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# 409 Clayton Road, Clayton

Economic analysis for proposed mixed use development

Prepared for Auriton  
26 November 2020



### **Deep End Services**

Deep End Services is an economic research and property consulting firm based in Melbourne. It provides a range of services to local and international retailers, property owners and developers including due diligence and market scoping studies, store benchmarking and network planning, site analysis and sales forecasting, market assessments for a variety of land uses, and highest and best use studies.

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### **Document Name**

Auriton report - 409 Clayton Road economics - 26 Nov 20

### **Assumptions and data sources**

#### *Assumptions:*

All spending data includes GST and is expressed in future dollars.

All data is for the year ending 30 June unless otherwise specified.

#### *Data sources:*

Auriton

- Clayton proposed site plan

Australian Bureau of Statistics:

- 2016 Census
- Dwelling approvals, 2011/12-2018/19
- Estimated resident population updates, 2012-2019

City of Monash

- *Clayton Activity Centre Precinct Plan, January 2020*

.id consulting

- Small area population projections, City of Monash; City of Kingston, 2020-2036

Nearmap

- Aerial imagery

Pricefinder

- Suburb median house and unit price data

Real Estate Institute of Victoria

- Melbourne median house and unit price data

Victorian Government

- *Plan Melbourne 2017-2050*
- *Victoria in Future 2019*, small area population projections

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This report should be read in its entirety, as reference to part only may be misleading.

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## Introduction

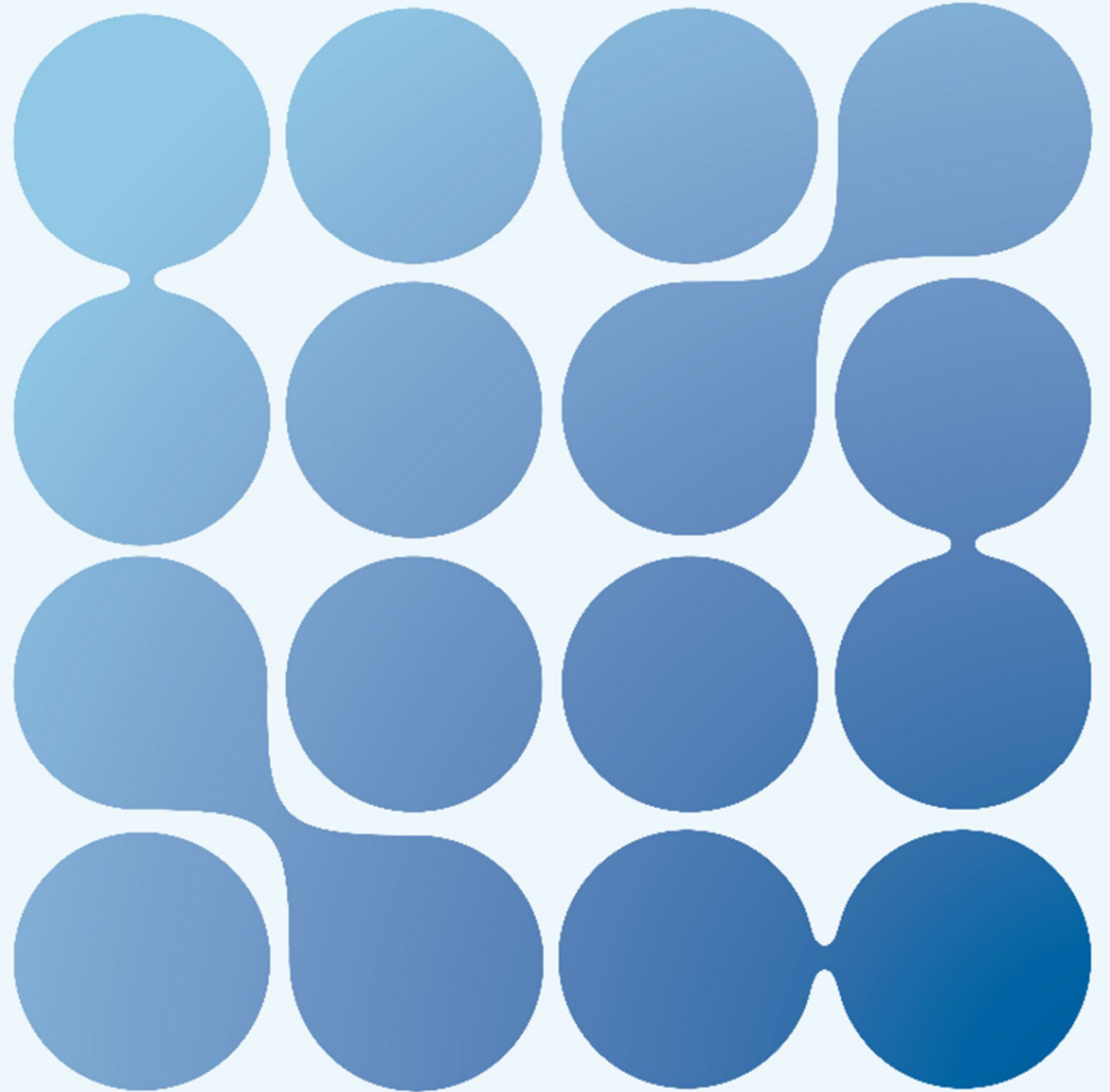
This report has been prepared on behalf of Auriton, which has engaged Deep End Services to provide economic advice to assist in discussions with local and state government authorities on the proposed mixed-use development at 409 Clayton Road, Clayton.

The site of approximately 2,000 sqm was previously occupied by a Caltex service station, which ceased operating in late 2019. The site is now being remediated, with development plans to create a mixed use development comprising apartments (some of which would be social or low-cost housing), retail tenancies and offices.



# 1

Proposed development



## 1.1 Subject site

The site is prominently located at the north-west corner of the intersection of Centre Road and Clayton Road in Clayton, 18 km south-east of the Melbourne CBD.

The vacant site of approximately 2,000 sqm was previously occupied by a Caltex service station and is now the subject of a proposed development to create a prominent gateway landmark comprised of a mix of apartments, retail tenancies and offices.

Located at the intersection of two major roads, the site is strategically positioned at the southern gateway to the Clayton Activity Centre Precinct.



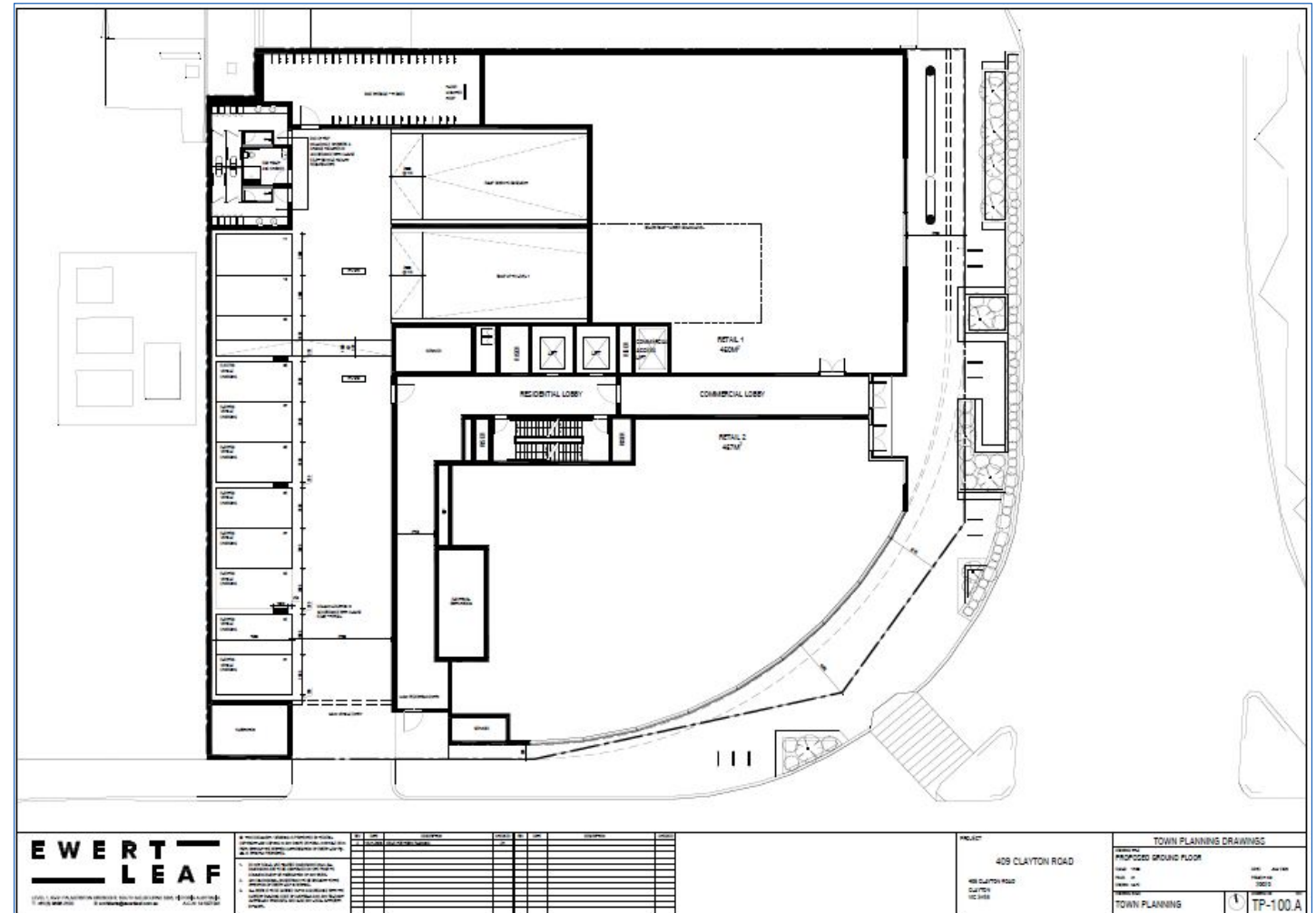
Source: Deep End Services; Auriton; Nearmap

## 1.2 Plans

The proposed 17-level mixed use development at 409 Clayton Road in Clayton would comprise the following key elements:

- Apartments
  - 1 bedroom 105
  - 2 bedroom 46
  - 3 bedroom 1
  - Total 152
- Commercial
  - Retail 1,479 sqm
  - Office 1,197 sqm
  - Total 2,676 sqm
- Car spaces 196 spaces
- Communal facilities
  - Gym
  - Common room
  - Barbecue area.

Subject to approval, construction would commence in September 2022 and is expected to be completed in February 2024 (a 17-month timeframe).



