



traralgon activity centre plan: background reports  
economic assessment

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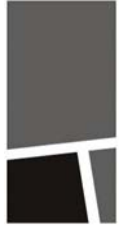
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## table of contents

<b>1</b>	<b>introduction .....</b>	<b>1</b>
<b>2</b>	<b>existing situation.....</b>	<b>2</b>
2.1	the role of traralgon activity centre.....	2
2.1.1	regional context .....	3
2.1.2	existing non-residential activity.....	4
2.1.3	existing housing.....	7
<b>3</b>	<b>retail supply and demand issues .....</b>	<b>7</b>
3.1	method.....	7
3.2	existing retail floorspace .....	7
3.3	retail sales.....	8
3.4	retail trade area.....	9
3.5	retail spending .....	11
3.6	balance of retail supply and demand .....	12
3.7	future retail demand.....	13
3.7.1	population forecast .....	13
3.7.2	retail demand by trade area residents .....	17
3.8	prospects for retail growth in TAC.....	19
3.8.1	hierarchy of retail activity centres in the region.....	19
3.8.2	prospects for a department store.....	21
3.8.3	regional growth .....	22
3.8.4	scenarios for development .....	22
3.8.5	scenario 1: current conditions continued .....	23
3.8.6	scenario 2: traralgon as the key retail centre for gippsland .....	24
3.8.7	scenario 3: key retail centre elsewhere .....	25
3.9	conclusions on retail development.....	26
<b>4</b>	<b>office development.....</b>	<b>27</b>
4.1	existing situation .....	27
4.2	prospects for office development .....	28
4.2.1	key markets .....	28
4.2.2	forecast for office floorspace .....	29
<b>5</b>	<b>housing .....</b>	<b>31</b>



5.1	existing situation .....	31
5.2	existing forecasts for medium density housing .....	32
5.3	potential development path for housing in the TAC .....	32
5.4	forecast for housing provision in the TAC .....	33
<b>6</b>	<b>summary .....</b>	<b>35</b>
6.1	additional space required in the activity centre .....	35
6.2	a note on urban design .....	38
<b>7</b>	<b>references .....</b>	<b>40</b>

## 1 introduction

The central activity district – the town centre - of Traralgon is one of the largest and most important multi-functional commercial centres in Gippsland. It is a centre serving a wide regional catchment as well as the growing town of Traralgon.

Latrobe City Council has determined to prepare a structure plan for the Traralgon Activity Centre (TAC) to guide future development of the centre and to ensure it continues to serve the local and regional population. Council has employed hansen partnership to prepare the activity centre plan. In order to assist in the understanding of the key drivers of development in the centre and to identify economic opportunities, hansen partnership has engaged Tim Nott, an economic development consultant who has prepared this background report.

This report looks in particular at the supply and demand issues for retail activity, office development and medium density housing. The extent of the centre is illustrated in the figure below.



- major government services focus, including regional offices of local, State and Commonwealth Government and the stand-alone Australian Securities Commission
- strong commercial and employment service offering, including financial, legal, property and technical services as well as job search and recruitment agencies
- large group of health service professionals (general practitioners, dentists, medical specialists, allied and alternative health professionals)
- education services including two primary schools and a soon-to-be-developed TAFE college campus adjacent to the railway station

### 2.1.1 regional context

The Latrobe municipality experienced a substantial loss of employment in electricity generation during the 1990s (a loss of over 6,000 jobs) and this led to population decline in Latrobe and surrounding areas. However, since 2001, the population of the municipality has rebounded, growing at an average of 0.8% per year between 2001 and 2009 (and 1.5% per year in the period 2006 to 2009) according to the Australian Bureau of Statistics (ABS). This most recent growth has been underpinned by significant growth in employment. Council has noted \$1.3 billion in construction in Latrobe over the period 2005 to 2010 in a wide range of public and private projects. These include new plantations and pulp mills, mine expansions, health centres, commercial offices and hotels, with investment in all parts of the municipality. This rebound of growth in Latrobe has fostered growth throughout the Gippsland region.

The Gippsland region is served by a number of towns of broadly similar size strung along the Princes Highway from Warragul to Bairnsdale. Traralgon has long been the largest of these towns. It is continuing to outgrow the other towns and to reinforce its place as a major commercial centre. This is illustrated by the following table which shows the population in each of the main Gippsland towns over the period from 1996 to 2006.

Table 1: population counted in largest gippsland towns, 1996 to 2006

	1996		2001		2006	
	Population compared with no Traralgon	Population compared with Traralgon	Population compared with no Traralgon	Population compared with Traralgon	Population compared with No Traralgon	Population compared with Traralgon
<b>Traralgon</b>	<b>18,993</b>	<b>100%</b>	<b>19,569</b>	<b>100%</b>	<b>21,960</b>	<b>100%</b>
Bairnsdale	10,890	57%	10,557	54%	11,282	51%
Moe-Yallourn	15,512	82%	15,352	78%	15,582	71%
Morwell	13,823	73%	13,505	69%	13,399	61%
Sale	13,366	70%	12,793	65%	13,336	61%
Warragul	9,011	47%	10,405	53%	11,498	52%

Source: ABS, 2007

Note: Figures cannot be compared across time periods because of a change in the method of counting.

The table shows that Traralgon has continued to become larger compared with the other main towns in Gippsland. The next largest town in the region is Moe-Yallourn which had a population that was 82% as large as that of Traralgon in 1996. This declined to be 71% as large as Traralgon by 2006. The other regional towns have followed a similar pattern, with the partial exception of Warragul.

This means that the TAC is becoming *more* likely to be the focus of investment that is designed to serve the whole Gippsland region.

## 2.1.2 existing non-residential activity

The following table provides an inventory of existing activities in the TAC. The table shows the following key points:

- TAC has a total non-residential floorspace of approximately 179,000 sq m.
- Vacant space constitutes only 4% of the total which shows a healthy balance between supply and demand.
- Retail floorspace amounts to around 72,000 sq m, making this the largest retail centre in Gippsland and almost twice as large as Mid Valley Shopping Centre (37,300 sq m).

However, the TAC is a strongly multi-functional centre, in which retail space constitutes less than half the total. Other notable activities include:

- 20,000 sq m of government offices, including the Australian Securities Commission information processing centre with 320 to 350 workers
- 26,000 sq m of finance, property and business services
- 19,000 sq m of health, education and community services (including two primary schools, TAFE and many small health providers)
- 13,000 sq m of other services (including multi-storey car-park)

**Table 2: existing non residential activity, TAC**

Activity	Establishments		Floorspace	
	no.	sq m	Share of total	
Retail	230	72,208	42%	
Manufacturing	5	1,189	1%	
Wholesale	5	3,877	2%	
Automotive sales and servicing	15	4,633	3%	
Clubs, pubs and hotels	8	7,374	4%	
Transport media and communications	7	2,176	1%	
Finance and insurance	36	8,466	5%	
Property and construction services	13	2,707	2%	
Business services	49	14,781	9%	
Health and community services	35	9,549	6%	
Education	9	9,654	6%	
Government services	18	20,465	12%	
Emergency services	2	1,460	1%	
Other services	12	13,002	8%	
<b>Total, all activities</b>	<b>444</b>	<b>171,541</b>	<b>100%</b>	
Vacant shops	25	4,594		
Vacant office	4	1,174		
Vacant other	1	1,275		
<b>Total vacancies</b>	<b>30</b>	<b>7,043</b>	<b>4%</b>	

Source: unpublished property information Latrobe CC; consultant survey, March 2010

Note: the proportion of vacant shops and offices is not provided since offices may locate in shop units



Provincial centre functions are split between Traralgon and other centres in the Latrobe Valley and elsewhere in Gippsland. This is recognised by Latrobe City Council with its “network city” approach to urban development, in which the main towns within Latrobe have specific functions, as noted in the box below.

The towns of Moe, Morwell, Traralgon and Churchill are recognised as being part of a ‘networked city’ as well as being places with unique characteristics which contribute to the local sense of place and provide diversity. *Each town has developed its own role and function* with Moe as a service centre; Morwell as a centre for government offices and industry; *Traralgon as a commercial centre*; and Churchill as a university town. Notwithstanding the ‘networked city concept’ it remains Latrobe City Council policy that each town grow in its own right and maintain a 10 to 15 year urban land supply within them.

