

Romsey Structure Plan Economic Assessment

November 2021

Prepared by Tim Nott

for Plan2Place Consulting and Macedon Ranges Shire Council

Report Data

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The views expressed in this report are those of the author and are not necessarily endorsed by any other party.

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EXECUTIVE SUMMARY

Macedon Ranges Shire Council is reviewing and renewing the structure plan for the town of Romsey. Council has commissioned a team led by Plan2Place Consulting to prepare a draft structure plan. As an input to the structure planning process, this present report has been prepared by Tim Nott and provides advice on the demographic and economic drivers of change for the town and how these will affect the demand for land.

The key driver of change for housing and much of the commercial sector is the rate of population growth in the town and its local catchment. The report identifies population growth scenarios which are used to illustrate the consequences of different rates of population growth for housing and commercial activity.

- Scenario 1.** Population growth rate in the town and its catchment based on that expected for the Romsey SA2 by the State Government in Victoria in Future, 2019 – around 1.4% per year over the period 2021 to 2041
- Scenario 2.** Population growth rate based on Romsey township capturing a higher share of the growth forecast for the SA2 as a whole – around 2.2% per year over the forecast period
- Scenario 3.** Population growth rate of around 2.8% per year over the forecast period, based on accelerated housing development, matching housing sales experienced in recent times

The key results of these scenarios for land take-up are provided below, along with suggestions for the Structure Plan. For the assumptions behind these results, please see the full report.

Population and Housing

1. By 2041, the scenarios for the population size of the Romsey township are between 5,830 (scenario 1) and 8,174 (scenario 3)
2. The number of additional dwellings required under the three scenarios over the next 20 years ranges from 631 (scenario 1) to 1,440 (scenario 3). This leads to the requirement for additional lots in greenfield areas beyond the existing town boundary, ranging from 176 (scenario 1) to 944 (scenario 3).
3. There is currently sufficient supply of housing lots for between 14 years (scenario 1) and six years (scenario 3). However, there is only one significant broadhectare development area left within the town boundary and therefore little choice in the market.
4. The area of additional broadhectare land required for housing beyond the town boundary will depend on average lot size, the level of servicing and the overall efficiency of urban development. The scenarios here suggest a notional requirement for:
 - between 21 and 112 hectares given average lot size of 850 sqm
 - between 38 and 197 hectares given average lot size of 1,500 sqm

This calculation does not factor in the likelihood of urban development beyond 2041.

5. Council has an existing policy of achieving 15% medium density housing within the township. If that aim is to be achieved, then many new medium density dwellings will be required over the period 2021 to 2041 – a total of between 151 (scenario 1) and 277.
6. Council could consider rezoning the land previously identified for urban housing as a matter of priority in order to bring choice to the housing market. The structure planning process

may also be the opportune time to consider the future of the golf course, which would be very well-located to provide housing and a more sustainable urban development.

Table 1: Scenarios for population, housing and broadhectare residential land

	Scenario 1	Scenario 2	Scenario 3
Housing			
Dwellings in 2021	1,602	1,711	1,711
Dwellings in 2041	2,233	2,794	3,151
Growth 2021 to 2041	631	1,083	1,440
Average annual growth	32	54	72
Average annual rate of growth	1.7%	2.5%	3.1%
Medium density dwellings			
MD dwellings 2021	184	196	196
MD dwellings 2041	335	419	473
Growth 2021 to 2041	151	223	277
Average annual growth	8	11	14
Average annual rate of growth	3.0%	3.9%	4.5%
Population			
Residents in 2021	4,434	4,723	4,723
Residents in 2041	5,830	7,247	8,174
Growth 2021 to 2041	1,395	2,524	3,452
Average annual growth	70	126	173
Average annual rate of growth	1.4%	2.2%	2.8%
Greenfield lots required			
Total lots available, 2021	380	380	380
Lots required per year	28	49	65
Number of years supply	14	8	6
Total lots required, 2021-2041	556	972	1,302
Shortfall of greenfield lots	176	592	922
Additional Broadhectare land required			
Assume average of 850 sqm lots (ha)	21	72	112
Assume average of 1,500 sqm lots (ha)	38	127	197

Town Centre

7. The Romsey town centre acts as a small neighbourhood centre, with a medium sized supermarket and a limited range of other goods and services. The structure of the centre is disjointed and there are two significant vacancies – a former supermarket and the former Romsey Hotel. During the COVID-19 pandemic, Romsey town centre has not performed as well as similar centres, many of which have retained or even improved their vibrancy as more residents have shopped locally.
8. A review of the existing retail supply and demand reveals that Romsey could accommodate a full-line supermarket, retaining more spending locally.
9. Forecasts of the requirement for additional activity floorspace in the town centre have been based on the population growth scenarios above. These scenarios identify a requirement

for an additional 4,000 to 5,200 sqm of retail floorspace over the period 2021 to 2041; and a total floorspace demand of between 6,700 sqm and 8,800 sqm. The land area required to accommodate this new activity will depend on the efficiency of development and the car-parking requirements of Council. In notional terms, there is sufficient vacant land and buildings in the centre to accommodate the growth.

10. In order to create a compact and walkable centre with attendant social, environmental and economic benefits, normal retailing, including any additional supermarket, should be encouraged to locate in the core town centre – the Commercially zoned land north of Barry Street.
11. The anecdotal evidence suggests that the most significant vacant sites in the town centre core may not be currently available for development. If true, this is a situation that will distort the development of the town centre, potentially creating sub-optimal economic and environmental outcomes for decades to come. Council may wish to discuss the land availability with the owners as a matter of urgency

Industrial Land

12. Romsey has three industrial precincts but has few or no available industrial lots for sale. One of the industrial precincts of approximately 14 hectares has not been developed since being rezoned in the early 2010s. There is a question of whether this undeveloped precinct on Greens Lane is in the right location, potentially providing a poor entry to the town. An alternative location close to the existing wastewater treatment facility has been suggested. The Greens Lane precinct does appear to be of the right size to accommodate likely demand over the structure plan forecast period. Whichever location is chosen, the key issue is the capacity to service the development and make the lots available. Council is probably best-placed to undertake this work.

1 INTRODUCTION

1.1 This Report

Romsey is an established and growing town in the Macedon Ranges Shire, around one hour from central Melbourne. The Macedon Ranges Shire Council is refreshing the structure plan for the town. Council has commissioned a team led by Plan2Place Consulting to prepare a draft structure plan. As an input to the structure planning process, this present report has been prepared by Tim Nott and provides advice on the demographic and economic drivers of change for the town and how these will affect the demand for land.

This report is organised as follows:

- Section 2 looks at the forecast population growth and demand for housing
- Section 3 provides an assessment of retail/commercial supply and demand
- Section 4 identifies potential demand for industrial land

An executive summary of key findings is provided at the start of the report.

1.2 Background

Romsey was founded in the mid 1800s as a farming settlement and rest-stop on the way from Melbourne to the goldfields. It now serves a number of economic roles:

- a service centre for people in the town and surrounds
- a service centre for farm businesses in the district
- a commuter settlement for people who work in Melbourne and nearby towns
- a retirement destination for those seeking a small town lifestyle in a well-serviced location close to Melbourne
- a service centre for visitors to the wider district

The evolution of these economic roles has shaped the town through the expansion of housing and the zoning of land for industry and commercial services. Of particular note and relevance for this project, Romsey has a distinctive lot size in its township area, with many older lots being 2,000 sqm or more and a majority of lots being more than 1,500 sqm. The abundance of private space provided by these lots is one of the key attractions of the township. Notwithstanding this feature of the town, it does contain some medium density housing and smaller lots. The most recent broadhectare developments have provided lots of in the 800-1,400 sqm range, which are smaller than typical for Romsey but still substantial compared with most of Melbourne's growth areas.

An Outline Development Plan (structure plan) prepared by Council for Romsey was adopted in November 2009. This was supported in part by economic assessments completed by Tim Nott and by Urban Enterprise. Twelve years later, it is appropriate to review the economic changes that have taken place and the current trends in housing, commerce and industry that will continue to affect the shape of the town. The town is experiencing a number of pressures that make this review timely:

- There is some pressure to expand the town boundary to allow for more urban development
- Several prominent businesses in the town centre have closed, including a hotel and supermarket, with no replacements and this has reduced the level of service provided within the town

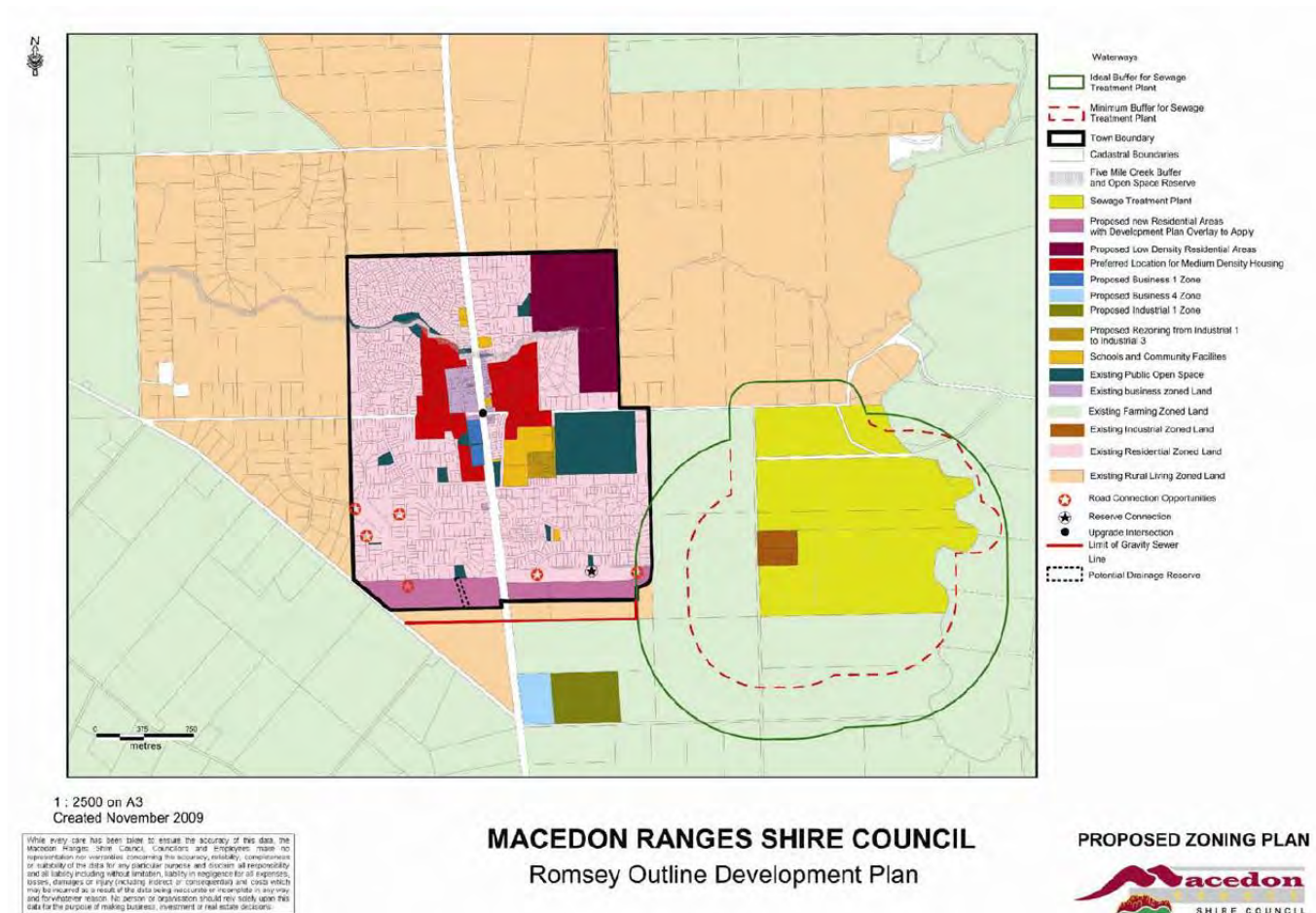
- The COVID-19 pandemic has caused an acceleration of key economic trends towards localisation and automation, although the geographic consequences of this have not yet been fully realised
- Romsey has not been successful in attracting significant new businesses, with a consequence that the policy objective of reducing the level of commuting by providing local jobs is getting further out of reach as the population grows

The usual practice in structure planning is to ensure that places have sufficient land for activities for the subsequent 15 years. For this report, a 20 year time horizon has been chosen – 2021 to 2041. This extends the useful life of the analysis to provide more time for decision-making, including community consultation, plan-making and the processes of changing zones. Nevertheless, regular monitoring of the real-world situation will be required to ensure that forecasts and assumptions remain relevant.

