Croydon Activity Structure Plan, Employment Analysis & Residential Analysis

Prepared for
Maroondah City Council

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Croydon Economic and Housing Analysis 2020

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1. Summary and Key findings

This study assesses the long-term employment and housing potential of the Croydon Major Activity Centre (the Centre) by undertaking a detailed examination of the Centre's recent growth, its context within the economy and housing markets of Melbourne's outer east by examining local and regional growth drivers that will shape the Centre's future growth.

The study examines the current and future growth of the Croydon Major Activity Centre (the Centre) by undertaking a detailed examination of the Centre's recent growth, its context within the economy and housing markets of Melbourne's outer east and by examining local and regional growth drivers that will shape the Centre's economic and housing future.

The report is split into two sections.

- Section 1 Economic and Employment Analysis: the economic analysis assesses recent employment growth, the Centre's broader industry context and potential drivers of future employment growth. This is then deployed to estimate future employment outcomes and associated floor space requirements.

- Section 2 Housing Analysis: the housing analysis examines the Centre's housing capacity, housing supply and housing market performance. Future development prospects and population growth are also explored.

1.1 Economic and Employment Analysis

- The centre is a major retailing and services hub in Melbourne's outer east which supports a unique range of small enterprises and sole traders.
- Economically the Centre is in an advanced stage of transitioning to a services, recreational dining and convenience shopping node. This transition has seen health care, social service and food and beverage employment grow while also seeing merchandise-based retailing and wholesaling employment decline. At 2016, there were approximately 3,300 jobs within the Centre with 60% of the Centre's employment in the provision of services and a further 20% of jobs in the retail sector.
- More than half of the Centre's employees are employed on a part time basis with a high proportion of workers living in close proximity to the Centre (two thirds of the Centre's workers live within 12 kilometres of the Centre with just under 40% of the Centre's workers residing within 5 kilometres of the Centre).
- The majority of the Centre's jobs are within the Main Street retail precinct and adjoining shopping centres. For the 2011 to 2016 period the Centre's retail precinct added approximately 180 jobs. The Centre is not a major attractor for national and international retailers who, within Melbourne's outer east, are primarily located along Maroondah Highway and within the recently refurbished Eastland shopping centre. The Centre's retail precinct, unlike many other suburban shopping centres, nonetheless, enjoys a high level of occupancy. High levels of occupancy reflect the ongoing operation of the Centre's many sole properties and small enterprises.
- The Centre incorporates two industrial areas and a civic and education precinct. The industrial precinct largely functions as an urban services centre attending to the automotive, storage, worship, and trade needs of the local population. Employment has been declining within the Centre's industrial areas, particularly west of Mount Dandenong Road. At 22 jobs per hectare the Centre's western industrial precinct has the lowest employment density of any of the Centre's precincts.

Comparatively, the eastern urban services area recorded 57 jobs per hectare, while the retail precinct recorded 74 jobs per hectare.

- Recent employment growth within the Centre has not matched that of nearby employment locations, such as the Ringwood Metropolitan Activity Centre and the Bayswater industrial area. Employment throughout Melbourne's outer east is projected to grow over the next two decades, driven by demand for services resulting from population growth and change. Ringwood Metropolitan Activity Centre will continue to solidify its status as the outer east's leading office, service and retail centre. Into the future, it is, therefore, not envisaged that the Centre will attract major office-based enterprises, nor high numbers of national retailers. As such, the study envisages the Centre's economy to continue to be led by its major fresh and packaged food retailers, its substantial health and automotive service sectors and its diverse range of sole traders. The study, nonetheless, anticipates an ongoing increase in small scale professional service enterprises, which have been growing steadily.

1.2 Housing Analysis

- The Centre is a genuine mixed-use housing diversity area which is achieving the housing objectives of local and state government planning policy. Planning policy seeks to promote medium and high-density housing options within the Centre.
- For the past decade the Centre has added more than 40 dwellings per annum, primarily in the form of apartments. Future housing supply is likely to include a higher proportion of townhouses based on industry feedback and projects currently marketed within the Centre.
- The Centre's population is growing rapidly. Over the 2011 to 2016 period, the Centre added approximately 450 residents, driven by the completion of a significant number of apartments.
- The Centre is a major node for younger smaller households within Melbourne's outer east. Just over a third of the Centre's population is between 20 to 39 years of age. The Centre's average household size (2.1 people per household) is significantly smaller than the average household size of Maroondah (2.6 people per household).
- A review of property and purchase prices in the Centre suggests that households pay a small premium to rent within the Centre. Townhouse and separate dwelling prices vary considerably based on the quality of stock. Apartment prices are relatively cheaper than apartments closer to the CBD but share a price parity with apartments in Ringwood.
- The Centre's dwellings are not affordable for lone person households on very low and low incomes (as per state government income ranges for 2018 -2019). Family households and couples without children households on moderate incomes can afford a range of dwellings within the Centre both for purchase and rental.
- The Centre's population will continue to grow in line with long term population growth in the broader outer eastern Croydon region. Charter's analysis of *Victoria in Future 2019* projections for the region suggest that the region will see significant growth in the 20 to 39 age cohort which is, therefore, likely to translate into strong demand for medium and high-density dwellings within the Centre.
- There are significant numbers of aging households within the Croydon housing region many of whom have substantial housing equity and declining incomes. This is likely to attract downsizers into the Centre over the next two decades. At present, the Centre is not a major focus for downsizers.

- The study identifies housing capacity of approximately 2,200 new dwellings within the Centre. This is sufficient capacity to sustain housing supply for the next fifteen years based on recent housing supply trends. Council should, nonetheless, monitor the Centre's housing capacity.
- The Centre is an important source of high amenity housing choice for the outer eastern community.

2. Scope

This study assesses the long-term employment and housing potential of the Croydon Major Activity Centre (the Centre) by undertaking a detailed examination of the Centre's recent growth, its context within the economy and housing markets of Melbourne's outer east by examining local and regional growth drivers that will shape the Centre's future growth.

Key objectives for the study include determining:

- the scale and sources of future housing demand and the Centre's capacity to accommodate this demand.
- the future growth and decline of key industry sectors within the Centre.
- the Centre's competitive strengths and key attractors.
- opportunities and impacts of transformative investment and renewal.

The report is split into two sections.

- Section 1 Economic and Employment Analysis: the economic analysis assesses recent employment growth, the Centre's broader industry context and potential drivers of future employment growth. This is then deployed to estimate future employment outcomes and associated floor space requirements.

- Section 2 Housing Analysis: the housing analysis examines the Centre's housing capacity, housing supply and housing market performance. Future development prospects and population growth are also explored.

Each of the economic and housing sections focus on the same study area which is the area of land depicted in the figure 1B below. Given the significant Tarralla Creek project underway, which is expected to generate movement and enhance connections, the study area included areas further south of the existing Major Activity Centre Area boundary.

Figure 1A: Croydon Major Activity Centre Existing Boundary

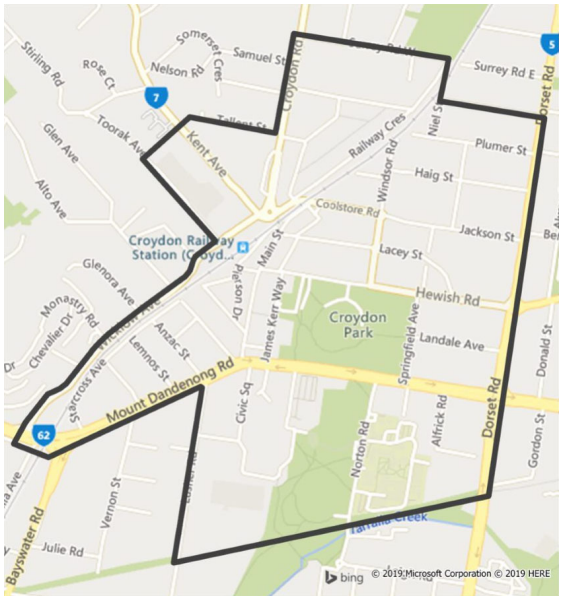
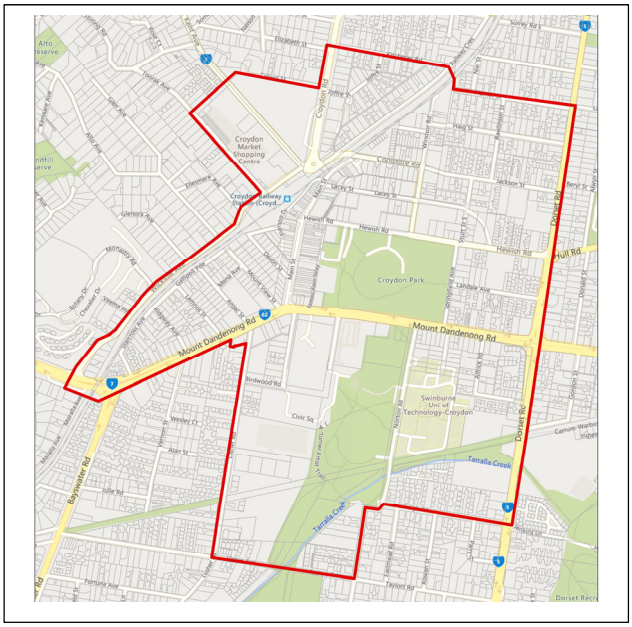


Figure 1B: Croydon Major Activity Centre Study Area



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3. Coronavirus Impacts: Croydon Major Activity Centre

This study encompasses the period just prior to the Coronavirus and the immediate impacts.

The following was developed in May 2020 and discusses the immediate impacts of the virus and potential recovery initiatives.

3.1 Immediate Impacts

- Social distancing requirements and economic uncertainty are impacting on economic activity throughout Victoria, Maroondah LGA and undoubtedly within the Croydon Major Activity Centre (the Centre).
- Much of the Centre's service, dining and café sectors involve social contact and are therefore only able to trade in a restricted format. The Centre also incorporates a sizeable automotive sector, which is likely to have seen subdued demand.
- Analysis by *illion* identified major declines in café, fitness, entertainment and education-based expenditure as a result of Stage 3 social distancing. A growing proportion of the Centre's economy is vested in these industry sectors with nearly 60% of the Centre's employment involving the provision of services and 20% food and hospitality as at 2016. For these enterprises social distancing requirements and resulting declines in foot traffic, combined with more constrained discretionary household expenditure, is likely to have adversely impacted on turnover and revenue within the Centre.
- Some enterprises may have transitioned to online platforms and new modes of service and product delivery. Given, however, that most of the Centre's enterprises are small businesses, many are likely to lack the expertise to undertake this transition (although this assertion needs to be tested).
- Coronavirus impacts differ by industry sector with some sectors seeing growth. The Centre's supermarkets and associated food and beverage outlets, for instance, are likely to have seen increases in demand. The focus on household essentials is expected to be sustained (albeit with some reduction following the bulk buying of some goods as an initial response to the early staged of COVID-19).

3.2 2020 Outlook

- With rising unemployment and decreasing incomes, discretionary expenditure is likely to contract throughout 2020 and beyond. As a result, the Centre's professional services, gyms, therapeutic services, real estate agents, cafés, restaurants and merchandise retail traders are likely to face difficult trading conditions throughout 2020 and into 2021. On the other hand, civic services and social service providers may see an increase in demand.
- Retail businesses that require ongoing investment in stock will face unprecedented challenges in anticipating future demand and supply chain uncertainty. Many of the Centre's established retailers are, nonetheless, supported by a loyal customer base who have helped sustain the Centre's retailers through the ongoing transformation and disruption of retailing over the past two decades. With the ongoing support of their customer base, the Centre's remaining and established retailers may prove to be highly resilient.
- As compared with the Centre's retailers, service enterprises tend to require very limited capital to operate and are generally able to adjust and adapt to operating conditions more rapidly. As such, the Centre's professional service, personal service, property service, and health providers may also prove resilient. The volume of employment within these sectors might, nevertheless, decline even if individual businesses continue to trade.

- Notwithstanding the above, vulnerable businesses that were already facing difficult trading conditions prior to the Coronavirus may not be sustained. The Centre's older sole proprietors may also choose to accelerate retirement plans.
- Beyond the commercial environment, social distancing will have placed a renewed focus on the importance on the Centre's recreational spaces and civic infrastructure. As social distancing requirements ease, the Centre's civic precinct is likely to see significant demand, as households seek out affordable local recreational experiences.
- Lower population growth may also see less demand for new housing. However, the Centre is primarily a focus for local housing demand (as compared with growth area markets or markets that support high numbers of foreign students). In this respect, the Centre's housing markets might also prove to be relatively resilient.

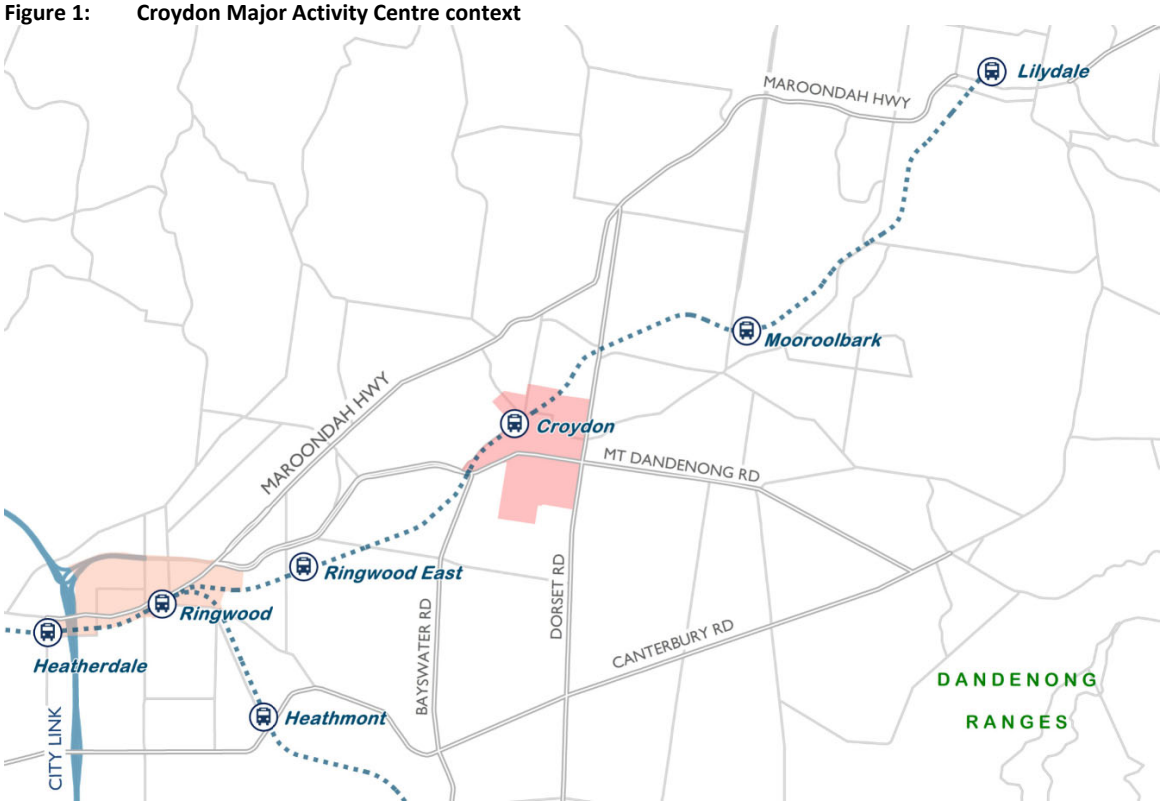
3.3 Supporting the Recovery

- With the eventual easing of social distancing requirements Council can support the recovery of the Centre by giving confidence to the public that the Centre is safe. This will require a focused health and hygiene program. Local enterprises will need support in developing protocols that enable them to trade safely by implementing required hygienic standards. Further to this, the Centre might function as a location for the distribution of health information, temperature checking and access to antimicrobial technology.
- There is an opportunity for Council to further support the role of the Centre as a recreational and dining location. Travel restrictions combined with limited discretionary expenditure is likely to see the Centre's role as civic and recreational area strengthen. In the recovery environment spaces designated for gathering and socialising will still serve as critical outlets and assets for the community as has already been demonstrated in the use of recreational space during stage 3 social distancing.
- Urban planning must now push forward the idea that safety in the public realm is an economic investment in public health, thereby requiring planning to think differently about open space, amenity and social experience in the face of this crisis. Local governments will need to manage health security in public realms for the foreseeable future.

4. Introduction

Melbourne's outer eastern region, Maroondah City Council and Yarra Ranges Shire Council provide the primary employment, residential and commercial context for the Croydon Major Activity Centre.

Figure 1: Croydon Major Activity Centre context



The Centre functions as the leading convenience shopping, service and recreational location in the Croydon region. In the recent past, the Centre and surrounding suburbs have seen significant infill housing development, with increased numbers of townhouses constructed in proximity to the Centre and significant numbers of apartments developed within the Centre's boundaries.

Apartments have been attractive to young first home-owner households who have helped support the diversification of commercial uses within the Centre via the recent addition of numerous health, fitness and food and beverage enterprises.

The Centre benefits from a secluded and pacified environment and access to an abundance of open space and scenic topography. When compared with nearby commercial and retail locations along Maroondah Highway, the Centre enjoys unparalleled access to natural features, recreational amenity and a relatively coherent and stable Main Street shopping strip. The depiction of the Centre as a 'village' within a 'village setting' therefore has substantial credence. The Centre is also known to enjoy a very loyal resident customer base, which further strengthens the notion of the Centre as a village-like location.

Within the context of Maroondah (LGA), the Ringwood Metropolitan Activity Centre represents the region's leading Centre both in terms of employment growth, the density of its retail uses and, more recently, its growing function as a major public and professional services node.

Comparatively, the Centre's retail and commercial floor space is not of the same scale or quality as that of the Ringwood Metropolitan Activity Centre. It, nonetheless, incorporates important civic and community functions, including the newly developed Aquahub facility, the University of the Third Age (U3A) and

Swinburne University's Croydon campus, which is an important source of vocational education in the outer east. There are also numerous automotive and health services delivered from within the Centre.

Croydon Major Activity Centre is one of 121 Major Activity Centre's across Melbourne identified by *Plan Melbourne*, the Victorian Government's current planning strategy to manage Melbourne's growth. Major activity centres are identified as focal points for services, employment, housing, public transport and social interaction. Each Activity Centre is different with some serving local communities and others larger subregional catchments. In the following analysis, Croydon Major Activity Centre is identified as functioning as a subregional centre.

From an economic and employment perspective, *Plan Melbourne* identifies major activity centres as locations for employment growth. Croydon encompasses a wide array of industry sectors and uses, including public and private uses.

Within the Maroondah Planning Scheme, the Croydon Major Activity Centre is identified as a location for the integration of mixed residential, business and commercial activities. Council's policy is to strengthen the retail, business, industrial and employment roles of the Croydon Major Activity Centre Area. In the recent past, investment in the amenity of Main Street and surrounding recreational areas have helped strengthen the attractiveness of the Centre as a destination. Events and civic activities organised by the local traders association have, similarly, helped boost the Centre's profile.

This study is at an important stage of the Centre's development with Melbourne's population growth driving significant housing demand, construction and investment in infrastructure. Croydon's population is aging. There are high numbers of older households in the Centre's surrounding suburbs as well as the broader region. At the same time, the affordability of the Centre's housing is highly attractive to first home purchasers.

As discussed, the impacts of the Coronavirus are likely to inhibit discretionary convenience expenditure by local households over the short to medium term. This will impact on the Centre's merchandise retail, lifestyle, leisure and entertainment economy.

Prior to the Coronavirus, technological and cultural change was already impacting on Melbourne's many main street shopping strips. Traditional sole trader retailers face significant challenges in competing with national and international retailers and low-cost online enterprises. Greater use of online platforms to facilitate interactions, consumption and trade during the pandemic, may further accelerate underlying trends toward online consumption.

Shopping strips and neighbourhood centres, nonetheless, remain important locations for interaction and increasingly as locations for service provision and hospitality. Local centres such as Croydon Major Activity Centre are steadily adapting into local service, recreation, and leisure locations. In the wake of the virus there is likely to be a heightened desire to interact, engage and pursue a range of activities in group settings of which the Centre's leisure, food, health and recreation sectors will be an important focus.

Section 1
Economic and Employment Analysis

5. Economic and Employment Analysis

The following reviews existing economic conditions and trends within the Centre with the aim of determining current and future drivers of change that need to be accounted for in future structure planning processes.

This section of the study will:

- Undertake an extensive spatial assessment of the Centre's economy.
- Profile the key influences that will shape the level of economic and employment activity within the Centre over the twenty years.
- Project future employment scenarios and apply these results to extrapolate demand for employment space.

The study begins by reviewing the Centre's economic context as follows:

5.1 Subregional Commercial Overview

The Centre's village setting at the northern foothills of the Dandenong Ranges has resulted in a unique commercial environment in which a diversity of local businesses and civic enterprises cater to the needs of a growing local population.

The Centre is the main commercial and civic recreational hub for the suburbs of Croydon, Croydon North, Croydon South, Warranwood and Croydon Hills, whilst also functioning as a convenience and dining service destination for residents of East Ringwood, Mooroolbark, Montrose and Bayswater North. The Centre also includes a significant automotive sector and a growing number of health and wellbeing providers.

The recent expansion and renewal of the Eastland Shopping Centre within the Ringwood Metropolitan Activity Centre has cemented Ringwood as the leading higher order retail and experiential shopping destination within Melbourne's outer east subregion.

In the near future, the Ringwood Metropolitan Activity Centre will see further expansion of its civic and commercial office uses which will, in turn, deepen the role of Ringwood as a leading subregional node.

Comparatively, the Centre does not incorporate the same density of retailers and scale of commercial floor space as the Ringwood Metropolitan Activity Centre, or other nearby Centres including Westfield and the Nunawading Megamile.

The Centre, nonetheless, competes strongly for local convenience shopping and in the provision of an array of local services. The Centre's unique village setting, its relatively self-contained retail catchment and loyal customer base has helped the Centre sustain low levels of retail vacancy, especially when compared with many of the other suburban shopping strips across Melbourne.[1]

The Centre includes industrial areas that in the past two decades have transitioned into local service centres. Major manufacturing and logistical uses have now largely left Croydon, which has left a legacy of large industrial facilities (+5,000 sqm. sites) to the Centre's west that in the recent past have been repurposed for uses including storage, places of worship and wholesaling.

[1] In comparison, in 2019 Knight Frank estimated retail vacancy rates for Bridge Road, Richmond at 17.5%, Chapel Street, South Yarra at 15.6%, Sydney Road Coburg at 8.5%, Puckle Street, Moonee Ponds at 8.8% and Brunswick Street Fitzroy at 7.7%.

Within the region, the nearby Bayswater industrial precinct is emerging as a major commercial and industrial cluster of metropolitan significance. Locations with significant road accessibility and contemporary commercial building stock such as Caribbean Gardens, and estates in Mulgrave and Bayswater are attracting demand from medium and large-scale enterprises.

As will be discussed, the Centre is not experiencing the same scale or type of employment growth as these locations. Employment clusters along Maroondah Highway and in proximity to Eastlink have greater road accessibility and therefore larger workforce catchments than the Centre. With the exception of national supermarket chains (Aldi, Woolworths and Coles) and food franchises (Taco Bell and Subway), the Centre has not been a major attractor of national retailers and major enterprises.

Into the future, the Centre's unique amenity, growing residential catchment and pacified and secluded setting provides a basis to strengthen and expand its role as an important convenience, service and recreational node in Melbourne's outer east.

5.2 The Melbourne Industrial and Commercial Land Use Plan 2020

Plan Melbourne 2017-2050 outlines how Melbourne's growth and change will be managed over the next three decades and sets out the strategy for supporting jobs and growth. *Plan Melbourne* actions *Planning for future employment growth (8)* and *Significant industrial precincts* identify ways in which industrial and commercial land should be planned for and protected for employment purposes, to ensure an appropriate supply of industrial and commercial land to serve the needs of metropolitan Melbourne.

The Melbourne Industrial and Commercial Land Use Plan 2020 (The Plan) begins the process of delivering on Plan Melbourne actions. The plan provides a metropolitan assessment of industrial land supply while also identifying future commercial and industrial land requirements to 2031. The plan sets out 4 core principles for the future management of commercial and industrial land.

The Plan's land use principles are as follows:

- *Principle 1*: Adequate long-term commercial and industrial land supply will be identified and set aside to support future industry and business growth.
- *Principle 2*: Industrial and commercial areas that provide an ongoing economic, urban servicing or employment contribution to local communities, regions and the state will be recognised and retained as a critical economic resource.
- *Principle 3*: Planning for industrial and commercial land will provide clarity and certainty about how and where industry and business can grow over time to support and guide long term investment and locational decisions.
- *Principle 4*: Planning will support industry and business to innovate and grow in areas identified for these purposes.

The future planning of the Croydon MAC will need to respond to the above principles. In particular, the future planning of the Centre's urban service precincts will need to demonstrate the way in which economic and employment activity will be sustained in these locations as they transform.

The Melbourne Industrial and Commercial Land Use Plan 2020 identifies three types of commercial and industrial areas; state-significant commercial and industrial areas, regionally-significant commercial and industrial areas, and local commercial and industrial areas. The Croydon MAC functions as a regional commercial area, while its industrial areas are classified as locally significant.

Regionally-significant commercial areas are locations identified in Plan Melbourne as major activity centres that provide for and support access to a wide range of goods and services, including office and retail

development, and provide for a wide range of employment opportunities. According to *the Plan* these areas are expected to deliver more intensive forms of employment uses including office and commercial activity.

Croydon's industrial precincts are classified as local industrial areas as they are not identified as being of state significance. For these areas the Plan states that Councils are best placed to determine how these industrial areas are to be planned for. This could include identifying when industrial land should be retained, when it could transition to other employment generating uses, or if it is no longer required, when it could transition to other uses.

The Plan identifies the need for 87,000 sq.m. of additional commercial floor space within Maroondah to 2031. Of this, approximately 30,000 sq.m. is required as retail floor space. Under current circumstances these projections are likely to require revision.

5.3 Subregional Economic Performance

Maroondah (LGA) is situated both at the outreaches of Melbourne's eastern suburbs and the beginning of the Yarra Valley in which medium density suburbs transition into semi-rural landscapes.

