

Welcome to APAA Workshop

We will start from 19:00

Tract



AUSTRALASIA
PROPERTY ADVISORY
ASSOCIATION



M3
PROPERTY

Acknowledgement

APAA would like to acknowledge the Wurundjeri people who are the Traditional Custodians of this Land. APAA would also like to pay our respects to Elders past, present and emerging.



AUSTRALASIA
PROPERTY ADVISORY
ASSOCIATION





Creating Value in the Industrial Property Market

17 November , 6:30pm – 9:00pm

Tract, Level 6/6 Riverside Quay, Southbank
VIC 3006

Event Sponsors



Tract

The Speakers



Luke Chamberlain

Executive Director
at Tract Consultants

Planning Framework for
Melbourne's Industrial Zones &
Land Use Considerations



Matthew Webb

Director at M3 Property

Victorian Industrial Property
Research and Valuation Case
Studies

We are a not-for-profit organisation creating a community for property developers and multidisciplinary leaders that operate across the entire development lifecycle.

APAA Event Partners 2021-2022



APAA Operation Services Providers



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Marketing Lead



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Partnership Lead



TREVOR DU
Community Lead



SHARON LI
Project Coordinator



HAN LIU
Internship

Our Speakers

Luke Chamberlain

Tract

Planning Framework for Melbourne's Industrial Zones & Land Use Considerations

APAA Professional Workshop No.8:
Creating Value in the Industrial Property Market



Creating Value in the Industrial Property Market



Luke Chamberlain
Director
Town Planner



Acknowledgement of Country



*Our Country, 2022 88 x 119 cm
Acrylic on canvas
Original artwork by Alfred Carter
Gunaikurnai*

We pay our respects to the Traditional Custodians of Country throughout Australia, their Elders and ancestors, recognising their rich heritage and enduring connection to Country and acknowledging the ongoing sovereignty of all Aboriginal and Torres Strait Islander Nations.

We recognise the profound connection to land, waters, sky and community of the First Nations peoples, with continuing cultures that are among the oldest in human history. We recognise that they are skilled land shapers and place makers, with a deep and rich knowledge of this land which they have cared for, protected and balanced for millennia.

Tract Profile

Established

1973

With almost 50 years of successful practice, we continue to evolve so that we shape contemporary thinking, working in partnership with our clients and our communities to deliver compelling solutions.

Team

200+

We harness the strength that exists in the diversity of our colleagues. We know that we achieve the best outcomes by working together, broadening perspectives and investigating the competitive tensions and dynamic overlays between our disciplines.

Disciplines

04

Our collaborative culture spans **landscape architecture, town planning, urban design**, and associated **digital media** to produce exemplary project outcomes.

Offices

05

As a national practice in **Melbourne, Geelong, Sydney, Brisbane** and **Adelaide**, we combine deep local knowledge with a wider perspective in our responses to new challenges and projects across Australia.

INDUSTRIAL PROPERTY MARKET



Morris Moor



Lake Drive, Dingley Village

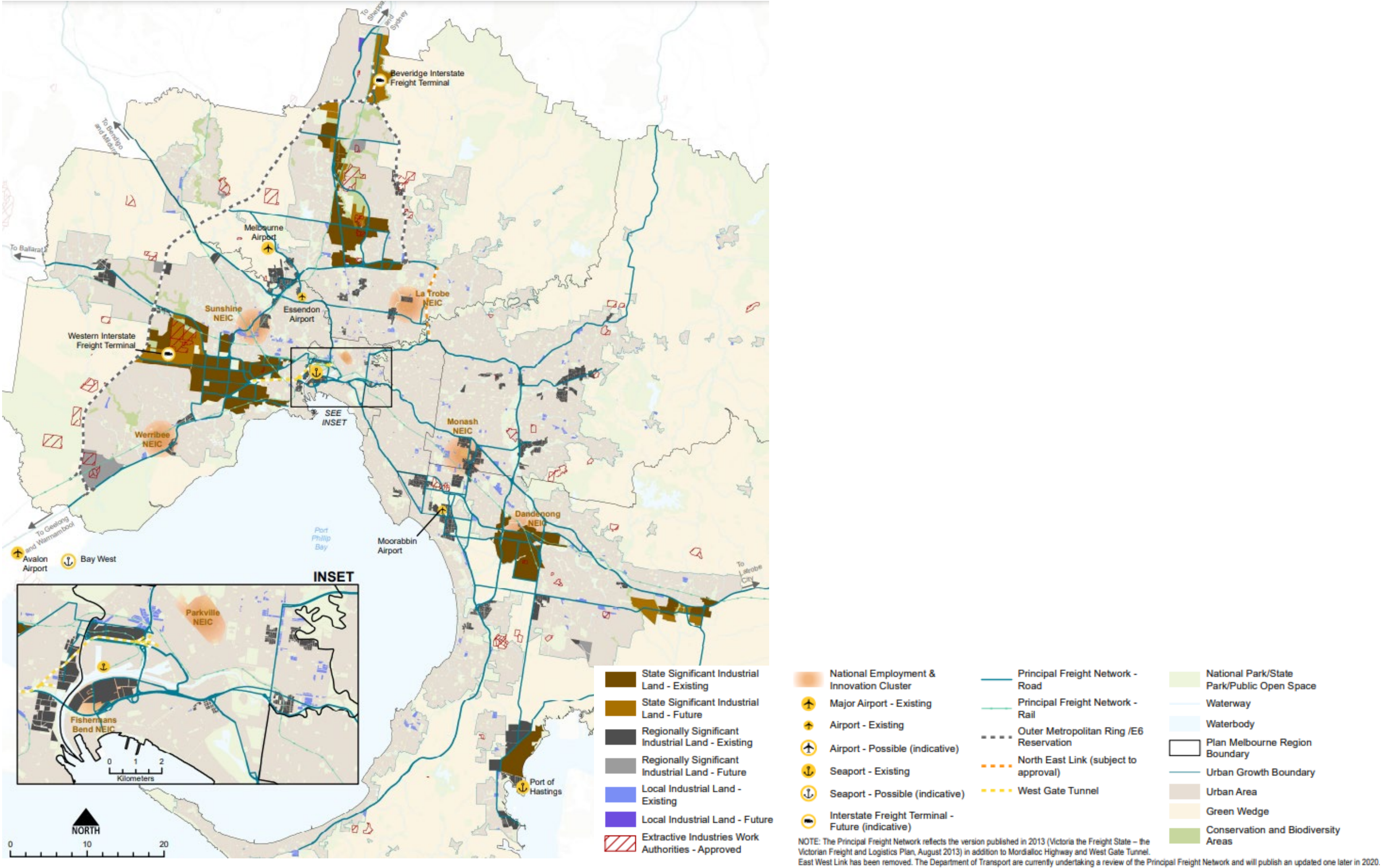


Canvas West, Tarneit

INDUSTRIAL PROPERTY MARKET

Overview

Existing and Future Industrial Land



INDUSTRIAL PROPERTY MARKET



Table of Zones which facilitate industrial uses

Zone	Land Use
Industrial 1 Zone (IN1Z)	Light manufacturing, storage and distribution facilities with reduced risk of amenity impacts.
Industrial 2 Zone (IN2Z)	Manufacturing and storage facilities that require a substantial threshold distance within the core of the zone.
Industrial 3 Zone (IN3Z)	Industries and associated uses where special consideration is required to manage adverse amenity impacts and to avoid inter-industry conflicts.
Special Use Zone (SUZ)	Applied for specific purposes only as identified in the relevant schedule to the zone.
Commercial 2 Zone (CZ2)	Commercial areas for offices, appropriate manufacturing and industries, bulky goods retailing and other retail and associated commercial services.