Source: Auriton

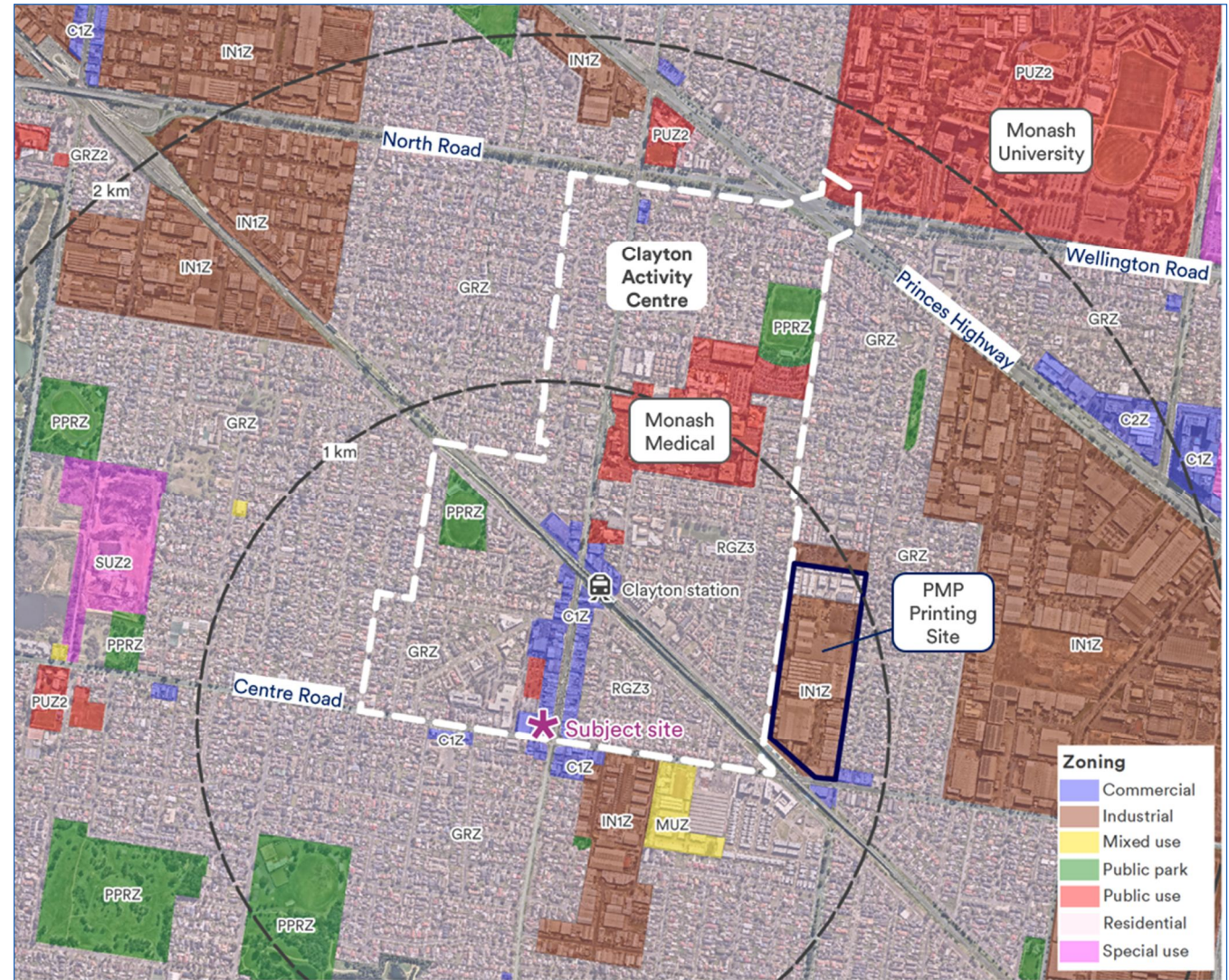


### 1.3 Local context

The subject site is within the Commercial 1 Zone and is situated at the southern end of the Clayton Road retail precinct, which extends northwards to Clayton Station and comprises an eclectic mix of local retail and commercial uses. Similarly, the site is on the southern boundary of the Clayton Activity Centre, which extends to North Road and includes the Monash Medical precinct to the north and residential housing in the immediate area around the Clayton Road spine.

Significant landmarks beyond the Clayton Activity Centre boundary include:

- Monash University's Clayton campus, which has over 24,000 student enrolments studying across 8 faculties; and
- The PMP Printing Site, 10 ha of former industrial land which is to accommodate 1,180 new dwellings in a mixed-use residential and commercial precinct to be developed over the next 20 years.



Source: Deep End Services; Planning Victoria; City of Monash

# 2

Strategic policies





**2.1 Plan Melbourne**

The subject site is within the Monash National Employment and Innovation Cluster (MNEIC), a conglomerate of key institutions and employment generating nodes strategically located along the Pakenham-Cranbourne rail corridor, with excellent Princes Highway and Monash Freeway road links.

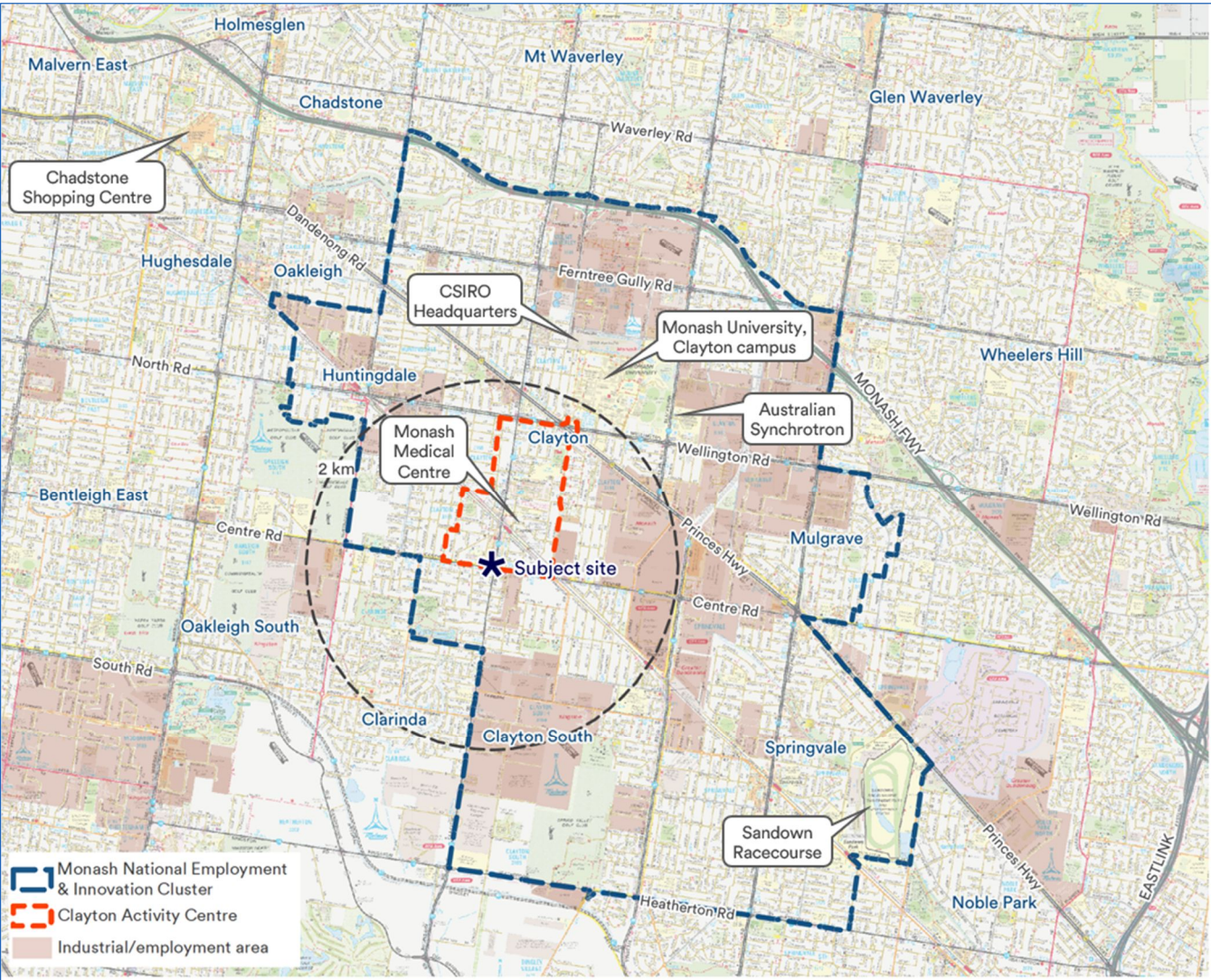
The MNEIC is one of seven key employment clusters in Melbourne, identified under the metropolitan policy ‘Plan Melbourne 2017-2050’ to facilitate the development of “key commercial, education, research and health precincts” outside of the Melbourne CBD.

Key institutions and employment nodes within the MNEIC include:

- Monash University;
- Australian Synchrotron;
- CSIRO headquarters; and
- Monash Medical precinct.

The MNEIC has the highest concentration of employment outside of the Melbourne CBD, supporting approximately 85,000 direct jobs and contributing over \$9.4 billion to the Victorian economy annually.

**Employment in the MNEIC is anticipated to double over the next 30 years.**



Source: Deep End Services; City of Monash; Urban Development Program 2018



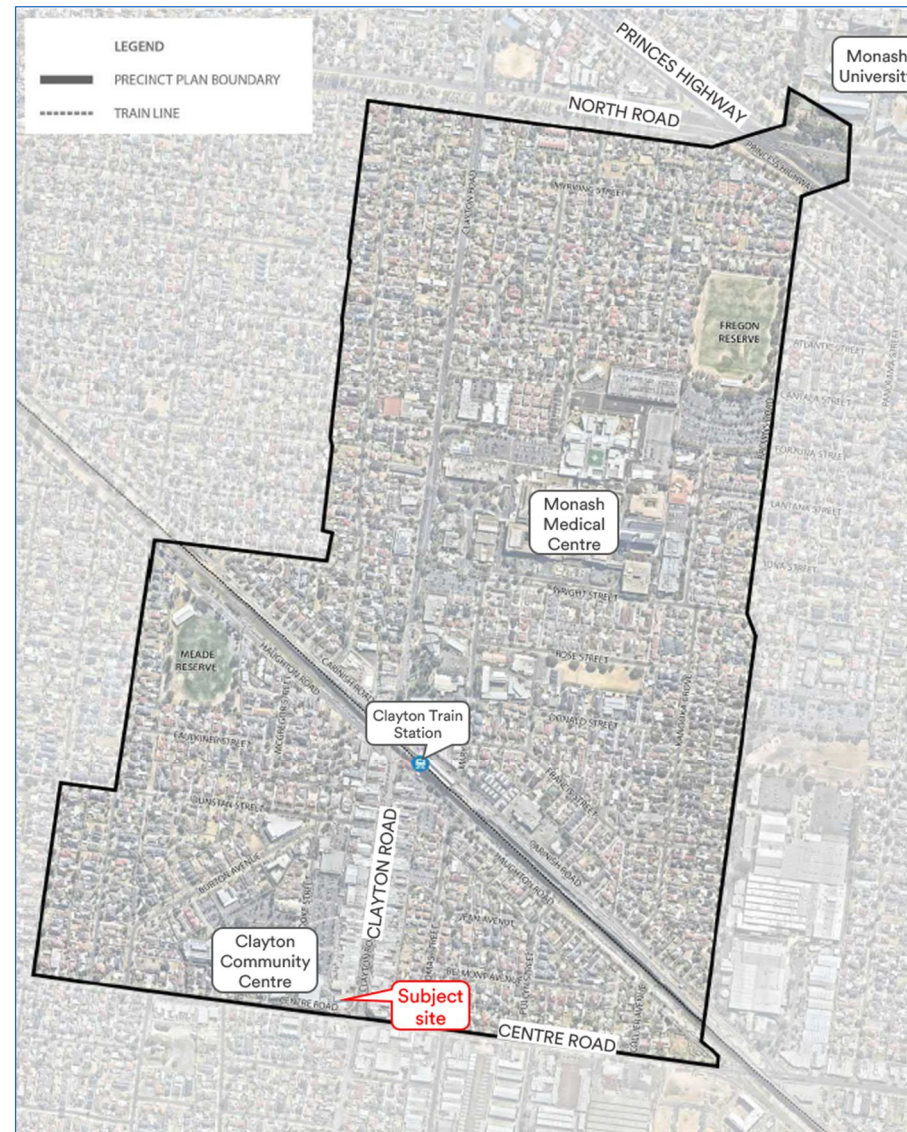
## 2.2 Clayton Activity Centre Precinct Plan

In January 2020, the City of Monash (“Council”) adopted a Precinct Plan for the Clayton Activity Centre that will create a new identity and sense of place for this significant employment, research and residential precinct. The Precinct Plan sets out a major transformative, long term vision to revitalise and grow Clayton.

The Clayton Activity Centre is one of the key areas in the MNEIC and a location for a Station Super Hub as part of the recently announced Suburban Rail Loop project.

Key actions in the plan include:

- Improved transport and movement connections into Clayton and between major employment, research and activity locations/destinations in the Precinct.
- Creation of a new identity and sense of place for the Precinct, reflective of its future role as a CBD-level employment, research and residential destination.
- An expanded retail, medical research and residential role for the Clayton Precinct.
- Greater connectivity to, and integration between, Monash Health’s Monash Campus including Monash Medical Centre, Jessie McPherson Private Hospital and the Monash Heart Hospital (currently being constructed).



