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URBIS

REASONABLE OR ECONOMIC USE ASSESSMENT

**CHORA PRECINCT
7 HARTINGTON STREET
NORTHCOTE**

Prepared for

HOLY MONASTERY OF AXION ESTIN

20 March 2026

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EXECUTIVE SUMMARY

THE PROPOSED DEVELOPMENT

Urbis has been engaged by Holy Monastery of Axion Estin to prepare a report to Heritage Victoria on issues relating to 'reasonable or economic use' arising from Section 101 of the *Heritage Act 2017* (the Act). The report relates to the proposed redevelopment of the land at 7 Hartington Street, Northcote.

The subject site includes the three-storey Holy Monastery of Axion Estin, built in stages from 1890 to 1909 with later extensions to the east and west. The proposed CHORA precinct will see the monastery refurbished, and a mixed-use precinct developed around it which will include residential, retail, childcare, and entertainment uses.

Located adjacent to the Northcote Major Activity Centre (MAC), the site is just west of the main High Street activity centre and is well serviced by tram routes on St Georges Road along its western perimeter and Northcote train station to the east.

The report demonstrates the reasonable and economic benefits of the redevelopment of the subject site including the extent to which it will meet community needs from an economic perspective, and the broader economic benefits it will deliver for the community and the region during and beyond the term of funding.

REASONABLE USE

The proposed development is considered the most reasonable use given the historic use of the building has been redundant for some time, it retains the more recent church and mortuary chapel uses, is consistent with previous and current uses, and is strongly aligned with the local context and local strategic objectives.

Based on the above considerations related to the reasonable use of the heritage place, the following conclusions emerge:

- The historic use of the building as a home for the aged poor is long redundant.
- The building has since been converted into a Greek religious and cultural centre, and the proposed development retains this use, specifically the church and mortuary chapel.
- Current (residential apartments) and previous (business college) uses are consistent with the proposed mix of uses at the site (residential, commercial, religious, arts, and culture).
- The context of the site's proximity to the Northcote Major Activity Centre influences what would be a reasonable use of the building. Cultural, arts and recreation, residential, and employment is considered reasonable use of the building and will increase activity and enhance the vibrancy of the local area. It is consistent with the proximity to the activity centre context.
- Further, the proposed mix of uses will enhance the Centre's designated role as a regional arts and culture node, is consistent with the community's values, and will support a range of strategic objectives.
- Parts of the existing building are unusable or not-fit-purpose and require significant refurbishment, which is not viable without the revenue generated as part of the proposed development.

ECONOMIC USE

An integrated mixed-use precinct as proposed will facilitate an economically sustainable use, limiting future development possibilities on the site, while also offering the essential stability required for conducting extensive restoration works; and securing the long-term future of the heritage place.

Conclusions are made below in relation to the relevant considerations:

- The proposed development facilitates an economically sustainable use for the medium to long term, ensuring stability and reducing the likelihood of frequent alterations to the heritage place.
- The extensive restoration work proposed is a significant financial undertaking; and requires the ongoing income generation derived from the integration of the proposed range of commercial, public, and private uses. These preservation measures will ensure that the property remains in excellent condition, safeguarding its historical and conservation value well into the future.

1. INTRODUCTION

Urbis has been engaged by Holy Monastery of Axion Estin to prepare a 'Reasonable or Economic Use Assessment' to support the planning application for the proposed development at 7 Hartington Street, Northcote.

The purpose of this report is to outline why the level of development proposed is necessary for the reasonable or economic use of the Heritage Registered Place, and how refusal will negatively impact viability of redevelopment and the ability to deliver improved economic or community outcomes.

This report considers matters arising from s101(2)(b) of the Act relating to reasonable or economic use of the registered place, which states, among other factors, the Executive Director of Heritage Victoria must consider:

The extent to which the application, if refused, would affect the reasonable or economic use of the registered place or registered object.

Heritage Victoria Policy: Reasonable or Economic Use (made and published under s19(1)(f) of the Heritage Act 2017, June 2021).

It is noted the concepts of reasonable use and economic use are distinct and must be assessed separately. The Act also indicates that both reasonable and economic use considerations can be reviewed if they are present in relation to an application, but it is sufficient to account for either reasonable or economic use if relevant factors are only present for one. In other words, it is not necessary to demonstrate both are present for an application to be approved.

1.1. REFERENCES

The following documents are key references for understanding the site, context and assessing the reasonable or economic use:

- Heritage Impact Statement (Andronas Heritage Architects, dated 30/10/2025)
- Conservation Management Plan (Andronas Heritage Architects, dated 19/03/2023)
- *Heritage Victoria Policy: Reasonable or Economic Use* (made and published under s19(1)(f) of the Heritage Act 2017, June 2021).

It is intended that this report be read in conjunction with the other documentation submitted with respect to this application.

1.2. HERITAGE ACT REQUIREMENTS

The Heritage Act 2017 commenced operation on 1 November 2017, introducing a streamlined permit process and enforcement tools to ensure Victoria's significant heritage places and objects are appropriately protected into the future.

Section 101(2)(b) of the Heritage Act 2017 requires that:

In determining whether to approve an application for a permit, the Executive Director must consider the following:

...

(b) the extent to which the application, if refused, would affect the reasonable or economic use of the registered place or registered object.

In considering the reasonable or economic use of a place, Heritage Victoria refers to the updated policy guideline published in June 2021.

The policy guideline includes the following guidance regarding the consideration of reasonable or economic use (emphasis added):

'Reasonable use' and 'economic use' are distinct and must be assessed separately.

The Executive Director must take into account the effect of refusal on reasonable use and economic use if factors relevant to both are present. However, it is sufficient for the Executive Director to take into account either reasonable use or economic use in their consideration if factors relevant to only one are present.

1.2.1. Reasonable use

When considering section 101(2)(b) (previously section 73(1)(b)) the Executive Director needs to first determine what is reasonable use of the heritage place or registered object. When determining a permit application, the Executive Director must consider the extent to which the reasonable use of the registered place or object would be affected by a refusal, as an alternative to the 'economic use' consideration or in addition if relevant.

The 'reasonable use' consideration is an objective assessment and is concerned with the reasonable use of the registered place or object, not what is subjectively reasonable. For example, refusal to issue a permit for an addition to a residence may affect the reasonable use of the registered place to a lesser extent if the place could generally be used as a residence by others without the proposed changes.

When taking into account the circumstances of the permit application and the registered place or object, the Executive Director may consider: (1) the historic, recent and current uses of the registered place or object, (2) other compatible uses of the registered place or object, (3) the context and setting within which the place or object is located, and (4) other relevant matters.

Refusal to issue a permit for works to enable a change in use may affect the reasonable use of a place to a greater extent if the historic or recent use is now obsolete, than if the historic or recent use is not obsolete. For example, an adaptive re-use proposal for a now redundant industrial complex.

