeably less within the eastern portion of the precinct (Cottage, George and Mary Streets). Similarly, many streets are ‘no through roads’ which limits the movement of vehicles through the precinct.
- The availability of on-street car parking is somewhat limited in most streets which may limit the opportunity for more intensive employment uses. This may however be addressed through the redevelopment of sites for contemporary industrial accommodation that incorporates on-site parking.

Amenity / Sense of Place

- The Blackburn Activity Centre offers access to a number of eateries but is beyond convenient walking distance for much of the industrial precinct. Similarly, food outlets around Springvale Road are also inconvenient for workers during lunchtimes. The Mega Mile Activity Centre does not offer any eateries or retailing facilities other than bulky good retailing.
- While the precinct's location behind the Mega Mile Activity Centre provides a level of amenity for the precinct, it also prevents it from establishing its own profile due to a lack of exposure to Whitehorse Road. As a result, there is likely to be a general unawareness of the precinct and the businesses within it.
- Despite the age of the precinct, it mostly offers a contemporary form of industrial development with relatively wide streets, generous building setbacks and a significant number of street trees which contributes to its overall amenity. Cottage, George and Mary Streets are however characterised by narrower streets, smaller lots and more intensive older style industrial development with lesser building setbacks which impact negatively upon amenity. The overall quality and maintenance of buildings is generally of a high standard throughout the precinct

10.2 Industrial Property Profile:

- Lot sizes are generally consistent with that of the combined precincts with a variety of smaller, medium and larger sites that may accommodate a diverse range of activities.
- A vacancy rate of 2.4% suggests a slightly tight leasing market with adequate demand for the mix of available properties.

Figure 58: Lot Size Distribution

	0-249 sqm	250- 499 sqm	500- 749 sqm	750- 999 sqm	1,000 - 4,999 sqm	5,000- 9,999 sqm	10,000 sqm +	Total
No. Lots	28	85	52	53	48	5	1	272
% of Total Lots	10.3%	31.3%	19.1%	19.5%	17.6%	1.8%	0.4%	100%
Whitehorse Industrial Precincts	19.0%	25.2%	18.1%	12.0%	20.7%	2.9%	2.1%	100%

Source: DWELP Urban Development Program 2017

- Property sales average 12 properties per annum while leaseings average 11 properties per annum. This relatively high number reflects the overall number of properties within the precinct.
- Building areas for leased properties have been well distributed across all size ranges which will provide broad appeal for small and medium sized businesses.

Figure 59: Annual Property Sales and Leaseings (no.)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Annual Average
Sold	10	15	13	11	15	16	13	11	13	7	12.4
Leased					12	6	11	10	12	13	10.7

Source: REIV, realcommercial.com.au

Figure 60: Leased Industrial Properties – Building Area 2013-2018

	<200 sqm	200-299 sqm	300-399 sqm	400-499 sqm	500-749 sqm	750-1,000 sqm	1,000 sqm+
No. Leaseings	4.8%	1.6%	9.7%	29.0%	32.3%	11.3%	11.3%

Source: realcommercial.com.au

10.3 Business Mix

- The precinct’s business mix is largely focused upon traditional industrial activities with automotive services, wholesale trade and manufacturing accounting for 65% of identified businesses compared to 45% of businesses across Whitehorse’s combined precincts.
- ‘Professional, scientific and technical services’ businesses are notably absent from the precinct which may reflect a limited number of contemporary smaller-scale office warehouse development to accommodate such activities.



Figure 61: Business Mix

Business Activity	No. Identified Businesses	% of Identified Businesses
Automotive Repair and Maintenance	40	27.2%
Wholesale Trade	29	19.7%
Manufacturing	27	18.4%
Retail Trade	18	12.2%
Construction Services	11	7.5%
Construction	5	3.4%
Sports and Recreation Activities	4	2.7%
Printing	3	2.0%
Road Transport	2	1.4%
Warehousing and Storage Services	2	1.4%
Laundry and Dry-Cleaning Services	1	0.7%
Catering Services	1	0.7%
Adult, Community and Other Education	1	0.7%
Allied Health Services	1	0.7%
Motion Picture and Sound Recording Activities	1	0.7%
Other Personal Services	1	0.7%
Sub Total	147	100%
Unidentified	101	
Total	248	

Business Profiles:



Air-Met Scientific provides a range of sales and leasing, integrated systems, service and maintenance and equipment rental to a wide range of occupational health, safety and environmental monitoring equipment. Products include portable and fixed gas detectors, dust and aerosol monitors, sound and noise monitors, groundwater and soil sampling equipment, radiation monitors, heat stress monitors, indoor air quality monitors, air sampling equipment, water quality equipment, surface & dermal sampling equipment and weather monitors.

	<p>CryoLogic is an Australian company dedicated to providing innovative solutions to Instrumentation, Measurement and Control problems in Medical, Veterinary and Biological Sciences. Its goal is to deliver functional, reliable, and affordable equipment. CryoLogic provides a customisation service, develops new products in consultation with clients, and undertakes research and development.</p>
	<p>Teletech is a well-established, Australian company supplying a unique range of telephone cable instruments to the Australian and global markets since 1984. We design, manufacture and service all our products. These products are supported by strong patents held in 18 major countries and are backed by worldwide strategic alliances. Our manufacturing and services standards are high as reflected in our quality certification. Teletech continues to innovate in telecommunication testing through Research and Development with our skilled engineers and designers.</p>
	<p>Mérieux NutriSciences is dedicated to protecting consumers' health throughout the world, by delivering a wide range of test and consultancy services to the food and nutrition industries. In addition, we also serve companies in the water and environment, agrochemical, consumer goods, pharmaceutical and cosmetics sectors.</p>

10.4 Economic Contribution

- Employment within the precinct, including adjacent bulky goods retailers on the southern side of Whitehorse Road, grew marginally by 2.5% over 2011-2016 from 3,693 to 3,787.
- Declining employment across manufacturing, wholesaling, information media and telecommunications has been offset by increases in a diverse range of other activities including construction, health care and social assistance, accommodation and food services, and rental, hiring and real estate services.
- The above shift in industry employment has been reflected in the strong growth in employment of higher skilled workers by 30% over 2011-2016 compared to a 6.4% contraction in employment of other workers.

Figure 62: Employment Growth 2011-2016

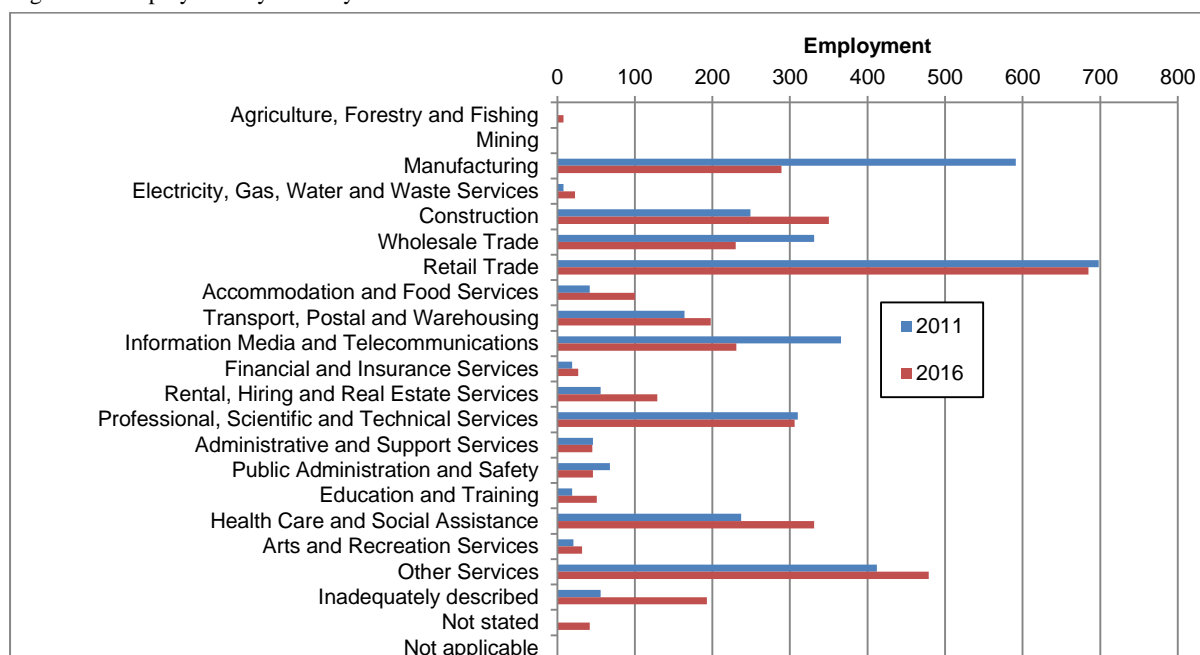
	2011	2016	Increase (no.)	Increase (%)
Total Employment*	3,693	3,787	94	2.5%
Higher Skilled Workers**	910	1,181	271	29.8%
Other Workers	2,783	2,606	-177	-6.4%

Source: ABS Census

*Includes bulky goods precinct on southern side of Whitehorse Road.

**Bachelor Degree or Higher

Figure 63: Employment by Industry 2011 vs. 2016



Source: ABS Census

- The distance travelled by workers is similar to that of the combined industrial precincts. The proportion of workers residing within the City of Whitehorse at 18.8% is slightly below that of the combined precincts (21%) which may partly reflect the opportunity for workers to travel by public transport from outside the City of Whitehorse.
- 709 Whitehorse residents are employed within the precinct with estimated gross earnings of \$37.5 million in 2016.

