

Response to the Arden Precinct Structure Plan

The Property Council of Australia welcomes the opportunity to respond to the Arden Precinct Structure Plan ("the Plan") recently released by the Victorian Planning Authority (VPA) and the City of Melbourne.

As our city and State grow, so must our focus on delivering high quality, innovative and connected communities. To do this, we must effectively utilise space to deliver higher density hubs to meet the needs of Australia's fastest-growing city.

All levels of government recognise the importance of precincts in facilitating the development of location-appropriate higher density, high utility environments required to keep pace with demand.

In the current climate, with challenging economic conditions and heightened uncertainty impacting immediate demand, the role of government becomes even more critical. Enabling and supporting the private sector to continue to develop new property projects through the economic downturn will be vital to ensuring that projected infrastructure and housing supply keep pace with demand projections.

The Property Council welcomes the opportunity available within the Plan, and the following submission outlines several elements that could elevate this project to deliver a thriving new suburban hub for Melbourne's north.

About the Property Council

The Property Council of Australia is the leading advocate for Australia's property industry – the economy's largest sector and employer. The property industry accounts for 13 per cent of Australia's GDP, employs 1.4 million Australians – more than mining and manufacturing combined – and helps secure the future of 14.8 million Australians who invest in property through superannuation funds.

In Victoria, property contributes \$41.7 billion to Gross State Product (11.7 per cent), employs more than 331,000 people and supports more than 400,000 workers in related fields. The Property Council's members drive the economy. They conceive, invest in, design, build and manage the places that matter most to Australians – our homes, shopping centres, office buildings, industrial areas, retirement villages, education, research and health precincts, tourism and hospitality venues and more.

The Property Council's Victorian Division has more than 500 members representing all aspects of the industry. Its members are architects, urban designers, town planners, builders, investors and developers. The Property Council supports smarter planning, better infrastructure, sustainability, and globally competitive investment and tax settings which enable its members to make a lasting contribution to the economic prosperity and social well-being of Australians.

Summary of Submission

The following submission outlines the Property Council's key observations on the Plan and highlights explicitly the challenges concerning governance, affordable housing provisions and rigid built form requirements.

This response aims to focus on identifying opportunities within the Plan to provide a framework and structures that develop the vision for Arden and adapt to the unknown economic conditions that will exist during the precinct development cycle.

The submission also responds to some of the outlined objectives with more specific feedback and, where relevant, recommendations.

Governance arrangements for precinct development

The planning for Arden is being led in partnership by the Victorian Planning Authority (VPA) and the City of Melbourne, in collaboration with the Department of Jobs, Precincts and Regions (DJPR).

It is not clear who will be the ultimate responsible authority for the Arden project. In a Property Council report, "Principles of Successful Precincts"¹ (the report), it identified that current planning arrangements for precinct development, which divides responsibility among several authorities, is ineffective. The concern is that a disparate approach to precinct development means that processes and stakeholder experiences vary greatly, leading to inconsistent planning and development outcomes.

To support a more streamlined approach to precinct development, the Property Council has called for the creation of a precinct authority to lead precinct development in Victoria.

A precinct authority, reporting to a key economic minister, could have powers to:

- Manage the tender process for government land involved in the precinct.
- Identify and articulate the social, economic and place outcomes required for development in the precinct.
- Facilitate within government appropriate transport connectivity and delivery timelines for the precinct.
- Work with private stakeholders in the development process for the precinct, to cut through red tape and speed up approval processes.
- Support the proponents in any ongoing government interface to maximise the precinct's chances of commercial and social success for the medium and long term.

While significant State Government investment is slated to enable the development of the precinct over time, a clear governance structure and pathways for private sector investment will provide certainty and encourage the maximum amount of private sector investment in the precinct to create more significant economic and community benefits over the longer term.

The report provides further recommendations in terms of best practice for governance and is attached to this report (**Attachment 1**).

