

Harcourt Town Centre

Commercial Land Demand Assessment

Prepared for
Mount Alexander Shire Council

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Melbourne

Level 19/8 Exhibition Street
Melbourne VIC 3000
T +61 (0) 3 8102 8888

Sydney

Level 25/52 Martin Place
Sydney NSW 2000
T +61 (0) 2 8228 7888

Brisbane

Level 32/123 Eagle Street
Brisbane QLD 4000
T +61 (0) 7 3338 9688

Singapore

138 Market Street, CapitaGreen
Level 24-01
Singapore 048946
T +65 6679 6067

admin@charterkc.com.au
charterkc.com.au

Charter Keck Cramer Pty Ltd
ABN 78 618 794 853

Charter Keck Cramer
(Sydney) Pty Ltd
T/A Charter Keck Cramer
ABN 21 601 785 326

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Instructions.

Instructing Party	Nathan Lord Lauren Watt Mount Alexander Shire Council
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Our Reference	Charter Contact Simon Micmacher Report Author Simon Micmacher, Jimmy Zhang

Executive Summary.

To support the resolution of Amendment C94 to the Mount Alexander Planning Scheme, Charter Keck Cramer were commissioned to conduct a retail and commercial retail assessment to identify the current and future need for retail floorspace in Harcourt to 2041.

A Growing Harcourt

As per May 2022 analysis by REMPLAN, the population of Harcourt is anticipated to grow due to a combination of factors including the availability of land, demonstrated housing demand and dwelling construction over recent years. There is clear strategic intent for Harcourt to provide for a large share of the municipality's growth over the medium to long-term.

Harcourt is also an emerging tourism hub. The Harcourt Mountain Bike Trail at La Larr Ba Gauwa offers 34 kilometres of mountain bike trails and is estimated to attract 70,000 – 90,000 visitors annually. Visitor numbers are projected to grow as a result of the delivery of new tourism infrastructure and attractions including the Harcourt miniature railway which is currently undergoing construction.

Growing Harcourts Commercial and Retail Floor Space

Due to the township's limited retail and commercial floor space, the township is unable to benefit from the employment and economic opportunities inherent in population and tourism growth. Harcourt currently sits at the lowest levels of the region's retail hierarchy despite its population nearing 700 residents and attracting significant visitor activity. Most current retail expenditure is assumed to occur outside of the township.

Amendment C94 to the Mount Alexander Planning Scheme sought to expand the township's commercial footprint by creating the land use planning and commercial land supply conditions to support commercial and retail growth commensurate with the township's projected population and visitor economy. The amendment provided for 2.9 hectares of commercially zoned land of which 1.2 hectares is currently subject to commercial uses.

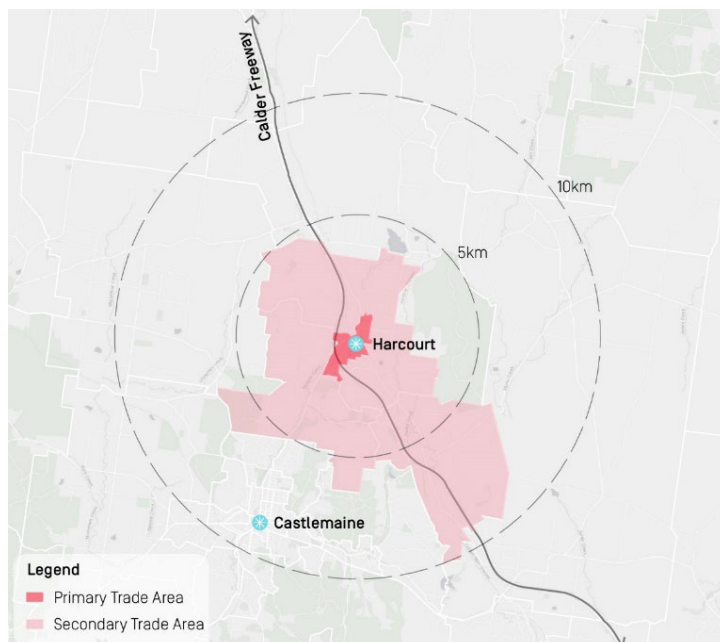
The retail demand assessment seeks to confirm the need for new commercial land as identified in Amendment C94.

Retail Demand Assessment

Potential retail floor space demand in Harcourt derives from two major drivers of retail expenditure: (1) residential population expenditure within the township and (2) potential expenditure from visitors to the township.

The study identifies a primary and secondary retail catchment as per the map below.

Retail Catchment Area



Source: Charter Keck Cramer

By 2041 the main trade area is expected to incorporate a population of 2,625 residents growing by approximately 935 residents over the 2021- to 2041 period.

Population Growth

Catchment	2021	2026	2031	2036	2041	Change	
						No.	AAGR
PTA	677	849	1043	1265	1454	777	3.9%
STA	1012	1057	1088	1129	1171	159	0.7%

Source: Rebased REMPLAN May 2022

The township's visitor numbers are also expected to grow with the town aspiring to be a destination for 200,000 visitors based on the anticipated growth of local events and attractions.

Projected Retail Floorspace Requirement

Retail expenditure is based on consumer expenditure data. Based on a projected \$19,355 retail expenditure per person by 2041 (growing from \$14,728 in 2021) the assessment identifies a potential pool of annual retail expenditure of \$46.8 million by 2041. A further \$5.8 million in annual visitor expenditure is projected. This results in a total annual pool of \$52.4 million within the main trade area.

The methodology translates projected retail expenditure into a theoretical demand for retail floor space.

In estimating retail floor space demand the study has accounted for a number of variables likely to impact on demand and the capacity of Harcourt to attract retail expenditure. This includes the proximity of major retail centres in Bendigo and Castlemaine, established retail expenditure patterns within the local population, and the role of Bendigo and Castlemaine as major work locations for the township's population.

Charter projects theoretical demand for 3,200 sqm of net additional retail floorspace by 2041. This includes approximately:

- 700 sqm of supermarket floorspace
- 1,500 sqm of specialty retail floorspace including café and food, specialty food and groceries (butchers and deli, convenience retail and liquor)
- 1,700 sqm of non-food and drink floor space including household goods, hardware and garden supplies, apparel, pharmaceuticals.

Charter considers that hospitality and food based uses are more likely to attract investment than merchandise based uses given the strength of the local visitor economy.

Commercial 1 Zone Land Requirement

In order to achieve the minimum requirements of the Mount Alexander Planning Scheme and the aspirations of *Plan Harcourt*, the study identifies that a minimum of 8,000 sqms of commercially zoned land area is needed to support the delivery of new retail floor space in Harcourt.

The township currently includes approximately 1.2 h.a. of land that currently supports existing commercial uses. As such, the study recommends that the township requires a minimum of 2 hectares of commercially zoned land both to sustain current commercial uses and to support future retail development.

Recommended Land Requirement

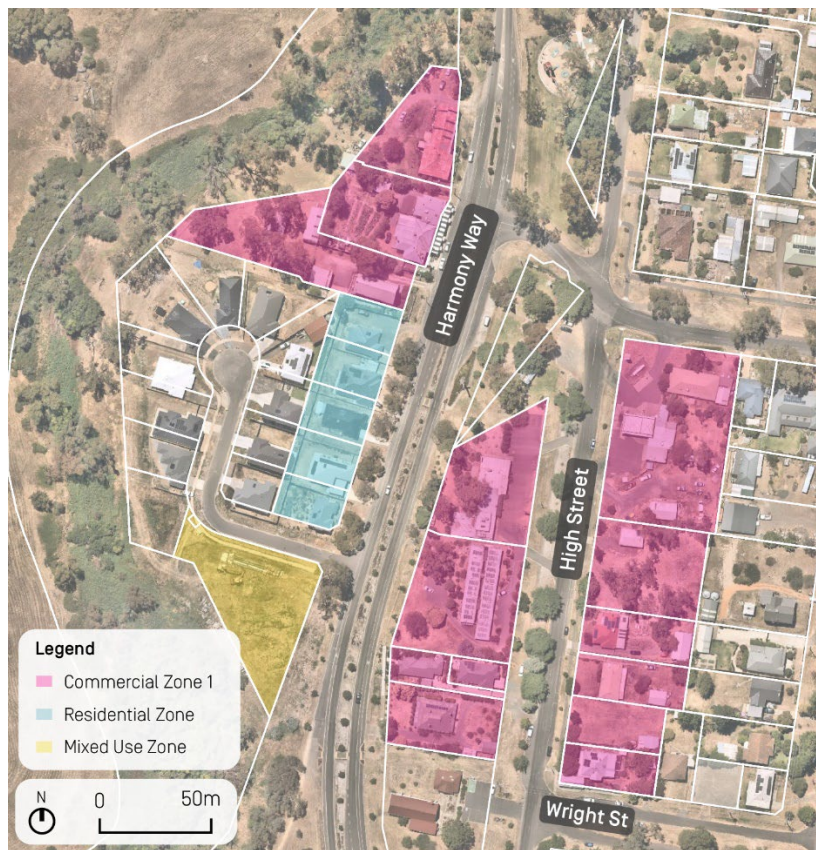
Existing Commercial Uses	1.2 h.a.
+ Minimum Commercial Land Demand	0.8 h.a.
= Recommended Land Requirement	2 h.a.

