

CARSELDINE VILLAGE: STAGE 4B: EMPLOYMENT IMPACT ASSESSMENT

Client: Economic Development Queensland

Title: CARSELDINE VILLAGE: STAGE 4B
EMPLOYMENT IMPACT ASSESSMENT

Version: FINAL

Date: Wednesday, 13 April 2022

Prepared for:

Economic Development Queensland

Marisa Graetz
Development Manager

Address: 1 William St, Brisbane City QLD 4000

T: 07 3452 7525

E: Marisa.Graetz@dsdilgp.qld.gov.au

DISCLAIMER

This report was prepared by Econisis within the terms of Econisis engagement with the client and in direct response to a scope of services and/or proposal. This report is supplied for the sole and specific purpose for use by the client. The report does not account for any changes relating the subject matter of the report, or any legislative or regulatory changes that have occurred since the report was produced and that may affect the report. All data and information included within this report has been collated, analysed and presented in good faith. No attempt has been made to validate the accuracy of the data, unless otherwise stated. Econisis does not accept any responsibility or liability for loss whatsoever to any third party caused by, related to or arising out of any use or reliance on the report.

VERSION CONTROL

VERSION	PURPOSE	AUTHOR	REVIEWER	APPROVER	APPROVAL DATE
DraftA	Interview Review	MW	EW	MW	25/03/2022
DraftB	Draft for client and RPS Review	MW	EW	MW	28/03/2022
Final	Final draft	MW	EW	MW	13/04/2022

APPROVAL FOR ISSUE

APPROVER	CONTACT	SIGNATURE	DATE
Mark Wallace PRINCIPAL	T: 0431 676 254 E: mark.wallace@econisis.com.au		Wednesday, 13 April 2022

CONTENTS

1	INTRODUCTION	1
1.1	Background and Context	1
1.1.1	Carseldine Village	1
1.1.2	Stage 4B	1
1.2	What is Meant by “High Intensity Employment”?	2
1.3	Report Purpose and Structure	3
1.4	Glossary and Abbreviations	5
2	CARSELDINE VILLAGE EMPLOYMENT YIELD	6
2.1	Carseldine Village Contribution to Local Employment	6
2.1.1	Maximum Density Development Yield	6
2.1.2	Non-Residential Floor Space Employment	6
2.1.3	Home-Based Employment/Working from Home	6
2.1.4	Total Employment Yield of Carseldine Village	7
3	STAGE 4B EMPLOYMENT YIELD	9
3.1	Estimate of Employment under Current Zoning	9
3.2	Estimate of Employment Under Proposed Zoning	10
3.3	Current Stage 4B Zoning Lacks Alignment with Development Yield	10
4	ALIGNMENT WITH MASTER PLAN	11
4.1	Impact of High Intensity Employment on Village Heart Viability	11
4.2	Lack of Suitability of Subject Site for High Intensity Employment	11
4.3	Suitability of Village Heart for High Intensity Employment	12
5	CONCLUSIONS AND RECOMMENDATIONS	13
5.1	Key Findings	13
5.2	Recommendation	13

FIGURES AND TABLES

Figure 1	Carseldine Village Master Plan Stages	1
Figure 2	Carseldine Village Master Plan Stage 4B	2
Figure 3	High Intensity Employment Land Use Examples, North Lakes and Springfield Central	3
Figure 4	Working from Home Trends, Various Surveys, 1970 to 2021	7
Figure 5	Carseldine SA2	8
Table 1	Glossary and Abbreviations	5
Table 2	Development Yield (Maximum Density) Carseldine Village	6
Table 3	High Intensity Employment Zone Development Potential, Sites 9-11, Stages 4B, Carseldine Village	10

1 INTRODUCTION

This section provides an overview of the structure, background, context, and purpose of the report.

1.1 Background and Context

1.1.1 Carseldine Village

Carseldine Village, a new mixed-use development on Brisbane's northside, is being developed by Economic Development Queensland (EDQ), a government agency that combines property development with specialist planning functions, on the site of the former QUT campus at Carseldine.

The masterplan for Carseldine Village is being developed in multiple stages between 2018 and 2026, subject to market demand. The current approved masterplan provides for a maximum of 606 dwellings. In one of the future stages (Stage V), a village retail heart will potentially comprise a convenience supermarket, speciality retail and dining.