Source: City of Monash (Clayton Activity Centre Precinct Plan, January 2020)

# 3

Definitions





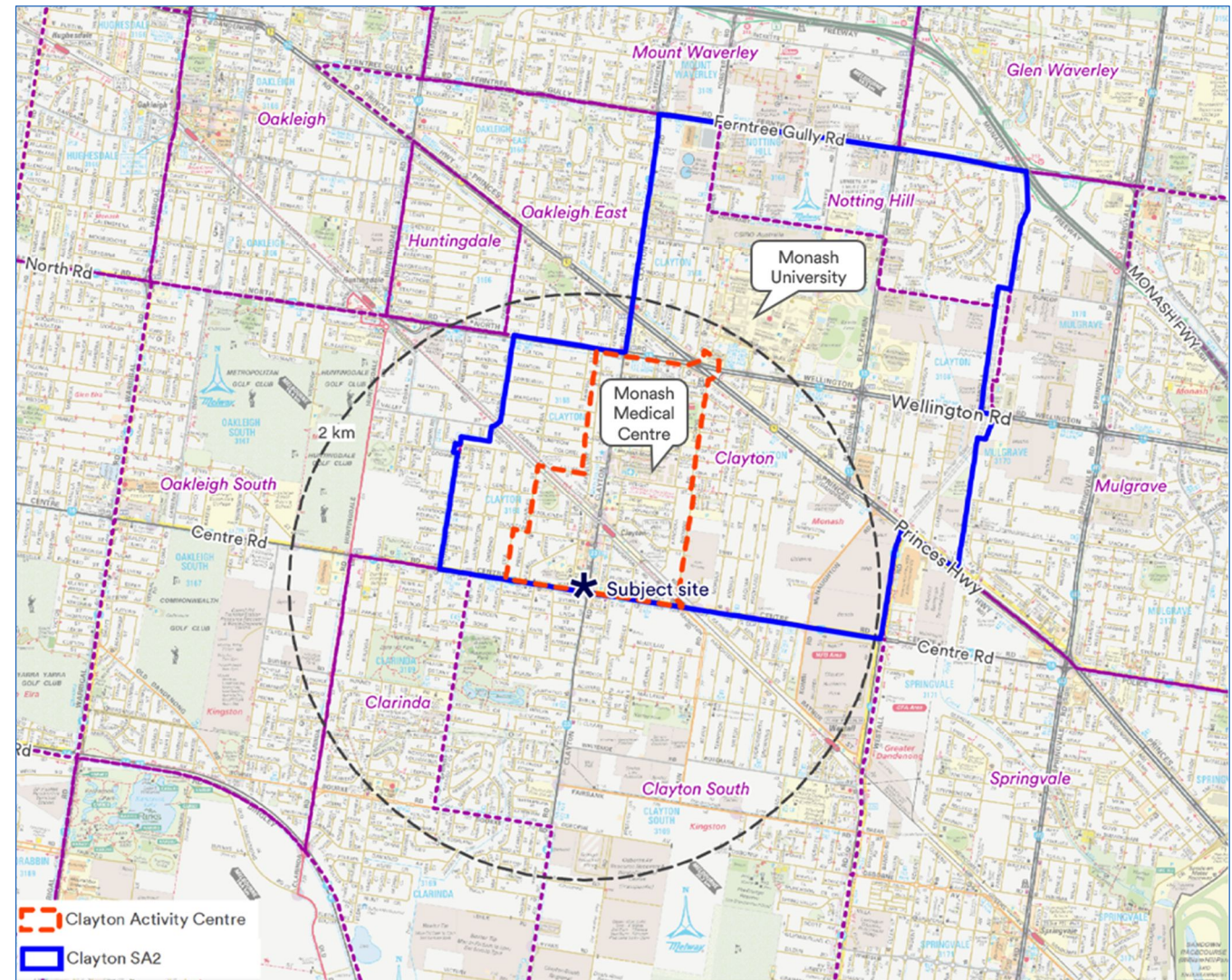
### 3.1 Clayton and surrounds

As set out in the *Clayton Activity Centre Precinct Plan, January 2020*, the Clayton Activity Centre incorporates the retail and commercial areas of Clayton, the railway station, community facilities, the Monash Medical Centre and adjoining residential areas. It extends up to North Road and Princes Highway highlighting its important relationship with the Monash University.

The key surrounding suburbs are:

- Huntingdale
- Oakleigh East
- Notting Hill
- Mulgrave
- Springvale
- Clayton
- Clayton South
- Clarinda and
- Oakleigh South.

For the purposes of modelling ABS journey to work data the Clayton SA2 has been used which incorporates the suburbs of Clayton and Notting Hill.



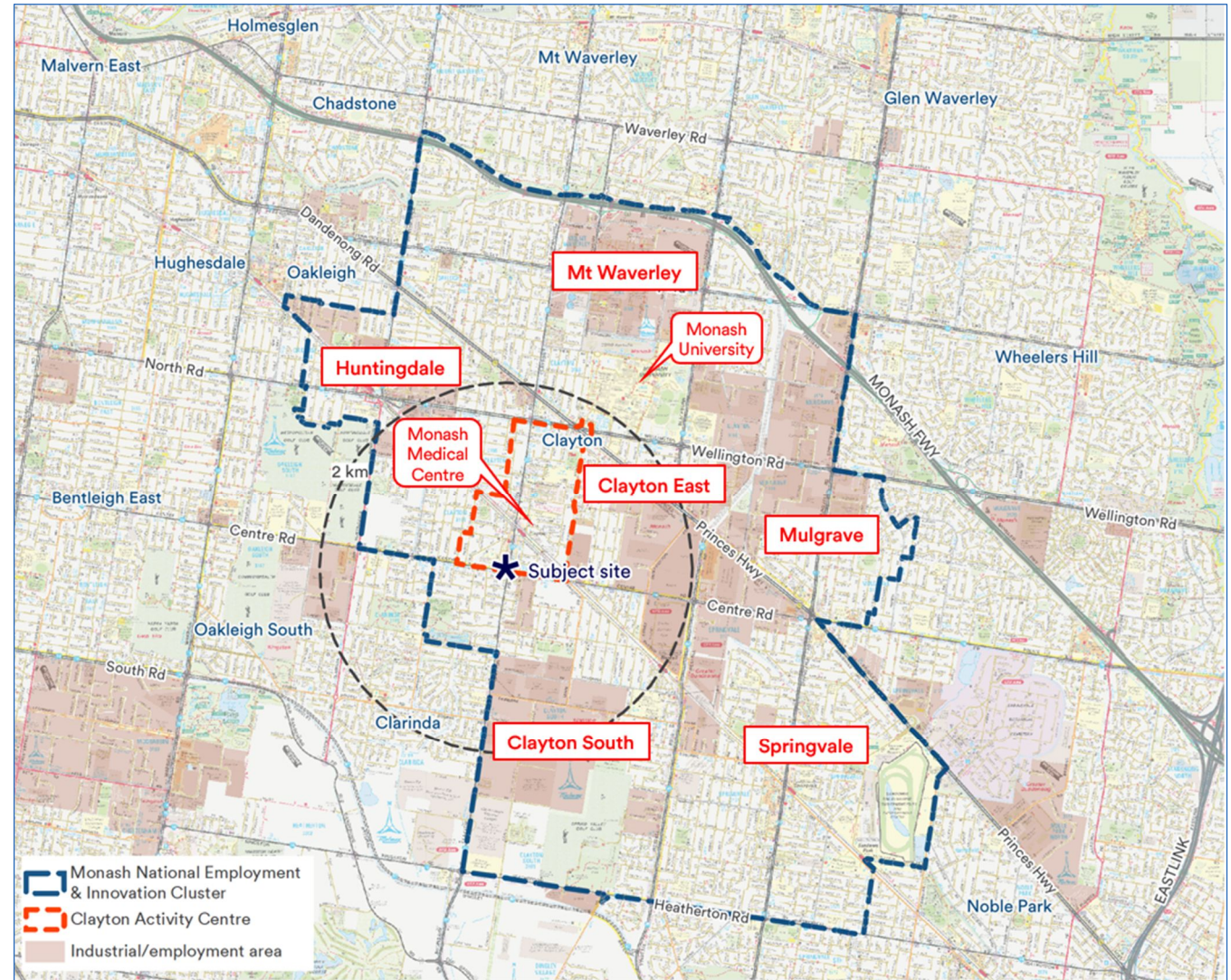
Source: Deep End Services; City of Monash



### 3.2 Monash National Employment & Innovation Cluster (MNEIC)

The MNEIC definition (as shown on the map at right) has been aligned with the ABS' Place of Work (POW) destination zones and nine relevant precincts are defined as follows:

- Monash Medical Centre
- Balance Clayton Activity Centre
- Monash University
- Clayton East
- Clayton South
- Mulgrave
- Springvale
- Mt Waverley
- Huntingdale.

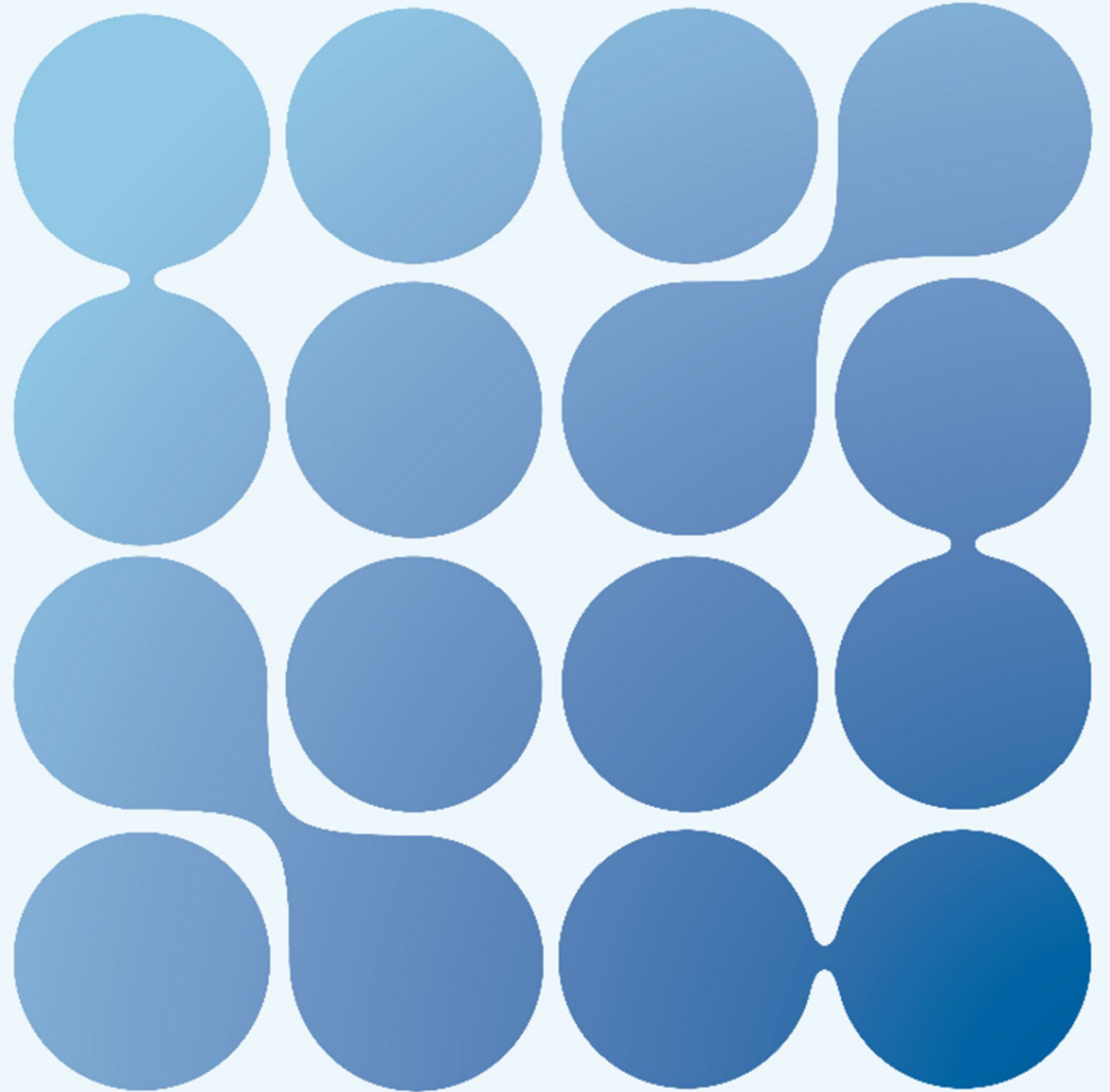


Source: Deep End Services; City of Monash



# 4

Resident profile



## 4.1 Demographics

The key demographic features of residents living in the Clayton Activity Centre and wider Monash NEIC are as follows (compared to Melbourne averages):

- Larger households
- Higher levels of tertiary education within the Clayton Activity Centre
- Younger age profile
- Significantly lower incomes
- Higher representation of residents from China, India and Vietnam
- Very high proportion of rented accommodation
- Significantly higher proportion of townhouses, particularly within the Clayton Activity Centre
- Group households are common
- Lower motor vehicle ownership levels.