INDUSTRIAL PROPERTY MARKET

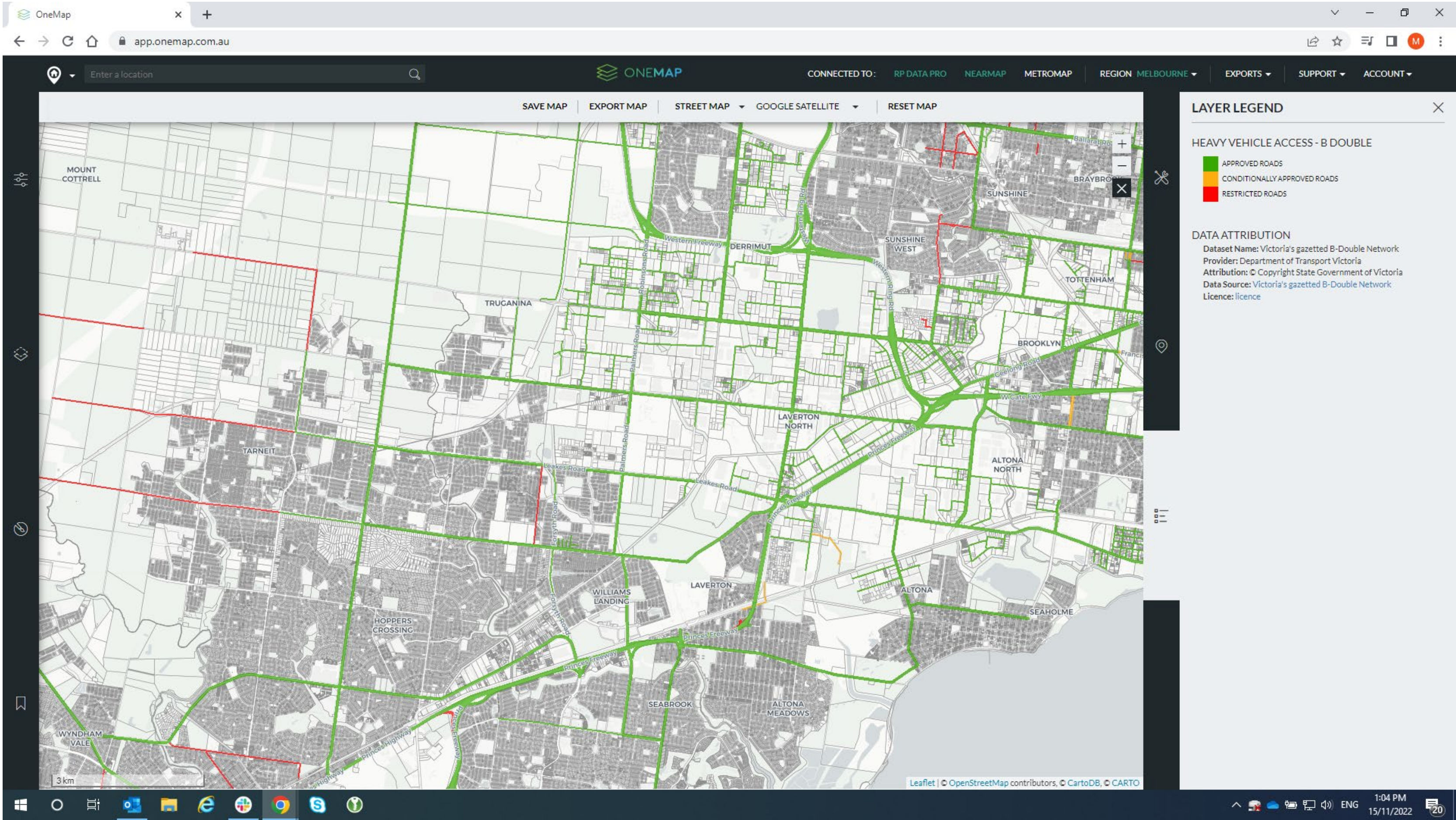
User needs

Key factors:

- Zoning
- Slope
- High-span storage
- Access to freight / rail interchange
- Access to Port of Melbourne
- Access for over-dimensional vehicles (e.g. B-doubles)
- Dangerous goods

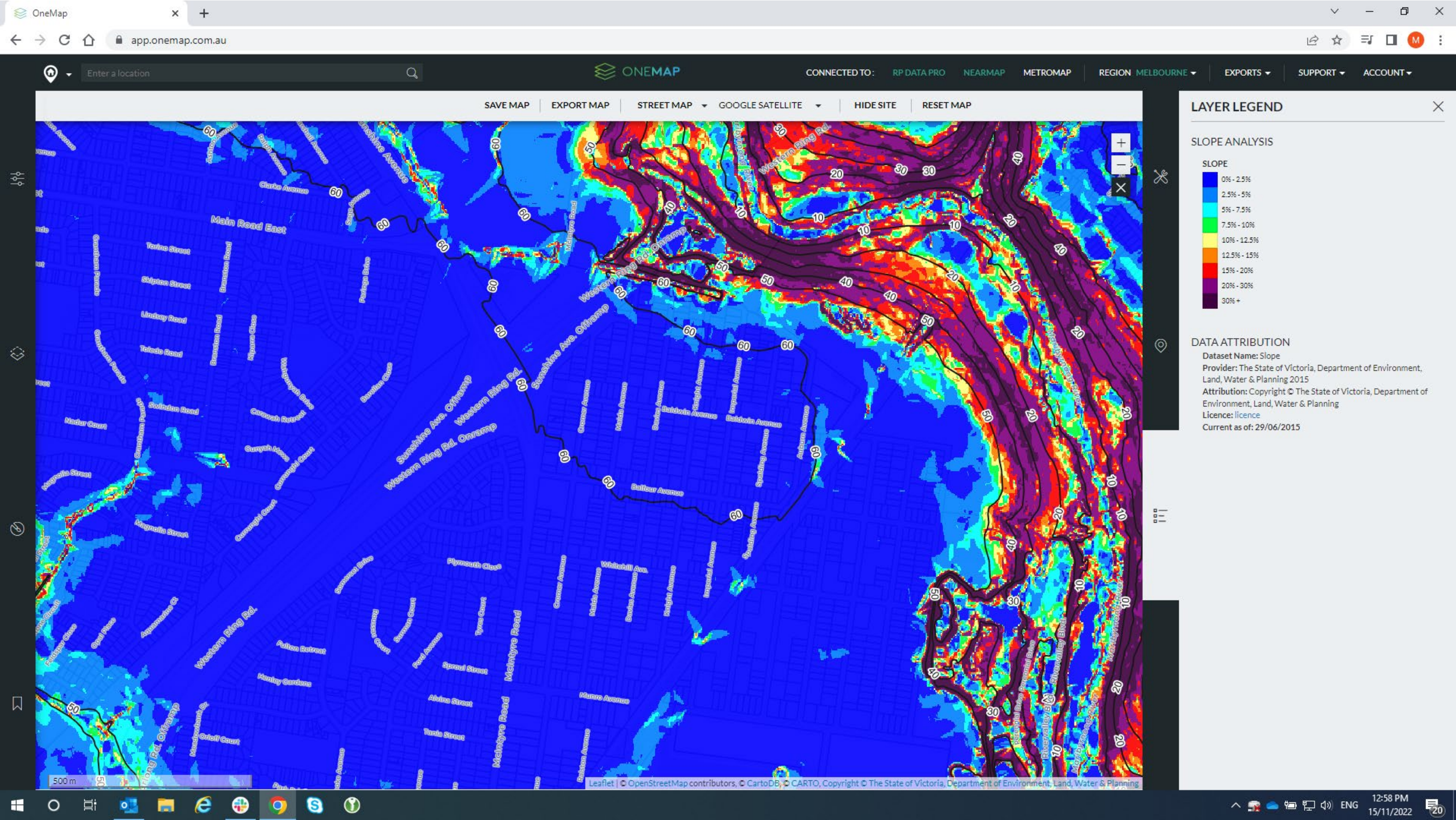
INDUSTRIAL PROPERTY MARKET

User needs



INDUSTRIAL PROPERTY MARKET

User needs



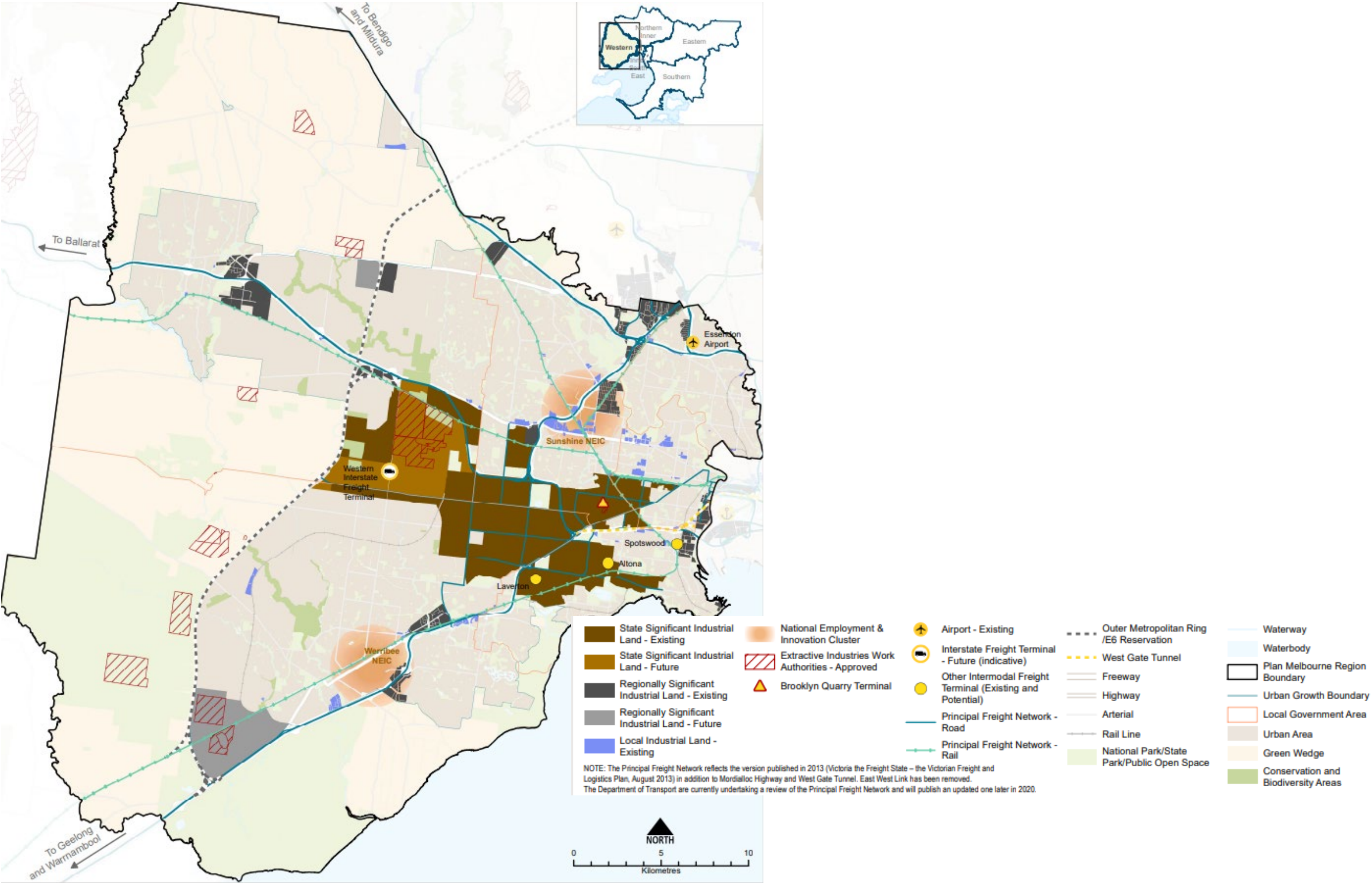
INDUSTRIAL PROPERTY MARKET

Melbourne Industrial
and Commercial Land
Use Plan (MICLUP)