The current Government Office Precinct and Carseldine Markets are to remain as part of the development. C&K Child Care Centre is to be relocated within the development site.

1.1.2 Stage 4B

As part of the Master Plan for the Carseldine Village, Stage 4B comprises three lots (lots 9, 10 and 11) on the southern side of Beams Road east of the current childcare and Government Office Precinct.

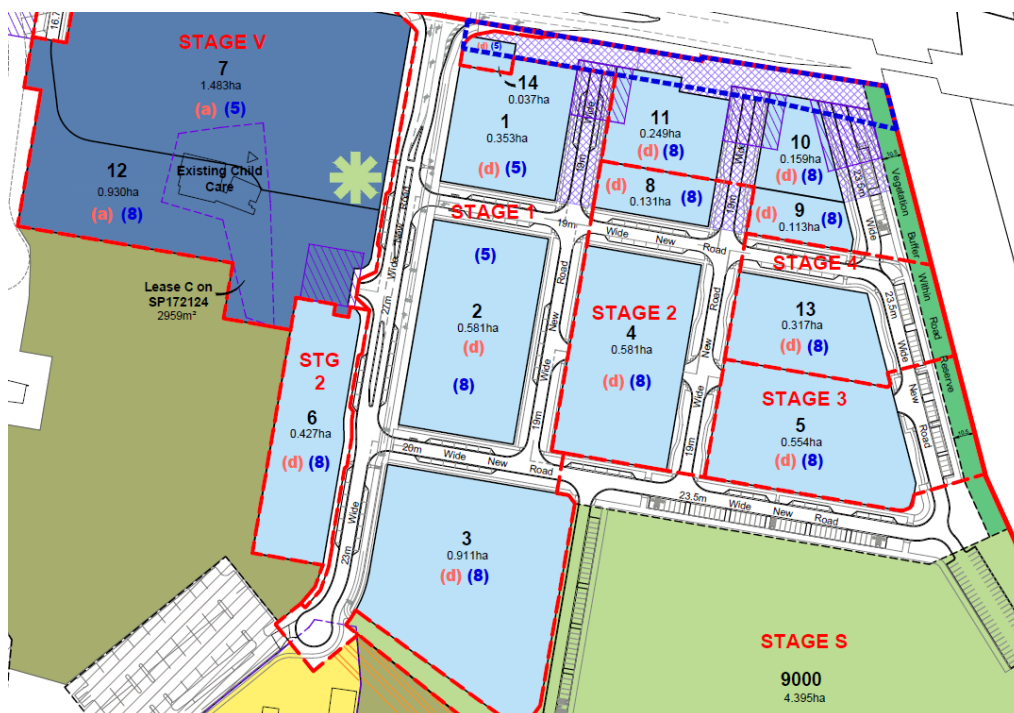


Figure 1 Carseldine Village Master Plan Stages

Currently, Stage 4B of the Carseldine Village precinct is zoned as a Mixed-Use Precinct, specifically for "high intensity employment" uses. However, it is proposed by EDQ that this site be developed for residential product – namely the development of 25 terrace homes. This necessitates both a development application and amendment to the Master Plan, both of which are being progressed by RPS. The effect of this amendment will be to align with current zoned residential terrace house sites in adjacent and surrounding lots.