Central to the concept of the networked city is acceptance by the community that higher order services and facilities (such as an art gallery or civic centre) that are provided in only one location can benefit the whole community and not just the town in which they are located. This should continue as the roles of towns evolve over time in response to changing social and economic influences.

Latrobe’s network city policy has resulted in a range of services and functions being present in just one of the four main towns of the municipality. This has meant that the TAC does not have a range of activities that are present in many other major provincial centres. These include:

- Regional hospital, which is provided at a location mid way between Traralgon and Morwell
- Substantial regional court and legal facilities, which are provided at Morwell
- University campus, which is provided at Churchill (Monash University)
- Cinema, with an eight-screen multiplex provided at Mid Valley Shopping Centre, and cinemas at Bairnsdale, Leongatha, Sale, Warragul and Wonthaggi
- Full department store, with none provided in Gippsland, and the nearest provided at Dandenong and Frankston

Traralgon’s recognised role within the planning scheme is as a “commercial centre”. This overlaps to some extent with the administrative and service roles of Morwell and Moe, but it is clear that Traralgon is to continue to provide a location for commercial investment.

### 2.1.3 existing housing

There are 21 existing houses or apartments on business-zoned land in the TAC which have been captured by the Council property data-base. These are all on the periphery of the commercial precinct, in Breed Street, Grey Street and Queens Parade and include separate dwellings and units.

## 3 retail supply and demand issues

### 3.1 method

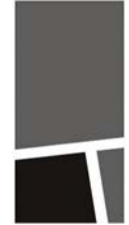
This section provides an estimate of the potential scale and form of retail activity in the TAC over the period to 2026. The method used here is to:

- identify existing supply of retail floorspace in the TAC
- estimate the retail sales based on an average sales per sq m
- identify the main trade area for retailing in the TAC
- estimate the retail spending of people in the trade area
- calculate the current retail spending by residents and visitors which flows to the TAC
- describe the hierarchy of retail activity centres in the region and the role played by the TAC
- identify how the population in the region is forecast to change and how the TAC is likely to service the new population
- provide scenarios for new retail floorspace requirements based on the potential roles of the centre

This method allows decision-makers to have some idea of how much additional land will be required for retail purposes depending on the role that Traralgon plays in the retail hierarchy. It should be stressed that the results are estimates for planning purposes. The real requirement for retail space will emerge from a combination of retail demand, land-use policy and the evolving strategies of retailers.

### 3.2 existing retail floorspace

As noted in the previous section, retail space in the TAC is approximately 72,200 sq m, provided in 230 retail outlets. A breakdown of different types of retail activity is provided in the following table.



**Table 3: retail activity in TAC, 2010**

Activity	Establishments	Floorspace	
	no.	sq m	% of total
Supermarkets and grocery stores	3	9,531	13%
Specialty food and liquor	16	5,444	8%
Department Store	3	11,467	16%
Clothing and footwear	46	10,184	14%
Homeware, hardware and electrical goods	30	8,825	12%
Recreational goods	26	7,646	11%
Other retail	24	5,471	8%
Food service	48	8,762	12%
Retail services	34	4,878	7%
Total retail	230	72,208	100%

*Source: unpublished Council property records; consultant survey, March 2010*

The retail role of the centre is anchored by a full discount department store, several smaller scale discount department stores, three supermarkets, and a wide range of specialty stores, with a particular strength in clothing and recreational goods. The centre does have a significant homeware, hardware and electrical goods sector but a large part of the local demand for these items is provided from the extensive bulky goods strip on the Princes Highway to the east of the town centre.

### 3.3 retail sales

Based on the floorspace identified above and an estimate of sales per square metre, total annual retail sales in the centre are approximately \$396 million (in 2010). The following table provides an estimate of sales in each retail type.

Table 4: estimate of retail sales, TAC, 2010

Retail type	Retail floorspace	Sales per sq m	Retail sales
	sq m	\$/sq m	\$m
Food and groceries	14,980	\$8,600	\$129
Clothing	15,920	\$4,900	\$78
Household goods	10,550	\$5,200	\$55
Recreational goods	9,940	\$5,000	\$50
Other retail goods	7,190	\$4,000	\$29
Food service	8,760	\$4,800	\$42
Retail services	4,880	\$2,900	\$14
Total retail	72,220	\$5,500	\$396

Source: Tim Nott

Note: figures have been rounded. Estimate of sales per sq m has been compiled from a variety of sources, including ABS and retail operators. Floorspace of department stores has been allocated to clothing, household goods, recreational goods and other retail goods.

Retail categories used in this report

**Food and groceries** – supermarkets, general stores, liquor outlets, specialty food outlets

**Clothing** – clothes, shoes, manchester

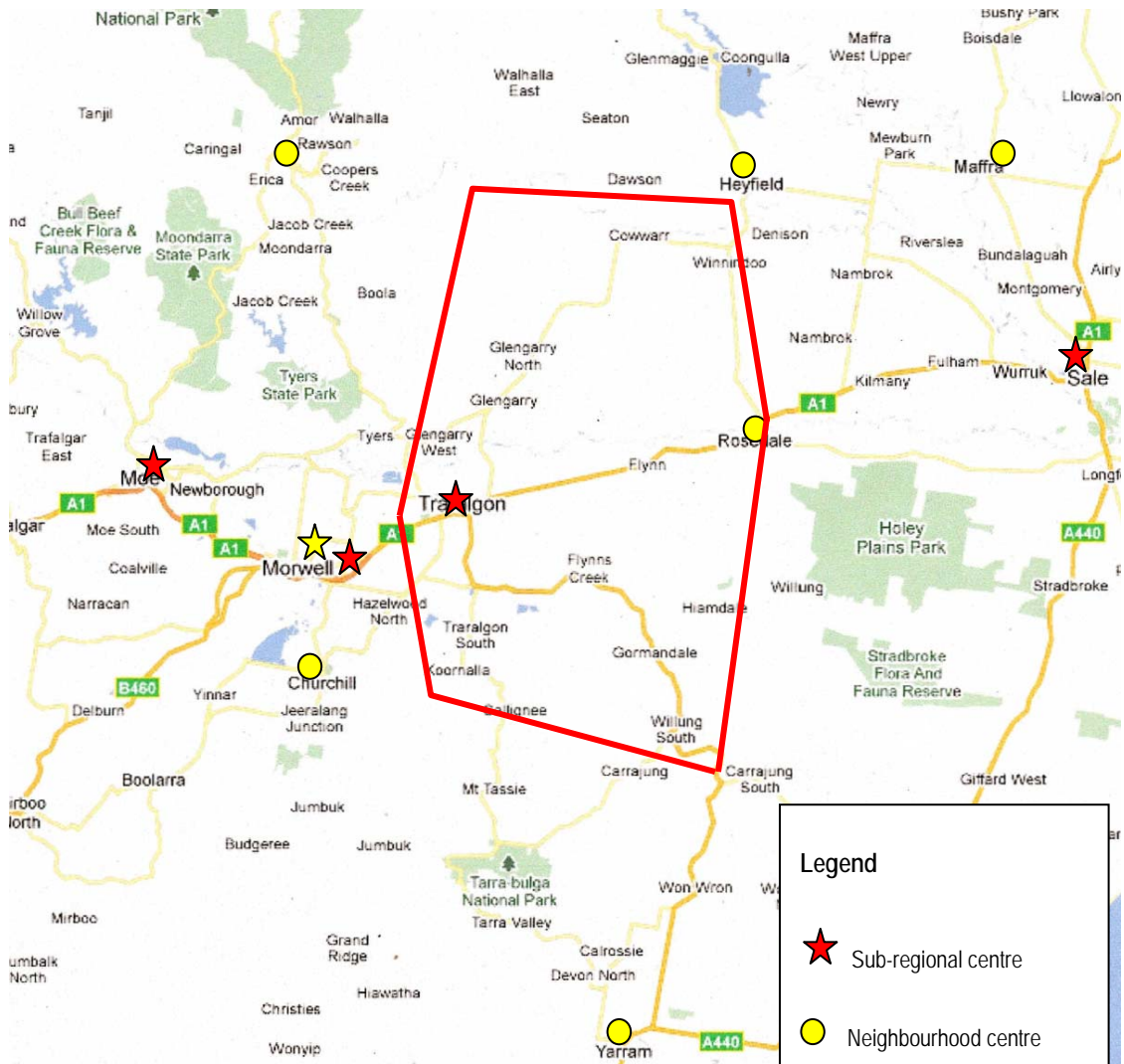
**Household goods** – homeware, hardware, furniture, floor coverings, curtains and blinds, electronic goods etc

**Recreational goods** - sporting goods toys bookshops

### 3.4 retail trade area

The retail and other commercial activities in Traralgon serve an area larger than the town. The retail trade area of an activity centre is the area from which it gets most of its retail sales. The extent of a trade area is influenced mainly by the location of competing centres and the travel patterns of residents. The precise boundaries are usually set by the analyst to coincide with convenient statistical areas for which data is available. In this case, the trade area for Traralgon is based on the Latrobe (C) – Traralgon Statistical Local Area (SLA), with the addition of several Census Collector Districts to the east of Traralgon, including the township of Rosedale. The trade area is illustrated in the figure below, along with the location of relevant surrounding activity centres.