1.3 A Note on Statistical Geography

Romsey has a township boundary set by previous town plans including the most recent Outline Development Plan (Macedon Ranges Shire Council, 2009). This is the focus for the present study, although, in a functional sense, the town also includes the adjacent homes set on rural residential allotments. The current Outline Development Plan is shown below.

Figure 1: Romsey Outline Development Plan Area



Source: Macedon Ranges Shire Council, 2009

The township area coincides quite well with the Urban Centre/Locality statistical area defined by the Australian Bureau of Statistics (ABS). However, a limited range of statistics are produced at this scale by the ABS and other agencies¹. Accordingly, the analysis in this report also makes use of figures produced for the relevant Statistical Area 2 (SA2). These areas are shown below.

Figure 2: The Romsey Urban Centre (UCL)

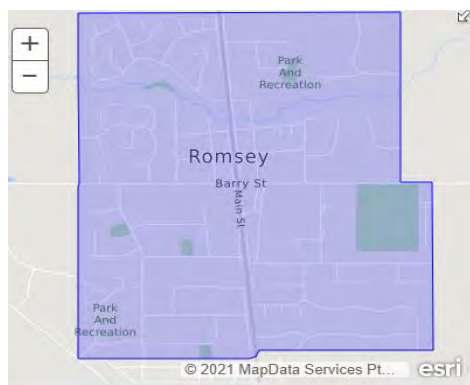
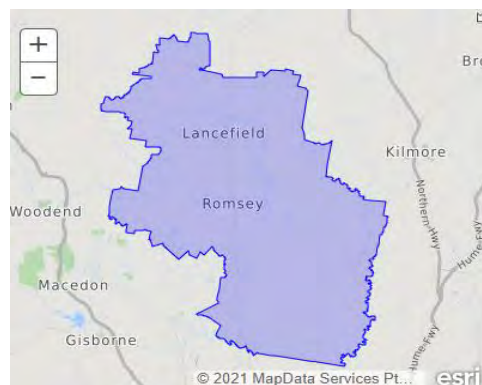


Figure 3: The Romsey Statistical Area 2 (SA2)



Selected characteristics of these areas, taken from the 2016 Census of Population and Housing (ABS, 2017) are reproduced in the table below.

Table 2: Selected Statistics, Romsey, 2016

Characteristic	Romsey UCL	Romsey SA2	UCL share of SA2	Macedon Ranges Shire	Victoria
Population	3,868	9,360	41%		
Born in Australia	3,200	7,603	42%		
Share born in Australia	83%	81%		80%	65%
Persons in Non-private dwellings	176	702	25%		
Share of persons in non-private dwellings	5%	8%		9%	8%
Median age	40	42		47	37
Median weekly household income	\$1,556	\$1,579	99%	\$1,039	\$1,419
Professionals and managers in the labour force	25%	30%		37%	37%
Average household size	2.8	2.8		2.4	2.6
Separate houses	1,172	2,996	39%		
Other private dwellings	113	122	93%		
Proportion of separate houses	91%	96%		94%	73%
Unoccupied dwellings	96	350	27%		
Total private dwellings	1,450	3,720	39%		
Proportion of Unoccupied dwellings	7%	9%		28%	12%

Source: ABS, 2017

These figures are referred to throughout the report.

¹ For example, there are no figures for the working population of this area, nor are there Government population forecasts for any area smaller than SA2.

2 POPULATION AND HOUSING

This section provides estimates of the demand for, and supply of housing lots of different types in Romsey.

2.1 Current Population and Housing

The estimated resident population in the Romsey township in 2016 was approximately 3,958². The current population of the township is likely to be between 4,430 and 4,720, depending on the share of new dwellings in the SA2 that have been built in the township.

The number of private dwellings in 2016 was 1,450. The numbers in 2021 are likely to be between 1,600 and 1,720.

A visual review of aerial photography between December 2019 and January 2021 reveals an annualised addition of 54 dwellings in the township. Approximately half (49%) of these have been constructed in the Lomandra Estate, a new development on the southern edge of the town. Other locations are smaller subdivisions including Tarrawarra Lane, Murphy Street and Roger Street.

Medium Density Housing

As shown in Table 2, approximately 91% of the dwellings in the Romsey township in 2016 were separate houses, with 9% being some form of medium-density dwelling. These are generally separate single story units built on the same block as well as dwellings attached to shops.

The existing Outline Development Plan (ODP) has a target of 15% medium density housing in order to improve housing choice in the township and to make more effective use of existing infrastructure. The ODP identifies two areas close to the Romsey town centre that would be suitable for intensification of housing development (see Figure 1). The visual review of recent dwelling construction identifies that 27% of new dwellings have been what can be described as medium density in this context – mainly 400 sqm lots in a single development in Roger Street, which is within the designated housing intensification area.

Recent Analysis of the Romsey Housing Market

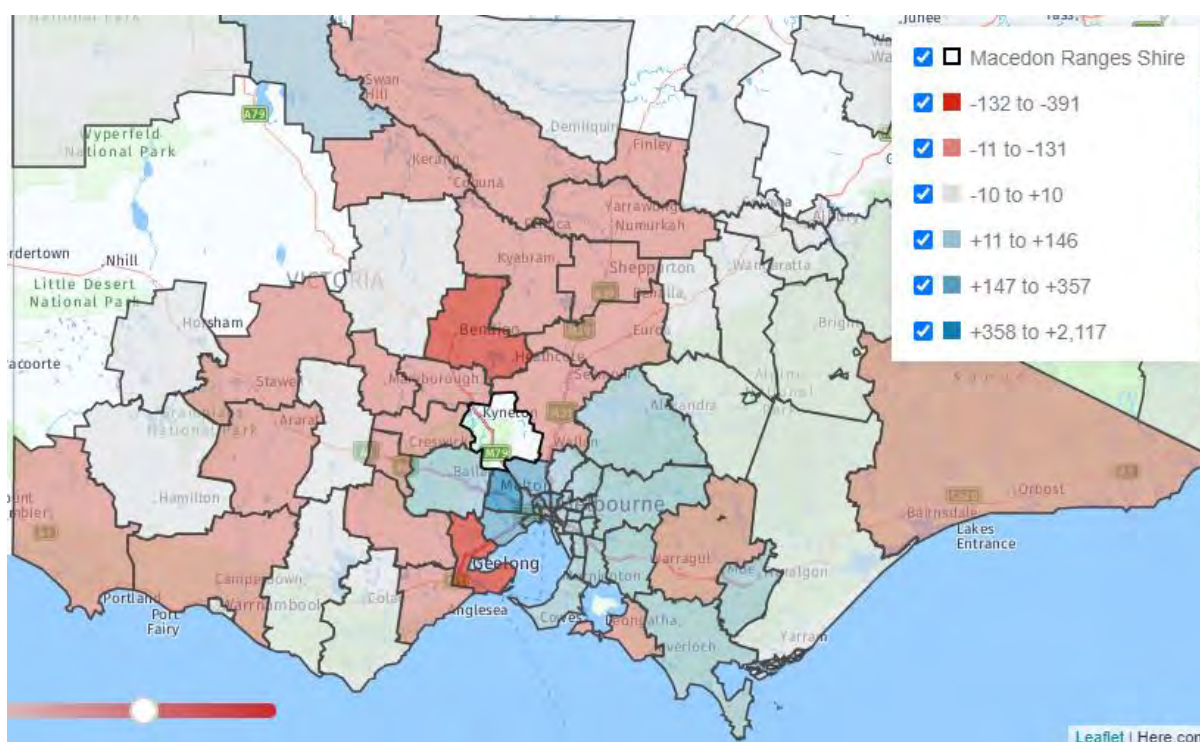
A recent report for Council by Urban Enterprise (2020) provides an assessment of the supply and demand for residential land in the significant towns throughout the Shire, including Romsey. This report identified three scenarios for housing growth and concluded that the township had between 7 and 11 year's supply of land for separate houses remaining.

² The estimated resident population (ERP) takes account of undercounting in the Census and is traditionally a little higher than the Census figure.

2.2 Recent Migration Patterns

Romsey has grown because more people are arriving than leaving. The continued growth of the township relies, in part, on ongoing sources of demand. Migration patterns for the Macedon Ranges as a whole show that the Shire continues to be attractive to new residents, most of whom are seeking an escape from the city. The following map shows the net movement of residents from each municipality to Macedon Ranges over the period 2016 to 2020. The areas that have the largest net migration **to** Macedon Ranges are the northern and western suburbs of Melbourne. These people are seeking a more rural lifestyle within easy reach of the Melbourne job market and existing social connections. The areas that have the largest net migration **from** Macedon Ranges are neighbouring rural municipalities and the regional centres of Bendigo, Geelong and Ballarat. These people are likely seeking job and educational opportunities as well as quieter retirement options. This migration pattern appears likely to continue into the future, although development of a wider range of jobs, services and educational opportunities in Macedon Ranges would reduce out-migration and increase the rate of growth.

Figure 2: Net migration to Macedon Ranges Shire from other municipalities, 2016 to 2020



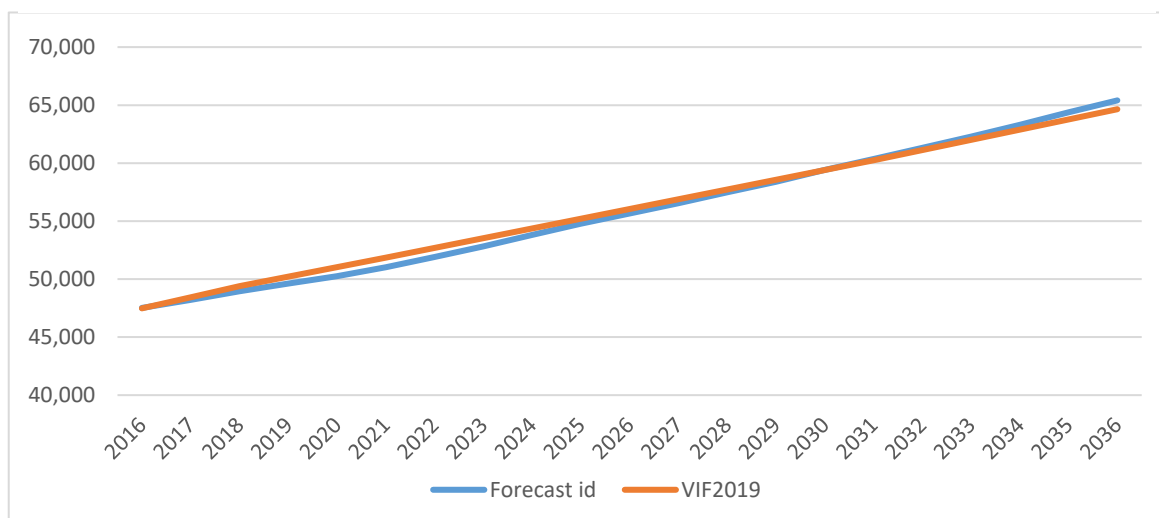
Source: .id consulting

2.3 Forecast Population Growth

Forecasts of population and housing growth are provided by State Government (Victoria in Future, 2019); and separate forecast have been commissioned by Council from .id consulting (2017). Both forecasts are now a little out of date considering the change in demographic patterns that have occurred in 2020 and 2021 during the COVID-19 pandemic. In this assessment, the State Government forecasts have been used as a starting point since these take into account some more recent trends and are based on the Romsey SA2 for which other data is also readily available.