INDUSTRIAL PROPERTY MARKET

Western State Significant Industrial Precinct (SSIP)



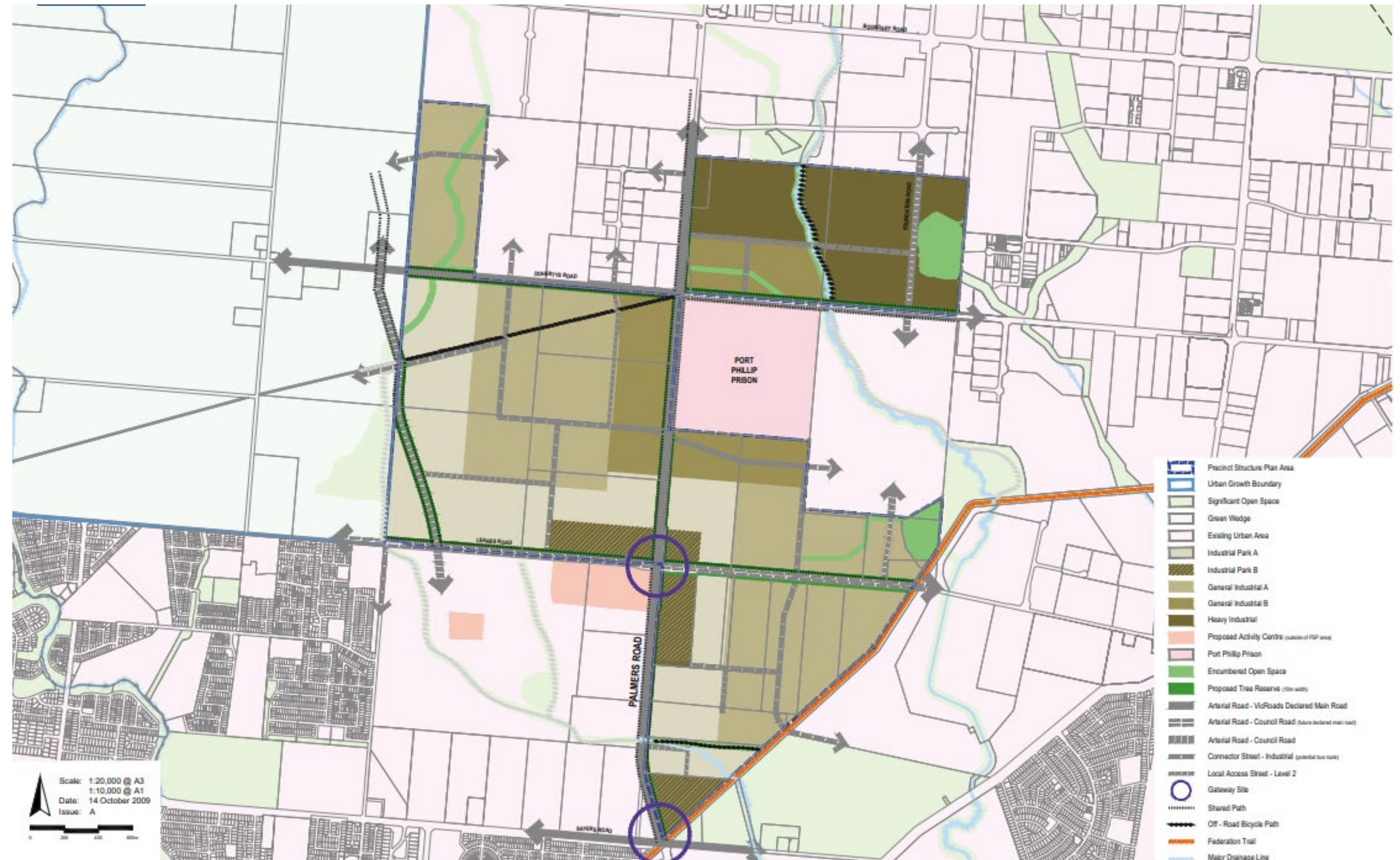
INDUSTRIAL PROPERTY MARKET

Industrial Precinct Structure Plan (PSP)

Truganina Employment– *Future Urban Structure*

Important factors to consider

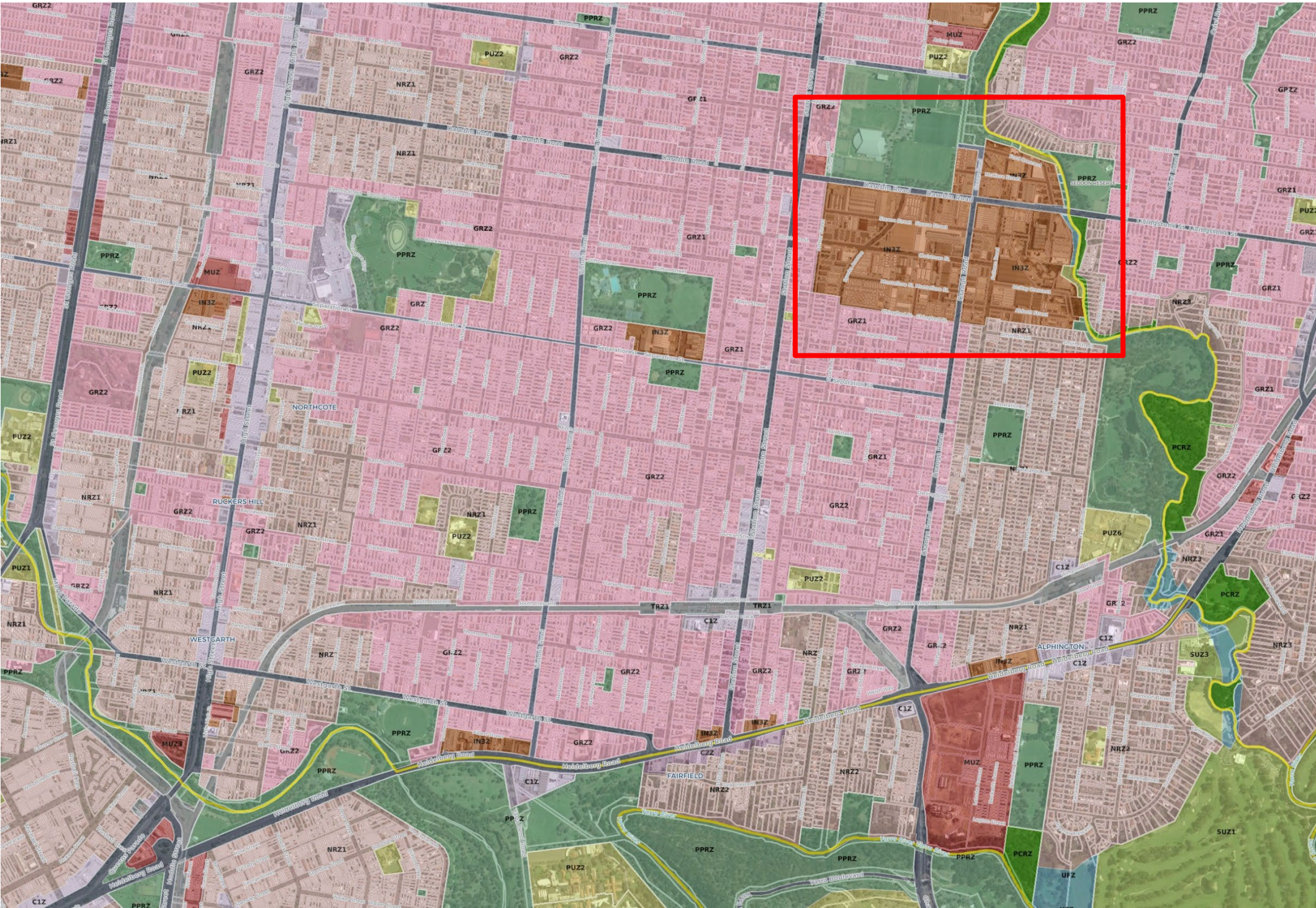
- Local Context
- Precinct Features
- Future Urban Structure
- Land Use Budget
- Image and Character
- Housing
- Employment and Activity Centres
- Community Facilities
- Biodiversity Management
- Heritage
- Road Network