Figure 2: traralgon retail trade area



Source: base map from Google maps

The population of this trade area is estimated at 33,400 in 2010 and has been growing at around 2.1% per year in the period since 2006.

### 3.5 retail spending

An estimate of current retail spending per person in the Traralgon trade area is provided in the table below. The estimate is based on the Market Info micro-simulation model which uses the ABS household Expenditure Survey, Census of Population and Housing and other data sources to provide estimates of small area spending patterns.

**Table 5: estimate of retail spending per person, traralgon trade area, 2010**

Retail type	Traralgon trade area	Victoria	Traralgon trade area compared with Victoria
	\$	\$	%
Food and groceries	\$5,200	\$5,400	96%
Clothing	\$1,100	\$1,200	92%
Household goods	\$1,800	\$1,900	95%
Recreational goods	\$600	\$700	86%
Other goods	\$600	\$700	86%
Food service	\$1,600	\$1,800	89%
Retail services	\$300	\$300	100%
Total retail spending	\$11,200	\$12,000	93%

Source: MDS Market Data Systems, 2002; Tim Nott

The total annual retail spending of trade area residents is shown in the following table.

**Table 6: estimate of total retail spending by trade area residents, 2010**

Retail type	Annual retail spending per person	Total spending by trade area residents	Share of total spending
	\$	\$m	%
Food and groceries	\$5,200	\$174	46%
Clothing	\$1,100	\$37	10%
Household goods	\$1,800	\$60	16%
Recreational goods	\$600	\$20	5%
Other goods	\$600	\$20	5%
Food service	\$1,600	\$53	14%
Retail services	\$300	\$10	3%
Total retail spending	\$11,200	\$374	100%

Source: Tim Nott

### 3.6 balance of retail supply and demand

The following table provides an estimate of the current balance between retail supply and demand for retailing in the TAC.

**Table 7: estimated balance between supply and demand for retailing in TAC, 2010**

Retail type	Retail sales		Retail sales to visitors	Retail sales to residents	Total retail spending		
	\$m	%			by residents	Resident spending outside TAC	% of resident spending
Food and groceries	\$129	15%	\$19	\$110	\$174	\$64	37%
Clothing	\$78	60%	\$47	\$31	\$37	\$6	15%
Household goods	\$55	40%	\$22	\$33	\$60	\$27	45%
Recreational goods	\$50	60%	\$30	\$20	\$20	\$0	1%
Other goods	\$29	40%	\$12	\$17	\$20	\$3	14%
Food service	\$42	25%	\$11	\$32	\$53	\$22	41%
Retail services	\$14	30%	\$4	\$10	\$10	\$0	1%
Total retail spending	\$396	36%	\$144	\$252	\$374	\$122	33%

Source: Tim Nott

*Notes: Sales to visitors have been estimated by the consultant. Resident spending outside TAC may be undertaken within or outside the trade area.*

Total retail spending by trade area residents (\$374 million) is less than retail sales in the TAC (\$396 million). The TAC attracts significant retail spending from outside the trade area. This includes:

- spending by people who live just beyond the trade area who visit TAC regularly (including towns such as Heyfield and Yarram as well as the other Latrobe Valley towns)
- spending by people who occasionally visit TAC from the wider Gippsland region (including people from Bairnsdale, Leongatha and Sale, for example)
- spending by travellers and tourists passing through on the Princes Highway

People from outside the trade area visit TAC particularly for its extensive range of clothing stores (including the Kmart discount department store) and its recreational goods (bikes, toys, books and outdoor equipment).

Residents of the trade area spend approximately \$250 million per year in the TAC. This amounts to two thirds of their total retail spending. The remainder is spent in:

- other shops and centres in the trade area, including local and neighbourhood shopping centres and the Princes Highway bulky goods strip
- Gippsland centres outside the study area, particularly Mid Valley shopping centre which has two discount department stores, supermarkets and an extensive range of specialty shops
- centres in Melbourne, including the Melbourne CAD with its major retail offer

Nevertheless, TAC has a very strong hold on the spending of trade area residents, particularly given the proximity of Mid Valley Shopping Centre.

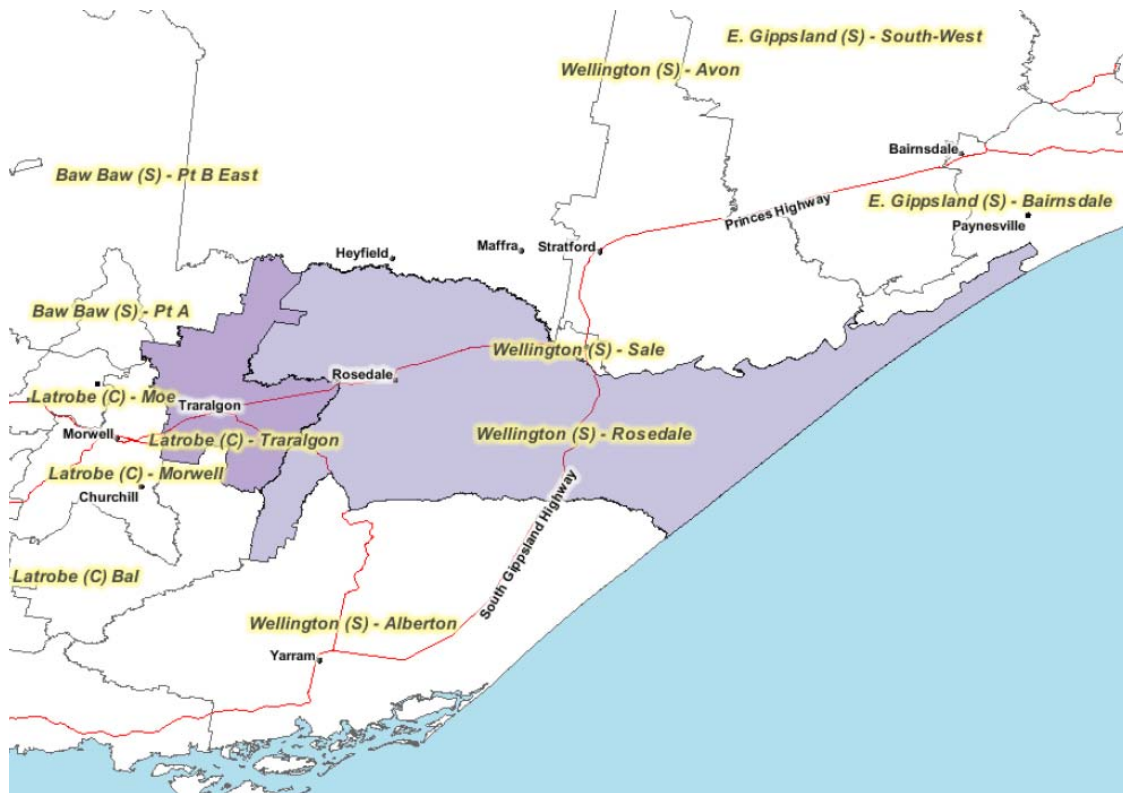
## 3.7 future retail demand

### 3.7.1 population forecast

Population forecasts for areas as small as Statistical Local Areas (SLAs) are provided periodically by the State Government. The latest forecast for SLAs was released in 2009. The results of this forecast for the two SLAs which cover the Traralgon trade area are shown below.