Recommendations

Amendment C94 to the Mount Alexander Planning Scheme proposed 2.9 hectares of new Commercial 1 Zoned (C1Z) land in the township. In reviewing the proposed application of the C1Z, the following is recommended:

- *Apply the C1Z to sites that currently incorporate existing commercial uses.*
- *Apply the C1Z to select residential and vacant sites:* A number of contiguous vacant and residential sites along High Street and Harmony Way are supported for future commercial development. Collectively, these sites provide sufficient commercial land area (1.1 ha) to accommodate the minimum amount of commercially zoned land required to support new retail development (approximately .8 ha) whilst also facilitating the potential for a defined town centre as per the aspirations of *Plan Harcourt* and providing for orderly planning outcomes.
- *Remove recently developed residential sites:* Sites at 103-109 Harmony Way, Harcourt were recently subdivided and developed for housing. Given the age of their dwelling stock these sites are highly unlikely to support retail uses in the next two decades.
- *Apply the Mixed Use Zone (MUZ) for 99 Harmony Way.* The site's larger lot size (2,652sqm) and strategic location along the southern entrance of the township provides an opportunity for the site to support ancillary commercial and service uses. The application of the MUZ to site will enable residential development while also permitting commercial development and uses on the site. As such, the MUZ provides a degree of land use flexibility that will enable the site to respond to commercial demand as Harcourt's community and visitor economy grows. Importantly, the MUZ places a number of conditions on the floor area of specific uses including hospitality and medical uses that will help limit the scale of future uses and ensure land proposed for the Commercial 1 Zone is prioritised for investment and development.

Recommended Zone Uses



Source: Charter Keck Cramer

The proposed DDO16 should be reviewed to enable the addition of a front and or side set back that supports the creation of hospitality space that enables consumer views to the north and east. DDO16 should also include a landscaping requirement to screen retail uses and vehicle movements from adjoining residential properties particularly to the east of the proposed retail strip along High Street, Harcourt.

2 Introduction

2.1. Background and Scope

This report identifies future commercial and retail demand in the township of Harcourt to 2041. In so doing, the report seeks to strengthen the underlying justification for establishing the land use conditions to support employment and economic growth in Harcourt as it continues to emerge as Mount Alexander Shire's second largest settlement by population and as a major visitor destination.

The report draws on a range of population growth and commercial data, existing strategic analysis and local observations to identify the:

- future residential and population growth in and around Harcourt
- potential pool of retail expenditure to 2041
- potential demand for retail floorspace within the township to 2041
- scale of zoned Commercial 1 Zoned (C1Z) land needed to support the delivery of new retail infrastructure in the township.

As part of the above, the report also tables recommendations in relation to future planning controls to enable new economic activity while protecting established residential amenity.

2.2. Amendment C94 to the Mount Alexander Planning Scheme

Mount Alexander Planning Scheme Amendment C94 was authorised in 2021 and underwent public exhibition and review by Victorian Planning Panels in 2022.

The amendment sought to implement the findings of the adopted strategic plan *Plan Harcourt*. *Plan Harcourt* outlines initiatives and land use responses to guide the future planning and development of the Harcourt in response to anticipated population growth. The plan includes initiatives related to health and wellbeing, open space, connections and movement, residential and commercial zoning and urban design.

The amendment sought to introduce a range of reforms to the Mount Alexander Planning Scheme as follows:

- apply the Commercial 1 Zone to select Township Zoned land
- apply a new Design and Development Overlay Schedule 16 (DDO16) to C1Z land
- apply the new Development Plan Overlay Schedule 12 (DPO12) to the township's Growth Areas
- amend the Municipal Planning Strategy to include an updated Harcourt Land Use Framework Plan (Harcourt LUFP)
- amend the Schedule to Clause 72.08 (Background documents) to include Plan Harcourt
- Implement various residential zoning changes

Critically in assessing the proposed extent of commercial land identified in *Plan Harcourt* and the subsequent amendment in its report of November 2022 Victorian Planning Panels Victoria concluded:

The general location of Harcourt's town centre is appropriate, however the extent of the proposed C1Z is not strategically justified. Further work is required to inform any future commercial land rezoning in Harcourt. Protection of residential amenity should be considered as part of further strategic work to confirm the extent of Harcourt's commercial areas. The proposed mandatory maximum building height is not supported. The proposed parking provisions are appropriate.

Mount Alexander Planning Scheme Amendment C94malx Plan Harcourt (page 3)

This finding sets the context, impetus and scope of this assessment which aims to establish the strategic rationale for the proposed commercial zoning .

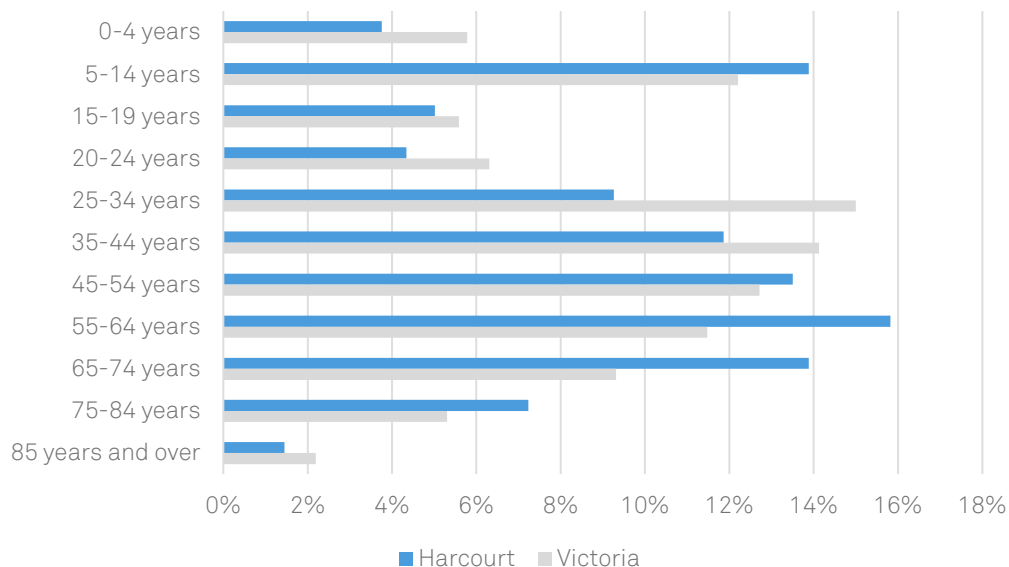
2.3. Harcourt Township

The township of Harcourt is situated in the foothills of Mount Alexander to the east of Barkers Creek in Central Victoria. The township is known to traditional owners as Lianyuk.

The township is 30km south of Bendigo and 8km north of Castlemaine and within commuting distance from Melbourne (approximately 123 kms from metropolitan Melbourne).

At 2021, Harcourt included a population of 676 residents having grown by 60 residents since 2016. The median age of Harcourt's resident base at 2021 was 46 years. The township includes high proportions of families with children and older age cohorts and lower proportions of young adults aged between 19 and 44 years of age.

Figure 1: Harcourt 2021 Age Profile



The Harcourt rail station, situated along the Bendigo line, ceased operations in 1981. In August 2018, the state government committed to planning for the reopening of the station. At present, there is no confirmed commitment to re-commence rail services in Harcourt.

Harcourt is in proximity to a number of regional destinations including the La Larr Ba Gauwa Park, which is adjacent to Mount Alexander and approximately 2km east of Harcourt. The park contains 34 km worth of mountain biking trails and is a popular tourism destination throughout the year. Mount Alexander is the dominant landscape element at Harcourt which itself is also a major tourist destination providing scenic views over Central Victoria.