The Clayton Activity Centre and Monash NEIC's demographics are significantly skewed due to the large student population in the region attending Monash University.

Demographic characteristic (2016 Census)	Clayton Activity Centre	Balance Monash NEIC	Total Monash NEIC	Melbourne
<b>Persons and dwellings</b>				
Total private dwellings	2,923	23,740	26,663	1,831,918
Average household size	2.85	2.86	2.86	2.66
<b>Economic indicators</b>				
White collar workers	52%	44%	45%	53%
Bachelor degree or higher	41%	27%	28%	27%
<b>Age group</b>				
0-4	6%	6%	6%	6%
5-18	9%	13%	12%	17%
19-24	24%	17%	18%	9%
25-34	28%	21%	21%	16%
35-49	15%	18%	17%	21%
50-64	8%	13%	12%	17%
65+	10%	13%	13%	14%
Average age	33.4	36.1	35.9	37.6
<b>Income</b>				
Average individual income	\$32,086	\$32,690	\$32,601	\$49,186
Variation from Melbourne average	-35%	-34%	-34%	-
Average household income	\$73,970	\$78,242	\$77,788	\$98,420
Variation from Melbourne average	-25%	-21%	-21%	-
<b>Country of birth</b>				
Australia	24%	37%	35%	64%
China	26%	12%	14%	4%
India	16%	9%	10%	4%
Vietnam	2%	9%	9%	2%
Other	32%	33%	33%	27%
<b>Occupied private dwelling tenure</b>				
Fully owned	20%	32%	31%	32%
Being purchased	16%	25%	24%	37%
Rented	64%	43%	45%	31%
<b>Dwelling type</b>				
Separate house	33%	63%	60%	68%
Townhouse/semi-detached	54%	24%	27%	17%
Apartment	13%	13%	13%	15%
<b>Household composition</b>				
Couples with children	28%	33%	33%	36%
Couples without children	23%	23%	23%	25%
One parent family	7%	11%	10%	11%
Lone person	21%	22%	22%	24%
Group	22%	11%	12%	5%
<b>Motor vehicle ownership per dwelling</b>				
None	19%	12%	13%	9%
One	49%	40%	41%	36%
Two	25%	33%	32%	38%
Three or more	7%	15%	14%	17%

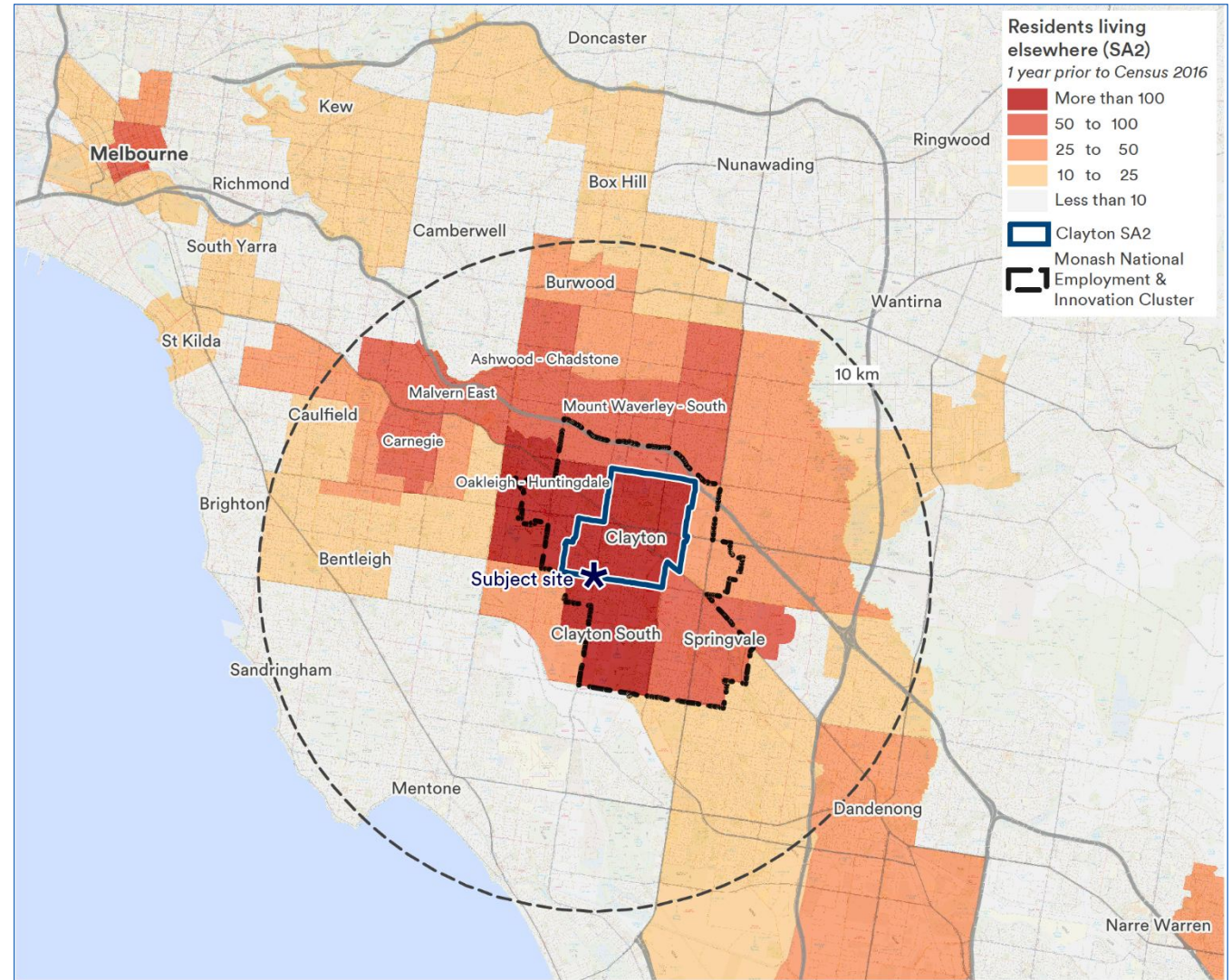
Source: Deep End Services; Australian Bureau of Statistics

### 4.2 Where residents moved from

The map at right shows the previous location of residents who moved into the Clayton SA2 within the year prior to the 2016 Census. A total of 8,184 people (40%) moved in the year – a very high rate of mobility, driven largely by international students studying at Monash University and with overseas residents comprising 42% of all new residents.

Other than overseas arrivals, it is apparent that new Clayton residents were often sourced from the surrounding south-eastern suburbs.

Previous residence (SA2)	Persons	% moved
Same address	12,415	
<b>Moved from:</b>		
Clayton	1,566	19.1%
Oakleigh - Huntingdale	194	2.4%
Clayton South	134	1.6%
Melbourne	97	1.2%
Mount Waverley - South	73	0.9%
Carnegie	65	0.8%
Malvern East	65	0.8%
Glen Waverley - West	65	0.8%
Springvale	51	0.6%
Ashwood - Chadstone	51	0.6%
Other Melbourne	1,539	18.8%
Other Victoria	369	4.5%
Interstate	498	6.1%
Overseas	3,417	41.8%
<b>Total (moved)</b>	<b>8,184</b>	<b>100%</b>
<b>Total</b>	<b>20,599</b>	<b>-</b>



Source: Deep End Services; ABS; City of Monash



### 4.3 Where residents work

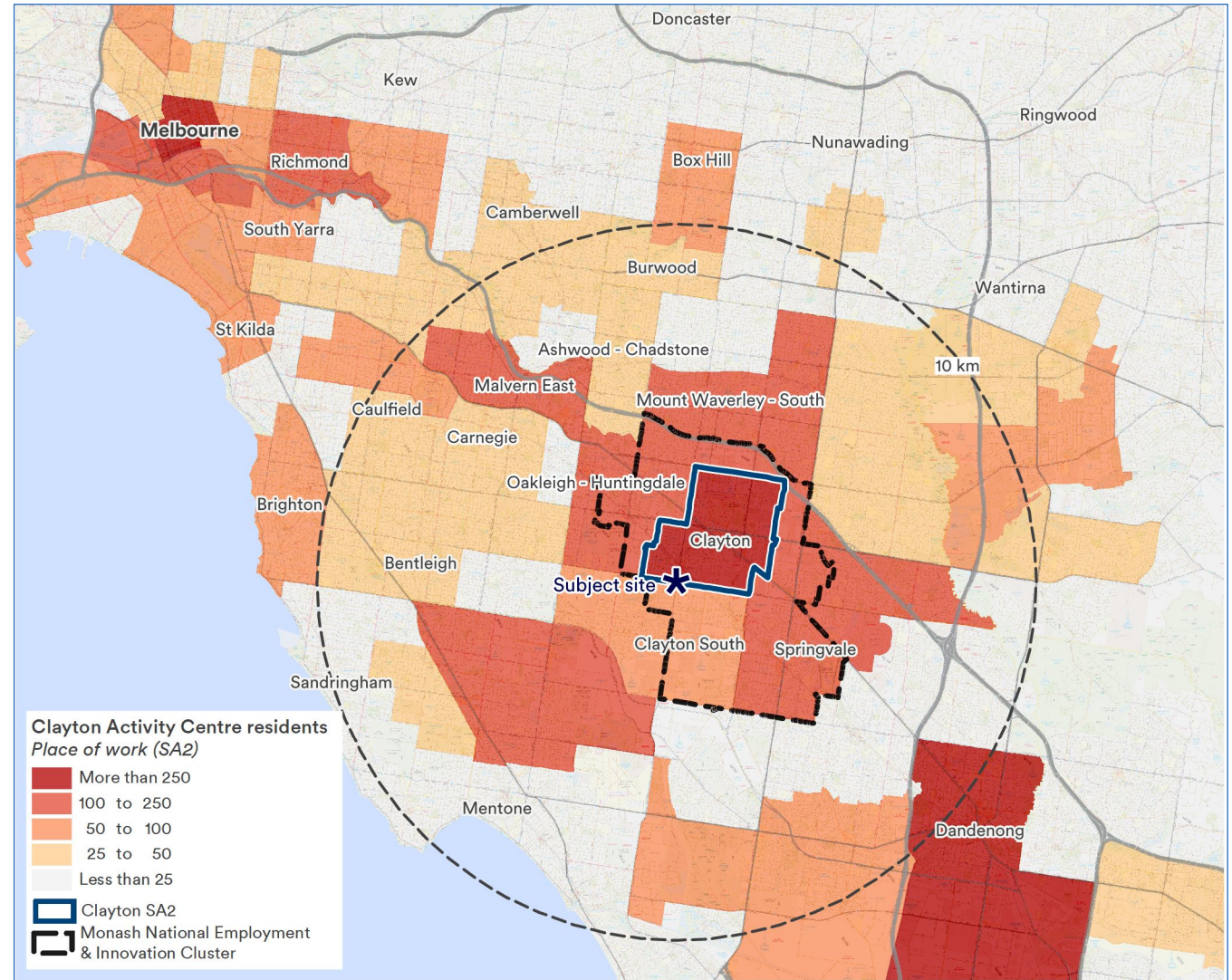
The map at right illustrates the place of work for people who lived within the Clayton SA2 at the 2016 Census.