Affordable housing in a post-COVID-19 environment (Objective 23)

COVID-19 has had significant economic impacts on the residential housing market, felt most acutely in metropolitan Melbourne. During such an uncertain time, additional taxes in the form of mandatory inclusionary zoning will place new residential developments at significant risk. The

¹ Property Council of Australia, *Principles of Successful Precincts* (2020).

resultant reduction in new developments and fewer dwellings being delivered will have a direct price effect across the broader market, and far fewer affordable dwellings will be built. As a result, existing housing will also become less affordable, placing compounding pressure on housing affordability both locally and across the city.

The Property Council opposes objective 23 of the Plan and the strategies under the objective. In various submissions to the State Government, the Property Council has opposed mandatory inclusionary zoning on private land; in particular, the proposition that mandatory inclusionary zoning should be applied to multiple land-use types including residential, commercial and industrial land.

Further consideration should be given to how affordability can be achieved within the precinct. Creative funding solutions or greater flexibility to market-led affordable residential stock could be considered. The discussion around affordability should focus on a dialogue with the private sector that incentivises creative solutions to affordability, rather than a requirement for the private sector to "gift" housing to compensate for repeated under-investment in social housing by successive State and Federal governments – an issue which governments have not meaningfully addressed or solved despite its recognised community and economic impacts.

In many Australian jurisdictions, legislators (particularly elected representatives in Local Government) appear to be contemplating a form of inclusionary zoning. The Property Council's members are increasingly required to include affordable housing in their planned developments, due to policies which have been created in an ad-hoc manner and often with no consideration of project-specific economic viability impacts, which may result in projects not proceeding and exacerbating the lack of affordable housing.

Mandatory inclusionary zoning operates as a tax on at-market dwellings and can result in consequences that are counter to the policy objective of providing more affordable housing. Mandating affordable housing requirements in private developments poses a significant commercial disadvantage to landowners who purchased land at market prices based on prevailing policy settings, unencumbered by inclusionary zoning requirements.

Mandatory inclusionary zoning effectively devalues sites currently held, commonly resulting in:

- sites not being sold or developed, limiting housing supply and further hampering the delivery of affordable housing and reducing affordability; or,
- additional costs being borne by other purchasers in the development through increased purchase prices to maintain project viability and secure finance.

Studies have shown that increased statutory "fees", including costs associated with inclusionary zoning, can have significant adverse effects on land prices² and have found a significant negative correlation between those fees and the number of new homes built.³

Existing landowners should not be subject to changes in regulation which subsequently prevent or constrain their ability to develop or deal with that property. To do so fundamentally alters the premise upon which the land was purchased and amounts to a tax on that landowner. Changes in government policy to this effect create sovereign risk and discourage both individual and institutional investment in Victoria.

² Ihlanfeldt and Shaugnessy, *An empirical investigation of the effects of impact fees on housing and land markets* (2004).

³ Skidmore and Peddle (1998).

Notwithstanding the Property Council's position on mandatory inclusionary zoning on private land, we acknowledge that there may be limited circumstances in which mandatory inclusionary zoning may be appropriate. This is the case where it:

- a. occurs on government land; and
- b. is clearly identified in any master planning or bid documents issued by government; and
- c. is not imposed after a procurement process.

Rather than the introduction of a tax to achieve affordable housing through mandatory inclusionary zoning, the Property Council instead recommends an approach where the private sector is appropriately and genuinely incentivised to provide affordable housing. Not only does this represent a fairer outcome for private landowners, it is more likely to provide more significant amounts of affordable housing stock.

Earlier this year, the Property Council made a submission to the *Planning Mechanisms for Affordable Housing Ministerial Advisory Council (MAC)*. Attached to this submission (**Attachment 2**) is the complete submission which outlines our full opposition to mandatory inclusionary zoning.

While the submission to the MAC was drafted before the COVID-19 outbreak, the 'sovereign' risk impacting investment in Victoria, along with the broader economic impact, has even greater emphasis now than when the attached submission was finalised.

Response to the Objectives and Strategies of the Arden Structure Plan

Objective 1 *Create the conditions that attract and retain global talent in the life sciences, education, health and digital technology sectors and foster interaction, collaboration and knowledge sharing between enterprise, government and education.*

1.1 Facilitate the development of anchor enterprises and industry facilities early in Arden's development to showcase innovation, create jobs in the precinct and attract ancillary businesses and industries.