Nevertheless, the difference between the growth expected for the municipality as a whole by the two forecasts is not great, as shown in the following chart.

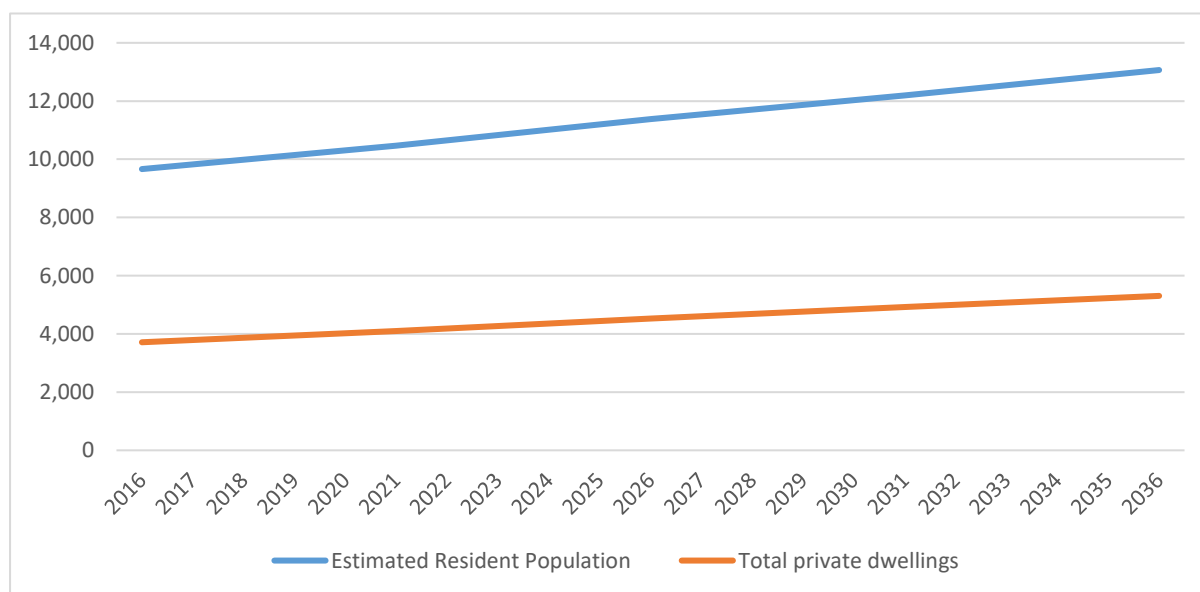
Figure 3: Population forecasts for Macedon Ranges Shire, 2016 to 2036



Source: State Government of Victoria, 2019; forecast .id, 2017

The VIF2019 forecast for population and housing growth in the Romsey SA2 is shown in the following chart.

Figure 4: Forecast growth in population and housing, Romsey SA2, 2016 to 2036



Source: State Government of Victoria, 2019

This forecast has an average annual population growth rate of 1.5% over the period 2021 to 2036 and an average annual growth in total dwellings of 1.7%, equivalent to 80 houses per year.

Based on this forecast and on the housing development data for the area, three scenarios for population growth in the Romsey township are provided here. Two scenarios are based on Romsey township capturing a different share of the growth forecast for the Romsey SA2 as a whole. The forecast has been extrapolated to 2041.

Scenario 1. This is a scenario for growth based on housing development in the Romsey Township growing in direct proportion to the forecast for the Romsey SA2. That is, Romsey township will maintain its share of housing in the SA2 that it had in the 2016 Census at 39%. This assumes that the rate of housing growth in Lancefield, Darraweit Guim and surrounding rural areas will be the same as in the Romsey township. In this scenario, growth in the number of dwellings averages 31 per year between 2021 and 2041. Given the recent rates of growth apparent in Romsey township, this can be considered a low growth scenario, although the reader should bear in mind that there is no certainty in forecasting.

Scenario 2. This is a scenario for growth based on the Romsey township capturing 67% of the growth forecast for the SA2 as a whole. This results in 54 new dwellings in Romsey township over the year 2020-21, which accords with the visual inspection of aerial photography.

A further scenario is provided based on the high growth scenario identified in the work of Urban Enterprise (2020) taking into account sales in greenfield developments at the time.

Scenario 3. This is a scenario for growth based on the Romsey township accommodating 72 new dwellings per year on average over the forecast period, continuing the sales of greenfield developments over the period to 2019, as identified by Urban Enterprise.

For simplicity's sake, the calculations assume that the average annual growth rate will apply each year, giving a straight line growth. In reality, the growth rate will vary from year to year. In particular, growth is likely to be strong in 2020-21 because of the COVID-19 pandemic and the desire by many to escape the metropolitan area or to remain in their small town rather than move to the city. However, this trend will likely moderate over time in all scenarios to a greater or lesser extent.

The outcome of the growth scenarios is illustrated in the following table. The population figures have been calculated from the housing numbers and take into account:

- A dwelling occupancy rate of 96.7% for most of the period, as predicted by VIF2019 for the Romsey SA2
- A declining household size, from 2.75 persons per household at the beginning of the period to 2.62 persons per household at the end, as suggested by VIF2019
- A population in non-private dwellings (care homes, hotels etc) of 182 throughout the period for each scenario, maintaining this population from the last Census

The table also identifies the number of medium density dwellings that would be developed if the Council's target of 15% of dwellings being medium density were met during the forecast period.

Table 3: Housing and population growth scenarios, Romsey township, 2021 to 2041

	Scenario 1	Scenario 2	Scenario 3
Housing			
Dwellings in 2021	1,602	1,711	1,711
Dwellings in 2041	2,233	2,794	3,151
Growth 2021 to 2041	631	1,083	1,440
Average annual growth	32	54	72
Average annual rate of growth	1.7%	2.5%	3.1%
Medium density dwellings			
MD dwellings 2021	184	196	196
MD dwellings 2041	335	419	473
Growth 2021 to 2041	151	223	277
Average annual growth	8	11	14
Average annual rate of growth	3.0%	3.9%	4.5%
Population			
Residents in 2021	4,434	4,723	4,723
Residents in 2041	5,830	7,247	8,174
Growth 2021 to 2041	1,395	2,524	3,452
Average annual growth	70	126	173
Average annual rate of growth	1.4%	2.2%	2.8%

Source: Tim Nott

Given past experience and considering the experience of other small towns in similar situations, any of these growth outcomes is possible. Lower growth outcomes will eventuate if there is a general slow-down in population expansion, or if Romsey is seen as less attractive than alternative locations, either because its service offering is not as good or because affordable housing lots are not available. Higher growth outcomes will be realised if Romsey can offer a package of desirable housing, services and proximity to employment.

2.4 Existing Housing Lot Supply

Urban Enterprise (2020) estimated that Romsey had a residential land supply of 488 housing lots in 2019, as shown in the extract on the following page. This estimate was on the basis that the minimum lot sizes for subdivision of broadhectare land zoned General Residential was 800 sqm; and that for lots in Low Density Residential Zoning was 2,000 sqm (sewered) or 4,000 sqm (unsewered).

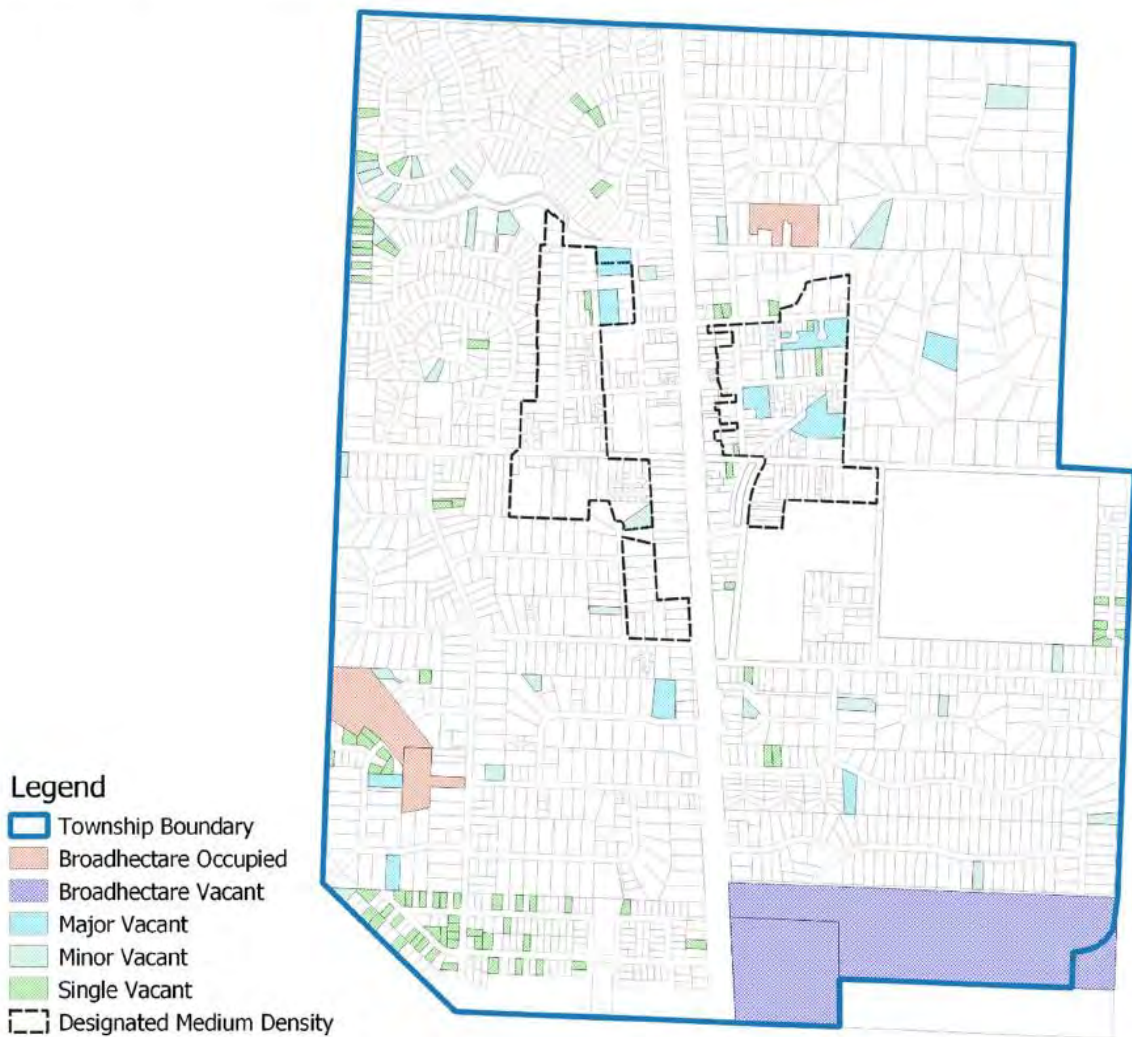
The current supply is estimated here to be approximately 380 lots, allowing for two year's development. A majority of the remaining lots are located in the broadhectare area on the southern boundary of the township to the east of Melbourne-Lancefield Road. This is the only substantial housing development area for the township.

Figure 5: Estimate of residential land supply, Romsey, 2019

ZONE	VACANT				OCCUPIED Broadhectare	TOTAL LOT CAPACITY
	Broadhectare	Major	Minor	Single lot		
GRZ	228	66	58	81	47	480
LDRZ	0	0	4	0	0	4
Total	228	66	62	81	47	488

Source: Urban Enterprise, 2019.

F53. ROMSEY RESIDENTIAL LAND SUPPLY MAP



Source: Urban Enterprise, 2019

Source: Urban Enterprise, 2019

The following table compares the scenarios for growth in demand with the available lots to show the notional current number of years' supply and the shortfall over the forecast period.