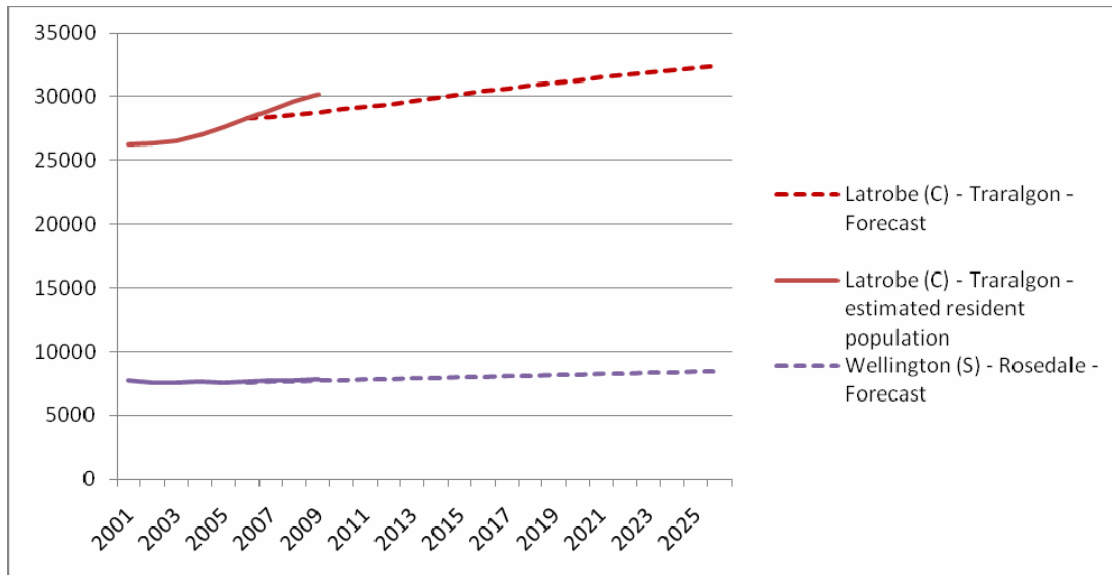


Figure 3: SLAs covering the traralgon trade area



Source: ABS, Census CData online, 2010

**Figure 4: estimated resident population and population forecast for SLAs in traralgon trade area, 2006 to 2026**

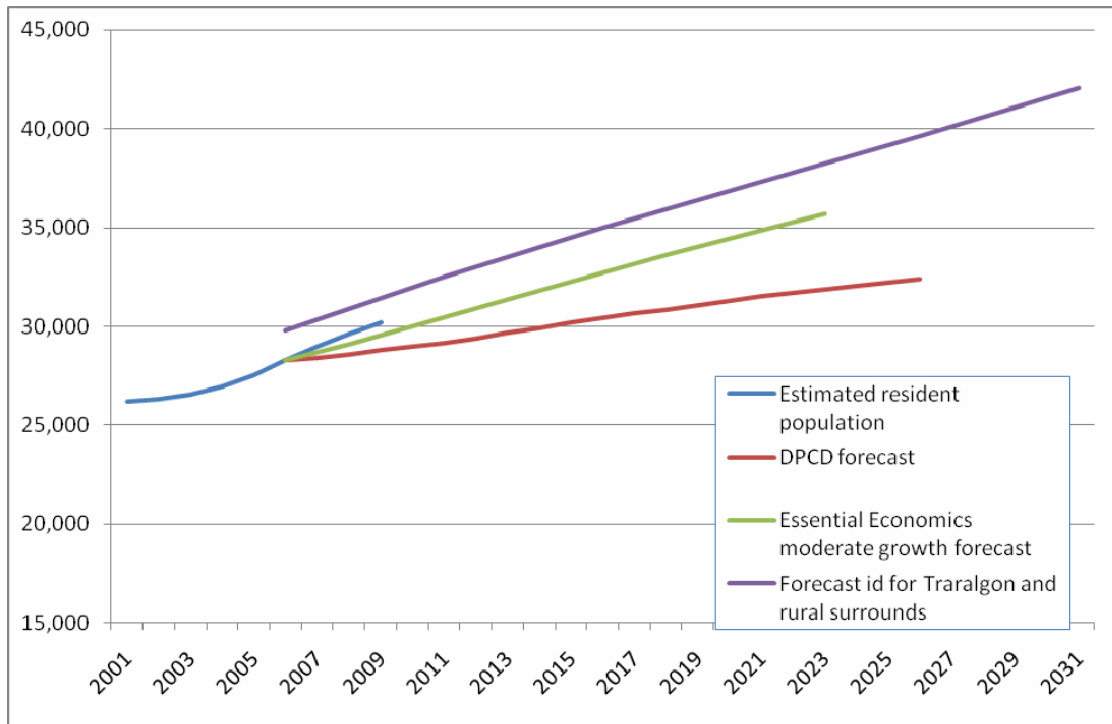


Source: DPCD, 2009; ABS, 2010

The figure shows the difficulty in population forecasting, with a clear divergence between the population estimated by the ABS and that forecast by DPCD, at least in the case of the Traralgon SLA. DPCD has the population of the Traralgon SLA growing at 0.6% per year over the period from 2006 to 2009, whereas the ABS has estimated the actual population grew by 2.2% over the same period. In fact, Victoria has experienced a substantial and largely unforeseen population surge over the past several years and this has made the population forecasts of DPCD outmoded in many cases. If the present rate of population growth were to persist, Traralgon SLA would have a population of 42,000 by 2026. However, the Victoria in Future forecasts may yet be correct over the long term.

Council has also commissioned population forecasts from reputable forecasters Essential Economics and more recently by id consulting. The forecasts are for different time-periods and, in the case of those by id consulting, do not correspond to SLA boundaries. Nevertheless, the forecasts for the Traralgon area exhibit the same growth rate and are reproduced in the chart below.

Figure 5: growth forecasts for traralgon and surrounds, 2006 to 2031



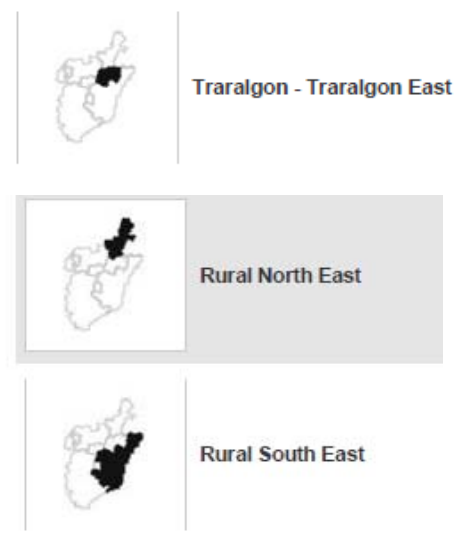
Source: ABS, 2010; DPCD, 2009, Essential Economics, 2009; id consulting (Forecast id), 2010

Note: all data are for Latrobe (C) – Traralgon SLA except id consulting which is for an area comprising Traralgon urban area and surrounding rural parts of the Latrobe municipality

Both the Essential Economics and id consulting forecasts (taking into account the different areas under consideration) are closer to the real outcome in Traralgon and surrounds over the period to 2009 than the DPCD forecasts.

The growth rates anticipated by the two forecasts are as follows:

- Essential Economics predicts, under its moderate growth forecast, that the Latrobe (C) – Traralgon SLA will grow by 1.4% per year over the period from 2008 to 2023
- id consulting predicts that the urban area of Traralgon and surrounding rural areas of the Latrobe municipality will grow by 1.3% per year between 2011 and 2026 (and the forecast areas are illustrated in the box opposite)



These figures appear to be more in keeping with recent experience and are used here to model the future retail demand throughout the Traralgon trade area (see table below). Nevertheless, rates of population growth are clearly variable and Council will need to monitor future growth in order to provide updated assessments as required.