Clayton residents have workplaces spread widely across Melbourne’s south-eastern suburbs, as well as within inner-Melbourne and the CBD. The SA2s with the highest concentration of workers are as follows:

SA2	Count (no.)	Proportion (%)
Clayton	1,690	22.3%
Melbourne CBD	683	9.0%
Dandenong	299	3.9%
Oakleigh-Huntingdale	243	3.2%
Mulgrave	214	2.8%
Other	4,454	58.7%
<b>Total</b>	<b>7,583</b>	<b>100%</b>

The number of Clayton residents working within the Monash NEIC is disappointingly low, at approximately 2,500 (and representing only 3% of the NEIC’s workforce).

**It is our opinion that the lack of quality, affordable local housing is likely to be a key factor in this disappointing outcome.**



Source: Deep End Services; Australian Bureau of Statistics

#### 4.4 Population history and forecasts

The Monash NEIC is estimated to have a population of 83,686, with 9,087 (or 10.9%) residing in the Clayton Activity Centre (CAC).

An adjustment has been incorporated into the population forecasts to simulate the effects of COVID-19. Impacts resulting from reductions in net overseas migration, lower fertility rates and lower interstate migration have been applied to the region until 2024. These factors are expected to have a significant impact on the Monash NEIC, with no new international student enrolments in the short term and many existing international students returning home during these uncertain times.

However, these impacts are temporary and strong population growth is anticipated to return for the remainder of the outlook period.

Importantly, between 2018 and 2036 the population in the CAC is expected to grow by 3,497 people. This is greater than Precinct Plan estimates of 3,125 people for the same period.

Exemplar projects such as the proposal at the subject site will support this population growth and enable the Clayton Activity Centre to become a destination precinct, supporting the strong future employment growth of the NEIC and providing appropriate and affordable housing for local workers and students.

Catchment area sector	2016	2018	2020	2024	2028	2032	2036
<b>Population</b>							
Clayton Activity Centre	7,879	8,936	9,087	7,908	9,183	10,933	12,433
Balance Monash NEIC	68,547	72,600	74,599	71,017	77,167	83,817	89,617
<b>Total NEIC</b>	<b>76,426</b>	<b>81,536</b>	<b>83,686</b>	<b>78,925</b>	<b>86,350</b>	<b>94,750</b>	<b>102,050</b>
<b>Population growth (no. per annum)</b>							
Clayton Activity Centre	-	529	76	-295	319	438	375
Balance Monash NEIC	-	2,027	1,000	-896	1,538	1,663	1,450
<b>Total NEIC</b>	<b>-</b>	<b>2,555</b>	<b>1,075</b>	<b>-1,190</b>	<b>1,856</b>	<b>2,100</b>	<b>1,825</b>
<b>Population growth (% per annum)</b>							
Clayton Activity Centre	-	6.5%	0.8%	-3.4%	3.8%	4.5%	3.3%
Balance Monash NEIC	-	2.9%	1.4%	-1.2%	2.1%	2.1%	1.7%
<b>Total NEIC</b>	<b>-</b>	<b>3.3%</b>	<b>1.3%</b>	<b>-1.5%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>1.9%</b>

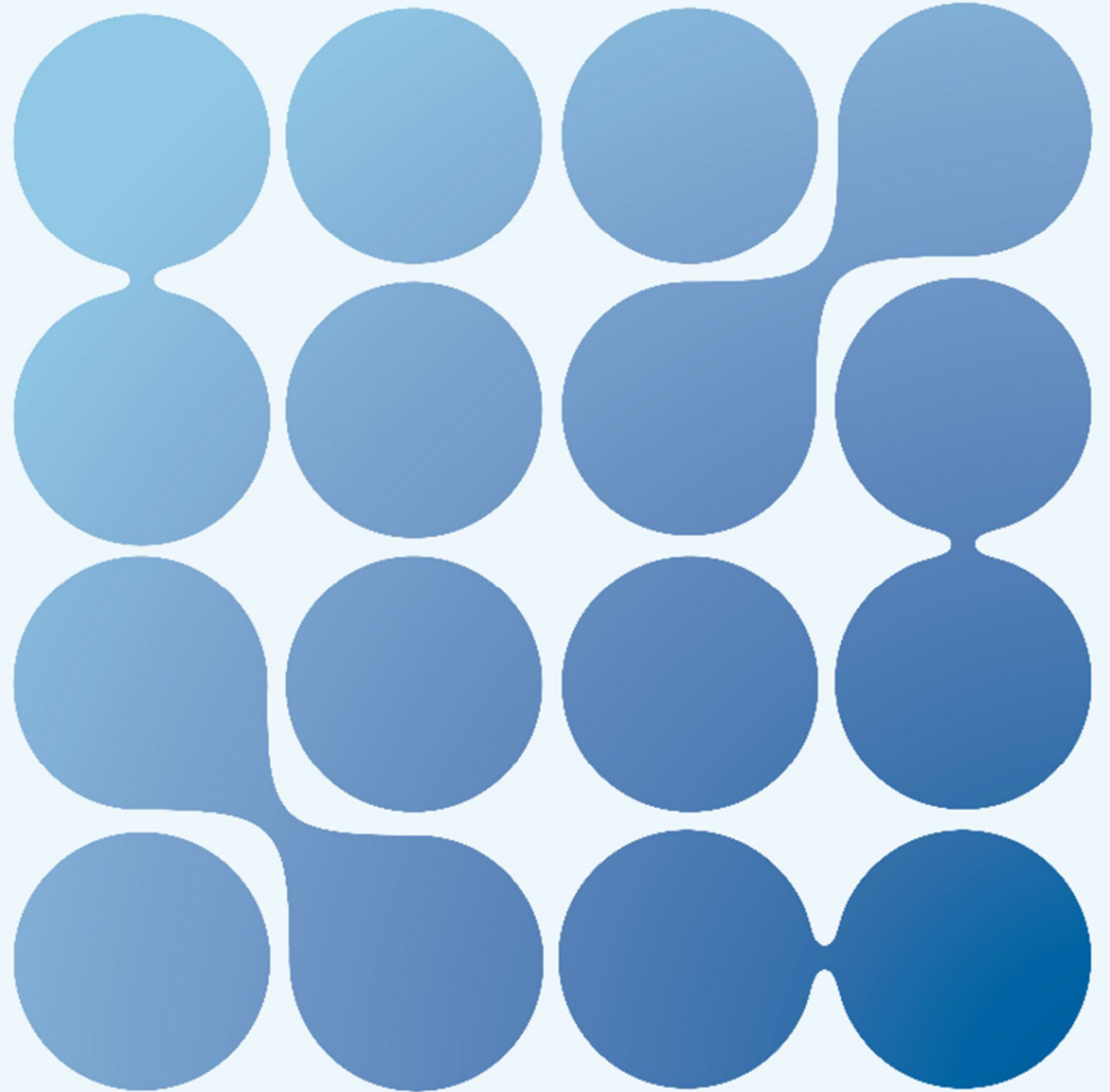
Note: The population of the Clayton Activity Centre differs from the quoted figures in the Precinct Plan and relevant background reports due to inconsistencies in the geographical boundaries used.

Source: Deep End Services; Australian Bureau of Statistics; forecast.id; Victoria in Future 2019



# 5

Worker profile



## 5.1 Worker demographics

The demographic profile of people working in the Monash NEIC is presented in the table at right (by precinct).

The key demographic features of the NEIC's workers are as follows (compared to Melbourne averages):

- Predominantly male, except in the Monash Medical Centre
- White collar workers, particularly in the Monash Medical Centre and Monash University, but more blue collar employees working in Clayton South, Springvale and Huntingdale
- Significantly higher proportion of workers in the Manufacturing industry, particularly in Clayton East and Clayton South
- Slightly older age profile
- Incomes are generally above average, except in the Balance of the Clayton Activity Centre, Clayton South, Springvale and Huntingdale.

The differing characteristics of the workers within the three local precincts – represented by the first three columns of the table – highlights the challenge for the provision of quality and affordable housing in the Clayton Activity Centre for these workers.

Demographic characteristic (2016 Census)	Monash Medical Centre	Balance Clayton Activity Centre	Monash University	Clayton East	Clayton South	Mulgrave	Springvale	Mt Waverley	H.dale	Total Monash NEIC	Melb.
Workforce (No.)	6,159	3,995	7,677	9,193	5,677	16,057	8,458	15,018	6,586	78,820	2,046,261
<b>Gender</b>											
Male	27%	50%	48%	70%	71%	61%	53%	64%	64%	58%	52%
Female	73%	50%	52%	30%	29%	39%	47%	36%	36%	42%	48%
<b>Occupation</b>											
Managers	6%	10%	11%	16%	15%	18%	12%	20%	15%	15%	14%
Professionals	59%	25%	58%	21%	16%	23%	16%	24%	15%	28%	26%
Technicians & trades	7%	13%	7%	19%	17%	14%	15%	14%	18%	14%	12%
Community & personal service	7%	14%	5%	4%	5%	3%	11%	4%	7%	6%	10%
Clerical & admin	11%	13%	14%	15%	12%	22%	12%	18%	14%	16%	15%
Sales	4%	13%	1%	7%	8%	8%	16%	6%	7%	7%	10%
Machinery & drivers	2%	3%	1%	10%	14%	6%	9%	6%	13%	7%	6%
Labourers	5%	9%	3%	8%	13%	7%	9%	7%	11%	8%	8%
White collar workers	76%	48%	83%	53%	44%	63%	40%	62%	44%	59%	54%
Blue collar workers	24%	52%	17%	47%	56%	37%	60%	38%	56%	41%	46%
<b>Industry</b>											
Agriculture, forestry & fishing	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	1%
Mining	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Manufacturing	0%	16%	0%	34%	35%	19%	12%	15%	18%	16%	9%
Utilities	0%	0%	0%	1%	3%	1%	0%	0%	1%	1%	1%
Construction	2%	3%	1%	9%	9%	11%	6%	15%	15%	9%	7%
Wholesale trade	0%	3%	0%	11%	11%	14%	6%	14%	6%	9%	4%
Retail trade	0%	11%	0%	5%	7%	16%	21%	8%	9%	9%	11%
Accommodation & food	1%	10%	3%	1%	3%	2%	9%	2%	3%	3%	7%
Transport, post & warehousing	0%	10%	0%	7%	10%	3%	6%	6%	14%	5%	5%
Info, media & telco	0%	0%	0%	8%	2%	3%	1%	1%	1%	2%	2%
Financial & insurance	0%	2%	0%	1%	0%	6%	2%	3%	1%	2%	5%
Rental, hiring & real estate	0%	3%	0%	1%	0%	1%	2%	2%	2%	1%	2%
Professional, scientific & technical	4%	3%	10%	7%	5%	7%	5%	16%	7%	8%	10%
Admin & support services	0%	2%	1%	4%	4%	7%	3%	5%	5%	4%	4%
Public admin & safety	1%	2%	1%	1%	1%	3%	5%	2%	2%	2%	6%
Education & training	2%	3%	80%	2%	3%	3%	11%	3%	6%	12%	10%
Health care & social assistance	90%	30%	1%	7%	4%	4%	10%	7%	10%	14%	13%
Arts & recreation	0%	2%	1%	1%	1%	0%	1%	0%	2%	1%	2%
<b>Age group</b>											
15-19	0%	6%	1%	1%	2%	1%	4%	1%	2%	2%	4%
20-29	22%	23%	22%	17%	18%	18%	22%	17%	20%	19%	22%
30-39	27%	22%	28%	26%	26%	28%	21%	27%	23%	26%	25%
40-49	23%	21%	23%	26%	25%	26%	23%	26%	23%	25%	22%
50-59	18%	18%	18%	21%	21%	18%	20%	20%	20%	19%	18%
60+	9%	10%	9%	9%	9%	8%	10%	9%	11%	9%	9%
<b>Average individual income</b>											
Variation from Melbourne average	13%	-17%	16%	15%	-4%	22%	-22%	22%	-10%	9%	-

