**Heritage Victoria issues Heritage permit for Caydon Property Group development of**

**Richmond Maltings site, Cremorne**

On 27 March 2017 Heritage Victoria issued a heritage approvals for Caydon Property Group’s revised whole-of-site application for the former Richmond Maltings site, lodged in December 2016.

The former Richmond Maltings industrial site is included in the Victorian Heritage Register and protected under the *Heritage Act* 1995.

In making this decision, Heritage Victoria assessed the application under section 73 of the Heritage Act and has issued heritage approvals for the development, including restoration works to the Nylex sky sign and new residential and commercial towers, with strict conditions.

***Why has it taken so long to assess the development?***

The approval follows a protracted application process initiated in 2015 that saw Heritage Victoria refuse an initial application lodged for only part of the site on the grounds that the overall impacts and heritage activation benefits could not be determined. Caydon appealed that decision to the Heritage Council which upheld Heritage Victoria’s ruling in August 2016.

Also in May 2016, Heritage Victoria accepted a community nomination to review the original registration of the site under the *Heritage Act* that had allowed for the total demolition of the iconic 1962 silo stack. The silos support the separately registered Nylex sign which is iconic to Melbourne and made famous by singer Paul Kelly’s anthem, *‘Leaps and Bounds’*.

Heritage Victoria formed a view that the heritage registration should be amended to remove the ability for the silos automatic demolition through an exemption process. This recommendation was subsequently upheld by the Heritage Council on 23 December 2016 following a Hearing requested by Caydon in August 2016.

Caydon Property Group agreed to lodge a whole-of-site scheme to Heritage Victoria in late 2016, which is the subject of the recent approvals. The development has also been subject to separate planning review by VCAT, with the former Stage Two development proposal still to be heard.

***What has been approved?***

The 2017 Heritage Victoria approval requires the retention and conservation of three bays of the historic 1962 silos, the full conservation and activation of the Nylex sign, the retention of the smaller silos that support the Victoria Bitter sign, conservation and activation of the majority of buildings onsite that demonstrate former malting technologies, and retention of portions of the red brick perimeter walls.

The approval also enables Caydon Property to construct a new tower of 13 storeys to the east of the 1962 silos above the 1920 malt house; a new tower of 14 storeys in height on the western part of the site abutting and encompassing the 1962 silos, with other new additions to retained heritage buildings. The height above the 1962 silos will be capped at an additional two storeys, and the approval allows for the retained silos to be extruded in height to meet the new built form. This new element will be differentiated in materiality but will retain the exterior form and appearance of the predominant silos bulk.

This conditions will ensure that the 1962 silos remain a dominant original feature on this southern boundary, and that views to the silos and the Nylex sign will be retained from significant viewpoints.

The refurbished and remounted Nylex sign will retain its dominant position and orientation atop the silos and will be part of a public rooftop venue space, celebrating the heritage of the site and the iconic landmark.

In making this decision, Heritage Victoria refused a requested additional level to the new building associated with the 1962 silos and to the new building above the 1920 malt house.

***Why has Heritage Victoria approved a development that will have a physical impact to the heritage site and include new buildings of substantial scale and bulk?***

In his determination, the Executive Director of Heritage Victoria must have regard to the appropriate ‘reasonable and economic use of the heritage place (section 73(1)(b) of the Heritage Act). He determined that the reasonable use of the former maltings site is as a mixed-use precinct, incorporating heritage elements, with new residential, retail and commercial uses.

Whilst agreeing that this is a significant development of scale, the development of the former Richmond Maltings site overall is considered a positive heritage outcome, as the site is currently vacant, is degrading from lack of maintenance, and under significant threat from vandalism. Activation and opening up of the site will enable a greater public benefit and ability to tell the industrial and social story of the precinct to Melbourne’s development history.

Retention of over 50% of the 1962 silos (as presented in the Caydon revised scheme) is a significant improvement on the original Stage 2 proposal that included their total demolition and replacement by new buildings.

The Caydon proposal retains the dominant full height of the B9 silos, rooftop configuration, and external rough concrete presentation, thereby ensuring that the B9 silos remain a dominant form.

***Heritage Victoria must consider how a proposal might impact the heritage significance of a Place***

In determining any application for a permit, Heritage Victoria must consider the extent to which the application, if approved, would affect the cultural heritage significance of a registered place (section 73(1)(a).

Heritage Victoria determined that activation of the Richmond Maltings site is consistent with established heritage conservation practice through managing change to ensure that the core elements of the site are sustained and revealed to reinforce the sites overall cultural heritage values.

Whilst acknowledging that the proposed building to abut and partially replace elements of the B9 silos is of significant scale and that the proposal will increase the existing established heights across the site, it is the view of the Executive Director that overall conservation outcomes within complex, large former industrial precincts sometimes require major interventions.

Change to significant places will sometimes need to be entertained within a major capital city setting, but the negative effects of loss of some fabric, and impacts from increased built form and scale are mitigated through:

* ensuring that this significant heritage place is used and enjoyed
* its key elements being retained to tell the former use and established heritage significance values of the Place;
* proper archival and conservation outcomes
* purposeful interpretation programs.

***Heritage Victoria must consider the reasonable or economic use of the registered place***

In determining Permit applications under the *Heritage Act*, section 73(1)(b) mandates that the Executive Director must take into consideration the extent to which the application, if refused, would affect the reasonable or economic use of the registered place, or cause undue financial hardship to the owner in relation to that place or object.

In determining the Caydon application, Heritage Victoria resolved to have a peer review undertaken of the modelling of the whole-of-site proposal, in order to assess the commercial viability of the redevelopment, and to assist in determining reasonable economic use of the site. The independent peer review was completed by by a reputable firm of land economists in March 2017.

The modelling indicated that the as-submitted Caydon proposal would likely just meet established industry projected return cost margins (reasonable profit and risk margin). In refusing the full range of additional floor levels requested across the site, Heritage Victoria noted that additional modelling showed that the Caydon development would still be close to established minimum break even norms, without putting the overall development into financial jeopardy.

In terms of minimising the dominance of new bulk form over and around retained heritage elements, Heritage Victoria determined that the full height levels requested by Cayden Property could not be supported.

***In summary***

Heritage Victoria concluded that the strict Permit conditions will result in a development that ensures that this significant heritage place is used, enjoyed and publically activated; that its key elements are retained to tell the former use; and that the established heritage significance of the Place is retained.

Heritage Victoria has ensured that there are sufficient physical retention and conservation outcomes to justify the scale of intervention, to offset the negative effects of loss of some fabric, of increased built form scale, and changes to the current industrial character of the site.