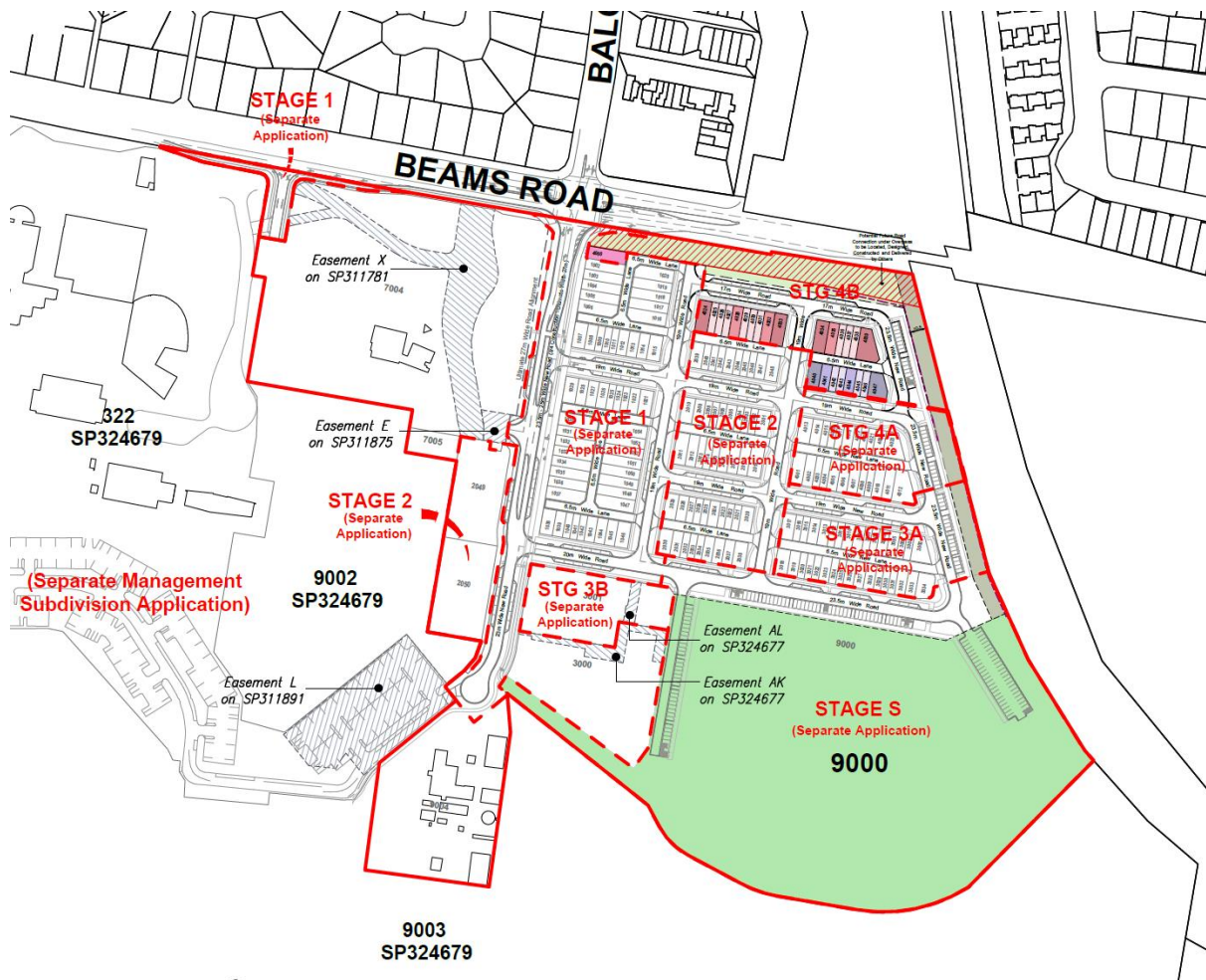


Figure 2 Carseldine Village Master Plan Stage 4B

Stages 1, 2, 3 and 4A are currently under construction and include the delivery of terrace style residential housing. The shift of underlying land use in Stage 4B from non-residential mixed use to residential will represent an alignment of uses with surrounding Stages, but has the potential to have employment yield impacts on Carseldine Village.

1.2 What is Meant by “High Intensity Employment”?

While not clearly defined, a practical understanding of “high intensity employment” is that it includes mixed use multi-story commercial office development within a suburban setting.

Examples of such development are in locations such as North Lakes Medical and Specialist Suites development at Springfield Central, opposite the Mater Private Hospital Springfield.



Figure 3 High Intensity Employment Land Use Examples, North Lakes and Springfield Central

Common tenants in such developments includes:

- professional services,
- medical consulting/psychology/counselling,
- property/real estate,
- adult education and
- business administration.

Other common attributes of “high intensity employment” developments in suburban locations include:

- Commercial office developments of 4-5 storeys
- Larger floorplates in the order of 800sqm-1,500sqm
- Lower floor space ratios compared to inner city locations (i.e. 25sqm NLA per worker compared to 15-20sqm in inner city locations)
- A Grade product
- Ground floor retail in the form of café and restaurant, small convenience groceries, newsagency, pharmacy, and retail services.

