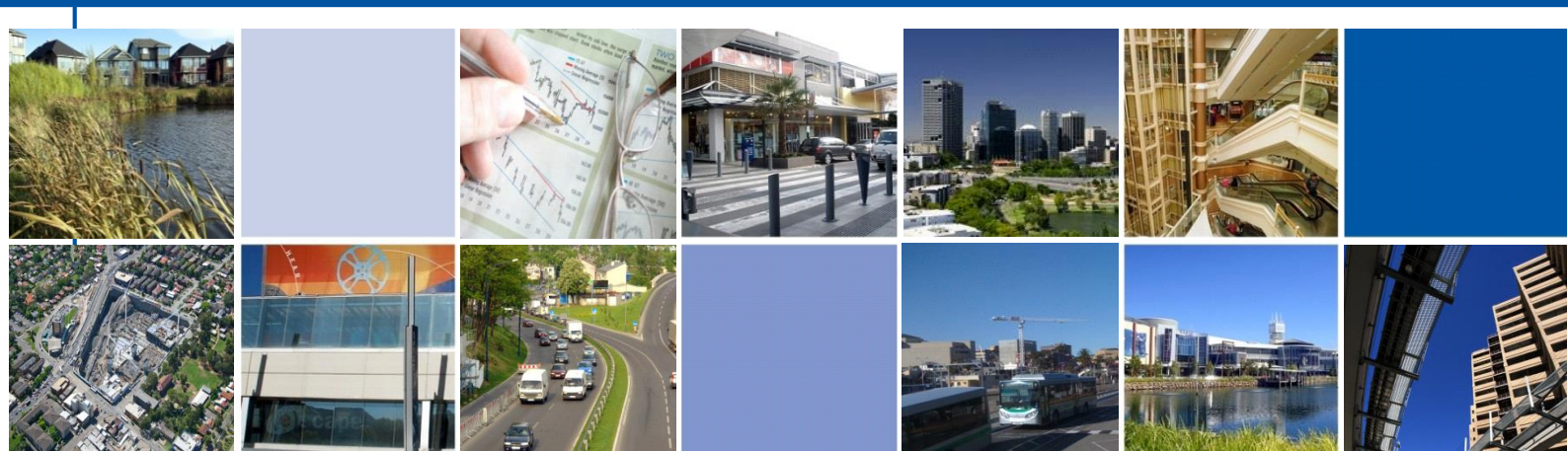


DROVERS PLACE RETAIL IMPACT ASSESSMENT: LOTS 810 AND 811 (DROVERS MARKET PLACE)

Goldrange Pty Ltd and Greenpark Asset Pty Ltd

November 2014



Quality Assurance

Report Stage	Authors	Date	Review	Date
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1. Introduction

MacroPlan Dimasi has been engaged to assess the retail impact of up to an additional 5,000m² retail/shop floorspace in Lots 810 and 811 Wanneroo (Drovers Market Place) on the surrounding activity centres. This assessment determines the proportional impact on the amount of retail expenditure captured by each of the other centres within the trade area of Drovers Market Place.

The assessment specifically considers the scenario of an additional 5,000m² of retail/shop floor space (PLUC 5¹) at Drovers Market Place over and above the existing built and approved floor space and what impact that would have on retail trade on each of the designated activity centres within the trade area. It takes into account the proposed restriction of individual tenancies to be within a size range of between 200m² and 1,500m² up to a combined total of 5,000m².

This assessment determines the catchment area served by the retail component of the development as well as any potential catchment growth that could be achieved. Following this catchment analysis, the retail floor area potential has been forecast and associated impacts have been determined based on detailed population, demographic and retail demand modelling.

¹ Planning Land Use Category 5 as designated by the Department of Planning.

2. Site location, context and composition

2.1 Location and accessibility

The subject site, also known as the Drovers Market Place, is situated in the suburb of Wanneroo, approximately 33 km (by road) north of the Perth's central district centre. The area is essentially residential in nature and is generally reasonably accessible from the east via the Wanneroo Road and from the west it is accessible via either Mitchell Freeway or Joondalup Driver.

The Drovers Market Place is located on the corner of Wanneroo Road and Joondalup Drive, Wanneroo. These two arterial roads are significant thoroughfares which provide good visibility and accessibility to the site from a wide area.