The municipality's recent economic performance parallels its geographic location – outperforming the broader outer eastern economy while not quite matching the long-term economic growth of Melbourne's east.

Table 1: 10 Year Average Annual Gross Regional Product Growth Rate 2008 -2018[2]

Area	Melbourne East	Maroondah (LGA)	Melbourne Outer East	Yarra Ranges (LGA)	Melbourne South East
Average Annual Growth Rate	2.43%	2.04%	1.5%	0.76%	3.33%

Source: NIEIR modelled data (September 2019 release)

For the decade between 2008 to 2018, the municipality's annual employment growth averaged 1.22% p.a. Like the municipality's economic output, this result exceeded outer eastern employment growth, while not matching growth in the inner east. At 2018, there were an estimated 52,000 jobs within the City of Maroondah.

Table 2: 10 Year Average Annual Jobs Growth Rate 2008 -2018[3]

Area	Melbourne East	Maroondah (LGA)	Melbourne Outer East	Yarra Ranges (LGA)	Melbourne South East
Average Annual Growth Rate	2.43%	2.04%	1.5%	0.76%	3.33%

Source: NIEIR modelled data (September 2019 release)

Recently released data by the Department of Environment, Land, Water and Planning (DELWP) identifies the addition of 45,500 jobs over the 2006 to 2016 period throughout the *Plan Melbourne* defined eastern region (of which Maroondah contributed 4,500 additional jobs). According to this data, employment in the *Plan Melbourne* eastern region grew at an annual rate of 1.25% p.a for the 2006 to 2016 period.[4]

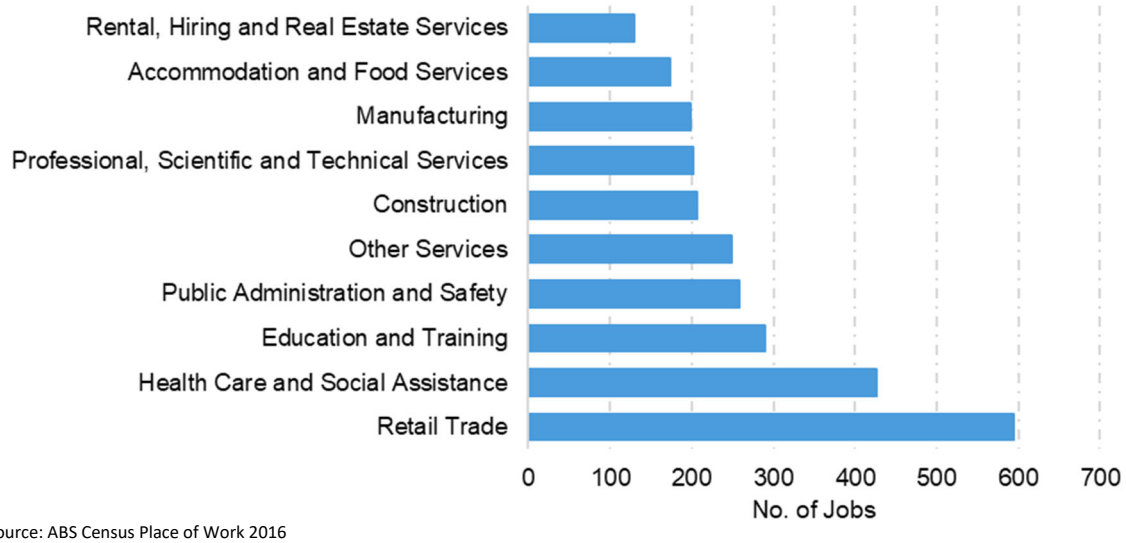
[2] Regions are based on Victoria's Functional Economic Areas as defined by Regional Development Victoria
[3] Regions are based on Victoria's Functional Economic Areas as defined by Regional Development Victoria
[4] Melbourne Industrial and Commercial Land Use Plan, the Department of Environment, Land, Water and Planning, 2020 page. 73

5.4 Croydon Activity Employment Growth and Change

The Centre functions as a local retail and service centre which is reflected in its employment composition with approximately 60% of the Centre's employment involved in the provision of services and a further 20% of the Centre's jobs in the retail sector.[5]

The Centre's service industries include health, social service, accounting and legal services, engineering services, recreation and therapeutic services. At 2016 there were approximately 3,300 jobs within the Centre.

Figure 2: Croydon Activity Centre - Leading Sectors of Employment 2016[6]



Source: ABS Census Place of Work 2016

For the 2011 to 2016 period the Centre's employment grew by 170 jobs at an annual rate of 1.1% p.a. Relative to other nearby employment locations such as the Ringwood Metropolitan Activity Centre and the Bayswater Industrial Precinct, the Centre has not experienced the same levels of aggregate and/or rate of annual jobs growth.

Table 3: 2011-2016 Jobs Growth in Outer Eastern Employment Clusters

Location	Aggregate jobs growth 2011 to 2016	Average annual jobs growth rate
Ringwood Metropolitan Activity Centre	1,960	6.5%
Bayswater Industrial Precinct	2,145	1.9%
Croydon Major Activity Centre	170	1.1%
Ivanhoe Major Activity Centre	52	0.3%
Lilydale Major Activity Centre	1,080	4.6%

Source: ABS Census Place of Work 2016, 2011, Charter Keck Cramer

[5] The study focuses on Ivanhoe Major Activity Centre and Lilydale Major Activity Centre as comparative locations. Accordingly, at 2016, employment composition in the Ivanhoe MAC was very similar to that in Croydon MAC with approximately 65% of the Centre's employees involved in the provision of services and 20% involved in retail employment. Lilydale has a far higher proportion of retail employees with 30% of employees engaged in retail employment and 45% of employees engaged in the provision of services.

[6] Charter has assessed the Employment Destination Zones that encompass the Centre and applied adjustments to employment figures based on an assessment of whether employment uses were within or outside of the Centre's boundary. Charter has also adjusted the Centre's 2016 construction employment to exclude building construction jobs which are considered temporary and not tied to the Centre in the long term.

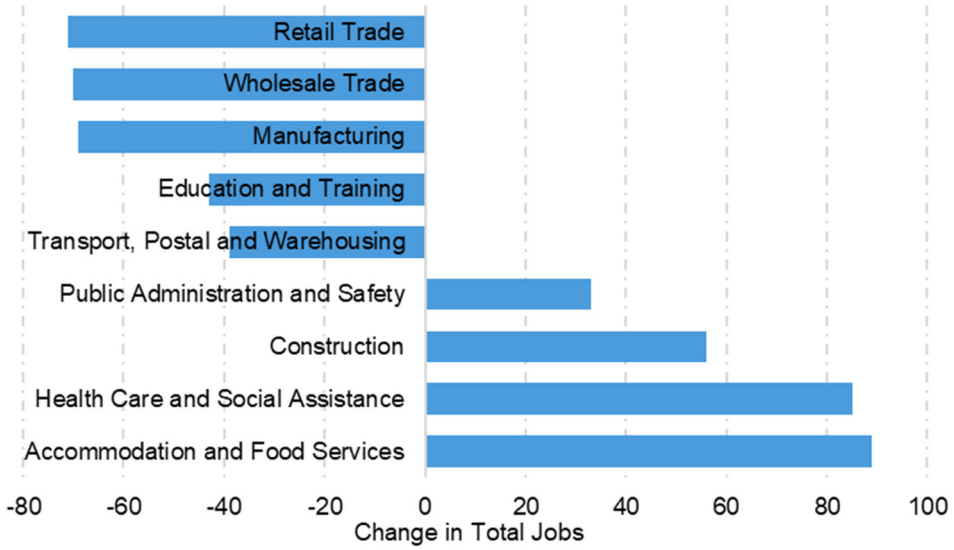
Rising services employment and a corresponding decline in manufacturing and merchandise-based retail employment suggests that the Centre is in an advanced stage of transition toward a service economy.

For the 2011 to 2016 period, the Centre's manufacturing employment declined by 70 jobs as did retail employment (-70 jobs) and warehousing employment (-70 jobs). Based on a Charter's 2020 use assessment, it's likely that manufacturing employment declined even further since 2016.

The Centre's health care and social assistance sectors have been growing. For the 2011 to 2016, health and social service employment grew by 85 jobs. The Centre's food and beverage sector grew by 90 jobs.[7]

Like many retail locations the composition of the Centre's core retail area is transforming. For the 2011 to 2016 period, declines in merchandise-based retailing were offset by growth in food and beverage and health and recreation enterprises. In discussing recent change within the Centre, long standing Main Street traders observed increases in café-based businesses and small-scale hearing, massage, therapeutic, and fitness-based enterprises within the Centre's core retail precinct. These observations are confirmed in 2016 Census employment statistics that show growth in these uses.

Figure 3: Change in employment 2011-2016 Croydon Activity Centre



Source: ABS Census Place of Work 2011 and 2106, Charter Keck Cramer

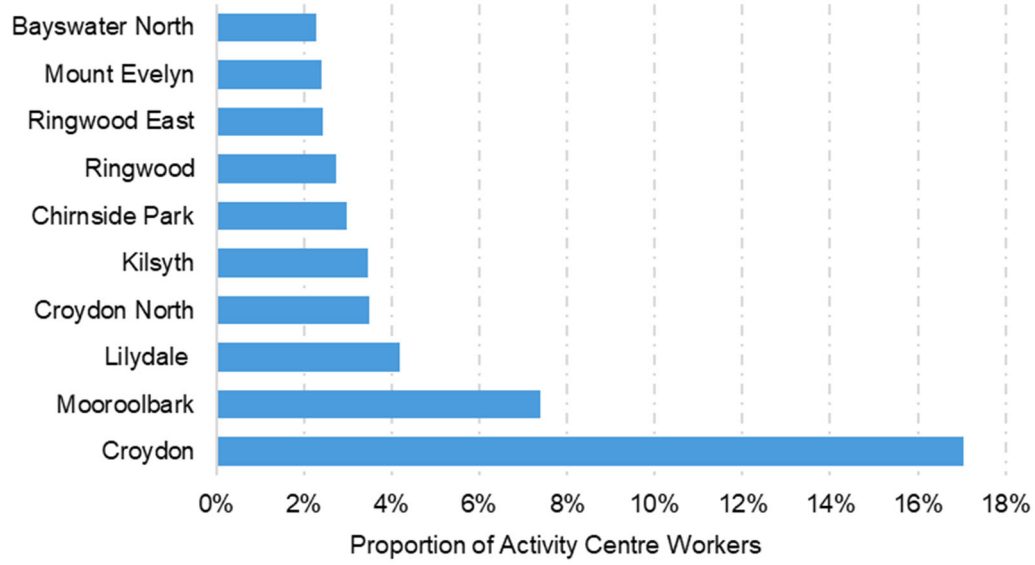
Just under 60% of the Centre's employment is part time with a third of workers working less than 24 hours per week. Comparatively, 37% of Victoria's work force is employed on a part time basis. The transformation of the Centre's industry sectors would seem to have engendered increased casual and part time employment.

Part-time staff tend to live in close proximity to their employment which is the case with the Centre's workforce. Two thirds of the Centre's workers live within 12 kilometres of the Centre with just under 40% of the Centre's workers residing within 5 kilometres of the Centre.

A high proportion of the Centre's workforce lives to the east and south of the Centre which tends to affirm the Centre's role as an important service and employment node for this part of Melbourne's outer east.

[7] The transition toward a service economy is likely to see more casual and part time employment which is already evident in the Centre's employment composition. A shift to the provision of local services is also likely to favour female employment (this has not been examined within this study).

Figure 4: Croydon Activity Centre Employee Usual Address 2016

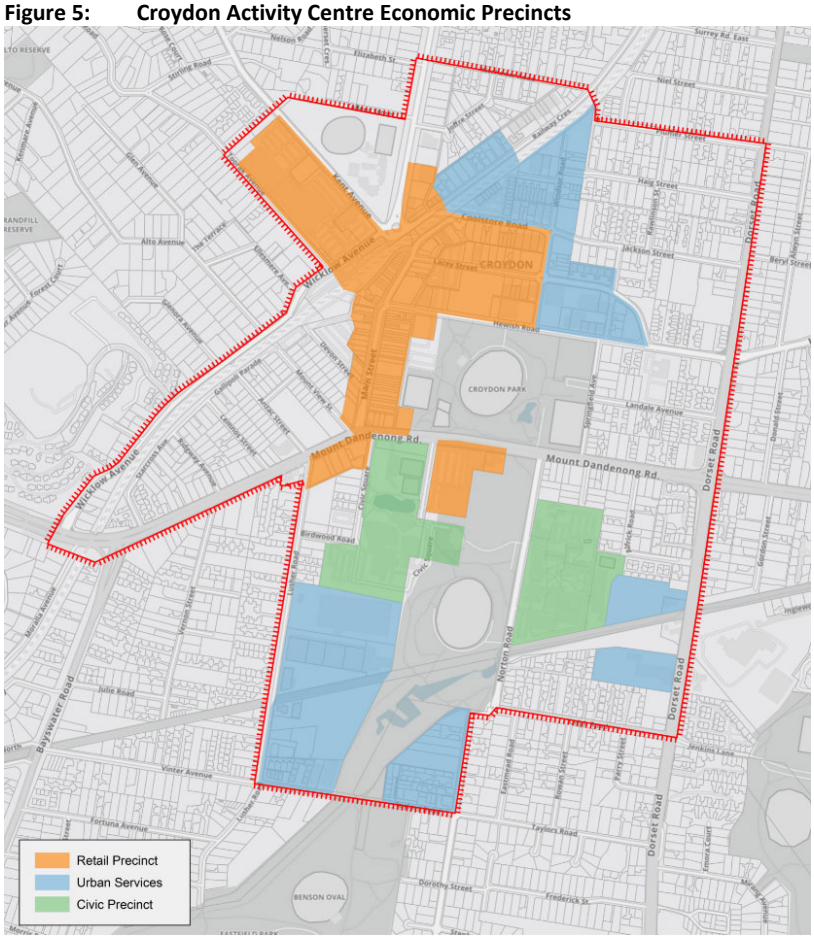


Source: ABS Census Place of Work 2016

5.5 Employment Precincts

The Centre is comprised of three distinct civic, retail and industrial/commercial employment precincts. Each precinct incorporates unique local and subregional attractors and, in turn, different economic and employment dynamics.

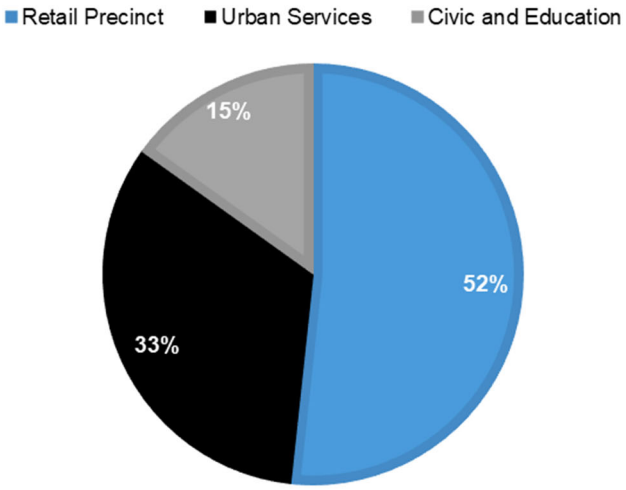
Figure 5: Croydon Activity Centre Economic Precincts



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The Centre's retail precinct has the greatest density of jobs encompassing over 50% of the Centre's employment.

Figure 6: Distribution of Employment by Precinct 2016



Source: Charter Keck Cramer

Table 4: Employment Composition 2016

Precinct	Jobs at 2016	Average annual jobs growth rate 2011 to 2016
Retail Precinct	1,700	2.4%
Urban Services	1095	-0.8%
Civic and Education	500	0.7%

Source: ABS Census Place of Work 2106, Charter Keck Cramer

The dynamics and economic composition of each precinct is discussed as follows.

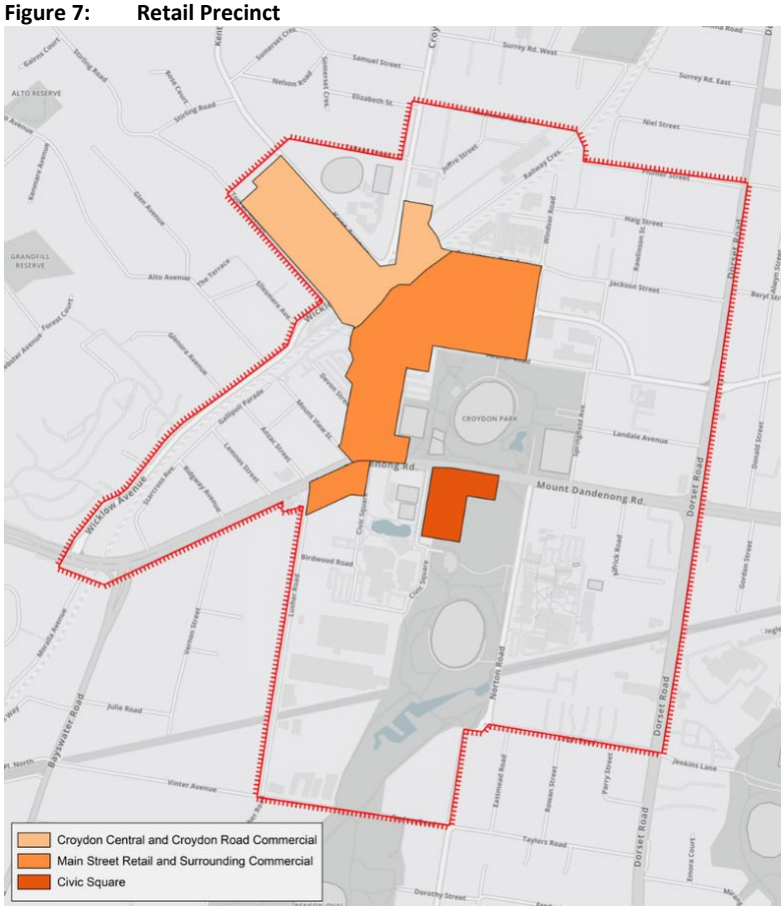
5.6 Croydon Retail Precinct

The Centre's core commercial area is comprised of the Main Street retail shopping strip which is bookended by the Croydon Central and Civic Square shopping centres. These are both largely self-contained shopping centres.

Over the past decade the Centre has added new retail floor space within the existing footprint of zoned land. This includes approximately 300 sqm. of floor space along Mount Dandenong Road as part of a mixed-use development and the addition of contemporary retail and dining space at the corner of James Kerr Way and Hewish Road (approx. 1,500 sqm.). There is also approximately 1,500 sqm. of retail floor space currently under construction within the Croydon Central Shopping Centre, which is expected to commence trading in 2020. The Civic Square Shopping Centre (formerly Arndale) has also recently undergone a refurbishment.

There is an estimated 35,500 square metres of commercial floor space within the Centre's retail precinct. Apart from the additions discussed above, the quantity of floor space within the Centre's retail precinct has been largely unchanged since the early 2000s.

Figure 7: Retail Precinct



Retail Floor Space Estimates

Sub -precinct	Major traders	Floor space (sq.m.)
Croydon Central	Aldi, Coles	12,000
Civic Square	Woolworths, Reject shop	6,700
Main Street	Croydon Cinemas, restaurants, fitness, hire, real estate agents, banks	16,800

Source: Essential Economics, Charter Keck Cramer

The retail precinct functions as the 'heart' of the Centre and encompasses the Centre's greatest density of jobs with approximately 1,700 jobs at the time of the 2016 Census. Majority of the employment is within and around the Main Street shopping strip (1,155 jobs).

For the 2011 to 2016, period Main Street employment grew by over 180 jobs[8], with food and beverage and health care employment leading the area's job growth. The resilience of the Main Street commercial area resulted in average annual employment growth of 2.4% p.a. for the 2011 to 2016 period.

Over the past decade, food and beverage enterprises on the south side of Main Street have begun to respond to the natural features of the Centre, including views to the Dandenong Ranges and into Croydon Park. It follows that the south side of Main Street has seen the greatest expansion of the Street's food and beverage employment.

[8] This is net jobs growth and therefore incorporates declines in employment as well as growth.

Figure 8: Leading Industry Sectors: Retail Precinct 2016



Source: ABS Census Place of Work 2016

In 2020, the Croydon Central Shopping Centre will open *the Grove* which will be a new contemporary dining facility offering a range of international cuisines. *The Grove* will further solidify and expand the role of the Centre as a recreational dining location and potentially establish a new standard of dining within the Centre.

The core retail precinct has sustained high levels of occupancy and has adapted to the ongoing decline in street facing merchandise trades via the establishment of new food and beverage uses and health and well-being uses. There is an estimated 0.56 sqm. of commercial floor space for every person living within the Centre's retail catchment (see **Appendix 1** for further details of the Centre's retail catchment).[9] This suggests that retail expenditure form within the local retail catchment is occurring in many other locations outside of the Centre.

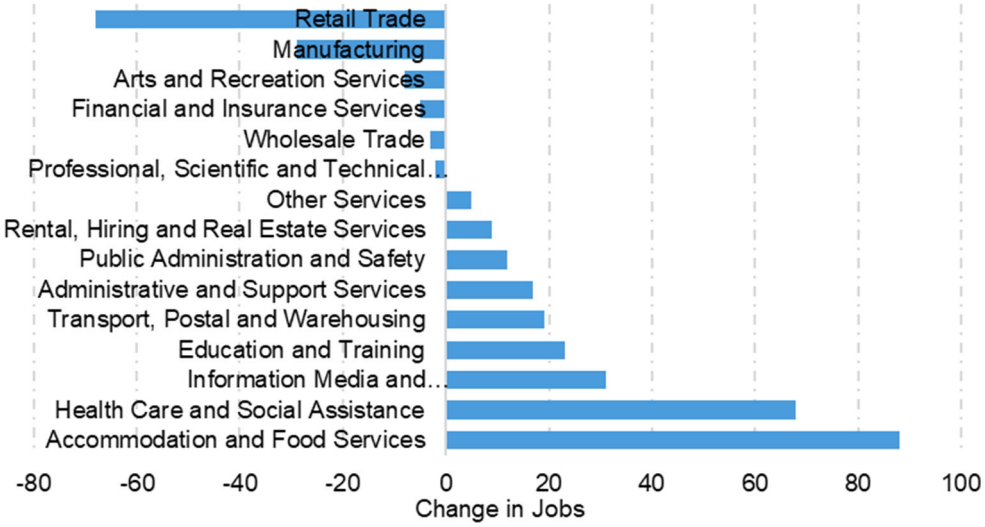
As discussed, the Ringwood Metropolitan Activity Centre, Westfield Doncaster, Chirnside Park and other highway based commercial centres in the sub region incorporate significant numbers of national and international retailers with specialities in household technology, bulky homewares and higher order apparel. These are retail categories in which the Centre has a limited number of enterprises. These locations and increasingly online retailers are likely to be successfully attracting local retail expenditure from within the Croydon region, particularly in retail categories beyond weekly fresh food shopping and leisure-based dining.

Notwithstanding the above, the Centre's retail vacancy is very low especially when compared with many other suburban shopping strips (at the time of writing there were 2 vacant shops in Main Street equating to

[9] In comparison the Greensborough MAC has an estimated .89m^2 commercial floor space per person, the Ivanhoe MAC 1.6m^2 per person (extrapolated from Urban Enterprise Activity Centre Assessment 2017 for the City of Banyule. The Clarendon Street shopping strip in the City of Port Phillip accounts for 0.61m^2 of retail floorspace per resident in its surrounding catchment, while the Bay Street shopping strip in the City of Port Phillip accounts for 0.85m^2 (*Fishermans Bend Urban Renewal Area Retail Assessment, Essential Economics*). Commercial floor space per person is a function of both the volume of floor space and residential catchment. Croydon encompasses a far greater retail catchment than Ivanhoe MAC incorporating the suburbs of Croydon MAC and parts of Mooroolbark and Kilysth which includes a population of approximately 71,000 people. Ivanhoe MAC has a smaller catchment of approximately 28,000 people with a similar number of people. Centres such as Greensborough have substantial commercial floor space including self-enclosed shopping centres while also being supported by large residential catchments. The Clarendon and Bay Street MACs in the City of Port Phillip are similar to the Croydon MAC in that they do not incorporate significant self-enclosed shopping centres.

a less than 1% vacancy rate). The Centre incorporates a large number of sole traders who according to consultation responses are largely reliant on an ageing but loyal customer base.

Figure 9: Change in employment 2011-2016: Croydon Retail Precinct



Source: ABS Census Place of Work 2016, Charter Keck Cramer

5.7 Transforming Main Street

The ongoing concentration of merchandise-based retail online and in large format retail environments (such as big box retail and major shopping centres) compels local shopping strips to adapt to the decline in local merchandise-based retailing by drawing on other non-substitutable strengths such as the quality of place. Croydon's Main Street provides the basis for a high experience retail/recreational environment that is largely non-tradeable or substitutable in that it is uniquely place based.

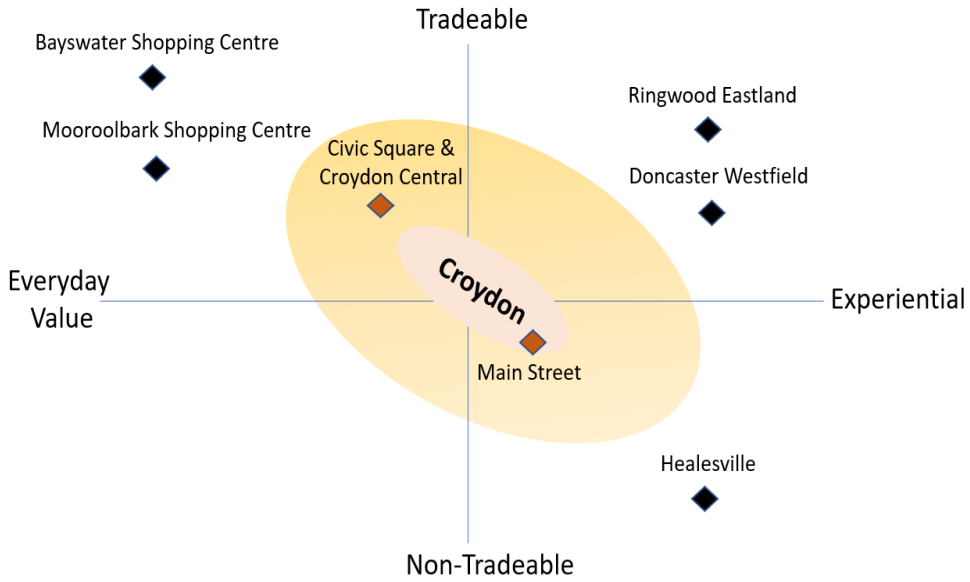
Shopping is a human behaviour that will continue to be both a needs based and social experience in which many people will continue to prefer a local and more pacified environment like Croydon.