Figure 64: Worker Catchment (% of Workers) 2016

Precinct	<2 km	<5 km	<10 km	<15 km	<20 km	Over 20km
Blackburn	2.8%	15.2%	37.1%	55.0%	68.6%	100%
Whitehorse Industrial Precincts	4.1%	16.2%	38.0%	56.1%	69.5%	100%

Source: ABS Census

Figure 65: Local Economic Impact 2016

Whitehorse Residents Employed	Average Income (per annum)	Total Income Generated (\$mill)
709	\$52,845	\$37.5 mill

Source: ABS Census

10.5 Strategic Assessment

SWOT Analysis

- Location adjacent to the Mega Mile Activity Centre limits the precinct from gaining exposure to Maroondah Highway which may discourage corporate style office development.
- Accessibility to public transport offers the opportunity for more intensive employment uses although there is no significant evidence of this occurring to date.
- Overall scale of the precinct offers the opportunity for a number of sub-precincts that may become the focus of particular activities depending upon the availability of development opportunities that may act as a catalyst for change.
- Blackburn accounts for a significant proportion of older industrial properties across the combined precincts, which offers affordable accommodation.
- Older properties however also offer the potential for redevelopment resulting in increased the supply of contemporary industrial accommodation with on-site car parking.

Development Opportunities

- 46 properties are identified by Council's Rates Database as having building improvements of no additional value and typical site areas of 500-2,000 sqm.

Strategic Direction

- The Blackburn Industrial Precinct offers the opportunity for an increasing focus upon higher value adding activities while maintaining its role as a location for light industrial activities. The redevelopment of sites to provide more contemporary office / industrial accommodation that includes on-site parking will play a key role in facilitating increased employment. This direction for the precinct will enable it to leverage off its proximity to public transport and the Mega Mile Activity Centre.

Recommendations

- Encourage the redevelopment of sites to increase the diversity of employment opportunities within the precinct.

11. Cook Road

11.1 Location, Accessibility and Amenity

Location and Access

- Whitehorse Road location approximately 1 km west of Eastlink offers a high level of accessibility and exposure.
- Cook Road and Cochrane Street provide a north-south linkage through the precinct which also acts to integrate the industrial (IN1Z and IN3Z) areas with the peripheral sales (C2Z) activities fronting Whitehorse Road.
- As local residential streets Cook Road and Cochrane Street offer limited vehicular access but would meet the needs of most businesses. Monomeeth Drive is notably wider and better able to accommodate larger vehicles that the more traditional industrial businesses within it may require.
- Location is midway between Mitcham and Heatherdale railway stations being approximately 1 km from each with Mitcham station also being a hub for eight bus services

Amenity / Sense of Place

- Cook Road’s interface with the adjacent residential area combined with new office warehouse development provides a very high level of amenity.
- Provision of off-street parking within new developments also contributes to the precinct’s accessibility and amenity.
- Amenity of the older industrial areas of Cochrane Street and Monomeeth Drive are similarly quite high with most properties being well maintained with generous building setbacks to allow off street parking to be provided.
- Precinct’s streetscape benefits also from a generous number of street trees as well as landscaping of individual properties.
- Mitcham Activity Centre (approximately 800 metres west) offers a wide range of eateries and retailing. The Ringwood Metropolitan Activity Centre located approximately 1.5 km to the east also offers a range of higher order retailing and services.



11.2 Industrial Property Profile:

- Current Urban Development Program (2017) data predates recent office warehouse developments at 23 and 25-39 Cook Road and 8-10 Monomeeth Drive, all of which consist of smaller building areas. Including these lots would result in a higher proportion being of less than 250 sqm.
- Compared to other precincts, Cook Road has a notably greater proportion of both smaller and larger lots with significantly less availability of mid-range sites of the 250-499 sqm and 500-749 sqm.

Figure 66: Lot Size Distribution (IN1Z and IN2Z)

	0-249 sqm	250- 499 sqm	500- 749 sqm	750- 999 sqm	1,000 - 4,999 sqm	5,000- 9,999 sqm	10,000 sqm +	Total
No. Lots	23	13	4	10	25	4	3	82
% of Total Lots	28.0%	15.9%	4.9%	12.2%	30.5%	4.9%	3.7%	100%
Whitehorse Industrial Precincts	19.0%	25.2%	18.1%	12.0%	20.7%	2.9%	2.1%	100%

Source: DWELP Urban Development Program 2017

- Market activity has largely reflected the sale and leasing of new developments and therefore may not be indicative of future levels.
- Given the extent of recent development relative to the total number of properties within the precinct, it is expected that the accommodation needs of businesses will be better met in the future.
- Smaller floorareas are generally consistent with the requirements of smaller industrial services that are typically driving the revitalisation of many middle suburban industrial precincts.

Figure 67: Annual Property Sales and Leasings (no.)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Annual Average
Sold	1	7	19	21	11	16	13	12	8	6	11.4
Leased	n/a	n/a	n/a	n/a	5	5	8	3	3	15	6.5

Source: REIV, realcommercial.com.au

Figure 68: Leased Industrial Properties – Building Area 2013-2018

	<200 sqm	200-299 sqm	300-399 sqm	400-499 sqm	500-749 sqm	750-1,000 sqm	1,000 sqm+
No. Leasings	2	5	1	4	2		2

Source: realcommercial.com.au

11.3 Business Mix

- Wholesaling accounts for the largest number of businesses with the majority of these located in newer office warehouses at the northern end of Cooks Road. However these additional small scale wholesalers have not offset a decline in overall wholesaling employment.
- Retail trade is also significant given the peripheral sales retailers located the Whitehorse Road. Construction and construction services, if combined, would represent the largest sector with 29% of businesses with many of the businesses in this sector located in new office warehouse developments in Cook Road. Professional, scientific and technical services businesses are relatively few given the absence of dedicated offices within the precinct.

Figure 69: Business Mix

Business Activity	No. Identified Businesses	% of Identified Businesses
Wholesale Trade	18	20.2%
Retail Trade	15	16.9%
Construction Services	13	14.6%
Construction	13	14.6%
Automotive Repair and Maintenance	7	7.9%
Manufacturing	6	6.7%
Sports and Recreation Activities	5	5.6%
Professional, Scientific and Technical Services	3	3.4%
Motion Picture and Sound Recording Activities	2	2.2%
Road Transport	1	1.1%
Funeral, Crematorium and Cemetery Services	1	1.1%
Social Assistance Services	1	1.1%
Building Cleaning, Pest Control and Other Support Services	1	1.1%
Rental and Hiring Services (except Real Estate)	1	1.1%
Public Order, Safety and Regulatory Services	1	1.1%
Motor Vehicle Parts and Tyre Retailing	1	1.1%
Sub Total	89	100%
Unidentified	114	
Total	203	

Business Profiles:

BCF Ultrasound is a leading veterinary ultrasound supplier in Australia and New Zealand. In addition to being a veterinary ultrasound supplier, we take an active role in providing top quality educational resources. As a result, we ensure our clients have the best opportunity to develop their skills and confidence. Above all, education is the key to getting the best return on investment from your ultrasound equipment. We offer clinical learning resources, product resources and technical resources online. Furthermore, we support and host practical ultrasound workshops and events throughout the year.



Production Audio Video Technology (PAVT) is a proudly Australian-owned and operated company that has distributed professional audio, video, conferencing, and production products for over 30 years, establishing ourselves as a leading AV provider for corporations, small-to- medium business, institutions, public buildings, and live production houses. With a highly skilled technical department delivering design, simulation, measurement, and commissioning services, PAVT can take your project from conception to operation while supplying industry benchmark products that will reliably deliver best-in-class results.



EMYTE AUSTRALIA PTY LTD is a professional brand for fluid connection components. It is situated in Melbourne, Australia, and its manufacturing plant is based in Shanghai, China. Emyte designs, manufactures and sells a variety of products in different standards and materials, including compression fitting, welding fittings, adapters, hose fittings, clamps, quick release coupling, ball valves, check valves, hoses and other related products. With

excellent manufacturing standards and continuous development of innovative products, Emyte has met the diverse needs of our customers and won their solid trust over the years. Emyte products are widely used in engineering, oil, marine, steel, power, paper manufacturing, pulp, mining and other industries.



MLCS provide a comprehensive range of high quality sheet metal fabrication solutions. We can also utilize our trusted partnerships with local businesses to provide finishing services such as Powder Coating, Zinc Plating, E-Coating & other specialized services. MLCS specialize in Stainless Steel fabrication and recognize the importance of high quality machinery, tooling & workmanship to produce a quality product. We also stock a range of Corten weathering steel for cladding, shop fitting, and decorative screening. View our Services Page to see exactly what MLCS can offer you & browse through our Gallery to view some of the wide range of products we have developed & manufactured.



Metromatics specialises in ruggedised electronic components and products with a focus on design and manufacture of ruggedised MIL-Spec racks and Sunlight readable outdoor LCD digital signage technologies and screens. Metromatics strives to be world leaders in providing rugged electronic product solutions to industry and defence.



Pacific Broadcast are a global broadcast facilities company that offer the best in outside broadcast, remote broadcast, RF links, specialty cameras and streaming services. Our head office is in Australia, but we have equipment situated strategically throughout the world.

11.4 Economic Contribution

- Employment data is based upon ABS Transport Destination Zones which extend westwards to Mitcham Road. As a result, any employment changes may also be due to changes occurring outside the Cook Road industrial precinct. Employment data for this precinct should therefore only be relied upon as a guide.



- Total employment increased by 17.2% over 2011-2016 across the wider area with the redevelopment of larger industrial sites at the northern end of Cook Road for smaller office warehouses likely to have been major contributor. These sites were previously occupied by manufacturing activities (Teson Trims and Forgecast) which ceased trading.
- While the number of higher skilled workers within the wider employment area has increased, the nature of new businesses in the new Cook Road office warehouses do not indicate that this is necessarily the source of this growth.
- Manufacturing and wholesale trade employment declined over 2011-2016 however this has been largely offset by growth in employment in the construction sector. Growth in health care and social assistance is however most likely to have occurred outside the precinct, closer to the Mitcham Activity Centre.