Figure 1. Site location

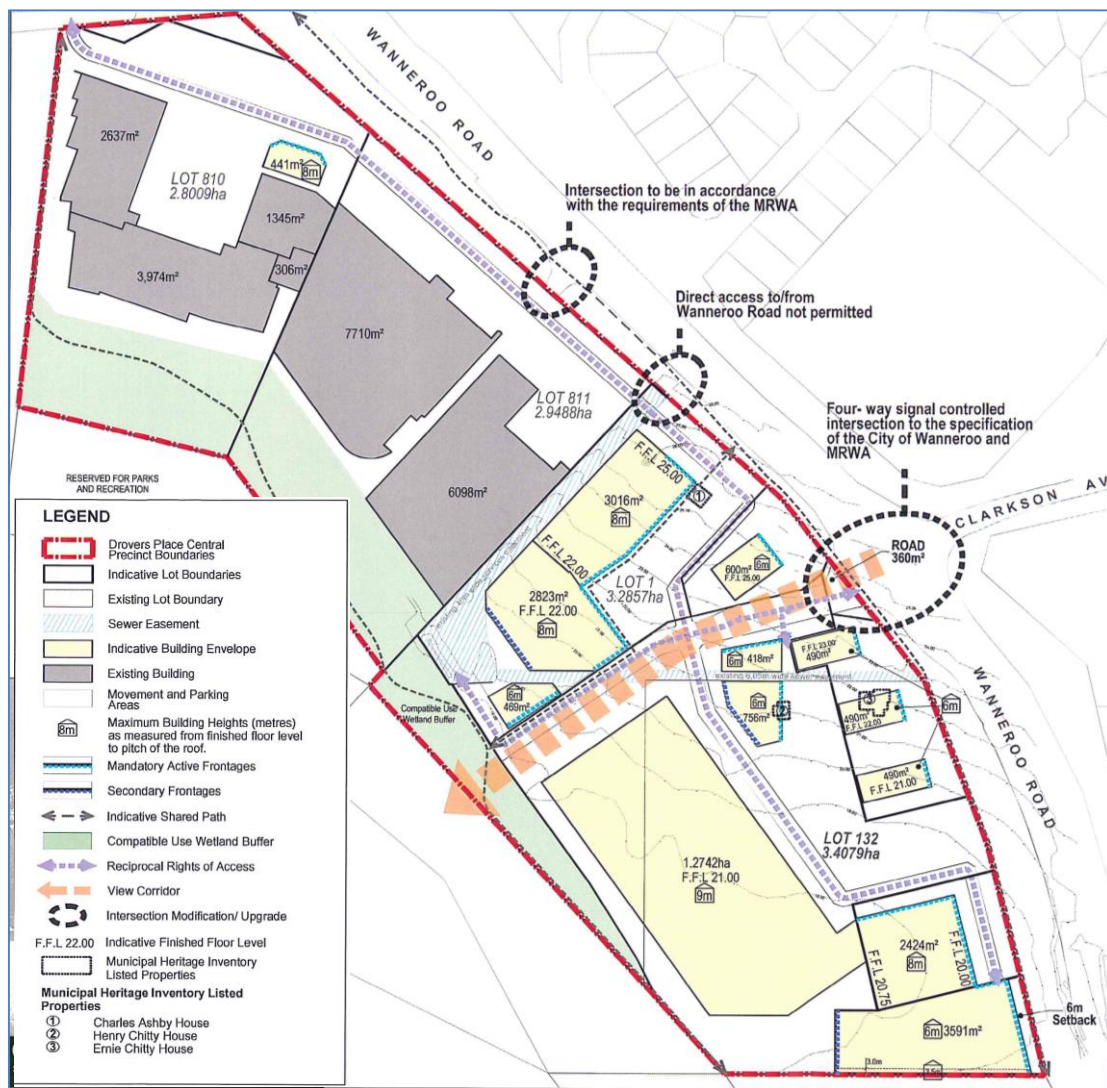


Source: Nearmap, MacroPlan Dimasi

The site consists of two lots, 810 and 811 which are defined as an “out of centre development” under the City of Wanneroo LPP 3.2 (Activity Centres). The site is controlled by ASP 80.

Lot 810 is 2.8 hectares in area and Lot 811 is 2.95 hectares in area, giving a combined total area of 5.75 hectares. This area comprises part of the 'Special Use' Zone within the current SP80. This area is proposed to be differentiated as a separate part of the 'Special Use' Zone under Amendment 4 to the ASP.

Figure 2. Drovers Place central precinct



Source: TPG, Detailed Area Plan (Nov, 2013)

The following uses are located on the subject site:

- Restaurant;
- Gym;
- Playland;
- Garden and lifestyle outlet;

- Marketplace with fruit and vegetable processing and wholesaling, fish, meat, breads and a gourmet delicatessen;
- Butcher;
- Fishmonger;
- Patio and shed outlet;
- Vet hospital;
- A pet store; and
- Self-storage units.

The subject site is located about 2km from the Currambine District Centre to the west, about 5km from the Joondalup Strategic Metropolitan Centre to the south west and about 4.5km from the Wanneroo Regional Centre along Wanneroo Road to the south. Further to the north west of the site lies the Clarkson District Centre and the continuing strong residential development around this centre.

The Banksia Grove District Centre is located 2.5km to the north east of the site which is anticipated to provide additional higher order retail, commercial and community uses to surrounding residents as demand permits.

There is also a proposed Local Centre expected to be developed on the other side of Wanneroo Road on Clarkson Ave (Lot 19), and the Carramar Neighbourhood Activity Centre is located around one kilometre from the subject site.

The existing residential land uses to the east and north east is growing, and is expected to experience significant population growth over the coming 20 years.

2.2 Activity Centres Policy for Perth and Peel

The *Activity Centres Policy for Perth and Peel* (the Policy) is a State Planning Policy (SPP 4.2), released in August 2010, for the planning and development of activity centres throughout Perth and Peel, and supersedes the previous Metropolitan Centres Policy.

The purpose of the Policy is to provide broad policy guidance to local governments, state agencies and other stakeholders on matters such as the:

- preferred spatial distribution for retail and commercial use;
- planning and development of new activity centres; and
- redevelopment and renewal of existing centres in Perth and Peel; and the urban design considerations for new activity centres, and the associated transport and infrastructure provision.

In order to achieve its objectives, the Policy provides for a hierarchy of activity centres, which differentiates such centres and their planning principles in terms of their roles and functions within the overall network; their indicative retail trade area; and their housing density and mix of land uses. This activity centres hierarchy is illustrated in the following figure attached and comprises the following:

- The Perth Capital City is the largest and highest ranking of the activity centres, providing the largest concentration of development in the region, with the greatest range of services and employment facilities.
- Strategic Metropolitan Centres – Ten such centres are designated, at Yanchep, Joondalup, Stirling, Morley, Midland, Fremantle, Cannington, Armadale, Rockingham and Mandurah. The Strategic Metropolitan Centres are the main regional activity centres, providing a diverse mix of economic and community uses for their extensive trade areas.
- Secondary Centres – The Policy identifies 19 Secondary Centres, which are generally evenly distributed across the Perth urban area. Secondary Centres, similar to Strategic Metropolitan Centres, also offer a diverse range of services and facilities, including community and employment opportunities.

- District Centres – A network of District Centres is designated throughout the Perth urban area. These centres are expected to focus on servicing the daily and weekly needs of residents within their local respective trade areas.
- Neighbourhood Centres – Such centres are expected to provide local community hubs to service the day-to-day needs of the immediately surrounding residents. The Policy does not provide the locations of the neighbourhood centres, but emphasises their important roles, which should be recognised in local planning strategies and structure plans.

Drovers Market Place is an out-of-centre development under State Planning Policy (SPP) 4.2: Activity Centres Policy for Perth and Peel, which means it is subject to strict guidelines to ensure it does not have a significant negative impact on surrounding centres or have an effect that is contrary to the desired policy and planning outcomes. Clause 5.6 of SPP 4.2 provide the relevant guidance for out-of-centre developments:

5.6 Out of centre development

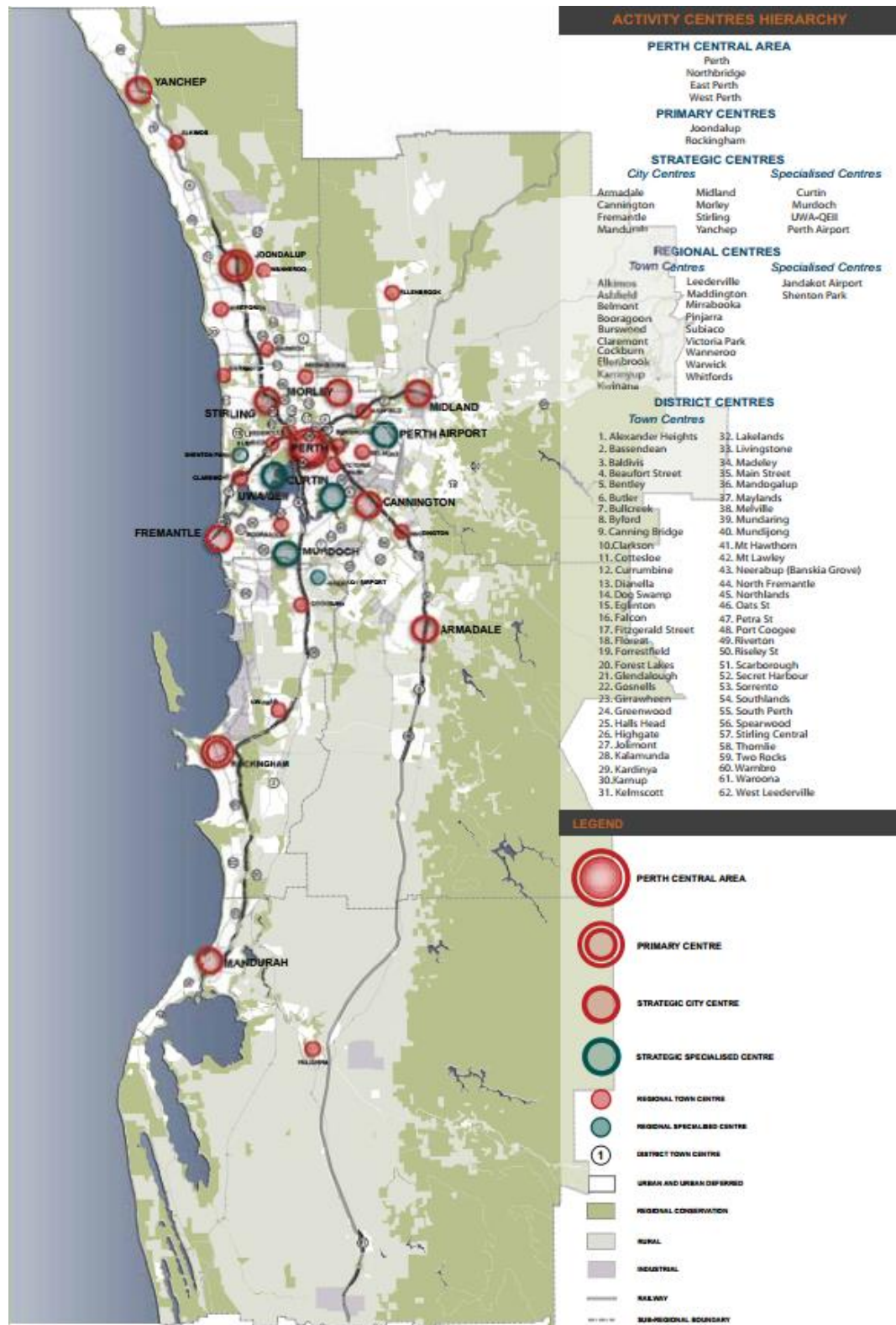
(1) Health, welfare, community services, entertainment, recreation, commercial and cultural facilities (**Appendix 1**) likely to attract a significant number of employees or users and/or generate significant vehicle trips should generally be located in, or adjacent to, activity centres.

(2) Where such uses cannot be accommodated within, or adjacent to, activity centres development should be restricted to established Mixed Business or equivalent zones with good access to public transport, rather than being dispersed.

This policy also makes a connection between out-of-centre developments and bulky goods, which is considered one of the suitable uses for such developments.

This assessment considers the designated activity centres within the trade area of Drovers Market Place, including their capacity (or lack thereof) to accommodate additional floor space.

Figure 3. Activity Centres Policy: Perth and Peel



Source: Department of Planning

3. Market analysis

3.1 Trade catchments

The proposed development trade area for Drovers Place is influenced by the following:

- the strong major road connectivity surrounding the site, in particular along Joondalup and Wanneroo roads. This serves to extend the trade area to capture a wide geographic area as people use the major road connections for inter-district and –inter-regional travel needs;
- the strong residential growth, particularly to the north-west and north-east; and
- the locations of competitive facilities, particularly Lakeside Joondalup Shopping City and Wanneroo Central Shopping Centre

On this basis, the **main trade area** served by the proposed development has been defined to include a primary and a secondary sector, as illustrated on the attached following map and described as follows:

- **primary sector** – encompasses the suburbs of Carramar, Tapping, Ashby, Sinagra, Banksia Grove, Mariginiup, Tamala Park, Kinross and the south-east of the suburb of Clarkson.
- **secondary sector** – extends to the north, east and west of the primary sector. This location includes the suburbs of Ocean Reef, Heathridge, Edgewater, Wanneroo, Mariginiup, Iluka, Connolly, Currambine, Burns Beach, Mindarie, Quinns Rock, Merriwa, Ridgewood, Buttler, Jindalee, Alkimos, Nowergup, Neerabup, Pinjar and Jandabup.

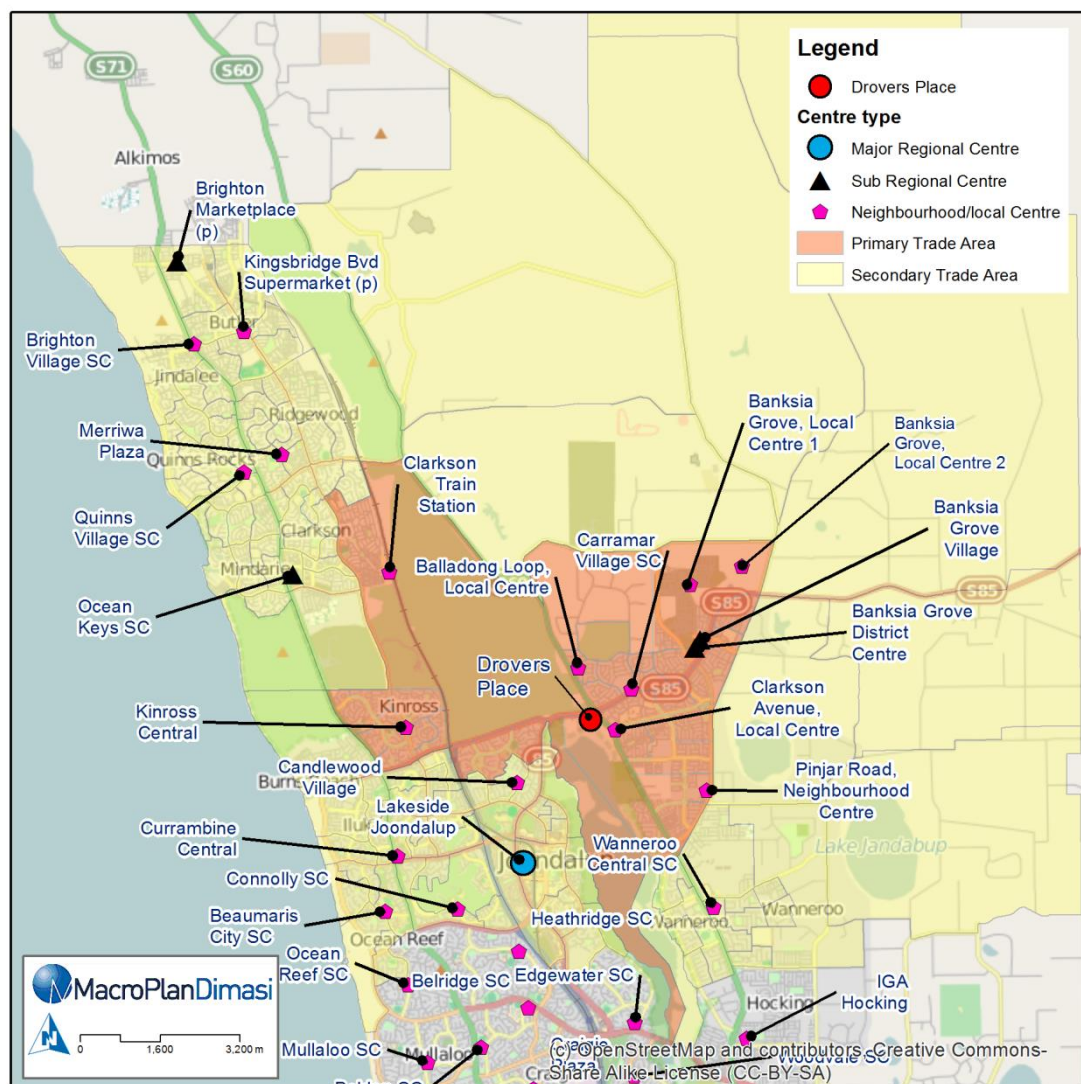
The Main Trade Area (MTA) of the existing Drovers Market Place centre and future proposed expansion comprises a Primary Trade Area (PTA) of about 47,520 persons and a Secondary Trade Area (STA) of about 101,370 persons in 2014.