1.3 Report Purpose and Structure

Econisis has been engaged by Economic Development Queensland, in partnership with RPS, to undertake an assessment of the employment impacts of the proposed changes to Stage 4B from non-residential mixed use “high intensity employment” zoning to terrace housing style residential uses.

This report follows the preparation of a preliminary findings letter by Econisis and includes the following sections:

- **Introduction** – an overview of the structure, background, context, and purpose of the report,
- **Carseldine Village Employment Yield** – provides an overview and context of the employment generation by the current Carseldine Village Master Plan based on the Development Yield table. Accounts for new non-residential floorspace and home-based employment.
- **Stage 4B Employment Yield** – estimates of the employment yield that could be supported by “high intensity employment” and residential zones and contribution of the site to wider suburb employment growth.

- **Alignment with Master Plan** – a review of the alignment of the current “high intensity employment” zoning with the maximum development yield in the Master Plan. Also considers the potential implications that “high intensity employment” would have on the Village Heart if the Master Plan is not amended and the overall suitability (or lack thereof) of the site for high intensity employment.
- **Conclusions and Recommendations** – summary of the findings of the report and associated recommendations.

1.4 Glossary and Abbreviations

The following terms and abbreviations are utilised in this report.

Table 1 Glossary and Abbreviations

Term/Abbreviation	Definition
ABS	Australian Bureau of Statistics
Floor Plate	The 2-dimensional coverage of a building on the ground plane
FSR	Floor space ratio – ratio of Gross Floor Area to site area
GFA	Gross Floor Area - sum of the floor area of each floor of a building measured from the internal face of external walls
NLA	Net Lettable Area – sum of the floor area of each floor of a building subject to tenancy occupancy and leasing. Excludes common areas, facilities and services.
SQM	Square metres

2 CARSELDINE VILLAGE EMPLOYMENT YIELD

This section provides an overview and context of the employment generation by the current Carseldine Village Master Plan (refer to Figure 1) based on the Development Yield table (refer to Table 2). Accounts for new non-residential floorspace and home-based employment.

2.1 Carseldine Village Contribution to Local Employment

2.1.1 Maximum Density Development Yield

The current Master Plan for Carseldine Village provides for the following maximum development yields:

Table 2 Development Yield (Maximum Density) Carseldine Village

Development Yield (Maximum Density)	
Residential Dwellings	606 dwellings
Commercial (sq.m)	15,050 sq.m GFA (13,285m ² existing DTMR Facility + 1,765m ² within Mixed Use Centre - Village Heart)
Retail (sq.m)	4,000 sq.m GFA
Childcare	100 children

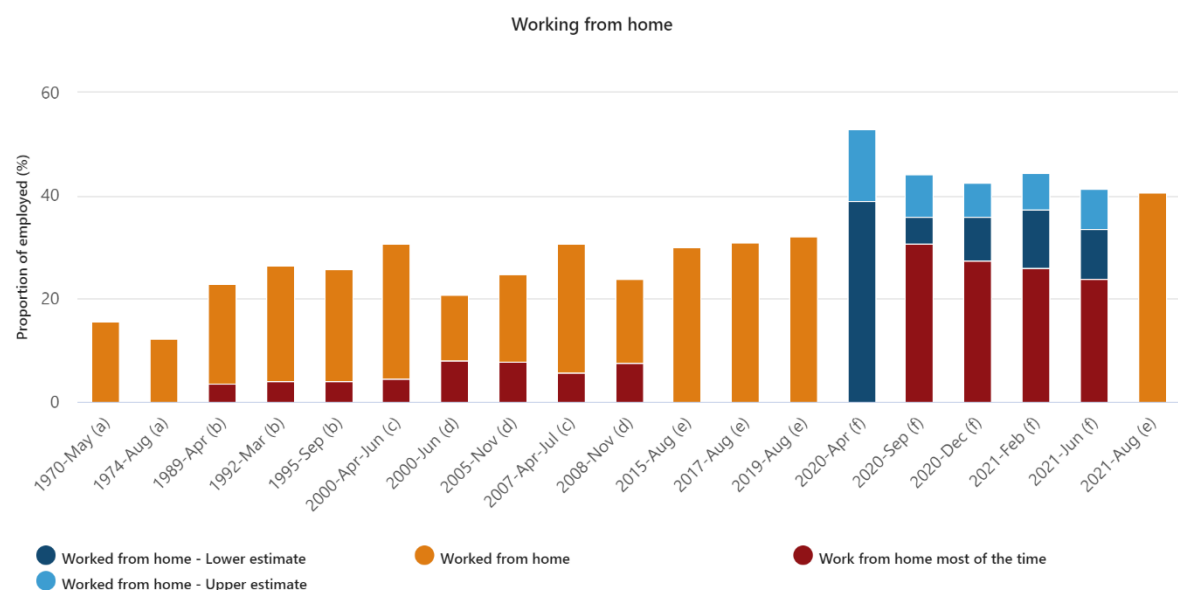
2.1.2 Non-Residential Floor Space Employment