**Table 8: population forecast for traralgon trade area, 2010 to 2031**

	Rate of growth	Population
	% per year from previous period	no.
2010		33,400
2021	1.4%	39,020
2031	1.2%	44,000

Source: Tim Nott

These forecasts are used in this report to understand future retail demand.

### 3.7.2 retail demand by trade area residents

Total retail spending by residents of the trade area will increase because of population growth and because of real growth in retail spending per person. Real growth in spending per person has occurred over the long term as incomes have grown and more goods and services have become part of the retail economy. In the calculations supporting the following table, real growth in spending per person has been estimated at 1% per year. This has been the average since the early 1980s but is lower than the growth experienced over the last decade, and is therefore conservatively low.



**Table 9: forecast growth in annual retail spending by trade area residents, 2010 to 2031**

Retail type	Growth, 2010			
	2010	2021	2031	to 2031
	\$m	\$m	\$m	\$m
Food and groceries	\$174	\$226	\$282	\$108
Clothing	\$37	\$47	\$57	\$20
Household goods	\$60	\$78	\$97	\$37
Recreational goods	\$20	\$27	\$35	\$15
Other goods	\$20	\$27	\$35	\$15
Food service	\$53	\$70	\$88	\$35
Retail services	\$10	\$12	\$13	\$3
Total retail spending	\$374	\$488	\$607	\$233

Source: Tim Nott

This forecast suggests that, between 2010 and 2031, annual retail spending by residents of the trade area will grow by \$233 million to \$607 million.

The following table translates the forecast retail spending by trade area residents to retail floorspace requirements. It assumes that retail sales per sq m will grow by 0.5% per year as retailers become more efficient.

**Table 10: notional retail floorspace supported by trade area residents, 2010 to 2031**

Retail type	Growth, 2010			
	2010	2021	2031	to 2031
	sq m	sq m	sq m	sq m
Food and groceries	20,200	24,900	29,300	9,100
Clothing	7,500	9,000	10,400	2,900
Household goods	11,600	14,200	16,700	5,100
Recreational goods	4,000	5,200	6,300	2,300
Other goods	5,000	6,500	8,000	3,000
Food service	11,100	13,800	16,300	5,200
Retail services	3,500	3,800	4,000	500
All retail floorspace	68,000	84,100	99,500	31,500

Source: Tim Nott

By 2031, retail spending by trade area residents is forecast to support almost 100,000 sq m of retail floorspace. This represents growth of 31,000 sq m over the period between 2010 and 2031. The following section looks at the prospects for this growth to be located in Traralgon.

### 3.8 prospects for retail growth in TAC

The prospects for growth in retailing in Traralgon depend on:

- the growth in resident spending and the extent to which this can be captured by shops in Traralgon
- the ability of Traralgon to capture more spending from people living outside its trade area

Some of this will be determined by the role of Traralgon in the hierarchy of retail activity centres serving the region.

#### 3.8.1 hierarchy of retail activity centres in the region

Most communities in Victoria are served by a network of activity centres, with each centre performing a different role and providing a different, albeit overlapping, set of goods and services. This network is usually described as a hierarchy: larger, fewer centres deliver regional level services and offer a more complete range of retail goods; smaller, more numerous centres offer localised services and a smaller range of retail goods usually providing day-to-day groceries and convenience items.

The following table sets out the activity centre hierarchy used in this report.

In retail planning terms, the size and function of Traralgon's commercial precinct make it a large sub-regional centre.

**Table 11: hierarchy of retail activity centres**

Level in the hierarchy	Retail role	Relevant example	Typical catchment population	Indicative share of retail spending in its catchment
Capital City Central Activities District	Extensive comparison goods and services; culture, entertainment; dining. Includes department stores and many specialty stores	Melbourne Central Activities District	1 million plus	5 to 10%
Regional centre	Extensive comparison goods and entertainment. Includes department store, discount department store, supermarkets and many specialty stores. Also applies to some large specialty centres that cater to an extensive catchment	Dandenong Chadstone	100,000 plus	30% to 40%
Sub-regional centre	Routine comparison goods as well as food and groceries. Includes discount department store, supermarkets and specialty stores. Also applies to some specialty centres that cater to a significant catchment	Mid-Valley Traralgon Moe Sale	30,000 plus	30% to 40%
Community centre	Food and some comparison goods. Includes supermarkets and specialty stores	Morwell	10,000 to 30,000	30% to 40%
Neighbourhood centre	Mainly food and groceries and other convenience goods and services. Includes supermarket(s) and specialty stores	Yarragon Trafalgar	5,000 to 15,000	20% to 35%
Local centre	Convenience goods. Usually comprises a corner grocery store and may include take-away food and local services	Neerim South	Up to 2,000	2% to 5%

Source: Tim Nott

*Note: Other types of hierarchy are also possible such as the one produced by the Property Council and quoted in a review of the Latrobe retail strategy undertaken by Macroplan (2007). However, the hierarchy set out in the present document is appropriate for the Latrobe situation where there are a range of single- and multi-owner shopping centres.*

Not every area is served by each level of centre in this hierarchy. In the Traralgon trade area, for example, there is no community level centre and only several small neighbourhood centres. This means that Traralgon plays a larger than average role in retail provision for its catchment. This includes some aspects of regional retailing – particularly extensive specialty shopping - because of the lack of a regional retail centre in Gippsland. This is demonstrated by considering that TAC currently captures 67% of retail spending in its trade area.

### 3.8.2 prospects for a department store

The next step in the evolution of the retail hierarchy in Gippsland is for one of the existing sub-regional centres to accommodate a full department store such as Myer or David Jones<sup>1</sup>. These stores are typically around 12,000 sq m to 18,000 sq m and offer a broad range of merchandise that attracts a wide cross-section of shoppers. As well as attracting shoppers, the presence of a department store triggers investment by other retail operators, particularly fashion stores, major homeware chains and recreational goods outlets (toys, books etc).

The usual pattern is, given sufficient demand, a department store will locate at the centre with the largest existing regional attraction. In Gippsland this is somewhat problematic. Traralgon has by far the largest existing retail offering, including a discount department store (DDS), three supermarkets and many specialty stores. However, Mid-Valley Shopping Centre on the eastern edge of Morwell has two DDSs, two supermarkets, a major hardware store and a wide variety of specialty stores as well as a multiplex cinema. Mid-Valley is an enclosed single-owner centre with extensive car-parking and room to expand if required. Many external retail operators (and residents of the wider region) would be likely to see this as

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<sup>1</sup> The retail industry is dynamic; retailers are continually testing new formats to meet evolving tastes and spending patterns. In the future, it is possible that some other type of store or combination of stores will be a sufficient retail flagship to denote a regional centre in the retail hierarchy. However, for the present, the mix of higher order clothing, homewares and recreational goods provided in a department store is the key attraction for shoppers and the key trigger for investment by other retailers.



the most appropriate location for a department store because of the ease of access and parking and the concentration of regional attractors.

The Latrobe planning scheme (DPCD, 2009) suggests that any significant additional retail provision in the municipality should be located at Traralgon, Morwell and in neighbourhood centres to serve residential growth areas (if required). Traralgon is also designated as the “commercial centre” within the network city. From a policy viewpoint, Traralgon is therefore a preferred location for a department store. It is a multi-functional centre which encourages multi-purpose trips and which can act as a showcase for the region in more than simply retailing. However, accommodating a department store within the centre will provide a challenge.

### 3.8.3 regional growth

If Traralgon does emerge as the key retail centre for the region, it will draw on the retail expenditure of almost the whole of Gippsland, including the municipalities of East Gippsland, Latrobe, South Gippsland and Wellington. This region currently has a population of approximately 198,000. The latest forecast by State Government has the regional population growing at an average of 0.7% per year over the period from 2010 to 2031, although the population has been growing at 1.3% per year over the five years to 2009, and 1.6% over the last year in that period.

As an indication of the scale of retail demand from this region, if the number of regional residents between 2010 and 2031 grows by 1.0% per year, then the region will require an additional 47,000 sq m of retail space by 2021 and a further 47,000 sq m by 2031 (even without allowing for real growth in retail spending). Of this, perhaps 35% could be expected to establish in the main retail centre. By 2031, then, the main retail centre could expect to grow by 33,000 sq m (35% of 94,000 sq m). This is more than sufficient to support a department store and a range of other retail facilities.