Source: Deep End Services; ABS

## 5.2 Where workers live

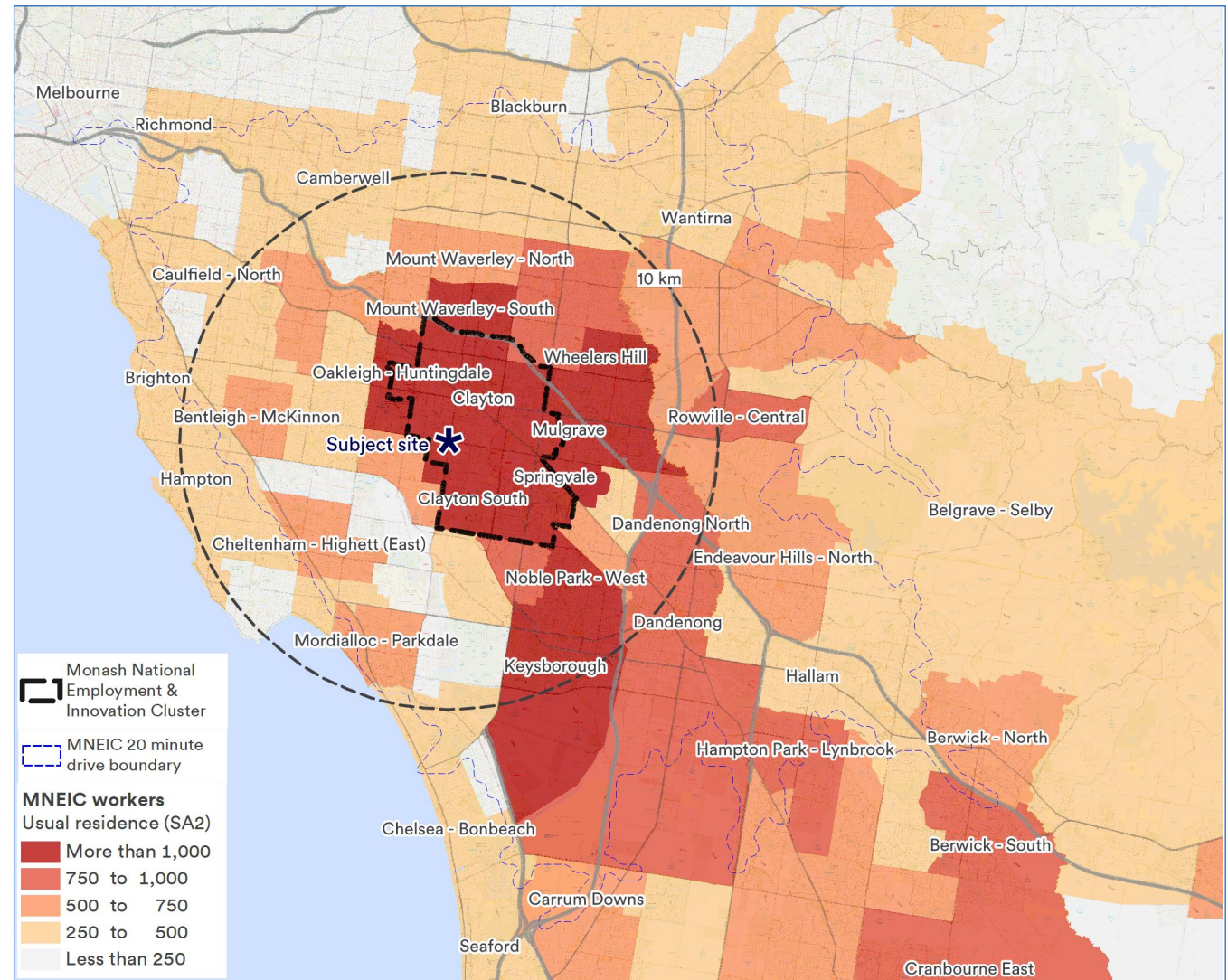
The map at right shows the place of usual residence of the people who were working within the MNEIC at the time of the 2016 Census.

As shown in the table below, just over half of the workers (i.e. 54%) live within a 20 minute drive of their workplace, while the remaining 46% must drive (or otherwise commute) more than 20 minutes to work each day.

Drivetime (mins)	Count (no.)	Proportion (%)
Less than 20	42,218	54%
More than 20	36,602	46%
<b>Total</b>	<b>78,820</b>	<b>100%</b>

This is disappointing when considering the State's desire for 20-minute neighbourhoods and particularly when considering the significance of the MNEIC.

If the MNEIC is to double its employment base, the challenge is to develop increasing numbers of well-located and appropriate dwellings in close proximity to the key employment generators within the area (including the Monash Medical Centre and Monash University) to increase the proportion of 20-minute worker/residents well above the current level of just 54%.



Source: Deep End Services; ABS

# 6

Housing market





## 6.1 House and apartment prices

The table and chart at right illustrate current and historical dwelling prices for Clayton, surrounding suburbs and Melbourne in total.

The median house and unit price in Clayton as at September 2020 was \$1.1 million and \$591,000 respectively. Compared to Melbourne medians, Clayton houses trade at a 32% premium and units trade 5% below.

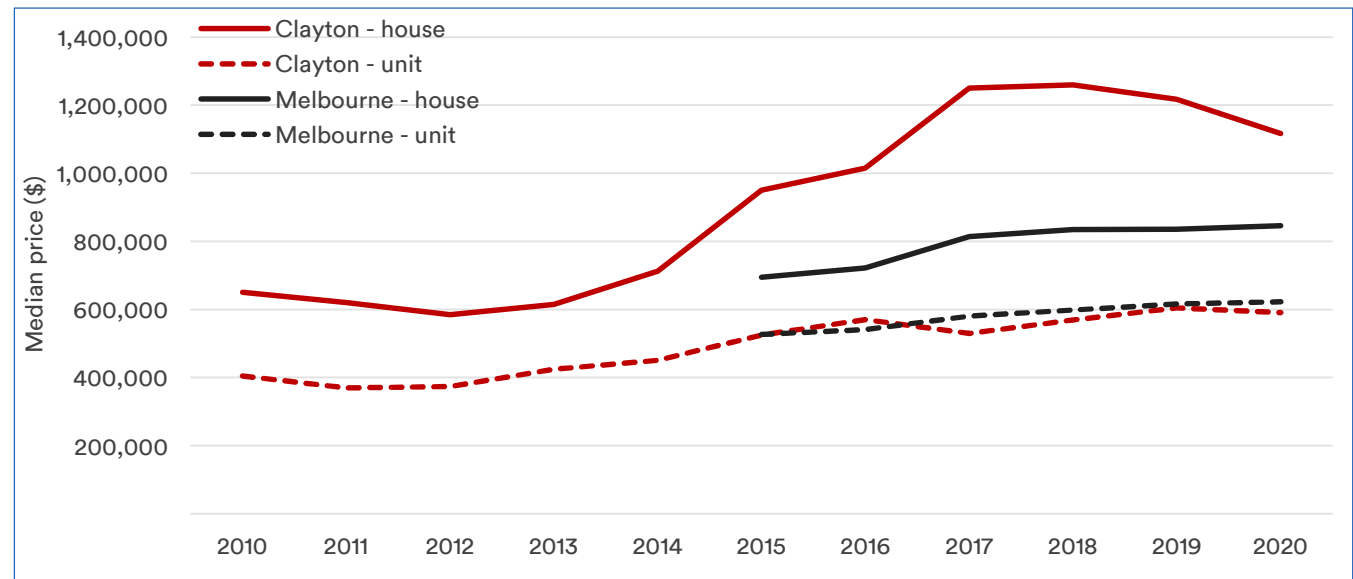
Historically, Clayton house prices have had strong growth from 2010, peaking in 2018 and a subsequent pullback to current levels. Clayton house prices have grown at an average annual rate of 5.6% per annum since 2010.

Units prices in Clayton have tracked much closer to the Melbourne median, with little differentiation in their prices since 2015.

Units prices in Clayton have also been more resilient than house prices in recent times, slightly increasing since 2018 in contrast to house prices. This is largely attributable to the strength of the student market throughout Clayton and resulting demand for units as student accommodation.

**What is most apparent, however, is that there is a most unusual disconnect between local dwelling prices and income levels. This is forcing a very high proportion of locals into rented accommodation.**

Suburb	Y/E September 2020 median	
	House	Unit
Clayton	\$1,116,500	\$590,800
Clayton South	\$782,500	\$522,100
Mulgrave	\$844,500	\$844,500
Notting Hill	\$945,000	\$945,000
Oakleigh East	\$997,000	\$997,000
Oakleigh South	\$990,750	\$809,500
Clarinda	\$846,625	\$683,000
<b>Melbourne</b>	<b>\$846,000</b>	<b>\$623,000</b>



Source: Deep End Services; Pricerfinder; Real Estate Institute of Victoria



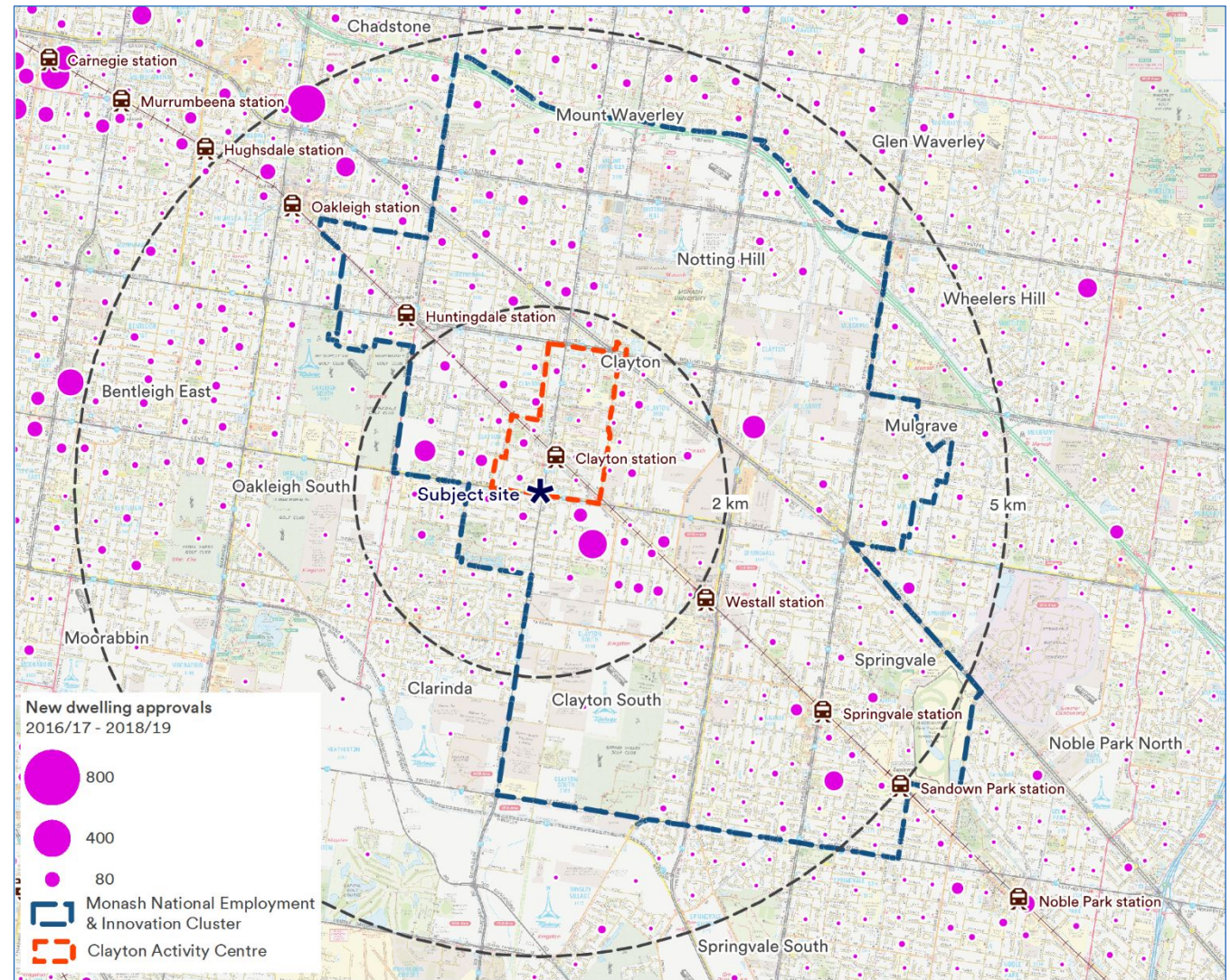
### 6.2 Dwelling approvals

A total of 5,085 new dwellings were approved within the NEIC over the eight years to 2018/19, as set out in the table below, with a geographic representation of the latest three years of approvals (2016/17-2018/19) shown at right.