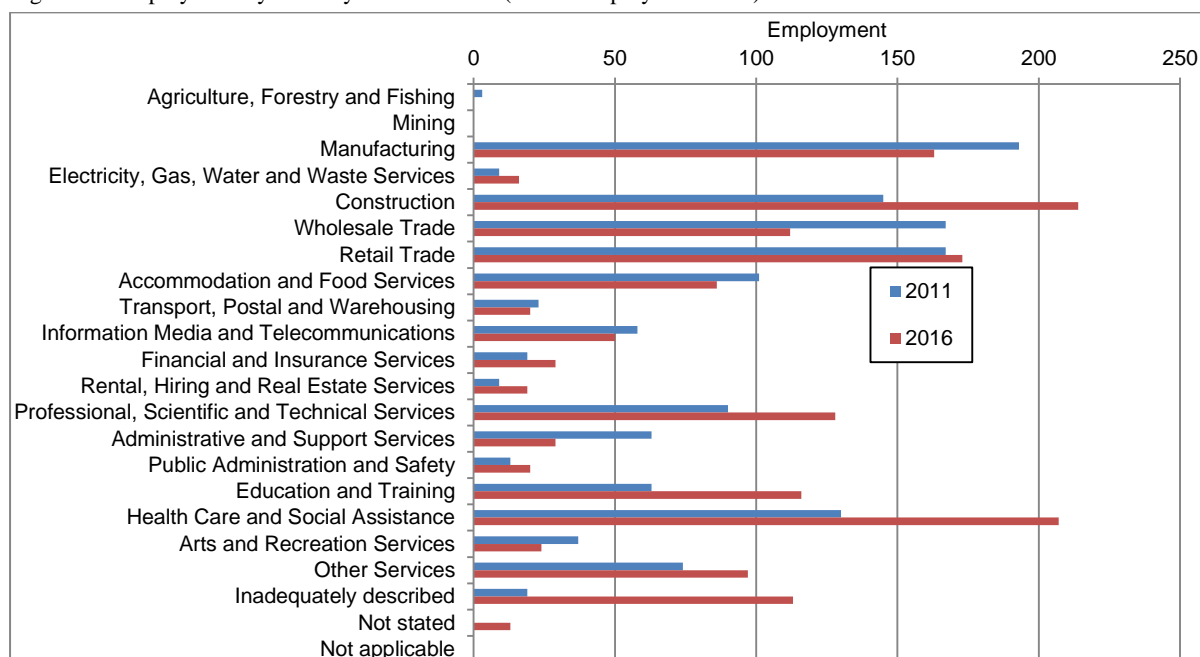
Figure 70: Employment Growth 2011-2016 (Wider Employment Area)

	2011	2016	Increase (no.)	Increase (%)
Total Employment	1,389	1,628	239	17.2%
Higher Skilled Workers*	321	492	171	53.3%
Other Workers	1,068	1,136	68	6.4%

Source: ABS Census

*Bachelor Degree or Higher

Figure 71: Employment by Industry 2011 vs. 2016 (Wider Employment Area)



Source: ABS Census

- The distance from which the precinct attracts workers is marginally less than the combined industrial areas while the proportion of workers living within the City of Whitehorse in 2016 (20.7%) being consistent with that of the combined areas (21.0%).
- A total of 336 Whitehorse residents were employed within the wider employment area in 2016, generating an estimated \$15.7 million in household income.

Figure 72: Worker Catchment (% of Workers) 2016

Precinct	<2 km	<5 km	<10 km	<15 km	<20 km	Over 20km
Cook Road	6.0%	16.0%	43.3%	61.6%	72.4%	100%
Whitehorse Industrial Precincts	4.1%	16.2%	38.0%	56.1%	69.5%	100%

Source: ABS Census

Figure 73: Local Economic Impact 2016

Whitehorse Residents Employed	Average Income (per annum)	Total Income Generated (\$mill)
336	\$46,678	\$15.7 million

Source: ABS Census

11.5 Strategic Assessment

SWOT Analysis

- Proximity to Eastlink supports demand for service orientated businesses such as construction services that typically travel to customers.
- Recent developments at the northern end of Cook Road have expanded the accommodation options available to potential new small businesses, as well as provide a catalyst for further development.
- Exposure to the Maroondah Highway together with the peripheral sales precinct along it supports the precinct's profile
- A relatively high level of street amenity offers the opportunity for high-tech office warehouses and potentially small scale office development.

Development Opportunities

- Monomeeth Drive offers a number of older (but still functional) properties that may be potentially redevelopment as has recently occurred at 8-10 Monomeeth Drive.
- Some larger sites may be potentially amalgamated to improve accessibility and development opportunities.

Strategic Direction

- The Cook Road precinct is expected to experience ongoing renewal with the opportunity to attract higher value adding activities that take advantage of the precinct's proximity to Eastlink and its relatively high amenity.
- Showroom activities will continue to play a key role in maintaining the precinct's profile and benefits associated with its Maroondah Highway frontage.

Recommendations

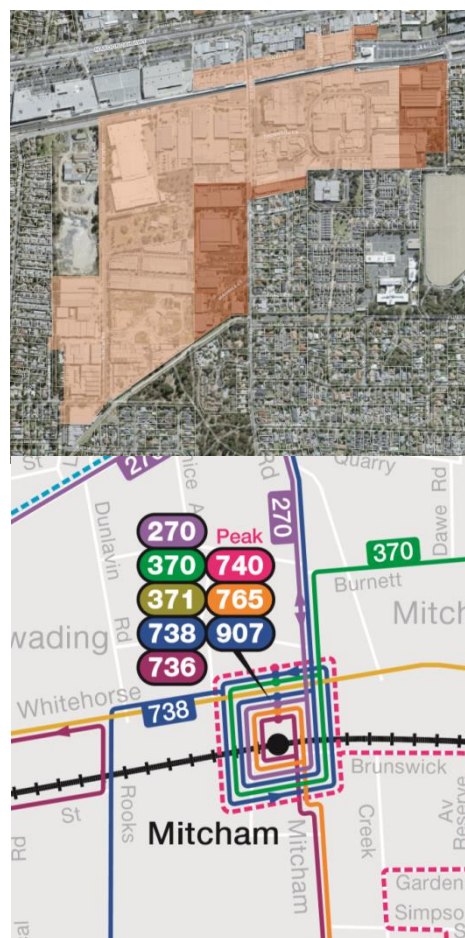
- Monitor the occupancy of recent developments in Cook Road to determine the extent of demand for smaller office warehouses.
- Support the showroom precinct fronting Maroondah Highway to support the precinct's profile and amenity.

12. Rooks Road

12.1 Location, Accessibility and Amenity

Location and Access

- Railway line isolates the precinct from Whitehorse Road with Rooks Road being the only access route over the line.
- Despite being a relatively busy road there is no signalised access onto either Rooks Road or Springvale Road from Station Street.
- Rooks Road is a local residential road to the south and generally unsuitable for larger trucks.
- Internal road access is generally adequate for the types of activities within the precinct.
- More intensive office warehouse development along Norcal has generated increased demand for parking which may impact upon the ability of workers and visitors to access the precinct, particular as recent developments become fully occupied.
- On-street parking along Rooks Road is limited which may result in demand spilling over into Thornton Crescent.
- Nunawading and Mitcham railway stations are within 1.2 km of much of the precinct which offers an alternative to driving for some workers. Mitcham station is also a hub for a number of bus routes servicing the surrounding area. However access to Thornton Crescent from Mitcham Station is indirect and therefore may discourage use of public transport.



Amenity / Sense of Place

- Amenity varies within the precinct with Rooks Road having notably high traffic levels, although this also offers higher exposure for businesses. While Thornton Crescent is a typical older style industrial area, it benefits from a grassed nature strip with mature street trees that to some extent soften the impact of the older industrial buildings. Norcal Road benefits from on-site landscaping on the Automotive Brands and Industria Nunawading sites at its northern end.
- Future redevelopment of the former brickworks site (corner Station Street and Norcal Road) for residential uses will also improve the amenity of the northern end of Norcal Road. The southern end of Norcal Road is characterised by a lower level of amenity due to the relatively undeveloped eastern side of the road with no paving along the nature strip and the Crown Coaches site being used as a bus depot.
- Cafes and other eateries are located at the western end of Station Street adjacent to Springvale Road, immediately south of Norcal Road is the Mount Pleasant Road convenience centre, however these locations are not convenient to most businesses.

12.2 Industrial Property Profile:

- Urban Development Program data indicates that the distribution of lot sizes is similar to that across Whitehorse’s eight precincts.

Figure 74: Lot Size Distribution

	0-249 sqm	250- 499 sqm	500- 749 sqm	750- 999 sqm	1,000 - 4,999 sqm	5,000- 9,999 sqm	10,000 sqm +	Total
No. Lots	48	64	57	31	41	8	7	256
% of Total Lots	18.8%	25.0%	22.3%	12.1%	16.0%	3.1%	2.7%	100%
Whitehorse Industrial Precincts	19.0%	25.2%	18.1%	12.0%	20.7%	2.9%	2.1%	100%

Source: DWELP Urban Development Program 2017

- Property sales have increased markedly since 2012 as a result of new industrial estates in Norcal Road. Higher levels are expected to be maintained as properties are resold and other sites redeveloped.
- The number of properties available for lease has also increased as a result of newly constructed office warehouses becoming available. This increased stock of properties within the precinct is expected to result in a higher number of properties available for lease in the future.

Figure 75: Annual Property Sales and Leasings (no.)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Annual Average
Sold	5	5	9	12	13	11	13	18	34	21	14.1
Leased	n/a	n/a	n/a	n/a	3	10	6	8	8	18	8.8

Source: REIV, realcommercial.com.au

- Leases have been dominated by smaller properties under 200 sqm reflecting the size of properties in new developments.

Figure 76: Leased Industrial Properties – Building Area 2013-2018

	<200 sqm	200-299 sqm	300-399 sqm	400-499 sqm	500-749 sqm	750-1,000 sqm	1,000 sqm+
No. Leasings	19	18	5	4	6		1

Source: realcommercial.com.au

12.3 Business Mix




- Business mix closely reflects that of the combined eight precincts, although there is likely to be an increasing number of ‘professional, scientific and technical services’ related activities that are attracted to new office warehouses such as Industria Nunawading in Norcal Road.
- Thornton Crescent is likely to continue to have a focus upon automotive services given the suitability of older style properties for these activities. However offices within the street have also attracted a number of consulting and business services.
- The former Amcor site (corner Rooks Road and Thornton Crescent) with an area of 4.2ha represents a strategically significant development opportunity for a master planned industrial park. This would be expected to attract a range of contemporary businesses offering employment opportunities that match the requirements of local residents.
- While the recently completed Industria Nunawading is largely still unoccupied, the adjacent Eastern Business Centre at 41-49 Norcal Road provides an indication of the mix of businesses occupying contemporary office warehouses. Wholesalers still account for the majority of businesses (21%), followed by automotive services (17%) and construction services (10%) which represent a similar share of

businesses as across the wider precinct. Professional scientific and technical services account for 17% compared to around half this at a precinct level (8.6%).