The large MTA for Drovers Market Place is very substantial in area and population, which reflects the destination-type uses within Drovers Market Place, which draw

customers from the sub-regional area. As a comparison, the nearest District Centre (Banksia Grove) has considerably smaller catchment which is estimated to have a population within the primary trade area of 12,708, and within the secondary trade area of 18,824, making a total trade area of 31,532 residents.

MacroPlan Dimasi projects that the population within the PTA will to grow at about 2.9 per cent per annum through to 2026, while the STA is expected to grow at 3.7 per cent per annum over the same period. By 2016 the population in the MTA will have increased by about 12,380 persons, 30,750 persons by 2021 and 31,700 persons by 2031 to reach about 224,000 persons.

Figure 4. Subject site trade area



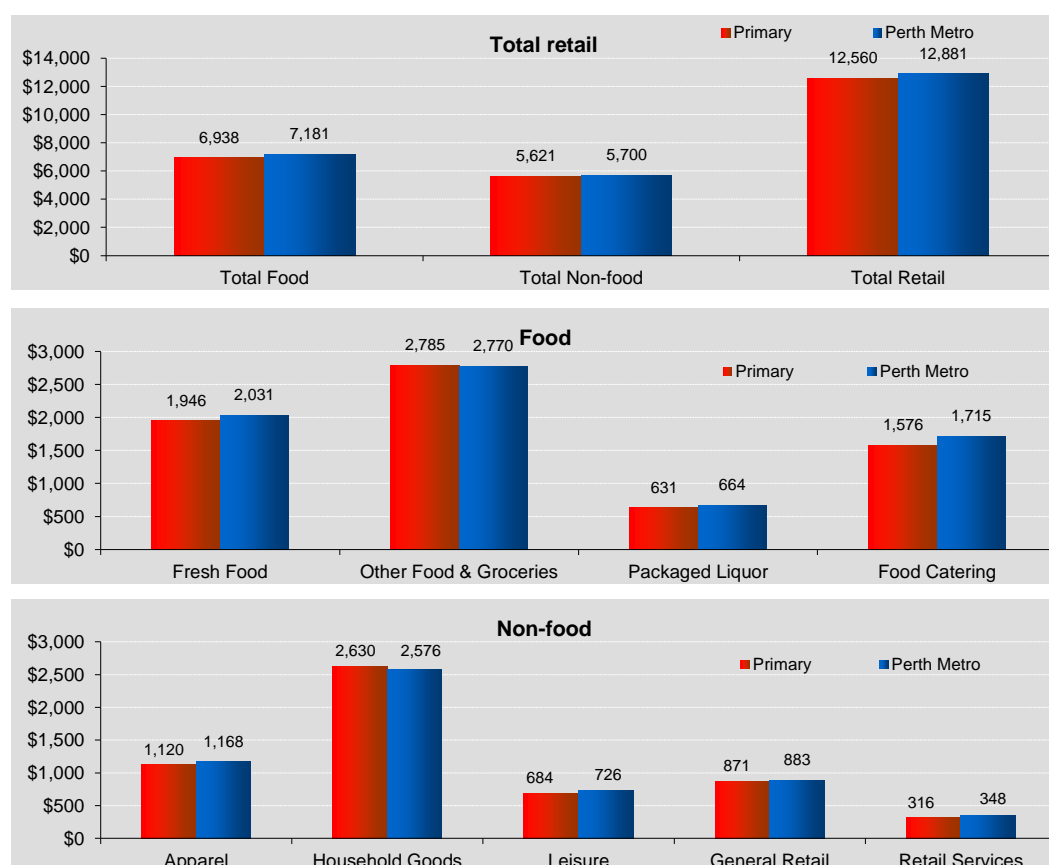
Source: MacroPlan Dimasi

3.2 Retail expenditure pool

The retail expenditure pool for the site is determined by the number of persons and the amount of expenditure per person. Assumptions in relation to real growth in retail expenditure and population change are then applied to the base year (2011/2012) to understand how the pool will grow over time.

The total level of retail expenditure per person for the main trade area population in 2012 is estimated at \$12,560, which is similar to the metropolitan Perth average. This is line with the income per capita levels of the main trade area in comparison to the metropolitan average. Per capita expenditure on retail goods is higher in other food & groceries and household goods compared with metropolitan Perth averages.

Figure 5. Subject site main trade area, Retail spending per person, 2011/12*



*Including GST

Source: MarketInfo; MacroPlan Dimasi

As at the 2011 Census, the PTA comprises 60 per cent home purchasers and the STA 50 per cent home purchasers, which compares within the Perth average of 40 per cent. Furthermore, only 1 per cent of dwellings in the PTA and 4 per cent of dwellings within the STA were flats, units or apartments compared with 9 per cent for Metropolitan Perth. Thus the socio-demographic profile confirms a customer profile that would be more inclined towards furnishing new or relatively recently purchased houses.

The total retail expenditure pool available within the trade catchment exceeds \$2 billion. Based upon likely population growth and accounting for real growth in retail inflation this expenditure pool is expected to increase by about 5.9% per annum.

By 2016 the total retail expenditure is expected to increase by about \$314 million. By 2021 the total retail expenditure pool within the MTA will have increased by approximately \$1 billion and by 2026 more than \$2 billion.

3.3 Retail floor space demand

When translated to on-the-ground floor space demand in 2014, the demand for general retail generated by residents within the trade catchment totals approximately 287,358m². Note that this does not include any of the add-on demand from passing trade.

Growth in the residential catchment will see demand for retail floor space increase almost 70 per cent by 2026. This demand growth equates to approximately 16,509m² per year of general retail floorspace from residents in the main trade area. In effect, the proposed development equates to less than one-third of one year's worth of residential catchment growth.

The total supply of general retail floor space within the main trade area totals some 182,000m² and higher-order demand from residents is met by floor space beyond the trade area totalling around 51,000m².

Therefore it is apparent that there is a significant under-provision of approximately 54,358m² of general retail floorspace (287,358m² - 182,000m² - 51,000m²). This

implies that expenditure from residents within the main trade area is escaping to centres beyond the main trade area.

The Joondalup Gate centre and the Gateway centre would attract a significant majority of this expenditure given the size and relative proximity to the main trade area boundary.

4. Competitive framework

This section of the report assesses the competitive supply network in which the proposed development will operate within. Proposed retail developments have also been considered in this assessment.

4.1 Existing and proposed centres

The following table summarises the retail supply network around the Drovers Market Place Growers Market. The table categorises retail uses according to total retail floor space. This assessment has incorporated standard retail centres and retail within activity centres.