1.2 Establish an innovation hub in the heart of Arden that includes affordable space for innovation and technology labs, artists' and makers' studios and co-working spaces, complemented by presentation and seminar spaces for sharing, exhibiting and commercialising work.

1.4 Explore private and public delivery models for affordable workspaces for arts, creative and innovation industries necessary for the desired economic activity. This includes delivering workshops and artists' studios, presentation spaces and co-working and collaboration spaces available on a variety of tenures and price-points to support Arden's future businesses.

The Property Council is, in principle, supportive of the objective to attract and retain global talent within the Arden Precinct. However, government must be more active and financially committed to achieve this goal. There is no natural market attraction that will deliver this outcome.

This objective could be supported by a Precinct Authority, which could manage the curation of tenancies on Government-held land and support the delivery of critical government anchor tenants to attract desired industries to the precinct.

While the attraction and retention of tenancies is an attractive proposition for all precincts, setting fixed expectations around industries for the precinct may not yield the best result. Precinct development happens over decades, not weeks, and while a precinct may be complete in terms of buildings reaching a "final" state, the activities within them must have the flexibility to change over time. This principle is even more critical in the current economic climate; the next phase of the economic cycle is unlikely to identically replicate past trends.

Strategy 1.2 refers to the creation of an innovation hub in the heart of Arden. This concept needs to be clarified further. Without significant investment by the State Government in industry-specific infrastructure – such as the establishment of core tertiary level institutional facilities or a pre-commitment of anchor tenancies – market forces must be allowed to kickstart the precinct. Prioritising specialist industries to the exclusion of market demand will disadvantage investment in the precinct at a time when it is needed most.

The Property Council is concerned that strategy 1.4, which seeks to explore private and public delivery models for "affordable" workspaces, fails to consider the need for all private sector investment in the precinct to deliver commercial outcomes. Consideration should be given to approaches which incentivise commercial landlords to deliver creative leasing solutions for emerging industries.

Objective 2 *Deliver a highly liveable, mixed-use precinct of Melbourne that aspires to accommodate approximately 34,000 jobs and around 15,000 residents with innovation at its heart.*

2.1 Provide an urban structure that aspires to accommodate approximately 34,000 jobs and around 15,000 residents and caters for a broad range of building types and floorspaces for the many different uses that will comprise the future of Arden.

2.2 Provide appropriate planning controls and policy to attract the identified jobs mix and unlock Arden's potential for innovation.

SGS data suggests that a mixed-use precinct plan would increase jobs by an average of 14 per cent when compared to a precinct which is 'crowded out' by residential developments and over the life of an average project, the increase in gross value add generated by jobs is estimated at \$105.3 million.⁴

The best opportunity for the delivery of this objective is via a Precinct Authority, to coordinate actions of all stakeholders, especially government authorities and agencies, over the short, medium and long term. This approach would maximise the potential to achieve precinct-wide benefits measured against a range of economic and community indicators.

The proposed Plan is centered around sunk investment in the Metro rail line and creation of the new Arden Metro station that represents one of the most significant city-shaping investments in recent decades.

Greater consideration should be given to whether the economic objectives are too limiting. Arden is now one of a limited number of city-shaping opportunities. In that context, we oppose artificially limiting the growth aspirations for either jobs or residents.

⁴ SGS. *Analysing Melbourne's enterprise precincts*. February 2018. [Cite](#).

Growth targets should be revised over the lifecycle of the project to allow measurement of achievements over time and to inform strategy refinements that will support the ultimate objectives and allow the precinct to reach its highest and best use in future but always clearly guided towards the objectives of job creation in targeted sectors.

Objective 3 *Celebrate, protect and interpret Aboriginal cultural values and heritage in the planning, design and curation of Arden*

3.1 Plan for a new arts, cultural and community hub in Arden North to provide spaces for sharing Aboriginal history, culture and values associated with the area and for supporting Aboriginal business.

3.3 Explore opportunities to reveal the history of Arden as a rich and watery ecology, source of food and place of meeting through design, planting and curated programs. In particular, collaborate with the Traditional Custodians and local community to recognise this through the design of key spaces, including the Arden North integrated stormwater management open space.