Refusal to issue a permit for upgrading facilities to bring them to contemporary or safe standards may affect the reasonable use of a place. For example, updating kitchens, bathrooms, access provisions or other necessary infrastructure or services required to meet current regulations or legislation.

1.2.2. Economic use

When determining a permit application, the Executive Director must consider the extent to which the economic use of the registered place or object would be affected by a refusal, as an alternative to the 'reasonable use' consideration or in addition if relevant.

The 'economic use' consideration is concerned with the economic functioning of the registered place or object and is not focussed on the financial circumstances of the applicant or owner. The feasibility of a proposed development may be relevant insofar as it relates to the viability of an ongoing use or an adaptive re-use of the registered place or object.

The Executive Director may consider whether the proposed works would facilitate an economically sustainable use of the registered place or object. An economically sustainable use could be one that can continue for the medium to long term, mitigating the possibility of continual proposed changes to the registered place or object.

If the permit applicant contends that the future economic use of the registered place or object would be affected by refusal, they may be required to provide relevant information to support

this contention for the Executive Director's consideration, pursuant to s98. This may include evidence of the forecasted impact, showing the degree of impact over a relevant timeframe with an explanation of assumptions used in the modelling.

Refusal to issue a permit for works which would enable the use of the registered place or object to generate income critical to fund ongoing and future conservation and maintenance, may affect the economic use of the registered place or object, particularly if the historic, recent or current use is a commercial use. A permit refusal may affect the economic use of a registered place or object if it would limit the capacity of an existing or compatible commercial use to generate income necessary to cover the cost of:

- conservation and maintenance of the registered place or object; and/or*
- rates and land tax directly associated with the registered place; and/or*
- capital improvements to ensure the continued use of the registered place or object, where that use contributes to its significance (including reasonable debt repayment and interest costs). For example, improving infrastructure or services to ensure that an existing compatible commercial use continues to attract tenants and/or customers.*

2. THE SUBJECT SITE

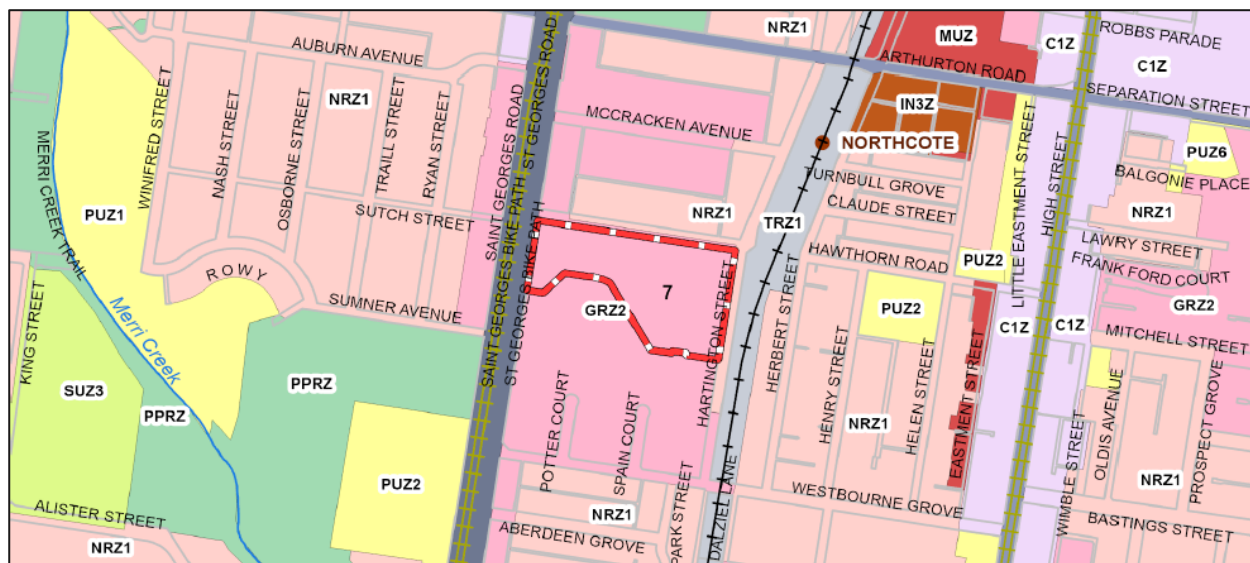
2.1. SITE DESCRIPTION

The subject site at 7 Hartington Street, Northcote is in a residential zone and covers approximately 2.6 hectares. The site is on an irregular-shaped lot bounded by St Georges Road to the west, Hartington Street to the east, and Hawthorn Road to the north. The southern boundary of the site borders the St. Joseph's Home aged-care facility.

The main monastery building occupies the majority of the site, alongside the mortuary chapel, administrative/storage building, and a carpark. The subject site comprises of all the land and buildings located within the Victorian Heritage Registration H195 Former Little Sisters of the Poor home for the Aged outlined in Map 1. Current aerial photo with subject site outlined



Map 1. Current aerial photo with subject site outlined (Nearmap 2024)