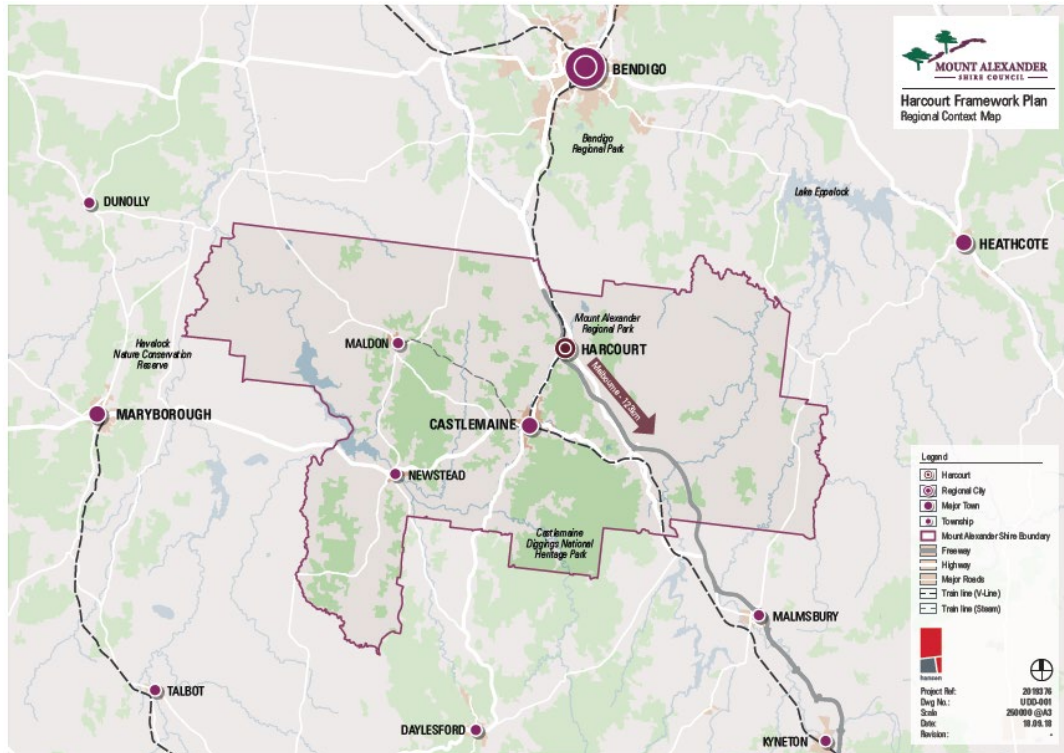
Since the introduction of the Calder Bypass in 2009 the township has benefited from the amenity improvements resulting from lower volumes of through traffic which has, in turn, provided the basis for residential growth.

Recent population and residential planning for the Shire has identified the potential of Harcourt to grow due to its favourable land supply and accessibility as stated in the Shire's 2022 land supply and demand review:

Harcourt is also anticipated to attract relatively high levels of demand due to a combination of factors including, the availability of land, demonstrated demand and dwelling construction over recent years, and strategic intent for Harcourt to provide for a large share of the municipality's growth over the medium to long-term.

Source: Mount Alexander Shire, Land Supply & Demand Assessment REMPLAN (May 2022, page 39)

Figure 2: Harcourt Locational Context



Source: Plan Harcourt, 2022, Mt Alexander Shire, Hansen Partnership

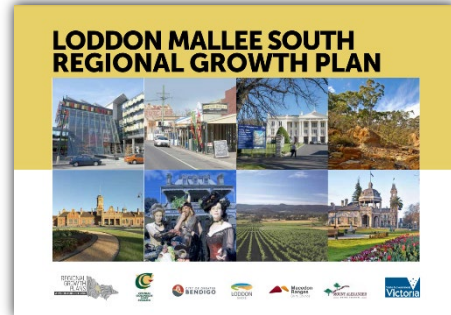
3 Strategic Review

The following section provides a review of the relevant background documents that underpin this commercial land demand assessment.

3.1. Loddon Mallee South Regional Growth Plan

The Loddon Mallee South Regional Growth Plan is the strategic land use plan to guide growth and change for the next 30 years.

Bendigo is identified as the main regional city for targeted growth and investment. Strong population growth is also expected in Maryborough, Castlemaine, Gisborne, and Kyneton, which is expected to bring flow-on benefits to the wider region. Harcourt is one of the rural hinterland towns earmarked for potential growth beyond and is expected to accommodate additional housing demand from Castlemaine.

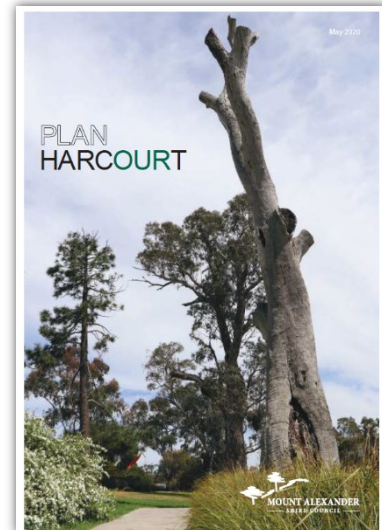


3.2. Plan Harcourt

Plan Harcourt is an overarching Council-led project that integrates the *Shine Harcourt Leanganook* economic stimulus project and the *Harcourt Framework Plan*. It serves as the underlying strategy for amendment C94.

The *Harcourt Framework Plan* is a spatial plan that aims to guide the township's land use and development. The objective of the framework plan is to continue to foster and enhance the local character of Harcourt while improving open space and movement, community health and wellbeing.

A key objective of the plan and for the community is to establish a defined town centre that includes shops, food premises and improved civic and recreational space.



The plan states the current township boundary is capable of supporting additional residential growth with over 15 years of potential land supply. As such, ongoing residential expansion is projected which will, in turn, increase commercial demand. To ensure the town centre is improved consistent with the rural character of the town and is grown sustainably, the plan identifies opportunities to:

- Rezone land along High Street and Harmony Way from Township Zone to Commercial 1 Zone
- Rezone Stanley Park, Stanley park North and James Park to a Public Park and Recreation Zone to reserve the park for public purposes
- Apply a Design and Development Overlay (DDO) to all C1Z land, to ensure urban design standards are met, that it is appropriate to the context and prominence of the site, promotes active street frontages and public safety within a consolidated town centre.

3.3. Mount Alexander Shire Land Supply & Demand Assessment

The Mount Alexander Shire Land Supply and Demand Assessment (REMPPLAN, 2022) reviewed and assessed the development potential of all residential land in the shire. The study identifies sufficient residential land within the Shire to meet projected population growth over 15 years.

The report establishes a baseline snapshot of residential land supply across the LGA at 2022 while also identifying current levels and key drivers of residential land demand across the Shire. Population and housing forecasts derive from analysis of a range of factors as depicted below:

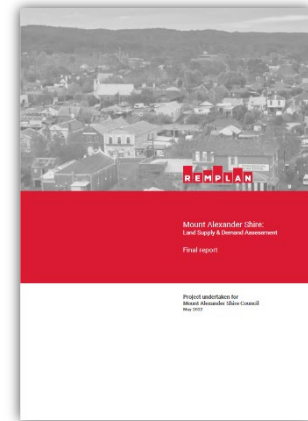
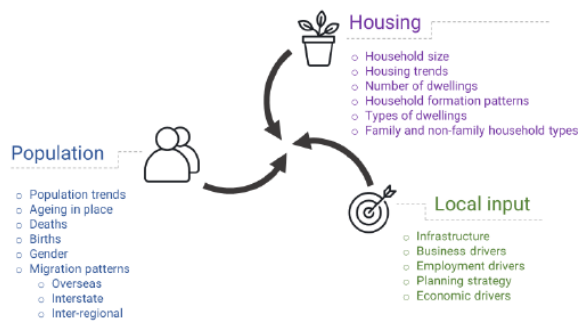


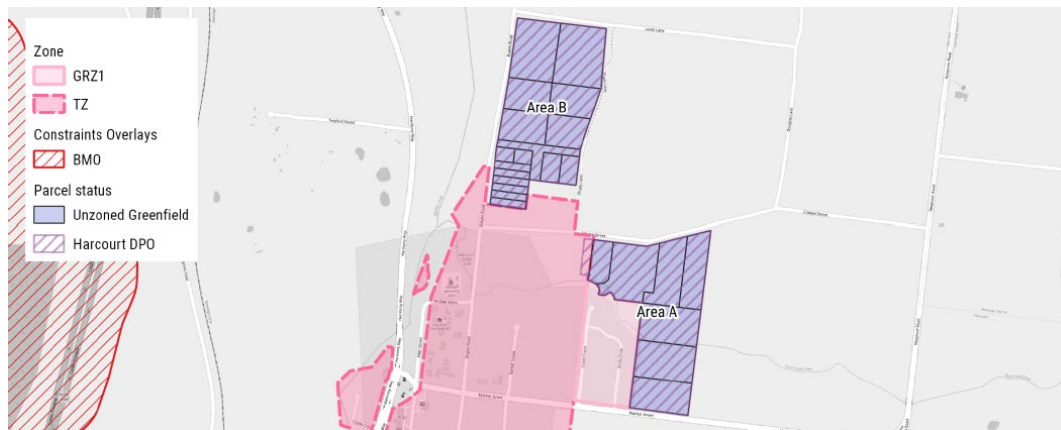
Figure 3: Population Projection Methodology



Source: REMPLAN

In terms of land supply Harcourt is identified as including a significant number of large parcels of zoned greenfield land. Larger greenfield parcels are located to the south of the township. The report observes, recent development activity has been concentrated to the north of the township at Pippin Court and Molly Drive.