The Property Council supports this initiative. However, it is essential that the State Government assumes ownership and remains accountable for this initiative by making the necessary financial commitments.

Significant development capacity to support economic opportunities across Arden North have now been significantly reduced by the proposed inclusion of integrated waterway management open space so allocation of further land for this community purpose must also be considered in the economic context and particularly the opportunity costs to achieving other precinct-wide objectives.

Location of the proposed integrated waterway management open space on privately owned land in Arden North does not appear to be justified. A transparent explanation about why this infrastructure has not been planned to be delivered across primarily government owned land is justified given this alternative would ensure the delivery of the strategies under the objective, and avoid the very significant costs (and time delays) of compulsory acquisition of the numerous affected privately held properties.

Objective 4 *Deliver a new urban structure for Arden that incorporates a high-quality network of connected streets and open spaces that help support a varied and walkable block structure*

4.1 Deliver Arden's renewal in general accordance with the spatial Plan as per Figure 21 to deliver exemplary urban design, a mix of block sizes and a broad range of building types.

There is an opportunity created by the concentration of land ownership by public authorities and government. Consideration should be given to the realignment of (publicly owned) roads to achieve this objective and to create additional built form opportunities.

Exemplary urban design must also facilitate and support the outperformance of economic and community objectives rather than merely being an end in itself.

Objective 5 *Introduce density and built form controls that help transform Arden into a world-leading urban renewal precinct and innovation precinct while celebrating the precinct's existing assets and surrounding neighbourhoods.*

5.1 Prepare an Arden Design Guide and planning scheme amendment to implement the relevant strategies of the Plan. This will implement the design recommendations, floor area ratio controls and built form controls.

The proposed density and built-form controls in the Plan are highly prescriptive and do not allow for innovations and outperformance of economic, community or urban design that could be delivered through performance-based planning controls. The approach is at odds with best-practice planning approaches that have been applied in many other jurisdictions to successfully unlock the potential of innovation/urban renewal precincts.

The combination of potentially mandatory Floor Area Ratios (FAR), maximum height and setback provisions, winter shadowing controls, affordable housing contributions and a precinct wide infrastructure contribution requirement (ICP), has the potential to seriously stifle investment, in much the same way as has occurred in Fisherman's Bend. Without rigorous capacity modelling and economic testing of the implications of this combination of controls, there is a very real risk that the desired level of renewal and investment simply will not eventuate in the short to medium term.

With the new station to be open in 2025, it is imperative that the package of built form controls for the precinct serve as a genuine enabler of the strategic role and growth potential of the precinct, and encourage the market's full participation in the renewal process. Recognising that this is a 20+ year project, it is simply too early in Arden's development to prohibit or discourage uses and built form outcomes that could accelerate the achievement of the other objectives with the Plan. Early-stage controls should be aimed at limiting short-term under-development that will prevent the full potential of Arden being delivered.

With respect to the proposed use of FAR controls and building height controls, it is unclear why they are both considered necessary, given that they do not always work well in concert. For instance, the Plan allows for up to twenty stories in some areas; however, only sixteen stories are achievable with the FAR requirements. There should be a threshold for site sizes where the FAR applies, for example, FAR should only apply to sites under 1,000sqm. Additionally, larger sites that have genuine opportunities to implement masterplan placemaking initiatives should not be subject to a blunt FAR test that will stifle innovation and achievement of wider economic and community benefit objectives.

As a matter of principle, we do not believe the rationale for these controls has been adequately addressed in the Plan –it appears that the highly regulated approach to managing built form used by the City of Melbourne in a variety of other inner urban contexts has simply been replicated here (e.g. West Melbourne). In the context of Arden's strategic importance to Melbourne's innovation economy and its unique transport amenity, there is no basis for the application of a complex and prescriptive built form control regime.

The Plan is also unclear on whether the FAR and height ranges will be discretionary and whether the FAR provisions will also be used as a de facto land use control (i.e. to mandate a minimum % of commercial/employment use). Further clarification on how the proposed built form controls will be manifest in mandatory/discretionary planning scheme controls is needed to enable a proper assessment of the implications of the planning regime to be made.