The retail matrix below positions the Centre in relation to the substitutability of its services and products. As can be seen, the Centre straddles both highly tradeable and non-tradeable markets.

Specifically, the Centre's two shopping centres and Main Street merchandise-based retailers compete in highly tradeable markets in which products are generally substitutable in nearby locations. For residents within the Centre's retail catchment there are a number of other locations and centres within the subregion that in many instances have a greater range of merchandise than is provided in the Centre.

Alternatively, many of the Centre's café's and health services draw on both the convenience and amenity of the Centre as a destination which are attributes that are generally difficult to substitute. The Centre's non-substitutable elements along with its capacity to deliver services are major competitive strengths.

Figure 10: Leading Industry Sectors: Retail Precinct 2016



Source: Charter Keck Cramer

5.8 Urban Services Precinct

The Centre incorporates two industrial precincts to the east and west of Main Street which over the past two decades have been transformed into urban service locations. At 2016, there were 1,100 jobs within these areas, with the largest proportion of jobs (approximately 690 jobs) in the eastern urban services precinct.

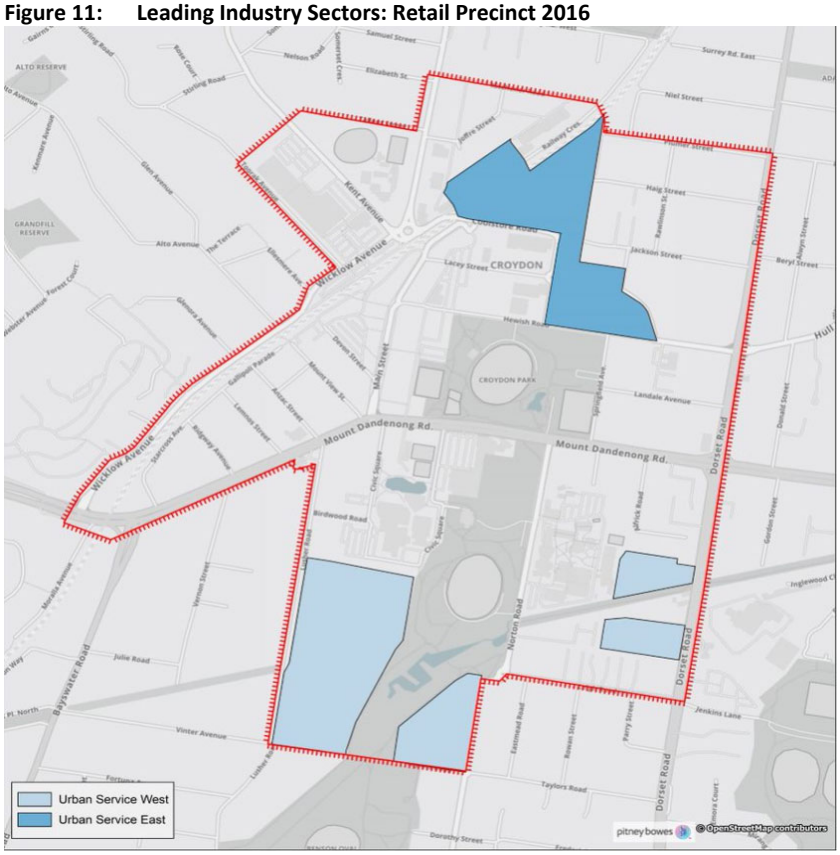
For the 2011 to 2016 period the Centre's urban services precincts experienced an employment decline of approximately 110 jobs resulting from declines in manufacturing, wholesaling and warehousing employment. Employment decline has been greatest in the western sub precinct with a loss of approximately 80 jobs.

The eastern urban services precinct (12 HA) includes significant numbers of automotive repair and sales jobs and a range of household repair and service jobs. A review of uses in the precinct identified 34 businesses involved in the automotive sector with approximately 160 automotive jobs in this sector. The area also includes over 100 professional service jobs with high numbers of accountants and lawyers operating from the sub-precinct. Many of these practices operate from improvised office spaces.[10] The precinct includes a dedicated office facility of approximately 3,000 sq.m. that is currently largely vacant.[11] There are a relatively high number of health and social service jobs (approximately 75 jobs) in the sub-precinct.

[10] There are three accepted classifications of commercial buildings. Class A, B, and C buildings. Class A commercial buildings are the newest and highest quality buildings. Class B buildings are older buildings that provide good quality amenity. Class C buildings are the lowest classification of office building. Class B and C buildings tend to be incorporate outdated building infrastructure and technology and thereby attract lower rental rates than newer buildings and buildings in prime locations. Most of Croydon's office, warehouse and wholesaling buildings can be classified as B and C grade buildings.

[11] According to consultation with agents managing office space in the Centre there is demand for small scale and affordable dedicated office by sole practitioners and small enterprises.

Figure 11: Leading Industry Sectors: Retail Precinct 2016



In its current form, the eastern sub precinct largely functions as a subregional services centre with specialities in automotive, legal and accounting services, trades and health care. While the form and uses in this area appear disjointed, this reflects the diversity of uses and enterprises accommodated in the area. The diversity of spaces in the area, both in quality and size, provides the setting to support new, emerging and mature enterprises (which was a view expressed in local consultation with respondents perceiving this as an advantage of the area).

The transformation of Industrial Land to Urban Service Land

Industrially zoned land has traditionally supported manufacturing; transport and warehousing; service and repair trades and industries. These enterprises typically incorporate a mix of administration, production and warehousing activities within individual properties.

In response to both increased numbers of households and the decline of local manufacturing, the smaller industrial precincts that are dotted throughout Australia's capital cities have been undergoing transformation into local service areas in which the local community can access an array of typically specialised services and trades.

The Centre's two industrial precincts are in the advanced stages of transformation into urban service locations. The precincts now include places of worship, a brewery, exercise centres, a play centre, childcare centres, legal and accounting practices and storage businesses.

These urban service uses are co-located with a large number of car servicing and repair enterprises which are more traditional industrial uses. The disjointed appearance of the Centre's industrial precincts partly reflects the range of activities these areas currently accommodate and the historic built form that has emerged in these areas. A lack of coherence, however, is consistent with the way in which smaller industrial areas are evolving. Urban service areas are diverse locations that support an increasing variety of specialised activities that support household service needs.

Approximately 60% of lots within the eastern sub precinct are between 750 and 1500 sq.m. which is a lot size that tends to support buildings of a scale suited to the needs of both small and medium sized enterprises.

Employment densities within the western urban services sub precinct are in decline, with former major manufacturing and distribution sites replaced by employment uses of significantly lower densities, including storage, places of worship, wholesaling and a play centre. There are also a number of automotive enterprises in the precinct.

The 2016 Census suggests that the precinct still includes a diverse number of wood, paper, printing, metal and equipment manufacturers. However, Charter's review of current uses suggests that since 2016 the precinct is likely to have experienced ongoing decline in its manufacturing uses.

The decline of manufacturing and traditional industrial uses has not resulted in a significant increase in vacancy as vacant sites have been attractive to community groups, storage providers and smaller scale trades and services. The use of large format former manufacturing and distribution sites in the provision of services and non-traditional industrial uses may, nonetheless, represent an underutilisation of the precinct's larger sites.

Into the future, traditional manufacturing and logistics uses are unlikely to return to the Centre. Within the outer east, the Bayswater and Scoresby industrial areas provide greater road accessibility than Croydon's industrial precincts, while also providing a range of premises at different price points in the context of a dense network of potentially complimentary industrial and semi-industrial enterprises and skill sets. Bayswater is emerging as an important industrial node in the contemporary eastern economy in which enterprises are increasingly drawn to contemporary industrial spaces in proximity to major road networks. Future outer eastern industrial uses are, therefore, more likely to establish in these precincts than within the Centre.

Table 5: 2016 Jobs Growth in Outer Eastern Employment Clusters

Location	200-750 sq.m.	750-1500 sq.m.	1,500-5000 sq.m.	5000-10000 sq.m.	10,000
Urban Services West	0	3	15	2	5
Urban Services East	4	40	13	2	

Source: Charter Keck Cramer

5.9 Civic and Education Precinct

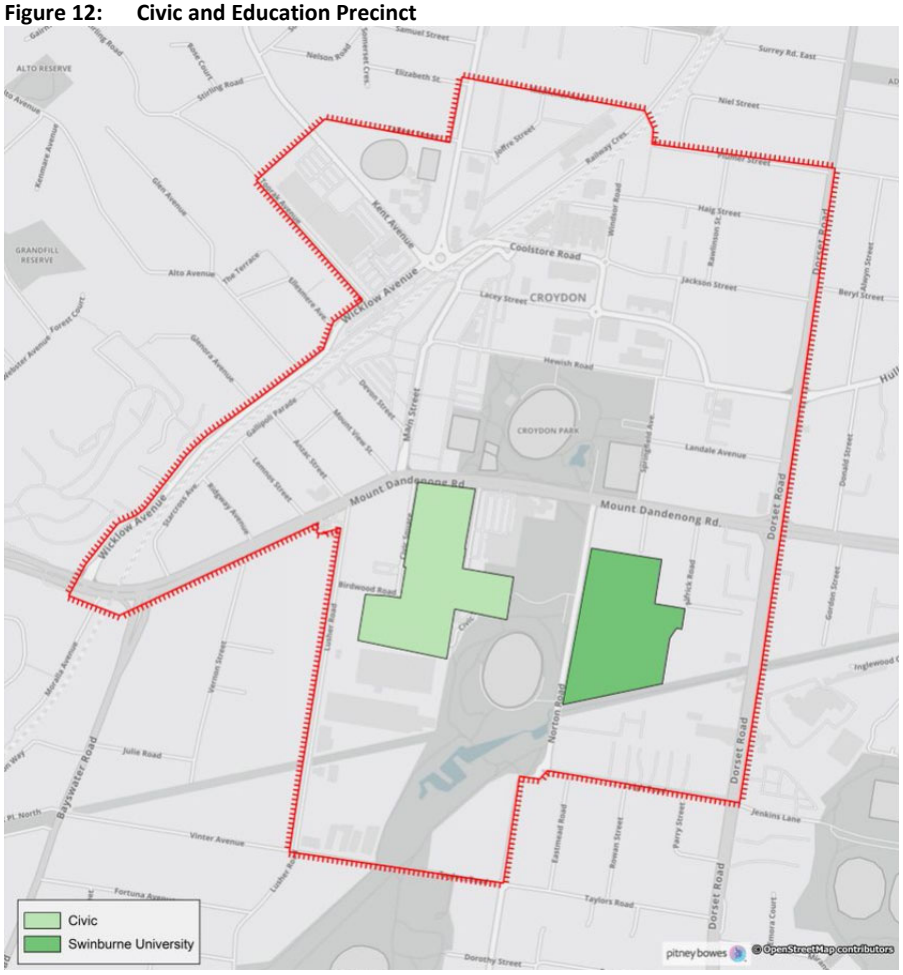
The Centre incorporates an abundance of community and recreational uses including the Aquahub aquatic complex, the Croydon Library, the University of the Third Age (U3A), and public meeting rooms. The precinct also includes the Croydon campus of Swinburne University which specialises in vocational education.

At 2016, there were approximately 500 jobs in this sub precinct with more than half of the precinct's employment in the government sector and within the health and social service sector.

Swinburne University is one of the major employers in the precinct. Over the 2011 to 2016 period, vocational education funding was cut, resulting in a decline in both student and teaching numbers. Since 2010 enrolments have fallen. At 2020, there were 1900 students enrolled in the campus – a decline of approximately 500 students since 2010. A high proportion of the student base is part time.

For the 2011 to 2016 period, the precinct experienced minimal job growth. The area comprises 12.5 hectares of land. The Swinburne University campus comprises 6 hectares of land.

Figure 12: Civic and Education Precinct



5.10 Key Observations

- The Centre's retail precinct has been the primary driver of recent employment growth. Employment growth within this portion of the Centre has kept pace with that of Maroondah (LGA).
- Growth in services has been a major driver for the Centre's employment growth as well as growth in the food and beverage sector. This is reflected in changing uses along Main Street. Merchandise trade-based retailing is in decline while service based employment is growing.
- The Centre's western industrial area has seen a decline in its employment density and overall levels of employment. At 22 jobs per hectare the area has the lowest employment density of any the Centre's precincts. Comparatively, the eastern urban services area recorded 57 jobs per hectare while the retail precinct recorded 74 jobs per hectare. Low job density in the western urban services sub precinct reflects its ongoing employment decline along with the area's built form.
- The Centre is not an attractor for national and international retailers who, within the region, have established in more accessible locations along Maroondah Highway including the refurbished Eastland. The Centre has a significant concentration of sole traders and small businesses.
- Relative to other suburban shopping strips the Centre enjoys high levels of occupancy, which has been supported by the growth of service based enterprises and leisure based dining options.

6. Future growth outlook

The following explores a range of trends and drivers and how they may impact on the Centre's future economic growth and performance. The work explores potential drivers as follows:

- Population driven growth
- Broader employment growth
- Urban regeneration

Exploration of the above establishes the basis to develop future growth scenarios for the Centre, which are detailed in the subsequent section.

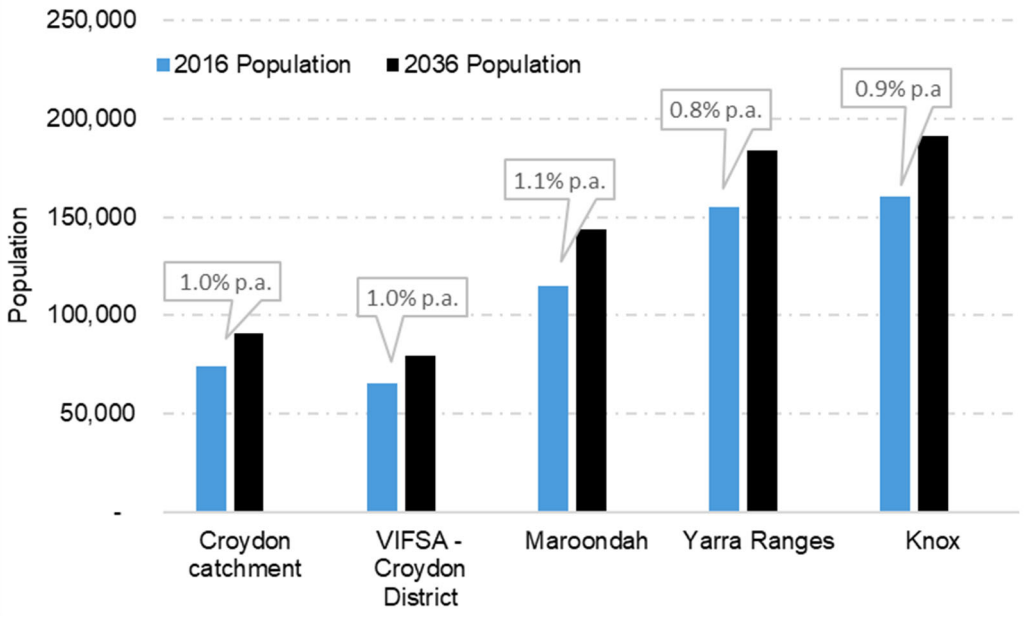
6.1 Influence 1: Population Driven Growth

The Centre is the main service centre and retail consumption centre for a residential catchment that at 2016 included approximately 74,000 people. Recent population growth within the catchment has been recorded at approximately 0.8% p.a.

It follows that as Melbourne's outer eastern population grows the Centre's residential catchment will also grow. Drawing on *Victoria in Future 2019* population projections for Melbourne's outer east, it is estimated that the catchment's population will grow at approximately 1% p.a. annum to 2036 resulting in a population of approximately 91,000 people.

Population growth will see further demand for the Centre's retail, recreation, health and urban services, which will also support the viability of redevelopment proposals and the expansion of commercial floor space.

Figure 13: Annual Projected Population Growth 2016 to 2036



Source: Victoria in Future 2019, Charter Keck Cramer

As is discussed in the housing analyses section of this study, a portion of the region's projected growth will occur within the boundaries of the Centre with direct flow on benefits to the Centre's food and beverage and recreation sectors.

The housing study identifies capacity of between 1,600 to 2,400 dwellings within the Activity Centre Boundary, which provides a basis to potentially double the Centre's population to 4,800 people by 2036. This scale of growth will drive further service and retail demand and, in turn, floor space expansion.

There are, nonetheless, barriers that the Centre will need to address for it to successfully leverage from the region's population growth including:

- *Generational change* - the Centre is made up of a high number of sole traders and small businesses, which over time will need to be succeeded by new retailers that can continue to appeal to the needs and evolving tastes of the local population.
- *Retaining local loyalty* – the Centre will need to continue to earn the loyalty of new and existing residents by delivering high-quality retail, civic and recreational experiences. Fundamentally, the Centre must continue to grow its amenity in order to function as a major and multifaceted destination.
- *Stimulating renewal* - the Centre will need to support the renewal of major locations in order to update, expand and diversify commercial floor space, which is essential to attracting new commercial tenants and maintaining the support of its local customer base. The renewal of Croydon Central exemplifies this. The opening of *The Grove* will provide insight into the scale of pent up demand in the local area for contemporary dining experiences.

6.2 Influence 2: Harnessing Broader Economic Growth

Ongoing and self-reinforcing population and employment growth has propelled Melbourne's economic growth. For the past two decades, Melbourne's economic output has grown consistently and substantially which has seen Melbourne become an increasingly important source of national prosperity. Into the future, as an internationally recognised node for education, professional services, major events and quality amenity, Melbourne's economy is projected to continue to grow, underpinned by ongoing population growth.

6.2.1 Croydon and the Outer Eastern Economy

For the 2011 to 2016 census period, Melbourne's employment base grew at an average annual rate of 2.3% p.a. The largest employment gains were seen in inner Melbourne and within Melbourne's south east and west. Melbourne's outer east, which does not incorporate a growth area, experienced the city's lowest rate of employment growth.

The Croydon Major Activity Centre is part of the broader Melbourne eastern economy which at 2016 included approximately 396,000 jobs. The Centre, therefore, comprises only a small portion of the eastern economy. Approximately 1% of the eastern region's employment was within the Centre, while 7.3 % of Maroondah's (LGA) 2016 employment was within the Centre.

It is important to note in the recent past employment growth in the Centre has not matched that of Maroondah (LGA) or the broader Melbourne economy - as discussed earlier, nearby employment clusters including the Ringwood Metropolitan Activity Centre and the Bayswater Industrial Precinct have seen much stronger jobs growth.

The Centre's 2011 to 2016 performance may, nonetheless, reflect a transitional period in which the Centre was transforming into a service focused location, from which, in the future, jobs growth may accelerate.

6.3 Employment Outlook

The Federal Government publishes ongoing short-term employment projections. For Melbourne, these projections envisage continued economic and employment growth with health care and social assistance projected to make up the largest contribution to employment growth, followed by professional, scientific and technical services, education and training and construction. Together, these four industries are projected to provide over three-fifths (62%%) of national employment growth to 2024.[12]

Deliotte Access Economics 2016 employment projections for Infrastructure Victoria project average annual employment growth across Victoria of 1.5% to 2046 (Federal short-term projections are for 1.9% average annual employment growth for Victoria). These projections identify professional services, construction, education and health care as leading areas of employment growth in Victoria. Victoria's manufacturing base is projected to continue to decline.[13]

Recently, the Department of Jobs, Precincts and Regions published employment projections for Melbourne's east. These project an additional 87,000 jobs to 2031. These projections envisage annual employment growth of 1.33% for the 2016 to 2031 period. Maroondah (LGA) is projected to add a further 9,000 jobs with health care and social assistance, retail trade, manufacturing, construction, and education projected to drive future jobs growth. Maroondah's projected employment growth rate to 2031 of 1.2% per annum is below the projected growth rate for the eastern region.[14]

6.3.1 Industry Sector Analysis

Into the future, if the Centre is to expand its employment and economic base, it will need to harness and leverage broader drivers of Victoria's economic growth.

The following table explores the capacity of the Centre to leverage broader economic trends to further diversify and expand its economic base. For land use planning, the capacity of the Centre to function as a node for outer eastern economic activity provides a basis to understand future floor space demand.

[12] These projections are prior to Coronavirus impacts. Revised projections were not available to support this work.

[13] The Victoria and Federal government are seeking to bolster local manufacturing via Industry 4.0 programs. These focus on supporting advanced automation and robotics, machine-to-machine and human-to-machine communication, artificial intelligence and machine learning, sensor technology and data analytics. Victorian Government is focusing this initiative on specific partnerships, enterprises and research institutes that do not currently operate from within Croydon.

While disruption of global supply chains and changes in sentiment resulting from the Coronavirus are likely to impact on globalisation and renew interest in local manufacturing, in the short to medium term, this is likely to initially benefit existing manufacturers and areas of existing manufacturing strength and demand. Over the long term, if a return to local manufacturing eventuates light industrial manufacturing in Croydon may benefit, however, this will require renewed investment in skills and facilities.

[14] Department of Jobs, Precincts and Regions, internal analysis (2019), *Melbourne Industrial and Commercial Land Use Plan*

Table 6: Industry Sector Evaluation

Industry	Recent Performance	Outlook for the sector	Opportunity for the Centre
Health Care and Social Assistance	This is a growing sector particularly within the core retail precinct and to a lesser extent the eastern portion of the Centre's industrial/urban services precinct. The current format of the Centre's health and wellbeing sector combines both conventional health care with fitness, psychological services and a range of therapies. Over the 2011 to 2016 period, employment within the Centre's health and social assistance sector grew at 4.6% p.a. which was significantly higher than growth rates for Victoria and Melbourne's east. This, however, is likely to reflect the Centre's transformation into a services node.	Health care and social assistance is identified as a major growth area for employment particularly with an ageing local population.	The Maroondah Hospital in Ringwood East is a metropolitan teaching hospital that includes emergency, general and specialist health services. The hospital anchors the Maroondah Health Precinct, which incorporates a number of regionally significant allied health services. The Croydon MAC is 3.5 kms from the Maroondah Health precinct. As such, health services provided in the MAC are not likely to form a core part of the Precinct's services. Ostensibly, the Croydon MAC will continue to service the needs of the local community while the Maroondah Health Precinct services the needs of the region. There is, however, the potential for the Centre's Civic precinct to support National Disability Insurance Scheme service providers, which may ultimately boost the profile of the Centre in delivering regional health and social services and create a level of health and wellbeing agglomeration in the Centre.
Professional Services and Technical services	The eastern portion of the Centre's urban services precinct includes the Centre's highest number of professional services jobs. Over 50% of professional employment is within the accounting and legal sector, with a further 25% of professional employment in engineering and architectural services. Professional services constitute less than 10% of the Centres employment, which between 2011 and 2016 grew at 2.1% p.a. (which was in	The broader outlook for growth in professional services employment is robust. In an economy that is increasingly based on services and reliant on skill and expertise to produce goods and services it is expected that a higher portion of employment will eventually entail the provision of advanced skills.	Competition for professional service and office-based employment is intensifying in the outer east with new office space in Scoresby, Ringwood and at Caribbean Gardens. New facilities will provide incentives to attract mid-sized and large established enterprises. Croydon lacks the infrastructure and connectivity to attract major office-based enterprises. At present, the Centre does not incorporate A grade

Industry	Recent Performance	Outlook for the sector	Opportunity for the Centre
	line with professional service growth for the broader outer east). There is minimal computer science, scientific and management consulting-based employment within the Centre. The most substantial office facility in the Centre is the Croydon Business Centre. This is currently largely vacant. There is also a small co-working facility in the Centre which provides shared office space to small enterprises at relatively minimal cost.	Co working is a growing area of office use and has been a driver for the expansion and investment in Melbourne's office space in the recent past.	commercial office space nor are there plans for the addition of this type of space to the Centre. Locations along the Maroondah Highway and Eastlink and near the Ringwood Station, provide connectivity to a larger workforce catchment than what Croydon is able to access. For smaller enterprises and sole traders there are a variety of affordable small office spaces including shop top offices throughout the outer east. This includes locations within the Centre as well as Mooroolbark and Lilydale. These locations will continue to be attractive to small scale professional service provides as well as health and social service providers. The Centre's small and affordable office spaces will, nonetheless, continue to be attractive to small firms and sole proprietors. Discussion with local leasing agents suggests that there is demand for office space from small firms and individuals who have been priced out of more accessible locations. Demand from smaller firms is therefore likely to drive the Centre's future office growth with demand for substantial dedicated office space continuing to focus on more accessible areas in the region.
Education	Swinburne University is the Centre's major education provider. The Croydon campus provides vocational education across a range of industries and skills primarily to residents of Melbourne's outer east (the campus is not a major focus for international students). At 2020, there were approximately 1,900 students on the campus, which represents a decline in enrolments since 2010.	Education services are a major driver of the Victorian and national economy. Since the early 2000s, Victoria's education sector has seen ongoing growth in enrolments by overseas students. In 2019 there were over 63,500 higher education commencements by overseas students and 54,400 commencements in the	The campus delivers education services to support the vocational education needs of outer eastern residents. There will continue to be demand for hospitality, trade and aged care training in the outer east, which may increase post coronavirus. There are, however, no plans to expand the role of the campus or to introduce higher education teaching on to the campus. There are also no plans to renew the campus to include research facilities.