Figure 4: Harcourt Residential Land Supply



Source: REMPLAN

To 2041, the report identifies demand for 332 new lots which would see Harcourt's population grow by over 760 residents at a growth rate of just under .39% per annum to 2041 making Harcourt the fastest growing area in the Shire over the next two decades. By 2041 Harcourt is expected to surpass Maldon as the Shire's second largest settlement.

As it grows, Harcourt is expected to incorporate high numbers of family households with children typical of newly developed areas which generally attract young families. In contrast, settlements such as Maldon are expected to incorporate higher shares of smaller households including lone person households.

Table 1: Population Projections REMPLAN

Population Projections	2016	2021	2026	2031	2036	2041
Calder Corridor Rural	2,947	3,164	3,298	3,436	3,569	3,660
Castlemaine	7,490	8,010	8,387	8,712	9,046	9,415
Taradale	151	152	163	174	190	201
Campbells Creek	1,716	1,846	1,959	2,080	2,181	2,298
Guildford	206	208	213	217	222	225
Balance Rural	3,479	3,592	3,673	3,750	3,829	3,928
Maldon	1,253	1,269	1,303	1,336	1,375	1,415
Newstead	591	676	733	783	824	864
Chewton	474	513	554	588	619	650
Harcourt	617	677	849	1,043	1,265	1,454
Elphinstone	173	182	189	196	200	206
Total	19,097	20,289	21,321	22,315	23,320	24,316

Source: REMPLAN

The report also identifies significant growth in an area identified as The Calder Corridor Rural region. The Calder Corridor encompasses rural areas surrounding Castlemaine, Elphinstone, Taradale and Harcourt. This area is expected to grow by near on 710 residents to a population of 3,660 by 2041. As will be discussed shortly, parts of the Calder Corridor in direct proximity to Harcourt are likely to support future household retail demand in Harcourt.

4 Future Retail Demand

This section applies a retail floor space demand methodology to identify the scale of retail floor space that the township might theoretically support to 2041.

4.1. Retail Floor Space Method

The method for estimating retail floor space demand entails a series of analytical steps as follows:

- a. Defining the township's retail catchment
- b. Measuring the factors that will influence retail demand including:
 - i. Population growth
 - ii. Identifying Harcourt's role in the region's retail hierarchy
 - iii. Identifying non-residential attractors to Harcourt including visitor attractors
- c. Using industry benchmarks to calculate total retail expenditure pool
- d. Estimating floorspace demand through turnover density conversions based on the total expenditure pool.

4.1.1. Harcourt Retail Catchment

The first step in identifying floor space demand is to identify the geographic catchment from which physical retail and commercial facilities are likely to attract consumers. In defining the catchment the project considers the geography of the subject location and the proximity of current and future households to identified future retail and commercial infrastructure.

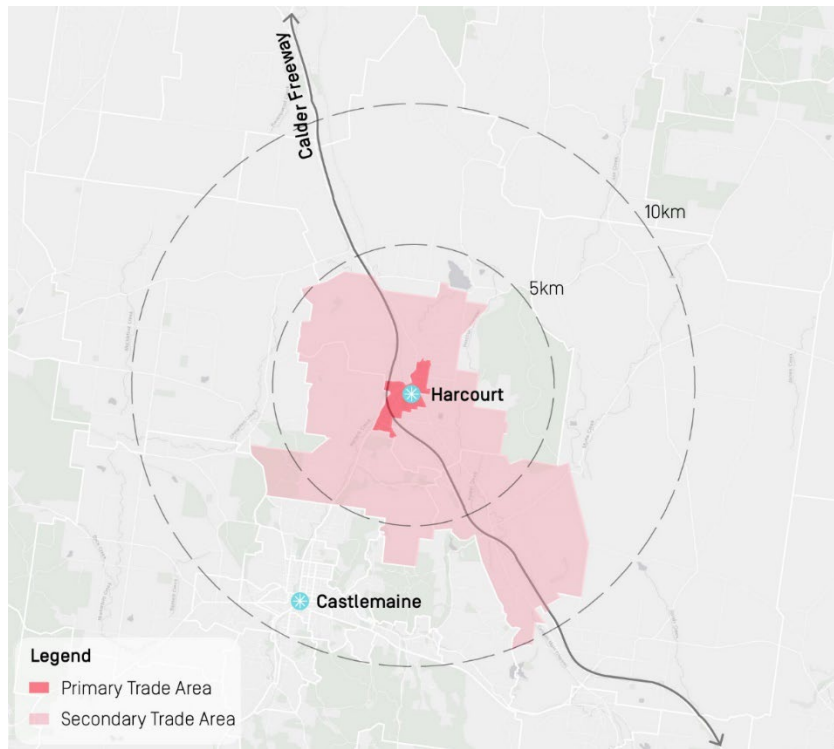
The method entails defining a primary and secondary trade catchment around the subject location. The primary catchment is known as the Primary Trade Area (PTA) and incorporates an area in which residents are considered to have the highest probability of using physical retail and commercial infrastructure. The PTA is typically the residential area nearest to the subject retail infrastructure. Accordingly, the township of Harcourt is designated as the township's PTA.

A secondary catchment has also been identified which is known as the Secondary Trade Area (STA). This area incorporates locations in direct proximity to Harcourt. Residents in the STA have a lower probability of using future retail infrastructure than residents in the PTA. Harcourt's PTA and STA are depicted in Figure 1.

Retail studies for major shopping centres and retail destinations such as established shopping strips will also incorporate a tertiary catchment that acknowledges the gravitational impact of the retail centre in drawing in expenditure from residents in more distant locations. A tertiary catchment has not been defined for Harcourt. This is because Harcourt is not currently a major retail destination and because the scale of potential future retail uses are not likely to incorporate uses that will draw large numbers of residents from more distant locations. A large format supermarket or big box retail venue is likely to draw residents from a greater geographic catchment.

Notwithstanding the above, as will be discussed, the township incorporates a number of attractors that will support visitor based retail expenditure, which is assessed as a separate category.

Figure 5: Retail Catchment Area



Source: Charter Keck Cramer

4.1.2. Population Growth

Population and the potential purchasing power of the current and future population is the key determinant of retail expenditure. As population grows, the potential pool of retail expenditure also grows, in turn, increasing the theoretical demand for retail services and floorspace.

As discussed, Harcourt's population as of the 2021 census was 677 people. Population forecasts project the population to grow to 1,451 residents to 2041. This is an addition of +777 residents by 2041 at an average annual growth rate of 3.9%.

As discussed, Harcourt is one of the Shire's leading areas for future population growth owing to its capacity to support greenfield style residential development. The STA includes population from the Calder Corridor region.

Table 2: Population Forecasts 2021-2040

Catchment	2021	2026	2031	2036	2041	Change	
						No.	AAGR
PTA	677	849	1043	1265	1454	777	3.9%
STA	1012	1057	1088	1129	1171	159	0.7%
Castlemaine	8,010	8,387	8,712	9,046	9,415	1,405	0.8%
Mt Alexander Shire (LGA)	20,289	21,321	22,315	23,320	24,316	4,027	0.9%

Note* Due to different data boundaries, population forecasts have been rebased using REMPLAN growth rates for the purposes of floorspace demand projections.

Source: REMPLAN, Charter Keck Cramer

4.1.3. Retail Hierarchy

Each retail location sits within a defined retail hierarchy based on its scale, range and quality of retail and commercial infrastructure relative to other locations. In general, locations with a greater quantity and range of attractions and infrastructure are more likely to attract higher numbers of consumers and therefore sit closer to the apex of the regional retail hierarchy while locations with more limited retail infrastructure attract a smaller number of consumers and sit lower on the hierarchy.

Harcourt currently incorporates very limited retail infrastructure consisting of a fuel retailer (service station), a café and a post office. There is also a motel within the township that currently functions as key worker housing.

At 2023 there was 810 sqms sqms of retail floor space within the township. Accordingly, Harcourt currently sits at the lowest levels of the region's retail hierarchy despite its population nearing 700 residents and attracting significant visitor activity. As will be discussed shortly, based on its current population and visitor numbers there is a theoretical under provision of retail floor space within the township.

Figure 6: Existing Commercial Uses



Source: Charter Keck Cramer

In the context of the region, Bendigo is the region's highest order retail centre with a comprehensive provision of full-line supermarkets, department stores, bulky goods and a wide variety of speciality retail stores and services.

Castlemaine is the closet shopping district to Harcourt which includes an expanding number of retail outlets to accommodate weekly shopping, leisure based consumption, service and homeware and hardware needs. Kyneton also includes significant floor space and is likely to be an option for households that commute to Melbourne. Given, that a majority of Harcourt's residents work in either Castlemaine or Bendigo, these retail centres are likely to currently capture the majority of Harcourt resident's retailing expenditure.