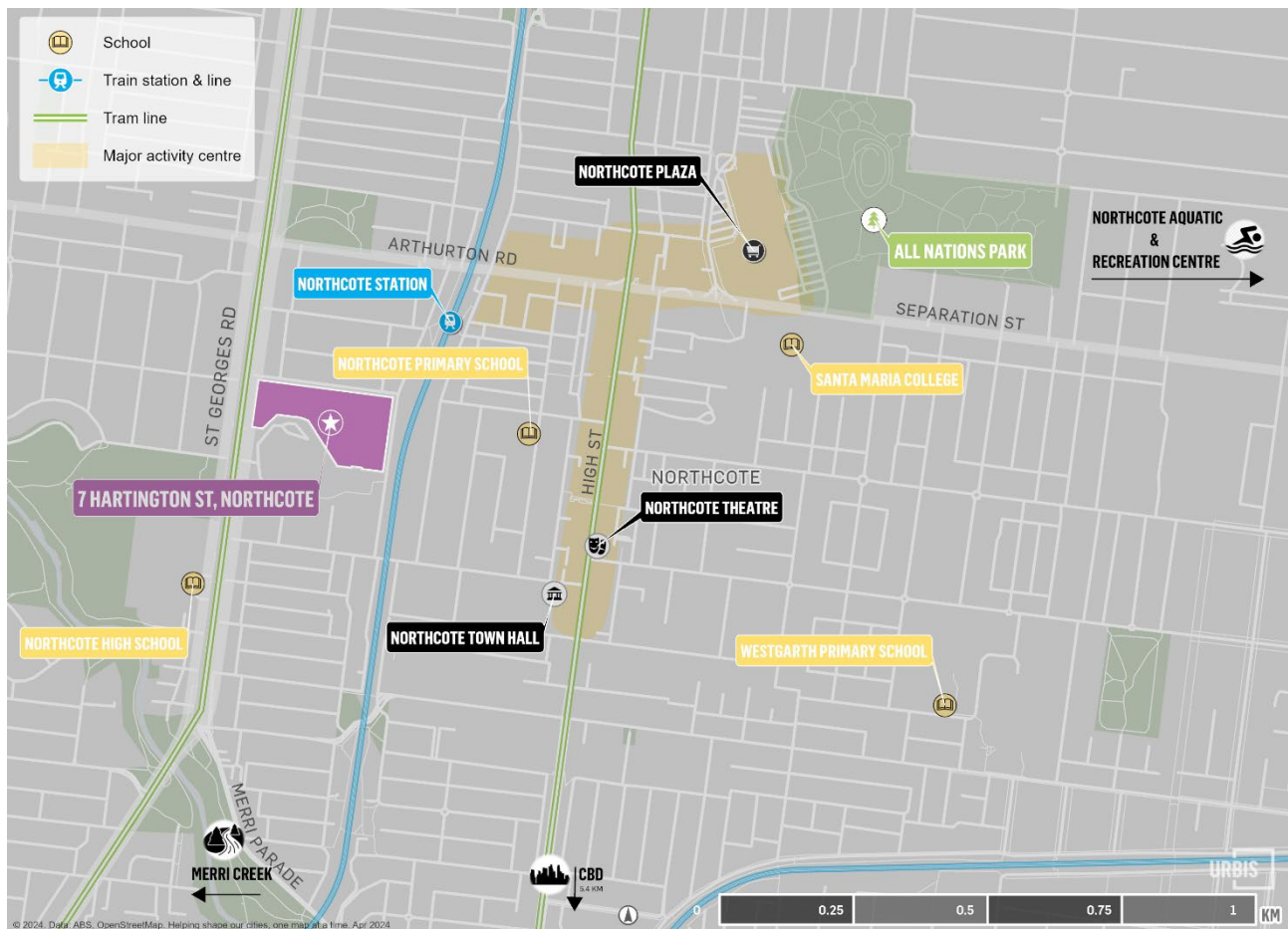
Map 2. Planning zones in local area of subject site (DELWP 2024)

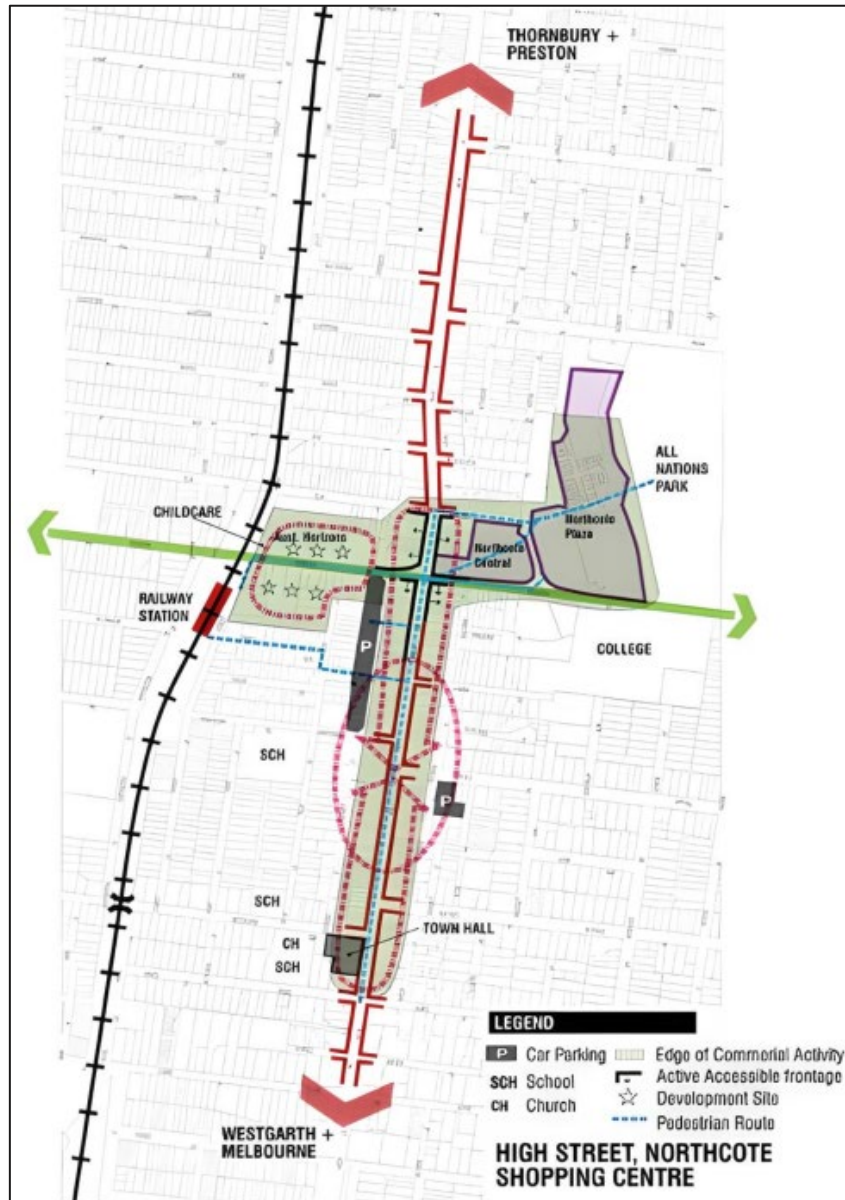
2.2. LOCAL CONTEXT

The subject site is located 5.4km north-west of the Melbourne CBD at 7 Harrington Street, Northcote. It is predominantly surrounded by residential homes, St Joseph's Home aged care facility to the south, and Merri Park and Merri Creek to the west.

Approximately 500m west of the site is Northcote Major Activity Centre (MAC), which is characterised by a diverse mix of business, retail, cultural, education, and leisure uses focussed around the axis of High Street and Arthurton Road. Significant destinations within the MAC include Northcote Town Hall, Northcote Theatre, and Northcote Plaza.

The subject site is well serviced by public transport, including tram routes on High Street and on the adjacent St Georges Road, Northcote station 250m north of the site on Harrington Street, and bus routes along Arthurton Road.