Figure 77: Business Mix

Business Activity	No. Identified Businesses	% of Identified Businesses
Wholesale Trade	27	21.1%
Automotive Repair and Maintenance	21	16.4%
Construction Services	16	12.5%
Manufacturing	12	9.4%
Professional, Scientific and Technical Services	11	8.6%
Retail Trade	11	8.6%
Construction	6	4.7%
Printing	5	3.9%
Warehousing and Storage Services	4	3.1%
Social Assistance Services	3	2.3%
Road Transport	2	1.6%
Food and Beverage Services	2	1.6%
Other Personal Services	1	0.8%
Laundry and Dry-Cleaning Services	1	0.8%
Sports and Recreation Activities	1	0.8%
Motor Vehicle Parts and Tyre Retailing	1	0.8%
Waste Collection Services	1	0.8%
Religious Services	1	0.8%
Motor Vehicle Retailing	1	0.8%
Postal and Courier Pick-up and Delivery Services	1	0.8%
Sub Total	128	100%
Unidentified	90	
Total	218	

Business Profiles

	<p>Established in 1994. Today over 300 sites across Australia successfully use AIM Software. Our Directors have over fifty years experience in the Aged care industry and continue to drive the innovation and development of AIM Software</p>
	<p>BCA Consulting, formerly Bell, Cochrane & Associates Extractive Industries, is a consulting practice specialising in extractive industry resource assessment and planning for the quarrying and sand extraction industries.</p>
	<p>Engineering People are specialist recruiters. Our forte is Engineering People, hence the name. We are a very unique company and our services to our clients go way beyond what our clients expect. Our recruitment process brings the best out in our engineering, technical and sales candidates. Ask us how we deliver the best candidates and the best service to our clients. Our specialist recruitment services include the recruitment of permanent staff from engineering management to production and specialist trades. We can also provide temporary and contract staff, payroll administration and outsourcing.</p>

	<p>MMH Engineering provide Engineering Design and Consultancy services tailored to suit surface mining and bulk materials handling industries.</p>
	<p>The Loyalty Group is a well-established loyalty marketing company specialising in the development and management of successful Customer Loyalty Programs. Our expertise lies in the design and implementation of loyalty programs, loyalty marketing services, marketing consultancy and customised loyalty program solutions. The Loyalty Group has developed and operates the successful Lucky Buys Reward program, which has become the largest independent small business customer loyalty program in Australia</p>
	<p>Fairmont Marketing is one of the few remaining independently owned and operated electronic component distribution companies in Australia. Founded in 1987 and headquartered in Melbourne, Fairmont Marketing provides value added and flexible supply chain solutions to customers ranging from small operators to some of the largest global OEM's of today.</p>
	<p>Established in Melbourne 1988, HAWK is now the global market leader in innovative level measurement, positioning and flow solutions. HAWK has won several prestigious awards for its breakthrough technologies. HAWK develops and manufactures level measurement equipment based on different technologies such as, Acoustic Wave, Ultrasonic, Microwave and Radar etc. The company has a distinguished record of success in the application of level, positioning and flow measurement technology, and the provision of expert services which range from the provision of instrumentation and technical assistance, through to implementation and ongoing asset management.</p>
	<p>FloLevel Technologies™ has more than 40 years' experience in developing and manufacturing process automation solutions to the mining industry. With a long and in-depth knowledge of the mining process the company has focused on developing level and flow products that can accurately measure small resolution changes in a Flotation Cell.</p>
	<p>Medmont is a manufacturer of medical instruments. All Medmont products are designed, tested and manufactured in house. Like all things of quality they are envisioned by some of the world's top engineers and hand assembled by Medmont's skilled team of craftsmen, hence the commitment to quality and the undeniable accuracy of Medmont products.</p>

12.4 Economic Contribution

- Rooks Road accounts for the second highest number of jobs after the Blackburn industrial precinct, and also recorded the second largest growth in employment after the Redland Estate Precinct over 2011-2016.
- Consistent with other precincts, there has also been a decline in employment in manufacturing and wholesale trade which has been offset by growth in employment in the construction sector and transport, postal and warehousing. The latter most likely reflects the Australia Post depot in Maurice Court becoming increasingly active in parcel deliveries associated with online shopping.
- With the completion of the Industria Nunawading estate at 31-37 Norcal Road employment will continue to grow as buildings become occupied. The likely future redevelopment of sites further to the south will also support employment growth.

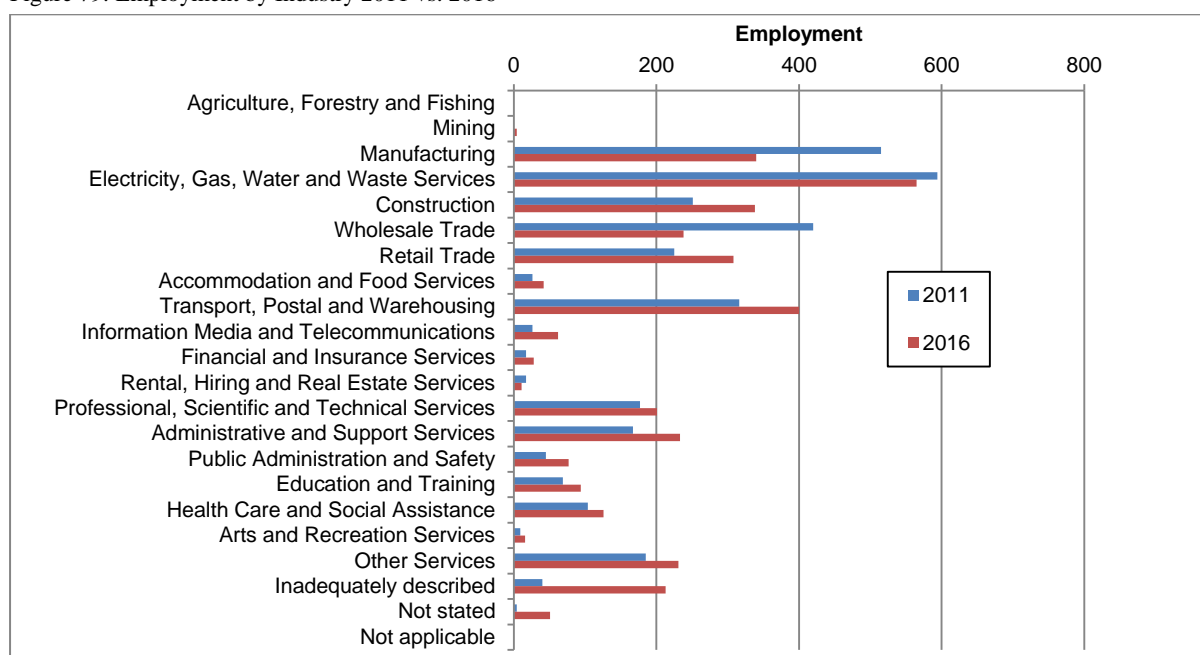
Figure 78: Employment Growth 2011-2016

	2011	2016	Increase (no.)	Increase (%)
Total Employment	3,202	3,590	388	12.1%
Higher Skilled Workers*	735	993	258	35.1%
Other Workers	2,467	2,597	130	5.3%

Source: ABS Census

*Bachelor Degree or Higher

Figure 79: Employment by Industry 2011 vs. 2016



Source: ABS Census

- The distance travelled by workers within the Rooks Road precinct is comparable to that of the combined eight precincts.
- The proportion of workers living within the City of Whitehorse is 21.4% which is also comparable to that of the combined precincts (21%).
- Whitehorse residents working within the precinct earn an average of \$56,007 per annum are the highest recorded across Whitehorse’s industrial precincts. This generates \$43 million per annum in household income for these residents.

Figure 80: Worker Catchment (% of Workers) 2016

Precinct	<2 km	<5 km	<10 km	<15 km	<20 km	Over 20km
Rooks Road	3.5%	15.2%	37.6%	57.8%	68.7%	100%
Whitehorse Industrial Precincts	4.1%	16.2%	38.0%	56.1%	69.5%	100%

Source: ABS Census

Figure 81: Local Economic Impact 2016

Whitehorse Residents Employed	Average Income (per annum)	Total Income Generated (\$mill)
765	\$56,007	\$42.9 mill

Source: ABS Census

12.5 Strategic Assessment

SWOT Analysis

- The precinct lacks exposure to the major arterials which limits both its accessibility and profile.
- Rooks Road may become increasingly congested during peak times as recent developments on Norcal Road become fully occupied and remaining sites developed. This may require a signalised intersection at Station Street and Rooks Road in the future given that it is not possible to turn right to travel north at Springvale Road.
- Despite the provision of car parking within recent developments in Norcal Road, there appears to still be strong demand for on-street parking. This would be expected to increase further as employment in the area increases.
- Future residential development upon the brickworks site on the corner of Station Street and Norcal Road would be expected to improve the amenity of Norcal Road thereby adding to the attraction of the area as well as limit demand for on-street parking.
- Thornton Crescent complements recent developments in Norcal Road through offer more affordable older style industrial properties that are better suited to a range of light industrial activities.

Development Opportunities

- Former Amcor site (corner Rooks Road and Thornton Crescent) represents a key strategic development opportunity given its size (2ha), proximity to Maroondah Highway and Mitcham Station. Potential development options include a contemporary business park comprising a mix of high-tech office warehouses and dedicated offices.
- 26-28 Rooks Road (1,369 sqm) is effectively a vacant site which given its Rooks Road location may support a small office development.
- 51-53 Norcal Road (3 ha) is currently a vacant site proposed for subdivision into 33 lots (City of Whitehorse Planning Register).
- Other large sites are likely to remain under their current use over the short-medium term as underlying demand likely to be firstly met by the above sites.