Table 3: Harcourt Retail Hierarchy

Retail Centre Name	Hierarchy (Type)	Retail Role	Amenity	Distance
Bendigo	Regional	Bendigo is the highest order retail centre in the Loddon Mallee South Region for its established population and abundant variety of retailing services. This includes a comprehensive array of full-line supermarkets, specialty retailers, departments stores, restricted retail and large format bulky foods. This centre would meet the majority or all of retail needs for Harcourt.	Woolworths Coles Big W Target JBHi-Fi Super Cheap Auto	30km
Castlemaine	Neighbourhood	Castlemaine is the primary retail centre for residents of Harcourt. It is closest in proximity and residents can access small grocers, food and catering, department stores, an array of specialty stores and large format bulky goods located in the south of Castlemaine.	2x IGA Woolworths (Expected) Kmart BWS	8km
Kyneton	Neighbourhood	Kyneton is located along the Calder Freeway towards Melbourne. This centre can act as a service stop for residents travelling between Melbourne and Harcourt. The town centre includes full-line supermarkets, hospitality, discount stores and specialty retailers.	Woolworths Reject Shop	37km
Maldon	Neighbourhood	Maldon is an existing gold mining town east of Harcourt. Known for its heritage streetscape, the town includes an array of fashion boutiques, antique stores and food and wine businesses.	IGA	22 km
Malmsbury	Local Centre	Malmsbury is a small town located along the Calder Hwy. It is a bluestone historic village with a limited array of retail including a general store, hospitality and pharmacy.	General Store Bottlemart	26km
Harcourt	Local Centre	Harcourt existing retailing services include a general produce store, café, service station and post office. Residents have limited retailing options, and would primarily travel to Castlemaine or Harcourt.	-	-

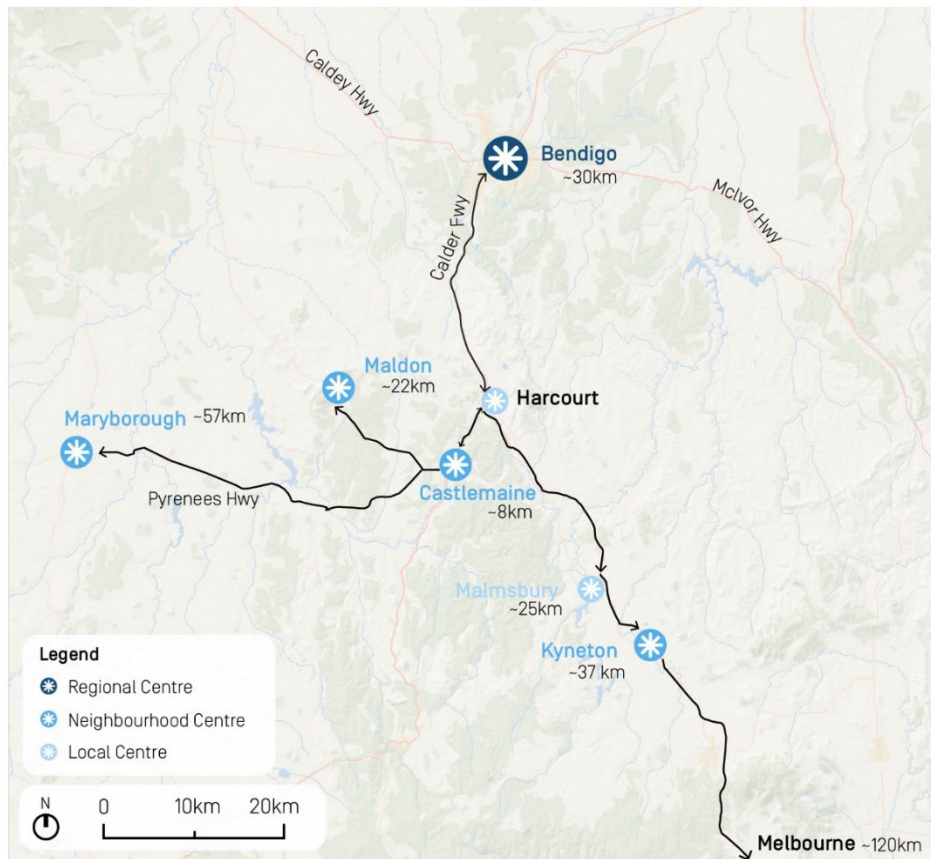
Regional Centre

Neighbourhood Centre

Local Centre

Source: Charter Keck Cramer, 2023

Figure 7: Retail Hierarchy Map



Source: Charter Keck Cramer

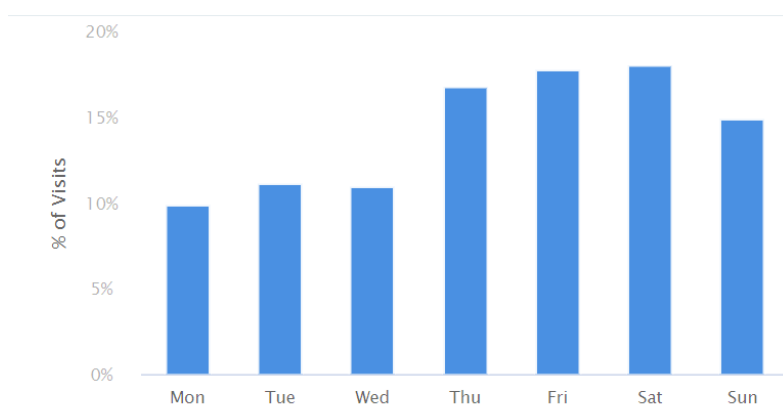
4.1.4. Visitors

Harcourt currently attracts large numbers of outdoor recreation visitors. According to *Shine Harcourt Leanganook*, the Harcourt Mountain Bike Trail at La Larr Ba Gauwa offers 34 kilometres of mountain bike trails and attracts 70,000 to 90,000 visitors annually.

Visitor numbers are anticipated to be boosted by the delivery of the Harcourt miniature railway which is currently undergoing construction and is expected to attract an estimated 300-500 visitors every weekend. Nearby, Mount Alexander is also a visitor attraction offering scenic views over the central Victoria hinterland. The town is expected to grow its visitor base via an Apple Heritage and Bush Tucker Museum, a seasonal calendar of events and pop-up markets. In the long term the township aims to support a visitor economy of 200,000 visitors annually.¹

At present, visitors lack appropriate retail and accommodation facilities. As such, the township is unable to benefit from the regular flow of visitors. Mobile phone data analysis indicates that the township experiences its most activity on weekends which may reflect the influence of a visitors.

¹ Shine Harcourt Leanganook Page 16 seeks to achieve 200,000 visitors annually. Charter's modelling takes a conservative approach and expects the town to reach 200,000 visitors annually by 2041.

Figure 4: Visitation Times Days of the Week

Source: Vista

4.2. Retail Expenditure

The next step in the retail floor space methodology entails estimating the total pool of retail expenditure to 2041 which entails identifying the potential expenditure pool of residents living within the PTA and STA and the expenditure pool of projected visitors.

The retail expenditure of residents has been estimated using Marketinfo data which is an industry standard resource which uses micro-simulation to estimate annual retail expenditure of residents based on a range of demographic and socio-economic variables.

At 2021, per capita retail expenditure for residents within the PTA was estimated at approximately \$14.7k per annum. Within the STA annual per capita expenditure was estimated at \$11.9k per annum. To 2041, assuming increasing prices and wages per person expenditure within the PTA is expected to rise to \$19.3k per annum and \$15.7k in the STA.

Table 4: Forecasted Retail Expenditure Per Capita by Catchment

Catchment	2021	2026	2031	2036	2041
PTA	\$14,728	\$15,753	\$16,860	\$18,058	\$19,355
STA	\$11,953	\$12,798	\$13,713	\$14,703	\$15,777

Source: Charter Keck Cramer

The township's visitor economy also contributes to the township's potential expenditure pool of the region. The study assumes that Harcourt will continue to expand its attractiveness as a visitor destination to achieve the community's goal of 200,000 visitors by 2041. This study references average daily visitor expenditure of \$72 per domestic daytrip visitor in the Shire to estimate visitor expenditure of approximately \$5.8 million by 2041.²

² \$72 per day trip visitor, sourced from Mt Alexander's Tourism Research Australia 2019 LGA Profile

The township incorporates a number of retail advantages and disadvantages for both retail floor space investment and ultimately expenditure as specified below.

Table 5: Retail Advantages and Disadvantages

Advantages	Disadvantages
Residential land supply	Established retail expenditure patterns within the township support out of centre expenditure
Projected population growth	Major retail centres to the north and west of the Harcourt
Visitor attractions	Limited established retail infrastructure
No retail competition within the townships PTA and STA	Rural areas trade lower than metropolitan areas
Land supply	Limited secondary trade area

As discussed above, there are larger and more established retail centres in nearby Castlemaine, and more distant Kyneton and Bendigo which are supported by established retail expenditure patterns. To account for the ongoing influence of these centres on local expenditure, the method has adjusted the total pool of estimated potential retail and visitor expenditure to ensure the retail floor space demand estimate represents a conservative outcome that reflects competitive retail conditions.

In total this study projects a total retail expenditure pool of \$52.4 million by 2041 that incorporates both visitor and resident expenditure.