Table 1. Existing and proposed retail supply network

Trade area/ Centre name	Type (hierarchy)	Suburb	Status	Total centre GLA retail (m ²) - 2014
Primary trade area				
Banksia Grove Village	District	Banksia Grove	Existing	5,913
Kinross Central Shopping Centre	Neighbourhood	Kinross	Existing	5,500
Carramar Village	Neighbourhood	Carramar	Existing	5,429
Clarkson Avenue	Local	Tapping	Proposed	1,900
Pinjar Road	Neighbourhood	Ashby	Proposed	7,100
Banksia Grove Local Centre (1 of 2)	Local	Banksia Grove	Proposed	1,000
Banksia Grove Local Centre (2 of 2)	Local	Banksia Grove	Proposed	1,000
Clarkson Train Station	Neighbourhood	Clarkson	Existing	3,000
Balladong Loop	Local	Carramar	Existing	100
Secondary trade area				
Lakeside Joondalup Shopping City	Major Regional	Joondalup	Existing	56,364
Wanneroo Central Shopping Centre	Sub Regional Centre	Wanneroo	Existing	17,211
Ocean Keys Shopping Centre	Sub Regional Centre	Clarkson	Existing	18,729
Brighton Town Centre	Sub Regional Centre	Butler	Existing	-
Merriwa Plaza	Neighbourhood	Merriwa	Existing	2,610
Quinns Village Shopping Centre	Neighbourhood	Quinns Rocks	Existing	2,292
Currambine Marketplace	Neighbourhood	Currambine	Existing	7,820
Candlewood Village	Neighbourhood	Joondalup	Existing	2,022
Lake Joondalup Village Square	Neighbourhood	Joondalup	Existing	843
Beamaris City Shopping Centre	Neighbourhood	Ocean Reef	Existing	2,941
Mindarie Keys Shopping Centre	Neighbourhood	Mindarie	Existing	1,636
Brighton Village Shopping Centre	Neighbourhood	Butler	Existing	3,744

Source: Property Council of Australia Shopping Centre Directory 2014, MacroPlan Dimasi

The **Carramar Village** based centre provides full-line Woolworths supermarket retailing options to the residents around Carramar and to the north-east. To an extent this centres competes with the Growers Market at Drovers Market Place. On inspection, the centre is very well presented and trading strongly (although this is likely to be impacted from the opening of Banksia Grove – see below).

Kinross Central is located about 4.5km from Drovers Market Place and provides convenience retail to residents within the suburb of Kinross. The centre accommodates a full-line 2,535m² IGA supermarket and other specialties. The centre would not be impacted upon by the proposed Drovers Market Place expansion given the different nature of the retail offerings and the localised convenience role this centre plays in the retail hierarchy.

The Secondary Trade Area incorporates all centres stretching from Jindalee/Alkimos in the north, Mariginiup to the east, Hocking to the south and Ocean Reef to the west. There are several convenience based centres within this catchment, including centres such as Candlewood Village, Ocean Reef Shopping Centre, Quinns Village Shopping Centre and the Brighton Village Shopping Centre.

The **Wanneroo Regional Centre** is anchored by the Wanneroo Central Shopping Centre (17,211m²) which is a local neighbourhood supermarket anchored centre providing for the weekly convenience retail requirements of the residents around Wanneroo suburb. The centre is proposed for expansion which would include discount department store retailing and over time, as the population expands around the centre, more retail diversity is likely to be delivered.

The centre is also comprised of other retail such as chemists, restaurants, fast food, retail services and bottle-shop type retailing. Adjacent to the core retail offerings within the regional centre heart, there is a stretch of health, sports and hobbies and auto related retailing/servicing along Wanneroo Road. This precinct totals some 3,000-4,000m² of retail of which there is only a small amount of bulky goods retailing estimated to be about 300m².

The **Joondalup Primary Centre** is one of two Primary Centres within metropolitan Perth. The centre comprises a very broad mix of uses including office, retail, entertainment, industrial, community, cultural and educational facilities. The retail composition includes street retailing, fast food and restaurants, bulky goods

precincts and the main anchor, the major regional Lakeside Joondalup Shopping City. This centre totals some 70,544m² of floor space of which 65,454m² are gross lettable retail floor space.

The centre accommodates six key anchors including three discount department stores (Kmart, Big W and Target) and three full-line supermarkets (Woolworths, Coles, Supa IGA) as well as 224 other specialty stores. Several of these tenancies would be considered as bulky goods retail however their size within this enclosed regional centre is unlikely to be greater than 1,000m² and therefore as a proportion of the total bulky goods retail across the Joondalup area would be quite insignificant.

Elsewhere across the Regional Centre there is an estimated 30,000m² or more of other bulky goods/retail showroom type retailing. This includes the bulky goods centred around the Harvey Norman on Clarke Crescent. This includes the Furniture Bazaar and S&L Furnishers to the north and Carpet Call and Dick Smith to the south. This area contains about 14,000-15,000m² of bulky goods.

Just beyond the MTA boundary in Joondalup, along the Mitchell Freeway is the Gateway centre and the Joondalup Gate centre. Both centres are about 9-10 kilometres from the Drovers Run subject site.

The **Gateway Centre** is anchored by a 4,300m² Spotlight tenancy and comprises some 12,700m² of retail floor space. Approximately 9,400m² of this is bulky goods floor space comprised of Bedshed, The Good Guys, Spotlight and Rick Hart.

Joondalup Gate is the major bulky goods 'Homemaker Centre' within the Northern Metropolitan region of Perth. The total centre provides about 30,208m² of bulky goods retail floor space. The key anchors at the centre include: 2,000m² Freedom Furniture, 2,000m² Ranger Camping, 1,850m² BCF and 1,336m² Fortywinks. There are about 43 other tenancies within the precinct as well. This centre would derive its trade from a very significant catchment stretching north to Alkimos, north east of Carramar, and south towards Kingsley.

There is also a proposed Local Centre expected to be developed on the other side of Wanneroo Road on Clarkson Ave (Lot 10), and the Carramar Neighbourhood Activity Centre is located around one kilometre from the subject site.

4.2 Future centres

Banksia Grove District Centre will open its first stage of 5,913m² in December 2014, when Coles will open its doors along with a Liquorland and up to 18 specialities. Shrapnel Urban Planning Retail Analysis shows an indicative yield of about 20,720m² for retail floorspace which incorporates 8,600m² of showroom floorspace. This floor space is expected to be delivered over the period to 2021 dependent upon market demand driven by population growth. The impacts upon this development are expected to be minimal and should not compromise the evolution of this centre. Banksia Grove is comprised of a 2,880m² Coles Supermarket with loading and service areas, 19 speciality retail and commercial tenancies comprising of shops, restaurant, consulting room, office, take-away food outlet, liquor store and bank, one convenience store/fuel station and two take-away food outlets to be located south of the main shopping centre building.

Proposed future developments have been assessed according to Cordell Connect, an online development tracking system. The data within the system are updated frequently but for some projects may not capture the latest point in time (ie. November 2014). The success of any of these proposed developments that are not bulky goods orientated is unlikely to be compromised by the Drovers Market Place expansion, while any of these bulky goods based ones will unlikely be compromised given the significant growth and expenditure available within the catchment.