Given the requirement outlaid in existing planning controls as mentioned above, which also propose to introduce a requirement for green space for residential development, the Property Council queries

the amount, and the location of public open space proposed for the precinct. Given the significant public land holdings in the precinct, it would be more appropriate for public space contributions to be delivered on publicly held land, rather than restricting private development areas.

Objective 7 *Encourage buildings that remain adaptable as uses change over time*

7.1 Require that any new car parking facilities can be adapted to future habitable buildings for other uses, including internal layouts, adequate floor to ceiling heights and avoidance of sloping or excessively deep floorplates which preclude future use.

7.2 Require that highly specific building configurations, such as student accommodation and hotels, use structural design systems which enable conversion to other uses should needs change over time.

7.3 Require that commercial buildings be designed to enable subdivision of floorplates into smaller tenancies over time through the placement and configuration of cores, atria and other elements in response to evolving workplace patterns.

The strategies proposed under Objective 7 are unnecessarily prescriptive. While it is important that buildings within a precinct can adapt over time to meet market demand and accommodate different users, prohibiting highly specific building configurations is unnecessary and will discourage private sector investment. The private sector is best at creating buildings that maximise value over the medium and long term, often having long investment windows and factoring in projected market conditions without the necessity for additional regulation.

A well-designed and current purpose-built student accommodation scheme has limited utility other than student accommodation given the shift to more efficient room sizes (that meet users' preferences and affordability thresholds) and which are offset by a greater provision of more common areas. This market shift has occurred within the City of Melbourne and in accordance with the prevailing Student Housing Policy.⁵ As such, strata options are very limited without major reconfiguration costs. As a result, strategy 7.2 would prohibit such developments from occurring and would create ambiguity relative to the existing local policy.

In the event that, over a precinct's life cycle, a specific building configuration no longer meets the market requirement, the drivers of urban regeneration, architectural innovation and owners' investment return criteria provides sufficient safeguards to enable highest and best use of development to be achieved for individual assets across the precinct.

Objective 8 *Ensure design excellence is achieved for key strategic sites within Arden.*

8.1 Require strategic sites to deliver design excellence through either a design competition or design review panel.

The requirement for mandatory design competitions on "strategic sites" or sites that exceed a threshold scale does not appreciate the financial cost and time-delays associated with running such competitions relative to the questionable benefits that may, or may not, result compared to what would have been delivered under the prevailing system.

⁵ Clause 22.24, Melbourne Planning Scheme, [cite](#).

Such prescriptive controls and the need for a thorough assessment through the planning process (often including an Office of the Victorian Government Architect review) only adds to the bureaucracy and, in our experience, has not expedited the process at the back end.

The Property Council can see merit in this initiative, subject to a design competition allowing for consideration of development beyond prescribed built form controls that deliver outperformance of urban design, economic or other objectives or where planning could otherwise be expedited for the development. A practical approach to enable a step-change towards this ideal should require that development of any government-owned property, or government-owned land that is sold, be subject to objective 8.1. The success of this pilot initiative should be reviewed in 2025 to enable a more informed assessment of the potential benefits of this approach.

Objective 9 *Establish strong environmental governance in Arden that provides certainty, accountability and transparency to achieve the precinct's net-zero carbon target.*

9.1 Require large developments to prepare an operational management plan encompassing energy, transport, water, waste and climate resilience.

9.2 Investigate requirements for annual public disclosure of energy operating performance of all developments. This may be extended to water, transport and waste over time.

9.3 Embed emissions reduction targets within development agreements and leasing arrangements to ensure outcomes.

The requirement for large developers to produce operational management plans appears on the surface to be overly prescriptive and, in part, purely a clerical measure that serves no clear benefit in isolation. Consideration should be given to an alternative approach that sets targets and allows developers and operators to pursue the best strategies to meet those targets. A management plan may be a natural outcome of this, but it does not need to be a prescriptive outcome within the Plan.

Requirements for disclosure of performance should be standardised for ease of completion and to provide more meaningful data.