Strategic Direction

- Rooks Road industrial precinct will continue to offer a diverse mix of industrial properties that cater for a range of traditional and more contemporary industrial / commercial activities. Future demand for industrial properties will be met through the redevelopment of larger sites for smaller office warehouses that meet the needs of a new generation of businesses. Infrastructure provision will need to ensure that growth does not impact accessibility and movement within the precinct.

Recommendations

- Investigate potential traffic issues that may arise as a result of further development within the precinct including the need for signalised access to Rooks Road from Station Street.
- Commence discussion with owners of the former Amcor site to determine longer-term development intentions and the potential for more intensive industrial development upon the site.
- Identify opportunities for more accessible eateries within the precinct. For example, within the proposed brickworks development to service the growing number of workers in Norcal Road.

13. Middleborough / Clarice Road

13.1 Location, Accessibility and Amenity

Location and Access

- Location adjacent to Middleborough Road and Canterbury Roads offers good local connections, but does not offer as convenient access to freeways as some other precincts.
- Central location within the region bounded by the Eastern Freeway, Monash Freeway and Eastlink offers the opportunity to service a large residential catchment which has supported significant retail activity within the precinct.
- Traffic volume along Middleborough Road combined with no service lane reduces accessibility to businesses fronting this road.



Amenity / Sense of Place

- Retailing within the precinct provides a high level of urban amenity for workers and provides a strong profile for the precinct.
- Clarice Road offers a reasonable level of amenity although a nature strip is only provided on the western side of the street. The eastern side of Clarice Road is dominated by cross-overs which impacts negatively upon amenity and pedestrian safety.
- Clarice Road has no building setbacks which impacts upon amenity although the above average quality of some properties may limit this to some extent.
- The Spotlight Centre at the northern end of the precinct offers a number of cafes and takeaway food outlets. Similarly, a small local centre adjacent to the precinct at the southern end also offers a number of food outlets for workers.
- Retailers within the centre are predominantly larger format stores (Bunning, Officeworks, Spotlight, Anaconda) as well as the new Home Consortium centre which limits the retail amenity of the centre.

13.2 Industrial Property Profile:

- Industrial activity is dominated by the Asaleo (Sor bent toilet tissue) manufacturing facility which occupies a 12.5 ha site.
- Asaleo undertook a \$65 million upgrade in 2015, hence this site is unlikely to become available for redevelopment in the foreseeable future.
- Significant sites occupied by retail activities such as the Home Consortium Centre (35,130 sqm), Bunnings (32,560 sqm), and the Spotlight Centre (16,140 sqm).



sqm) are similarly not expected to become available for redevelopment.

- Remaining sites account for a total of only 11.5 ha of industrial zoned land, making this precinct only slightly larger than the Evans / Ireland Street (11.1 ha) and Lexton Road (9.2 ha) in terms of industrial activity.
- The distribution of industrial sites after excluding the Asaleo facility and those occupied by bulky goods retailers highlights a dominance of smaller lots with 41.5% being less than 250 sqm compared to only 19% across the combined industrial precincts.

Figure 82: Lot Size Distribution (Excluding Major Sites)

	0-249 sqm	250- 499 sqm	500- 749 sqm	750- 999 sqm	1,000 - 4,999 sqm	5,000- 9,999 sqm	10,000 sqm +	Total
No. Lots	39	15	20	6	10	3	1	94
% of Total Lots	41.5%	16.0%	21.3%	6.4%	10.6%	3.2%	1.1%	100%
Whitehorse Industrial Precincts	19.0%	25.2%	18.1%	12.0%	20.7%	2.9%	2.1%	100%

Source: DWELP Urban Development Program 2017

- There has been an average of 5 property sales and 7.5 leased per annum which provides a reasonable availability of properties for new businesses seeking to locate within the precinct.

Figure 83: Annual Property Sales and Leasings (no.)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Annual Average
Sold	3	8	5	5	5	5	12	6	1	0	5.0
Leased					5	10	2	6	11	11	7.5

Source: REIV, realcommercial.com.au

- The distribution of building areas for leased properties has favoured properties of less than 300 sqm which is consistent with the size of industrial buildings within the precinct.

Figure 84: Leased Industrial Properties – Building Area 2013-2018

	<200 sqm	200-299 sqm	300-399 sqm	400-499 sqm	500-749 sqm	750-1,000 sqm	1,000 sqm+
No. Leasings	11	15	9	3	3	1	3

Source: realcommercial.com.au





13.3 Business Mix


- Retailing accounts for the largest number of businesses due to the emergence of the precinct as a bulky goods precinct together with a small number of peripheral sales and online retailers.
- There is also an active manufacturing sector with an apparent focus upon wood related activities (i.e. cabinetmaking, guitar manufacturing and furniture making). Given the customised nature of these activities, this level of activity would be expected to be maintained as production is less likely to be relocated offshore.
- Automotive, wholesaling and construction activities also account for a significant number of businesses which is consistent across most smaller industrial locations.

Figure 85: Business Mix

Business Activity	No. Identified Businesses	% of Identified Businesses
Retail Trade	20	21.5%
Manufacturing	15	16.1%
Automotive Repair and Maintenance	14	15.1%
Wholesale Trade	12	12.8%
Sports and Recreation Activities	8	8.6%
Construction Services	8	8.6%
Professional, Scientific and Technical Services	4	4.3%
Construction	3	3.2%
Food and Beverage Services	3	3.2%
Printing and Printing Support Services	2	2.2%
Real Estate Services	1	1.1%
Warehousing and Storage Services	1	1.1%
Adult, Community and Other Education	1	1.1%
Religious Services	1	1.1%
Social Assistance Services	1	1.1%
Sub Total	94	100.0%
Unidentified	74	
Total	168	

Business Profiles:

	<p>Asaleo Care is a leading personal care and hygiene Company that manufactures, markets, distributes and sells essential everyday consumer products across the Feminine, Incontinence and Baby Care, Consumer Tissue and Professional Hygiene product categories.</p>
	<p>Established in 1920, we are an Australian-owned business that has been producing and supplying steam distilled water within Australia. We additionally export overseas for the convenience of our clientele.</p>
	<p>At Colby Furniture, we pride ourselves on meeting your every need for upholstered furniture. In addition to our extensive range, which can be made to your size specifications, we can also reproduce designs just for you. Our Australian manufacturing gives us the flexibility to create or change a style to get it "Just right" for your valued clients. Comfort and quality are as important to us as style and design.</p>
	<p>Compusign Pty Ltd specializes in the design, construction and installation of LED based displays for the traffic control industry. We have an extensive range of high quality traffic management products to suit a wide range of applications and regulations. Our products are designed and manufactured in Australia at our factory in Victoria and service and maintenance is always readily available throughout Australia.</p>



Maton employs more than 70 people and remains 100 percent family owned and operated. The 2003 move to the current premises in Clarice Road in Box Hill required an investment of millions of dollars to make the new factory 'state of the art'. This has been helped by the introduction of locally designed computer programs and high technology that have allowed workers more time to do what they do best – make guitars by hand in a safe, climate-controlled environment.

13.4 Economic Contribution

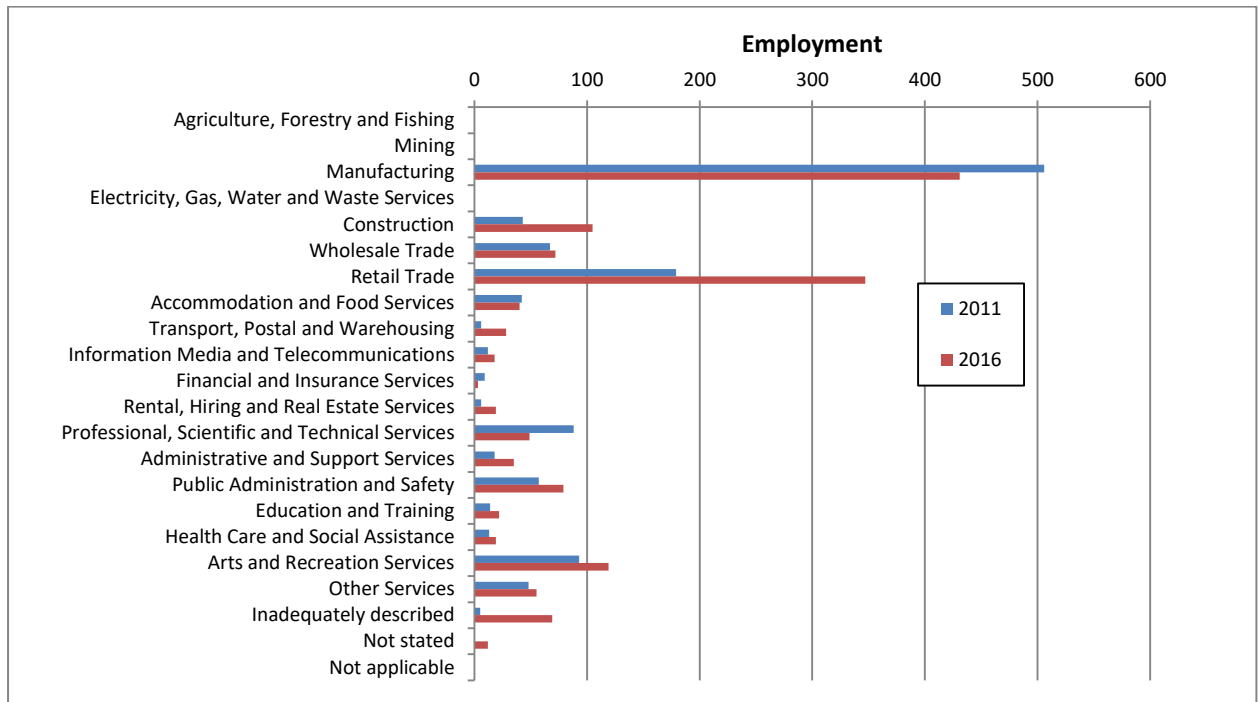
- Employment increased by 337 jobs (28%) over 2011-2016 largely due to growth in the retail (+168) and construction (+62) sectors. Non-retail employment grew by 16% (169 jobs) over the period.
- Manufacturing declined by only 15% compared to 31% for the combined precincts while wholesaling employment increased by 7% which is noticeably better than the 24% decline across all precincts. Construction employment expanded by 144%, well above the combined precinct growth of 51%. Professional, scientific and technical services employment however declined by 44% despite increasing by 18% across the combined precincts.
- Employment of higher skilled workers increased by 56%, noticeably above that of other workers (21%) despite employment in the professional, scientific and technical services sector declining.