Industry	Recent Performance	Outlook for the sector	Opportunity for the Centre
		vocational education sector. Into the future, growth in education employment is projected to exceed 2% p.a. within Victoria.	The campus will, therefore, continue in its current role as a major provider of vocational education in Melbourne's outer east. As will be discussed, there are aspirations to integrate the Swinburne campus into the Civic precinct which may help the campus achieve higher levels of exposure and greater levels of usage. Notwithstanding this, for the campus to significantly expand its level of activity and develop a broader profile, it would need to appeal to students beyond the immediate region. This would require built form investment and an expansion of its syllabus. Discussions in early 2020 with Swinburne indicated no immediate plans for investment.
Manufacturing	The sector is declining within the Centre and more broadly across Victoria. The Centre's manufacturing sector is comprised of small-scale light industrial manufacturing. The western urban services sub precinct is the Centre's prime manufacturing area.	Continued declines in manufacturing employment are projected. While Victoria's manufacturing output is likely to grow, this will be dependent on specialised skills and equipment rather than large volumes of labour. As is the case with greater Melbourne, the outer east has seen ongoing declines in manufacturing employment. Major manufacturers are consolidating in Victoria's major industrial precincts, which are locations that provide the density of interrelated networks, skills and suppliers to support contemporary manufacturing and distribution processes.	The Centre lacks the contemporary facilitates, networks and accessibility to lure major manufacturers back to the precinct. The Centre, nonetheless, provides very affordable industrial space for small enterprises. Additionally, there will continue to be ongoing demand for specialist local manufacturing to support engineering, construction and specialised uses. Consistent with broader trends, the Centre is likely to see continued decline in its manufacturing base. As discussed previously, it seems likely that since the 2016 Census there has been further declines in the Centre's manufacturing base.
Public Administration	The Civic Precinct incorporates the Centre's highest number of public administration jobs. Council information suggests that with changes in the location of local government jobs, public	As the local and outer eastern population grows, the demand for public services will continue to grow and correspondingly employment in the	The future of public sector employment is tied to the potential redevelopment of the Civic precinct and whether this includes the addition of new public sector jobs. The ultimate form for the renewal of the Civic precinct will determine its future employment

Industry	Recent Performance	Outlook for the sector	Opportunity for the Centre
	sector employment within the Centre is likely to have declined since the 2016 Census.	various services that deliver public services is likely to expand.	base. At present, a vision for the renewal of the precinct is yet to be determined.
Retail and the food economy	The Centre has experienced a major decline in merchandise-based retail employment. Together with the growth of health and recreation services, food and beverage uses have helped maintain high levels of occupancy within the core retail precinct while also offsetting retail based employment loses. Retail enterprises remain the Centre's leading employer. Recent investment in the Croydon Central Shopping Centre suggests that there is confidence by the private sector in the capacity of local demand to support further floor space, particularly in relation to food-based consumption.	Retail is undergoing significant disruption, which is resulting in high levels of retail floor space vacancy in suburban shopping strips. Ongoing growth in the online economy, and the lure of high order retail experiential shopping centres will continue to impact suburban shopping strips. Nonetheless, retail employment is projected to continue to be a major employer within Victoria but not a growth area for new employment.	The Centre is comprised of national grocery chains and a diverse variety of primarily local traders. The Centre's low level of vacancy is unique when compared with other suburban shopping strips, many of which have vacancy rates of above 5%. The size of the Centre's local retail catchment is projected to grow, which provides a basis to sustain the Centre's cluster of existing retail and service uses while also providing the basis to expand its entertainment and hospitality uses. Significant growth, however, particularly in merchandise-based retail trade, is unlikely. There is the risk that a number of the Centre's older sole traders may not be succeeded by a new generation of retail traders. There is also the risk that the Centre's older and loyal customer base might not be replaced by an equally loyal younger cohort of households (these households may prefer online retailing or locations that provide a greater density of comparative shopping).

6.4 Influence 3: Transformational change

The previous section considered the current capacity of the Centre to attract economic activity based on the current physical form of the Centre.

To 2036, private and public investment is likely to change the form of the Centre and ultimately its attractiveness as a lifestyle, recreation and service destination. A potential grade separation of the Lilydale rail line would, for instance, significantly improve vehicle and pedestrian access to Main Street from the suburbs to the east and north of the Centre. Additionally, the renewal of major sites within the Centre has the potential to upgrade the quality of the Centre's retail and commercial experiences increasing the Centre's capacity to attract regional residents, larger enterprises and national retailers.
The table below explores transformative opportunities on both public and private land and their potential to impact on the Centre's long-term growth and attractiveness as a destination for investment and renewal. Multiple transformations have the greatest potential to drive economic growth. A grade separation combined with the renewal of large sites would, for instance, boost both the accessibility and the sub-regional profile of the Centre in complimentary ways.

In estimating future floor space demand, the potential impact of transformative investment underpins the rationale of the higher employment/ floor space demand scenario (Scenario 2) detailed later in this section.

Table 7: Evaluation of transformational opportunities

Transformation	Impact	Economic Benefits	Economic Impact	Industry Sectors
Grade Separation of the Lilydale Rail line at Croydon Station.	This will enable the reorganisation of the Coolstore Road, Railway Crescent, Kent Avenue and Croydon Road junction to enable improved east west vehicle and pedestrian access and improved integration of Croydon Central with the eastern end of Main Street. May also result in potential redevelopment opportunities on surplus road space.	Improves access to the Centre's retailers and service providers for the resident population to the east and north of the Centre. Supports the activation and integration of uses along Croydon Road and Railway Crescent to the Centre. Improves the accessibility of the Centre's professional service and health uses.	Potential surplus land creates a basis for the development of contemporary mixed office, retail and housing at the heart of the Activity Centre. Creates a clear impetus for the redevelopment of larger sites east of Hewish Road including the Cinema complex. Supports the ongoing development and expansion of Croydon Central.	Health, retail, social services, professional services
Civic precinct renewal	The redevelopment of the Civic precinct into a new and contemporary integrated precinct will create the basis for an array of social service, recreational, entertainment and events uses.	Strengthens and expands the role of the Centre as a recreational and civic destination within the outer east. May expand the role of the Centre as an events and entertainment destination. Boosts the regional profile of the Centre.	Creates the basis to expand and grow social service, recreation and entertainment employment. Creates opportunity for spill over food and beverage demand. Potential to attract new floor space investment for allied health providers and social service providers.	Recreation, social service, public administration, entertainment

Transformation	Impact	Economic Benefits	Economic Impact	Industry Sectors
Major Redevelopment	There are a number of major sites that might be renewed into high quality, high experience mixed use facilities.	A high-quality and high experience facility will help attract national retailers to the Centre. Site responsive design may generate broader spill over impacts that benefits Main Street activity and the Centre's recreational and dining spaces. A high-quality facility will enhance service provision.	Major renewal will help the Centre capture a greater share of household retail expenditure by boosting the Centre's higher order comparative shopping experiences and via a broader range of dining experiences. Major redevelopment may also enhance the quality of service provision.	Retail, food and beverage
Swinburne expansion	Expansion of teaching services to attract increased numbers of students. Redevelopment of the campus to improve teaching facilities and student experience.	Broadens the student base and boosts day and night-time activity within the Campus.	Helps support the economic diversity and resilience of the Centre by boosting underlying demand. May generate additional local housing demand.	Education, recreation, food and beverage

7. Employment and Floor Space projections

Local and regional demand for health, recreation and professional services, as well as growth in local retail expenditure, will ultimately determine future demand for new and existing commercial floor space.

In examining future demand, Charter has reviewed the capacity of sectors to attract new economic uses and grow existing uses. As discussed, the Centre's recent employment growth has generally not matched that of the Maroondah LGA and the broader outer east. It is important to note, however, that employment outcomes for the Centre's precincts vary considerably with the retail precinct (2.4% annual average growth) significantly outperforming the Centre's urban service precincts (-0.8% annual average growth).

Economic projections for Melbourne's east envisage ongoing economic growth that to 2031 result in 1.3% p.a. employment growth across the region and 1.2% p.a. growth within Maroondah (LGA) to 2031. Projected long term employment growth for the outer east is considerably lower than that of Melbourne at 0.8% p.a., indicating more limited employment demand in the outer east over the long term.

Compared with other parts of Melbourne, the populations of Maroondah, Knox and the Yarra Ranges are projected to grow at a relatively lower rate of between 0.8% to 1.2% p.a. to 2036, which may partially explain the more limited employment projections for this region (in comparison, the population of Melbourne's south east is projected to grow at 2.1% p.a. and inner Melbourne at 2.2% to 2036).

Maroondah's economy, however, has been expanding with local employment growing at a rate of 1.35% p.a. over the 2006 to 2016 period. In this time, Maroondah (LGA) added more than 5,300 jobs with only a small proportion of this growth occurring within the Centre. For the 2006 to 2016 period, employment in Melbourne's east grew at 1.5% p.a. Into the future, both Maroondah's and the broader eastern economy are projected to continue growing. Employment in the broader eastern economy is expected to grow at approximately 1.3% per annum.[16]

A key challenge for the Activity Centre is to draw on its competitive strengths to link with and proposer from growth in Melbourne's eastern economy.

The Centre enjoys a competitive advantage in the quality of its Main Street and surrounds, which is increasingly recognised as a food and beverage, services and passive recreation area. The Centre's existing density of health, recreation and professional services provides a basis for growth. At the same time, the Centre lacks the workforce accessibility and connectivity to support major office-based enterprises of significant scale. Similarly, its industrial footprint is no longer linked into the density of manufacturing and transport networks evident within major industrial precincts. As also previously discussed, major national and international merchandise-based retail brands have historically not been attracted to the Centre.

Projections for floor space demand and employment growth have been guided by the above analysis. The analysis has relied on the application of economic assumptions related to the ability of the Centre to compete for new economic uses and to also expand existing uses over time.

7.1 Projection Results

Charter has developed two employment and floor space scenarios for the Centre; Scenario 1 is a trend based projection that assumes ongoing investment in the Centre resulting in the continuation of historic rates of growth, while Scenario 2 projects outcomes under circumstances where higher levels of local

[16] Department of Jobs, Precincts and Regions, internal analysis (2019), *Melbourne Industrial and Commercial Land Use Plan*

service and retail demand are drawn to the Centre based on its renewal and transformation. Scenario results are detailed as follows:

7.1.1 Scenario 1: Trend Growth

Scenario 1 assumes the Centre will continue to grow its employment base as a result of projected population growth and the ongoing attractiveness of the Centre's health, recreation, professional service and food and beverage enterprises.

Scenario 1 projects annual employment growth of 1% p.a to 2036. Notably, the first projection period to 2021 anticipates no employment growth due to Coronavirus impacts. It is likely that prior to 2019 employment within the Centre grew in line with broader employment trends. The Scenario assumes that the Coronavirus is likely to result in a loss of any employment gains since 2016 resulting in stagnant employment growth for the 2016 to 2021 period.

Table 8: Employment Projection Scenario 1

	2016	2021	2026	2031	2036
Number of jobs	3,300	3,300	3,520	3,750	4,000

Projected employment outcomes envisage that over the long term the MAC builds on its current strength as a subregional service centre and convenience shopping destination. Accordingly, the projection envisages growth in social assistance, health, food service, employment and professional service uses.[17]

Over the projection period, retail employment is projected to experience minimal growth of 0.6% p.a. The scenario projects an ongoing decline in manufacturing and wholesaling employment within the Centre.

The combination of growth, decline and stagnation in key industry sectors results in an average projected employment growth rate of 1% p.a. to 2036. The projection is below the Centre's recent growth of 1.1% p.a. As discussed, the projection, however, anticipates no employment growth to 2021 as a result of Coronavirus impacts (without Coronavirus impacts the Scenario 1 projection aligns with recent trend employment growth for the Centre of 1.1% growth p.a.).

In 2020 the Department of Environment, Land, Water and Planning (DELWP) published the *Melbourne Industrial and Commercial Land Use Plan*. The plan projects employment growth for Maroondah (LGA) to 2031 of 1.2% jobs and broader eastern growth of 1.3% p.a. Scenario 1 growth is therefore below projected employment growth for both Maroondah and Melbourne's east.[18] The DELWP projections do not, however, anticipate Coronavirus impacts, which are likely to see a weaker regional employment outlook.

The Scenario assumes ongoing investment in the Centre's accessibility, amenity and recreational facilities as well as commercial and retail floor space.

Floor space demand that both underwrites and promotes projected employment growth is estimated as follows:

Table 9: Floor space requirement Scenario 1[19]

[17] The projection assumes that professional services employment within the Centre grows at 1.3% p.a. to 2036, food and hospitality employment grows at 1.6% p.a. and health and social assistance employment grows at 1.4% p.a. These are projected to be the Centre's leading growth sectors. Both State and Federal employment outlooks envisage high growth in these industry sectors for Melbourne's east. All other sectors grow at approximately 1% p.a. with the exception of retail, manufacturing and wholesaling.

[18] The Department of Environment, Land, Water and Planning, the *Melbourne Industrial and Commercial Land Use Plan 2020,* page 73.

[19] *Note: The above projections are based on assumption of standard floorspace ratio 12 sqm per employee for dedicated office and 36 sqm for educational uses.*

Use	Floor space requirement (sq.m.)
Retail/ Food and Beverage	3,200
Health, Social and Professional Service space	5,500
Education	2,000

It is important to note that ongoing declines in manufacturing and wholesaling activity is likely to create a further 2,000 sq.m. of urban services space. The Centre's urban service precincts may therefore be a major source of commercial floor space capacity into the future.

The projection implies long term demand for between 2 and 3 office blocks of between 2 to 3 storeys, assuming floor plates of between 800 to 1200 sqm and more limited office uses on the ground floor.

7.2 Scenario 2: Transformation and Renewal

This scenario assumes that the transformation of the Centre will significantly boost the Centre's economy drawing in further professional service workers and strengthening the Centre's role as a subregional service, dining and recreational destination.

As discussed above, the Centre's potential transformation has the capacity to encompass a range of major public and private investments, including the redevelopment of the Civic precinct, the expansion of Swinburne University, the grade separation of the Lilydale rail line and the redevelopment of major strategic sites including the cinema.

In this scenario, the Centre boosts its historic employment growth rate to an average of 1.2% p.a. to 2036. Scenario 2 anticipates increased employment in health and social service, recreation, professional services and food services.[20] For these industry sectors, employment growth is either equal to or above projected employment growth by industry for Victoria.

In Scenario 2, the Croydon MAC achieves an equivalent annual employment growth rate to the employment growth rate projected for Maroondah (LGA) of 1.2% p.a. Scenario 2, nonetheless, anticipates lower average annual employment growth than the broader eastern region of 1.3 p.a%.[21]

As per scenario 1, this scenario assumes declines in manufacturing and wholesaling and minimal growth in retail uses. For the 2016 to 2021 projection period, Scenario 2 also anticipates no job growth due to coronavirus impacts.

Table 10: Employment Projection Scenario 2

	2016	2021	2026	2031	2036
Number of jobs	3300	3300	3550	3840	4160

Resulting floor space demand is higher than in Scenario 1. Both Scenario 1 and Scenario 2 assume that the Centre continues to support a range of speciality stores without securing national merchandise-based retailers as major tenants.

Table 11: Floor space requirement Scenario 2

Use	Floor space requirement (sq.m.)
Retail/ Food and Beverage	5,000
Health, Social and Professional Service space	6,500
Education	4,000

[20] The projection assumes that professional services employment within the Centre grows at 2% p.a. to 2036, food and hospitality employment grows at 1.4% p.a., education employment grows at 1.4% and health and social assistance employment grows at 1.5% p.a. These are projected to be the Centre's leading growth sectors. All other sectors grow at between 1% to 1.2% p.a. with the exception of manufacturing and wholesaling.
[21] The Department of Environment, Land, Water and Planning, the *Melbourne Industrial and Commercial Land Use Plan 2020,* page 73.

The projection implies long-term demand for between 3 to 4 office blocks of between 2 to 3 storeys, assuming floor space of between 800 to 1200 sq.m. and more limited office uses on the ground floor. The projection also envisages a major retail redevelopment within the Centre that most likely entails the redevelopment and expansion of one of the Centre's standalone shopping centres.

7.3 Key Insights

- Employment throughout Melbourne's outer east is projected to grow over the next two decades, primarily driven by demand for services resulting from population growth and change.
- Croydon Major Activity Centre is steadily transforming into a services, recreational dining and convenience shopping node for the Croydon region. Over the long term the Centre is anticipated to continue to strengthen its role in these areas, which will solidify its role as an important destination within the Croydon region.
- The Centre is well positioned to leverage from transformational investment that both renews the existing built form and improves accessibility to the Centre. Within this study, transformative investment is anticipated to propel higher levels of employment and population growth and economic activity.
- In the recent past, employment growth within the Centre has not matched that of Maroondah (LGA) or Greater Melbourne. Transformative investment will see the Centre close this gap with the Centre's long-term employment growth approximating that of Maroondah and the eastern region. Transformative investment is likely to see additional health, recreation, civic and professional services employment as well as an expansion of the Centre's food and beverage industry.
- Ringwood Metropolitan Activity Centre will continue to solidify its status as the Outer East's leading office, service and retail centre. It is not, therefore, envisaged that Centre will attract major office-based enterprises nor high numbers of national retailers. As such, the study envisages the Centre's economy to continue to be led by the Centre's major fresh and packaged food retailers, its substantial health and automotive services sectors and its diverse range of sole traders. The study, nonetheless, anticipates an ongoing increase in small scale professional service enterprises and workers within the Centre.

Section 2
Housing Analysis

8. Housing Analysis

8.1 Background

In 2016, the City of Maroondah completed *The Places We Live – Maroondah Housing Strategy.* The strategy sought to promote enduring liveability by progressing three key themes for future housing planning:

- Affordability: which identified key issues in relation to a lack of affordable and social housing, year-on-year price increases, and high rental costs.
- Diversity: the need for flexible and adaptable housing, and housing that promotes ageing in place as well as new low and medium density housing.
- Infrastructure: the need for improved private and public infrastructure in response to population growth, as well as the need to improve access to public transport and preserve creeks, reserves and parks.

In engaging with the community during the development of the strategy a number of priority issues emerged that are pertinent to the Croydon Major Activity Centre (MAC). These include the need to balance development and the natural environment, a lack of affordable and social housing, population growth and the need to address the housing needs of an ageing population. Councils responses to these issues are presented in Figure 26.

Table 12: Maroondah Housing Strategy issues and priorities

Priority housing Issues*	Priority responses to these issues*
Balancing development and the natural environment	Protect and enhance our vegetation, ridgelines and landscapes
Population growth	Advocate for more affordable and social housing
Lack of affordable and social housing	Encourage high quality and innovative development
Need for more sustainable homes	Encourage renewal of older housing
Ageing population	Encourage more adaptable and accessible homes
Ageing infrastructure	Planning concessions for developments that address local needs
Lack of crisis accommodation	Provide more one and two bedroom dwellings
Lack of two bedroom dwellings	Encourage housing in neighbourhood centres

**Ranked by number of participants identifying the issue or response in their top three schedules*

Source: Maroondah Housing Strategy 2016

8.2 Study Objectives

The last two decades has seen the Croydon MAC become a genuine source of housing diversity and choice within Melbourne's outer east.

This section of the study explores the Centre's housing context, including its recent housing growth, the characteristics of the local housing market and associated demand and the capacity of the Centre to sustain future growth.

Key objectives for this section of the study include the identification of:

- Current and future residential development trends
- Long term housing capacity and the supply of land to support ongoing residential development
- Price points for purchases and renters within the Centre.
- The sources and likely characteristics of future housing demand.

The housing capacity and land availability assessments draw on detailed analysis of planning, usage, residential development and cadastral data to identify the Centre's land supply and residential potential while the section's affordability, sales and rental analysis draws on government and private price data to both review and position the Centre's housing market.

The section has been guided by a number of underlying assumptions. Specifically, the study draws on *Victoria in Future 2019* to understand the quantum and characteristics of long-term population growth in Melbourne's outer east. The study also assumes that if the planning controls change they are they are likely to see the Centre continue to support the development of high and medium density housing.[22]

9. Population growth and change

9.1 Introduction

Consistent with its nominated role as a housing diversity and housing supply location in both state and local planning policy, the Centre has emerged as a significant subregional node for higher density housing options within Melbourne's outer east.[23]

At 2016, there were approximately 2,440 people living within the Centre which over the 2011 to 2016 period, represented growth of approximately 450 new residents. As will be discussed, the Centre's population growth has been driven by migration to the Centre from households within the surrounding Croydon market housing area and the broader Maroondah local government area.

The continued development of medium and high density housing within the Centre underpins the Centre's growth. For the past, ten years the Centre has added an average of 35 dwellings per annum, primarily in the form of apartments and townhouses.

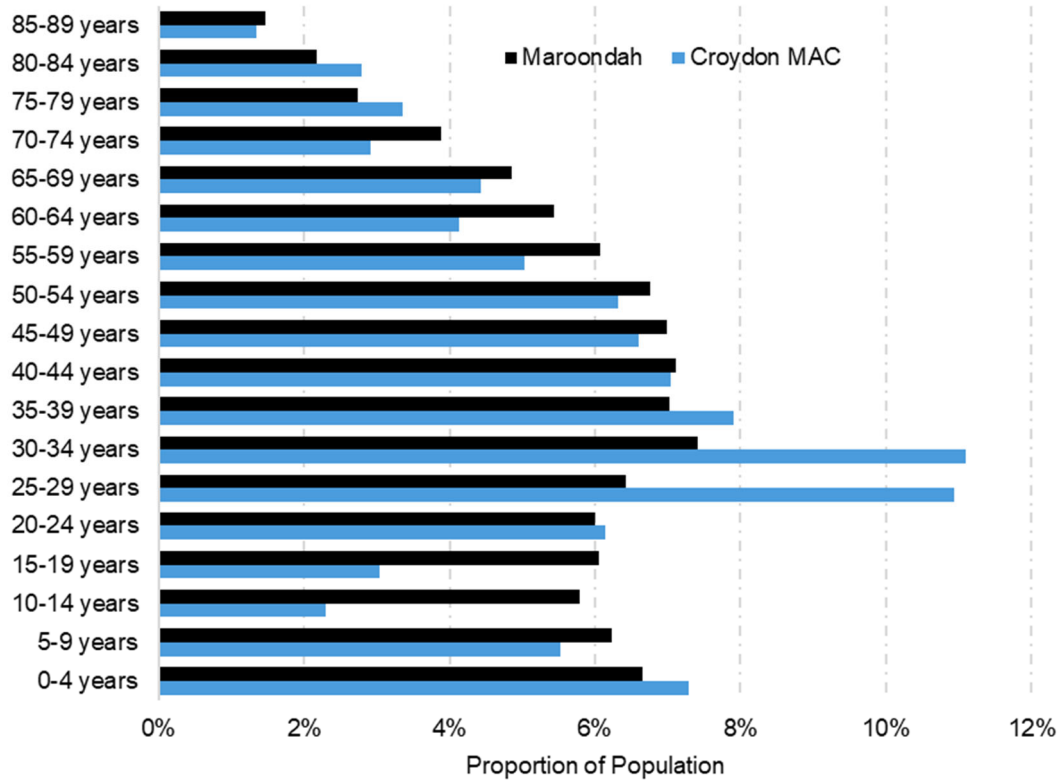
9.2 A Centre of Young People and Smaller Households

The Centre has emerged as a major node for small households and younger households. At the time of the 2016 Census over a third of the Centre's population was between 20 to 39 years of age.

When compared to the demography of Maroondah (LGA) and the broader outer east, the Centre has a relatively high concentration of younger households and individuals. Conversely, the broader region and surrounding suburbs have higher numbers of teenagers and those between 40 to 69 years of age. At 2016, there were approximately 880 people aged between 20 to 39 years living within the Centre.

Figure 14: Age profile Croydon Centre and Maroondah (LGA) 2016

[22] Densities are based on calculations of net site density. Low density housing is housing < 25 dwellings per hectare, medium density housing is housing with a net site density of between 25 to 80 dwellings per hectare while high density housing is housing > 80 dwellings per hectare.
[23] See for instance, Croydon Major Activities Area 22.09-2 and Direction 2.2 *Plan Melbourne*

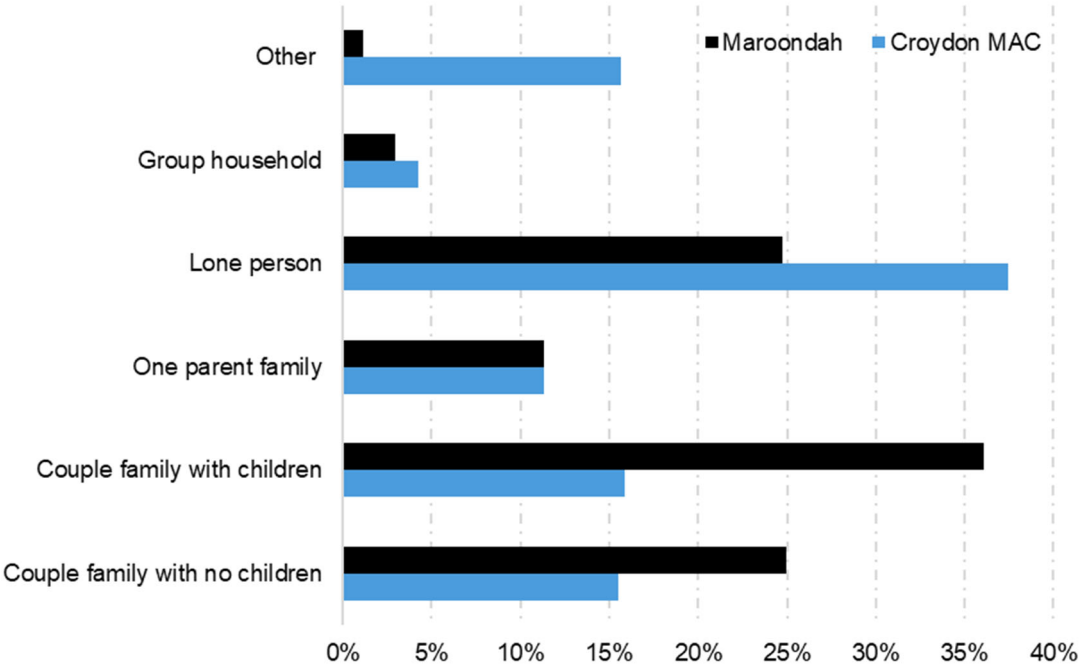


Source: ABS Place of Usual Residence, Charter Keck Cramer 2016

With such a high concentration of young adults it follows that the Centre is also home to significant numbers of smaller households (over 50% of the Centre's households are either couples with no children or lone person households). Conversely, when compared with the Maroondah LGA, the Centre has far fewer family households with children.