Map 4. Northcote Major Activity Centre (City of Darebin 2007)

2.3. HERITAGE CONTEXT

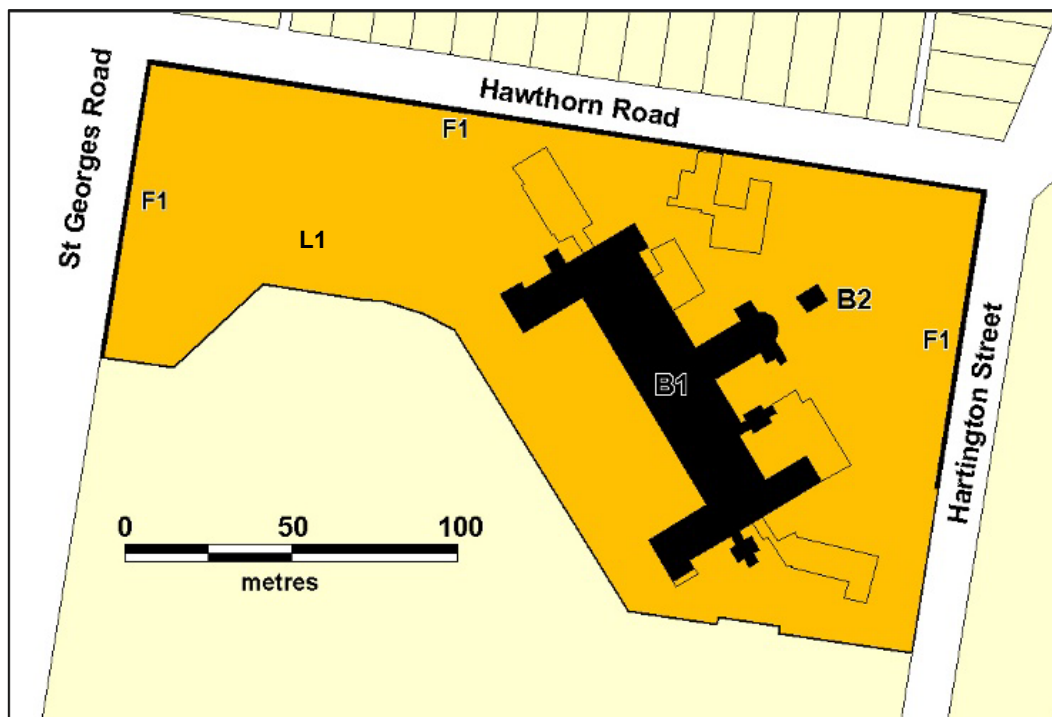
2.3.1. Heritage listings

2.3.1.1. Victorian Heritage Register

The subject site is included on the Victorian Heritage Register as place H1950.

The extent of registration is as follows, as marked in Map 5. Extent of registration (Victorian Heritage Database 2024)

1. The early parts of the main building marked B1, the mortuary marked B2 and the brick boundary fence marked F1 on diagram No.HER/2000/000325 held by the Executive Director.
2. All of the land marked L1 on diagram No. HER/2000/000325 held by the Executive Director, being all of the land described as Lot 1 on Plan of Subdivision 204716J (Parent Title Volume 09465 Folio 178).



Map 5. Extent of registration (Victorian Heritage Database 2024)

2.3.1.2. Heritage overlay

The subject site is individually identified as HO175 in the Schedule to the Heritage Overlay of the Darebin Planning Scheme. The extent of the overlay applies to both the heritage place and its associated land.

2.3.2. Conservation Management Plan

A Conservation Management Plan (CMP) was prepared by Andronas Conservation Architecture in 2023. It identifies the heritage values or significance of the subject site, the conservation policies to be applied to protect that significance in the face of change, and a strategy through which the policies will be put into action.

2.3.2.1. Cultural and historic significance

St. Joseph's Home for the Aged Poor has been identified as significant for the following reasons, as summarised by Andronas Conservation Architecture:

- *It is one of the first and largest institutional buildings established to serve the underprivileged in Victoria*
- *It is associated with the Little Sisters of the Poor and their contribution to caring for the elderly poor of Victoria at a time when little help was available*
- *Flannagan and the Catholic Church of Victoria created a powerful symbol of the church's independent authority, history and charitable largesse through the selection of the elevated site, and the creation of a landmark building which drew on historical models of large institutional buildings from medieval times*
- *The design of the main building including the layout of rooms, openings in external and internal walls, the verandahs and the ablutions blocks all provide an understanding of the use of the building and the technology of the time*
- *The staged construction of the building demonstrates the success of the Little Sisters' efforts to raise funds and care for the poor, and also indicates the strength of the original architectural concept*
- *The mortuary chapel, the laundry and the drying yards are closely associated with the spiritual and profane functions of St. Joseph's*
- *Landscape elements such as the perimeter brick wall (now demolished), several trees, the early driveways, the forecourt/berm, east courtyards, and memorial garden are significant to the way in which St Josephs was viewed externally and functioned internally*

2.3.2.2. Site elements

The following site elements, summarised by Andronas Conservation Architecture, are significant and should be retained or interpreted where appropriate:

- *Views of the building from St Georges Road, should be reinstated wherever possible and the main building must be given sufficient curtilage to allow for its monumental presence*
- *The front forecourt/berm, the courtyards on either side of the chapel, the circular garden, and several significant trees should all be retained with the possibility of interpretation in some instances*
- *The laundry location and use, the drying yards and early driveways should be acknowledged and closely interpreted in new site plans and designs*
- *All of the original elements of the main building (predating 1910) should be maintained intact or with little change*

2.3.2.3. Building elements

Andronas Conservation Architects have identified that all the original elements of the main building are significant (up to 1909). These elements should be retained with as little change as possible. They include but are not limited to:

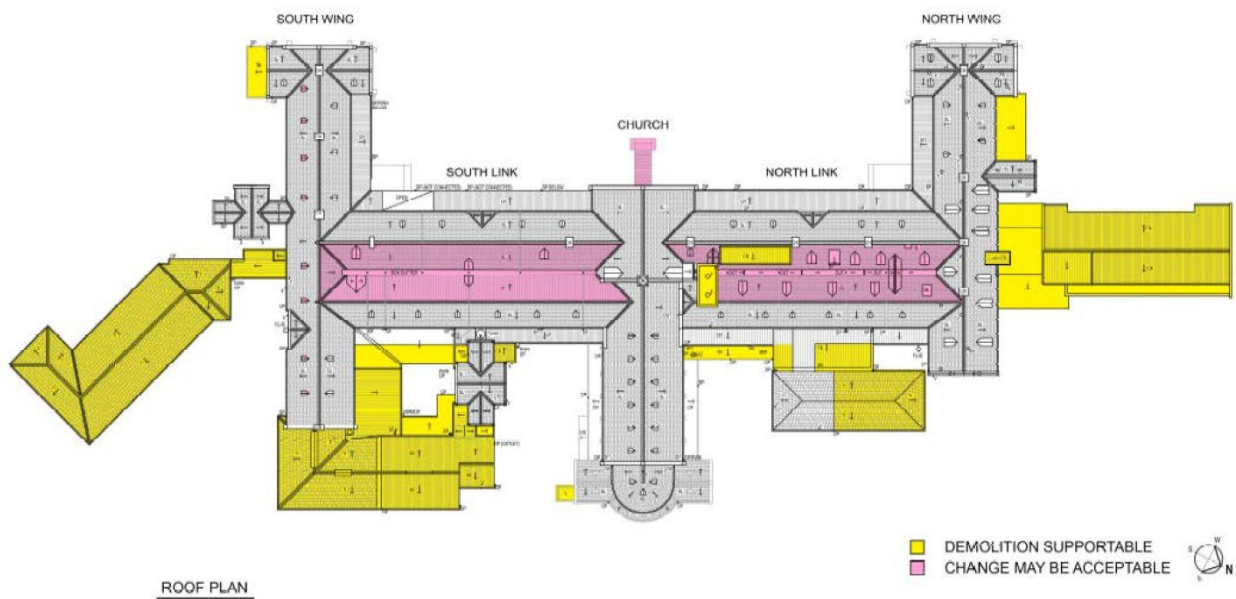
- *The siting of the building and its landmark qualities*
- *The forecourt layout*
- *The circular garden near the Mortuary Chapel and the courtyard gardens on the east side of the building*
- *The peppercorn trees on Hartington Street.*
- *The laundry and drying yard (the remaining fabric is not significant but the use is)*
- *The Mortuary Chapel*
- *The driveways from Hartington Street and St Georges Rd.*
- *All the elements which make up the original elevations of the main building and the roofscape*
- *Changes to elevations and materials between stages (denoting changes in budget, technology, care techniques, builders and designers)*
- *The verandahs with iron lace enrichments.*
- *The planning/layout of corridors and rooms*
- *The movement system along corridors and across verandahs to the ablutions blocks*
- *The shape, functional of the Chapel and sacristies*
- *The proportions and height of the original rooms*
- *All internal and external staircases and balustrades*
- *Original timber floors, encaustic tiling, stone flags*
- *All original internal and external window and door openings, corridor archways, stone window and door sills*
- *All original window and door joinery, door leafs, glazing, skirtings and picture rails*
- *Original wall surfaces indicating the hierarchy of spaces: painted brickwork to internal service areas, hard plastering to habitable rooms and corridors, cementitious render with ashlar scoring (the surface of the render is scored to look like more expensive stone work) to external walls which make up the landmark views, face brickwork to back of house elevations.*
- *Plaster and lathe and pressed metal ceilings*
- *Slate roofs, chimneys, ventilators and small louvered dormers*
- *Crosses, bell towers and decorative elements on the roof ridges*
- *Cast iron gutters and downpipes, lead plumbing, bluestone drainage pits and cast iron pit covers*
- *Cast iron wall vents*

The following building elements are detrimental and should be removed to restore the original features of the building:

- *The verandah in-fill walls and glazing*
- *The basement loggia glazing*
- *The links between the main building and the north and south additions – removed to reveal original ends of building if feasible*
- *Lift motor rooms above the roof*
- *Late 20th century additions to the east side of the main building in courtyard areas* (see Figure 1)

Refusal of the application would prevent the creation of new income streams which could facilitate the recommended removal of the above building elements and restoration of the original features of the building.

Figure 1. Roof plan showing detrimental building elements and areas of acceptable change



3. PROPOSED DEVELOPMENT

3.1. PROPOSED WORKS & USE

The proposed redevelopment is envisaged to establish a new vibrant, mixed-use precinct that incorporates both private and community space. It will provide activation for the site and surrounds and include supporting the night-time economy. The development is comprised of eight primary uses:

3.1.1. Heritage building

- **Church** - The current use of the church will be retained, along with some ancillary office space. It will have a maximum occupancy of 200.
- **Platia** - The Platia is a large outdoor plaza adjacent to the existing heritage building. It is intended for public use, including hosting markets.
- **Function centre** – including ballroom will be used for weddings and other events, with a seated capacity of 250.
- **Hotel** - Located in the northwest wing of the existing heritage building, the hotel will comprise 23 rooms with a maximum occupancy of 100. This facility is anticipated to largely service the requirements of weddings held at the reception/ballroom.
- **Makers space** - There will be 11 workshop rooms with a maximum occupancy of 60. The space is intended for community use, to support the local arts sector.
- **Residential** - 13 private apartments located in the southeast wing of the existing heritage building will be built.
- **Book store** – located on the ground floor level.

3.1.2. New buildings

- **Amphitheatre** - The amphitheatre will host indoor and outdoor performances, with an internal capacity of 498 and external capacity of 500.
- **Restaurant** - The restaurant will include 158.2 sq.m and seat 150 patrons (100 internal and 50 external).
- **Early learning centre** - The early learning centre will serve the local community and will comprise six rooms with a maximum occupancy of 110.
- **Residential** - There will be 22 townhouses, and 47 apartments built for the private market.

3.2. HERITAGE IMPACT

The Heritage Impact Statement by Andronas Conservation Architecture (dated October 2025) makes the following points:

- The proposed development is the outcome of three years of design work and consultation with State planning agencies, including Heritage Victoria (HV) and the Office of the Victorian Government Architect (OVGA). It presents a holistic vision that unites the conservation and adaptive reuse of the heritage-listed Monastery with the construction of seven new buildings and a comprehensive landscape plan. Together, these elements will secure the long-term conservation of the Monastery while activating the broader site as a vibrant and accessible cultural precinct.
- The proposal seeks to re-establish the Monastery as the focal point of the site, supported by a network of new residential, cultural, and community buildings that will bring sustained activity and public engagement. Apartments and townhouses along Hartington Street and Hawthorn Road will contribute to the financial viability of the conservation and adaptive reuse works. At

the same time, an early learning centre and theatre along St Georges Road will generate activity from morning to night and foster ongoing community involvement. A restaurant within the west forecourt will animate the space and contribute to its transformation into a civic plaza or town square. The landscape design will link these new elements through a sequence of interconnected gardens and accessible pathways, establishing a cohesive and legible setting that celebrates the heritage building at its centre.