Figure 86: Employment Growth 2011-2016

	2011	2016	Increase (no.)	Increase (%)
Total Employment	1,208	1,545	337	27.9%
Higher Skilled Workers*	239	373	134	56.1%
Other Workers	969	1,172	203	20.9%

Source: ABS Census
 *Bachelor Degree or Higher

Figure 87: Employment by Industry 2011 vs. 2016



Source: ABS Census

- Workers travel a lesser distance than the combined precincts with 21.5% living within 5km compared to 16.2%.
- 26.6% of the precinct’s workforce (409 workers) lived within the City of Whitehorse in 2016, being the second highest percentage after Lexton Road and notably higher than 21% for the combined precincts. This reflects the higher proportion of total employment accounted for by the retail sector where employment opportunities are generally more likely to be available close to where workers live.
- Estimated average income at \$44,929 is the lowest of the eight precincts and 14% below the combined precincts (\$52, 033) reflecting generally lower incomes within the retail sector.
- The precinct’s contribution to household income within the City of Whitehorse is estimated to be \$18.4 million.

Figure 88: Worker Catchment (% of Workers) 2016

Precinct	<2 km	<5 km	<10 km	<15 km	<20 km	Over 20km
Middleborough / Clarice Road	4.7%	21.5%	42.7%	57.8%	72.1%	100%
Whitehorse Industrial Precincts	4.1%	16.2%	38.0%	56.1%	69.5%	100%

Source: ABS Census

Figure 89: Local Economic Impact 2016

Whitehorse Residents Employed	Average Income (per annum)	Total Income Generated (\$mill)
409	\$44,929	\$18.4 mill.

Source: ABS Census

13.5 Strategic Assessment

SWOT Analysis

- While retail development within the precinct has raised its profile and amenity, further retail development may threaten the precinct’s role as an industrial location, resulting in reduced employment opportunities outside retailing.
- Accessibility via Middleborough / Canterbury Roads and the precinct’s central location within a well-defined region provides the opportunity to provide a range of local services ranging from automotive services through to business / professional services.
- Small and medium scale office development may occur upon underutilised sites along Middleborough Road that offer high exposure and accessibility.
- Key manufacturers such as Asaleo Care and Maton Guitars contribute to a diversity of employment opportunities within the precinct with the latter potentially attracting other wood manufacturing related activities.

Development Opportunities

- A number of adjacent properties within the precinct offer the opportunity to be amalgamated and redeveloped.

Strategic Direction

- Key manufacturers including the Asaleo Care and Maton are expected to continue to provide a diversity of employment opportunities within the precinct and Whitehorse generally. This should be complemented by the redevelopment of underutilised sites to leverage off the precinct's strategic location to support increased employment opportunities including business / professional services.

Recommendations

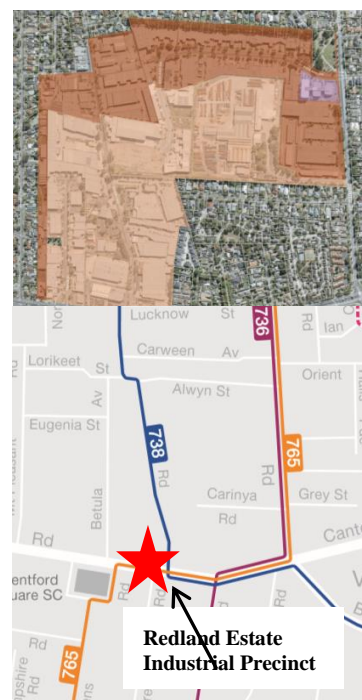
- Redevelopment of underutilised sites should be encouraged in order to reinforce the non-retail role of the precinct and generate new employment opportunities.
- Further expansion of retail activities should be discouraged in order to preserve the precinct's role as a location for industrial activity and employment.

14. Redland Estate

14.1 Location, Accessibility and Amenity

Location and Access

- Redland Estate is located approximately 1.5 km south of the Rooks Road industrial precinct and midway between Forest Hill Chase shopping centre and Eastlink.
- Canterbury Road provides an east-west connection while Mitcham and Rooks roads link the precinct to Whitehorse Road to the north.
- The precinct comprises three distinct components being Redland Drive, which is only accessible via Mitcham Road, Rooks Road which is a major connection from Canterbury Road to the Rooks Road industrial precinct and Whitehorse Road, and Trade Place being a no through road accessed from Canterbury Road.
- Rooks Road does not offer on-street parking which may impact businesses where off-street parking is not adequate. Automotive services and businesses with a larger proportion of office space in particular may be disadvantaged. Redland Drive and Trade Place both offer adequate on-street parking.
- Public transport services are relatively limited with only three bus routes (736,738 and 765) servicing the precinct.



Amenity / Sense of Place

- A high level of amenity characterises all streets within the precinct, although Redland Drive is particularly notable for the substantial landscaping of properties and corporate style office warehouse development.
- Redland Drive represents the highest quality of development across the eight precincts and is comparable to business parks within the Monash Technology Precinct.
- The amenity of Rooks Road is negatively impacted by high traffic volumes that may also limit accessibility to properties.

14.2 Industrial Property Profile:

- Lot size profile is generally consistent with that of the combined precincts with half of all sites being less than 500 sqm. A number of larger sites have been recently developed for smaller lots which are not reflected in Urban Development Program data.

Figure 90: Lot Size Distribution

	0-249 sqm	250-499 sqm	500-749 sqm	750-999 sqm	1,000 - 4,999 sqm	5,000-9,999 sqm	10,000 sqm +	Total
No. Lots	68	60	38	20	57	11	6	260
% of Total Lots	26.2%	23.1%	14.6%	7.7%	21.9%	4.2%	2.3%	100%
Whitehorse Industrial Precincts	19.0%	25.2%	18.1%	12.0%	20.7%	2.9%	2.1%	100%

Source: DWELP Urban Development Program 2017

- Property sales has average nine sales per annum over the past decade. There has also been an average of nine leases per annum.

Figure 91: Annual Property Sales and Leasings (no.)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Annual Average
Sold	10	7	10	6	11	7	16	9	9	5	9.0
Leased	n/a	n/a	n/a	n/a	5	11	4	7	3	24	9.0

Source: REIV, realcommercial.com.au

- There has been a relatively even distribution of leases across building areas which provides opportunities for a range of businesses.

Figure 92: Leased Industrial Properties – Building Area 2013-2018

	<200 sqm	200-299 sqm	300-399 sqm	400-499 sqm	500-749 sqm	750-1,000 sqm	1,000 sqm+
No. Leasings	6	11	9	6	14	3	5

Source: realcommercial.com.au

14.3 Business Mix

- Wholesaling, manufacturing, construction services, ‘professional, scientific and technical services’ are the main activities.
- Professional, scientific and technical services account for 21 businesses which the highest for any precinct, well ahead of Rooks Road (11) and Joseph Street (10).



Figure 93: Business Mix

Business Activity	No. Identified Businesses	% of Identified Businesses
Wholesale Trade	36	21.3%
Construction Services	33	19.5%
Professional, Scientific and Technical Services	21	12.4%
Manufacturing	20	11.8%
Automotive Repair and Maintenance	16	9.5%
Retail Trade	15	8.9%
Adult, Community and Other Education	4	2.4%
Allied Health Services	3	1.8%
Warehousing and Storage Services	3	1.8%
Social Assistance Services	2	1.2%
Sports and Recreation Activities	2	1.2%
Religious Services	2	1.2%
Rental, Hiring and Real Estate Services	2	1.2%
Construction	2	1.2%
Water Supply, Sewerage and Drainage Services	1	0.6%
Public Order, Safety and Regulatory Services	1	0.6%

Business Activity	No. Identified Businesses	% of Identified Businesses
Food and Beverage Services	1	0.6%
Machinery and Equipment Repair and Maintenance	1	0.6%
Catering Services	1	0.6%
Administrative Services	1	0.6%
Motor Vehicle Retailing	1	0.6%
Sub Total	169	100.0%
Unidentified	105	
Total	274	

Business Profiles:

	<p>We provide an extensive range of manufacturing services, including printed circuit boards and assemblies, cables, wiring harnesses, stencils, decals, membranes and full turnkey box assemblies. We offer a complete solution, from prototyping to production quantities based on local and offshore facilities.</p>
	<p>Established in Japan in 1950, TLV has grown to become a world authority in steam engineering products and services. TLV now counts companies in 12 different countries and offers products through over 100 distributors worldwide.</p>
	<p>Aegis has designed, manufactured and supplied Australian industry with test equipment for more than 80 years. Over the past 8 decades we have expanded to become one of the most diverse and trusted manufacturing companies both nationally and globally. Aegis specialises in working with the industry to understand what is required and design an instrument to suit. Our experience and expertise have helped our products become industry standard and we continue to remain one of the premier test equipment suppliers. Major utilities in the telecommunications, gas, and water industries rely upon Aegis equipment to maximise the efficiency and effectiveness of their networks. These products have evolved to become the standard tools for tradespeople Australia wide, and are successfully used in Europe, Asia and the Pacific Region. We continue to seek new markets where our expertise can help solve any problem for our customers.</p>
	<p>Cellular Asset Management is a leading provider of wireless solutions to some of the world’s most exciting and architecturally challenging buildings and venues across the UK and Australia.</p>
	<p>Founded in Melbourne in 1984, CNC Design has become the leader in motion control & drive based solutions throughout Australia, New Zealand and South-East Asia and is the world’s largest CNC retrofitting and CNC machine company. We are the exclusive Siemens representative for machine tool products in Australia and SE Asia where supporting sales, engineering and service.</p>
	<p>Parker Healthcare Pty Ltd is an Australian owned and operated Medical supply company, with offices located in all main states of Australia and international offices in both New Zealand and Malaysia. Parker is dedicated to designing and supplying the latest and most innovative medical equipment of the highest quality accredited to Australian and International Standards, where meticulous quality monitoring is a standard practice at all stages of production and supply.</p>

	<p>Sensor Dynamics has a proud history and is a leading supplier of Licence Plate Recognition (LPR also known as ANPR) systems in Australia for parking, traffic, security and law enforcement applications. With clients in both the private and public sector, Sensor Dynamics is committed to working closely with our clients to identify and deliver on their exact requirements. LPR systems utilise a number of technologies including specialist cameras, character recognition software, networking, databases and IT infrastructure. Our company employs both hardware and software engineers who excel in these areas and have the expertise to deliver LPR systems that perform to the highest standards.</p>
	<p>InSight Systems is the leading provider of audiovisual technologies in Australia. Offering a full range of audiovisual solutions and services, we ensure our clients experience technology in a way that enhances their lives and makes the world a better place. As audiovisual systems become more complex and converge within the IT framework, more corporations and institutions are choosing to focus on their core business while partnering with specialists to support their non-core activities.</p>

14.4 Economic Contribution

- Total employment increased by 505 jobs (28%) over 2011-2016 with retail trade increasing by 109 jobs followed by construction (82), health care and social assistance (72) and professional, scientific and technical services (62).
- The percentage growth in the number of skilled workers (81%) significantly exceeds that of other workers (16%). Higher skilled workers accounted for 34.3% of all workers in 2016 which is marginally below that of the combined precincts (34.9%).