### 3.8.4 scenarios for development

The following three scenarios for retail development are provided to assist in planning the activity centre. The actual retail development outcome will depend on policy and on the competing strategies of stakeholders in the retail industry.

### 3.8.5 scenario 1: current conditions continued

This scenario is built on the following assumptions:

- population growth in the Traralgon trade area will average 1.3% per year between 2010 and 2031 as outlined above
- real growth in retail spending of 1.0% per year offset to some extent by efficiencies that enable retailers to improve sales per square metre by 0.5% per year
- no activity centre emerges as the preeminent retail centre for Gippsland
- the TAC will capture the same share of resident spending as at present
- visitor spending will grow at 1.4% per year (and this allows for population growth in the wider region as well as modest real growth in spending per person)

The following table illustrates the growth in retail floorspace as a result of this scenario.

**Table 12: retail growth scenario for TAC to 2031 – existing conditions continued**

Retail type	Floorspace in	floorspace	Floorspace in	Growth in
	2010	in 2021	2031	floorspace, 2010 to 2031
	sq m	sq m	sq m	sq m
Food and groceries	15,000	18,200	21,200	6,200
Clothing	15,900	18,100	20,200	4,300
Household goods	10,600	12,500	14,200	3,600
Recreational goods	9,900	11,800	13,500	3,600
Other goods	7,200	8,800	10,400	3,200
Food service	8,800	10,500	12,200	3,400
Retail services	4,900	5,400	5,700	800
All retail floorspace	72,200	82,800	95,000	22,800

Source: Tim Nott

The growth in retail space over the period to 2031 (22,800 sq m) would be enough to support:

- Several new supermarkets and/or a major fresh food outlet (although these may also be provided elsewhere in the Traralgon trade area to support residential growth areas)
- A further full-line discount department store (Target, Big W or Kmart) and a range of mini-major stores (such as JB Hi-Fi, Rebel Sport, Priceline, The Reject Shop, Borders books etc)
- Continued growth in cafes, restaurants and take-away food outlets

### 3.8.6 scenario 2: traralgon as the key retail centre for gippsland

This scenario is built on the following assumptions:

- Population growth in the trade area is as outlined in scenario 1, with the TAC able to capture the same share of resident spending as at present
- Traralgon is able to attract investment in a department store and this triggers investment by other retailers
- The improved retail provision is able to attract more significant spending from people outside the trade area in the wider region

The following table illustrates the growth of retail floorspace in the TAC under this scenario.

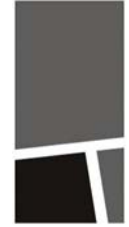
**Table 13: retail growth scenario for TAC to 2031 – traralgon as the key retail centre for gippsland**

Retail type	Floorspace in 2010	in 2021	Floorspace in 2031	Growth in floorspace, 2010 to 2031
	sq m	sq m	sq m	sq m
Food and groceries	15,000	18,200	21,200	6,200
Clothing	15,900	22,100	26,200	10,300
Household goods	10,600	14,500	17,200	6,600
Recreational goods	9,900	14,300	17,000	7,100
Other goods	7,200	11,300	13,900	6,700
Food service	8,800	10,500	12,200	3,400
Retail services	4,900	5,400	5,700	800
All retail floorspace	72,200	96,300	113,400	41,200

Source: Tim Nott

The growth in retail space over the period to 2031 (41,200 sq m) would be enough to support:

- Several new supermarkets and/or a major fresh food outlet (although these may also be provided elsewhere in the Traralgon trade area to support residential growth areas)
- A department store and possibly a further discount department store as well as mini-majors and smaller specialty stores
- New cafes, restaurants and take-away food outlets



### 3.8.7 scenario 3: key retail centre elsewhere

This scenario is built on the following assumptions:

- A department store establishes elsewhere in the region and this attracts other major retailers which together are able to capture some trade from TAC
- Population growth in the trade area is as outlined in the scenarios above, but the share of resident spending captured by TAC is lower than at present in all categories
- Spending by visitors reduces in real terms as more spending by regional residents is captured by the centre with the department store

The following table illustrates the change in retail floorspace in the TAC under this scenario.

**Table 14: retail growth scenario for TAC to 2031 – key retail centre elsewhere**

Retail type	Floorspace in 2010	floorspace in 2021	Floorspace in 2031	Growth in floorspace, 2010 to 2031
	sq m	sq m	sq m	sq m
Food and groceries	15,000	16,900	19,600	4,600
Clothing	15,900	14,000	14,800	-1,100
Household goods	10,600	10,200	11,300	700
Recreational goods	9,900	8,000	8,600	-1,300
Other goods	7,200	7,500	8,600	1,400
Food service	8,800	8,900	10,200	1,400
Retail services	4,900	4,800	5,000	100
All retail floorspace	72,200	70,300	78,100	5,900

Source: Tim Nott

Under this scenario,

- Retail floorspace in the centre would decline between 2010 and 2021, rebounding slightly between 2021 and 2031 with continued population growth

- The provision of clothing and recreational goods would be especially hard hit and would be unlikely to recover to their present levels by 2031
- Overall growth in retail floorspace between 2010 and 2031 would be 5,900 sq m and this would mainly be in floorspace to support the provision of food and groceries, with a chance that this would be provided elsewhere in the Traralgon trade area to service new growth areas

The impact of a **highway bypass** has not been factored into the scenarios above. The bypass is likely to have some impact on retailing in Traralgon. However, as in other bypassed towns, this may well be a positive impact overall, with improved pedestrian amenity in the TAC triggering further investment which can offset the decline of businesses that are reliant on passing trade. In any case, the bypass is unlikely to be constructed within the next 15 years according to advice from VicRoads.

### 3.9 conclusions on retail development

If Traralgon is to become the key retail centre for Gippsland, it will need to accommodate of the order of 40,000 to 45,000 sq m of additional retail floorspace over the next 21 years. With associated car-parking, this will require around 80,000 to 90,000 sq m – 8 to 9 ha - of constructed space (building and car-parking). Clearly, this will require extensive redevelopment of existing space and/or extension of the commercial area of the TAC. Actual land area required can be reduced by undertaking multi-level development; and multi-level development would be very appropriate for a department store and for car-parking.

If no centre in Gippsland emerges as the key retail centre, then the TAC can expect to continue to attract its current share of resident spending and some growth in visitor spending in line with regional population growth. Under this scenario, the TAC will need to accommodate around 20,000 to 25,000 sq m of additional space over the next 21 years. This may well include a further discount department store and a supermarket, each with large floorplates (8,000 sq m and 4,000 sq m respectively). With associated car-parking, the total constructed space requirement will be approximately 40,000 to 50,000 sq m. This will require extensive redevelopment of existing space and/or extension of the commercial area of the TAC. There is some scope to reduce the actual land-take, particularly by providing multi-decked car-parking.

If a department store-based centre is established elsewhere (probably at Mid Valley Shopping Centre), then there will be no significant requirement for retail growth in TAC over the period to 2031, except possibly the addition of a further supermarket sometime after 2021. The provision of an additional

supermarket would require some reorganisation of existing activity in order to accommodate the 3,000 to 4,000 sq m floorplate and associated car-parking.

Decisions about the location of a regional retail function to serve Gippsland will play a very significant part in the future growth of the TAC.

## 4 office development

### 4.1 existing situation

TAC is the principal commercial office location in Gippsland. It provides a range of office accommodation including:

- large free-standing offices such as the 8,400 sq m ASIC building on Grey Street
- multiple-user office blocks such as the RACV building on Kay Street
- small office suites such as those fronting both sides of Breed Street
- shop-front offices throughout the retail precincts, accommodating banks, real estate agents, travel agents and so on

There are approximately 58,000 sq m of offices in the TAC (34% of total occupied space) which provide between 2,000 and 3,000 jobs. Vacant office space is around 2% of the total space used for offices.

In the main, the office buildings are located around the periphery of the retail core and are concentrated in streets such as Breed Street, Kay Street, Grey Street and parts of Hotham Street.

Government activities are the largest users of office space; however, private sector enterprises also have substantial offices, including entities such as the RACV, regional headquarters of banks, large accountants, lawyers, engineers, media companies and so on. Small health practitioners are also significant users of office space and have tended to cluster together in suites on Breed Street and Grey Street.