5. Retail impact assessment

5.1 Retail turnover impacts

There are not expected to be any significant retail turnover impacts upon any of the local, neighbourhood or district centres within or adjacent to the trade catchment if the proposed retail development is to proceed.

Most of these centres provide smaller convenience retail options, minor supermarket retailing options or weekly supermarket shopping options as well as other core retail such as pharmacies, newsagents, bottle-shops or cafes.

Similarly, the impacts upon traditional shopping centre retail across the retail hierarchy will be minimal given the different roles that the centres perform compared with the proposed development.

General retail usually exhibits a very broad trade catchment but nevertheless still generates significant turnover from beyond the trade area. This has been assumed at about 23-25 per cent for the proposed expansion component at Drovers Market Place.

MacroPlan Dimasi has estimated that the turnover at the proposed retail development will be comprised of the following:

- 26% from growth in the MTA expenditure pool;
- 16% from beyond the MTA; and
- 58% from centres within the MTA.

The largest impacts will be experienced by centres in the closest proximity to Drovers Market Place providing similar retail formats.

If an additional 5,000m² of shop/retail floorspace was to be constructed at Drovers Market Place immediately, it would affect the surrounding centres as indicated in the following table. This shows the likely trading impacts upon the competitive

general retail network, with turnover impacts measured as a total dollar value (2014 dollars) and as a proportion of the total retail component at each centre.

Table 2. **Retail impact assessment of an additional 5,000m² shop/retail at Drovers Market Place**

Trade area/ Centre name	Type (hierarchy)	Suburb	Impact \$m	Impact %
Primary trade area				
Banksia Grove Village	District	Banksia Grove	-\$3.73	-5.90%
Kinross Central Shopping Centre	Neighbourhood	Kinross	-\$2.43	-4.70%
Carramar Village	Neighbourhood	Carramar	-\$5.36	-9.80%
Clarkson Avenue	Local	Tapping	-\$0.87	-4.70%
Pinjar Road	Neighbourhood	Ashby	-\$3.74	-4.60%
Banksia Grove Local Centre (1 of 2)	Local	Banksia Grove	-\$0.43	-5.90%
Banksia Grove Local Centre (2 of 2)	Local	Banksia Grove	-\$0.43	-5.90%
Clarkson Train Station	Neighbourhood	Clarkson	-\$1.29	-4.70%
Balladong Loop	Local	Carramar	-\$0.03	-4.40%
Secondary trade area				
Lakeside Joondalup Shopping City	Major Regional	Joondalup	-\$9.64	-1.64%
Wanneroo Central Shopping Centre	Sub Regional Centre	Wanneroo	-\$2.30	-1.26%
Ocean Keys Shopping Centre	Sub Regional Centre	Clarkson	-\$3.49	-1.74%
Brighton Town Centre	Sub Regional Centre	Butler	\$0.00	0.00%
Merriwa Plaza	Neighbourhood	Merriwa	-\$1.04	-5.20%
Quinns Village Shopping Centre	Neighbourhood	Quinns Rocks	-\$0.45	-2.10%
Currambine Marketplace	Neighbourhood	Currambine	-\$1.72	-2.10%
Candlewood Village	Neighbourhood	Joondalup	-\$0.79	-4.40%
Lake Joondalup Village Square	Neighbourhood	Joondalup	-\$0.04	-0.70%
Beaumaris City Shopping Centre	Neighbourhood	Ocean Reef	-\$0.14	-0.50%
Mindarie Keys Shopping Centre	Neighbourhood	Mindarie	-\$0.06	-0.50%
Brighton Village Shopping Centre	Neighbourhood	Butler	-\$0.32	-0.80%

Source: Property Council of Australia Shopping Centre Directory 2014, MacroPlan Dimasi

The Drovers Market Place development of an additional 5,000m² of shop/retail floorspace would capture an estimated \$38.3m from surrounding centres with the greatest impact coming from centres in the primary trade area (PTA) – Carramar Village, Banksia Grove and Kinross Central.

Importantly, Drovers Market Place would also help to limit the current leakage of retail expenditure from the area. This is expected to contribute another \$5.0million to the retail turnover at Drover's Market Place from shop/retail uses.

The retail strip along Wanneroo Road, Wanneroo is unlikely to experience any trading impacts of significance as the majority of tenancies are oriented towards sports & hobbies, health & fitness, auto-type retailing, fast food and a small amount of retail which would service a smaller localised catchment and would not be significantly impacted upon by the Drovers Market Place expansion.

As demonstrated there will be some trading impacts upon the general retail network hierarchy within the catchment however these are expected to be insignificant and will not affect the continuing viability of any particular activity centre.

The proposed Drovers Market Place development will not have any noticeable impacts upon the Metropolitan Perth Activity Centres hierarchy or the evolution of the hierarchy. The proposed Drovers Market Place development is intended to provide an equivalent of just 2.7% of the MTA general retail floor space and just 2.1% if Joondalup Gate and the Gateway are included.

As demonstrated, the growth in general retail floor space demand across the Drovers Market Place MTA will be significant and any trading impacts will dissipate within 18–24 months of development through the growth in demand.

In reality, if 5,000m² of additional shop/retail floorspace was permitted in Drovers Market Place it would be unlikely to all be developed at the same time. This is a consequence of limiting the maximum size of any one shop/retail tenancy to 1,500m², which means that at least four separate tenants would be required to fill the 5,000m² allocation. This has an effect of further extending the timeframe over which the impact would affect the other centres.

5.2 Other impacts

The proposed Drovers Run development will also yield employment generating outcomes, with jobs that will be created directly and indirectly at the development and through the construction phase of the project.

Direct jobs will include the retail workers at the site itself. Indirect jobs will include maintenance workers and on-going supply chain jobs created through the broader economy.

The construction phase of the project will include direct jobs generated as part of the actual development as well as indirect jobs generated through the supply chain across the national economy.

The proposed Drovers Run development will also result in other positive community benefits, including the following:

- Increased consumer choice (diversity) and competition, particularly for new types of retail offering that do not 'fit' within the typical shopping centre model (ie. Aldi);
- Land use integration and efficiency maximisation upon car based nature of precinct:
 - The site is only car-accessible without strong walkable / main street opportunities, therefore large format and bulky goods retailing integrates with the existing nature of the precinct and capitalises on the site realities.
 - There will be direct business to business synergies on-site. For example workers at the bulky goods/retail showrooms will use the growers markets and vice versa
- Interaction between land uses encourages multi-purpose trips. While provision of retailing closer to places of residence will result in shorter travel distances;
- The benefits of reduced travel trips and distances are significant, especially when quantified over 20-50 year timeframes, often in the tens of millions of dollars. Some of the more significant benefits include: reduced wear and tear, reduced travel times, reduced risks/costs of accidents (as calculated per km), air quality improvements, water and noise pollution savings and household savings (ie. less petrol, time, wear and tear);
- Consistency with, and consolidation of, strategic planning policy – ie. "Activity Corridor" designation supports employment/car oriented development that cannot locate in traditional centres;
- Localised investment and residential growth stimulus;
- Maintenance of retail hierarchy by providing complementary retailing to local, district, regional centres. Competitive impacts will be comparatively insignificant given the critical mass across the competitive network; and

- The provision of further household goods type retailing will drive residential growth which will in turn drive the evolution of activity centres.