The Development Yield for non-residential floor space for Carseldine Village is outlined in the Master Plan and includes allowance for a maximum of 1,765sqm of commercial floors space and 4,000sqm of retail floor space. This is beyond current floor space associated with the Child Care and Government Office Precinct. Applying industry-standard workspace ratios to this floorspace, it is estimated that this level of non-residential floor space will accommodate a total of 114 retail jobs and 71 commercial jobs.

2.1.3 Home-Based Employment/Working from Home

However, employment will also be accommodated in residential dwellings within Carseldine Village. Data from the ABS indicated that prior to the COVID-19 pandemic, approximately 30-35% of people worked from home regularly with 4-10% of people working from home most of the time.

The COVID-19 pandemic and associated movement and travel restrictions saw a noticeable increase in working from home (40-45%), though the largest change was in the proportion of people who worked from home most of the time (increasing to 25-30%). While this share trended down over the course of the pandemic as movement and workplace social distance restrictions were relaxed, it is expected that the proportion of workers who work regularly from home most of the time (and therefore could consider their home as their primary place of work) will remain around 20% of workers.



Worked from home last week: (a) Journey to Work and Journey to School, 1970-1974, (b) Persons Employed at Home, 1989-1995, (d) Locations of Work, 2000-2008; - Usually works from

Source: Australian Bureau of Statistics, Working arrangements August 2021

Figure 4 Working from Home Trends, Various Surveys, 1970 to 2021¹

Carseldine Village is expected to yield 606 dwellings. Assuming a 95% occupancy rate with an average household size of 2.7, this will support a residential population of approximately 1,554 people. In the absence of a detailed age and demographic breakdown the labour force participation rate of this population cannot be calculated. However, applying a rudimentary worker to population ratio of 50% in line with national averages, this means that there is expected to be approximately 757 workers living in the 606 dwellings. This suggests the new homes in Carseldine Village will be the primary place of work for approximately 151 workers.

2.1.4 Total Employment Yield of Carseldine Village

Based on home-based and non-residential floor space, Econisis estimates that the current Master Plan will accommodate 336 jobs. To put this in context, there were 2,203 jobs in the Carseldine SA2 in 2016, with Public Administration and Safety industry associated with the Government Office Precinct accounting for almost 700 of these jobs.

¹ ABS (2021) Working Arrangements August 2021 accessed at <https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/working-arrangements/latest-release#:~:text=41%25%20of%20employed%20people%20regularly,7.8%25%20of%20all%20employed>.

