

This precinct is also not sufficiently large to support a critical mass of businesses to enable it to support a contemporary showroom precinct. This acts to outweigh the benefits associated with its excellent exposure to Dandenong Road. It is therefore reliant upon the attraction of individual businesses such as the current BMW dealership.

The opportunities for more intensive employment uses such as retailing or office activities are similarly limited by either its size or the availability of better located opportunities within or closer to the Oakleigh Activity Centre.

While the precinct is currently zoned Industrial 1 it is unlikely that the precinct will attract traditional industrial related activities given its proximity to residential uses which may limit the types of activities that may operate upon the site. More importantly however, the value of the site for the existing showroom type uses will exceed that of industrial uses reflecting the benefits of its exposure to Dandenong Road.

The potential for medium density residential development to occur is demonstrated by the apartment development immediately to the east of the precinct. This development was completed in 2006 and comprises 43 apartments within four separate buildings on a Residential 1 zone site of 2,781 sqm. As a guide the same density of development within the precinct would deliver 72 apartments.

The precinct's frontage to Dandenong Road will still provide the opportunity to incorporate showroom uses into any redevelopment of the site. This will be supported by the three street frontages which will allow dedicated entrances for a mix of uses.

- **Vision and Strategic Direction**

The current role for this precinct for employment uses is limited to car showrooms given the value of the building improvements. Such uses typically generate relatively little employment, with some activities such as the servicing of cars potentially better located within traditional industrial precincts.

Encouragement may also be given to free-standing car showrooms to relocate to showroom precincts within Monash in order to support the performance of these businesses but also to allow more intensive development upon sites.

The vision for this precinct is for medium density apartments with the potential for either offices or ground floor showrooms to be incorporated into any future development.

- **Recommended Zoning**

A Mixed-Use zoning for this precinct will offer the opportunity for apartment development to occur while still providing the flexibility for street level uses such as showrooms. There is also the potential for a small office component to be incorporated into any redevelopment of the site.

12.12 Precincts P14-P20 (Oakleigh / Oakleigh South / Huntingdale Industrial Area)

This Industrial Area represents a contiguous collection of individual precincts which together distinguishes it as one of Monash's largest industrial areas accounting for 88 ha of industrial zoned land. Before evaluating each of the individual precincts it is worthwhile reviewing those factors that characterise the industrial area as a whole.

As the map below indicates, a significant portion of the area is within walking distance of either the Oakleigh or Huntingdale activity centres / railway stations. Together with the availability of a significant number of larger sites suitable for redevelopment there is the longer-term potential for this area to support more intensive land uses in the future.

While not offering the same level of access to the Monash Freeway as the Monash Technology Precinct, this industrial area is still able to access the freeway in an outbound direction approximately 2.7 km to the north along Huntingdale Road or both inbound and outbound at Warrigal Road.

This industrial area is characterised by a mix of lot sizes including a notable number of larger properties of 1-2 ha which are under-utilised, falling into disrepair and generally impacting upon overall amenity. This in turn may discourage the redevelopment of nearby sites for contemporary industrial facilities which would ideally include a significant office component and therefore require a reasonable level of amenity.