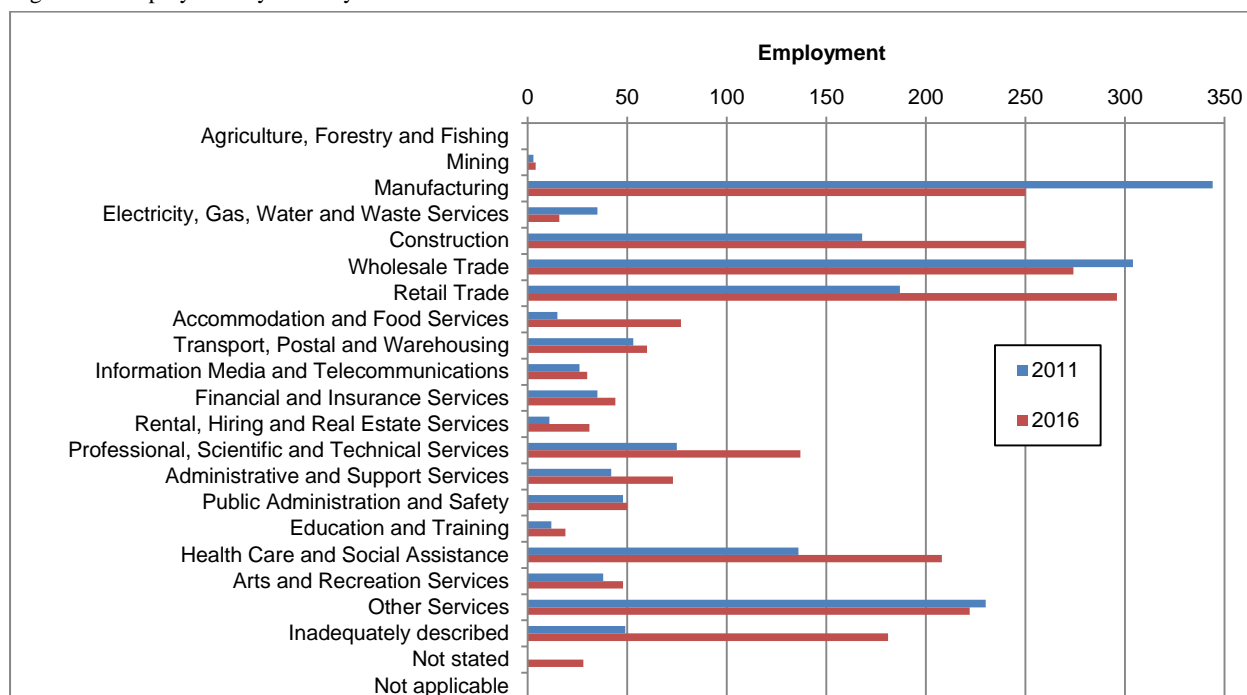
Figure 94: Employment Growth 2011-2016

	2011	2016	Increase (no.)	Increase (%)
Total Employment	1,811	2,316	505	27.9%
Higher Skilled Workers*	344	621	277	80.5%
Other Workers	1,467	1,695	228	15.5%

Source: ABS Census

*Bachelor Degree or Higher

Figure 95: Employment by Industry 2011 vs. 2016



Source: ABS Census

- The distance travelled by workers within the precinct is slightly less than that of the combined precincts with 14.7% travelling less than 5 km compared to 16.2%.

Figure 96: Worker Catchment (% of Workers) 2016

Precinct	<2 km	<5 km	<10 km	<15 km	<20 km	Over 20km
Redland Estate	4.1%	14.7%	35.5%	54.3%	66.7%	100%
Whitehorse Industrial Precincts	4.1%	16.2%	38.0%	56.1%	69.5%	100%

Source: ABS Census

- The proportion of workers living within the City of Whitehorse (18.8%) is below that of the combined precincts (21.0%) while the estimated average annual income earned by these workers (\$52,353) is slightly above the combined precinct average of \$52,033. Overall the total amount of income generated for Whitehorse households is estimated to be \$22.7 million.

Figure 97: Local Economic Impact 2016

Whitehorse Residents Employed	Average Income (per annum)	Total Income Generated (\$mill)
433	\$52,353	\$22.7 mill

Source: ABS Census

14.5 Strategic Assessment

SWOT Analysis

- Redland Estate is Whitehorse's most contemporary industrial precinct with 80% of properties developed after 1990 compared to only 53% across the combined precincts. This has contributed to the precinct attracting a number of high value adding activities.
- Proximity to Eastlink (2km east) offers the opportunity to service Melbourne's outer eastern region as well as connect to the Eastern Freeway.
- The provision of on-site car parking within new developments has reduced demand for on-street car parking resulting in less congestion and generally higher level of amenity.
- Rooks Road and Trade Place complement Redland Drive expand the accommodation options available to businesses in terms of quality and affordability.
- Rooks Road traffic volumes limit on-street parking which may reduce accessibility for visitors to businesses.
- All three areas within the precinct are not interconnected and function independently which limits the opportunity for synergies between businesses.

Development Opportunities

- A small number of vacant and under-utilised sites within the precinct represent potential development opportunities.

Strategic Direction

- Redland Estate will continue to be Whitehorse's premier industrial precinct offering contemporary industrial and office accommodation of a standard that will attract high value adding businesses.

Recommendations

- Support the attraction of higher value adding activities through the development of contemporary industrial accommodation.
- Monitor traffic volumes along Rooks Road to identify any need for traffic calming measures to improve amenity and provide safe accessibility to and from properties.

15. Evans / Ireland Streets

15.1 Location, Accessibility and Amenity

Location and Access

- Precinct is bounded by Burwood Highway, Highbury Road, Burwood Cemetery and the residential area to the east.
- Location is strategically significant given its proximity to Deakin University’s Burwood Campus, and the Greenwood Business Park.
- Burwood Highway and Warrigal Road both provide connections to the Monash Freeway as well as east-west and north-south links respectively.
- Route 75 tram service along Burwood Highway is complemented by a number of bus services that connect Deakin University to Box Hill Station. Bus services along Warrigal Road also connect to Box Hill and Holmesglen Stations. Route 75 also provides a connection to rail services at Burwood Station approximately 2km to the east
- Accessibility and movement through the precinct is generally good with wide streets and adequate on-street car parking.



Amenity / Sense of Place

- Precinct’s overall amenity is good with wider nature strips than the other precincts and mature street trees throughout much of the precinct.
- Proximity to Burwood Village Activity Centre offers a range of retailing, business and personal services, and eateries for workers.

15.2 Industrial Property Profile:

- Overall mix of lot sizes favours slightly larger lots when compared to other precincts, largely due to only 7.2% of lots under 250 sqm compared to 19% for the combined precincts. The development of the Burwood Business Park (125 Highbury Road) significantly increased the number of lots of 250-499 sqm to be 32% of total lots compared to 25% for the combined precincts.
- The relatively high number of leases in 2013 reflects the leasing of the Burwood Business Park. Similarly, a less pronounced increase in leasings in 2016 was due to new office warehouses at 5-13 Sinnott Street.

Figure 98: Lot Size Distribution

	0-249 sqm	250-499 sqm	500-749 sqm	750-999 sqm	1,000 - 4,999 sqm	5,000-9,999 sqm	10,000 sqm +	Total
No. Lots	9	40	23	29	22	2	0	125
% of Total Lots	7.2%	32.0%	18.4%	23.2%	17.6%	1.6%	0.0%	100.0%
Whitehorse Industrial Precincts	19.0%	25.2%	18.1%	12.0%	20.7%	2.9%	2.1%	100%

Source: DWELP Urban Development Program 2017

- A high proportion of leased properties have had floorareas in the range 300-399 sqm which also reflects properties leased within the Burwood Business Park. This however also provides an indication of the depth of demand from businesses for properties of this size.

Figure 99: Annual Property Sales and Leasings (no.)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Annual Average
Sold	3	3	7	3	5	4	6	2	2	1	3.6
Leased	n/a	n/a	n/a	n/a	34	12	12	17	12	5	15.3

Source: REIV, realcommercial.com.au

Figure 100: Leased Industrial Properties – Building Area 2013-2018

	<200 sqm	200-299 sqm	300-399 sqm	400-499 sqm	500-749 sqm	750-1,000 sqm	1,000 sqm+
No. Leasings	1	16	42	8	14	5	5

Source: realcommercial.com.au

15.3 Business Mix





- Wholesale trade and automotive repairs are the major activities within the precinct, together accounting for half of all businesses. Retail trade is also significant although these activities predominantly relate to the sale of building products.
- Manufacturing businesses account for 4.1% (5 businesses) which is somewhat less than the 11% recorded across the combined precincts. Manufacturing businesses within the precinct typically undertake traditional activities such as furniture making rather than advanced manufacturing as is the case in some other precincts.