INDUSTRIAL PROPERTY MARKET

Local small industrial areas

Alphington Industrial Area



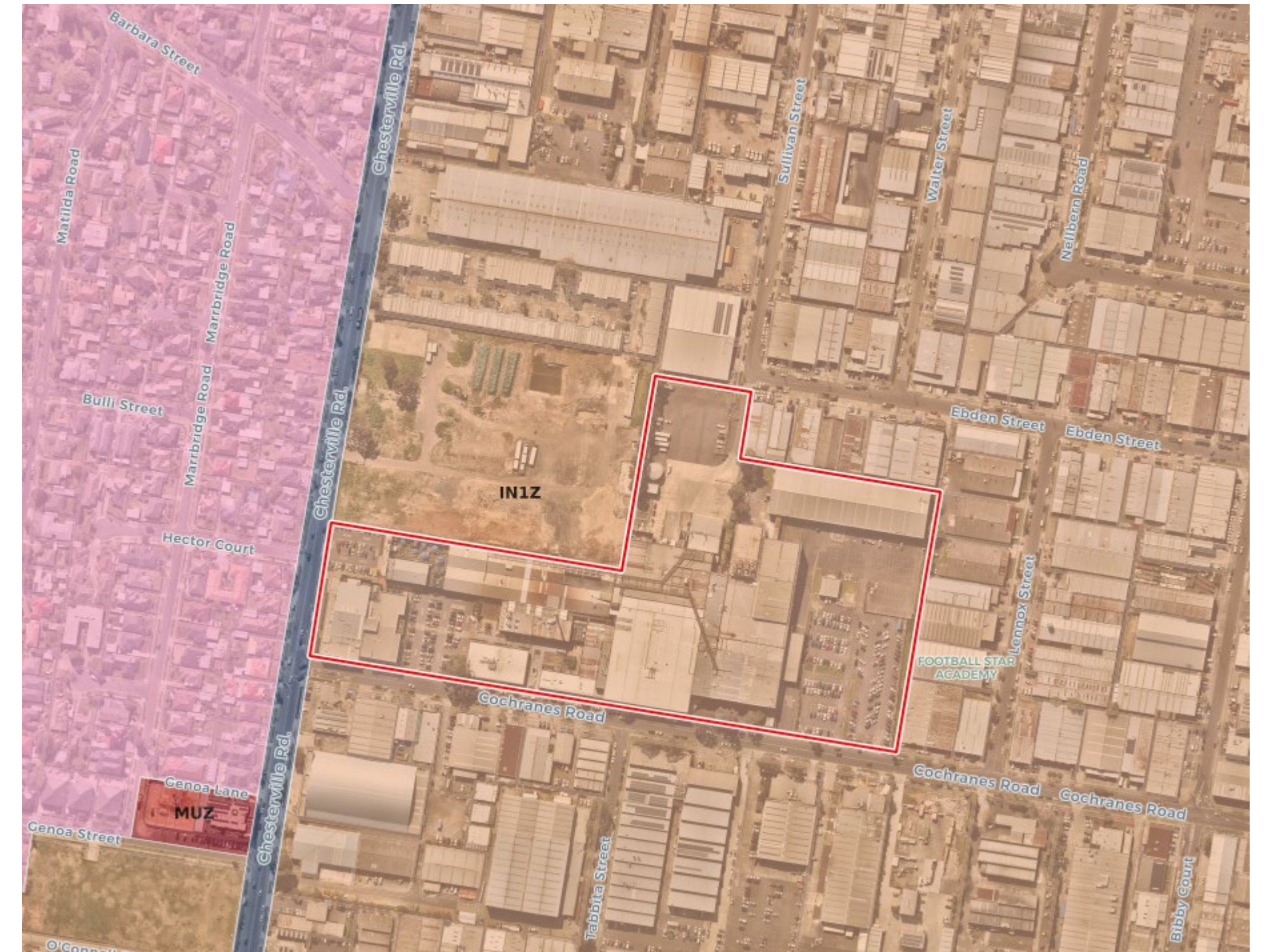
Case Studies

MORRIS MOOR REDEVELOPMENT

Planning Matters



Aerial Plan



Zone Plan

MORRIS MOOR REDEVELOPMENT

- Adaptive re-use
- Large scale revitalisation project (6.27Ha)
- Middle ring
- Office, Hospitality, Showroom, Industrial, Mixed Use



MORRIS MOOR REDEVELOPMENT

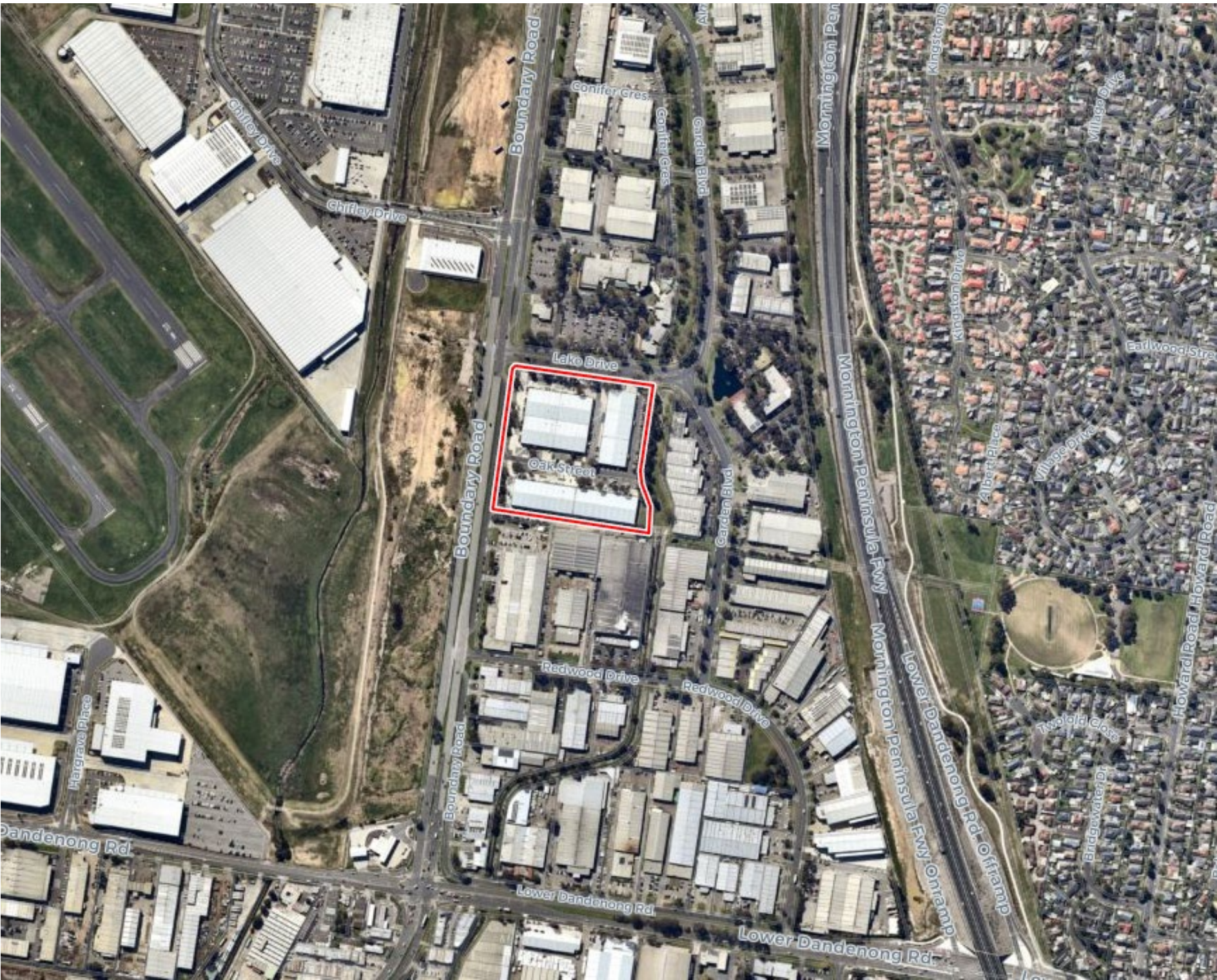
Schedule of selected current tenants

Business	Use
Schotts Home Emporium	Restricted Retail
Stomping Ground	Brewery / Tavern
Clik Collective	Warehouse
Satara	Warehouse – furniture wholesale
Kids Klub	Child care
The Light Practice	Yoga
Penny for Pound	Café
Royal Stacks Burgers	Food and Drink Premises
Pony Boy Fish and Chips	Food and Drink Premises
Offices uses – multiple	