Those households within the Centre with children tend to have only 1 child (typically below 10 years of age). This suggests that for many new family households the Centre functions as a transitional area during the early stages of household formation.

Figure 15: Croydon Activity Centre Household Structure 2016



Source: ABS Census of Population and Housing, Charter Keck Cramer 2016

There are, however, far higher proportions of couple only households within the Maroondah (LGA) than within the Centre. This suggests that the Centre is yet to be a focus for downsizing.

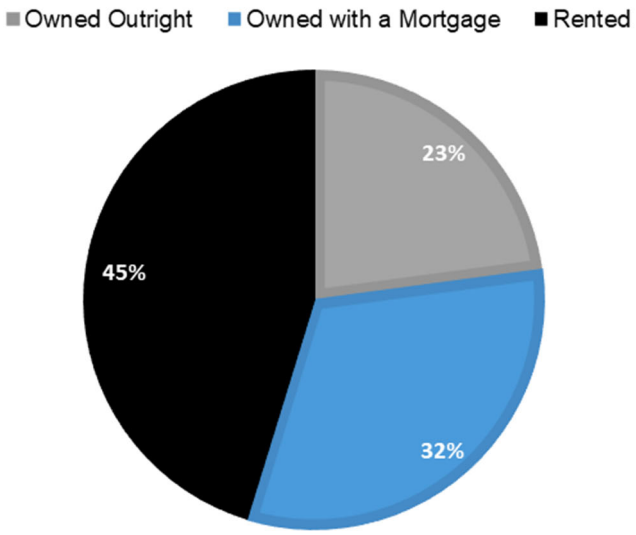
At 2016, the average size of households within the Centre was 2.1 persons per household. Maroondah (LGA) averaged 2.6 persons per household.

9.3 Tenure

The Centre incorporates high number of households that rent their dwelling. Approximately 45% of the Centre's households live in a rental dwelling. Comparatively, only 23% of households in the Maroondah LGA live in rental accommodation. Around 32% of households in the Centre own with a mortgage (comparatively, nearly 40% of households in Maroondah LGA own their dwelling with a mortgage).

High levels of rental accommodation within the Centre underlines the role of the area as a transitional area for young people and a housing diversity area for the broader region.

Figure 16: Croydon Major Activity Centre [24]



Source: ABS Census of Population and Housing, Charter Keck Cramer 2016

[24] This is based on a collection of SA2s that approximate the Centre boundary. The approximation captures a higher number of households than live within the Centre.

10. Housing Supply

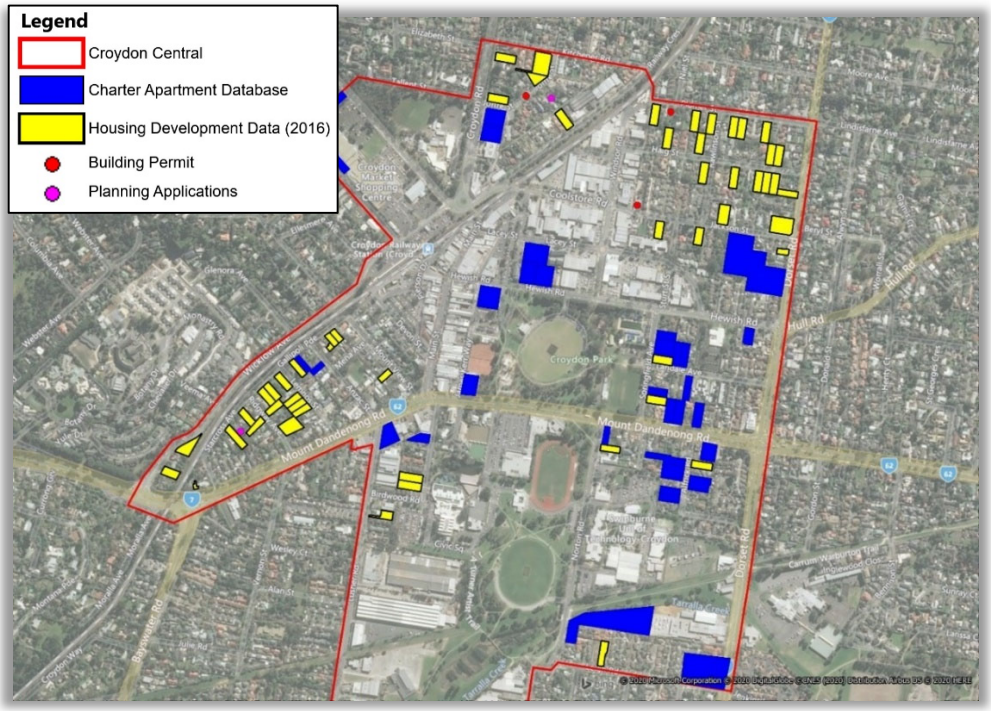
The Centre functions as a subregional node for higher density housing options within Melbourne's outer east. High to medium density housing options are attracting high numbers of smaller households into the Centre, particularly younger households.

Over the past 5 years the Centre has recorded an average annual dwelling supply of 44 new dwellings per annum which has almost exclusively been the result of medium rise (3 to 4 storey) apartment projects. The first contemporary apartment project within the Centre commenced in 2004 which, as can be seen in the map below, was followed by similar forms housing development projects in the intervening period.

It is important to note that in the past two decades, the Croydon region has been a major source of dwelling supply in Melbourne's outer east, owing to a combination of numerous small scale subdivisions, medium density projects and higher density developments.

The map below identifies post 2003 dwelling completions as well as planning and building approvals (not included in completions data). As can be seen, there has been limited housing development in the core of the Centre around Main Street, while areas along Mount Dandenong Road and Hewish Road have seen substantial change. See **Appendix 3** for further information on the methodology that has been applied to determine historic supply.

Figure 17: Dwelling completions and development Croydon Precinct (2003-2021f)



Source: City of Maroondah, Department of Environment, Land, Water and Planning, Charter Keck Cramer.

The data below details the Centre's historic housing supply. Based on Charter's national apartment database and planning approvals. In the short term, as many as 80 dwellings are likely to be added to the Centre's dwelling stock to 2021.

Table 13: Annual Dwelling Completions Croydon MAC (2003-2021f)

Data	Status	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20f	21f
Charter Keck Cramer	Completed	35	51	58			10	21		55	10		12	64	20	56	25	42		
	Under Construction																		20	
	Marketed																		10	50
HDD (net)	Completed			6	5	5	4	8	24	7	13	3	14	4	7					
Other	Building Approvals															6	4	2		
Other	Planning Approvals																2		3	
	Total	35	51	64	5	5	14	29	24	62	23	3	31	68	27	62	31	44	33	50

Source: City of Maroondah, Department of Environment, Land, Water and Planning, Charter Keck Cramer.

The Centre's housing supply is driven by major projects of more than 10 dwellings. There is limited evidence of smaller scale subdivisions in the Centre, reflecting the success of current planning controls in directing higher density development to the Centre.

Table 14: Annual Dwelling Completions Croydon MAC Project Size (2003-2021f)

Status	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20f	21f
1 Dwelling			4	1	5	2	3	5	2	1	1	1		1					
2 Dwellings			2			2	2		2	4	2	4				2	2		
3-9 Dwellings				4			3	19	3	8		14	4	6	6	4		3	
10+ Dwellings	35	51	58			10	21		55	10		12	64	20	56	25	42	30	50
Total	35	51	64	5	5	14	29	24	62	23	3	31	68	27	62	31	44	33	50

Source: City of Maroondah, Department of Environment, Land, Water and Planning, Charter Keck Cramer.

Larger 10+ dwelling projects underpin the Centre's dwelling supply. Since 2015 larger projects have comprised over 90% of the Centre's housing supply. In most cases 10+ dwelling development projects are apartment projects, although this is changing.

Table 15: Proportion of Annual Completions within Croydon Central (2003 – 2021f)

Status	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20f	21f
1-9 Dwelling	0%	0%	9%	100%	100%	29%	28%	100%	11%	57%	100%	61%	6%	4%	10%	19%	5%	9%	0%
10+ Dwellings	100%	100%	91%	0%	0%	71%	72%	0%	89%	43%	0%	39%	94%	96%	90%	81%	95%	91%	100%

Source: City of Maroondah, Department of Environment, Land, Water and Planning, Charter Keck Cramer.

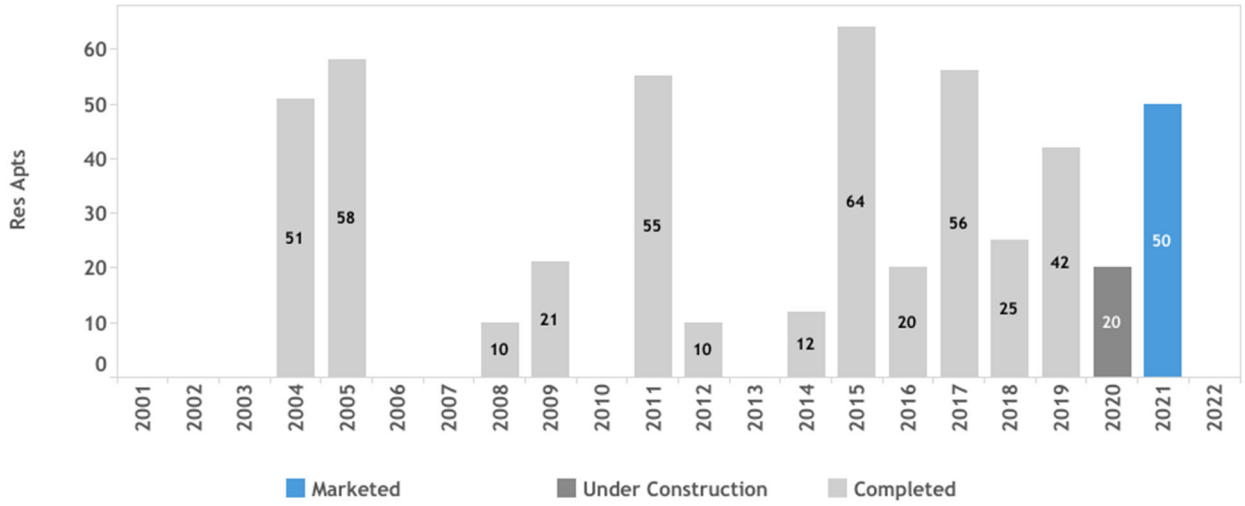
10.1 Apartment Development

Since 2003, the Centre has added 485 new apartments. Peak annual supply occurred in 2015 (with 64 apartment completions). Since 2003, there have been 5 years in which apartment completions have equalled or exceeded 50 or more completions.

The majority of the Centre's apartment projects are medium rise developments. On average each new apartment project adds 19 new apartments to the Centre's dwelling stock. This accords with the volume of development allowed under existing planning controls (development of between 3 and 4 storeys is generally supported within the Centre).

At present, there are 20 apartment dwellings under construction which are scheduled to be completed in 2020. A further 50 apartments are currently being marketed with anticipated delivery through to 2021. Most recently, a number of potential apartment development sites along Mount Dandenong Road have been marketed as medium density townhouse developments.

Figure 18: Annual Apartment Completion – Croydon MAC (2001-2022f)



Source – Charter Keck Cramer.

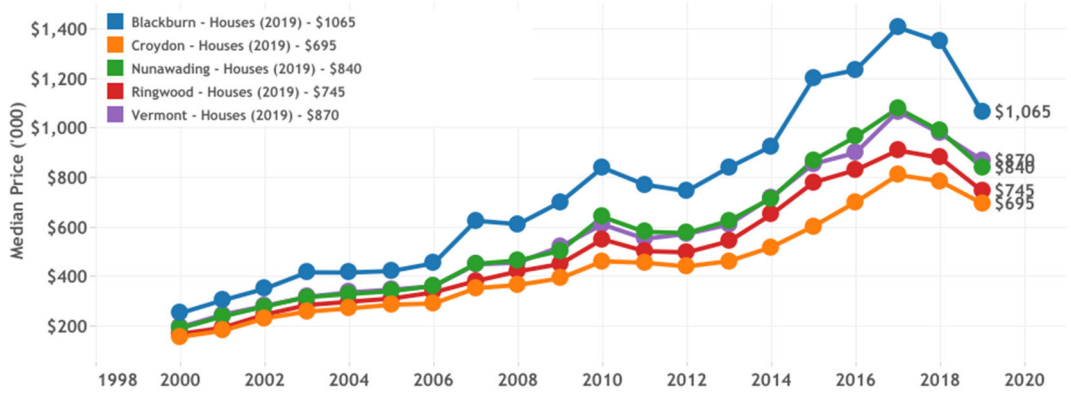
11. Market Analysis

11.1 Established Housing Market Context

In line with broader market trends, since 2010 median house prices across local housing markets, including the suburb of Croydon, recorded annual growth of 8% p.a. In 2017, however, Croydon experienced a decline in its median house price from a peak of $810,000 to $695,000. In 2020, the median house price was approximately $730,000.

The information below compares house prices in the suburb of Croydon with select suburbs along the Lilydale trainline. As can be seen, Croydon represents one the most affordable housing markets in Melbourne's east, particularly when compared with suburbs in closer proximity to the CBD.

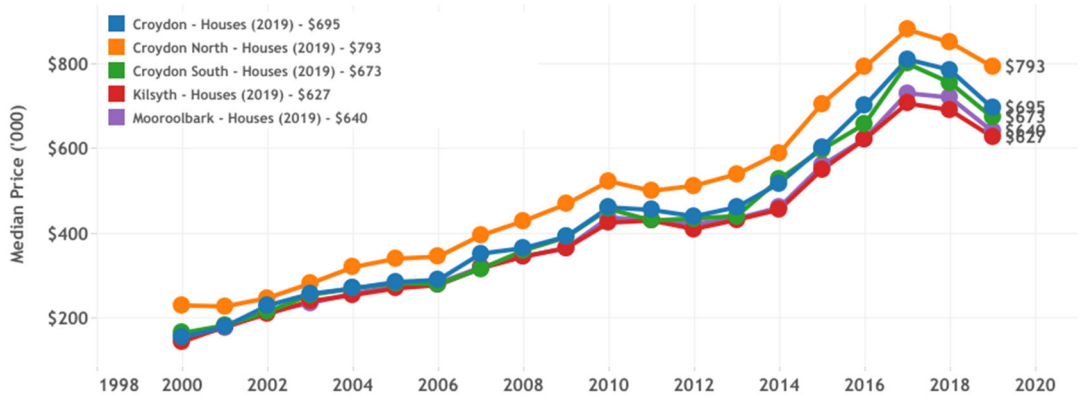
Figure 19: Median House Price Croydon (Suburb) Middle and Inner Eastern Market



Source: APM, Charter Keck Cramer.

Within the Croydon submarket Croydon North has the highest median house price, reflecting its low density subdivision pattern and topography.

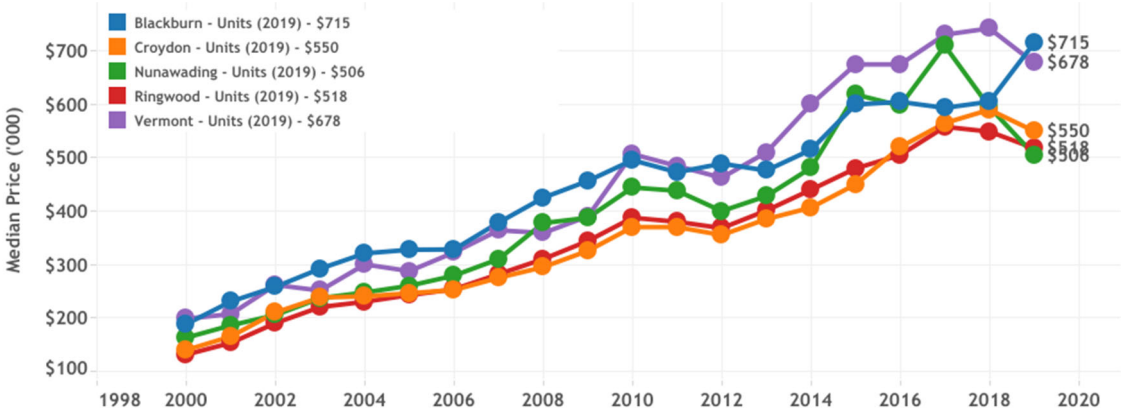
Figure 20: Median house price Croydon (Suburb) and Surrounding Suburbs



Source; APM, Charter Keck Cramer

Median unit prices reflect a range of dwelling typologies, including apartments, units and townhouses both new and existing. Pricing data suggests that, when compared with unit prices in middle and inner eastern housing markets, units in both Croydon and Ringwood are relatively affordable. Since 2000, unit price growth in both Croydon and Ringwood has been almost identical.

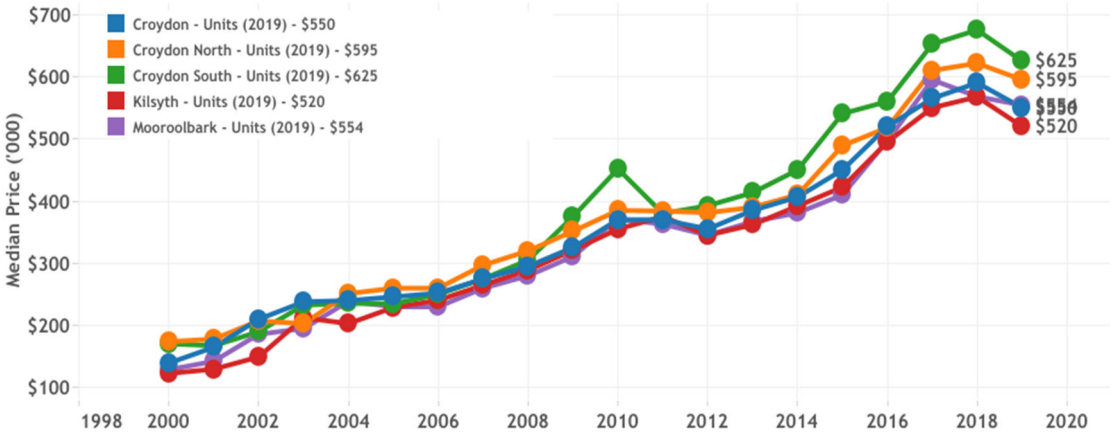
Figure 21: Median house price Croydon middle and inner eastern suburbs



Source: APM, Charter Keck Cramer.

In 2019, Croydon recorded a median unit price of $550,000, which was below its peak of $590,000 in 2018. Since 2000, Croydon unit prices have recorded average annual growth of +7.5% p.a. Growth rates recorded across the submarket ranged from +6.7% p.a. in Croydon North and 8.0% p.a. in Mooroolbark.

Figure 22: Median Unit Price – Croydon and Surrounding Suburbs



Source; APM, Charter Keck Cramer

11.2 Activity Centre Sales

Charter has analysed and mapped recent resales within the Centre to highlight current pricing conditions.

Figure 23: Detailed Sales Analysis – Croydon Central Precinct



Source; Pricefinder, Charter Keck Cramer.

The recent market downturn has seen the Centre's house prices decline, particularly one and three bedroom dwellings.

While the broader metropolitan housing market improved through second half of 2019, much of the price uplift was concentrated within higher value blue chip suburbs, rather than Melbourne's outer suburbs. It is unclear how the current uncertainty will impact on housing markets in 2020.

Table 16: Median Dwelling Price by Bedroom – Croydon MAC (2016-2019)

All Dwellings	2016	2017	2018	2019
1 Bedroom	$358,650	$380,250	$367,500	$310,000
2 Bedroom	$385,000	$460,000	$440,000	$427,500
3-Bedroom	$617,700	$633,250	$668,750	$600,500

Source: Pricefinder, Charter Keck Cramer.

The Centre's median house prices across one and two bedroom dwellings are below the State pricing threshold to qualify for stamp duty concessions for first home buyers (they are below the $600,000 threshold for a full exemption, while 3 bedroom stock is likely to qualify for a stamp duty discount, available for dwellings below $750,000). In addition, prices for one and two bedroom dwellings qualify for the federal government's First Home Lone Deposit Scheme ($600,000 in capital city areas). In consulting with local real estate agents, many observed that the area was attractive for first home buyers.

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The table below details median detached prices within the Centre. Many of these sales occurred in and around Mount Dandenong Road in locations protected for subdivision.

Table 17: Median Detached House Price by Bedroom – Croydon MAC (2016-2019)

House	2016	2017	2018	2019
1 Bedroom	-	-	-	-
2 Bedroom	$535,000	$585,000	$532,000	$616,000
3-Bedroom	$725,000	$741,000	$680,000	$685,000

Source: Pricefinder, Charter Keck Cramer.

The Centre's townhouse stock is approximately 20% cheaper than than the Centre's detached dwellings. Townhouse two-bedroom dwelling stock account for between 50% and 70% of annual townhouse sales.

Table 18: Median Townhouse Price by Bedroom – Croydon MAC (2016-2019)

Townhouse	2016	2017	2018	2019
1 Bedroom	-	$391,000	$365,000	-
2 Bedroom	$423,000	$485,000	$420,000	$415,000
3-Bedroom	$531,000	$601,000	$631,000	$563,000

Source: Pricefinder, Charter Keck Cramer.

Apartments represent the most affordable dwelling alternative within the Centre and subregion. This product also comprises the largest volume of the Centre's sales accounting for between 40% to 50% of annual sales. Two-bedroom apartment dwellings account for between 70% to 90% of all apartment sales.

Table 19: Median Apartment Price by Bedroom – Croydon MAC (2016-2019)

Apartment	2016	2017	2018	2019
1 Bedroom	$358,650	$370,500	$370,000	$310,000
2 Bedroom	$375,000	$395,182	$420,000	$415,000
3-Bedroom	$395,000	$503,000	-	$567,500

Source: Pricefinder, Charter Keck Cramer.

Sales data suggests that the value of the Centre's two bedroom apartment stock has steadily increased. Median two bedroom apartment prices are still approximately 10% to 20% below that of equivalent townhouses and 30% below that of two bedroom detached houses (noting that two bedroom houses are not a common housing type).

The table below details sales prices for new development within the Centre. As can be seen, 3 bedroom apartments and townhouses are currently marketed at price points above the local median townhouse ($550,000) and house price ($695,000) which suggests that new development is seeking to attract premium buyers/investors to the Centre. Conversely, one and two bedroom apartments are marketed below median townhouse and house prices which, as might be expected, implies that these dwellings provide an affordable alternative to the broader detached and semi-detached housing market.

Table 20: Recent Apartment and Townhouse Projects – Croydon MAC (2016-2019)

Project	Dwelling Type	Completion Year	BR	Price	Median House Croydon Central	Median Townhouse Croydon Central
Croydon Rise	Apartment	2019	1	$358,000	695,000	550,000
James Kerr	Apartment	2017	2	$370,000 - $440,000	695,000	550,000
James Kerr	Apartment	2017	1	$350,000 - $395,000	695,000	550,000
Orphic	Apartment	2021	2	$385,000 - $440,000	695,000	550,000
Orphic	Apartment	2021	2	$420,000 - $530,000	695,000	550,000
Orphic	Apartment	2021	3	$670,000 - $705,000	695,000	550,000
289 Mt Dandenong Road	Townhouse	2020	2	$550,000 - $650,000	695,000	550,000
The Terrace	Townhouse	2020	3	$875,000 - $895,000	695,000	550,000

Source: Charter Keck Cramer

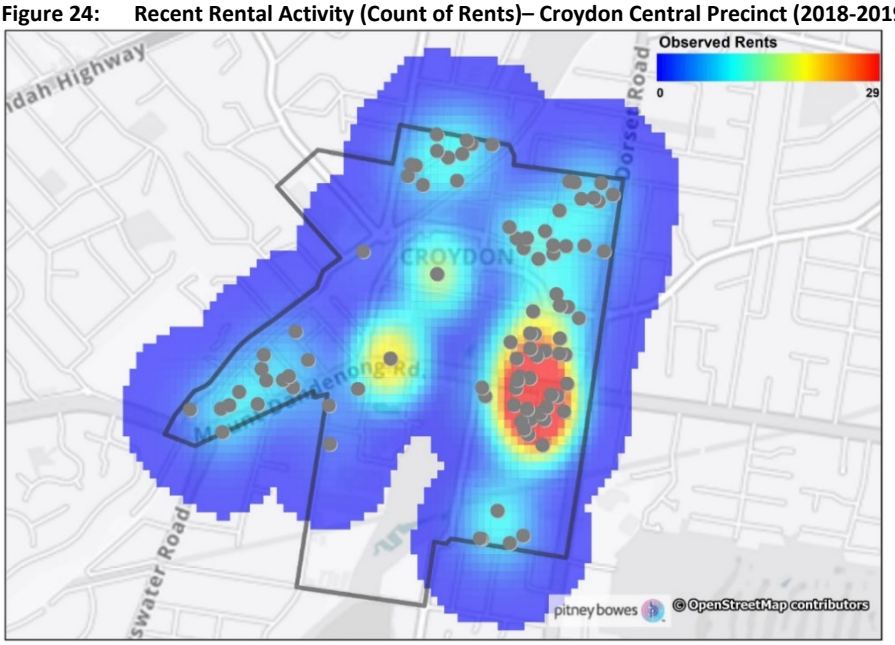
11.3 Croydon Major Activity Centre Rental Market

As Melbourne's population continues to grow it is anticipated that the number of households in rental accommodation will grow significantly.

Rents within the Centre are higher than those in surrounding suburbs but more affordable than those in areas in closer proximity to the CBD. In general, households pay a local premium to rent within the Centre which may reflect both the accessibility and amenity of the location and the availability of more up to date housing stock within the Centre. The Centre is, nonetheless, a more affordable alternative to locations closer to the CBD. In 2019 median rents for two bedroom units were $450 per week in Box Hill, $550 per week in Richmond, $375 per week in Ringwood and $365 per week in Croydon Lilydale.

Rental apartments are clustered to the south west of the Centre while rental houses and townhouses are clustered to the north west and east of the Centre.

Figure 24: Recent Rental Activity (Count of Rents)– Croydon Central Precinct (2018-2019)



Source: Pricefinder, Charter Keck Cramer.

Within the Centre, rental prices for one bedroom apartments are higher than that for the surrounding Croydon – Lilydale region (average $280 per week) but lower than that for the Melbourne region ($375 per week).