The Property Council supports the embedding of emissions reductions targets within any development agreements, which should be over the life cycle of a development, and preferably be accompanied by incentives for high building performance such as rates relief or land tax concessions.

Objective 10 *Facilitate the delivery of precinct-scale infrastructure and centralised facilities that makes achieving building scale targets easier*

10.1 Facilitate a mechanism to procure a power purchase agreement to power the precinct with 100 per cent renewable energy. Opportunities exist for this agreement to also address the energy needs of surrounding neighbourhoods.

10.3 Require a commitment to precinct organics collection by the City of Melbourne or alternative private operator.

The Property Council is supportive of the concept of facilitating precinct-scale infrastructure and centralising facilities for Arden as one method of helping achieve building performance targets. Still,

it should not be prescriptive for future Arden developments. Developers may have their arrangements for meeting or exceeding targets, and they should be free to pursue them. Facilitating a power purchase agreement is a positive approach, but it will be challenging to satisfy multiple stakeholders with varying contractual requirements – as an alternative, it may be simpler to require all operators to have their own power purchase agreement in place.

A commitment to precinct organics processing is also welcome with the appropriate high-level governance structures in place, and consideration should be given to treatment and reuse on or nearby the site, consistent with circular economy principles.

Objective 11 *Embed sustainable living and building practices in planning and built form controls.*

11.1 Require all new buildings to connect to precinct sustainability infrastructure (such as a third pipe system) if it is available at the time of development.

11.2 Require all new buildings to achieve world-leading sustainability performance (such as 6 Star Green Star Design & As Built rating for larger buildings and 70% Built Environment Sustainability Scorecard rating for smaller buildings, or equivalent rating under comparable or updated systems).

It is essential that any requirement to connect to sustainability infrastructure must be delivered at cost-competitive rates.

We support the requirement for the pursuit of world-leading sustainability performance such as Green Star (across Design, As Built, Communities, Interiors and Performance) and BESS and that this be evidenced through certification wherever possible. It should be noted that the Green Building Council of Australia's Green Star standards for Homes and Performance are, at the time of submitting, currently open for consultation, and there will be an evolution in these standards over time.

Where a 6-Star or equivalent rating may not be feasible, an application to upgrade performance within a set timeframe may be considered, provided there is no lock-in of any fossil fuel capacity.

Objective 12 *Measure the performance of the precinct, its buildings and its occupants and be able to adapt to changes in climate, lifestyle and technology in the future.*

12.2 Establish a robust monitoring and evaluation program across the precinct that will enable performance to be evaluated and approaches to be adapted.

A precincts authority could play a key role in monitoring and managing building performance within the precinct over time and could be instrumental in informing continuous improvement.

It is imperative that monitoring and evaluation criteria be set in conjunction with, and ideally be led by industry, with government playing a facilitation role and managing the mechanics.

Objective 13 *Minimise waste production and water use, optimise reuse and recycling and encourage a circular economy in Arden.*

The Property Council supports the principles from the government's new circular economy policy, *Recycling Victoria*, being integrated into the Arden structure plan. Again, if requirements in this

objective are overly prescriptive, they will affect the cost and viability of projects. The objective's use of "encourage" connotes government incentives for such behaviour which we support.

Objective 14 *Mitigate the urban heat island effect in the design and delivery of the public realm and private developments accordant with desired urban greening outcomes and standards.*

14.1 Design the public realm to provide urban cooling benefits through shading, planting and integrated water management for cooling and irrigation effects.

14.2 Require all new buildings to use materials that minimise the urban heat island effect with a standard that at least 75 per cent of total project site areas should comprise of building or landscaping elements that increase the solar reflectance of the site

The requirement for water management for cooling is not well defined in objective 14.1, and it is unclear how this would be measured and specified.

The requirement for urban heat island minimisation should align with the Better Apartment Design Standards, with builders/developers able to pursue their own strategies for minimisation including the Green Factor Tool, which is still being rolled out in a pilot phase.

Objective 15 *Provide space for high capacity public transport capable options connecting Arden into the expanding central city.*

15.1 Provide space to allow for the potential future delivery of high capacity public transport capable corridors along Laurens Street, Fogarty Street, Henderson Street and Boundary Road (south of Macaulay Road).