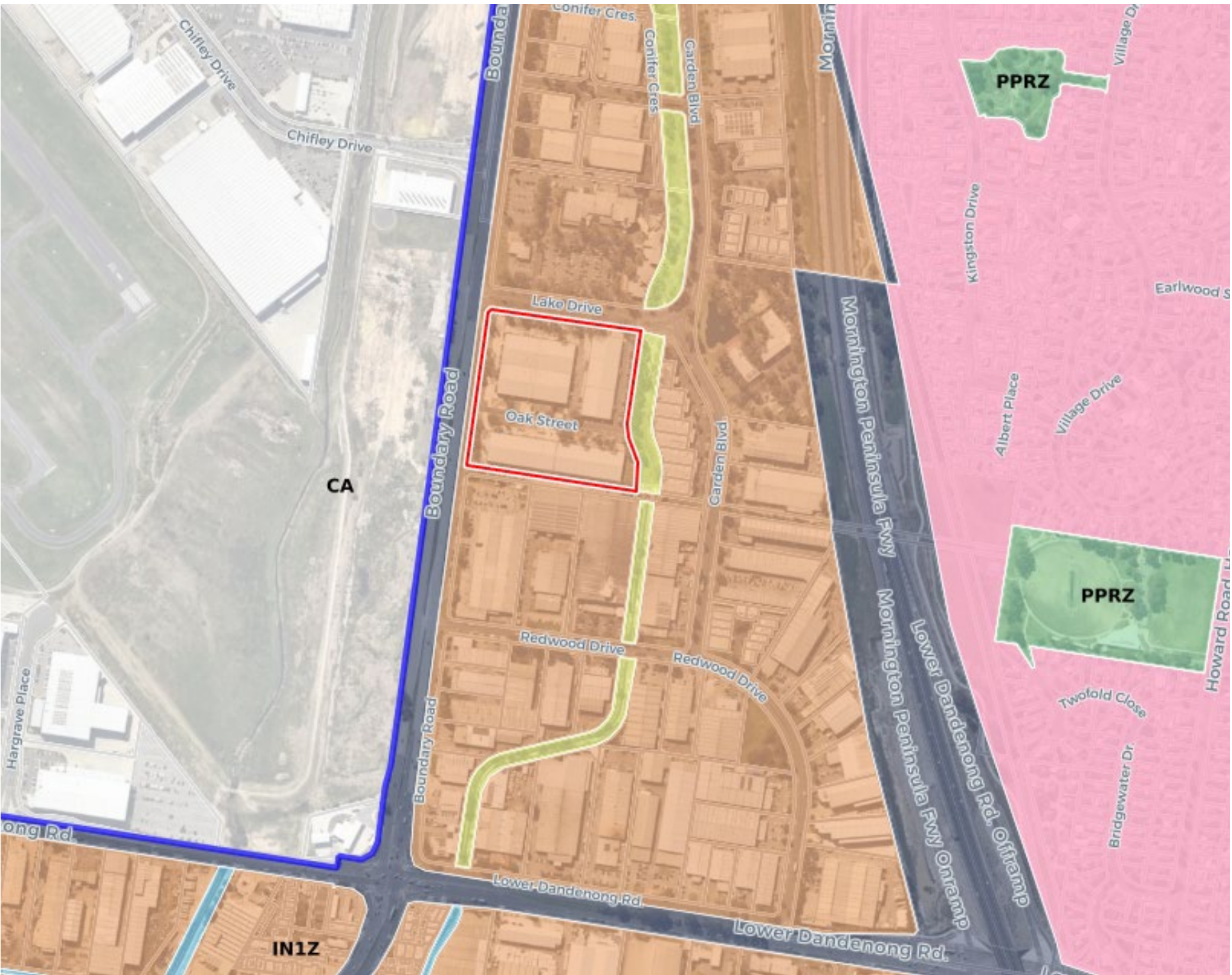


KINGSTON BUSINESS PARK, DINGLEY VILLAGE

Planning Matters



Aerial Plan



Zone Plan

KINGSTON BUSINESS PARK, DINGLEY VILLAGE

- 3.77Ha Mixed industrial / warehouse estate
- Large, medium and small industrial and showroom facilities
- Extensive landscaping and staff amenities
- Converted from three existing freestanding large span warehouses



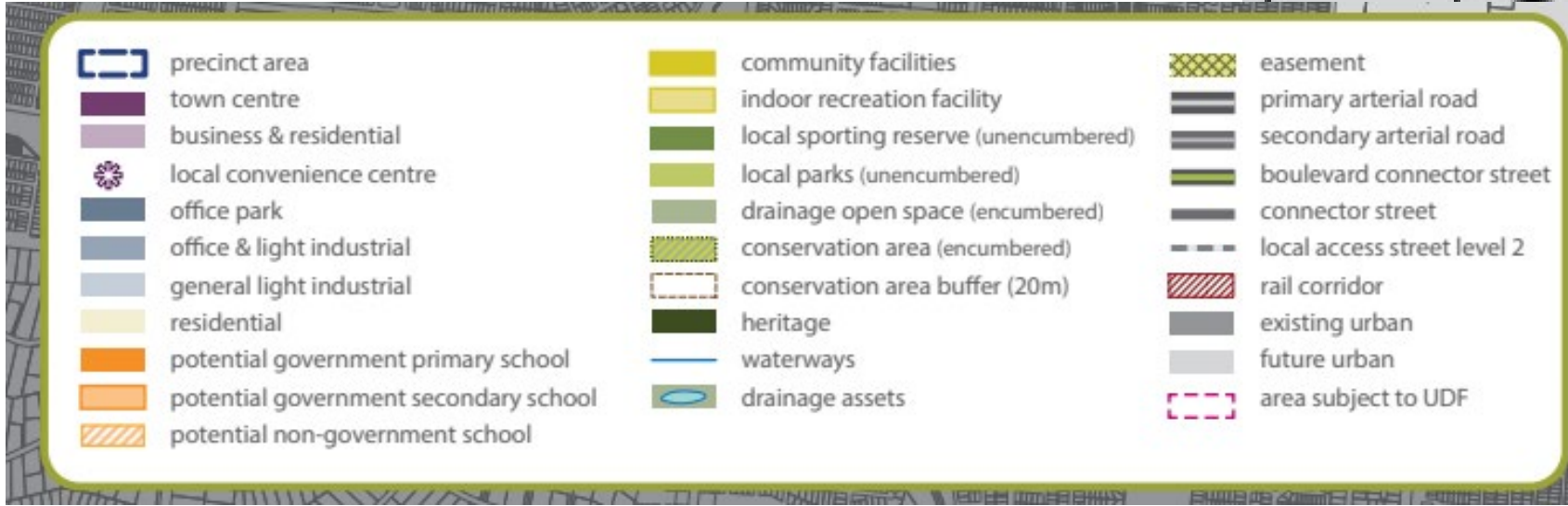
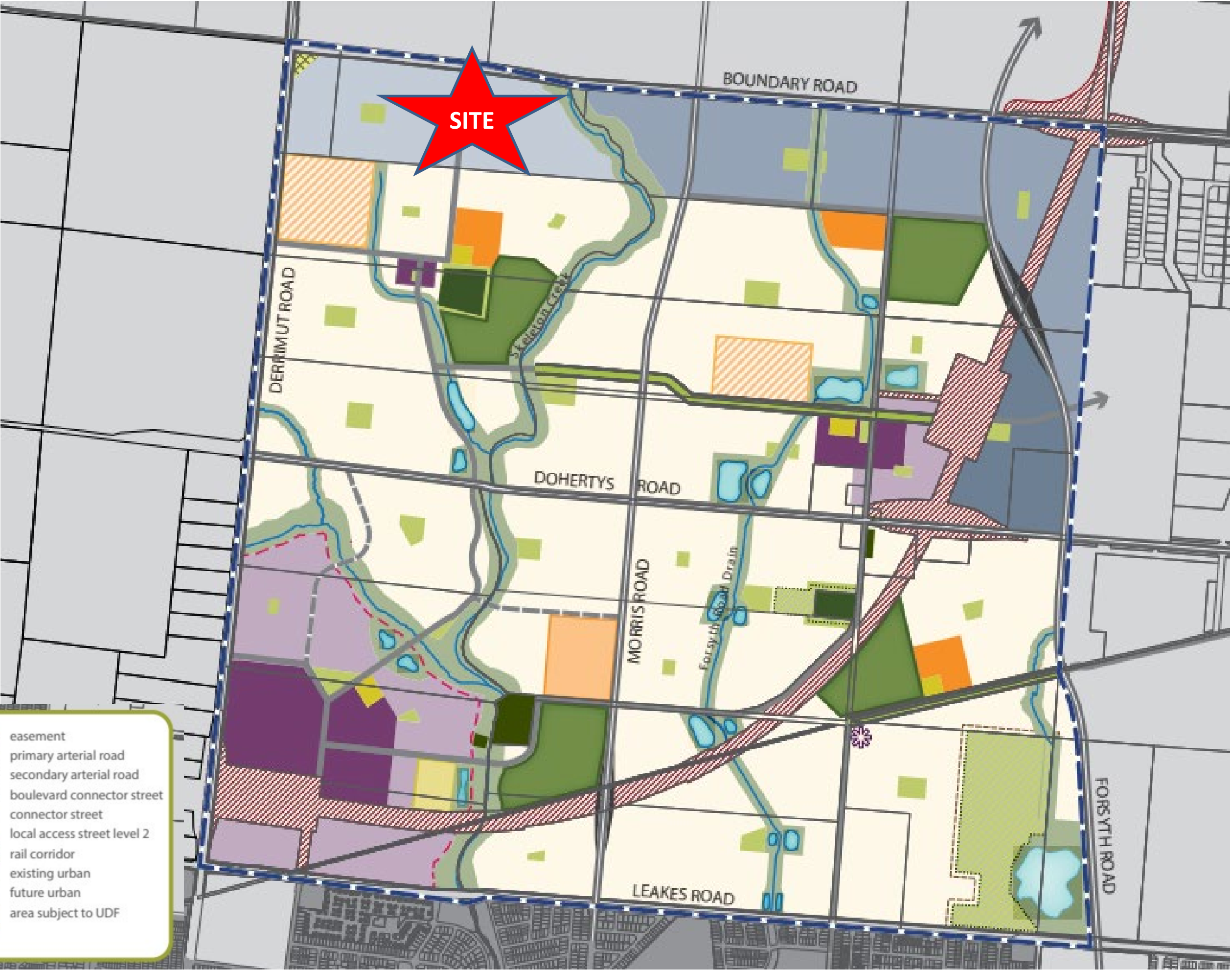
KINGSTON BUSINESS PARK, DINGLEY VILLAGE