Average weekly rental prices at 2019 for 2 bedroom apartments are greater than the regional median ($365), but slightly more affordable than the metropolitan average for two bedroom units ($400). Rental prices suggest that households pay a small premium to live within the Centre.

Table 21: Recent Rents Per Week, Apartment – Croydon MAC (2018-2020)

Apartment	2018	2019	2020
1 Bedroom		$320	
2 Bedroom	$365	$380	$390
3-Bedroom	$392.5		$399

Source: Pricefinder, Charter Keck Cramer.

The Centre's townhouse rentals are generally let at similar price points to the Centre's apartment rentals, which is likely to reflect the quality of the housing stock.

Table 22: Recent Rental Activity, Townhouse – Croydon MAC (2018-2019)

Townhouse	2018	2019	2020
1 Bedroom			
2 Bedroom		$360	
3-Bedroom	$390	$400	

Source: Pricefinder, Charter Keck Cramer.

Median weekly rental rates for 3-bedroom houses are marginally greater than those for 3 bedroom apartments and townhouses. Again, this may reflect issues related to the quality of the dwelling stock.

Table 23: Recent Rental Activity, Houses – Croydon MAC (2018-2019)

House	2018	2019	2020
1 Bedroom			
2 Bedroom	$350	$350	
3-Bedroom	$450	$430	
4 Bedroom		$650	

Source: Pricefinder, Charter Keck Cramer.

Overall, the Centre's dwellings are relatively more affordable than many other locations in the region, particularly areas west of Eastlink. The Centres medium and higher density dwellings are attractive to first home owners which, as has been discussed, has lured a significant cohort of young households to the Centre.

The Centre's rental price points are higher than regional averages which suggests that renters are willing to pay a premium to access the Centre's amenity. The Centre, nonetheless, supports more affordable rental dwellings than locations closer to the CBD. The Centre's affordability in relation to household incomes is further explored in the next section.

12. Affordability Analysis

12.1 Affordability Definition

The following assesses housing affordability within the Centre in relation to state government defined household income brackets that define low, very low and moderate income households. Within the state government framework, households within defined income bands are likely to experience housing stress if more than 30% of their pre-tax gross income is allocated to either purchasing or renting housing (See Appendix 4 for information on the methodology).

State government defines Low, Very Low and Moderate incomes for single, adult, couple only and family households as follows:

Table 24: Income Bands by Household Type (2018-2019)

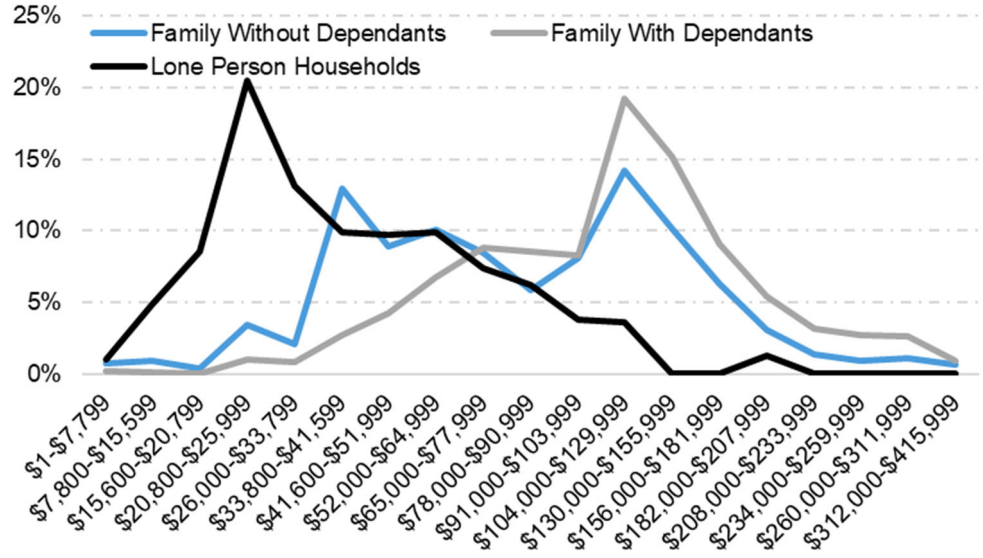
Household	Very Low Income Range	Low Income Range	Moderate Income Range
Single Adult	Up to $25,220	$22,221 - $40,340	$40,341 - $60,510
Couple, no dependants	Up to $37,820	$37,821 - $60,520	$60,521 - $90,770
Family (one or two parents with dependent children)	Up to $52,940	$52,941 - $84,720	$84,721 - $127,080

Source: Department of Environment, Land, Water and Property.

12.2 Household Income Assessment

The primary housing catchment for the Centre incorporates the Croydon East and West SA2 areas as defined by the Australian Bureau of Statistics. Income levels for households within these areas are detailed below.

Figure 25: Distribution of Household Incomes Primary Central Croydon Catchment (Croydon East and Croydon West SA2) 2016.



Source – Australian Bureau of Statistics, Charter Keck Cramer.

There is a concentration of lone person households (single adult households) with relatively lower incomes within the catchment. More than 20% of lone households in 2016 recorded incomes of between $20,800 - $25,999.

Couple with no children households generally have higher incomes than lone person households with significant numbers of these households with annual incomes of greater than $50,000. Approximately 15% of couple only households earn between $104,000 to $129,999 in annual income which may highlight a difference between younger dual income families without dependants and empty nester households.

Family with children households recorded the highest incomes in the catchment with high numbers of these households earning more than $90,000 p.a. The table below, identifies the proportion and number of households within the Very Low, Low and Moderate income bands within the Croydon catchment as defined by State government.

Table 25: Count of Household by Income Bands by Household Type with Croydon East SA2 and Croydon West SA2

Single Household		**Croydon Primary Catchment**	**Proportion of Primary Housing Catchment (%)**
Very low Income	$0-$25,220	1077	35%
Low Income	$22,221-$40,340	706	23%
Moderate Income	$40,340-$60,510	604	20%
TOTAL Households		3,066	
Couple Without Children			
Very low Income	$0-$37,820	201	8%
Low Income	$37,821-$60,520	818	32%
Moderate Income	$60,521-$90,770	369	14%
TOTAL		2,588	
Family With Children			
Very low Income	$0-$52,940	857	20%
Low Income	$52,941-$84,720	749	17%
Moderate Income	$84,720-$127,080	1416	33%
TOTAL		4,311	

Source: Charter Keck Cramer, Australian Bureau of Statistics

Nearly 58% of the catchment's lone person households are within the lowest two state government defined income bands. About a third of couple without children households are within the low income cohort, which may reflect a high concentration of empty-nesters and older households within this cohort.

It is important to note that although households identified in the above table may have very low and low incomes it does not follow that all of these households are experiencing housing stress. Established long term households may, for instance, have significant housing equity and minimal housing costs.

12.3 Dwelling affordability

The following analysis benchmarks house and unit prices recorded within the Croydon Major Activity Centre against the "very low", "low" and "moderate" income thresholds. The analysis seeks to highlight the extent to which house and unit prices within the Centre are affordable for households within their respective income cohort.

The following assessment considers the price ceiling across each of the household and income cohorts as the income mid-point of each band range as follows:

Table 26: Derived income by Household and Income Band (Rounded)

	Single Household	Couple Family Without Dependents	Family (1 or 2 Parents) With Dependents
Very Low Income	$25,000	$31,000	$50,000
Low Income	$38,000	$49,000	$76,000
Moderate Income	$53,000	$69,000	$106,000

Source: DELWP, Charter Keck Cramer.

12.4 Rental Affordability.

Rental options are considered affordable when no more than 30% of gross income within each of the income brackets is required to pay weekly rent. Based on state government income bands affordable rental thresholds are detailed in the table below.

Table 27: Derived Affordable Rent Ceiling by Income Band and Household

	Single Household	Couple Family Without Dependents	Family (1 or 2 Parents) With Dependents
Very Low Income	$146	$180	$291
Low Income	$218	$284	$436
Moderate Income	$305	$397	$611

Source: DELWP, Charter Keck Cramer.

Charter has applied the above rental thresholds to highlight the net difference between median weekly rents for individual property types and derived rental affordability in relation to household incomes.

Table 28: Derived Rental Affordability by Income Band and Household – Nominal Price Difference

		Single Person Household			Couple Family without Dependents			Family (1 or 2 Parents) with Dependents		
Dwelling Type	Median Rent Croydon MAC	Very low	Low	Moderate	Very low	Low	Moderate	Very low	Low	Moderate
Apartment 1 bedroom	$320	-175	-102	-15	-140	-36	77	-29	116	291
Apartment 2 bedroom	$390	-245	-172	-85	-210	-106	7	-99	46	221
Apartment 3 bedroom	$400	-255	-182	-95	-220	-116	-3	-109	36	211
Non-Apartment Unit / Townhouse 2 bedroom	$360	-215	-142	-55	-180	-76	37	-69	76	251
Non Apartment Unit / Townhouse 3 bedroom	$400	-255	-182	-95	-220	-116	-3	-109	36	211
House 2 or more bedroom	$350	-205	-132	-45	-170	-66	47	-59	86	261
House 3 or more bedroom	$430	-285	-212	-125	-250	-146	-33	-139	6	181
House 4 or more bedroom	$650	-505	-432	-345	-470	-366	-253	-359	-214	-39

Source: DELWP, Pricefinder, Charter Keck Cramer.

The above table focuses on median rents which is the middle price across a particular property type. As a result, there are properties within the Centre that are rented and sold below the median house price which are, therefore, more affordable dwellings. To allow some consideration for this, Charter has highlighted outcomes that are at or near 10% below the median price. This highlights price points in which households may be on the cusp of affordability.

As per the above table, there is limited affordability across the rental market for lone person households across all income thresholds. Those on very low incomes across both couple family without dependants and family (1 or 2 parents) with dependants also have few options within the Centre.

Charter notes that nominal rental rates outside of the Centre are relatively lower and more affordable than rental rates within the Centre. As such, low and very low income households are more likely to seek rental accommodation outside of the Centre.

Couples without children and family households with children on moderate incomes have greater rental choice within the Centre.

12.5 Purchaser Affordability

This analysis highlights a household's relative affordability in relation to their capacity to purchase property. In determining this, affordability is measured in relation to serviceability of mortgage payments not exceeding 30% of gross household income. The analysis determines price thresholds through the Reserve Bank of Australia (RBA) pricing model that considers the principle loan amount that can be serviced based on a collection of loan characteristics (interest rate, loan term) with additional consideration for equity.

Considering the risk aversion and additional prudence in lending practices from banks, the assessment assumes an equity requirement of 20%. Charter has also developed a second scenario in which equity of 45% of the purchase price is considered. This scenario highlights affordability for downsizers or upgraders with built up equity.

Charter notes that an assessment of the median considers the middle price expressed across a particular property type. As a result, half of the purchase prices that make up the median are below the median price point. To give some consideration for this, Charter has highlighted results that within 10% of being affordable which highlights households on the cusp of affordability.

Assumption of 20% equity

Under State government income cohorts, the following purchase price ceilings have been calculated for different household types assuming 20% equity. The purchase ceilings assume an amortising loan, a loan period of 30 years, an interest rate of 3.5%, and 30% of gross income serviceability.

Table 29: Derived Affordable Dwelling Price Ceiling (20% equity assumption) by Income and Household Cohort (Rounded)

	Single Household	Couple Family Without Dependents	Family (1 or 2 Parents) With Dependents
Very Low Income	$176,000	$263,000	$368,000
Low Income	$218,000	$342,000	$479,000
Moderate Income	$351,000	$526,000	$737,000

Source: DELWP, Charter Keck Cramer.

Having regard for the above price thresholds and median prices within the Croydon Activity Centre, the capacity for the assessed households at different income cohorts are highlighted below.

Table 30: Derived Purchaser Affordability (20% Equity Assumption) by Income Band and Household – Nominal Price Difference (Rounded)

		Lone Person Household			Couple Family without Dependents			Family (1 or 2 Parents) with Dependents		
Dwelling Type	Croydon MAC Median Purchase Price	Very low	Low	Moderate	Very low	Low	Moderate	Very low	Low	Moderate
Apartment 1 bedroom	$310,000	-$134,000	-$92,000	$41,000	-$47,000	$32,000	$216,000	$58,000	$169,000	$427,000

Apartment 2 bedroom	$415,000	-$239,000	-$197,000	-$64,000	-$152,000	-$73,000	$111,000	-$47,000	$64,000	$322,000
Apartment 3 bedroom	$567,500	-$392,000	-$350,000	-$217,000	-$304,000	-$225,000	-$41,000	-$199,000	-$88,000	$169,000
Townhouse 2 bedroom	$415,000	-$239,000	-$197,000	-$64,000	-$152,000	-$73,000	$111,000	-$47,000	$64,000	$322,000
Townhouse 3 Bedroom	$563,000	-$387,000	-$345,000	-$212,000	-$300,000	-$221,000	-$37,000	-$195,000	-$84,000	$174,000
House 2 bedroom	$616,000	-$440,000	-$398,000	-$265,000	-$353,000	-$274,000	-$90,000	-$248,000	-$137,000	$121,000
house 3 bedroom	$685,000	-$509,000	-$467,000	-$334,000	-$422,000	-$343,000	-$159,000	-$317,000	-$206,000	$52,000

Source: DELWP, Pricefinder, Charter Keck Cramer.

Lone person households have limited capacity to purchase within the Centre. Lone person households on moderate incomes are able to afford a one-bedroom apartment within the Activity Centre. Similar affordability constraints are observed across the couple without dependant's cohort.

Again, moderate income couple households have more diverse housing options. Family households on low and moderate incomes have the greatest choice within the Centre.

Assumption of 45% equity

Under State government income cohorts the following purchase price ceilings have been calculated for different household types assuming 45% equity. The purchase ceilings assume an amortising loan, a loan period of 30 years, an interest rate of 3.5%, and 30% of gross income serviceability.

Table 31: Derived Affordable Dwelling Price Ceiling (45% equity assumption) by Income and Household Cohort (Rounded)

	Single Household	Couple Family Without Dependents	Family (1 or 2 Parents) With Dependents
Very Low Income	$255,000	$383,000	$536,000
Low Income	$317,000	$498,000	$697,000
Moderate Income	$510,000	$766,000	$1,072,000

Price ceilings are higher than the previous scenario which reflects the additional equity enjoyed by households.

Table 32: Derived Purchaser Affordability (45% equity assumption) by Income Band and Household – Nominal Price Difference (Rounded)

		Lone Person Household			Couple Family without Dependents			Family (1 or 2 Parents) with Dependents		
Dwelling Type	Croydon MAC Median Purchase Price	Very low	Low	Moderate	Very low	Low	Moderate	Very low	Low	Moderate
Apartment 1 bedroom	$310,000	-$55,000	$7,000	$200,000	$73,000	$188,000	$456,000	$226,000	$387,000	$762,000
Apartment 2 bedroom	$415,000	-$160,000	-$98,000	$95,000	-$32,000	$83,000	$351,000	$121,000	$282,000	$657,000
Apartment 3 bedroom	$567,500	-$312,000	-$251,000	-$57,000	-$185,000	-$70,000	$198,000	-$32,000	$129,000	$504,000
Townhouse 2 bedroom	$415,000	-$160,000	-$98,000	$95,000	-$32,000	$83,000	$351,000	$121,000	$282,000	$657,000
Townhouse 3 Bedroom	$563,000	-$308,000	-$246,000	-$53,000	-$180,000	-$65,000	$203,000	-$27,000	$134,000	$509,000
House 2 bedroom	$616,000	-$361,000	-$299,000	-$106,000	-$233,000	-$118,000	$150,000	-$80,000	$81,000	$456,000
house 3 bedroom	$685,000	-$430,000	-$368,000	-$175,000	-$302,000	-$187,000	$81,000	-$149,000	$12,000	$387,000

Source: DELWP, Pricefinder, Charter Keck Cramer.

The assessment highlights the potential advantage upsizing or downsizing households may have with regards to access to housing given the potential for additional built-up equity to support the purchase of a dwelling. Even with significant equity there remain barriers for lone person households in purchasing property. Conversely, couple only and family households with significant equity can afford a range of dwellings within the Centre even on low incomes.

13. Dwelling Capacity Assessment.

13.1 Introduction

The following applies a land analysis methodology to establish the long term housing capacity of the Centre. The methodology is in two stages. The first stage identifies potentially available sites that might support future residential development, while the second stage applies development densities to the available sites to identify the Centre's theoretical housing capacity. Housing capacity is calculated under existing planning conditions.

13.2 Potentially Available Sites

Charter has applied an available land methodology to all land within the Centre to identify sites that can support future housing development. The available land methodology excludes strata titled sites and sites below 200 sqm. in size while including single detached dwelling sites as potentially available. The full available land methodology is detailed in Appendix 3.

The analysis identified 114 available sites for a total quantity of 11.6 hectares of potentially available land for future residential development. The majority of sites are within the General Residential Zone.

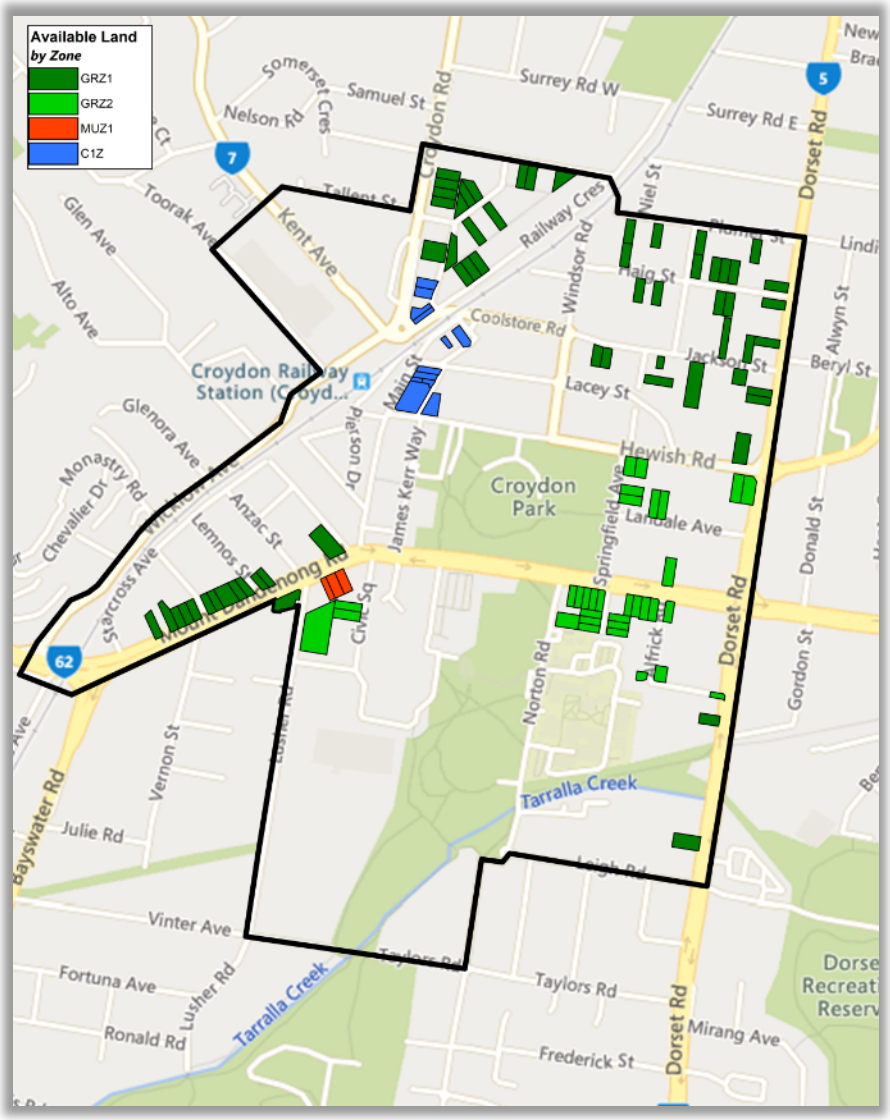
Table 33: Potentially Available Sites

Zone	200-750	750-1500	1500+	Total
Commercial 1	7	4	3	14
Mixed Use	1	2		3
General Residential Zone 1	3	51	6	60
General Residential Zone 2	14	20	3	37
Total	25	77	12	114

Source: Charter Keck Cramer, HDD 2016, VBA, City of Maroondah

Potentially available land is primarily located in the north and east of the Centre. The majority of sites are zoned General Residential Zone 1 and 2. This includes 3-9 Lusher Road, Croydon which is a 5,700 sq.m. site that is currently used as a National Storage facility.

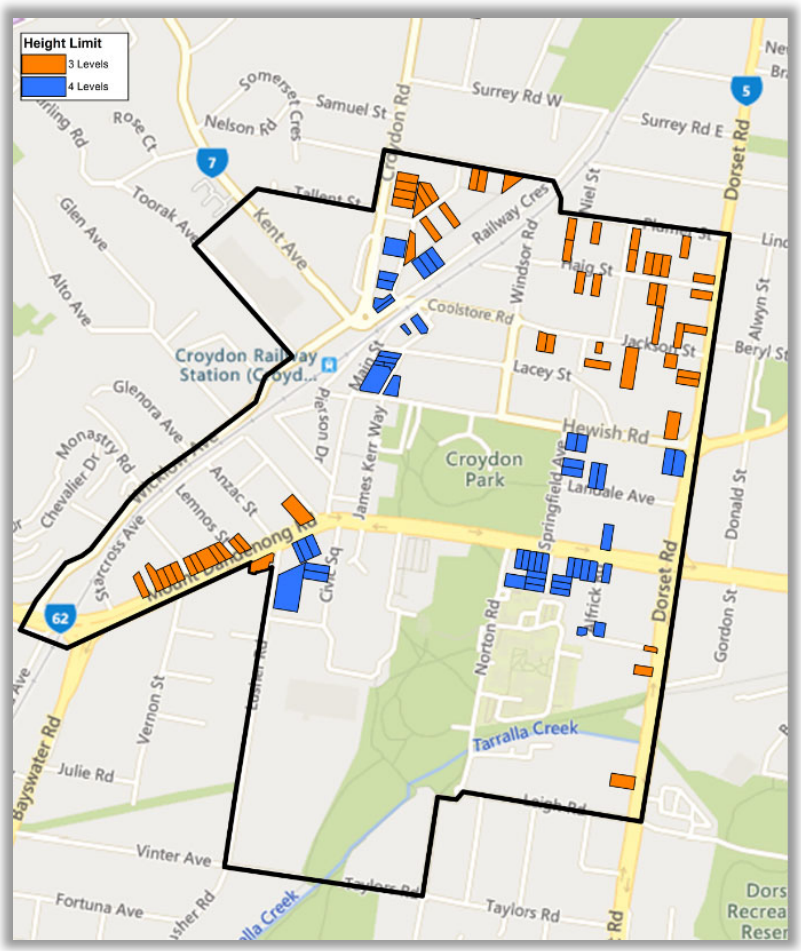
Figure 26: Potentially Available Sites



Source: Charter Keck Cramer, HDD 2016, VBA, City of Maroondah

Potentially available sites are relatively evenly distributed between 3 and 4 storey height limits.

Figure 27: Potentially Available Sites

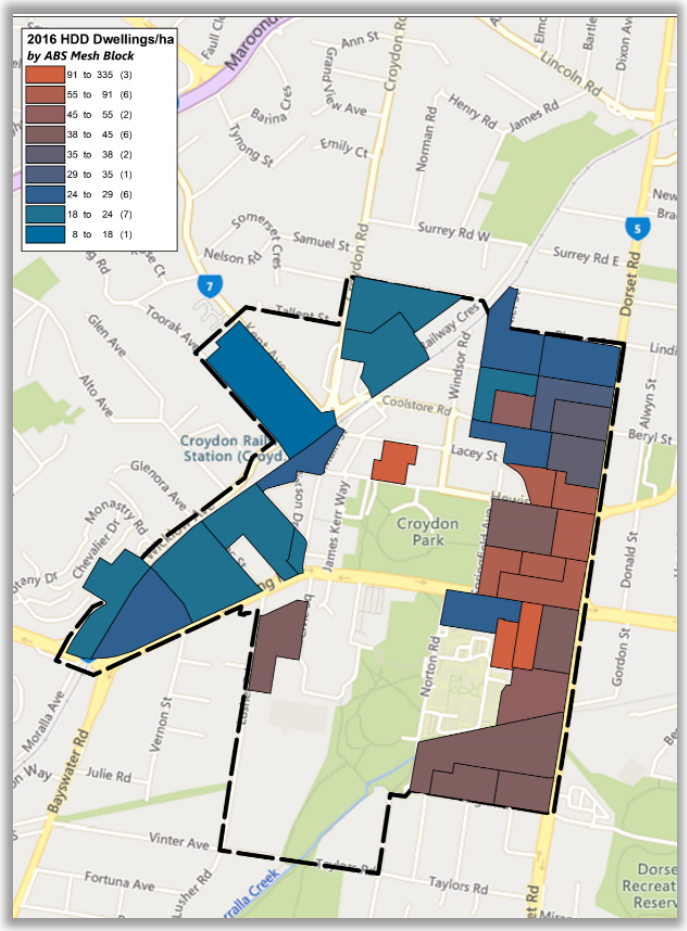


13.3 Estimating Capacity

To identify the future housing capacity, the study applies dwelling development density assumptions to those lots that were identified as potentially available for renewal in the previous step.

At 2016, net residential site densities within the Centre averaged 37 dwellings per hectare which suggests that medium density site densities are prevalent throughout the Centre. When low density housing around Mount Dandenong Road, north of Main Street, is excluded from the analysis average site densities increase to above 50 dwellings per hectare. As can be seen, on the map below, the areas with the greatest densities are around Croydon Park and the Civic Precinct.

Figure 28: 2016 Residential Site Densities



Based on analysis of benchmark developments within the Centre, the study assumes development densities of between 70 and 110 dwellings per hectare within the General Residential Zone 1 (depending on the size of the potentially available lot), between 80 and 200 dwellings per hectare in the General Residential Zone 2, between 160 and 250 dwellings per hectare in the Mixed Use Zone and between 200 and 250 dwellings per hectare in the Commercial 1 Zone. Densities are higher in the Commercial 1 and Mixed Use Zones based on historic development and higher levels of permissible site coverage.