Figure 101: Business Mix

Business Activity	No. Identified Businesses	% of Identified Businesses
Wholesale Trade	23	18.9%
Automotive Repair and Maintenance	23	18.9%
Retail Trade	12	9.8%
Construction	11	9.0%
Professional, Scientific and Technical Services	10	8.2%
Motor Vehicle Retailing	9	7.4%
Printing	5	4.1%
Manufacturing	5	4.1%
Construction Services	4	3.3%
Building Cleaning, Pest Control and Other Support Services	4	3.3%
Warehousing and Storage Services	3	2.5%
Fuel Retailing	2	1.6%
Medical and Other Health Care Services	2	1.6%
Food and Beverage Services	2	1.6%
Motion Picture and Sound Recording Activities	1	0.8%
Other Personal Services	1	0.8%
Sports and Recreation Activities	1	0.8%
Business and Professional Association Services	1	0.8%
Rental, Hiring and Real Estate Services	1	0.8%

Business Activity	No. Identified Businesses	% of Identified Businesses
Public Order, Safety and Regulatory Services	1	0.8%
Religious Services	1	0.8%
Sub Total	122	100%
Unidentified	68	
Total	190	

Business Profiles

	<p>PurePlay Orthopaedics is a specialist distributor of orthopaedic implants and trauma devices. We are quickly establishing ourselves through superior service and expert product knowledge. PurePlay Orthopaedics works in partnership with customers to deliver integrated superior service and emerging technologies.</p>
	<p>Apecs Investment Castings Pty. Ltd has been a major presence in the Australian jewellery industry for more than 48 years, providing excellent quality castings and a high standard of service, to which we remain dedicated to continue and improve. Apecs specializes in custom casting of gold alloys, platinum, silver, brass and bronze for the jewellery industry.</p>
	<p>For over 25 years, Homony has been in the core of the professional audio industry. Homony provides a full range of audio equipment that suits a variety of uses. The growing success of our commercial audio systems has encouraged us to diversify our product portfolio.</p>
	<p>We are a multi award winning product design consultancy based in Melbourne, Australia with over 30 years experience developing new products and ideas. We provide a complete product development service from concept generation, 3D CAD & prototyping, through to production documentation and specification across a wide range of industries including consumer & health, medical & scientific, baby & nursery, sport and leisure and industrial.</p>
	<p>Sapien Technology is a trusted technology partner providing individual animal management software and hardware solutions across the supply chain. Our customers make better decisions and run more efficient operations because of the insight our innovative solutions provide.</p>
	<p>NutriPATH is a privately owned medical laboratory that specialises in the area of functional health and wellbeing pathology testing. NutriPATH today, is one of the largest functional testing laboratories servicing as a multinational company for integrative medicine practitioners throughout Australasia.</p>

15.4 Economic Contribution

- Total employment increased by 17% (360 jobs) over 2011-2016 with higher skilled workers accounting for 228 jobs or 63% of this growth.
- Manufacturing declined by a relatively modest 16% compared to 44% across the combined precincts. This most likely reflects a focus upon furniture making, being a sector that has maintained a niche in the local market.
- Construction sector employment more than doubled over 2011-2016 from 167 to 361 jobs which is consistent with the sector now accounting for a significant proportion of businesses within the precinct.

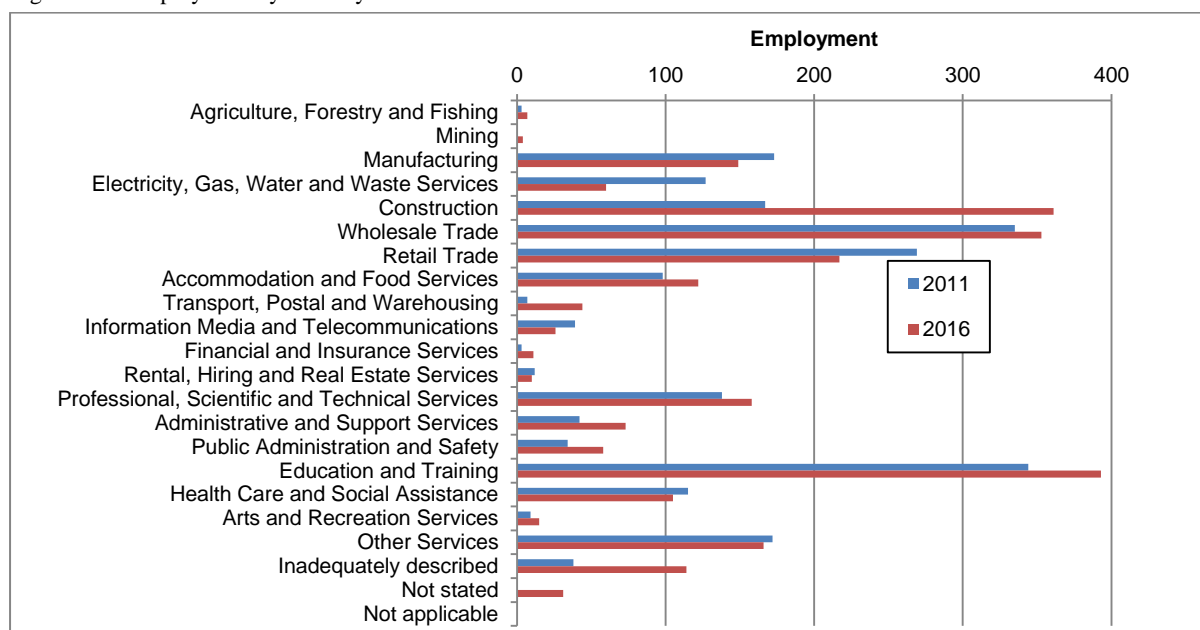
Figure 102: Employment Growth 2011-2016

	2011	2016	Increase (no.)	Increase (%)
Total Employment	2,120	2,480	360	17.0%
Higher Skilled Workers*	663	891	228	34.4%
Other Workers	1,457	1,589	132	9.1%

Source: ABS Census

*Bachelor Degree or Higher

Figure 103: Employment by Industry 2011 vs. 2016



Source: ABS Census

- The distance from which the precinct attracts workers is consistent with that of the combined precincts.
- While Whitehorse residents account for a smaller proportion of total workers (19.1%) than the combined precincts (21%), these workers have estimated average annual gross incomes (\$55,530) that are 7% higher. This results in an estimated \$26.2 million contribution to local household incomes.

Figure 104: Worker Catchment (% of Workers) 2016

Precinct	<2 km	<5 km	<10 km	<15 km	<20 km	Over 20km
Evans / Ireland Streets	4.6%	16.8%	37.0%	53.6%	70.0%	100%
Whitehorse Industrial Precincts	4.1%	16.2%	38.0%	56.1%	69.5%	100%

Source: ABS Census

Figure 105: Local Economic Impact 2016

Whitehorse Residents Employed	Average Income (per annum)	Total Income Generated (\$mill)
471	\$55,530	\$26.2 mill

Source: ABS Census

15.5 Strategic Assessment

SWOT Analysis

- Key strategic location fronting Burwood Highway offers opportunity for corporate office development given high exposure to this major arterial road, together with proximity to Deakin University, Greenwood Business Park and Burwood Village Activity Centre.
- A number of major development sites offer the opportunity to leverage off the precinct's strategic location to facilitate key catalyst developments that support a transition to a much higher intensity of employment.
- Proximity to the Melbourne CBD and inner eastern suburbs may provide a competitive advantage over business parks in neighbouring City of Monash.
- Burwood Business Park (127 Highbury Road) demonstrates the opportunity for more intensive office warehouse development that also provides sufficient parking on-site.
- Precinct has a high proportion of properties developed during the 1950s (23%) compared to the combined precincts (7%) suggesting a need for a general renewal of the building stock.
- Generous road widths and nature strips provide a high level of accessibility and amenity that may support a corporate profile for the precinct.
- Potential new railway station at Burwood as part of the proposed suburban rail loop would increase the attractiveness of the precinct for more intensive employment uses.

Development Opportunities

- A number of larger sites within the precinct represent potential redevelopment opportunities.

Strategic Direction

- Evans / Ireland Streets represents a key strategic opportunity for a corporate style employment area that supports high value adding activities and employment that are consistent with the needs of residents within Melbourne's inner east region. Future development of contemporary office warehouses may be facilitated by the availability of key catalyst sites and supported by the precinct's location within the high profile Burwood Highway corridor and proximity to Deakin University, public transport, retail services and amenities.

Recommendations

- Monitor short and longer-term intentions for the Reece Plumbing site.
- Support continued redevelopment of sites to ensure that the building stock continues to meet the needs of businesses given the high proportion of properties developed during the 1950s.

16. Conclusion

This review has highlighted the strong performance of Whitehorse’s eight industrial precincts in continuing to attract a new generation of businesses, supported by the continued development of contemporary industrial accommodation. While employment in traditional manufacturing activities continue to contract at both an industry and local level, this has been more than offset by an increasing number of jobs in higher value adding activities requiring modern industrial buildings and an increasingly higher skilled workforce. However at the same time, a growing population is also generating increased demand for automotive and building services that may require more affordable older style accommodation.

Each of Whitehorse’s industrial precincts are unique in terms of their location, building stock and business mix which enhances the accommodation options available to potential new businesses. Low vacancy rates and strong employment growth indicate that the needs of businesses for a diverse range of accommodation options are being well met within Whitehorse. Nevertheless, Whitehorse has a finite amount of industrial land which must be used as efficiently as possible if continued employment growth is to be supported.

The continued redevelopment of industrial sites will support businesses efficient use of floorspace while also offering the opportunity to provide off-street car parking and improve the amenity of precincts. Such development should however provide for a range of the floor areas and formats suitable for a variety of business requirements.

For each precinct, this review has identified a strategic direction and recommendations to guide Council in promoting the future growth of each. This will provide a basis for any future discussions with landowners regarding redevelopment opportunities and how this may best contribute to the role, function and performance of each precinct as well as the City of Whitehorse economy.