Table 4: Notional shortfall in supply of housing lots, Romsey, 2021-2041

	Scenario 1	Scenario 2	Scenario 3
Lots available, 2021	380	380	380
Lots required per year	28	49	65
Number of years supply	14	8	6
Total lots required, 2021-2041	556	972	1,302
Shortfall	176	592	922

Source Tim Nott

This calculation is based on a number of assumptions:

- Around half the medium density housing development occurs through redevelopment of occupied lots and not on greenfield sites
- The broadhectare areas are sub-divided to produce lots which have an average size of 800 sqm, and not the average of 1,500 sqm which predominates in most of the urban areas of the township

2.5 New Supply of Housing

The estimates above indicate that planning is required to identify new housing areas to accommodate the likely demand to meet all growth scenarios for the township over the forecast period. The available evidence is that the township has been expanding over the last few years in line with the higher growth scenario. There is therefore an immediate need to identify new land for housing. This is particularly so since the only significant broadhectare land available for development is in a single development front. This gives rise to the potential for monopoly pricing. In addition, the lots available in this remaining development area are of a size that is smaller than those which have come to define the urban character of Romsey.

Examination of the urban form of Romsey and the available land within the township boundary (see Figure 5) makes it clear that, in order to accommodate demand without significantly changing the intensity of development, the township boundary will need to expand to encompass new areas for growth.

[There are two areas of possible development within the township boundary, but neither of these is promising:

- Intensification of the area zoned Low Density Residential in the northeast quadrant of the township. However, this area was rezoned from General Residential after the last structure planning process because of the lack of services and the existing low density development.
- Relocation of the golf course and redevelopment of the existing golf course site. This would free up a site of approximately 23 hectares (excluding the oval, tennis club etc), generating perhaps 150 to 200 lots. However, such a move would be contentious and complex, resulting in the loss of open space within the township, even if that open space is only poorly accessible.]

The following table provides an estimate of the area of land required to accommodate the shortfall in separate lots for each scenario. It models the land requirement using different average lot sizes and assumes a development efficiency of 70%, that is, 30% of any broadhectare site will be undevelopable or required for roads, open space and community facilities.

Table 5: Notional broadhectare land requirement to accommodate the shortfall in provision of separate lots, Romsey 2021 to 2041

	Scenario 1		Scenario 2		Scenario 3	
	Land for allotments	Total land requirement	Land for allotments	Total land requirement	Land for allotments	Total land requirement
600 sqm lot average	105,583	150,833	355,207	507,439	552,900	789,857
850 sqm lot average	149,576	213,680	503,210	718,872	783,275	1,118,964
1,000 sqm lot average	175,972	251,388	592,012	845,732	921,500	1,316,429
1,500 sqm lot average	263,958	377,083	888,019	1,268,598	1,382,250	1,974,643

Source: Tim Nott

The land requirement to accommodate development with an average lot size of 850 sqm, as has been recently produced in the growth areas of Romsey,

- Growth scenario 1 will require a further 21 ha
- Growth scenario 2 will require a further 72 ha
- Growth scenario 3 will require a further 112 ha

To accommodate development with an average lot size of 1,500 sqm, as is the norm for most of the Romsey urban area,

- Growth scenario 1 will require a further 38 ha
- Growth scenario 2 will require a further 127 ha
- Growth scenario 3 will require a further 197 ha

In order to allow efficient development of the township, and to provide choice in the market, it would be prudent to identify sufficient land to accommodate the higher growth scenarios.

The structure plan will need to look beyond the existing boundary to accommodate demand in a timely way. In seeking new areas for development, the following principles will be useful in creating a more sustainable urban form:

- Distances from new development areas to the town centre and the primary school – the key attractors and activity generators - should be as small as possible in order to minimise transport energy use and encourage active transport where possible. This implies a contiguous and concentric settlement pattern with the town centre/primary school at the centre.
- New developments should connect to existing main roads and connector roads and improve the permeability of the settlement to encourage better access to key facilities.

3 RETAIL AND COMMERCIAL

This section provides a forecast of the demand for additional commercial land in the Romsey town centre. It is based on an analysis of retail supply and demand and supplementary estimates of demand for non-retail activity.

3.1 Method

Romsey town centre contains a mix of retail, other commercial and community activities that generate demand for building space. There are several ways in which a forecast of future demand for town centre building space can be developed. The forecast method chosen here is to focus first on the future demand for retail floorspace using well-established relationships between population, income, local spending and retail floor area. This makes use of the population scenarios developed earlier. Future demand for other types of floorspace is then broadly estimated, taking into account the existing shares of retail to non-retail space. (Demand analysis for non-retail space is rather uncertain since it depends on a wide range of factors other than local population growth.)

The retail assessment steps are:

- Identify the existing commercial floorspace in the town centre
- Estimate the retail sales using industry standard sales per square metre (adjusted for local conditions)
- Identify the trade area for the centre and estimate its current and future population based on existing population forecasts
- Estimate the average retail spending per local resident and the total spending now and in the future
- Estimate the share of resident spending that flows to the Romsey town centre
- Estimate the visitor spending enjoyed by the town centre
- Using conservative assumptions about how spending patterns will change in the future, project forward spending in the town centre
- Translate spending to retail floorspace

This method is commonly used in planning for activity centres throughout Victoria.

3.2 Romsey Town Centre

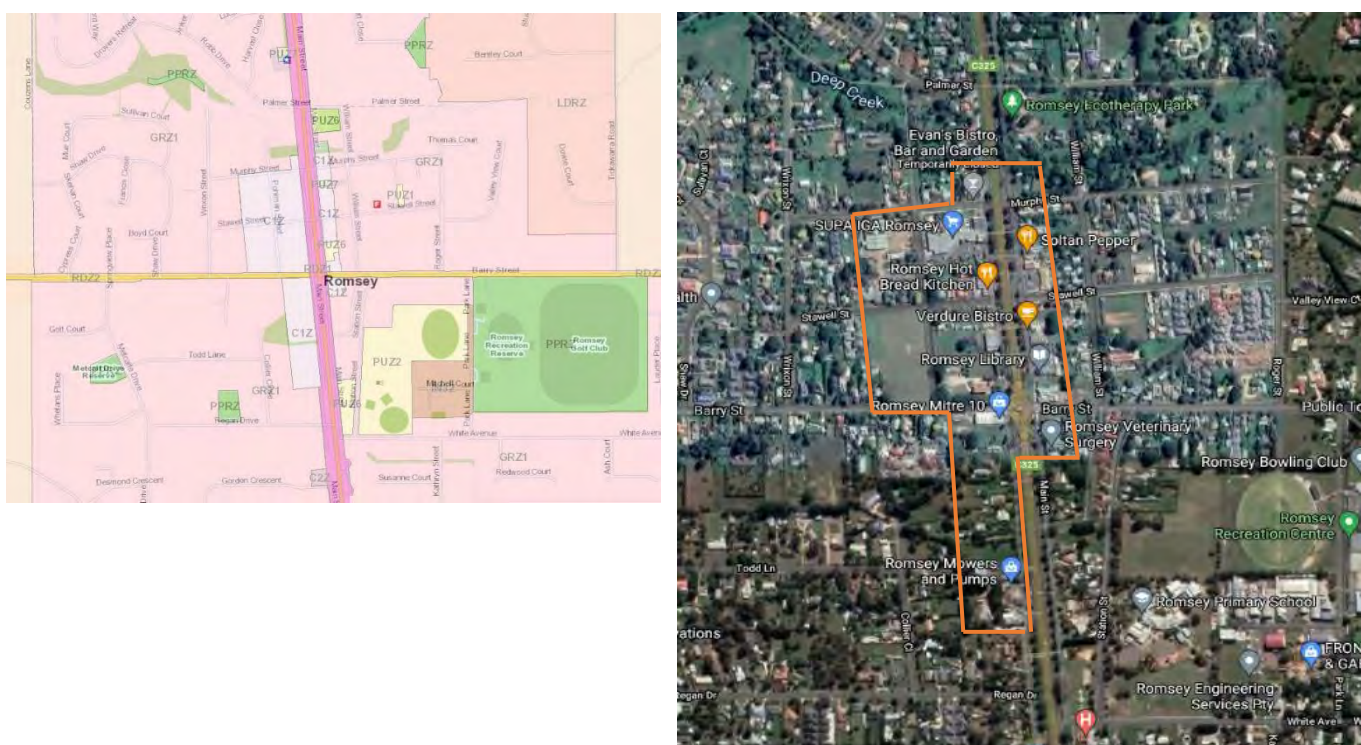
Commercial activity in Romsey is concentrated in the town centre and in several larger format businesses south along the main Melbourne-Lancefield Road. The town centre provides retail, commercial and community services to residents of the district and visitors to the township. Key features of the centre include:

- A small-to-medium sized IGA supermarket which is the principal retail drawcard of the centre, providing food and groceries for the area
- A range of other retail and commercial activities, from hardware to food service outlets, medical centre to lawyer
- Prominent community buildings, including Council offices and library and two churches set in extensive grounds
- A number of prominent vacant buildings, including a former independent supermarket and the Romsey Hotel, as well as several significant parcels of vacant or under-used commercial land

- a wide main road which runs north-south with service lanes each side, accommodating parking and providing access to shops and services
- A sloping aspect north downhill to Deep Creek, marked by a small public park



Figure 6: Romsey Town Centre and Commercial 1 Zone



Source: VicPlan, 2021; Google Maps

Observation of the centre reveals:

- Romsey effectively acts as a small neighbourhood centre, providing a limited range of day-to-day goods and services to a local catchment as well as providing a small visitor services sector, catering to travellers on the Melbourne-Lancefield Road
- The wide main road is not conducive to interaction between east and west sides of the strip, which tend to act as separate activity areas
- The prominent vacancies – hotel and supermarket - lend the centre a run-down feel. This is in contrast to other small commuter centres (including, for example, the nearby centres of

Lancefield and Riddles Creek) that have prospered during the COVID-19 pandemic as more residents have tended to shop locally

- The centre is composed of pockets of activity separated by large vacancies, dwellings or open spaces which lends it a disjointed feel and this is likely to deter investment
- There appears to be a significant area of vacant commercially zoned land
- The deciduous tree plantings give the centre a European/English flavour – very attractive during the green season but rather bleak during winter months



3.3 Activity Floorspace

The following table provides an estimate of retail and other commercial floorspace in the Romsey town centre, based on a visual survey undertaken for this project. (The definition of **retail** activity is based on the definitions used by the ABS and comprises those activities listed in the adjacent box.)

The table shows:

- Total retail floorspace of 5,122 sqm in Romsey town centre
- Retail activity comprises 38% of the total occupied floorspace in the town centre, and is by far the largest single activity
- The town centre has a range of other activities including health and professional services, local government and community services and light industrial activities
- Vacant floorspace is significant, at 13% of the total space in the town centre, compared with vacancies in typical main street centres in the 5%-10% range

For the purposes of this report, retail activity comprises the following categories:

Food, groceries and liquor – supermarkets, general stores, liquor outlets, specialty food outlets (butchers, bakers, greengrocers etc)

Food catering – cafes, restaurants and take-away food outlets

Other retailing, comprising

- **Clothing** – clothes, shoes, manchester
- **Household goods** – homeware, hardware, furniture, floor coverings, curtains and blinds, electronic goods etc
- **Recreational goods** - sporting goods, toys, bookshops, newsagents
- **Other goods** –, chemists, florists, jewellers, second-hand goods etc
- **Retail services** – hairdressers, beauty parlours, video rental, clothing and household goods repairs

Table 6: Activity floorspace, Romsey town centre (Commercial 1 Zone), 2021

Use	Premises	Building floorspace	Share of total active space
	no.	(sqm)	(%)
Food, groceries and liquor	5	1,932	14%
Food service	14	1,472	11%
Other retail	13	1,718	13%
<i>Total Retail</i>	32	5,122	38%
Automotive	3	970	7%
Community Services	3	1,750	13%
Construction	1	1,500	11%
Financial services	1	180	1%
Health services	5	996	7%
Other services	3	1,070	8%
Professional services	5	520	4%
Property services	2	160	1%
Wholesale	2	1,210	9%
Total activity		13,478	100%
Vacant buildings	6	1,790	12%
Total floorspace		15,268	100%

Source: Tim Nott

Notes: floorspace excludes housing; floorspace has been adjusted to allow for wholesale use of hardware shops such as Mitre 10

3.4 Retail Sales

The following table provides a calculation of retail sales in the town centre using an estimate of sales per square metre that is achieved by the stores at the centre. This estimate is based on industry standards and adjusted for local conditions and the type of stores that are present.