15.3 Explore opportunities to reopen the northern entrance to North Melbourne Station for a more convenient and direct link to Arden.

The Property Council agrees with this objective. Where additional land is required for the provision of additional public transport nodes, this land should, where possible, be government-held land.

Built around public node transport, Arden has an opportunity to not only create connections to the expanding city, but to be a precinct centralised around connectivity. However, the current Plan fails to adopt the principles of intensifying development around transport nodes.

The station is catalyst infrastructure and creating density around the station and moving higher levels of density to parts of the precinct where transport connectivity is more accessible should be considered. A NSW government-backed study by Sydney firms Luti Consulting and Mecone Planning illustrated the significant effect public transport infrastructure has on nearby home values. The study analysed Sydney rail and found that houses within 400 metres of a train station experienced a 4.5 per cent increase in value. The value uplift lessened as the distance from the station increased, with houses 400 to 800 metres away attracting a 1.3 per cent price bump, and those 800 to 1600 metres away rising in value by only 0.3 per cent.⁶ There is considerable evidence to suggest commercial properties following similar correlation between proximity to public transport and valuations. Further consideration should be given to improving densification around transport infrastructure.

⁶ Luti Consulting and Mecone Planning, *Transit and Urban Renewal Value Creation*, 2018.

What infrastructure surrounds a station is particularly important in the context of commuter and resident safety. Currently the most direct routes to the western side of the station are via parkland, which creates safety challenges, particularly for non-peak hour commuters.

Objective 16 *Provide safe, direct and connected protected cycling routes through and to the precinct.*

16.1 Deliver Strategic Cycling Corridors along Arden Street, Queensberry Street, Langford Street and Laurens Street.

16.3 Deliver safer intersections for bike riding by adopting designs which continue bicycle lanes up to and through intersections and provide physical separation for cyclists.

The Property Council supports objective 16 and the proposed strategies to deliver the objective.

Objective 25 *Deliver educational facilities to meet the anticipated demographic demand.*

25.1 Support the development of the proposed government primary school within Arden Central to serve the needs of the current and future Arden community and surrounding areas.

25.2 Support development of the proposed government secondary school in the North Melbourne/Macaulay area to serve the needs of the current and future Arden community and surrounding areas.

25.3 Ensure schools in Arden are innovatively planned and delivered to be located in proximity to or colocated with complementary services and spaces, including recreational spaces, activity centres, public transport services, kindergartens and early learning centres

Education as a sector is continually evolving; for that reason, we propose a "super" school incorporating primary and secondary level education. Such a facility could either be traditionally built or "vertical".

Similarly, consideration could be given to including a school within a mixed-use building, perhaps developed by the private sector.

Another option that may be considered is the development of "mini" primary schools with shared facilities; this approach is likely to be more accessible and facilitate partnership with the private sector. Mini schools could also assist with building up the capacity over time rather than having to build a school to a size required once Arden is complete. The "mini" primary schools could share facilities and would feed into the secondary school.

Consideration should be given to partnering strategy 1.4 with the recreational and activity space requirements in strategy 25.3. Planning incentives could be given to encourage the development of community facilities that could be used for schools during school hours and other purposes outside of school hours and could include facilities such as gyms, indoor spaces and entertainment and creative facilities.

What is the solution?

The best opportunity to deliver results for Arden is a precinct authority to coordinate all stakeholders, Government authorities and agencies, over the entire precinct lifecycle.

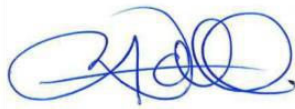
The Property Council suggests the governance recommendations proposed in the *Principles of Successful Precincts* report are adopted to support the delivery of Arden and other precincts such as the Macaulay Precinct currently under development in Victoria.

Next Steps

We look forward to continuing an open dialogue on behalf of the property development, investment and place making industry to support the City of Melbourne and VPA in their delivery of the Arden Structure Plan.

If you require further information or clarification, please contact Emily Young, Senior Policy and Communications Advisor, on 0475 161 328 and eyoung@propertycouncil.com.au.

Yours sincerely



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