Table 6: Retail Expenditure

Catchment	2021	2026	2031	2036	2041
PTA	\$10.0	\$13.4	\$17.6	\$22.8	\$28.1
STA	\$12.1	\$13.4	\$14.9	\$16.6	\$18.5
MTA	\$22.1	\$26.8	\$32.5	\$39.4	\$46.6
Tourism	\$2.7	\$3.3	\$3.9	\$4.8	\$5.8
Total	\$24.8	\$30.1	\$36.5	\$44.2	\$52.4

Source: Charter Keck Cramer

4.3. Estimated Floorspace Demand

In this step, the identified theoretical pool of retail expenditure is translated into a projected demand for retail floorspace over a 20-year horizon. The model draws on assumptions in relation to retail expenditure per person, population and tourism projections, the ultimate expenditure pool, and turnover based floor space densities for individual retail categories to define retail floor space demand.

To 2041, Harcourts growing population and visitor economy is expected to provide sufficient potential expenditure to support between 3,800 and 4,000 sqms of retail floor space. This results in a potential net addition of retail floor space by 2041 of 3,200 sqms (following the deduction of existing floor space). The township currently supports an estimated 810 sqms of retail floor space. Notably, there is likely to be a significant under provision of retail floor space within the township at 2023.

Estimated floor space demand to 2041 encompasses:

- 700 sqm of supermarket (food and non-food) floorspace
- 1,500 sqm of specialty retail. Specialty retail encompasses catering (café and food), specialty food and groceries (butchers, deli, fresh meat, fish and poultry), general retail (convenience stores, fuel retailing) and the sale of packaged alcohol.
- 1,700 sqm of non-food and drink this includes household goods, hardware apparel, pharmaceuticals.

Table 7: Estimated Supportable Floorspace

Retail Category	2,026	2,031	2,036	2,041
Supermarket and Grocery Stores (approx sqm.)	450	500	600	700
Specialty Retail (approx sqm.)	900	1,100	1,300	1,500
Non - Food and Drink (approx sqm.)	950	1,200	1,400	1,700
Total Estimated Floorspace	2,200-2,500	2,800-3,000	3,200-3,400	3,800-4,000

By 2041, the township will also be sufficiently large to support service space, such as health and medical services which can be provided in residential areas.

Future Floor Space Demand Growth

The above estimates provide insight into the scale of retail floor space the township might support over the next two decades. It is important to note that demand may be strengthened and expanded as a result of:

- *The reopening of the Harcourt Train Station:* this would increase convenience shopping demand from commuters.
- *Creation of an overnight stay economy:* If the visitor economy were to expand to the extent that the township began attracting significant numbers of overnight visitors resulting retail expenditure would grow significantly.
- *Housing densification:* Densification of residential lots would increase population growth and in turn the expenditure pool.

All of the above would contribute positively to retail expenditure. The above are, however, not assumed in the study.

5 Commercial Land Requirement

The following identifies the minimum quantity of commercial land needed to support the delivery of the identified net additional retail floor space within the township.

The study applies a dual method to investigate the minimum required commercial land needed to accommodate identified retail floor space as follows:

- **Planning and infrastructure investigation:** an examination of the minimum space required to address planning and infrastructure requirements.
- **Benchmark centres:** an examination of the ratio of zoned commercial land to retail floor space in nearby town centres.

The above investigations provide the basis for a series of recommendations in relation to the future rezoning of land currently in the Township Zone to the Commercial 1 Zone (C1Z) and associated implications for the Design and Development Overlay 16 (DDO16).

5.1.1. Planning and infrastructure Assessment

To deliver retail floor space a new retail development will need to achieve the planning requirements of the Mount Alexander Planning Scheme whilst also incorporating sufficient space to support circulation, services, hospitality and landscaping uses. This investigation therefore focuses on the theoretical land area needed to achieve minimum land use planning requirements, the design objectives of the proposed DDO16 and the need for new retail infrastructure to provide onsite amenity and infrastructure.

Different forms of retail development such as big box retail, self-contained shopping centres, mixed use locations and rural convenience centres require different land areas to accommodate a preferred retail format including the configuration of access, car parking, circulation, landscaping, and hospitality space. As such, the required zoned land area can differ depending on the context and commercial format of the retail activity.

Plan Harcourt identifies the preservation of the township's village feel as a critical characteristic and guiding influence on future development. The DDO16 was developed to guide the preferred character of the town centre which includes promoting a high standard of urban design, pedestrian-friendly active frontages, large windows and the use of natural materials. Additionally, DDO16 discourages car parking in the front set back of properties compelling services and vehicle parking to be located at the rear of properties.

The modelling below therefore assumes the following:

- New retail and commercial establishments will need to comply with car parking requirements as detailed at Clause 52.06 of the Mount Alexander Planning Scheme. No dispensation is assumed resulting in the need for a total of 114 car spaces.
- Retail services, infrastructure, car parking and circulation will be located to the rear of new retail floor space.
- In keeping with the aspirations of *Plan Harcourt* new retail development will support the rural character of Harcourt and include separation between uses, buffering between residential uses and landscaping.

The study estimates that a theoretical minimum of 0.8 hectares of C1Z land will be required to accommodate car parking and minimum landscaping and buffering requirements. The study assumes a landscaping ratio of 1 sqm per every 3.3 sqms of retail floor space.

Table 8: Minimum Commercial Land Requirement

Land Use	2041 Floorspace (sqm)
Net additional retail floorspace	3,080
Car parking incl. circulation GFA	4,000
Minimum landscaping and buffering space	920
Total	8,000 sqms

Charter acknowledges that in not all car parking will ultimately occur on private land and that some car parking will occur on public land. However, to ensure Harcourt is supportive of new retail investment it is prudent to ensure that sites are technically able to support car parking requirements. Charter also acknowledges that new retail locations may also incorporate greater land area for landscaping and outdoor hospitality space than is indicated above and may also choose to retain the existing dwelling on the redeveloped site. The aim, however, of this assessment is to identify a theoretical minimum space that is in keeping with the urban design aspirations of Harcourt.

5.1.2. Centre Benchmark

To further test commercial land requirements the assessment examined the provision of retail floor space in nearby townships and the relationship of floor space to zoned commercial land.

Table 9: Benchmarking Analysis

Town	Population	Retail Floorspace to Zoned Land Ratio	Observations
Maldon	1,665	1 : 1.4	Maldon is a historic gold rush town celebrated for its intact heritage streetscape. The concentration of its town centre reflects a dense subdivision pattern delineated in the gold mining era. The history of the town influences its current dense site coverage. This form of retail development is unlikely to be replicated in Harcourt given Harcourt's low density subdivision pattern and the development aspirations of <i>Plan Harcourt</i> .
Malmsbury	905	1 : 3.3	Malmsbury's core area is focused at the intersection of Mollison Street and Ellesmere Place. Retail properties incorporate housing, hospitality areas, public car parking and services as well as open space. The area exhibits a similar subdivision pattern to Harcourt given its current lot sizes.
Marong	2005	1 : 5	Marong's town centre surrounds the intersection of the Calder Hwy and is adjacent to the Marong train station. Marong's retail lot sizes are relatively large resulting a low-density retail environment in which there is a high proportion of commercially zoned land to retail floor space. As a result, retail sites include high levels of open space. The low-density format of retail floor space evident in Marong is unlikely to be replicated in Harcourt given that Harcourt will attract new retail investment and development will seek to maximise retail potential and expenditure from residents and the visitor economy.

Source: ABS 2021 Census, Charter Keck Cramer

The core commercial area of Malmsbury most closely resembles the form of future Harcourt's commercial area given its lot profile and the aspirations of *Plan Harcourt* and DDO16. The core retail area of Malmsbury incorporates retail sites that include onsite amenity, car parking and hospitality spaces as well as vacant land. If Malmsbury's format of zoned commercial land were to be replicated in Harcourt, the requirement for commercial land would be approximately 10,000 sqms (1 h.a). This would result in a new commercial floor space to zoned land ratio in Harcourt of 1:3.