## 4.2 prospects for office development

The prospects for office development in any particular location are difficult to determine with certainty since much depends on the deliberations of a wide range of investors who are serving different markets and constituencies. The following assessment is therefore broad.

### 4.2.1 key markets

TAC is an established location for:

- Regional business headquarters
- Back office functions of national or State-wide organisations
- Some government activities
- Health specialists
- Other local office users (small private businesses with a single location)

Traralgon shares the regional government role with Morwell and, to a lesser extent, with sub-regional town centres throughout the region. Otherwise, Traralgon is seen as the key business centre in the region for new investors because it has the largest activity base and the most established and dynamic commercial property market.

Further investment in regional business headquarters is likely as the Gippsland population grows and firms seek to service regional markets more effectively. This will apply to activities such as insurance, accounting, commercial law, engineering and technical services, advertising and media services and so on. These are likely to be small to medium sized enterprises with less than 200 staff.

Significant back-office functions already present in Traralgon include the ASIC data centre and the RACV personnel records office. Corporate reorganisations will continue to provide opportunities to locate back-office functions in provincial centres from time to time. Of all the centres in Gippsland, Traralgon is probably the best placed to capture such investment because it has available the largest local labour pool of any of the Gippsland towns.

Whilst Morwell has been identified as a strong centre for government services in the region, Traralgon is still likely to capture a share of any growth in State and Commonwealth Government offices. This is partly because of the more advanced property market in Traralgon and partly because the local labour-market has a higher number of white-collar workers.

Whilst the hospital was moved from Traralgon a decade ago, the town continues to be a hub for regional health specialists (particularly as there is limited land available for development around the hospital). These types of specialists are likely to grow in line with the demand from the ageing population of the region.

Small office users of all sorts will continue to seek a location in TAC in order to be accessible to clients and visible to the marketplace. As Traralgon grows its share of regional business activity the CAD will become an even more sought after location for small businesses in the area. However, ensuring the provision of affordable office accommodation that is attractive to smaller operators will become a challenge for the CAD property market as sites become developed for larger buildings.

#### 4.2.2 forecast for office floorspace

Previous forecasts for growth in office floorspace have been made by SGS (SGS Economics and Planning, 2004). This previous forecast suggested that office floorspace in Traralgon could grow by 15,000 sq m in the decade to 2014. However, this forecast now has a rather limited life.

The following forecast for office space is based on the current share of employment in offices and on the forecast growth in the local and regional population. It is provided for planning purposes only.

At the 2006 Census of Population and Housing (ABS, 2007), the Latrobe (C) - Traralgon SLA was recorded as having approximately 3,100 jobs in office based industries. The following table projects the number of jobs to 2031 by applying the forecast population growth rate. [The population growth rate is an admittedly crude growth factor to apply to office jobs. In recent decades, office jobs have grown faster than the population at large; however, the ageing of the population means that, in future, the number of people of working age will grow more slowly than the population as a whole. These two factors tend to cancel each other out.]

**Table 15: forecast growth in office jobs, traralgon and latrobe, 2006 to 2031**

	2006	2010	2021	2031
	no	no	no	no
Traralgon SLA	3,110	3,400	3,970	4,470
Latrobe LGA	6,900	7,180	7,940	8,710

Source: ABS, 2007; Tim Nott



The following table identifies the growth in office jobs and assumes that, on average, each job will require 25 sq m of building floorspace.

**Table 16: forecast of office floorspace requirements, traralgon and latrobe, 2010 to 2031**

Area	Growth in office requirements 2010 to 2021		Growth in office requirements 2021 to 2031		Growth in office space 2010 to 2031
	jobs	sq m	jobs	sq m	sq m
Traralgon SLA	570	14,300	500	12,500	26,800
Latrobe LGA	760	19,000	770	19,300	38,300

Source: Tim Nott

This calculation forecasts that Traralgon will need to accommodate 27,000 sq m of additional office floorspace between 2010 and 2031. This constitutes 70% of all the additional office floorspace required in Latrobe City over the period. Some of this will be outside the TAC in other activity centres and industrial areas in the Traralgon SLA and some will be in home-based businesses. However, the majority of the space will be required in the TAC. ***This report assumes that 80% of the additional space forecast for Traralgon will be required in the TAC.*** This amounts to approximately 21,000 sq m over the period from 2010 to 2031, or around 1,000 sq m per year on average. This forecast continues the same order of magnitude of growth in office floorspace as the previous forecast by SGS.

It should be stressed that this forecast is very broad. Clearly, there is potential for different outcomes. A major office user might require, for example, 10,000 sq m of office floorspace in a single development. This kind of investment might result from a more active policy of decentralisation by State or Commonwealth Government, or by the private sector. Nevertheless, the figures outlined above are used for planning purposes.

With car parking, the constructed space required to accommodate this forecast would be 41,000 sq m. Certainly, offices and associated car parking can be developed in multi-level structures but even so, this kind of space would require significant redevelopment of existing space in the CAD and/or extension of the CAD boundaries.

## 5 housing

### 5.1 existing situation

Council's property data-base identifies 21 houses or apartments currently on business-zoned land within the CAD. Most of these are separate houses on the boundaries of the TAC in Breed Street, Grey Street and Queens Parade. There are presently no apartment buildings within the TAC.

State and local government policies on activity centres call for more intensive development of housing within and on the periphery of major centres in order to reduce the need for car travel and to create a more sustainable urban form. Given that land around activity centres is usually already developed and/or is relatively expensive, this inevitably means the development of more medium and high density housing types. In most provincial centres, this type of housing has formed a small, but growing, part of the housing stock.

The following table provides the latest snapshot of housing types within the Traralgon SLA as a whole.

**Table 17: housing types, latrobe (c) – traralgon SLA, 2006**

House type	Dwellings		Persons	Occupancy rate
	no.	%	no.	persons/dwelling
Separate house	8,636	87%	23,162	2.7
Semi-detached, terrace or townhouse	267	3%	429	1.6
Flat, unit or apartment	884	9%	1,275	1.4
Total medium density housing	1,151	12%	1,704	1.5
Other	97	1%	166	1.7
Total	9,884	100%	25,035	2.5

Source: ABS, 2007

The table shows that medium density housing forms 12% of the total housing stock in the Traralgon SLA in 2006. (This grew from 10% in 1996.) Medium density housing has a relatively low occupancy rate, with a high proportion of single people.



## 5.2 existing forecasts for medium density housing

Council has commissioned two previous forecasts for medium density housing in Traralgon; one undertaken by SGS for the Transit Cities project in 2004; and one undertaken for the Traralgon Inner South Master Plan by Charter Keck Cramer in 2009.

The forecast by SGS was built on a model developed for outer suburban Melbourne and adjusted for the Latrobe situation. SGS forecast that the three transit cities in Latrobe (Moe, Morwell and Traralgon) could support 15 medium density housing units per year initially, rising to 57 units per year if the product was successful. The key to a successful product would be careful housing design and marketing of the transit city lifestyle as well as pitching at an appropriate price. Since Traralgon represents the largest housing market of the three towns, it could be expected to take the majority of any such development. However, as indicated by the survey of existing housing stock, this kind of development has so far failed to materialise.

The more recent assessment by Charter Keck Cramer was undertaken for an area to the south of the CAD and is much more conservative about the prospects for medium density housing anywhere in Traralgon, particularly apartment development. The analysis suggests that the affordable housing alternatives with easy access to the CAD militate against higher density housing within the centre; and that the land price is not sufficiently high for apartments to be viable compared with development for detached housing or units. However, this assessment has not discussed the preferences of a small but growing proportion of households for inner city living.

## 5.3 potential development path for housing in the TAC

Discussions with real estate agents and community members suggest that inner city (TAC) living is a concept that is coming, and that there is, or soon will be, a market for quality apartments in the TAC. This reflects the desire by a growing number of households to reduce their carbon footprint whilst at the same time, being able to take advantage of the easy access to shops, cafe culture and nightlife. Demand for such accommodation will be bolstered by the development of the TAFE at the station precinct.