Approved Plans



CANVAS WEST, TARNEIT

Truganina PSP - *Future Urban Structure*

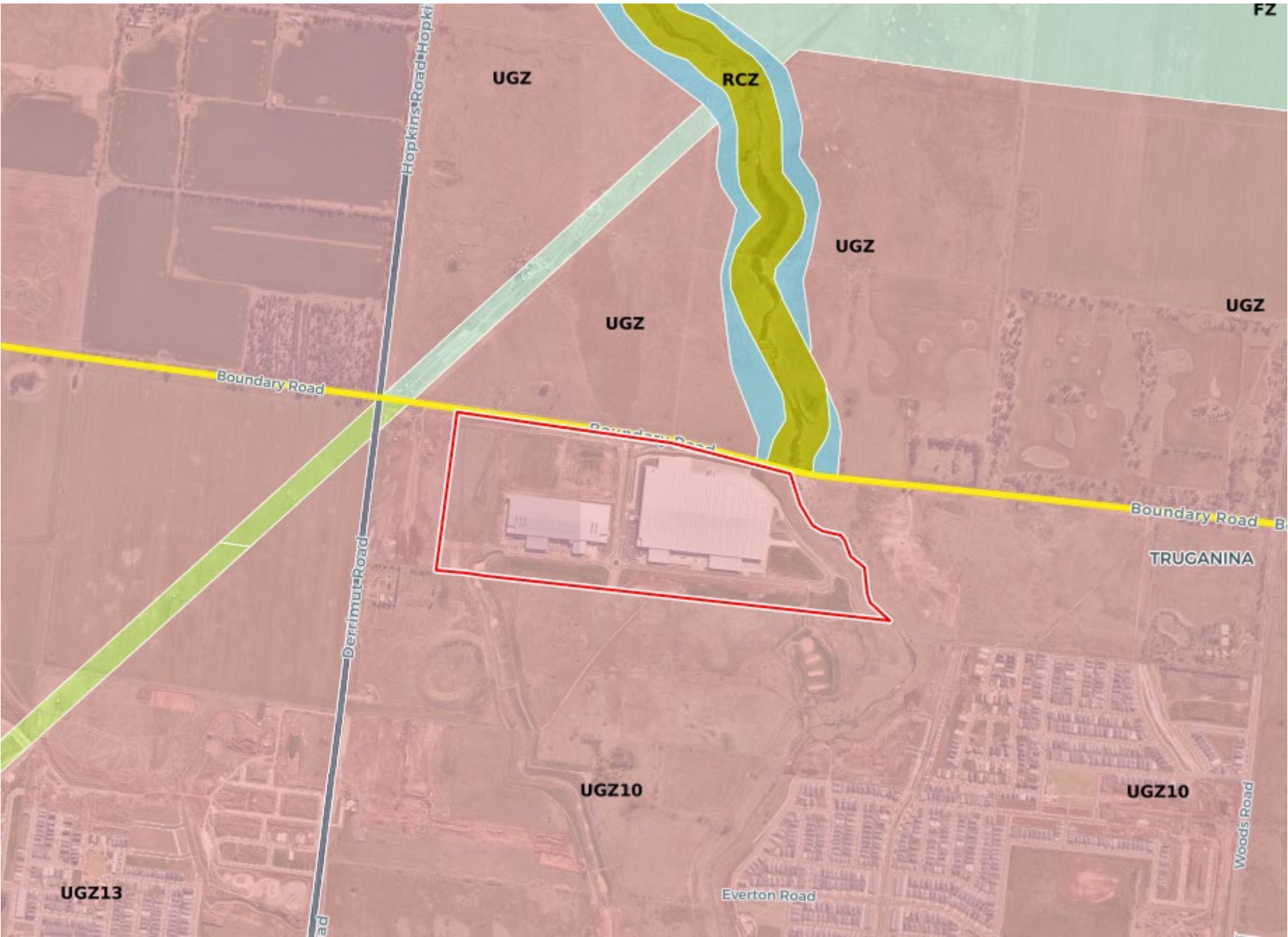


CANVAS WEST, TARNEIT

Planning Matters



Aerial Plan



Zone Plan

CANVAS WEST, TARNEIT

- 42.3Ha Industrial estate in Melbourne's growing west
- Landscaped streets and dedicated bike paths
- Sustainable 5 Star Green Star Design



Artist's impression only

Thank you



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Q & A Time

MORRIS MOOR

Our Speakers

Matthew Webb



Victorian Industrial Property Research and Valuation Case Studies

APAA Professional Workshop No.8:
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CREATING VALUE IN THE INDUSTRIAL PROPERTY MARKET

Matt Webb | Director





FOUR OFFICES

Sydney | Melbourne | Brisbane | Adelaide

FULL COVERAGE

Strategic independent consulting and property valuation service

EXPERIENCED

Highly skilled professionals

EMPHASIS

On Research and outstanding service delivery



Matt Webb

Director - Industrial

Grad Dip (Urban) Vals AAPI



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MELBOURNE'S INDUSTRIAL MARKET – TRENDS

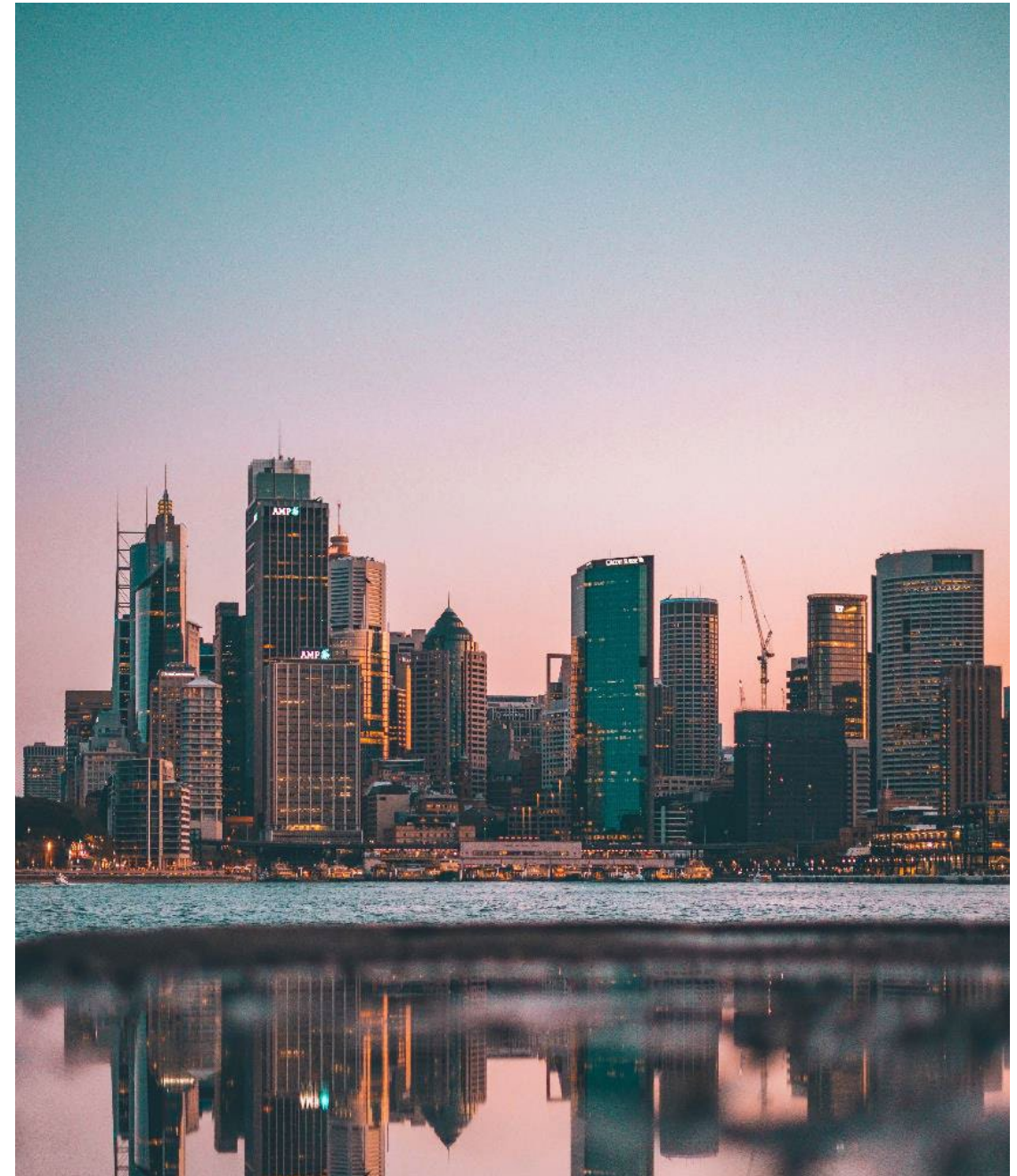
- What are the important industrial metrics and why have they moved?