The study identifies a long term housing capacity of approximately 1600 dwellings, equating to 45 years of potential supply based on 2003 to 2020 annual development rates. If post 2014 development rates are applied, the Centre's capacity equates to 35 years of supply. The addition of major redevelopment sites to the overall quantum of housing capacity boosts the Centre's capacity to 2200 dwellings.

Developed density assumptions for future development have assumed higher proportions of townhouse development into the future. These assumptions reflect recent development trends and market intelligence on dwelling preferences among local buyer cohorts.

Table 34: Housing Capacity Available Sites

Zone	Net Dwelling Capacity
Commercial 1	220
Mixed Use	45
General Residential Zone 1	578
General Residential Zone 2	747

The potential take up of the Centre's capacity is detailed in the following section of the report.

14. Housing Demand

Ongoing housing development has seen the Centre become a genuine housing diversity destination for residents of Melbourne's outer east.

The attraction of new high density and medium density housing stock has resulted in a high concentration of young adults within the Centre with over a third of the Centre's population aged between 20 to 39 years of age. At 2016, there were approximately 880 people aged between 20 to 39 living within the Centre. This cohort makes up 35% of the Centre's resident population.

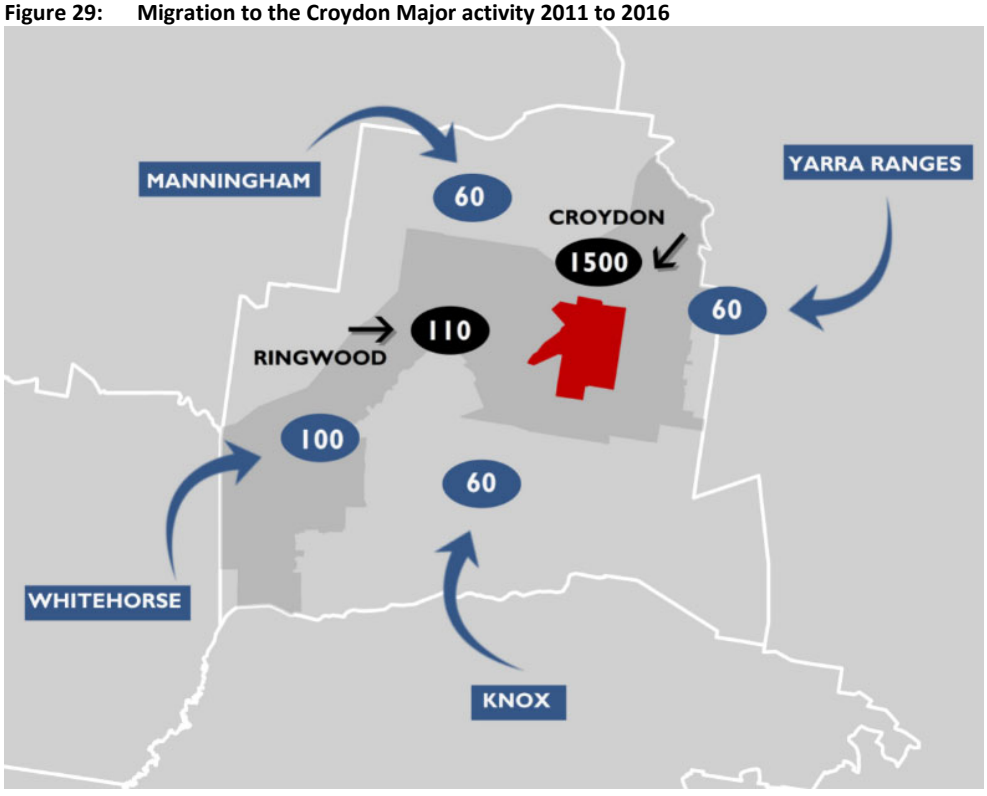
As discussed, the Centre is home to significant numbers of smaller households (over 50% of households are either couples with no children or lone person households).

14.1 Population Growth

The Centre's recent housing growth has underpinned relatively high rates of population growth within the Centre. For the 2011 to 2016 period, the Centre added approximately 450 new residents. In this time, the Centre experienced an annual average growth rate of approximately 4% per annum (in comparison, population growth in Maroondah (LGA) averaged 2% p.a. while the outer east averaged .84% growth).

The Centre attracts the majority of new residents from the Centre's surrounding suburbs and areas to the east and south of the Centre. The Centre is a destination for former residents of the Yarra Ranges (LGA) with significant numbers of new residents moving to the Centre from the suburbs of Lilydale and Olinda. The Centre is also an attractor for former residents of the Whitehorse and Knox local government areas.

Figure 29: Migration to the Croydon Major activity 2011 to 2016

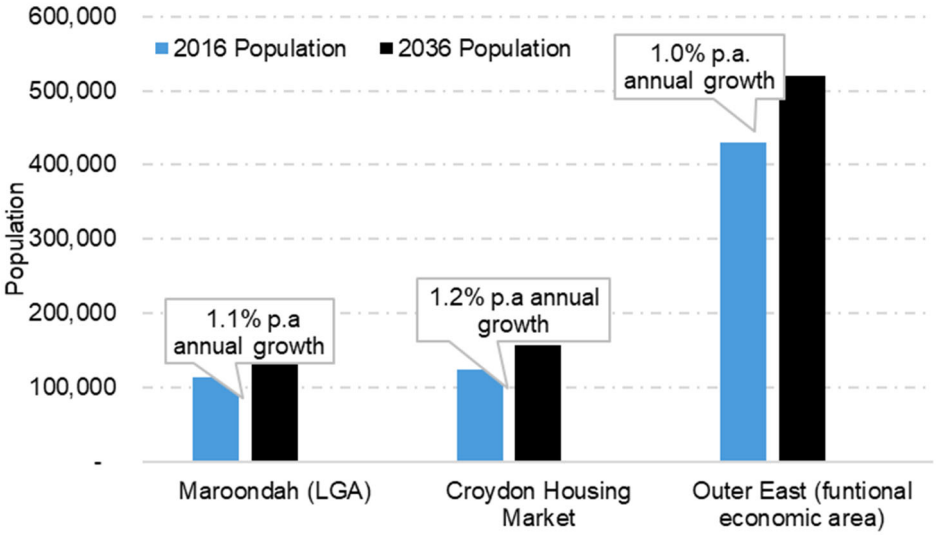


**Arrows represent individual movement to the Centre or within the Centre region over the time period*

There is also a counter flow of young residents leaving the Centre for locations in the Yarra Ranges, Casey and Knox local government areas which may reflect the availability of more affordable larger family friendly dwellings in these areas.

According to *Victoria in Future* population projections, the population of Melbourne's outer east is projected to grow from 430,000 residents in 2016 to 520,000 residents by 2036. Nearly a third of this growth is projected for the City of Maroondah which is set to grow to 143,700 people by 2036, representing an increase of just under 29,000 people from 2016. The municipality's annual rate of projected population growth at 1.1% p.a. to 2036 is in line with average annual growth projected for Melbourne's non-inner established areas (1.2% p.a) for the same period.

Figure 30: Projected population growth to 2036



Source: Victoria in Future 2019, Department of Environment, Land, Water and Planning

The Centre's primary housing catchment comprises the areas from which the Centre draws the majority of its new residents (See Appendix 2). This includes areas of Knox (LGA), the Yarra Ranges (LGA) and the suburbs that surround the Centre. For the 2011 to 2016 period, approximately 5.5% of the population growth that occurred within this catchment was located within the Centre.

The catchment is projected to grow by 32,800 people by 2036 at a rate of 1.2% p.a growth. As demand for the Centre's housing primarily stems from within this catchment, this level of growth will underpin ongoing housing demand within the Centre.

If, for instance, the Centre were to attract the same proportion of the catchment's projected population growth to 2036 then this would create theoretical demand for approximately 860 dwellings to 2036. This is sufficient theoretical demand to sustain existing rates of housing supply which currently average 44 dwellings per annum.

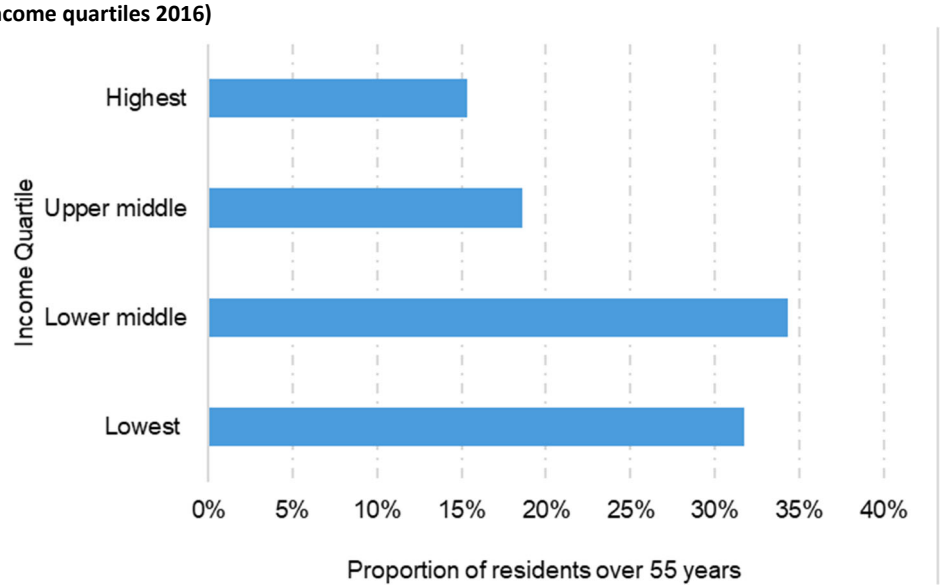
Projected growth within the Centre's housing catchment will also see the 20 to 39 year old cohort grow by 6,000 people to 2036. As discussed, this cohort is an important source of high and medium density housing demand within the Centre. In the future, housing demand from young households may also be accompanied by downsizer demand.

14.2 Downsizing Households

The Centre is located within an aging demography. Yarra Ranges (LGA) is one of Melbourne's oldest local government areas with a median age of 40 (Melbourne's median age is 36). The Centre's primary housing catchment has a median age of 38 as does Maroondah (LGA).

Within the Centre's housing catchment there are high numbers of 55+ year olds that own their dwelling outright. Just over half of 55+ year olds within the catchment live in a household that fully owns their dwelling. Of these, a high proportion (66%) have household incomes that are either in the lowest or 2nd lowest tiers of household income when compared with average Victorian incomes. As such, there are large numbers of households in the catchment with high levels of housing equity with relatively low incomes.

Figure 31: Proportion of 55+ individuals that own their home outright within the Centre's housing catchment (Victorian income quartiles 2016)



Source: ABS Place of Enumeration, Charter Keck Cramer 2016

The combination of relatively low incomes and significant housing equity is likely, in the long term, to make downsizing an attractive choice for many households. Contemporary projects such as *The Terraces* on Toorak Avenue and the housing development project at 289 Dandenong Road exemplify housing development projects that directly appeal to downsizers and other smaller households both from a financial perspective as well as from amenity and lifestyle perspectives. These developments market reverse living townhouses that provide individual access to homeowners with minimal shared space. According to the views of local agents, for many older households, townhouse dwellings represent a more desirable downsizing option than apartment living as townhouses tend to approximate the amenity of single detached dwellings.

14.3 Housing demand assumptions

The following seeks to model future housing demand. Previous supply, demographic and capacity analysis provides a basis to understand the scale and type of future housing demand that the Centre is likely to attract.

In light of the previous analysis the study will assume the following in relation to the characteristics of future housing demand:

- Residential catchment: The Centre's primary catchment will remain within the Croydon area taking in land within the vicinity of the Centre as well as land within Yarra Ranges (LGA) and the eastern portion of Ringwood. Beyond the primary catchment the Centre will continue to draw residents from the outer east particularly from the broader Yarra Ranges region as it has done in the past. The Centre does not currently function as a residential hot spot for residents outside of Melbourne's outer east. This is not anticipated to change.
- Key cohorts: Younger age cohorts are the most mobile cohorts in the population. It is assumed that the Centre will continue to attract younger age groups from within the Croydon and Yarra Ranges region.
- Downsizers: It is assumed that as the local population ages that the Centre will attract higher numbers of downsizers that are drawn to the Centre as a location to age in place and to achieve other lifestyle and financial objectives. As a result, the Centre will see higher proportions of couple with no children households consistent with the prevalence of these households throughout the Maroondah (LGA). These households will drive greater demand for townhouses within the Centre.
- Household size: Smaller households make up the vast majority of the Centre's households. The Centre will continue to attract smaller households and will continue to lose households that grow beyond 3 people. This is not anticipated to change. As such, in calculating overall housing demand the analysis assumes an ongoing median household size of 2.1 which was the Centre's average household size at 2016.

Housing supply assumptions

- The overall level of housing supply within the Centre is capped by the Centre's housing capacity. It is, for instance, not anticipated that height controls across the entire Centre will increase significantly to allow for greater density and housing capacity within the Centre.
- New housing supply is assumed to comprise a higher proportion of townhouses than have been developed over the past decade. Many of the Centre's current housing projects focus on reverse living 3 storey attached townhouses. This includes a former apartment development site that is now proceeding as a townhouse project. Consultation with individuals involved in local real estate sales and development suggests that there is significant demand for townhouses in the Croydon region. Additionally, Charter's feasibility testing suggests that under current apartment and townhouse price conditions, non-basement townhouse development is likely to be more lucrative than apartment projects for developers. As such, the study envisages higher levels of townhouse growth into the future than has been seen in the Centre since 2004.

14.4 Future housing and population growth

The Centre's future population and housing growth will be driven by growth and demographic change within its primary housing catchment and throughout the outer east.

To support the Centre's future housing planning, the study has developed two housing scenarios that project potential housing outcomes for the Centre based on the Centre's housing capacity, its demographic context and analysis of the Centre's role in local markets.

Scenario 1 assumes that the Centre continues to function as a local housing diversity destination consistent with its existing role and recent housing growth. Accordingly, the scenario anticipates ongoing incremental medium and high density housing growth throughout the Centre driven by local demand and investment. This results in long term housing development consistent with trends of the past 15 years.

Scenario 2 envisages that the renewal and transformation of the Centre will result in growth that exceeds existing trends. In this Scenario improved amenity and accessibility facilitates greater private redevelopment and renewal. As per the study's economic analysis, improved accessibility and amenity may derive from the grade separation of the Lilydale Rail Line, the renewal of the Civic Precinct and/or the renewal of large sites in the Centre's retail precinct.

Table 35: Population Growth and Dwelling Demand Projections

Projection	Population 2016	2021	2026	2031	2036	Growth rate	Housing Demand (Dwellings)
Scenario 1	2440	2815	3170	3570	4020	2.5%	750
Scenario 2	2440	2815	3250	3750	4300	2.9%	880

The scenarios anticipate that the Centre will continue as a small household location with high numbers of lone person, couple only and couple households with one child.

The scenarios do not anticipate that the past decade of housing supply in which housing development has been primarily apartment based will continue. The above analysis suggests that 90% of recent projects were in the form of apartments. The Centre's next wave of development will encompass a far higher proportion of townhouses. This is already evident in the type of project currently marketed within the Centre which incorporate higher numbers of townhouses. As discussed, reverse living townhouses with small gardens are likely to be highly attractive to the region's numerous older households.

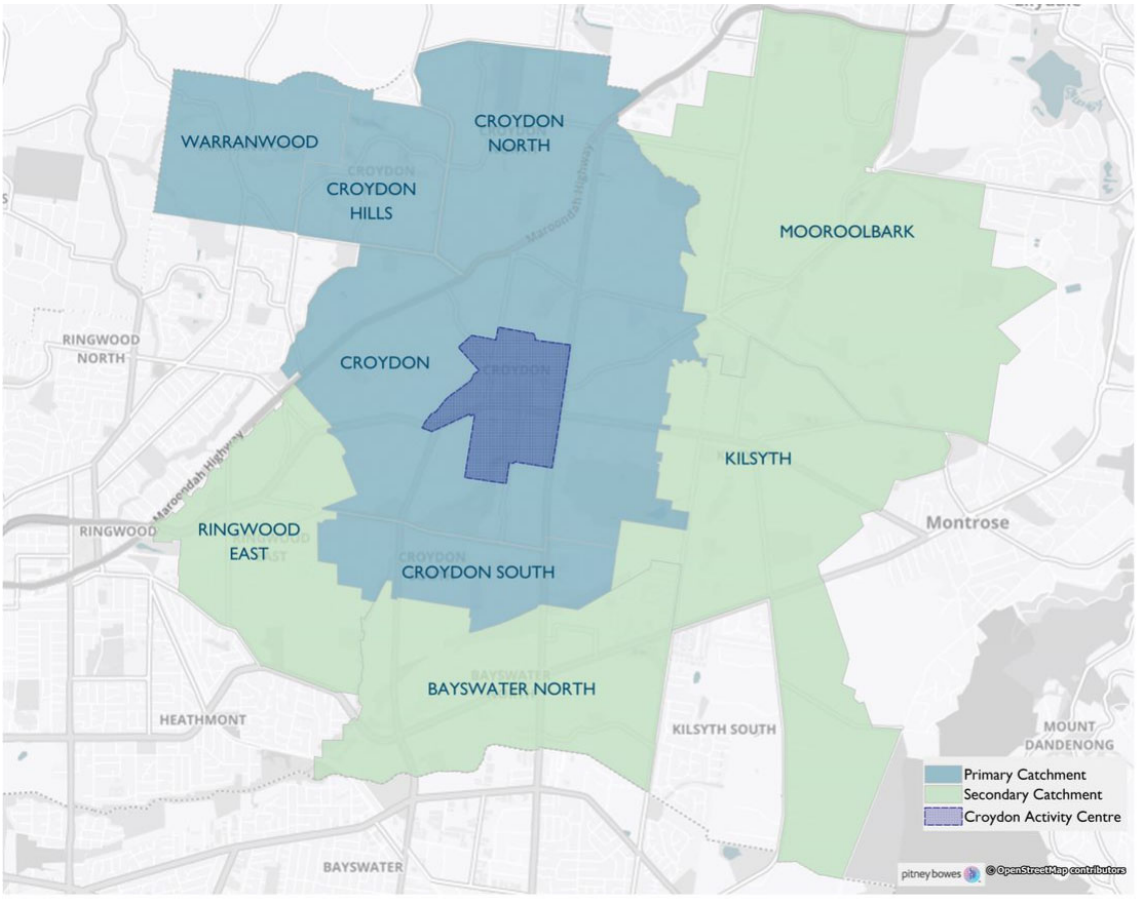
14.5 Key Insights

- The Centre is a genuine mixed use housing diversity area and achieving the objectives of local and state government planning policy which seeks to promote medium and high density housing options within the Centre.
- For the past decade the Centre has added more than 40 dwellings per annum, primarily in the form of apartments. Future housing supply is likely to include a higher proportion of townhouses based on industry feedback and projects currently marketed within the Centre.
- The Centre's population is growing rapidly. Over the 2011 to 2016 period, the Centre added approximately 450 residents which was driven by the completion of a significant number of apartments.
- The Centre is a major node for younger smaller households within Melbourne's outer east. Just over a third of the Centre's population is aged between 20 to 39 years of age. The Centre's average household size (2.1 people per household) is significantly smaller than the average household size of Maroondah (2.6 people per household).
- A review of property and purchase prices in the Centre suggests that households pay a small premium to rent within the Centre. Townhouse and separate dwelling prices vary considerably based on the quality of stock. Apartment prices are relatively cheaper than apartments closer to the CBD, but share a price parity with apartments in Ringwood.
- The Centre's dwellings are not affordable for lone person households on very low and low incomes (as per state government income ranges for 2018 -2019). Family households and couple without children households on moderate incomes can afford a range of dwellings within the Centre both for purchase and rental.
- The Centre's population will continue to grow in line with long term population growth in the broader outer eastern Croydon region. Charter's analysis of *Victoria in Future 2019* projections for the region suggest that the region will see significant growth in the 20 to 39 age cohort which is therefore likely to translate into strong demand for medium and high density dwellings within the Centre.
- There are significant numbers of ageing households within the Croydon housing region many of whom have substantial housing equity and declining incomes. This is likely to attract downsizers into the Centre over the next two decades. At present, the Centre is not a major focus for downsizers.
- The study identifies housing capacity of approximately 2200 new dwellings within the Centre. This is sufficient capacity to sustain housing supply for the next fifteen years based on recent housing supply trends. Council should, nonetheless, monitor the Centre's housing capacity.
- In planning for the future form of the Centre, the Centre should continue supporting the development of high and medium density dwellings. The Centre is an important source of high amenity housing choice for the outer eastern community. The Centre's role as a housing diversity area in the outer eastern housing system should be sustained.

15. Appendices

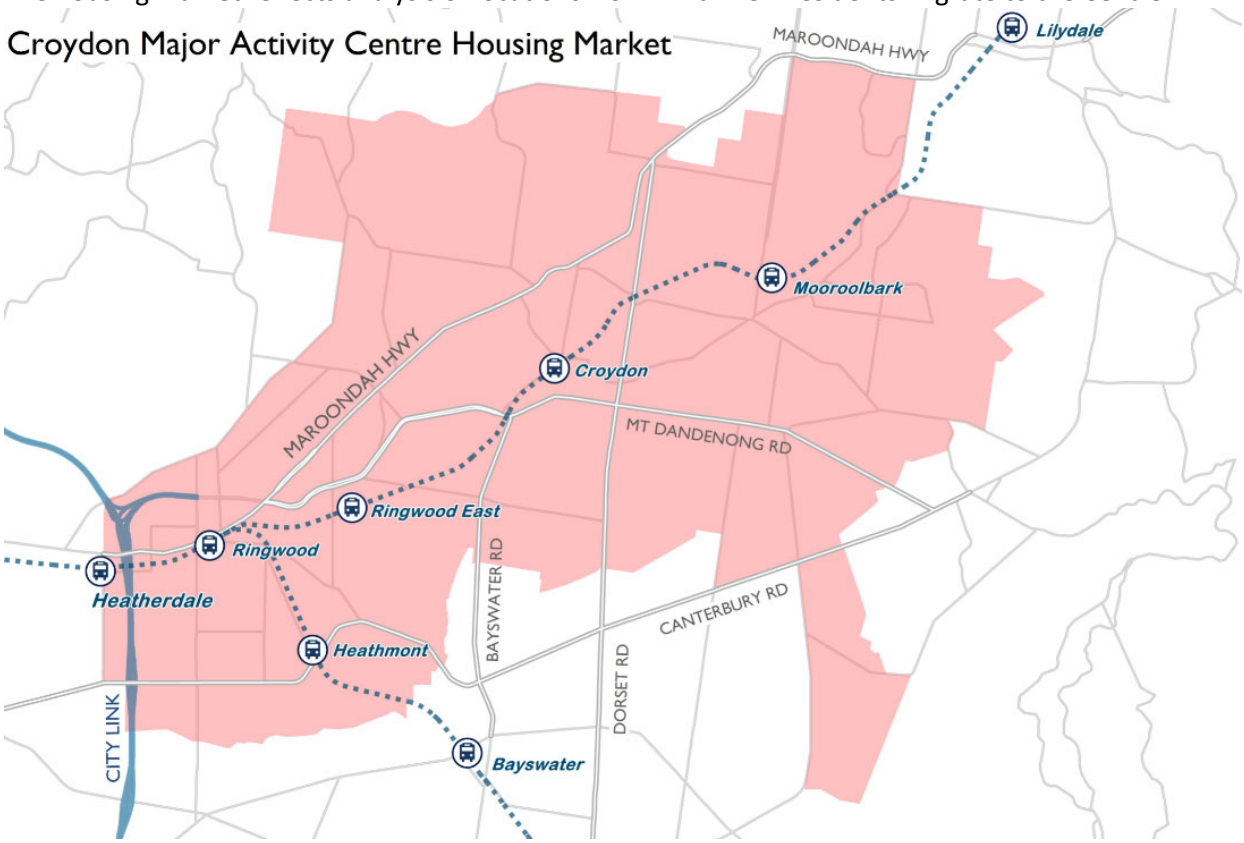
Appendix 1 – Retail Catchment

The map below depicts the Centre's retail catchment. The catchment seeks to define the number of individuals for whom the Centre is within proximity and provides a regular convenience shopping and services options relative to other competing Centres within the region. Charter's definition of the Centre's retail catchment encompasses all residents in the suburb of Croydon and Croydon South, a proportion of residents in Croydon Hills and Warranwood (80% of residents), Croydon North (60% of residents) and portions of Mooroolbark and Kilsyth (50% of residents), Bayswater North (25%) and Ringwood East (25% of residents). The catchment incorporates high proportions of residents in immediate proximity to the Centre and areas to the south of the Centre where there are fewer competing Centres.



Appendix 2: Croydon Major Activity Centre Housing Market

The housing market reflects analysis of locations from which new residents migrate to the Centre.



Appendix 3: Housing Capacity

The following details methodological approach to key analytical processes.

Housing supply methodology

The analysis draws on multiple data sources to assess the volume and attributes of the Centre's recent housing growth.

Data sources include:

- Charter's Apartment Database
- Housing Development Database (HDD)
- Building Approvals
- Planning Approvals

Charter has removed overlap between the above data sets with the hierarchy of data reflecting the list order above. Charter's apartment database and the Housing Development Data identifies completed development. Building Approvals and Planning Approvals represent a date of potential future development in which the completion date may not yet be known.

Potentially Available Land Methodology

Available Land Methodology The method identifies land available for future development by (1) identifying all land that is currently supported for housing development and then (2) reviewing identified land and removing constrained land.	
Available Land	Remove constrained sites
Identify all lots in which housing development is permitted. Within the Centre this includes all land within the: - Commercial 1 Zone - Mixed Use Zone - General Residential Zone - Residential Growth Zone - Neighbourhood Residential Zone	- Recently developed lots - Strata titled lots – any property with more than 1 dwelling is removed. - Lots less than <200 sqm. (these are considered too small to support for further renewal) - Main Street sites subject to the Heritage Overlay. - Sites subject to restrictive covenants that limit subdivision. - Sites subject to Design and Development provisions that restrict subdivision. - Sites currently undergoing renewal or subject to long term non-residential uses.