6. Conclusions

The MacroPlan Dimasi review of the proposed increase in retail gross floor area (GFA), associated planning restrictions and context around Drovers Place finds that:

- Anchor uses such as full line supermarkets and traditional discount department stores (DDSs) should not be located in out-of-centre locations such as Drovers Place as they have the potential to impact on the role and function of designated activity centres;
- In terms of retail shop uses, a single premise of between 200m² to 1,500m² is considered an acceptable measure:
 - This limits the type of use to ancillary which will typically provide a supplementary offer and function to designated centres as well as provide amenity, access and convenience to local catchments;
 - Retail uses up to 1,500m² are considered appropriate as this supports investment and opportunity for many national chain retail uses while not including “anchors” such as traditional discount department stores or full-line supermarkets; and
 - The expanded retail provision will maintain an appropriate mix of uses and scale, whilst addressing the needs of local catchments (both residential and workforce).

This view is supported by an understanding of the trading and visitation profile of the Drovers Place site.

- Based on the existing population within the main trade area, as at 2014 there is an under-provision of some 54,328m² of retail/shop floor space. Given the strong population growth of the area (as projected by the Western Australian Planning Commission), an additional 19,250m² of additional retail floor space will be required every year until (at least) 2016 just to keep pace with demand growth. Lack of sufficient floorspace relative to demand means that centres in the area are ‘overtrading’ and that expenditure is ‘leaking’ from the area to be spent in other centres outside the main trade area;

- Capacity within Centre zoned areas: In many circumstances there is limited land capacity within zoned Centre areas to accommodate the full extent of centre based activities demanded by local catchments. This does not relate to higher order uses and generally relates to service based and non-convenience uses that do not necessarily need to be located in centre and do not impact on the role or function of a centre by being located out-of-centre. In many circumstances mixed use or car orientated areas adjoin centre areas thereby supplementing the role and function of the centre in other cases (such as Drovers Place) new areas evolve based on transport infrastructure and accessibility to the market;
- Consolidation of service based activity: It is appropriate to support a consolidation of out-of-centre uses, particularly service based uses, to capitalise on the activity generated and establish precincts around a critical mass or significant anchor uses such as the growers market;
- Accommodating low density centre activities: By limiting the anchor based on a floorspace cap of 1,500m², the new retail space will maintain its trading profile in line with existing retail showrooms and other low density retailing. Some of these retail uses can be land intensive in nature and it is often inappropriate to locate these uses within a centre area where the focus is on establishing higher order, higher intensity uses and activities;
- Maximising opportunities created by investment in infrastructure: Drovers Place is expected to maintain a predominately destination-based activity profile based upon established focal points and strong road network, which will not impact on higher order mixed use/ retail centres; and
- Response to community and market needs: In some circumstances there are specific locational requirements for centre activities in response to a local catchment or market circumstances. This can include residential or workforce catchment needs. An example of this is street front retail in main road precincts. This retail is technically out of the traditional retail hierarchy but considered to provide an appropriate response to local resident needs as well as the market drivers supported by the exposure to the highly trafficked locations.

Appendices

Appendix A: Assumptions and data sources

All retail spending estimates in this report are expressed in constant 2012 dollars (i.e. excluding retail inflation), and including GST.

The spending estimates are derived using MarketInfo 2010, a micro simulation model developed by Market Data Systems (MDS).

Other data sources used for this assessment include:

- Cordell Connect as at 3 November 2014 for information regarding developments in the area;
- Australian Bureau of Statistics for general demographic data, with particular information from the Census of Population and Housing (2011) and the Estimated Resident Population (2014); and
- Western Australian Planning Commission for benchmark population projections – WA Tomorrow (2012).

Appendix B: Proposed developments within the trade area

Table 3. Proposed future centres

Project title	Suburb	Project stage	Status	Commence date	Completion date	Estimated value	Project details	Development type	Floor area m ²	Site area m ²
Brighton Marketplace - Butler	Butler	Development Approval	Possible	29/07/2015	29/07/2018	\$40,000,000	Works to include the construction of a shopping centre to include a supermarket, department store, 4 x mini-major shops & multiple retail tenancies, a liquor store & New restaurant located on the corner of Butler Blvd & Camborne Pky & 1051 carpark bays.	New	-	79,530
Brighton Marketplace - Butler	Butler	Development Approval	Possible	29/07/2015	29/07/2018	\$40,000,000	Works to include the construction of a 32,595m ² shopping centre to comprise of a Woolworths supermarket, department store, 4 x mini major tenancies, liquor store, 70 smaller commercial & food tenancies. The development will also include 1,051 car park bays & an internalised pedestrian mall providing a direct connection between the Butler Train Station, the town square & main street development.	New	32,595	79,530
Butler Boulevard Mixed Use Development	Butler	Development Approval	Possible	29/07/2015	29/12/2016	\$7,100,000	Works to include the construction of a mixed use development comprising of 2 separate buildings. Building 1 to comprise of 7 showroom units of 3,636 m ² & medical centre of 600 m ² . Building 2 to comprise of 1,097.5 m ² tavern & a 160 m ² alfresco area, 2 x shops of 600 m ² , 2 consulting rooms comprising of a dentist & pathology clinic of 235 m ² . The development will also include 170 car park bays & landscaping.	New	-	13,941
Butler Town Centre - Retail Venture	Butler	Early Planning	Early	1/11/2015	1/11/2017	\$9,000,000	Works to include the construction of a retail venture.	New	-	12,939
Chesapeake Way Office & Showroom Development	Currambine	Development Approval	Deferred	10/07/2014	10/04/2015	\$2,500,000	May include the construction of a new 2 storey building to comprise 942.5 m ² of showrooms & 870.5 m ² of offices. The development will also include 56 car parking bays, extensive landscaping & an access road.	New	-	6,862
Clarkson Bunnings Warehouse	Clarkson	Contract Let	Firm	18/08/2013	18/10/2014	\$19,500,000	Construction of a Bunnings warehouse comprising of 10,184 m ² main building.	New	-	88,442
Coles Banksia Grove Village Shopping Centre	Banksia Grove	Contract Let	Firm	1/11/2013	1/10/2014	\$12,000,000	The development will comprise of a 2,880 m ² Coles Supermarket with loading & service areas, 19 speciality retail & commercial tenancies comprising of shops, restaurant, consulting room, office, take-away food outlet, liquor store & bank, 1 convenience store/fuel station & 2 take-away food outlets to be located south of the main shopping centre building.	New	5,170	56,300
Currambine Marketplace Shopping Centre	Currambine	Development Approval	Possible	18/03/2015	18/09/2016	\$11,400,000	Works to include an extension to the existing cinema complex & addns to the marketplace west of the site adjacent Marmion Av increasing the floor space from 8,613 m ² to 10,614 m ² . Cinema complex to comprise of the increase from 6 to 9 cinema auditoriums, expansion of the existing foyer, lounge area & 151 carpark bays located north of the cinema complex. Marketplace addns on the ground floor to comprise of a retail tenancy/market of 1,325 m ² , 4 shop tenancies of 59 m ² , 2 x 60 m ² & 105 m ² , ground floor restaurant of 515 m ² . Marketplace addns mezzanine level to comprise of a restaurant of 300sqm with balcony overlooking Main St, mezzanine area of 132 m ² & staff toilets.	Addition	2,001	75,000
Delamere Avenue Commercial Development	Currambine	Development Approval	Possible	21/03/2014	21/03/2015	\$4,500,000	May include the construction of a commercial development, the ground floor comprises of 5 x showroom/warehouses with a total of 1,308 m ² , a retail/shop of 200 m ² , medical centre/general practice of 443 m ² , 3 x consulting rooms with a total of 307 m ² , the first floor will comprise of a 600 m ² gymnasium/recreation centre. T	New	2,938	4,962
Delamere Avenue Mixed Use Development	Currambine	Development Application	Possible	19/07/2013	19/07/2014	\$7,000,000	Works may include the construction of a mixed use development, comprising 2593.3 m ² of showrooms/offices, 1522 m ² of offices, 200 m ² of shop space & a 187 m ² convenience store.	New	4,502	7,659
Delamere Avenue Mixed Use Development	Currambine	Development Application	Possible	14/02/2014	14/02/2015	\$5,000,000	May include the construction of a mixed use development to comprise of showrooms/warehouses, a recreation centre & a medical centre.	New	-	-
Drovers Market Place Medical Centre/Pharmacy	Wanneroo	Rezoning Application	Early	3/02/2016	3/12/2016	\$300,000	Land to be rezoned to incorporate a Medical Centre/Pharmacy. The Medical Centre to accommodate 8 doctors & 4 health consultants: X-ray, pathology, dentist & a physiotherapist.	New	768	-
Honeybush Drive Showroom	Joondalup	Development Approval	Possible	24/06/2015	24/12/2015	\$1,200,000	Works to include the construction of a showroom approx 850 m ² , an external bin storage area & 22 car parking bays.	New	850	1,676
Joondalup Gate Showroom - Building C1	Joondalup	Development Approval	Possible	12/02/2014	12/12/2014	\$500,000	May include the construction of a showroom building of 3,384 m ² , a total of 97 car park bays will be provided comprising of an undercroft car park containing 40 car park bays, 42	New	3,384	15,231