Table 7: Estimate of retail sales in Romsey town centre, 2021

	Floorspace	Sales/sqm	Retail sales
	sqm	\$/sqm	\$m
Food, groceries and liquor	1,932	\$9,200	\$17.8
Food catering	1,472	\$5,500	\$8.1
Other retail	1,718	\$4,900	\$8.4
Total retail	5,122	\$6,694	\$34.3

Source: Tim Nott

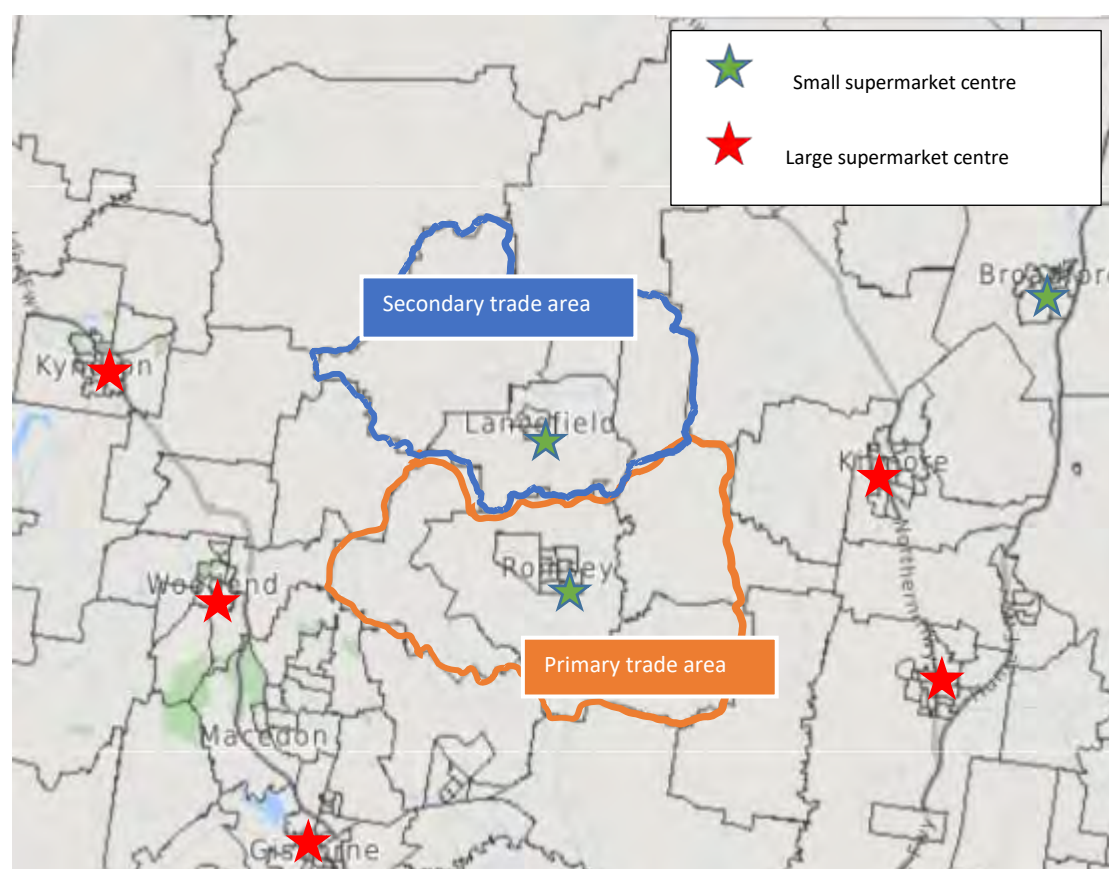
Total retail sales in the town centre are estimated at \$34 million in 2021.

3.5 Trade Area

The trade area of an activity centre is the area from which residents naturally visit the centre to obtain particular goods and services. At the boundary of the trade area, residents may choose from two or more equidistant centres that provide equivalent services. 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.

In this case, the trade area has been set with reference to the location of surrounding centres that have significant supermarkets and the boundaries of relevant Statistical Area 1s. A secondary trade area encompassing Lancefield and surrounds has also been identified for future reference. Together, these form the Main Trade Area for the centre.

Figure 7: Romsey trade area and surrounding supermarket centres



Source: base map shows ABS statistical area 1s

Based on Census and other data from the ABS, the population of the Romsey trade area is estimated here to be 6,630 in 2021 and the population of the Lancefield trade area is estimated at 3,027.

Currently, the Romsey town centre and the Lancefield town centre provide a similar level of service. Each has a small-to-medium sized supermarket and a limited range of other day-to-day convenience and dining options. Romsey has a larger catchment and a slightly larger centre but Lancefield has a thriving centre that is able to serve its community well. Romsey has a larger range of food service outlets and it is likely that Lancefield residents make occasional use of these as well as the other shops in Romsey as they travel through.

3.6 Retail Spending

The following table provides an estimate of the total retail spending by trade area residents in 2021. Estimates for regional Victoria have been sourced from Market info (a micro simulation model that provides estimates of spending in small areas based on data from the Census of Population and Housing and the Household Expenditure Survey) and adjusted for Romsey based on the difference in household income per person.

Table 8: Estimate of retail spending by Romsey trade area residents, 2021 (\$2021)

	Annual retail spending per person		Total annual retail spending by residents (\$m)		
	Metropolitan Melbourne	Romsey MTA	PTA	STA	MTA
Food groceries and liquor	\$6,338	\$6,338	\$42.0	\$19.19	\$61.2
Food catering	\$2,005	\$2,005	\$13.3	\$6.07	\$19.4
Other retail	\$6,536	\$6,666	\$44.2	\$20.18	\$64.4
Total	\$14,879	\$15,009	\$99.5	\$45.4	\$145.0

Source: Tim Nott (PTA – Primary trade area; STA – Secondary trade area; MTA – Main trade area)

Residents of the Primary trade area are estimated to have annual retail expenditure of \$99.5 million in 2021. Residents of the Main trade area are estimated to have an annual retail expenditure of \$145 million in total .

3.7 Balance of Spending in Romsey

Not all retail spending by trade area residents is spent locally. A substantial proportion of spending by residents is directed to larger centres that provide more comprehensive supermarket shopping and a wider variety of non-food goods, as well as to online retailers. And there is some spending that flows into the area from visitors, including those in the area for work, visiting friends and relatives and visiting attractions of the wider region (wineries, Hanging Rock, Mt Macedon, events and so on).

The following table provides an estimate of the origin of the retail sales in the Romsey town centre, based on consideration of the likely flow of spending through the hierarchy of activity centres in the region.

Table 9: Balance of retail spending at Romsey, 2021 (\$million 2021)

	Food, groceries and liquor	Food Service	Other retail	Total
Retail sales in Romsey	\$17.8	\$8.1	\$8.4	\$34.3
Share of sales to visitors	7%	15%	12%	10%
Sales to visitors	\$1.2	\$1.2	\$1.0	\$3.4
<i>Primary trade area</i>				
Spending by residents	\$42.0	\$13.3	\$44.2	\$99.5
Share spent in Romsey	34%	45%	14%	27%
Spending by residents in Romsey	\$14.3	\$6.0	\$6.2	\$26.5
<i>Secondary trade area</i>				
Spending by residents	\$19.2	\$6.1	\$20.2	\$45.4
Share spent in Romsey	12%	15%	6%	10%
Spending by residents in Romsey	\$2.3	\$0.9	\$1.2	\$4.4
<i>Main trade area</i>				
Spending by residents	\$61.2	\$19.4	\$64.4	\$145.0
Share spent in Romsey	27%	36%	11%	21%
Spending by residents in Romsey	\$16.6	\$6.9	\$7.4	\$30.9

Source: Tim Nott

Around 21% of the spending of Main Trade Area (MTA) residents flows to the Romsey town centre. This is around the average for a small neighbourhood centre in a suburban context, but a little lower than might be expected for a stand-alone township, which often provide a more comprehensive set of goods and services for their residents. The remainder of the retail spending by residents flows mainly to larger centres in the regional hierarchy of centres – especially to centres such as Sunbury, Gisborne and, increasingly, to Wallan as it continues to grow. A growing share of retail spending also flows to online stores. This trend has been hastened and reinforced by the changes to access during the COVID-19 pandemic.

Current Unmet Potential

A key question about the present situation is – *can the area support more retail floorspace and a better retail provision currently?* The next step in the hierarchy of retail centres would be for Romsey to become a neighbourhood centre, implying the presence of a full-line supermarket of 3,000 sqm or more. This kind of supermarket would enable residents to undertake more of their grocery shopping locally because of its larger range of goods. Such a supermarket may also trigger investment by other national chains – cafes, bakers, liquor outlets etc – further improving provision. Each improvement in service provision and floorspace generates net increases in employment, which increases the attractiveness of the town and its centre. The following table identifies the likely floorspace demand if Romsey can capture an increased share of spending from its trade area, commensurate with the presence of a full-line supermarket; that is, the table tests whether a full-line supermarket is viable in Romsey. The share of resident spending captured is typical of neighbourhood centres with a full line supermarket.

Table 10: Notional retail floorspace currently supported in Romsey, (\$million 2021)

	Food groceries and liquor	Food Service	Other retail	Total
<i>Primary Trade Area</i>				
Total retail spending	\$42.0	\$13.3	\$44.2	\$99.5
Share potentially retained in Romsey	55%	55%	15%	37%
PTA spending in Romsey	\$23.1	\$7.3	\$6.6	\$37.1
<i>Secondary Trade Area</i>				
Total retail spending	\$19.2	\$6.1	\$20.2	\$45.4
Share potentially retained in Romsey	20%	15%	6%	13%
STA spending in Romsey	\$3.8	\$0.9	\$1.2	\$6.0
<i>Main Trade Area</i>				
Total retail spending	\$61.2	\$19.4	\$64.4	\$145.0
Share retained in Romsey	44%	42%	12%	30%
MTA spending in Romsey	\$27.0	\$8.2	\$7.8	\$43.0
<i>Spending by visitors</i>	7%	15%	12%	10%
Total retail spending in Romsey	\$28.8	\$9.7	\$8.9	\$47.4
Sales per sqm	\$9,200	\$5,500	\$4,900	
Floorspace supported	3,133	1,758	1,818	6,710
Current floorspace	1,932	1,472	1,718	5,122
Additional floorspace supported	1,201	286	100	1,588

Source: Tim Nott

The table shows that, if Romsey can achieve a market share of 30% of the spending in its main trade area – typical of neighbourhood centres – it can support around 1,600 sqm more than is currently provided. The centre would support more than the 3,000 sqm in food, grocery and liquor floorspace required to support a full-line supermarket, although provision of such a facility would require some reorganisation of existing space and activity.

There is a principal in retail planning that centres should provide the maximum level of service commensurate with the level of demand and their role in the hierarchy of activity centres. This ensures that services are provided at the closest possible point to citizens and it minimises the need to travel, improving energy efficiency and reducing social and economic costs. From this point of view, then, **Romsey is currently under-provided with retail floorspace and services**. It could support a full-line supermarket now, and the gap between demand and provision will only grow larger as the local population grows unless new floorspace is developed.