Housing Capacity Methodology

The process for identifying future capacity is as follows:

1. Review the density of recent townhouse and apartment development by planning zone and develop density assumptions by zone. Projects outlined in Appendix 4 guided capacity assumptions.
2. Apply Density assumptions to available land to calculate dwelling yields for each lot.

Appendix 4

Affordability Methodology

The approach seeks to test the extent to which different types of housing are relatively affordable for very low, low and moderate income residents in the activity centre's housing catchment.

The main housing area is comprised of group of SA2s that were identified as the areas from which the vast majority of the Centre's residents derive.

To explore the catchments affordability status of the catchment the study initially:

- Identifies income levels for lone person, couple with children/one parent households and couple with no children households within the catchment.
- Identifies the number and proportion of residents in each category that comprise low, very low and moderate incomes as defined by DELWP income brackets (see below)
- Creates core household profiles that illustrate the different categories.

The work then tests the extent to which different types of housing within the centre are relatively affordable for very low, low and moderate income residents in the housing catchment. The work identifies the relationship between rents/purchase prices, income and potential housing stress (as per state government income brackets; housing stress is likely to arise in situations in which 30% or more of income is consumed by housing costs).

Test rental housing Affordability: The study identifies median rents for apartments, townhouses and houses by bedroom in the Activity Centre. Affordability is then tested according to the rental matrix which uses a colour code to indicate affordability. Red theoretically unaffordable, Green theoretically affordable. The mid point of the State government income bands is used to guide the testing.

Test purchasing affordability: The study identifies median purchase prices for apartments, townhouses and houses by bedroom in the Activity Centre. Affordability is tested by using the Reserve Bank of Australia mortgage capacity calculator which identifies capacity to service a mortgage based on income and equity. The calculator identifies which households qualify for a loan and the loan amount. If households qualify the calculator assumes sufficient income to avoid housing stress. It's unlikely any of the very low income households will qualify for a loan.

2018-2019 Income ranges

Very low income range (annual)	Low income range (annual)	Moderate income range (annual)	High Income range (annual)
Single adult	Up to $25,220	$22,221 - $40,340	$40,341 - $60,510
Couple, no dependents	Up to $37,820	$37,821 - $60,520	$60,521 - $90,770
Family (one or two parents and dependent children)	Up to $52,940	$52,941 - $84,720	$84,721 - $127,080

Source: Department of Environment, Land, Water, and Planning

Appendix 5

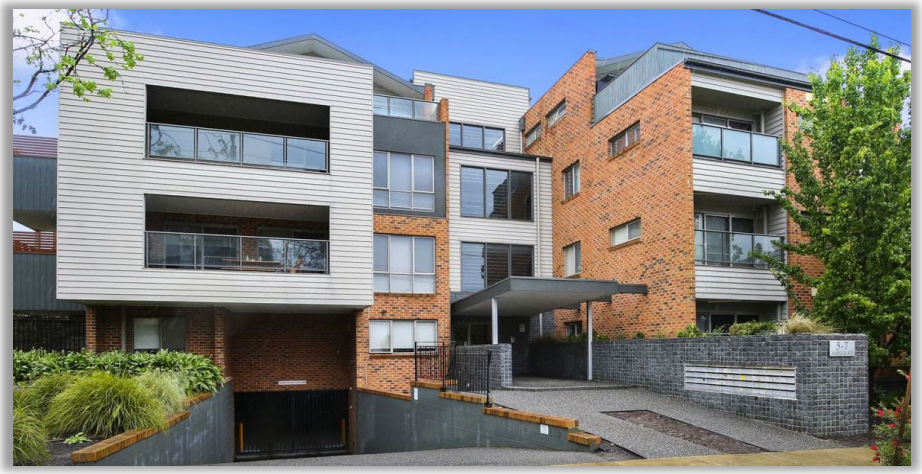
Sales and marketing evidence



Variable	Measure
Project Name	James Kerr
Address	211 Mt Dandenong Road
Apartments	65
Status	Completed
Launch Year	2015
Completion Year	2017
Levels	4
Lot Size	1,850
Density (dwellings per hectare)	351 dwellings per hectare
Description	Former retail/commercial use. The site was redeveloped as residential use incorporating 65 apartments across 4 levels. The site has approximately 34 metres of frontage along Mt Dandenong Road.



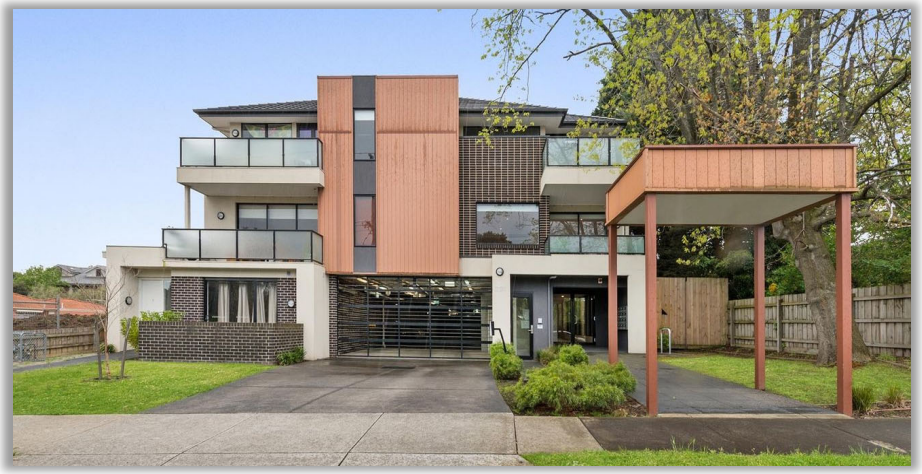
Variable	Measure
Project Name	Croydon Rise
Address	4-6 Alfrick Road
Apartments	42
Status	Completed
Launch Year	2014
Completion Year	2019
Levels	4
Lot Size	2,010
Density (dwellings per lot)	208 dwellings per hectare
Description	Formerly two side-by-side residential lots which were combined into a single development site. Project incorporates 42 apartments across 4 levels



Variable	Measure
Project Name	Alfrick
Address	5-7 Alfrick Road
Apartments	34
Status	Completed
Launch Year	2010
Completion Year	2011
Levels	4
Lot Size	1,930
Density (dwellings per hectare)	176 dwellings per hectare
Description	Formerly two side-by-side residential lots which were combined into a single development site. Project incorporates 34 apartments across 4 levels



Variable	Measure
Project Name	10 Alfrick Road
Address	10 Alfrick Road
Apartments	15
Status	Completed
Launch Year	2010
Completion Year	2011
Levels	3
Lot Size	943
Density (dwellings per hectare)	159 dwellings per hectare
Description	Single residential dwelling, demolished and converted in 15 apartment dwellings.



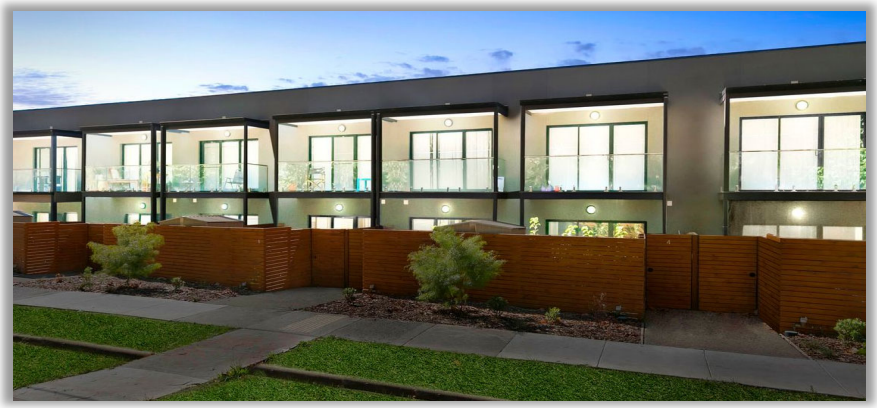
Variable	Measure
Project Name	Elysium
Address	291 Mt Dandenong Road
Apartments	20
Status	Completed
Launch Year	2014
Completion Year	2016
Levels	3
Lot Size	1,390 square metres
Density (dwellings per hectare)	143 dwellings per hectare
Description	Former single residential use. Dwelling demolished and replaced with development of 20 apartment dwelling.



Variable	Measure
Project Name	289 Mt Dandenong Road
Address	289 Mt Dandenong Road
Apartments	11
Status	Under Construction
Launch Year	2018
Completion Year	2020
Levels	3
Lot Size	1,404 square metres
Density (dwellings per hectare)	78 dwellings per hectare
Description	Former single residential use. Dwelling demolished and replaced with development of 11 apartment dwelling.



Variable	Measure
Project Name	17 Landale Avenue
Address	17 Landale Avenue
Apartments	23
Status	Completed
Launch Year	2013
Completion Year	2015
Levels	3
Lot Size	1,112
Density (dwellings per hectare)	206 dwellings per hectare
Description	Previous single residential dwelling, demolished and replaced with small scale apartment project of 3-levels.

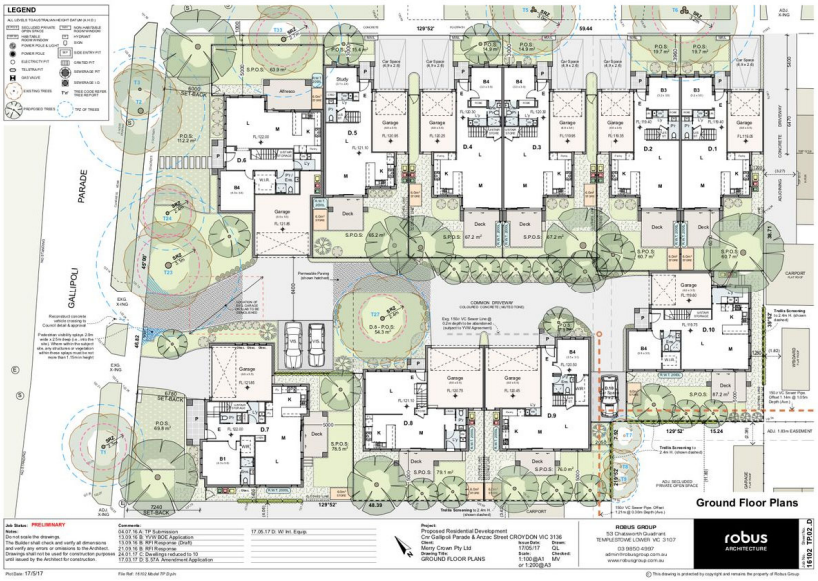


Variable	Measure
Project Name	C24 Apartments
Address	24 Croydon Road
Apartments	25
Status	Completed
Launch Year	2011
Completion Year	2018
Levels	2
Lot Size	2,017
Density (dwellings per hectare)	123 dwellings per hectare
Description	2 level apartment building containing 25 apartments. The project had an extended development program and was recently completed in 2018

Townhouse Project



Variable	Measure
Project Name	The Terraces
Address	20 Toorak Avenue
Apartments	20
Status	Under Construction
Launch Year	2018
Completion Year	2020
Levels	3
Lot Size	2,538
Density (dwellings per hectare)	20 dwellings per hectare
Description	Through the Croydon Central redevelopment, a parcel at the rear of the shopping centre was made available for redevelopment. The site incorporates 20 modern townhouses with frontage to Toorak Avenue



Variable	Measure
Project Name	
Address	19-23 Anzac Street
Apartments	10
Status	Marketed
Launch Year	2018
Completion Year	
Levels	2
Lot Size	2,655
Density (dwellings per hectare)	37 dwellings per hectare
Description	Aggregation of 4 residential parcels – the site has plans for a 10-townhouse dwelling development



Variable	Measure
Project Name	6 Norton Road
Address	6 Norton Road
Apartments	6
Status	completed
Launch Year	
Completion Year	2013
Levels	2
Lot Size	741
Density (dwellings per hectare)	80 dwellings per hectare
Description	Singe dwelling demolished in 2011, construction on townhouses commencing in 2012 and completed by early 2013



Variable	Measure
Project Name	31 Plumer Street
Address	31 Plumer Street
Dwellings	3
Status	Under Construction
Launch Year	
Completion Year	2020
Levels	2
Lot Size	1,015
Density (dwellings per hectare)	30 dwellings per hectare
Description	Single Residence replaced with three contemporary townhouses at or nearing completion



Variable	Measure
Project Name	38 Jackson Street
Address	38 Jackson Street
Dwellings	6
Status	Marketed
Launch Year	
Completion Year	Unknown
Levels	2
Lot Size	1,600

Density (dwellings per hectare)	38 dwellings per hectare
Density (dwellings per lot)	Long narrow single residential site. Original dwelling raised and anticipated to be replaced with 6 townhouses sharing coming driveway



Variable	Measure
Project Name	36 Jackson Street
Address	36 Jackson Street
Dwellings	6
Status	Completed
Launch Year	
Completion Year	2018
Levels	2
Lot Size	1,600
Density (dwellings per hectare)	38 dwellings per hectare
Description	Long narrow single residential site. Original dwelling raised and replaced with 6 townhouses sharing coming driveway



Variable	Measure
Project Name	264-266 Dorset Road, Croydon
Address	264-266 Dorset Road, Croydon
Dwellings	7
Status	Completed
Launch Year	
Completion Year	2018
Levels	2
Lot Size	2190
Density (dwellings per hectare)	32 dwellings per hectare
Description	Large corner site, existing dwelling raised for the delivery of 7 new townhouse dwellings.



Variable	Measure
Project Name	15 Farnley Street, Croydon
Address	15 Farnley Street, Croydon
Dwellings	2
Status	Completed
Launch Year	
Completion Year	2016
Levels	2
Lot Size	831
Density (dwellings per hectare)	24 dwellings per hectare
Description	Two rear units completed in addition to retention of existing front unit.

15.1 Recent Supply Evidence

Croydon Rise, 4 - 6 Alfrick Road, Croydon



Developer	
Architect	
Status	**Completed**
Estimated Completion	**Q3-2019**
Site Area	**2,010 sq.m.**
No. of Floors	**4**
No. of Dwellings	**42**

Ap'nt	Level	BRs	BthRs	Car Spaces	Sale Date	Price
G10	G	2			4/08/2018	$410,000
G11	G	2			7/11/2019	$420,000
101	1	0			18/11/2017	$395,000
102	1	2			1/11/2019	$399,000
107	1	2			25/07/2017	$379,423
108	1	2			9/03/2018	$415,000
111	1	2			28/02/2019	$425,000
201	2	2			13/11/2019	$435,000
205	2	2			19/08/2019	$440,000
206	2				31/07/2017	$370,000
207	2	2			8/07/2019	$430,000
208	2	2			23/01/2017	$395,363
305	3	2			11/04/2016	$370,000
308	3	2			18/09/2018	$412,500
309	3	2			13/10/2016	$395,000

James Kerr, 211 Mt Dandenong Road, Croydon



Developer	**Erfanian Developments**
Architect	
Status	**Completed**
Estimated Completion	**Q2-2017**
Site Area	**1,850 sq.m.**
No. of Floors	**4**
No. of Dwellings	**56**

Ap'nt	Level	BRs	BthRs	Car Spaces	Sale Date	Price
109/211 MT DANDENONG RD	109	2	1	1	22/01/2016	384,000
210/211 MT DANDENONG RD	210	2	1	1	13/02/2016	385,000
216/211 MT DANDENONG RD	216	2	-	-	8/03/2016	358,000
203/211 MT DANDENONG RD	203	1	-	-	2/05/2016	358,650
203/211 MT DANDENONG RD	203	1	-	-	2/05/2016	358,650
101/211 MT DANDENONG RD	101	2	1	1	29/06/2016	379,825
106/211 MT DANDENONG RD	106	2	1	1	10/08/2016	375,000
201/211 MT DANDENONG RD	201	2	1	1	3/09/2016	385,000
217/211 MT DANDENONG RD	217	2	-	-	28/01/2017	365,000
301/211 MT DANDENONG RD	301	2	-	-	3/02/2018	400,000
207/211 MT DANDENONG RD	207	2	-	-	7/03/2018	440,000
202/211 MT DANDENONG RD	202	2	-	-	5/06/2018	455,000
107/211 MT DANDENONG RD	107	2	1	1	27/07/2018	465,000
111/211 MT DANDENONG RD	111	2	-	-	3/09/2019	385,000
111/211 MT DANDENONG RD	111	2	-	-	3/09/2019	385,000
214/211 MT DANDENONG RD	214	2	1	1	7/10/2019	380,000

Orphic, 176-180 Mt Dandenong Road, Croydon



Developer	**Erfanian Developments**
Architect	**JAM Architects**
Status	**Marketed**
Estimated Completion	**Q2-2021**
Site Area	**1,980 sq.m.**
No. of Floors	**4**
No. of Dwellings	**50**

Ap'nt	Priced From
1 Bedroom Apartment	$350,000 - $395,000
2 Bedroom Apartment	$420,000 - $530,000
3 Bedroom Apartment	$670,000 - $705,000

289 Mt Dandenong Road, Croydon



Developer	**Demas Developments**
Architect	
Status	**Under Construction**
Estimated Completion	**2020**
Site Area	**1,400 sq.m.**
No. of Floors	**4**
No. of Dwellings	**11**

Ap'nt	Level	BRs	BthRs	Car Spaces
1/289 My Dandenong Road	2	2	1	128.3
2/289 My Dandenong Road	2	2	1	123.3
3/289 My Dandenong Road	2	2	1	128
4/289 My Dandenong Road	2	2	1	128
5/289 My Dandenong Road	2	2	1	123.1
6/289 My Dandenong Road	2	2	1	123.1
7/289 My Dandenong Road	2	2	1	128
8/289 My Dandenong Road	2	2	1	128
9/289 My Dandenong Road	2	2	1	123.4
10/289 My Dandenong Road	2	2	1	118.9
11/289 My Dandenong Road	3	2	2	120.6

Price	$550,000-$650,000

The Terraces, 20 Toorak Avenue, Croydon

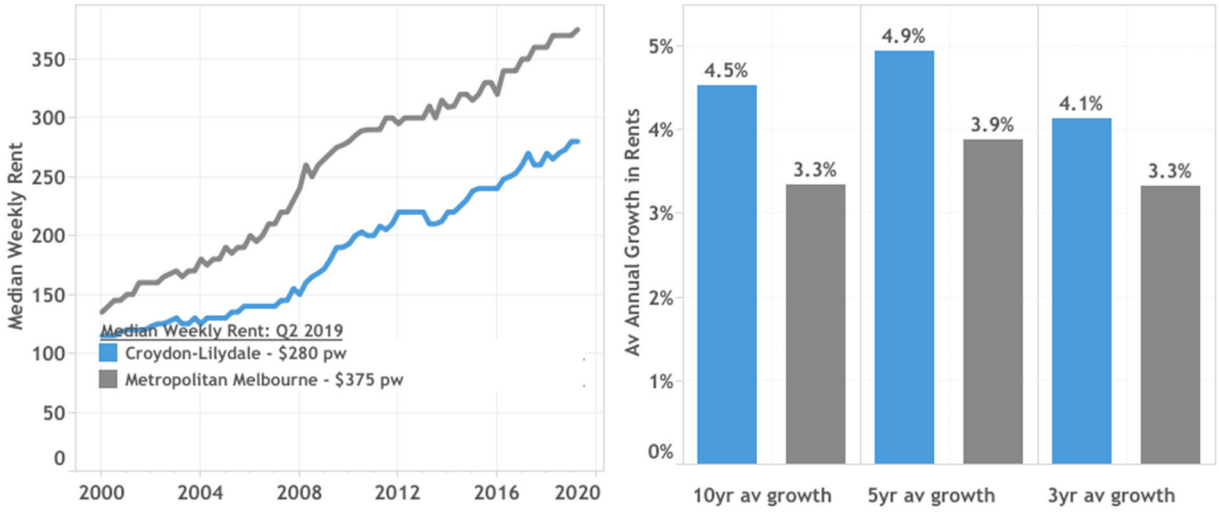


Developer	**Demas Developments**
Architect	
Status	**Under Construction**
Estimated Completion	**2020**
Site Area	**1,400 sq.m.**
No. of Floors	**4**
No. of Dwellings	**11**

Ap'nt	Bedroom	Bathroom	Car parking	Internal Area	Price
Residence A	3	2	2	177.7	$875,000 - $895,000
Residence B	3	2	2	177.7	$875,000 - $895,000

15.1.1Appendix 4: Rental Data

15.1.2Median Weekly One Bedroom Unit Rental – Croydon-Lilydale

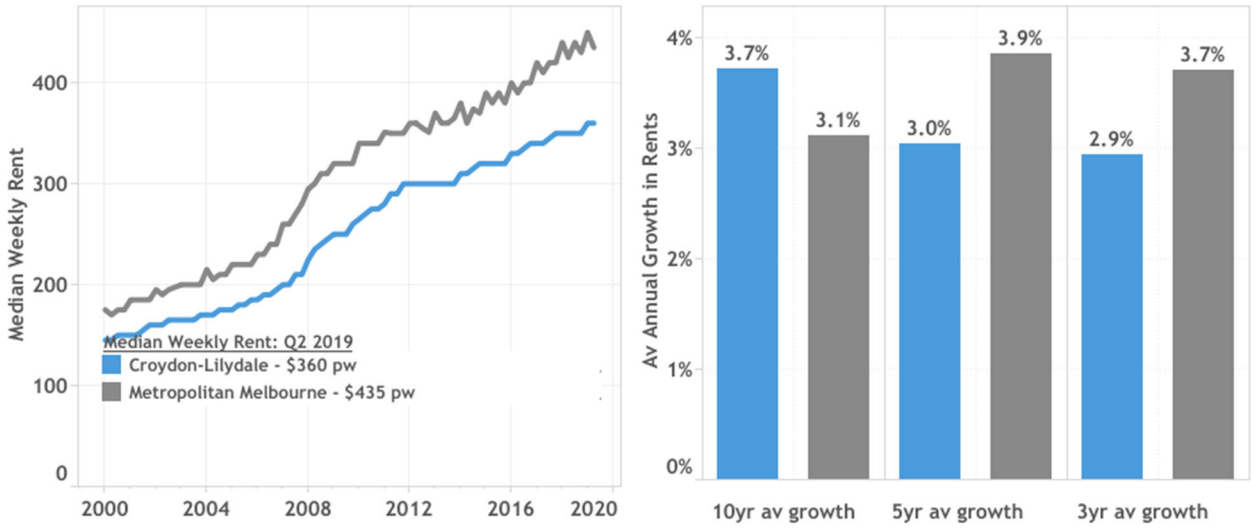


Source: DHHS, Charter Keck Cramer.

Median weekly rental rates for one-bedroom units have recorded average annual growth of +4.1% p.a. over the last 3 years and +4.9% p.a. over the last 5 years. This rate of growth is higher than that observed across metropolitan Melbourne over the equivalent period.

As at June 2019, median weekly rental rates for 2-bedroom units were $360 p.w. which was below that recorded across metropolitan Melbourne $435 p.w.

15.1.3Median Weekly Two Bedroom Unit Rental – Croydon-Lilydale

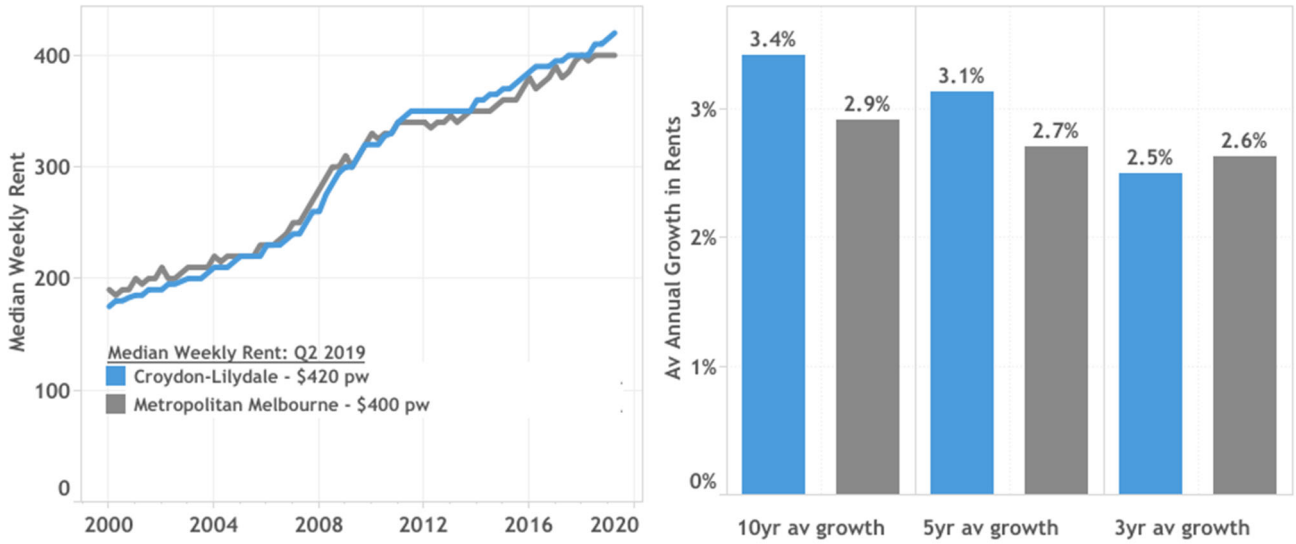


Source: DHHS, Charter Keck Cramer.

Average annual growth recorded across 2-bedroom unit rentals were higher across metropolitan Melbourne compared to Croydon-Lilydale through the last 3 and 5-year periods, highlighting an increase in new contemporary apartment dwelling stock delivered across metropolitan Melbourne.

As at June 2019, median weekly rental rates for 3-bedroom houses were $420 p.w. which was below that recorded across metropolitan Melbourne $400 p.w.

Median Weekly Three Bedroom Unit Rental – Croydon-Lilydale



Source: DHHS, Charter Keck Cramer.

Both the weekly rental rate across Croydon-Lilydale and Metropolitan Melbourne have largely reflected one another through the 2000s. Average annual growth in weekly rents have broadly reflected one another, albeit with growth rates being greater across Croydon-Lilydale over the medium and long terms (5 and 10 years respectively) with growth of +3.1% p.a. and 3.4% p.a. across Croydon-Lilydale and 2.7% p.a. and 2.9% p.a. across Melbourne over the 5-year and 10-year growth periods each, respectively.