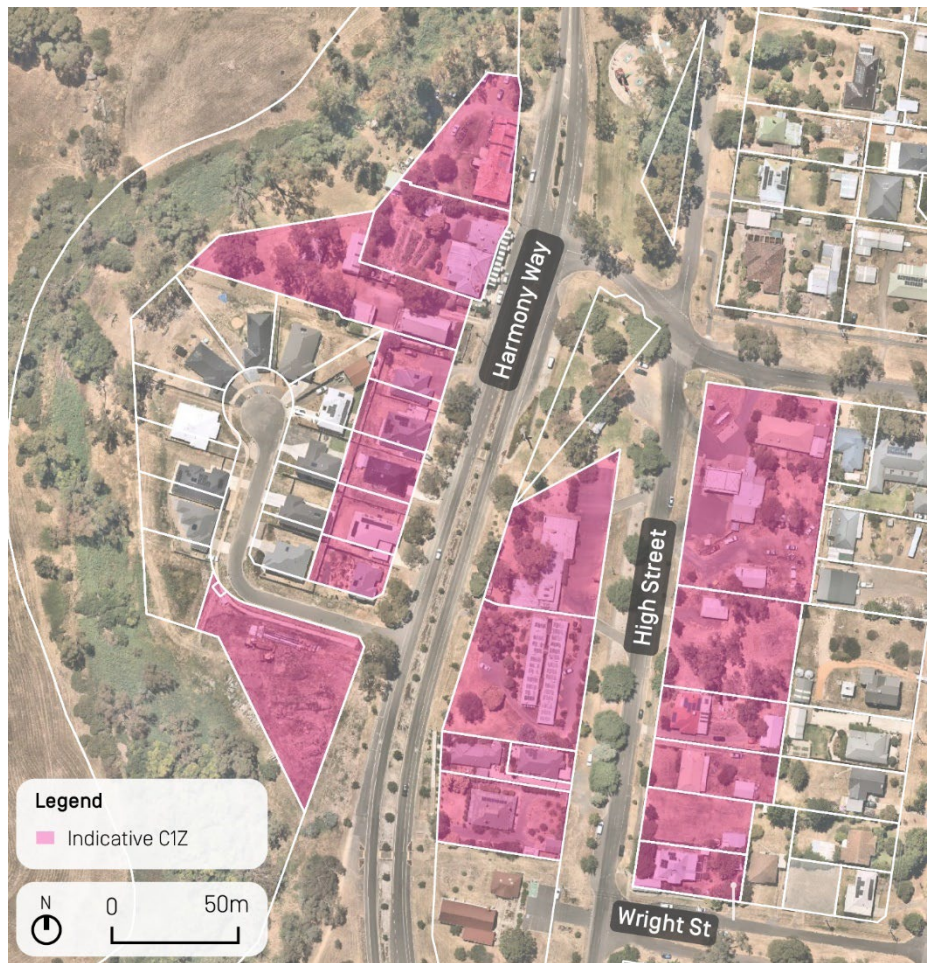
5.1.3. Implications for the application Commercial 1 Zone

Based on the above analysis, the study assumes that Harcourt requires a minimum of 8,000 sqms of new C1Z land to accommodate retail floor space demand. The township currently includes approximately 1.2 h.a. of land that supports existing commercial uses. As such, the study recommends that the township requires a minimum of 2 hectares of zoned C1Z land to sustain current and future commercial activities.

Table 10: Recommended Commercial Land Requirement

Existing Commercial Uses	1.2 h.a.
+ Minimum Commercial Land Demand	0.8 h.a.
= Recommended Land Requirement	2.0 h.a.

Figure 8: Proposed Application of the C1Z Amendment C94



Source: Charter Keck Cramer, Feb 2023

Amendment C94 to the Mount Alexander Planning Scheme identified 2.9 hectares of new C1Z land in the township as depicted above. Charter has reviewed the proposed application of the C1Z zone and in light of the results of the retail assessment and the subsequent commercial land assessment recommends the following:

- *Apply the C1Z to sites that currently incorporate existing commercial uses.*
- *Apply the C1Z to select residential and vacant sites:* As per Figure 10 below a number of contiguous vacant and residential sites along High Street and Harmony Way are supported for future commercial development. Collectively, these sites provide sufficient commercial land area (1.1 ha) to accommodate the minimum land requirement to support new retail development (approximately .8 ha) while supporting the aspirations of *Plan Harcourt* to facilitate a defined town centre and providing for an orderly planning outcome.³
- *Remove select residential sites:* 103-109 Harmony Way was recently subdivided and developed for housing. Given the age of their dwelling stock these sites are highly unlikely to support retail uses over the next two decades.
- *Apply the Mixed Use Zone (MUZ) for 99 Harmony Way.* The site's larger lot size (2,652sqm) and strategic location along the southern entrance of the township provides an opportunity for the site to support ancillary commercial and service uses. The application of the MUZ to site will enable residential development while also permitting commercial development and uses on the site. As such, the MUZ provides a degree of land use flexibility that will enable the site to respond to commercial demand as Harcourt's community and visitor economy grows. Importantly, the MUZ places a number of conditions on the floor area of specific uses including hospitality and medical uses that will help limit the scale of future uses and ensure land proposed for the Commercial 1 Zone is prioritised for investment and development.

³ This includes the recently subdivided and developed sites at 15 and 15a High Street. These sites are unlikely to attract future commercial investment, however, to ensure orderly planning of High Street these sites have been recommended for the C1Z.

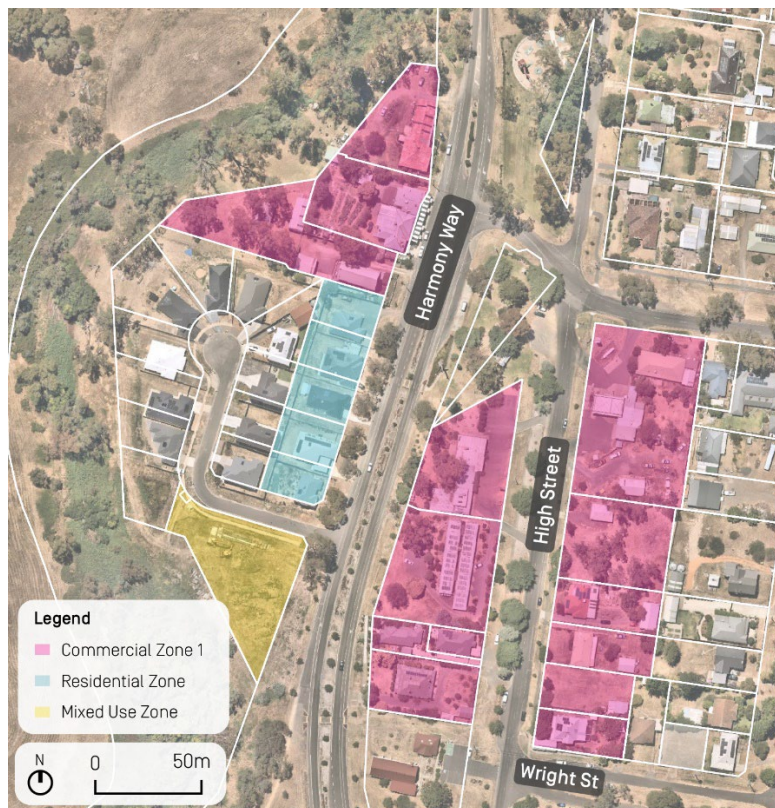
The table below summarises recommended zoning as per the above.

Table 11: Zoning Recommendations

Zoning Recommendations	2041 Land Area (sqm)
Apply Commercial Zone 1 to existing dwellings and vacant sites at: 15 High Street 15a High Street 28 High Street 24 High Street 26 High Street 30 High Street 119 Harmony Way 117 Harmony Way 132 Harmony Way	11,459
Commercial Zone 1 to existing Commercial uses: 115 Harmony Way 21 High Street 22 High Street 23 High Street 34 High Street	11,707
Remove sites from 103 to 109 Harmony Way from the proposed application of the Commercial Zone 1	3,115
Apply Mixed Use Zone to 99 Harmony Way	2,652

Source: Charter Keck Cramer

Figure 9: Recommended Zoning Uses



Source: Charter Keck Cramer

5.2. Design and Development Overlay 16 Review

As discussed, the proposed DDO16 seeks to facilitate a commercial township environment of activated frontages. To do so the DDO16 requires that:

buildings should be oriented towards the street with zero front and side setbacks to promote active and continuous frontages (proposed Schedule 16 to clause 43.02 sub-clause 2.0)

At the same time the DDO16 encourages sites to provide:

views from within the town centre to the north and to the east towards Mount Alexander and to the north and west towards hillslopes (proposed Schedule 16 to clause 43.02 sub-clause 2.0)

Future retail development along High Street will need to carefully design and configure building orientation and outdoor hospitality space to ensure retail consumers can enjoy the township's scenic qualities. The desire for a continuous zero front setback active frontage may limit opportunities for new facilities to respond to the township's views. As such, the proposed DDO16 might allow for front or side setbacks to support hospitality space that enables views to the north and east.