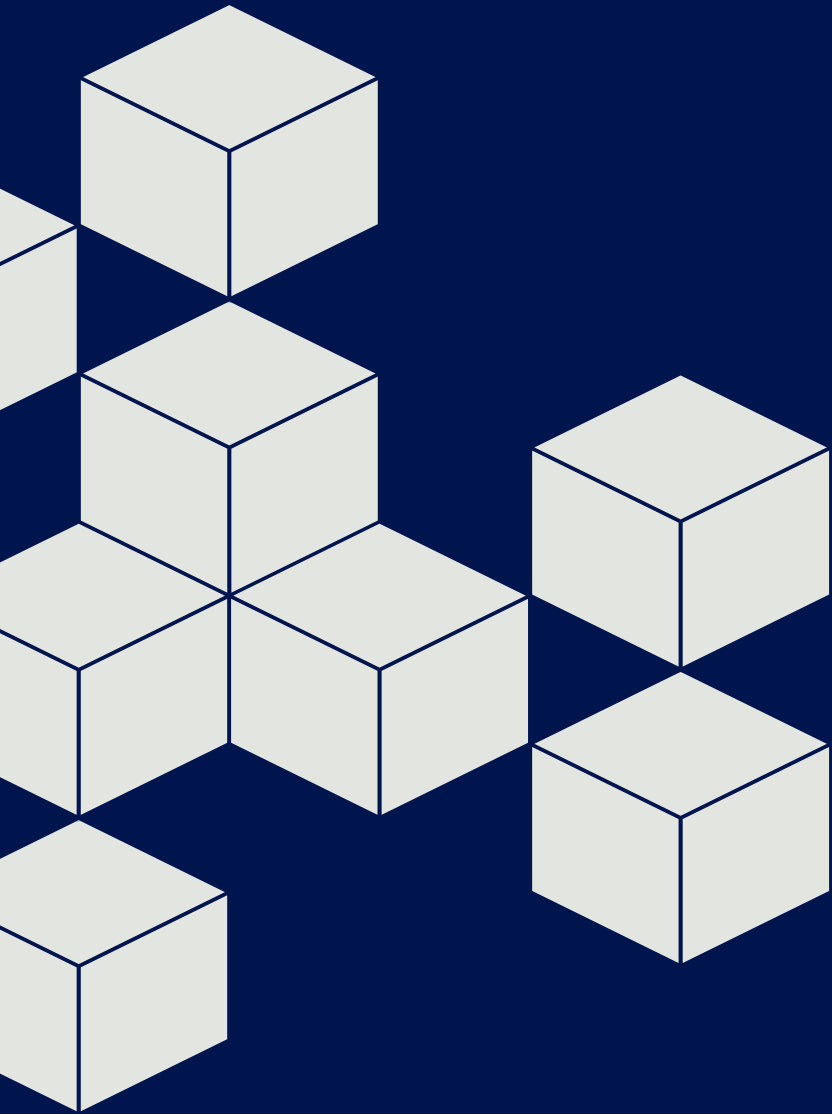
CASE STUDY – TRUGANINA

- Englobo land subdivision. Why was it successful?

CASE STUDY – PAKENHAM

- Unit developments. How do prime and secondary locations compare?
-

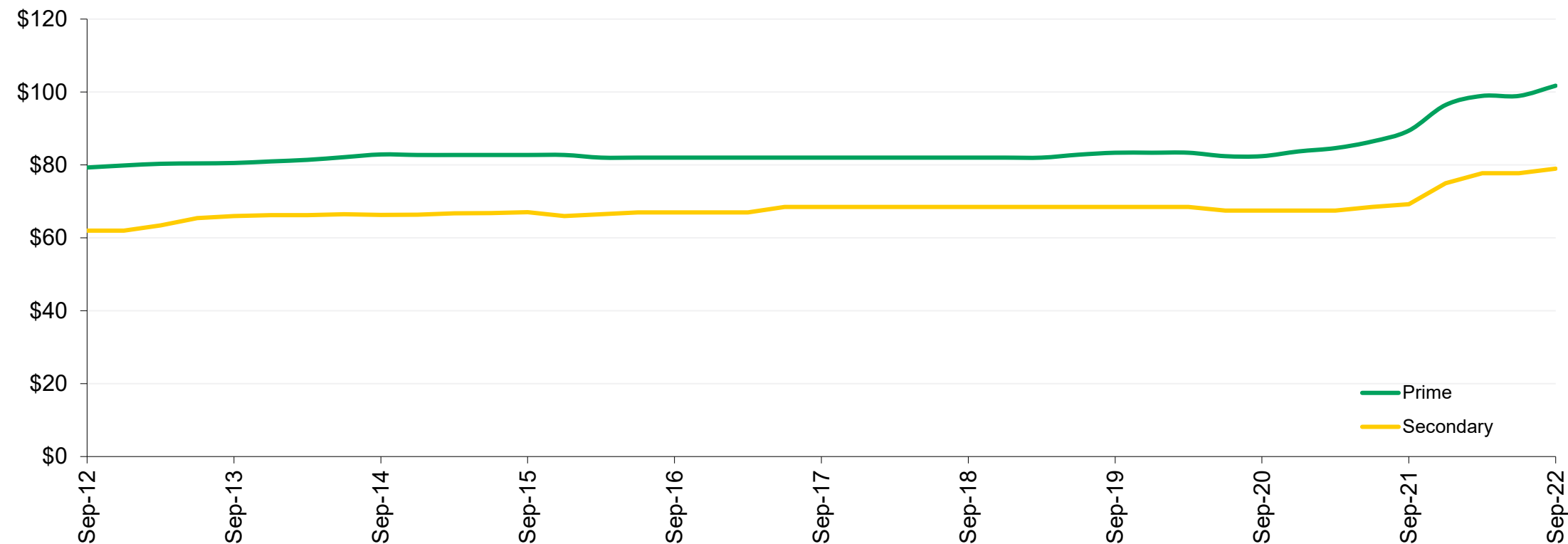




MELBOURNE'S INDUSTRIAL MARKET TRENDS

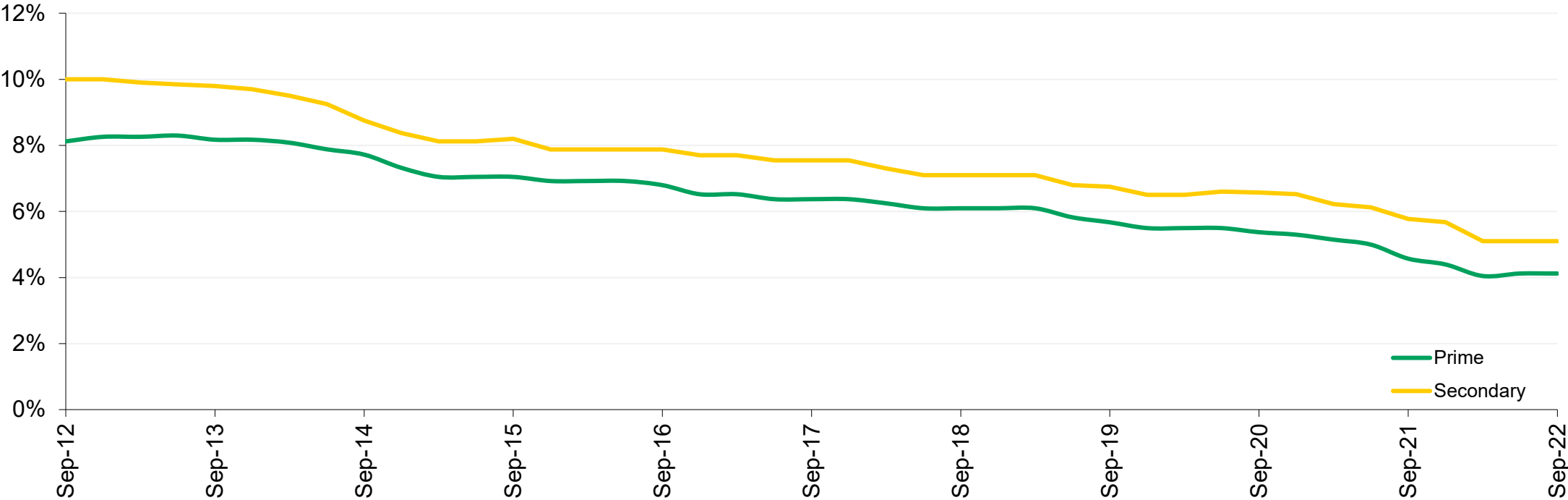
MELBOURNE'S INDUSTRIAL MARKET TRENDS

Melbourne Industrial Average Net Face Rents (\$/m²)