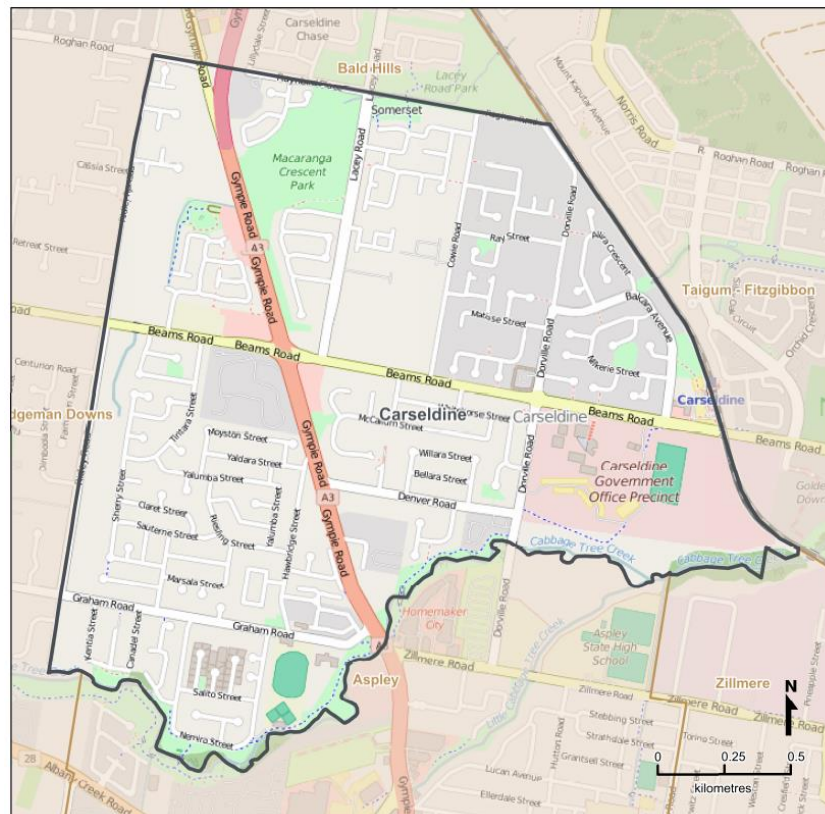


Figure 5 Carseldine SA2

This means that the additional jobs in Carseldine Village under the current Master Plan will add approximately 15.25% of jobs to the Carseldine SA2.

3 STAGE 4B EMPLOYMENT YIELD

This section includes estimates of the employment yield that could be supported by “high intensity employment” and residential zones and contribution of the site to wider suburb employment growth.

3.1 Estimate of Employment under Current Zoning

For this assessment, Econisis has assumed the development of the Stage 4B under the current zoning would entail the establishment of up to two 4-5 storey mixed use commercial office buildings with ground floor retail.

Lots 9 and 10 have been combined in this assessment to provide for two development lots (along with Lot 11) ranging in size from 0.249ha (Lot 11) to 0.272ha (Lots 9 and 10). This is equivalent to the area proposed to accommodate the 25 terrace houses under the development application and Master Plan amendment by RPS, ensuring comparability of the scenarios.

Key assumptions and attributes of the development:

- Floor Plate Ratio for the development of 35% of the site to allow for at grade parking and ingress and egress to the sites.
- Floor Space Plot Ratio of 1.75
- Assumed number of floors in each building of 5 (ground floor plus 4 above ground floors)
- Net Lettable Area is calculated as 50% of GFA for the ground floor and 75% of GFA for the subsequent four floors.
- Assumed that the ground floor tenancies will be occupied for retail and the subsequent floors will be for commercial office tenancies.
- Applied industry standard workspace ratios for a suburban non-residential development of 35sqm NLA per worker for retail uses and 25sqm NLA per worker for commercial office uses.

Econisis estimates that the two development parcels could accommodate two commercial office buildings, each with 5 storeys (including ground floor) with a total Gross Floor Area (GFA) of 4,350-4,750sqm each (or approximately 9,118sqm across all sites). Applying the industry standard workspace ratios to the NLA floorspace in the two buildings, suggests they could accommodate up to 247 workers at full occupancy.

These calculations are summarised below.

Table 3 High Intensity Employment Zone Development Potential, Sites 9-11, Stages 4B, Carseldine Village

Indicators	Lot 9 & 10	Lot 11	Total
Size (ha)	0.272	0.249	0.521
Floor Plate Ratio	35%	35%	
Floor Plate (sqm)	952	872	
Plot Ratio	1.75	1.75	
GFA (sqm)	4,760	4,358	9,118
Floors	5.00	5.00	
NLA (sqm)	3,332	3,050	6,382
Retail	381	349	729
Commercial	2,951	2,702	5,653
Jobs	129	118	247

Note: this represents the “maximum development yield” for the site, based on what is considered to be “high intensity employment” land use for the site.

3.2 Estimate of Employment Under Proposed Zoning

Econisis has applied the same assumptions outlined for the whole of Carseldine Village to the Findings

Based on this, the 25 dwellings in Stage 4B will accommodate a total of 64 residents and 32 workers. Of these workers, it is estimated that 13 will work from home regularly and 6.5 FTEs will work from home as their primary place of work.