Year	Clayton Activity Centre	Balance Monash NEIC	Total Monash NEIC
2011/12	107	277	384
2012/13	18	272	290
2013/14	52	475	527
2014/15	66	916	982
2015/16	129	449	578
2016/17	40	710	750
2017/18	34	1,081	1,115
2018/19	43	416	459
<b>Total</b>	<b>489</b>	<b>4,596</b>	<b>5,085</b>

Historically, dwelling approvals have been variable throughout both the Clayton Activity Centre and Monash NEIC. The former has averaged just 61 new approvals per year since 2011/12, with approval spikes in 2011/12 and 2015/16 while the latter has averaged 575 per year since 2011/12 and had spikes in 2014/15, 2016/17 and 2017/18.

Much of the activity has been clustered around the key access routes of the region, with large new residential developments near the train line and along the Princes Highway.



Source: Deep End Services; Australian Bureau of Statistics



### 6.3 Apartment developments

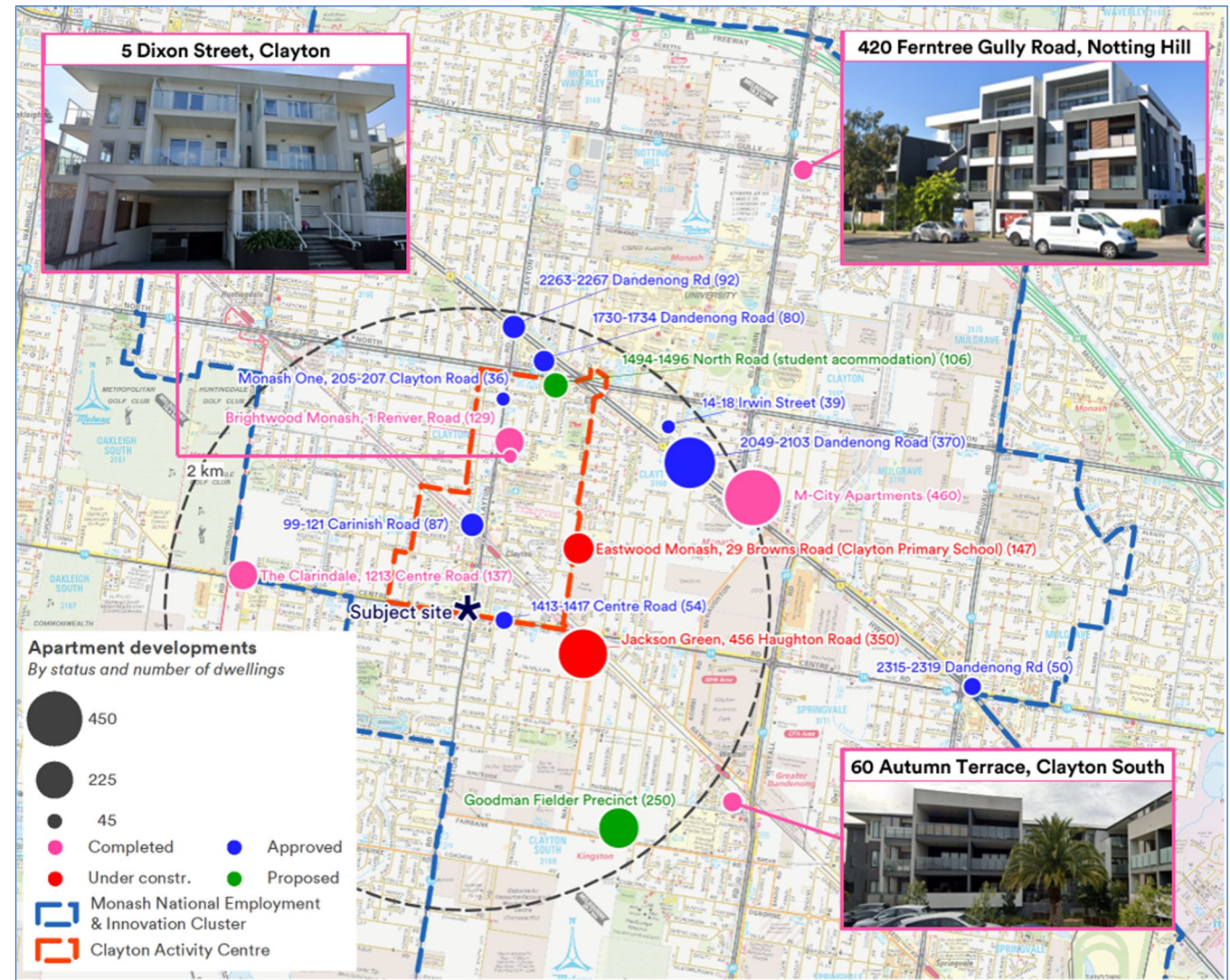
The map at right illustrates a number of apartment developments in the surrounding area, categorised by their project status and graduated by number of dwellings.

The Clayton area has, in recent times, become a focus for apartment development, with a total of 1,305 apartments across 10 projects approved for development or currently under construction.

The largest recently completed development in the area is M-City which is a large mixed use precinct which includes 460 units, as well as an international hotel, retail precinct and office space. However, M-City is not within an activity centre and is an 'island' site.

Other significant developments nearby that are currently under construction – but outside of the CAC – include:

- Jackson Green (350 units) which will include ground floor retail, café and dining offers, and;
- Eastwood Monash (147 units), a redevelopment of the former Clayton Primary School.



Source: Deep End Services; Ausway; City of Monash

## 6.4 Case studies

### 5 Dixon Street, Clayton

5 Dixon Street, Clayton comprises a total of 38 dwellings largely targeted at students, located 1 km south-west of Monash University. The site is adjacent to the Monash Medical precinct, 620 m from Clayton train station and 1.1 km north of the subject site. Current online listings are approximately \$440,000.

Characteristic	Attribute
Address	5 Dixon Street, Clayton
Number of dwellings	38
Number of storeys	3
Dwelling mix	35 apartments, 2 townhouses and 1 house

### 60 Autumn Terrace, Clayton South

60 Autumn Terrace is located less than 200 m from Westall train station and is an apartment development comprising 72 dwellings. Current online listings have 1-bedroom units for \$315,000-\$325,000.

Characteristic	Attribute
Address	60 Autumn Terrace, Clayton South
Number of dwellings	72
Number of storeys	3
Dwelling mix	71x 1,2 and 3-bedroom apartments, 1 house

### 420 Ferntree Gully Road, Notting Hill

420 Ferntree Gully Road, Notting Hill is located further away from the subject site, however still within the Monash NEIC boundary. It comprises 64 apartments in 1-, 2- and 3-bedroom configurations across 3 storeys. The development was completed in 2015 and current online listings for apartments are approximately \$450,000.

Characteristic	Attribute
Address	420 Ferntree Gully Road, Notting Hill
Number of dwellings	64
Number of storeys	3
Dwelling mix	64x 1,2 and 3-bedroom apartments

## 6.5 Apartment residents' demographics

The key demographic features of the three case study apartment complexes, compared to the Clayton Activity Centre and Melbourne averages, as follows:

- Higher than average student enrolments, particularly at 5 Dixon Street
- Higher representation of workers in the Professional, Science & Technology, Education and Healthcare industries
- Significantly smaller households
- Rental households dominate
- 1- and 2-bedroom apartments are most common
- Lower incomes
- Couples and lone person oriented households
- Lower levels of motor vehicle ownership.

Again, the demographic of apartment dwellers is skewed towards students in the region. However, indications of the local workforce are present, with strong representation from industries that operate at Monash University, Monash Medical precinct and the surrounding business parks. This an important recent change which needs to continue if the MNEIC's workers are to be housed locally.

Demographic characteristic (2016 Census)	420 Fernree Gully Rd, Notting Hill	60 Autumn Tce, Clayton South	5 Dixon St, Clayton	Clayton Activity Centre	Melbourne
<b>Education</b>					
FT/PT student	35%	33%	68%	41%	27%
Bach. degree or higher	45%	62%	43%	41%	27%
<b>Occupation</b>					
Managers	10%	7%	13%	8%	13%
Professionals	22%	33%	41%	31%	25%
Clerical & admin	22%	13%	0%	13%	14%
White collar workers	53%	53%	54%	52%	53%
Blue collar workers	47%	47%	46%	48%	47%
<b>Industry</b>					
Manufacturing	0%	7%	7%	8%	8%
Construction	16%	3%	0%	5%	9%
Retail trade	23%	14%	28%	12%	11%
Accomm. & food	29%	11%	13%	10%	7%
Professional, sci & tech	13%	16%	22%	11%	10%
Education & training	10%	6%	9%	10%	9%
Health & social assist.	0%	14%	15%	17%	13%
Other	10%	29%	7%	27%	32%
<b>Age group</b>					
0-4	0%	9%	4%	6%	6%
5-18	10%	4%	4%	9%	17%
19-24	18%	20%	58%	24%	9%
25-34	52%	51%	22%	28%	16%
35-49	16%	11%	8%	15%	21%
50-64	3%	4%	4%	8%	17%
65+	0%	1%	0%	10%	14%
<b>Dwellings</b>					
Total private dwellings	54	185	101	2,923	1,831,918
Average household size	1.69	2.15	1.95	2.85	2.66

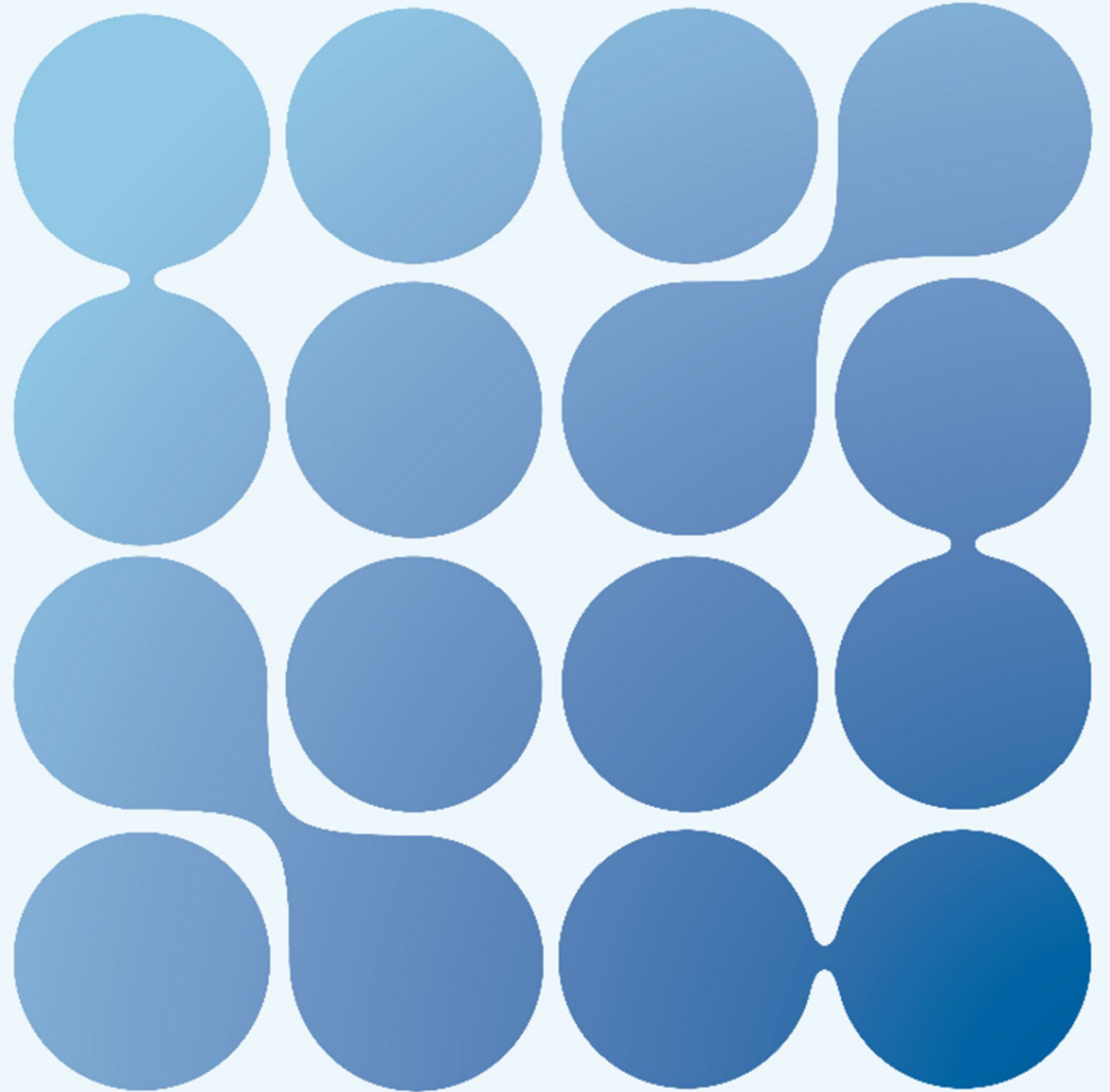
Demographic characteristic (2016 Census)	420 Fernree Gully Rd, Notting Hill	60 Autumn Tce, Clayton South	5 Dixon St, Clayton	Clayton Activity Centre	Melbourne
<b>Dwelling tenure</b>					
Fully owned	0%	3%	4%	20%	32%
Being purchased	49%	14%	7%	16%	37%
Rented	51%	83%	88%	64%	31%
<b>Dwelling type by room - units</b>					
1 bedroom	36%	33%	16%	13%	31%
2 bedroom	64%	67%	60%	79%	55%
3+ bedroom	0%	0%	24%	8%	14%
<b>Income</b>					
Average indiv. income	\$36,151	\$38,306	\$21,173	\$32,086	\$49,186
Average h'hold income	\$65,342	\$68,809	\$30,398	\$73,970	\$98,420
<b>Country of birth</b>					
Australia	37%	16%	8%	24%	64%
India	15%	13%	8%	16%	4%
China	22%	24%	53%	26%	4%
Vietnam	12%	4%	0%	2%	2%
Other	14%	44%	31%	32%	27%
<b>Household composition</b>					
Couples with children	11%	21%	15%	28%	36%
Couples w/o children	36%	39%	15%	23%	25%
One parent family	13%	7%	0%	7%	11%
Lone person	34%	26%	28%	21%	24%
Group	6%	6%	43%	22%	5%
<b>Motor vehicle ownership per dwelling</b>					
None	17%	19%	42%	19%	9%
One	60%	61%	53%	49%	36%
Two	24%	17%	5%	25%	38%
Three or more	0%	3%	0%	7%	17%