- The Monastery will undergo extensive conservation and restoration works to return it to its known early form and prepare it for adaptive reuse as a Greek Orthodox Church and diocesan offices, as well as private residences, a boutique hotel, ballroom, bookshop, makers' spaces, and a gallery. The works include the demolition of intrusive later additions and the reconstruction of the original façades and verandahs. The exterior will be restored to its original appearance, with limited contemporary interventions including a new stair on the west façade, minor adjustments to two openings in the loggia, and a discreet glass revolving door to the hotel.
- Internally, later twentieth-century fabric will be removed and original materials and finishes repaired and conserved. Some alterations to internal walls will allow for new functional requirements while maintaining the building's original planning structure, corridor rhythm, and spatial proportions. Only the proposed ballroom will involve significant internal modification. The inclusion of new services and minor adjustments will ensure the building is safe, compliant, and amenable for contemporary use, with all interventions designed to be reversible and sympathetic to the heritage fabric.
- The landscape strategy will reinforce the relationship between the Monastery and its new setting. Existing pathways and significant axes will be retained or reinterpreted, with new accessible routes introduced to improve circulation and frame key views to the Monastery. Gardens, terraces, and open spaces have been designed to complement both the heritage fabric and the new built form, creating a unified landscape that integrates old and new with clarity and respect.
- The seven new buildings have been designed to complement the Monastery through their scale, form, and material expression. Their placement preserves key view corridors and defines an active curtilage that enhances the prominence of the heritage structure. The architecture of the new elements draws inspiration from the Monastery while maintaining a contemporary distinction. Materials and finishes have been selected for their quality, texture, and sympathetic relationship with the existing building. The overall massing ensures the Monastery remains the dominant visual and cultural focus of the site.
- The forms and materials of the new buildings are inspired by the Monastery or have been selected to sit sympathetically beside it. Their scale and detailing are appropriate to their respective locations and contribute to a unified yet layered composition. Subtle Greek architectural references introduce a new layer of meaning and identity, reflecting the stewardship of the Greek Orthodox Church while maintaining the established heritage values of the place. The proposal delivers a carefully balanced outcome that respects the Monastery's significance, ensures its long-term conservation, and repositions the site as a living cultural and community landmark.

The Heritage Impact Statement concludes:

The proposed masterplan re-establishes the building's visual primacy by framing new views and reintroducing processional approaches. The landscape and circulation design direct movement and sightlines toward the monastery, reinstating the sense of arrival once achieved by the grand drive from St Georges Road. Entry paths from Hawthorn and Hartington Streets are oriented along the building's diagonal geometry, which dictates the division of new building blocks and ensures the monastery remains the visual and compositional focus of the site.

Overall, the proposed works re-establish the aesthetic values of the site that have been eroded by subdivision and neglect, transforming it once more into a visually coherent and legible landmark.

The proposed development reinstates the integrity of the original architectural design by removing intrusive later additions and reconstructing key missing elements. The reinstatement

of the original verandahs and ablutions wings on the east façade will restore the building's symmetry, rhythm, and compositional clarity. The internal planning will be retained and remain legible, preserving the corridor-based layout and the pattern of window and door openings that define the building's spatial character. Minor internal alterations will occur only where necessary for compliance or access, and these will be guided by the Burra Charter principle of doing as much as necessary but as little as possible.

The Former Little Sisters Home for the Elderly was created by a major religious institution, and the site remains in the hands of a major religious institution. The use of the building as a place of worship and the seat of community welfare work will remain at the heart of the Chora development. The welfare work of the Parish will be associated with the place but the church is also seeking to introduce a new layer of community service with the addition of the arts and culture focus of the project. Markets, makers spaces and theatre will bring new life to the site and the neighbourhood, generating a sense of interactivity and creativity and supporting the arts sector. The platia will establish a new place for community to gather in large or small groups and the gardens will once again provide places for quiet refuge and recreation. The Little Sisters site will continue to be associated with religion, community outreach and the sense of 'home'.

In line with this final statement, and consistent with the requirements of the Act, the following sections of this report identify why the proposed works and use are reasonable given the context, and from an economic perspective, necessary to ensure the ongoing use and preservation of the building.

4. REASONABLE USE

4.1. EVALUATING REASONABLE USE

In assessing reasonable use, the Heritage Victoria policy guideline stipulates consideration should be given to the following:

- (1) the historic, recent and current uses of the registered place or object;
- (2) other compatible uses of the registered place or object;
- (3) the context and setting within which the place or object is located; and
- (4) other relevant matters.

The proposal for the subject site is assessed against these considerations, specifically 1, 3 and 4 below.

4.1.1. Historic, recent, and current uses of the registered place

The original primary use of the registered place as a home for the aged poor is long redundant. It has been a substantial period since the site was last used as a home for the aged poor, after the cost of upgrading the building to standard in 1980 was deemed too high and the new St Joseph's Home was opened in 1983. It is no longer suitable for its original historic use as a home for the aged poor.

The building was converted into a Greek Orthodox monastery when the site was sold in 1986 to the Holy Patriarchal and Stavropegial Monastery of St John the Baptist and Prodromos. Part of the main building was adapted for use as a business college. The site was sold again in 1997 to the Greek Orthodox Archdiocese of Australia and was used as a Greek religious and cultural centre.

The church extension of the main building and the mortuary chapel retain its historical uses as places of worship. Other parts of the main building have been adapted for a number of uses, including:

- Residential apartments in the northern wing. These apartments are unrenovated and considered no longer fit for purpose.
- A library in the southern wing. Use is largely associated with the church.
- Rooms on the ground floor continue to be used for activities associated with the church.
- Rooms on the second floor are unusable in their current state and require significant refurbishment.

4.1.2. Supporting Northcote's role as a Major Activity Centre

The subject site is situated 500m west of the Northcote Major Activity Centre (MAC), which is one of six such centres in Melbourne's inner northern suburbs identified by *Melbourne 2017-2050* metropolitan planning strategy as strategic locations for growth and change, and a preferred location for future higher-density residential and mixed-use developments. The proposed development of the subject site is strategically aligned with the policy's following directions:

- Improve access to jobs across Melbourne and closer to where people live.
- Create development opportunities at urban renewal precincts across Melbourne.
- Manage the supply of new housing in the right locations to meet population growth and create a sustainable city.
- Deliver more housing closer to jobs and public transport.

Further, Northcote Activity Centre is designated as a regional arts and culture node, and the proposed development, through provision of Makers spaces, bookstore, and Amphitheatre, will help to enhance the Centre's role in supporting the arts and design community.

More broadly, the Structure Plan identifies a range of themes through which the Centre performs its role as a regional arts and culture node, of which the proposed development will support; including:

- A diversity of use and development, focused around sustainable transport modes and built form. This includes public and community based transport systems that support the vast majority of resident and workforce travel needs with a service and infrastructure that is coordinated, reliable and safe to use.
- The incorporation of innovative solutions to enable an ongoing diversity of living and working opportunities within the centre with a focus on maintaining affordable housing and employment spaces.
- Community pride and embellishment of the sense of its neighbourliness and friendliness to all, expressed through active building form that encourages human interaction through formal and informal meeting spaces. This may be a formal public plaza or building, or casual interaction moving between houses, shops, transport and workplaces.
- Strong historic links to social and cultural diversity, including recognition of indigenous cultures, migration and cultural diversity have been maintained through provision of affordable housing and business spaces and a range of living and working opportunities in the centre.
- Minimising the environmental impact of development as part of everyday living, with development incorporating on site systems which minimise energy and water use, and utilise opportunities to incorporate indigenous planting where possible.