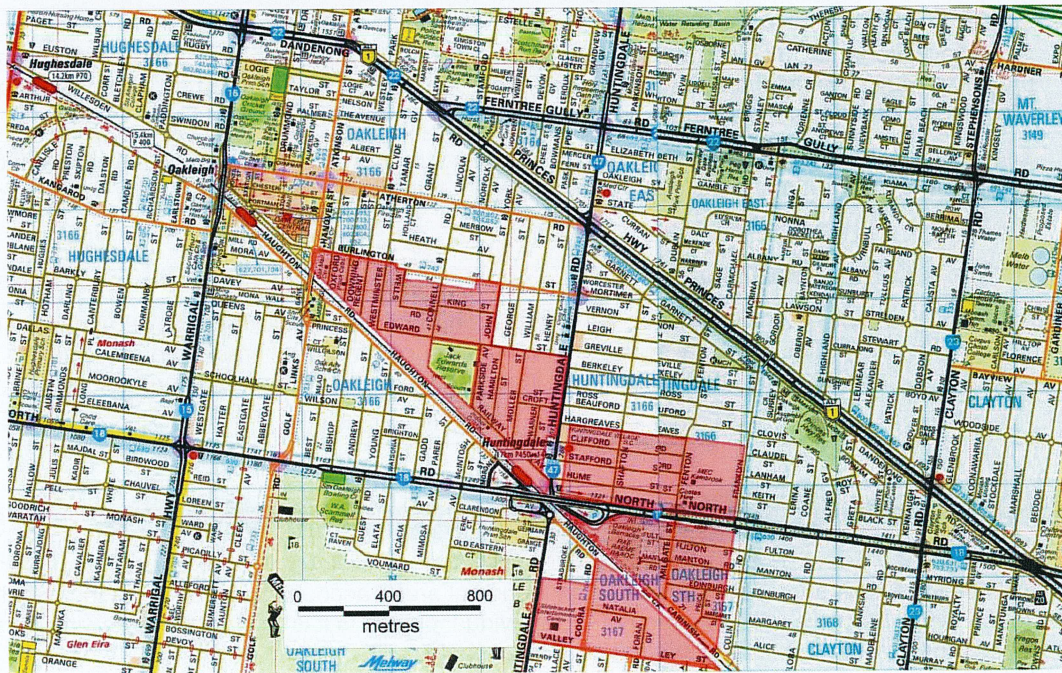
As any new development within this precinct will to some degree compete with the Monash Technology Precinct, improving the overall amenity of this industrial area will be particularly important to attracting new investment.

There is however evidence of industrial renewal already underway with a number of larger sites being redeveloped for more intensive industrial facilities. This has been most prevalent in Precincts 15 and 18 which are located adjacent to the Huntingdale activity centre and railway station.

Particularly significant is Assa Abloy's redevelopment of its national headquarters and manufacturing facility in Huntingdale Road with almost 90% of the 5.4 ha site being transformed. The completed facility incorporates a Centre of Design Excellence for research and development, premium manufacturing facility, 200 seat auditorium, new training centre, function rooms, corporate offices, trade demonstration area, state of the art commercial catering facility and new 5,000 sqm distribution centre.¹⁹

Each of the precincts that comprise this area is now assessed below.

Figure 48: Oakleigh / Oakleigh South / Huntingdale Industrial Area



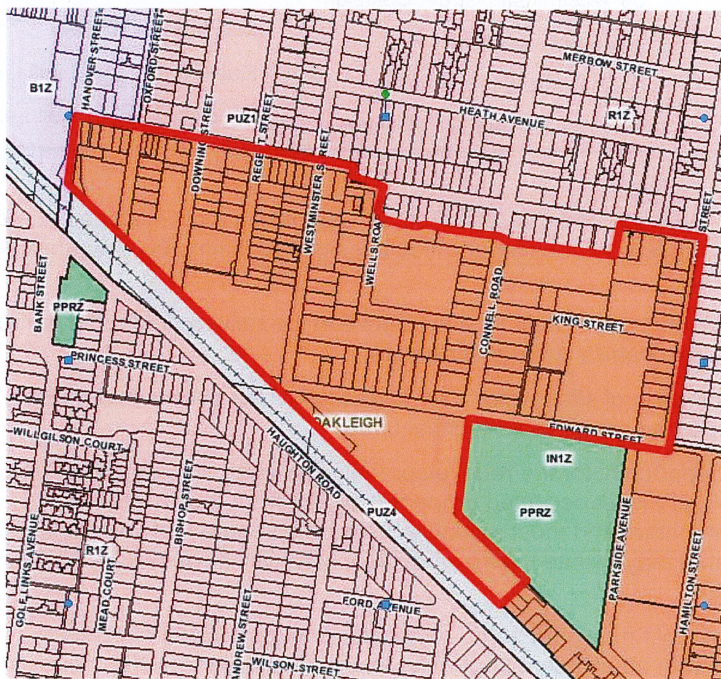
¹⁹ ASSA ABLOY locks in future for Oakleigh with \$16m investment - Assa Abloy Press Release 30 August 2006.