Source: Deep End Services; Australian Bureau of Statistics



# 7

Why 409 Clayton Road?



## 7.1 Need for appropriate local housing

With strong population growth anticipated to resume following the COVID-19 pause, and employment anticipated to double within the Monash NEIC over the next 30 years, the need for additional appropriate local housing to enable this growth is essential.

Supporting this notion is the Victorian Government's strategic policy framework, '*Plan Melbourne 2017-2050*', which highlights the principle of 20-minute neighbourhoods and "living locally".

The Clayton Activity Centre and wider Monash NEIC are live examples where the 20-minute neighbourhood should be an achievable vision.

The task now lies in encouraging the Clayton Activity Centre to support the Monash NEIC as it grows with appropriate and affordable housing for both the student population and younger, lower income workers that work in the Clayton Activity Centre and wider Monash NEIC.

The subject site's proposed development will be a strong positive step, with provision of additional affordable housing, as well as office and retail floorspace, all of which will become increasingly important.

Higher density living – which is both affordable and attractively located – will be essential for the Clayton Activity Centre precinct's future success and, by extension, the future success of the wider MNEIC.

**The subject site provides a significant opportunity to insert a prominent development at the heart of Clayton's retail precinct and kickstart appropriate, affordable housing development in and around the Clayton Activity Centre.**

## 7.2 Lack of suitable alternative sites

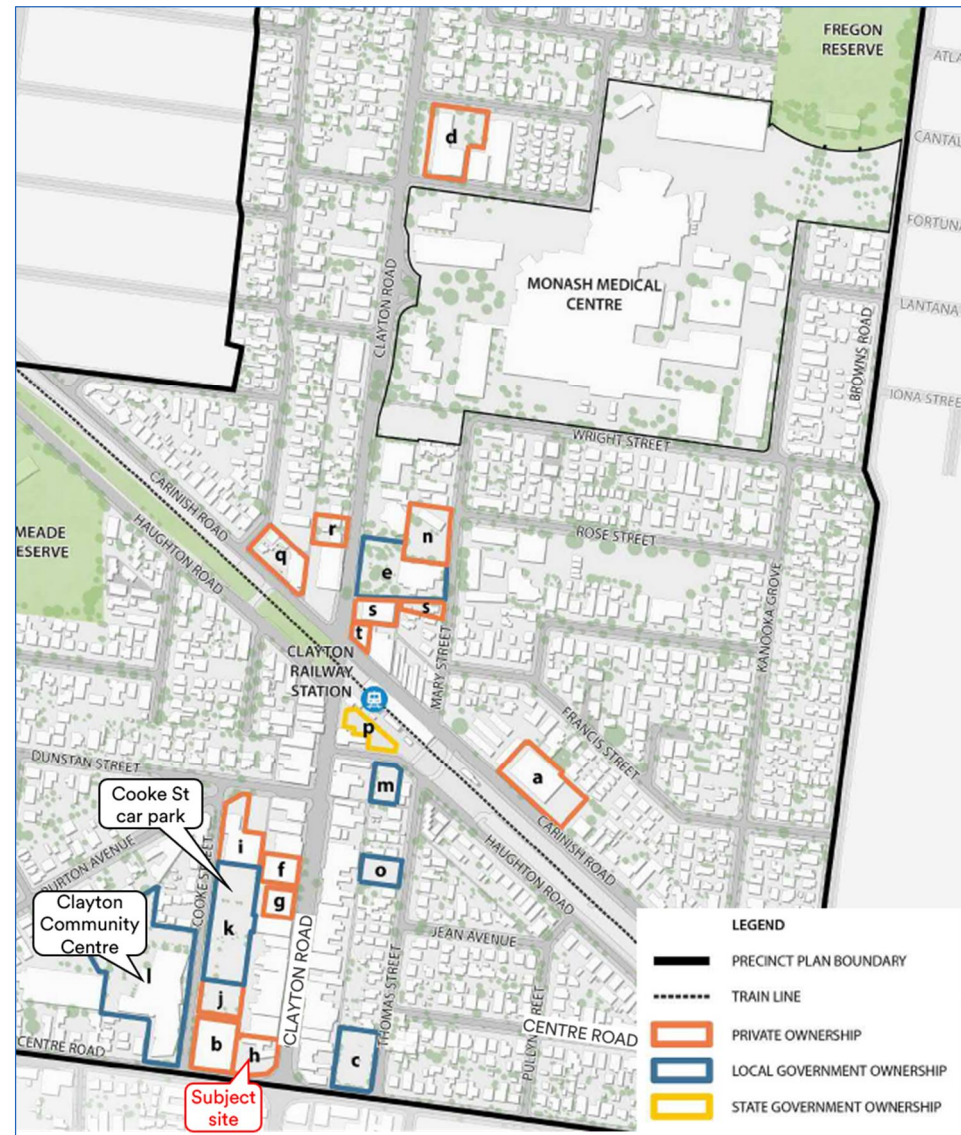
In section 2.6 of the *Clayton Activity Centre Precinct Plan* a number of large, underutilised sites are identified with supposed potential to deliver high quality developments that diversify the mix of uses in the centre.

The largest site identified in the Plan is the 15,528 sqm site located at 9-15 Cooke Street currently occupied by the Clayton Community Centre, which is unlikely to be able to relocate in the short to medium term.

Many of the other sites are identified as Council Owned car parks, the biggest being the Cooke Street car park at 6,717 sqm. While this and other car parks appear to present as opportunities, the requirement to provide replacement parking at high cost will not enable affordable housing development.

The Plan also identifies a number of other sites which are currently occupied by retail premises (including the two Coles supermarkets on sites b, i and j). No certainty can ever be attached to these sites being available for development (nor to other sites along Clayton Road which would have to be aggregated).

**The contrast with the subject site at 409 Clayton Road is stark. It is large, unencumbered and available upon completion of remediation.**



Source: Deep End Services; City of Monash

### 7.3 Employment and value add

The key inputs for calculating employment generation in relation to the proposed project are as follows:

#### Floorspace (GLA)

Use type	Floorspace (sqm)
Retail	1,479
Office/commercial	1,197
<b>Total</b>	<b>2,676</b>

#### Construction cost

Category	Cost (\$)
Consultants	\$5.24 mil
Civils	\$1.00 mil
Construction	\$61.26 mil
<b>Total</b>	<b>\$67.50 mil</b>

### Construction phase

#### (September 2022 – February 2024)

The proposed development at 409 Clayton Road would support significant on-site and off-site employment during a 17-month construction phase. Indeed, the employment benefits during this time would equate to 942 job-years on a state-wide basis, with total value add of \$49.2 million to the State's economy during this time.

Item	FY 2023	FY 2024	Total
<b>Direct</b>			
Wages	\$15.5m	\$15.3m	\$30.8m
FTE jobs	153	147	300 FTE job years
Jobs	172	165	337 job years
<b>Value add</b>	<b>\$25.1m</b>	<b>\$24.1m</b>	<b>\$49.2m</b>
<b>Indirect</b>			
FTE jobs	247	237	484 FTE job years
Jobs	308	297	605 job years
<b>Total Victoria</b>			
FTE jobs	399	385	784 FTE job years
<b>Jobs</b>	<b>480</b>	<b>462</b>	<b>942 job years</b>

### Ongoing operation (full occupancy)

Upon completion, the development would provide a range of services to the immediate community and the wider Monash NEIC while supporting 336 jobs within the State. Annual value add to the State economy would be \$16.0 million upon full occupation of the development.

Item	Retail	Office/ commercial	Total
<b>FTE jobs</b>			
Direct	45	80	125
Indirect	28	89	117
<b>Total</b>	<b>73</b>	<b>169</b>	<b>242</b>
<b>Jobs</b>			
Direct	90	100	189
Indirect	35	112	146
<b>Total</b>	<b>124</b>	<b>212</b>	<b>336</b>
<b>Annual value add</b>	<b>\$4.9m</b>	<b>\$11.1m</b>	<b>\$16.0m</b>

Source: Deep End Services; Auriton; ABS



## 7.4 Conclusion

- The proposed development at 409 Clayton Road would take place on a significant site as identified in the *Clayton Activity Centre Precinct Plan*.
- The site is being remediated but will shortly be available for construction of a mixed-use development of a scale that would support significant local economic activity.
- The delivery of modern, appropriate and affordable housing to satisfy the strong existing and future demand in the local area for such dwellings would be a feature of the proposed development.
- The introduction of new, modern office facilities with on-site retail amenity which will also provide new opportunities for businesses to locate in the local Clayton area.
- Clayton's role in providing appropriate and targeted housing is critical but such development is more likely to continue to take place outside, than inside, the Activity Centre if unreasonable reliance is placed on encumbered sites within the Centre.
- Perhaps the most significant role of the proposed development is to 'kick start' Clayton's supporting role to assist in delivering the State's vision for the Monash NEIC and its own 20-minute community.
- A Different City is coordinating the development application for the subject site and has prepared *The Development Principles* to guide the application.
- *The Development Principles* comprise:
  - Principle 1 – The 10 Minute Community
  - Principle 2 – Employment
  - Principle 3 – Diversity & Affordability
  - Principle 4 – Sustainability
  - Principle 5 – Health, Wellbeing & Security
  - Principle 6 – Architectural Leadership.
- From an economics perspective, it is apparent that:
  - The development would be heavily focussed on Principle 1, delivering significant new housing in the heart of Clayton and within 10 minutes of a range of employment, services and public transport.
  - Construction and the ongoing operation of commercial, retail and services businesses within the development would support employment and value add to the economy as sought via Principle 2.
  - The apartments to be delivered at the site are needed to support the requirements of a growing Monash NEIC and will be both diverse and affordable as per Principle 3.