3.3 Current Stage 4B Zoning Lacks Alignment with Development Yield

There appears to be a fundamental alignment issue between the non-residential development yield for the Master Plan area and the intensity of non-residential development and employment current enshrined for the Stage 4B. While the Master Plan limits non-residential floor space to 5,765sqm GFA across the precinct, this is less than what could be potentially accommodated in the Stage 4B sites alone if it is to realise its current high intensity employment zoning.

This gap is particularly prominent for commercial floor space, where only an additional 1,765sqm is envisaged for the precinct and this is specifically hypothecated for the Mixed-Use Centre – Village Heart. This suggests that the current zoning for Stage 4B requires a development scale, footprint and mix that could not be accommodated within the maximum development yield of the Master Plan.

The result is that while the delivery of the terrace housing product proposed for Stage 4B would accommodate less employment than the current high intensity employment zoning, it is unlikely to have any practical impacts on the employment yield of the Carseldine Village precinct. This is because the sites in question cannot accommodate meaningful employment without exceeding the maximum development yields for the Master Plan.

4 ALIGNMENT WITH MASTER PLAN

This section includes a review of the alignment of the current “high intensity employment” zoning with the maximum development yield in the Master Plan. It also considers the potential implications that “high intensity employment” would have on the Village Heart if the Master Plan is not amended. It also includes consideration of the suitability (or lack thereof) of the subject site for intensive employment.

4.1 Impact of High Intensity Employment on Village Heart Viability

It would not be advisable that development of the scale and mix required under the current zoning for Stage 4B be delivered in the site not contiguous to the Village Heart. Even if it were able to be accommodated within the maximum development yields of the Master Plan, the establishment of high intensity employment on Stage 4B would have the potential effect of distributing and diluting non-residential activity away from the Village Heart.

This is particularly the case for retail uses, which theoretically could be in Stage 4B within the maximum development yield. However, this would have the undesirable effect of reducing the practical size of retail offering in the Village Heart. This could have the unintended consequence of reducing the critical mass, commercial viability and therefore the ongoing sustainability of retail offerings in the Village Heart while also creating a competitive offering in proximity.

Additionally, there is likely to be little opportunity for accommodating short-term retail users on the site given the constrained nature of the subject sites for at-grade car parking and the lack of viability of basement parking in the absence of high intensity employment opportunities.

And since the employment generation within the Stage 4B is unlikely to be delivered, the absence of non-residential worker spending further undermines the validity and viability of retail on the Stage 4B sites.

4.2 Lack of Suitability of Subject Site for High Intensity Employment

Stage 4B also lacks the core attributes necessary to support the development of the subject sites for high intensity employment uses. Key suitability concerns include:

- **Lack of TOD Critical Mass** – Carseldine Village is located within the walkable catchment of the Carseldine Train Station. While this theoretically would support the implementation of TOD principles for the development, the lack of adjoining and adjacent density, the park and ride facilities on the western side of the station (recently upgraded) and the residential catchment all undermine the realisation of TOD outcomes. Instead, Carseldine station functions primarily as park and ride/kiss and ride transit station for the wider Carseldine residential catchment.
- **Impact of Beams Road Rail Level Cross Project** – The Beams Road rail level crossing project will reduce congestion and address safety concerns. The current rail level crossing on Beams Road will be replaced with an overpass to separate road and rail². The Project extends from Balcara Avenue to Carselgrove Avenue and will involve the establishment of an overpass bridge. This bridge will be near the Stage 4B and will have potential impacts on the accessibility to the site, especially if the site was a destination for high intensity employment journey to work travel flows.
- **Small Size of Sites** – the sites in question represent very small development parcels if considered for commercial development. They lack suitable scale to facilitate at grade carparking as well as landscaping necessary to provide an attractive environment for business tenants and workers. Additionally, the configuration of the lots within Stage 4B is challenging

² TMR (2022) Beams Road Rail Level Crossing Project accessed at <https://www.tmr.qld.gov.au/projects/beams-road-carseldine-and-fitzgibbon-rail-level-crossing-funding-commitment>

for commercial development as their layout effectively precludes development as a single amalgamated site, which would be necessary to address the site scale and size issues.