12.13 Precinct P14: (Oakleigh South Industrial Area)

Located immediately east of the Oakleigh Activity Centre and comprises a mix of smaller industrial sites this precinct is predominantly occupied by automotive services, particularly within those streets immediately adjacent to the centre.

This is complemented by a number of larger sites, which are either vacant or under-utilised, that back onto the railway line that runs along the precinct's southern boundary. The exception to this however is the former Finewrap site which Amcor recently acquired through its takeover of the Aperio Group.

Figure 49: Precinct P14 Location Map



While the precinct interfaces with residential land uses along its northern boundary the opportunity for residential development within the precinct is limited by:

- The small size of individual sites which would require a number of sites to be amalgamated in order to accommodate apartment developments.
- The high underlying value of smaller industrial sites with functional building improvements being comparable to that of residential development sites in higher amenity locations.

Table 20 below provides details of recent property sales which demonstrate that smaller industrial properties typically occupied by motor repairers or small distributors have sold for the equivalent of around \$1,200 per sqm with a larger property on 1,565 sqm sold for the equivalent of \$913 per sqm. These value rates are similar to residential properties within Oakleigh.

Table 20: Recent Industrial Property Sales

		
<p>40 Oxford St Oakleigh Site Area: 440 sqm Sale Price: \$530,000 (May 2011) Land Value Rate: \$1,204 psm</p>	<p>59 Westminster Street Oakleigh Site Area: 330 sqm Sale Price: \$415,000 (Aug 2011) Land Value Rate: \$1,257 psm</p>	<p>27 Connell Road Oakleigh Site Area: 1,565sqm Sale Price: \$1.43 mill (June 2011) Land Value Rate: \$913 psm</p>

The likelihood of larger sites closest to the Oakleigh Activity Centre being redeveloped for non-industrial uses such as medium density housing or office uses is also limited by a number of factors including:

- The lack of amenity as a result of their location between the railway line and automotive related uses such as mechanics and panel beaters.
- The possible contamination of sites which may impact upon the commercial viability of sites being redeveloped for sensitive residential uses.

There may however be the opportunity for the redevelopment of smaller sites by owner occupiers for offices. The rationale behind owner occupied properties differs from those which are developed for the investment market and must appeal to as wide a segment of the market as possible. Owner occupiers that may initiate their own development will however account for a small segment of the market.

The western portion of the precinct may offer some redevelopment potential through the consolidation of smaller sites with an adjacent larger site to create a larger development site with frontage to Burlington Street. This however would require considerable time and effort on behalf of a developer to consolidate sites, as well as the financial resources required to undertake a staged development. While Council may support a rezoning to facilitate the redevelopment of these sites once consolidated, any rezoning prior to this occurring would not necessarily guarantee that this process of consolidation and redevelopment will occur.

Most importantly, there are significantly more attractive locations nearby offering greater amenity and more suitably sized sites for apartment and office developments. This includes Atherton Road which offers an existing residential amenity that apartment and office developments may leverage off while also being located adjacent to the Oakleigh Activity Centre.

The potential for the redevelopment of larger sites adjacent to the railway line for more intensive industrial uses will be limited by generally lower amenity of the area. These larger sites may however still play a role in accommodating less intensive uses such as the car servicing functions of larger car dealerships. These activities are increasingly being separated from the car showroom component as land values in showroom locations increase. Alternatively, they may be developed for small storage units for various trades, with an example of this format currently under construction at 6-8 Railway Avenue in Huntingdale (refer Section 10.3).

The eastern portion of this precinct from Connell Road to John Street offers a significantly higher level of amenity with wide tree lined streets as well as higher quality industrial premises. This has resulted in a greater diversity of businesses with many 'cleaner' industrial activities such as wholesalers and distributors which also contributes to the attractiveness of this portion of the precinct.