The broader planning policy framework (Darebin Structure Plan) seeks to support integrated development, as outlined by the key objectives and strategic directions below.

- Encourage housing at a range of densities in strategic redevelopment precincts.
- Encourage commercial and recreational uses in urban renewal areas to service existing and emerging communities.
- Encourage higher density developments and opportunities for affordable housing around the Junction considering the proximity to tram service along Plenty Road, Thornbury and Bell train stations within a short walk, and proximity to Preston Central and High Street Thornbury.
- Encourage integration of land uses, and intensification of urban form with new housing opportunities to support the neighbourhood centre retail role.
- Promote a coordinated and staged redevelopment of several key sites to create a high-amenity urban village, with new commercial opportunities and higher density residential development.
- Encourage transition and intensification of a mix of uses, especially residential along St Georges Road.
- Encourage land use and development that supports local living and revitalisation, mainly through retail and services, improved pedestrian links, higher-density housing in and around the centres and public realm improvements for neighbourhood and local centres.

The proposed development would support the Darebin Planning Scheme by providing housing options within walking distance of Northcote MAC and tram/rail lines, and broadening the mix of uses on its fringe, including social, commercial, and community uses.

4.1.3. Other matters relevant to reasonable use

There is also strategic alignment between the proposed development and the Northcote Structure Plan. In delivering an integrated mixed-use precinct, with a range of shared public and commercial spaces, the

proposed redevelopment increases community cohesion through provision of opportunities for social interaction, on-site employment opportunities, more housing supply, conservation of heritage value; all of which is strongly aligned with the community values identified in the Northcote Structure Plan, including:

- Promotion of ecologically sustainable design as a means of achieving social, cultural, economic and environmental integration. This includes higher density in commercial and mixed use areas that support more intensive land use, whilst protecting the smaller scale, “cottage” form of surrounding residential areas.
- Provision of equitable access to facilities and services to all people, particularly focused around improved pedestrian, cycle and publicly accessible transport.
- Environments which support community cohesion and neighbourhood interaction, including opportunities for incidental social interaction in daily life.
- Physical form and scale that promotes pedestrian use and shared vehicle / pedestrian environments.
- Enhancement of Northcote as a self-sustaining community through the promotion of an increased local employment and housing base.
- Conservation of heritage and cultural buildings and landscapes through interpretation and design, of new development into heritage buildings and spaces, whilst acknowledging potentially competing values of sustainability and accessibility.
- Enabling creative, social and cultural diversity of Northcote to thrive through the provision of affordable housing, business and recreation spaces.
- Strong community engagement with a range of social and cultural sectors that supports and enhances the creative and cultural diversity of Northcote
- Building form and urban design that respects the heritage of Northcote whilst setting a new benchmark in quality and sustainability

4.2. CONCLUSION ON REASONABLE USE

Based on the above considerations related to the reasonable use of the heritage place, the following conclusions emerge:

- The historic use of the building as a home for the aged poor is long redundant.
- The building has since been converted into a Greek religious and cultural centre, and the proposed development retains this use, specifically the church and mortuary chapel.
- Current (residential apartments) and previous (business college) uses are consistent with the proposed mix of uses at the site (residential, commercial, religious, arts, and culture).
- The context of the site’s proximity to the Northcote Major Activity Centre influences what would be a reasonable use of the building. Cultural, arts and recreation, residential, and employment is considered reasonable use of the building and will increase activity and enhance the vibrancy of the local area. It is consistent with the proximity to the activity centre context.
- Further, the proposed mix of uses will enhance the Centre’s designated role as a regional arts and culture node, is consistent with the community’s values, and will support a range of strategic objectives.
- Parts of the existing building are unusable or not-fit-purpose and require significant refurbishment, which is not viable without the revenue generated as part of the proposed development.

- The proposed development will re-activate and celebrate the heritage place, as well as providing ongoing revenue streams that will support the maintenance and servicing requirements of the heritage place; securing the long-term future of the building.

5. ECONOMIC USE

5.1. EVALUATING ECONOMIC USE

While the focus of our assessment is on the reasonable use of the site within the context of the heritage place, there are some aspects of the Heritage Act relating to economic use that are of relevance.

Largely underutilised in its current state of development, the site cannot generate income without some form of development. Without an income stream, it is not viable to undertake vital and extensive restoration and preservation works, nor hold the land in its current form indefinitely. The site still incurs a variety of property rates, taxes. Furthermore, there is no capacity without income generation from the site to celebrate the heritage context and reactivate the precinct.

Redevelopment of the site to provide a regular and sufficient income stream without need to continually redevelop in future is supported by the following clauses of the Act:

Heritage Act 'Economic use' clause	Comment
<i>The feasibility of a proposed development may be relevant insofar as it relates to the viability of an ongoing use or an adaptive re-use of the registered place or object.</i>	It is not viable to maintain the site as undeveloped and underutilised with no ability to generate income.
<i>The 'economic use' consideration is concerned with the economic functioning of the registered place or object and is not focussed on the financial circumstances of the applicant or owner. The feasibility of a proposed development may be relevant insofar as it relates to the viability of an ongoing use or an adaptive re-use of the registered place or object.</i>	Again, the site is not viable on an ongoing basis as an undeveloped and underutilised site. The proposed development is needed to reactivate the precinct and appropriately celebrate the key elements within the heritage place through restoration. /AS ABOVE
<i>The Executive Director may consider whether the proposed works would facilitate an economically sustainable use of the registered place or object. An economically sustainable use could be one that can continue for the medium to long term, mitigating the possibility of continual proposed changes to the registered place or object.</i>	The proposed works will facilitate the development of an economically sustainable use of the registered place that will exist over the long term without further material changes. The site will be predominantly retained by a single owner which aligns with a long-term hold approach.
<i>Refusal to issue a permit for works which would enable the use of the registered place or object to generate income critical to fund ongoing and future conservation and maintenance, may affect the economic use of the registered place or object, particularly if the historic, recent, or current use is a commercial use. A permit refusal may affect the economic use of a registered place or object if it would limit the capacity of an existing or compatible commercial use to generate income necessary to cover the cost of:</i> <i>conservation and maintenance of the registered place or object; and/or</i> <i>rates and land tax directly associated with the registered place; and/or</i> <i>capital improvements to ensure the continued use of the registered place or object, where that use contributes to its significance (including reasonable debt repayment and interest costs). For example, improving infrastructure or services to ensure that an existing compatible commercial use continues to attract tenants and/or customers.</i>	The economic use of the registered place will be impacted by refusal to issue a permit. Refusal would prevent the development of a new mixed-use precinct opportunity, including commercial use, that would provide income that could be used to conserve and maintain elements of the registered place.