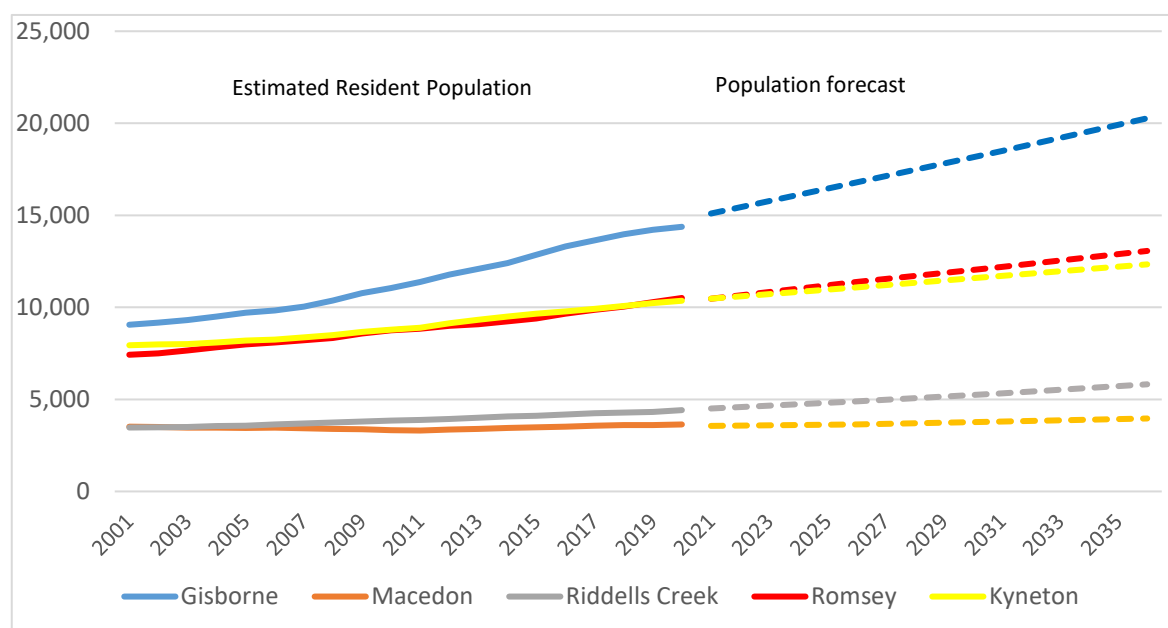
3.8 Factors Affecting the Growth of the Town Centre

The level of population in the trade area is the key determinant of demand for town centre services and building floorspace. However, supply factors, including trends in provision and employment will also play an important role. A brisk review of these factors is provided below.

1. Population forecasts and competing areas

The attractiveness of the package of housing and services in Romsey should be compared with other similar locations. Nearby Riddells Creek, for example, is expected to grow substantially, with a draft precinct structure plan that would cater for an additional 1,200 new dwellings, with lots between 400 sqm and 1,000 sqm (see Sector Advantage, 2021). Wallan continues to grow strongly as a designated metropolitan growth area; and there are ongoing housing development areas in Gisborne, Kyneton and Lancefield. State Government (VIF2019) predicts that the Romsey SA2 will grow at a slower rate (1.5% per year) than either the Gisborne SA2 (2.0%) or the Riddells Creek SA2 (1.7%) between 2021 and 2036 – although current rates of growth are providing a slightly different picture

Figure 8: Population growth and forecast, SA2s in the Macedon Ranges, 2001 to 2036



Source: ABS, 2021; Victoria in Future 2019

2. Wider population trends

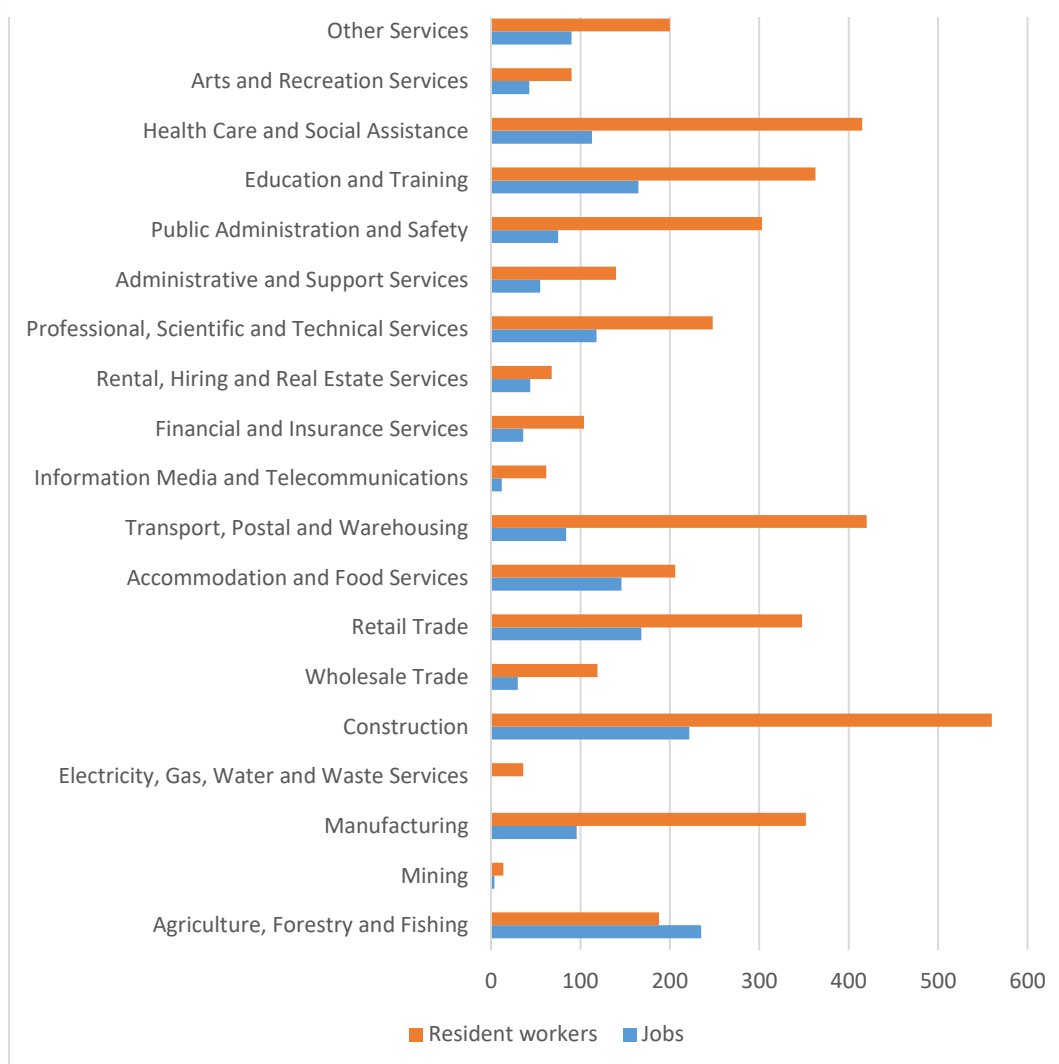
Population growth in any one area is influenced by State and national growth. While State and national growth rates have been relatively high during the 2010s, COVID-19 has crashed immigration, with Victoria experiencing net growth of 0.0% in 2020, the lowest of any State or Territory and the lowest growth in Victoria for many decades. It is unclear whether this has affected Romsey yet, with the Romsey SA2 growing strongly by 2.2% in the year to June 2020. Anecdotally, growth in accessible rural areas has held up as a result of fewer people leaving for work and education in metropolitan areas, and more people wanting to escape the lockdowns and more crowded social conditions in the city during the pandemic. It is too early to tell whether this pandemic response will be maintained or whether pre-existing trends will re-emerge.

3. Job provision

The presence of employment and employment choice is also a key driver of population growth. Romsey is largely a commuter settlement; it relies on jobs in Melbourne and nearby towns. In

the Romsey SA2, according to the latest Census of Population and Housing (2016), there were almost 2.5 resident workers for every local job. The chart below compares the number of jobs in the Romsey SA2 and the number of resident workers in that industry

Figure 9: Jobs and resident workers by industry, Romsey SA2, 2016



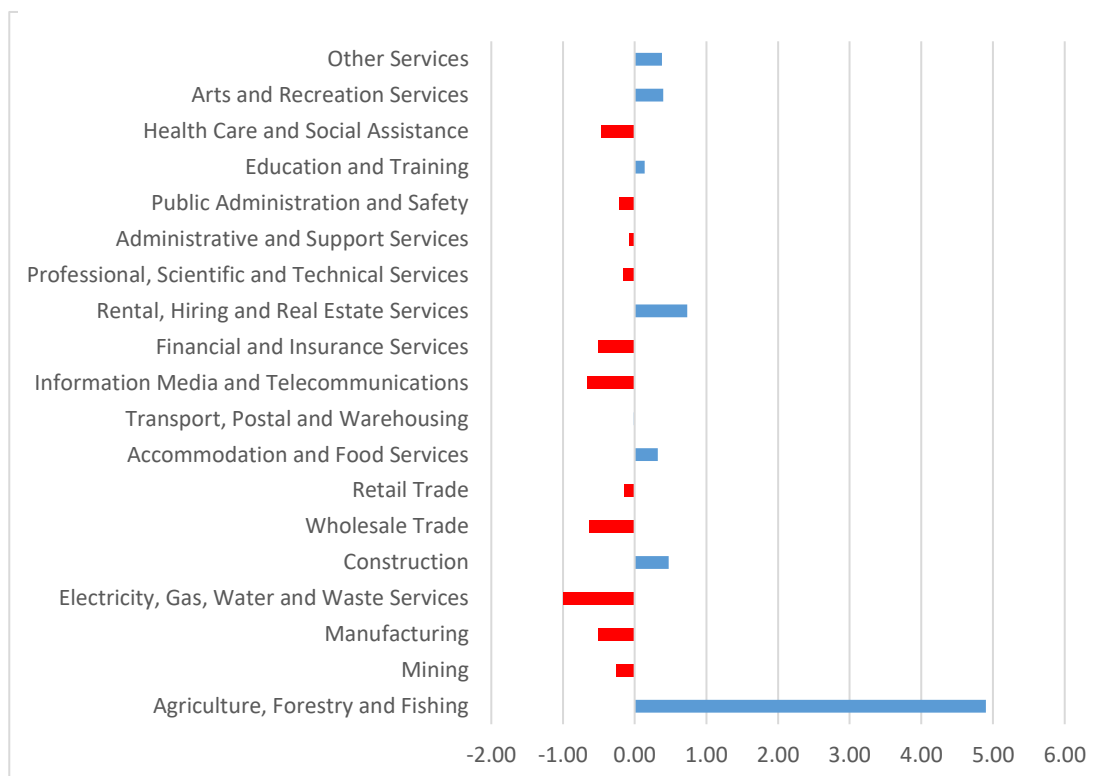
Source: ABS, 2017

These figures show:

- The only local industry in which jobs outnumber resident workers is agriculture, forestry and fishing, which is the largest local industry
- Construction is the largest industry for resident workers
- A large number of people work in transport and warehousing, reflecting the proximity of Melbourne Airport and the industrial precincts of northern and western Melbourne

One way to look at the prospects for growth in local employment is to understand which local industries are more or less prevalent in Romsey than elsewhere, and for which the area has a comparative or competitive advantage. The following chart provides the **location quotient** of industries in the Romsey SA2. The location quotient compares the share of jobs in Romsey with the share of jobs in Victoria as a whole, with a figure of 0 indicating the same share as Victoria, a negative figure indicating a smaller share than Victoria; and a positive figure, a greater share.