A number of larger sites offer the opportunity for more intensive office warehouse style facilities to be developed. In particular a 1.4 ha site at 29 Edward Street offering additional access via King Street and John Street represents a key strategic site given its significant frontage to Edward Street and location opposite the Jack Edwards Reserve. Similarly, 26-30 Connell Road (7,254 sqm) which is currently occupied by Noirot Heaters also offers the opportunity for a small, higher quality industrial park to be developed in the future. An example of this form of development already occurring is 29-35 Connell Street where a site of 3,300 sqm site has been redeveloped for five office / warehouses.



*Contemporary office-/ warehouses
29-35 Connell Street*

The central portion of this precinct largely relates to Wells Road which provides a connection from Connell Street to Burlington Street. The key opportunity within this street is the future development of a vacant site of 9,300 sqm at 6-14 Wells Street. As is the case for the other identified development sites, there will be the opportunity for a more intensive form of industrial development such as office / warehouses upon the site. While the amenity offered by this street is somewhat limited, the size of the site offers the opportunity to create some level of amenity within the site.

This central portion also includes the Amcor site to the south of Edward Street. While there is no indication that Amcor is intending to relocate, there may be the opportunity for this site to also be redevelopment for more intensive industrial uses in the future.

Given the number of potential development sites within this precinct any transformation from traditional large-scale industrial activities to a more intensive office-warehouse form of development will occur over an extended time frame. In the meantime the precinct will continue to provide affordable accommodation for less intensive uses such as storage and wholesaling related activities.

The pace of any redevelopment of sites will be largely dependent upon a general improvement in economic conditions to support demand for industrial space and provide greater confidence for developers and financiers.

- **Vision and Strategic Direction**

The vision for this precinct is that it will continue as a location for a range of seeking functional industrial buildings, while also offering the opportunity for the development of more contemporary industrial facilities for higher value adding industrial activities.

- **Recommended Zoning**

It is recommended that this precinct retain its existing Industrial 1 zoning.

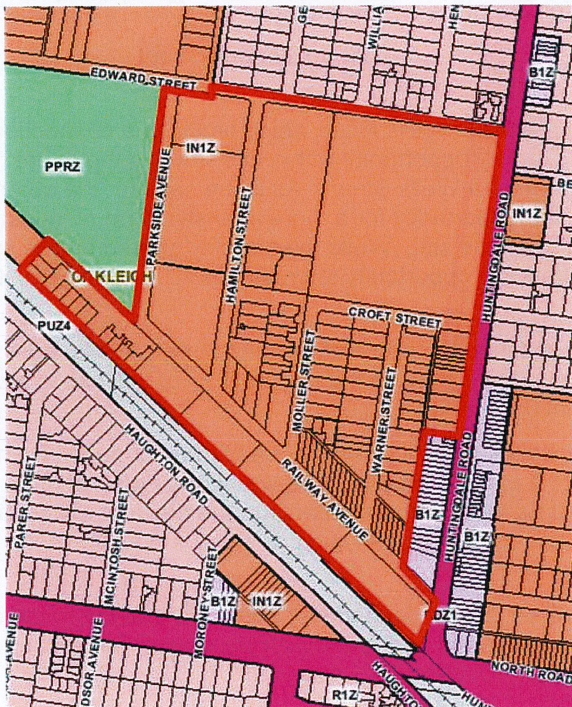
12.14 Precinct P15 (Oakleigh East Industrial Area)

This precinct has experienced a notably greater level of redevelopment than the previous precinct over the past decade.

In addition to the redevelopment of the Assa Abloy facility there has also been:

- The development of office / warehouses upon a site of approximately 6,000 sqm fronting Hamilton and Moller Streets.
- A site of approximately 7,000 sqm at the western end of Railway Avenue redeveloped for 11 office / warehouses.
- A site of 6,475 sqm at 6-8 Railway Avenue currently being developed for 36 industrial units.