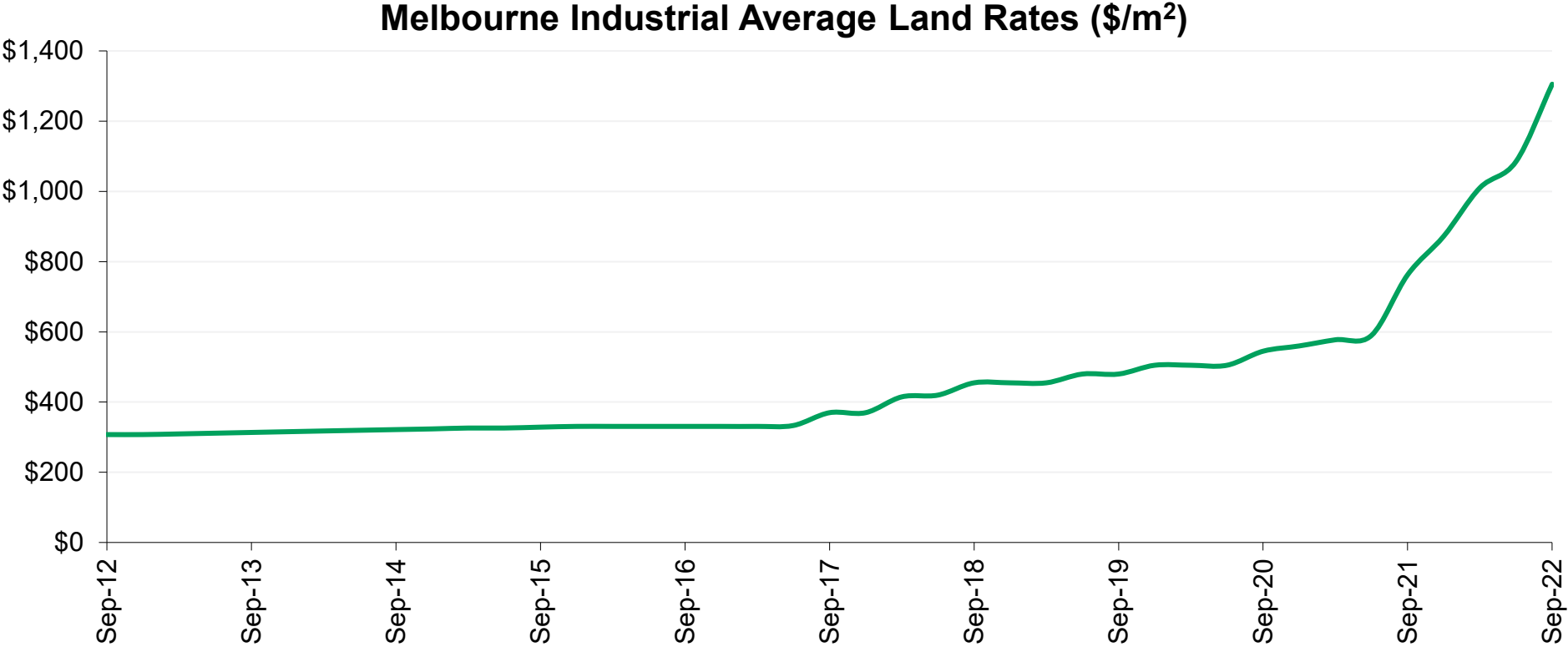
MELBOURNE'S INDUSTRIAL MARKET TRENDS

Melbourne Industrial Average Yields



Source: M3 Property

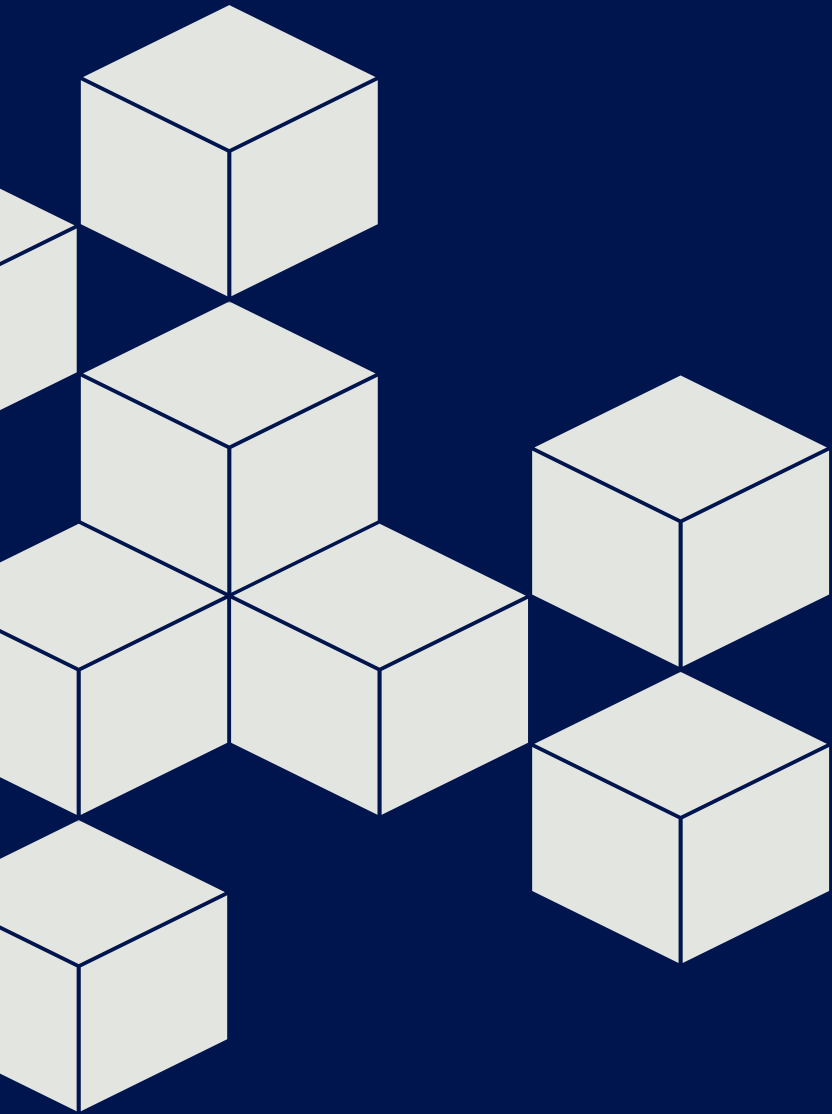
MELBOURNE'S INDUSTRIAL MARKET TRENDS



Source: M3 Property



CASE STUDIES



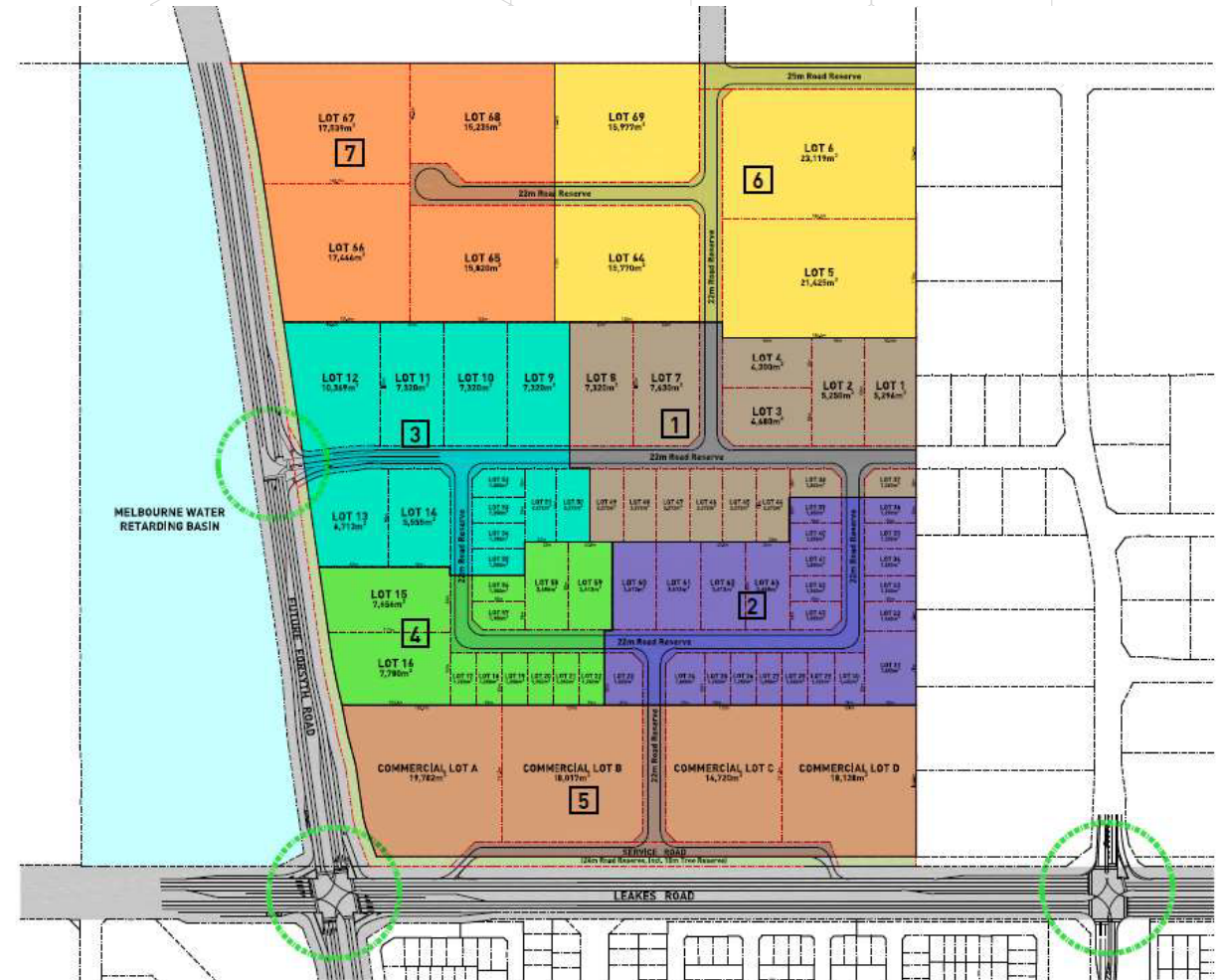
CASE STUDY - TRUGANINA



CASE STUDY - TRUGANINA

320 Leakes Road, Truganina

- Circa 49.7 hectares of Industrial 1 zoned land
- Purchased in 2015 for c\$14 million
- Permit approved November 2016 for seven stage land subdivision
- 39 hectares of saleable land area



KEY ASPECTS

INDUSTRIAL LAND SUBDIVISION

Attributes

- Good infrastructure linkages
- Mix of land sizes
- Larger sites with Leakes Road exposure
- Control of purchaser subdivision options

2016 Metrics

- Profit & Risk allowances of 20% to 30%
- Land absorption rates of 8 hectares per annum
- Gross Realisation averaging \$200 per square metre
- Construction/Statutory costs circa \$75-\$80 per square metre

2022 Metrics

- Profit & Risk allowances of 15% to 20%
- Land absorption rates of 10-12 hectares per annum
- Gross Realisation averaging \$700 per square metre
- Construction/Statutory costs circa \$100-\$120 per square metre



CASE STUDY - CHELTENHAM VS HASTINGS



CHELTENHAM VS HASTINGS

Cheltenham

- 15 warehouse units
- Total GLA of 2,224 square metres
- Total Gross Realisation of \$7.82m plus GST
- Adopted rate per lettable area circa \$3,600
- Land Value of circa \$900
- Developer's profit of \$1.0m

Hastings

- 20 warehouse units
- Total GLA of 3,370 square metres
- Total Gross Realisation of \$8.89m plus GST
- Adopted rate per lettable area circa \$2,700
- Land Value of circa \$350
- Developer's Profit of \$1.2m

Comparison

- Hastings has a GR rate 25% less
- But a land value rate 60% less
- Where a lack of supply can be identified secondary locations present opportunities to achieve greater profit





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Q & A Time



Appreciation

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