Figure 10: Employment location quotient for Romsey compared with Victoria, 2016

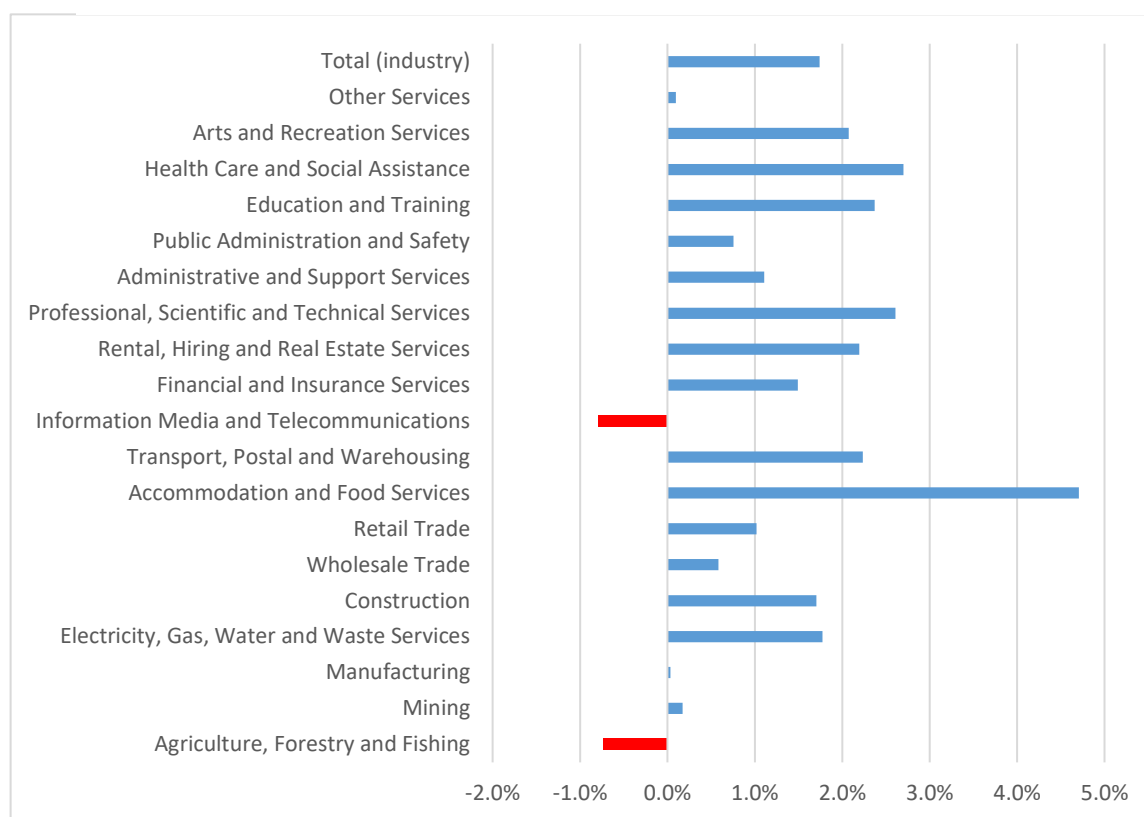


Source: ABS, 2017; Tim Nott

Notes: See text for explanation; blue bars indicate higher prevalence than Victoria as a whole; red bars indicate lower prevalence

From this chart it is clear that the Romsey SA2 remains a rural and small town district in which farming still plays a substantial role. Other industries that have a stronger than average local presence – real estate, construction, arts and recreation, and hospitality – point to the growing residential development of the towns in the area as well as a small but significant tourism industry.

The next chart shows the expectations of the Commonwealth Government about employment growth in Victoria over the five year period to November 2025 (Australian Government Labour Market Information Portal, 2021). The chart shows that jobs in agriculture, forestry and fishing are expected to decline, with accommodation and food service expected to grow rapidly (this from a low base following the disruption of the COVID-19 pandemic). Other notable growth industries in which Romsey may have some prospects include health care, education, real estate services and transport.

Figure 11: Forecast employment growth rate by industry, Victoria, five years to Nov 2025

Source: Australian Government, 2021

While State-level comparisons are suggestive, the actual employment outcomes in Romsey will depend on local conditions and the responses of investors. In the absence of major investments, most Romsey residents will continue to rely on jobs elsewhere.

4. Jobs in the town centre

The town centre itself will likely provide more jobs, growing to accommodate the demand for new services from the expanding local population. These will include jobs in retailing, hospitality, professional and health services and so on. The local tourism industry, with its wineries, other food outlets and cultural producers will create job opportunities that may spill over into retailing, accommodation and manufacturing (breweries, distilleries, specialist food production etc). The growing population will also generate demands for doctors and allied health specialists, financial planners and accountants, lawyers, gym instructors and so on. However, there are also countervailing forces tending to reduce employment. Employment in retailing, for example, has declined as a proportion of the total as retailers and consumers have taken to the internet to improve sales efficiency. Further efficiencies are likely during the course of the structure plan period, including new technology that allows the introduction of un-staffed checkouts and improvements in logistics.

Town centre service providers, especially retailers, are also continually trying new formats that change the scale and scope of activities. The typical size of full-line supermarkets has grown over many years but there are some signs that different and more tailored sizes are coming. Similarly, big box outlets may be trialling different approaches to provision, with smaller sizes outperforming larger outlets in a recent survey by Morgan Stanley (see ABC, 2019). These

various trends may throw up new retail activities which have not previously been viable for Romsey.

5. Jobs in industrial precincts

Jobs in Romsey's industrial precincts are also subject to both positive and negative trends. There are long-standing trends in the automation of industrial processes which allow more to be produced by fewer people. The advent of electric cars, which have fewer servicing requirements, will also gradually reduce the scale of automotive repair outlets that are a mainstay of many industrial precincts, including in Romsey. On the other hand, there are a number of growth factors:

- Ongoing housing development in Romsey will bolster demand for construction firms – joiners, frame builders, solar energy firms, plumbers, electricians and so on.
- Internet retailing may have reduced the demand for shops but it has bolstered demand for retail warehousing and storage, typically provided in industrial precincts.
- The push to increase circular manufacturing will increase demand for materials aggregators, repairers, recycling and upcycling facilities in proximity to settlements. Whether this will create demand for land in Romsey will depend on the scale at which these activities are viable.
- There is growth in a variety of non-traditional uses on industrial land, including churches, gyms and other recreational activities. These are prospective for Romsey given on-going population growth.
- Population growth will inevitably create some demands for local industrial land from individuals wishing to establish a business close to home.

These factors lead to conclusion that growth in overall demand is more likely than decline.

3.9 Demand Scenarios for Retail Floorspace

Given the various factors outlined above, it is impossible to forecast the growth in demand with a high degree of confidence. In this situation, scenarios for growth are useful in identifying the consequences of different levels of demand over the structure plan period.

Population scenarios have been prepared for the Romsey trade area to indicate the potential spread in outcomes. These scenarios correspond to the scenarios for the town itself constructed for the housing demand analysis in the previous section.

Table 11: Population growth scenarios, Romsey Trade Area, 2021 to 2041

	Scenario 1			Scenario 2			Scenario 3		
	Primary trade area	Secondary trade area	Main trade area	Primary trade area	Secondary trade area	Main trade area	Primary trade area	Secondary trade area	Main trade area
Population 2021	6,630	3,027	9,658	6,630	3,027	9,658	6,635	3,027	9,663
Population 2041	8,863	4,047	12,910	9,355	4,047	13,402	10,282	4,047	14,329
Growth 2021 to 2041	2,233	1,019	3,252	2,724	1,019	3,744	3,646	1,019	4,666
Annual growth rate, 2021 to 2041	1.5%	1.5%	1.5%	1.7%	1.5%	1.7%	2.2%	1.5%	2.0%

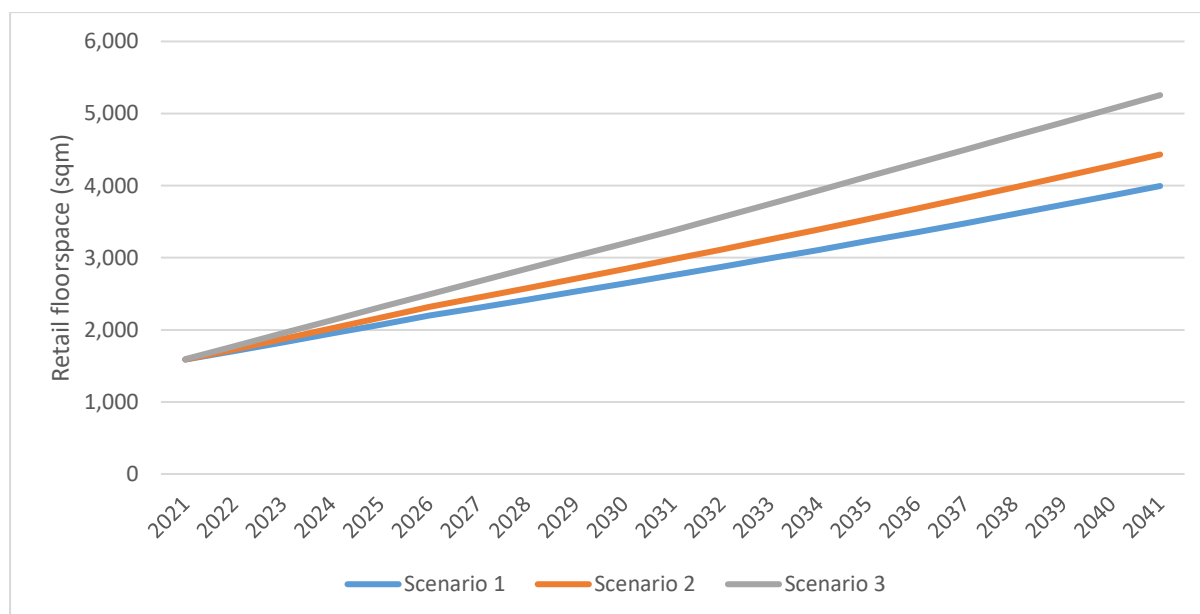
Source: Tim Nott

Armed with the preceding analysis, and making several further assumptions, it is possible to develop scenarios of the demand for retail floorspace over the coming period. The scenarios presented below make a series of mainly conservative assumptions about the future (that is, that existing trends will largely continue):

- The retail spending of trade area residents will grow in real terms by 0.5% per year on average over the period. This reflects a modest growth in incomes over and above inflation.
- The share of retail spending by trade area residents flowing to Romsey will decline slightly over the period – a decline of around 0.5% per year reflecting the ongoing growth of online shopping
- The share of sales to visitors remains constant at 10% of the total. This implies that sales to visitors will grow at the same rate as sales to residents
- Retail sales per square metre increase by 0.5% per year as retailers become more space efficient, with the introduction of new checkout technologies, improved space management and logistics etc
- The balance of spending on different retail types will remain the same over the period
- The capacity of Romsey to accommodate the predicted growth in building area and the resulting car-parking is more or less unfettered

In the key departure from existing conditions, Romsey is assumed to capture a share of spending from its trade area commensurate with the presence of a full line supermarket. This allows planners and decision-makers to understand the full retail potential of the centre.

Figure 12: Scenarios for growth in retail floorspace demand in Romsey, 2021 to 2041



Source: Tim Nott

The following table provides the estimated growth in demand for retail floorspace over the forecast period.

Table 12: Estimated net demand for additional retail floorspace by 2041, Romsey

	Scenario 1	Scenario 2	Scenario 3
Total floorspace demand by 2041			
Food, groceries and liquor	4,186	4,385	4,761
Food service	2,597	2,725	2,967
Other retail	2,334	2,443	2,650
Total	9,117	9,554	10,377
Additional retail floorspace demand compared with present situation			
Food, groceries and liquor	2,254	2,453	2,829
Food service	1,125	1,253	1,495
Other retail	616	725	932
Total	3,995	4,432	5,255

Source: Tim Nott

The net additional floorspace demand by 2041 varies across the scenarios between 4,000 sqm and 5,300 sqm. The actual demand will depend in part on the types of activities that seek a location in Romsey.

3.10 Growth in Non-Retail and Total Floorspace

Compared with demand for shop-space, demand for non-retail floorspace is much more difficult to estimate as each non-retail activity has its own demand characteristics which are often not directly related to the size of the population catchment. The most straightforward approach, taken here, is to review whether the proportion of non-retail space is likely to remain the same as at present and to calculate the total space requirement accordingly.

In the case of Romsey, the following observations can be made:

- There is currently no hotel in the township, which is a lack felt by the local community. The existing closed hotel building may well reopen during the study period. There is also the potential for shop-front bars where none exist currently, or bars which are part of boutique breweries, wineries or distilleries.
- Demand for commercial offices is likely to grow at least in line with population growth as the growing population looks for medical services and financial and legal advice, and as incoming professionals seek space outside their home in an accessible and bustling centre to conduct business. This could include demand for co-working spaces and business incubators.
- Entertainment, tourism and recreation facilities such as gyms, yoga studios, boutique breweries, craft workshops etc, are likely to make an appearance in the centre, given the opportunity, along with new types of facilities that will emerge over the next 20 years.
- Growth in demand from State Government agencies and Council services is likely to be subdued and very likely to be satisfied on existing government land parcels.
- Other areas of potential growth include large format hardware sales, wholesale and light industrial activities (auto services, storage etc).