Figure 50: Precinct P15 Location Map



The market demand which has supported this development activity reflects a number of factors which support the role of this precinct as an industrial location, particularly more intensive industrial uses reliant upon higher skilled workers. These include:

- Accessibility via a number of arterial roads being North Road which provides direct connections to Melbourne's bayside suburbs, Monash University and the Monash Technology Precinct. Huntingdale Road provides a link to the Monash Freeway and beyond that to Melbourne's middle eastern suburbs.
- Proximity to the Huntingdale Activity Centre which offers a range of retail facilities for workers.
- Access to public transport services (rail and bus).

- Improving amenity as a result of the redevelopment of older industrial properties for contemporary office / warehouses.
- The presence of a major industrial anchor (Assa Abloy) to establish a profile for the precinct.

A number of larger sites currently occupied by the Oakleigh Indoor Sports Centre in Railway Avenue and the World Series Paint Ball site in Hamilton Street may offer opportunities for the further development of contemporary industrial facilities over the medium and longer term. In the meantime however these activities will continue to generate alternative employment opportunities and therefore represent a desirable use for these industrial buildings that may otherwise be considered obsolete or at least be occupied by less intensive uses.

Given the presence of these two recreational facilities, together with Sidetrack in Huntingdale Road (south of North Road), there may be the opportunity for Council to encourage other recreational related activities to locate in the Oakleigh / Huntingdale Industrial Area. This would enable larger industrial buildings to be better utilised and create employment opportunities.

The use of larger industrial properties for recreational activities offers an excellent means through which to expand and diversify the range of employment opportunities available within the precinct. Accessibility via the public transport network offers the opportunity for this precinct to establish a competitive advantage over other recreational precincts. In addition, there may also be the opportunity for creating synergies between these activities and the Huntingdale Activity Centre.

- **Vision and Strategic Direction**

This precinct will play an increasingly important role as an industrial location as it continues to gentrify through the redevelopment of larger industrial properties for more intensive uses. The use of larger industrial buildings for recreational activities may also be expanded through leveraging off its location adjacent to the Huntingdale railway station and potential synergies with the Huntingdale Activity Centre.

- **Recommended Zoning**

It is recommended that the current Industrial 1 zoning be retained.

12.15 Precinct P16 (Houghton Road Huntingdale)

This precinct is located immediately south of the Huntingdale railway station along Houghton Road between the North Road off ramp and Moroney Street. This includes the Petta Motor Repairs site which extends through to the North Road off ramp.

Of a total of 13 sites, eight are less than 280 sqm and all in separate ownership. The remaining sites include a number which may offer redevelopment opportunities being:

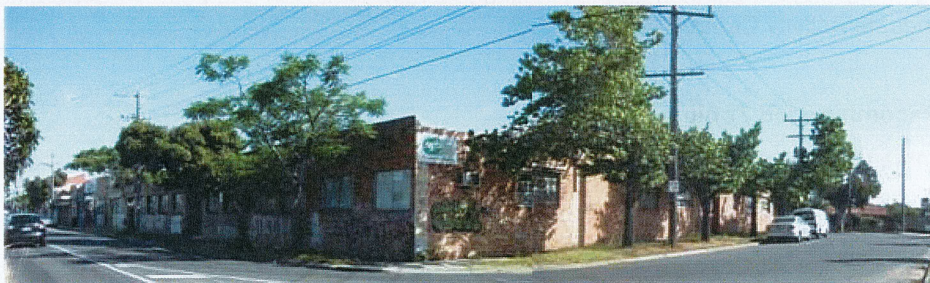
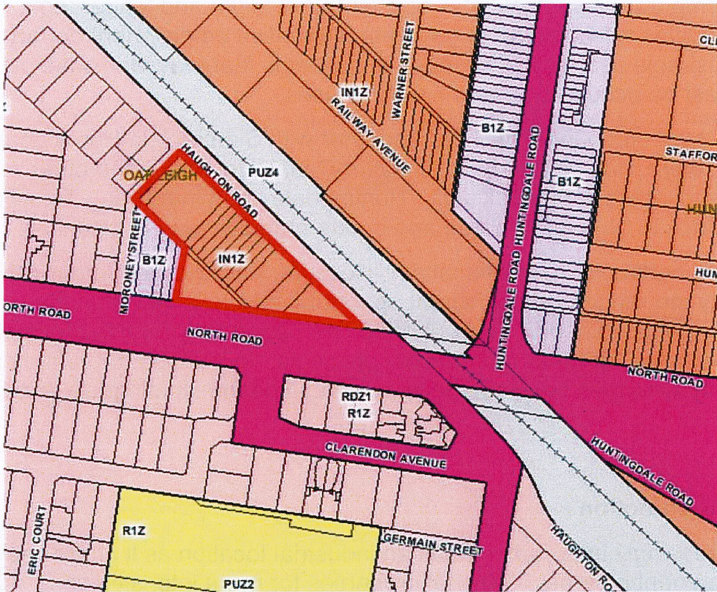
- The MPG site of 1,605 sqm on the corner of Houghton Road and Moroney Street.
- Three adjacent properties ranging in size from 622-802 sqm located on the corner of Houghton Road and North Road.
- The Petter Motor Repairs Site fronting North Road (937 sqm).