The types of households who may find apartment living in the CAD attractive include:

- Short term executives
- Students
- Empty nesters
- CAD workers

As discussed by SGS, the key to encouraging apartments in the CAD will be to have a high quality initial offering that can promote the inner city lifestyle. First movers are often people willing to pay a premium to secure a different lifestyle. Having established an inner city cachet, subsequent developments can perhaps be more affordable and have a larger market.

The initial market will be small, comprising those households which can afford housing prices (rents and loans) in the upper quartile. Such households are already present in the medium density market in Traralgon. The 2006 Census of Population and Housing records:

- 8 households in medium/high density housing paying more than \$1,600 per month in housing loans, when median housing loan payments in the Traralgon SLA were \$997 (and this constituted 7% of all households in medium and high density housing who were paying housing loans)
- 21 households in medium/high density housing paying more than \$225 per week in rent, when median rents were \$145 per week (and these constituted 3% of all households in medium/high density housing)
- 28 single people who were renting and who earned more than \$1,700 per week, when the median household income was \$1,009 (and these constituted 3% of all single people who were renting)

These factors suggest that the market for good quality medium/high density housing is presently around 3% of all medium density housing. Some of that housing could be provided within the CAD. These factors are used to provide a forecast of medium/high density housing in the CAD.

## 5.4 forecast for housing provision in the TAC

The initial market for apartments in the TAC appears to be around 3% of all medium/high density housing in the Traralgon SLA. The following table provides a forecast that suggests the initial supply will be perhaps 1% of medium/high density housing to take account of current inertia. This share rises to 3% by 2021 as the early movers adopt this inner city lifestyle and to 5% in 2031 as apartment living in the CAD becomes an established choice.

**Table 18: forecast for supply of TAC apartments, 2011 to 2031**

	2011	2021	2031
Population of Traralgon SLA	31,320	36,080	40,680
Household size	2.5	2.3	2.2
Households	12,530	15,690	18,490
Share of high and medium density housing	12%	14%	16%
Medium and high density housing	1,530	2,170	2,870
Potential CAD share of medium/high density housing	1%	3%	5%
Forecast supply of CAD apartments	15	65	144
Average supply per year		6	8

Source: *Tim Nott*

Note: *the share of high and medium density housing is assumed to increase in line with the increase between 1996 and 2006*

It should be stressed that this is a speculative forecast; it relies on housing developers actually providing the apartment stock and successfully marketing it to local people and investors.

Given an average apartment size of 110 sq m and allowing for common areas and one car parking space per unit, the total constructed area required for apartments in 2031 would be 22,000 sq m. This scale of development could be accommodated above existing shops, although the provision of car-parking may need to be physically separated from the apartments in some cases in order to ensure viability and to prevent congestion in TAC laneways.



## 6 summary

### 6.1 additional space required in the activity centre

This report has concentrated on forecasting demand for shops, offices and apartments. These are the major existing and potential uses in the TAC although there are other important city centre uses including cinemas, hotels and cultural facilities which also require space in the centre.

The following table provides a summary of forecast space requirements of the various activities. The table makes the following assumptions:

- Traralgon will attract investment in a department store and a variety of other higher order shops
- “Other activity space” includes entertainment and cultural facilities and is assumed to be 20% of the total non-residential space (and this is based broadly on the existing situation and on the experience of other centres)
- Car parking is forecast to be provided at the following rates:
  - Shops – 3.5 spaces per 100 sq m
  - Offices – 3 spaces per 100 sq m
  - Other activity space – 2 spaces per 100 sq m
  - Housing – 1 space per apartment

These rates are lower than those presently required in the Planning Scheme but are typical of the rates of provision currently being provided in large activity centres.

Given that it is by no means certain that Traralgon will become the regional retail centre, the table below provides a *likely maximum floorspace requirement*.

**Table 19: forecast of additional space requirements, strong development of the TAC, 2010 to 2031 (sq m)**

Activity	2010 to 2021			2010 to 2031		
	Activity floorspace	Car-parking	Total	Activity floorspace	Car-parking	Total
Retail	24,100	25,300	49,400	41,200	43,300	84,500
Office	11,400	10,300	21,700	21,400	19,300	40,700
Housing	7,900	2,000	9,900	17,400	4,300	21,700
Other activities	9,600	5,300	14,900	15,700	9,400	25,100
Total	53,000	42,900	95,900	95,700	76,300	172,000

Source Tim Nott – see notes above

If Traralgon is to reinforce its role as the largest centre in Gippsland, the activity floorspace in the TAC will grow by approximately 100,000 sq m over the period to 2031, broadly 5,000 sq m per year. Such a major addition to the centre will require extensive redevelopment of existing space and/or extension of the boundaries of the commercial area.

It is clear that the car-parking for the additional activities in the centre, even at the reduced rates indicated above, will require very substantial space. Given the existing built-up urban form of the CAD, measures to reduce the land needed for car-parking will be required in order that new activities can be accommodated. These measures might include:

- multi-storey car parking
- off-site car-parking for new uses
- further reduction of car-parking ratios
- more extensive and frequent public transport

A key part of the urban design of the evolving TAC will be to ensure that the car-parking issue does not become an insurmountable blockage to investment.

**alternative scenarios for development**

In order to provide a more complete understanding of potential development pressures the following tables identify the likely requirements for land under a moderate and low growth scenario for the TAC.

**Table 20: forecast of additional space requirements, moderate development of the TAC, 2010 to 2031 (sq m)**

Activity	2010 to 2021			2010 to 2031		
	Floorspace	Car-parking	Total	Floorspace	Car-parking	Total
Retail	10,600	11,100	21,700	22,800	23,900	46,700
Office	7,600	6,800	14,400	15,300	13,800	29,100
Housing	4,700	1,200	5,900	10,400	2,600	13,000
Other activities	4,600	2,800	7,400	9,500	5,700	15,200
Total	27,500	21,900	49,400	58,000	46,000	104,000

Source: Tim Nott

This scenario assumes that office development in the TAC will be 40% of that required for the whole of Latrobe City. It also assumes that housing development in the TAC will be 60% of that required in the strong growth scenario. These assumptions have been made on the basis that office and housing demand will not be as strong if the TAC fails to capture investment in major retailer expansion including a department store.

This scenario suggests a demand of 2,000 to 3,000 sq m of new activity space each year over the 20 year planning period (excluding the car-parking).



**Table 21: forecast of additional space requirements, minor development of the TAC, 2010 to 2031 (sq m)**

Activity	2010 to 2021			2010 to 2031		
	Floorspace	Car-parking	Total	Floorspace	Car-parking	Total
Retail	-1,900	-2,000	-3,900	5,900	6,200	12,100
Office	4,800	4,300	9,100	9,600	8,600	18,200
Housing	3,200	800	4,000	7,000	1,700	8,700
Other activities	700	400	1,100	3,900	2,300	6,200
<b>Total</b>	<b>6,800</b>	<b>3,500</b>	<b>10,300</b>	<b>26,400</b>	<b>18,800</b>	<b>45,200</b>

Source: Tim Nott

This scenario assumes that office development in TAC will be 25% of that required for the whole of Latrobe City. It also assumes that housing development in the TAC will be 40% of that required in the Regional Centre scenario. These assumptions have been made on the basis that office and housing demand in the TAC will not be as strong as for the other two scenarios.

This scenario suggests a demand of 1,000 sq m per year to 2021 and demand of 2,000 sq m per year from 2021 to 2031 (excluding the car-parking). (The negative demand for retail floorspace in the initial planning period indicates that some shop space will be turned to other uses such as offices or housing.)

## 6.2 a note on urban design

Urban design is an important part of the attractiveness of a centre for users and for investors. Currently, the TAC has a strong grid pattern and a set of compact, vibrant activities. However, it is fair to say that the architecture and urban design of the centre are generally utilitarian. There are no exuberant touches that excite the interest of the casual visitor or which encourage repeat visitation. Good design is an economic issue. For example:

- urban design can be used to create or reinforce precincts, guiding people to opportunities within the centre
- good design can encourage people to linger and engage with the social and commercial activities
- beautiful buildings become icons for centres that can make people feel excited about working in them as well as providing marketing opportunities for the centre as a whole

If the TAC is to provide high quality services to the region, high quality buildings and urban spaces will be required in order to command the respect and affection (and repeat business) of the regional population.

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