Approximately 60% of current space in the town centre is occupied by non-retail activities. Given the factors outlined above, the following calculation assumes that the share of total floorspace

growth occupied by non-retail space will be 40%. Further assumptions include that the level of car-parking will average 3 spaces per 100 sqm and that development will be single storey.

Table 13: Notional demand for additional floorspace and land required in Romsey town centre by 2041

	Scenario 1	Scenario 2	Scenario 3
Growth in retail space, 2021 to 2041 (sqm)	3,995	4,432	5,255
Non retail space demand - 40% of total (sqm)	2,663	2,955	3,504
Total floorspace demand (sqm)	6,658	7,386	8,759
Car spaces per 100 sqm	3	3	3
Area required for parking (sqm)	6,991	7,756	9,197
Area required for parking and building (sqm)	13,650	15,142	17,956
Area required for circulation and landscaping (10% of total)	1,517	1,682	1,995
Total area required (sqm)	15,166	16,824	19,951

Source: Tim Nott

Note: This table provides an order of magnitude estimate of the demand for additional land over the period to 2041 under each scenario. It assumes efficient development. Real outcomes will depend on the nature of the parcels being developed, building site coverage and the level of car-parking demanded by Council.

The notional calculation of the demand for land provided above shows that the town centre will need between 1.5 and 2 hectares of additional land for development. There are several vacant sites in the centre which total more than 2 hectares, including:

- Site bounded by Barry Street, Pohlman Street and Stawell Street – 1.6 hectares
- 89-91 Main Street (the former supermarket site) – 0.5 hectares (plus adjacent dilapidated housing on Commercial land in the same ownership)
- 65 Main Street – 0.4 hectares
- 90-94 Barry Street (the Romsey Hotel site) – 0.3 hectares (plus vacant car-park site to the rear, currently in Residential Zoning)

There are also smaller sites scattered through the centre, as well as dwellings in the Commercial Zone that could be redeveloped.

From a policy viewpoint, further standard retail development should be within the core town centre area, that is, within the Commercial Zone north of Barry Street. This will have the following benefits:

- Consolidation of a centre that users can easily walk around
- Encourages multi-purpose trips and maximises foot traffic, leading in turn to improved investment, employment and service outcomes
- Improved social and community development outcomes because of the increased opportunities for interaction between residents
- Improved capacity to provide common facilities such as car-parking and streetscape improvements because of the more limited area to cover

It is especially important that any new supermarket be located in this area, since the supermarket will generate foot-traffic for all the other retailers in the centre.

This would leave the Commercial area south of Barry Street for secondary outlets, including wholesaling and bulky goods retailing.

The anecdotal evidence suggests that the most significant vacant sites in the town centre core may not be currently available for development. If true, this is a situation that will distort the development of the town centre, potentially creating sub-optimal economic and environmental outcomes for decades to come. Council may wish to discuss the land availability with the owners as a matter of urgency.

4 INDUSTRIAL

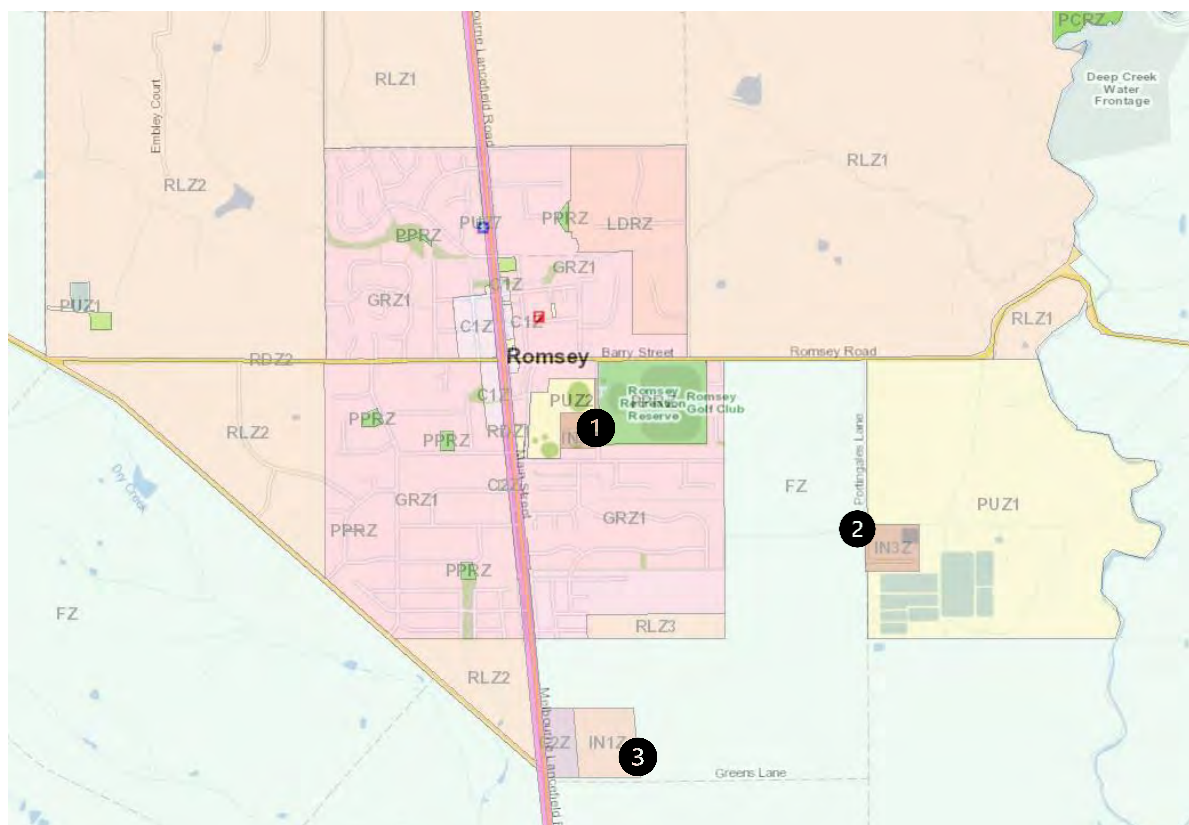
4.1 Existing Industrial Land

Romsey has the following industrial land resources:

1. A small industrial precinct zoned Industrial 3 is located within the township at Mitchell Court and is occupied by automotive services, self-storage, gym, stockfeed suppliers and a nursery. This precinct has three or four small vacant lots in one contiguous parcel but it is unclear whether these are available for sale or development.
2. A further precinct zoned Industrial 3 is close to the wastewater treatment facility at Johnson Court, outside the township proper. This precinct accommodates several low intensity uses including a waste transfer station and a concrete batching plant.
3. There is a parcel of undeveloped land zoned Commercial 2 and Industrial 1 on the corner of Melbourne-Lancefield Road and Greens Lane.

These precincts are shown on the diagram below.

Figure 13: Industrial precincts in Romsey



Source: base map from Vicplan

In addition, some wholesale and automotive activities are located on land zoned Commercial 1 and 2, within the township.

The approximate precinct area and vacant land is shown below.

Table 14: Romsey Industrial Land Resource

	Total area sqm	Vacant land (approx.) sqm
1 Mitchell Court	40,200	4,000
2 Johnson Court	80,600	8,500
3 Greens Lane (industrial land only)	137,000	137,000
Total	257,800	149,000

Source: Tim Nott

4.2 Past Planning for Industrial Development

In 2009, Urban Enterprise prepared the Romsey Industrial Land Analysis (Urban Enterprise, 2009). This report estimated that there would be significant demand for Industrial land over the following decade to 2021, particularly given strong population growth and a desire to achieve employment self-containment. The report recommended providing an additional 18 hectares of Industrial land and 6 Hectares of Business 4 zoned land. This amount of land would provide a contingency over and above the identified demand. Urban Enterprise recommended development of two further precincts of industrial land, to the east of the township on Barry Road and in proximity to the wastewater treatment plant, consolidating industrial activity around the wastewater treatment facility. This proposal would make use of land that is within the buffer area for the wastewater treatment plant that could not be used for other urban activities.

This recommendation was not taken up in the subsequent outline development plan. Instead, the parcel of land on the Melbourne-Lancefield Road/Greens Lane was chosen as the new industrial precinct. However, the land has not been developed in the decade since its rezoning.

Several reasons have been given for the lack of industrial development of the Greens Lane precinct over the past decade, with the principal explanation being that the land is expensive to service and that, given only sporadic demand, no private sector developer can afford to undertake the upfront infrastructure servicing and hope to make a reasonable return.

Others have suggested that a large format sales and industrial precinct in this location would provide a poor entry to the town from the perspective of visual amenity and town promotion.

4.3 Future Industrial Demand

Factors affecting future industrial demand in general are given earlier in this report (see section 3.8). Future demand in Romsey specifically is difficult to identify with any confidence. The current lack of serviced industrial lots in a variety of sizes has undoubtedly deterred some potential industrial investors, including local firms seeking to expand. Taking recent development as a guide to future development is unlikely to provide an accurate estimate of real demand since there are so few vacant industrial sites and these may not even be for sale. Currently, industrial investors seeking a location in Romsey are likely to be forced to look elsewhere – in Gisborne, Sunbury or the more accessible parts of the north-western suburbs of Melbourne.

Urban Enterprise (2009) identified unmet demand for industrial land of 10.7 hectares, with a further 5.4 hectares required to improve job containment. The company also reported that local real estate

agents and others identified the need for a “well designed and pleasant industrial park of at least 10 hectares” located on a main road to provide exposure and with good access for local workers.

In 2009, there was approximately 12.1 hectares of industrial land in Romsey, and a population of 8,600 in the Romsey SA2. This corresponds to approximately 14 sqm per person. Applying this figure to the forecast population of the Romsey SA2 in 2041 gives a requirement for 19.6 hectares, a growth of 7.5 hectares over the present developed precincts. Allowing for some growth in job containment, a demand in the range of 10 to 12 hectares over the 20 year period to 2041 is likely to satisfy normal demand.

Triangulation of these various estimates of demand suggests that an industrial precinct in the range of 10 to 17 hectares is required for the next 20 years. Preferably, the precinct should be in a location that will enable further industrial expansion over time, or if a significant industrial land-user seeks to establish in Romsey.

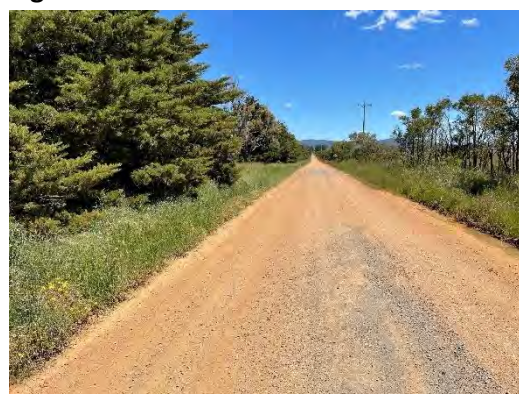
4.4 Location for Industrial Development

The precinct already zoned but not developed on Greens Lane is of an appropriate size and has good connections to the main road network. Concerns about the amenity of the town’s entry could be resolved through strict design controls, although this remains a risk.

Alternatively, a new precinct could be designated within the buffer of the wastewater treatment facility. This could avoid the amenity issues at the town’s entry, although more extensive improvements to Greens Lane and Portingales Road are likely to be required to accommodate industrial traffic. Industrial and wholesale sales outlets that require a main road frontage could be accommodated to some degree in the Commercial precinct adjacent to the town centre, south of Barry’s Road.

More important, though, in achieving industrial development is the upfront costs required to service a new industrial precinct and the likely lack of commercial feasibility for private sector developers. In this circumstance, as has happened many times before, including in Romsey, Council is the entity best placed to develop industrial land. Council is able to take a longer term view and work towards net community benefit rather than a predetermined rate of return. As owner, Council can also specify the quality of the development and ensure good design.

Figure 14: Greens Lane



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