Despite being well located close to North Road this precinct is generally underutilised which is most likely a reflection of vehicular access being limited to a rear laneway for most properties. In

addition, access to the precinct is via the North Road off-ramp which may only be accessed from the west.

Despite being located immediately adjacent to the Huntingdale railway station and activity centre there is no direct connection. As a result, the precinct is unable to leverage off any of these in attracting more intensive activities.

Figure 51: Precinct P16 Location Map



MPG Site – Corner Haughton Road and Maroney Street



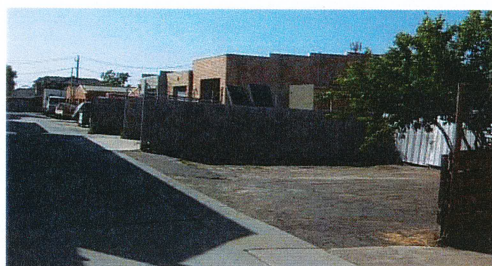
170 Haughton Road
(Sold Dec 2011 \$315,000)



Smaller Haughton Road Properties



North Road off-ramp



Rear laneway access for Haughton Road properties

▪ **Development Opportunities**

The benefits of maintaining this precinct for employment uses may be questioned given that it is relatively under-utilised with the potential for any demand for industrial space to be accommodated in any of the adjacent precincts. In the absence of any pedestrian link to the station and activity centre the opportunities for properties being converted for office uses would also be limited.

The MPG site (1,605 sqm) on the corner of Haughton Road and Moroney Street given its size, street corner location and interface with residential uses to the west may offer the opportunity to be redeveloped for townhouses. The development of apartments would be more ambitious given the level of competition from better locations such as the Oakleigh Activity Centre.

The redevelopment of smaller properties for residential uses may however also be constrained by not only poor access to the station and activity centre but also the relatively high value of these properties. The most recent property sale in the precinct relates to 160 Haughton Road (land area 261 sqm) in December 2011 for \$315,000.

Despite the potential barriers to residential development for smaller sites, their proximity to the activity centre and railway station means that any form of urban renewal will come through their redevelopment for residential uses. This may however occur over the medium to longer term once any revitalisation of the Hughesdale Activity Centre occurs.

The loss of employment opportunities resulting from the rezoning of this precinct to allow residential development is considered minimal within the context of the precincts. The isolation of this precinct will also limit subsequent pressures for the rezoning of sites in those precincts.

▪ **Vision and Strategic Direction**

Over the shorter-term this precinct will continue to perform its role as a location for a mix of service related businesses while also offering the opportunity for the redevelopment of the MPG site to act as a catalyst for urban renewal within the precinct. Encouragement will be given to the redevelopment of sites for residential uses in order to realise the benefits of the precincts proximity to the railway station and activity centre.

▪ **Recommended Zoning**

It is recommended that this precinct be rezoned to a Mixed Use Zone to provide the flexibility for residential development. Any rezoning of sites should be subject to an environmental audit to identify any contamination which may prevent residential development from occurring.