Additionally, DDO16 may also include the need to buffer and screen retail uses from adjoining residential properties. The DDO16 states:

Parking and vehicle access, including loading areas, should be designed to ensure safe circulation and access for all forms of movement including pedestrians, cyclists, wheelchairs and motor vehicles. Car parking should be located at the rear of the building and is discouraged within the front setback (proposed Schedule 16 to clause 43.02 sub-clause 2.0)

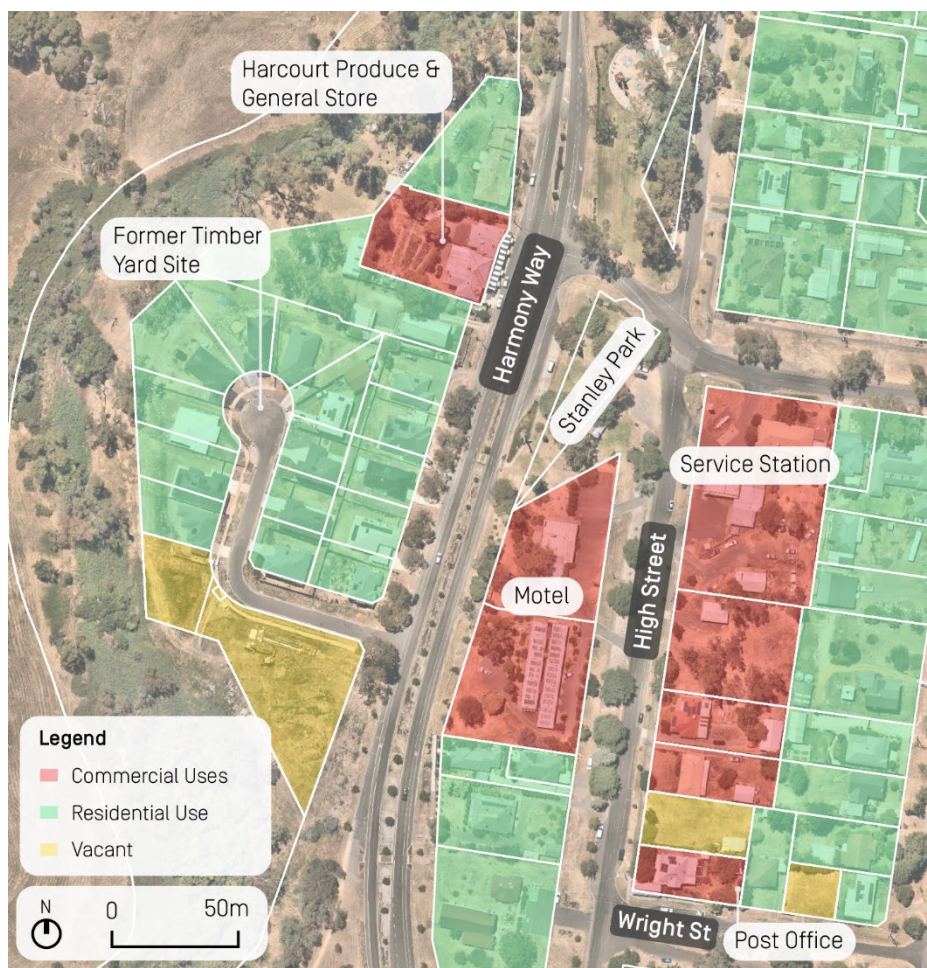
To ensure that this does not impact on the amenity of adjoining residents to the rear of new retail uses, particularly along High Street, the DDO16 might specify landscaping and buffering treatments to avoid adverse amenity impacts.

Appendix A: Existing Site Conditions

Prior to the construction of the Harcourt Bypass, Harmony Way was the primary thoroughfare of the town. The northern portion of Harmony way operate a café and product store. The former Timber Yard site along Harmony Way has been subdivided and constructed new single detached dwellings, sterilising the likelihood for commercial development within these sites.

The draft *Harcourt Town Centre Action Plan* informs strategic intention to convert High Street as the main centre of the town, with a proposed DDO to deliver interface design outcomes. The current land usage of High Street is mainly residential. The north of high street is the service station, with the corner block of Wright Street and High Street operating the local post office. It is noted that the High Street Motel, adjacent to James Park is currently converted into key-worker housing and is not under operation for the private market.

Figure 10: Study Area Harcourt Township



Source: Charter Keck Cramer, Feb 2023

Appendix B: Indicative Commercial 1 Zone [C1Z] Review

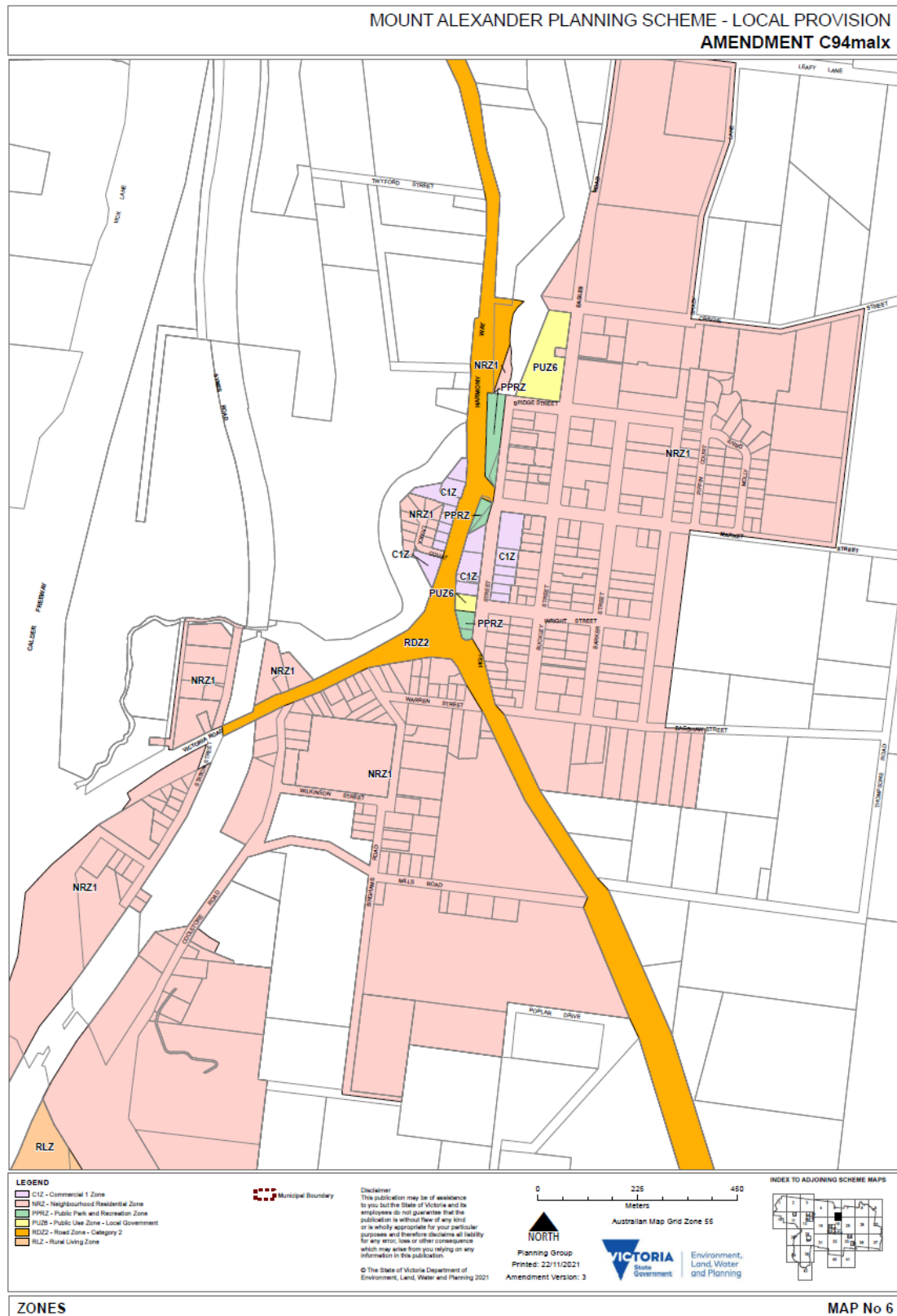
The table below identifies the status of each site proposed for the C1Z in amendment C94.

Table 12: Indicative Commercial Zone 1 Existing Uses

Address	Area (sqm.)	H.a.	Land Use
12 Liyaka Ct	568.63	0.1	New House
99 Harmony Way	2652	0.3	Vacant
103 Harmony Way	635.84	0.1	New House
105 Harmony Way	642.69	0.1	New House
107 Harmony Way	646.45	0.1	New House
109 Harmony Way	621.29	0.1	New House
117 Harmony Way	2717.06	0.3	Occupied Dwelling
115 Harmony Way	1806.10	0.2	Commercial use
119 Harmony Way	15255.58	0.2	Occupied Dwelling
23 High Street	2192.93	0.2	Commercial Use
21 High Street	2621.93	0.3	Commercial Use
15 High Street	329.72	0.0	Occupied Dwelling
15a High Street	514.13	0.1	Occupied Dwelling
34 High Street	4287.47	0.4	Commercial use
30 High Street	2012.61	0.2	Vacant
28 High Street	1058	0.1	Occupied Dwelling
26 High Street	985.75	0.1	Occupied Dwelling
24 High Street	908.78	0.1	Vacant
22 High Street	798.45	0.1	Commercial Use
132 Harmony Way	1407	1.4	Occupied Dwelling
Total	28,933.61	2.9	

Source: Charter Keck Cramer

Appendix C: Amendment C94malx



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