5.2. CONCLUSION ON ECONOMIC USE

Conclusions are made below in relation to the relevant considerations:

- The proposed development facilitates an economically sustainable use for the medium to long term, ensuring stability and reducing the likelihood of frequent alterations to the heritage place.
- The extensive restoration work proposed is a significant financial undertaking; and requires the ongoing income generation derived from the integration of the proposed range of commercial, public, and private uses. These preservation measures will ensure that the property remains in excellent condition, safeguarding its historical and conservation value well into the future.

6. ECONOMIC BENEFITS OF DEVELOPMENT

In this section, the quantifiable economic benefits of the proposed development are assessed.

6.1. METHODOLOGY

Analysis presented in this summary report uses REMPLAN economic modelling to assess current and potential economic impacts. REMPLAN is an Input-Output model that captures inter-industry relationships within an economy. It can assess the area-specific direct and flow-on implications across industry sectors in terms of employment, wages and salaries, output and value-added at the state level.

Key points regarding the workings or terminology of the model are as follows:

- REMPLAN uses either the value of investment or employment generation as the primary input. For this analysis, the value of total upfront investment has been used as the key input to assess the benefits of the construction phase, whereas future employment at the resort is the input to assessing the on-going economic benefits of the operation phase.
- Outputs from the model include employment generated through the project and economic Gross Value Added at both the local and the state level.
- Employment generated is calculated on a full-time equivalent (FTE) basis.
- Gross Value Added or GVA is a measure of the value of goods and services produced in an area, industry or sector of an economy during a certain period of time. In this case, GVA represents the total economic contribution of the project.
- Both the direct and indirect benefits are modelled for employment and value added:
- Direct refers to the effect felt within the industry where the investment is being made. For example, during the construction phase, new direct jobs are created within the construction industry.
- Indirect effects are those felt within industries that supply goods to the industries directly affected (i.e. supply chain effects but not consumption effects).
- Economic benefits are modelled for the construction and the on-going operation phases. For both phases, the employment and value-added numbers are presented on an annualised basis. Construction phase benefits accrue each year when the project is under construction (or a pro-rata basis for any part year construction period). On-going benefits accrue each year of operation.
- It should be noted that the results presented below are estimates only based on the existing state of economic activity in the area. Due to the static nature of input-output modelling, they have the potential to overstate the actual net effects. Nonetheless, the analysis still reflects the fact that employment growth and economic value added will be positive for the state.
- Urbis consider that in the absence of this development, it is unlikely that the investment would be directed to a similar scale project within the same time and region. Therefore, the investment can be considered additional.

The following sub-sections present a summary of benefits for the construction and operations phases.

6.2. CONSTRUCTION PHASE

The proposed development is estimated to have a total construction cost of around \$180 million exclusive of GST over an anticipated construction timeframe of approximately 2 years. This equates to an annualised construction cost of some \$90 million.

As shown in Table 1, construction of the proposed development is estimated to be able to support 160 direct FTE jobs for the equivalent of one year for each year of construction, and another 230 FTE jobs indirectly across other industries. There would be approximately \$26.5 million in direct Gross Value Added (GVA) per year during the construction period, and \$37.6 million in indirect GVA annually in constant 2025-dollar terms inclusive of GST.

6.3. OPERATION PHASE

Potential annual economic benefits (in jobs and GVA) as a result of the development are estimated here.

The number of direct jobs was estimated by referring to industry benchmarks and Urbis' experience in staffing requirements for different land uses. Based on the floorspace of each of the proposed uses, the redevelopment is estimated to generate 76 FTE ongoing jobs on-site.

These jobs are entered into REMPLAN to produce an estimate for indirect jobs and direct and indirect gross value added (GVA) contributions.

It is expected that the development will create a range of job opportunities including hospitality and event staff, retail staff, childcare workers, administration, precinct management, building management, cleaners, maintenance, and gardeners etc. In total, it is estimated the site will support 80 direct FTE jobs and 20 indirect FTE jobs ongoing.

Resulting from the economic activity on site, there would be an estimated \$12.1 million per annum in direct and indirect GVA contribution generated from the daily operation and management of the development. This includes \$8.0 million direct GVA benefit and \$4.1 million indirect GVA benefit (see Table 1 below).

Table 1. Construction and ongoing operational benefits

Construction phase	Direct benefits	Indirect benefits	Total benefits
Employment (FTE jobs) ¹	160	230	400
Gross value added (\$M) ¹	26.5	37.6	64.2
Operational phase	Direct benefits	Indirect benefits	Total benefits
Employment (FTE jobs) ³	80	20	100
Gross value added (\$M) ³	8.0	4.1	12.1

1. Full-time equivalent (FTE) jobs for the equivalent of one year of employment during construction

2. Annual benefits measured in constant \$M 2025-dollar value including GST

3. Based on proposed development

(Source: REMPLAN; Urbis)

6.4. OTHER BENEFITS OF DEVELOPMENT

The analysis in the previous sub-section quantified the economic benefits of the proposed development. It is also important to recognise how these benefits may manifest, particularly within the local community. In addition to the quantifiable economic benefits, there are also broader economic and social influences resulting from development of this nature.

Examples of how the development may benefit the area economically and socially are summarised below:

- Future on-site residents will spend an estimated \$4.7 million (constant 2025 dollars inc. GST) on goods and services, based on an average expenditure of \$25,500 on a per capita per annum basis and an assumed average household size of 2.2 per dwelling for the 82 apartments proposed. This total annual spending of on-site residents could be directed to existing and future local and surrounding businesses.
- The proposed development will provide a significant share of the additional dwellings that Northcote will need to support projected strong population growth levels.
- The ability to deliver more dwellings, including affordable housing, will help to address housing affordability issues (greater supply = greater competition = constraints on price growth).
- The proposed dwelling structures (townhouses and apartments) will introduce a greater diversity of housing into the area and the rental market, providing existing and future residents of the area with a range of housing typology, quality, and price points to suit all needs.
- The childcare centre, workshop spaces, and open space will deliver essential infrastructure and community facilities that will support the future community and existing residents nearby.
- The platia is a significant space that will provide new open space to support and sustainably meet the open space needs of the existing and future community. Green space provides a range of social, mental, physical, and environmental benefits to residents, all of which have an associated economic value. Rather than maximising revenue from the space, it is provided to the benefit of the community.
- Development will generate increased taxation revenue for both state and local government. For the local Council, benefits include the increased rateable value of the land, which not only increases rates paid but enhances Council's borrowing capacity against increased valuation.
- Development will reinforce the nearby Northcote MAC and complement its positioning as Northcote's core retail and commercial activity spine.
- The proposed amphitheatre will support the Northcote Arts sector.
- The new precinct would facilitate growth of the evening economy with 24/7 activation of the plaza.
- Transforming underdeveloped vacant land for a higher use will activate the area for better economic outcomes.

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