- **Site Feasibility and Basement Parking Viability** – Site feasibility is also questionable. While a detailed feasibility assessment has not been undertaken, it is unlikely the sites could accommodate more than 5 storey mixed use retail/commercial towers under the high intensity employment zoning. This scale of development is not necessarily unfeasible but the requirement for basement parking to address parking requirements for an office development would undermine viability of the development. This is because the cost of the basement car parking capacity would necessitate a scale of development that the sites themselves cannot accommodate. And the train station proximity is unlikely to offset this parking requirement due to the inherent car dependency of suburban office development (due to the high proportion of sales and mobile services that hub from suburban office floor space) and the lack of benefits afforded to the development by proximity to the train station.
- **Lack of Need for Office Floorspace** – discussions by Econisis with TMR representatives regarding local employment projections indicate that the Carseldine area is not expected to experience any major employment growth to 2041. This indicates that there is unlikely to be significant demand or need for significant commercial office floor space in Carseldine Village. This is not to say that such development could not be successful in attracting demand above and beyond that which is projected, merely that there is unlikely to be underlying demand pressures in the absence of the delivery of commercial floor space in Stage 4B.
- **Fragmentation of Economic Activity** – the development of Stage 4B for high intensity employment would result in a fragmentation and dilution of economic activity in the precinct. Stage 4B and Stage V are not contiguous and instead have a series of terrace style housing interfacing between them. This creates a break in the commercial activity current zoned for the precinct along Beams Road and would undermine the capture and leveraging of agglomeration benefits that otherwise would be available if Stages 4B and V were collocated. This would also have the effect of tenant having to effectively “pick winners” between the two locations, undermine worker and tenant attraction at the Stage 4B site and raise additional non-residential-residential interface issues.

4.3 Suitability of Village Heart for High Intensity Employment

By comparison, the Village Heart (Stage V) is more optimal to locate commercial and non-residential development. In particular:

- It is already the home to a series of existing non-residential activities of critical mass, including the current Government precinct, allowing for the development of increased concentration and clustering of economic and employment activity.
- It has an established employment destination profile, due to the existing commercial uses, meaning it is likely to have an advantage in the attraction of workers.
- It is removed from the accessibility impacts of the Beams Road Rail Level Crossing Project and associated overpass bridge.
- Has greater scalability due to the contiguous nature of the development parcels, meaning that it could be progressively redeveloped overtime to deliver higher density economic outcomes in response to market need.
- It has the potential to maximise retail and commercial floorspace interface benefits.
- Does not have the same residential interface challenges as the Stage 4B site.

Based on this, the concentration of commercial floorspace in the Village Heart represents the optimal economic and employment outcome for the Precinct.

5 CONCLUSIONS AND RECOMMENDATIONS

This section provides a summary of the findings of the report and associated recommendations.

5.1 Key Findings

The current “high intensity employment” zoning for sites in Stage 4B of the Carseldine Village Master Plan appears to require a scale, mix and size of development that runs contrary to the maximum development yields for Carseldine Village as a whole.

So, while the shift in land use to terrace housing for Stage 4B will generate less employment on the subject sites than the “high intensity employment” zoning, such high intensity employment is not able to be accommodated in Stage 4B within the maximum development yield and without fragmenting commercial activity in Carseldine Village and significantly impacting the commercial viability and sustainability of the non-residential floorspace offering in the Village Heart.

Conversely, the Village Heart is the preferred location for such commercial development and floor space, being less impacted by both the Beams Road Rail Level Crossing Project and interface issues with residential development. It would also support the establishment of a critical mass of non-residential activity in the Village, collocated with existing commercial activity to leverage prevailing journey to work and commercial travel patterns.

5.2 Recommendation

Based on this assessment of the employment impacts, Econisis does not find any adverse employment or economic impacts associated within the proposed change in land use of Stage 4B to residential.

This will bring the land uses of the subject sites in line with the role and function envisaged in the maximum development yield of the Master Plan and prevent potential disruption to the economic role and function of the Village Heart.

Contact

Econisis Pty Ltd

A: 6 Barakula Street,
South Ripley, Qld, 4305

E: mark.wallace@econisis.com.au

T: 0431 676 254