Project title	Suburb	Project stage	Status	Commence date	Completion date	Estimated value	Project details	Development type	Floor area m ²	Site area m ²
Lakeside Joondalup Regional Shopping Centre Redevelopment- Stage 4	Joondalup	Contract Let	Firm	25/11/2012	25/11/2014	\$208,000,000	outside car park bays & the additional bays will be provided with a minor reconfiguration of the existing car park area. Works to include the redevelopment of the Lakeside Joondalup shopping centre to transform the 71,000 m ² to 96,000 m ² area with construction of a 2 level, 12,000 m ² Myer department store, a new casual dining precinct, approximately 95 national & local retailers and 2 mini majors, extension to an existing supermarket & speciality retail floor space.	New	96,000	237,800
Landmark Commercial Centre - Honeybush Drive Bunnings Hardware Store/Showrooms/Office s/Takeaway Outlets	Joondalup	Contract Let	Commenced	6/02/2013	6/02/2015	\$23,854,000	Works to include the construction of a Bunnings Hardware Store of approximately 17,000 m ² , an undercroft car park, outdoor nursery, bagged goods area, building materials & landscape yard, a showroom building to the north of site adjacent to Sundew Ri, single storey building north east of the site comprising of 2 buildings to be used for offices, take away food outlets and showrooms with frontage onto Joondalup Dr and are positioned around a piazza, a playground area & alfresco seating & a total of 793 car park bays with 251 within the undercroft car park.	New	-	54,100
Masters Home Improvement Centre	Butler	Contract Let	Commenced	4/04/2013	4/02/2014	\$24,000,000	Construction of a Masters Home Improvement store, 7 showrooms & 1 shop. The development will contain a 13,641 m ² hardware building comprising of a 8,296 m ² main store & administration, 2,152 m ² external garden, 2,328 m ² external trade, 865 m ² receiving, 7 showrooms comprising of 5,750 m ² , and a shop of 150 m ² .	New	19,401	44,680,000
Pinjar Road Shopping Centre - Ashby Village Shopping Centre	Ashby	Development Approval	Deferred	29/05/2016	29/11/2018	\$15,000,000	May include the construction of the Ashby Neighbourhood Centre to include Ashby Village Shopping Centre. The development will comprise of Units 1-2: 2 offices of 829.1 m ² to the undercroft floor of the shopping centre, Unit 3: supermarket of 2,400 m ² , Unit 4: offices of 182.8 m ² , Units 5-8: shops with a total of 721.6 m ² , Unit 9: The Rise tavern/bistro with a total area of 961.8 m ² & comprising of a dining/bar/bistro area of 688 m ² , courtyard of 392.5 m ² , bar of 30.1 m ² , kitchen & male/female toilets, Unit 9: liquor store with a total of 743.3 m ² to comprise of walk-in browsing component of 627 m ² & drive-through of 116.3 m ² , Units 14-15: 2 drive-through fast food outlets with a total of 527 m ² , Units 18-22: 2 storey office building to include 3 units on the ground floor & 2 units of the first floor with a total of 1,202.7 m ² , Unit 23: Medical Centre with a total of 655 m ² to accommodate 10 practitioners, Unit 24: cafe/restaurant with a total of 100.7 m ² plus storage room, toilet facilities & kitchen area.	New	4,639	30,537
Sundew Rise Showroom/Office	Joondalup	Development Approval	Possible	26/06/2015	26/12/2015	\$1,200,000	Works to include the construction of a showroom approx 649.16 m ² , an office approx 98 m ² , an external bin store area & a external car park comprising of 16 car parking bays.	New	747	1,366
Wanneroo & Dundobar Roads Commercial Development (Offices/Take Away Food Outlets)	Wanneroo	Rezoning Application	Early	1/09/2013	1/06/2014	\$1,000,000	Land may be rezoned from Business to Commercial to allow for future commercial development which could provide various purposes, such as take away food outlets, banks, offices, restaurants, consulting rooms, hairdresser, beauty parlour & showrooms.	New	597	4,131
Wanneroo Central Shopping Centre	Wanneroo	Development Approval	Possible	16/06/2015	16/06/2016	\$3,050,000	Works to include the construction of a 1,250 m ² First Choice Liquor Store, a 200 m ² mixed use tenancy & walk thru area on the western side of the existing Wanneroo Central Shopping Centre. The existing car park on the corner of Conlan Av & Wanneroo Rd will be retained.	Addition	1,450	56,682

Appendix C: Need and demand for retail

This section of the report presents a supply and demand analysis for retail floorspace in the Shire.

Retail demand

The estimated provision of retail floorspace per person throughout Australia at present is 2.25 – 2.40m². There are no official figures measuring retail floorspace on a national basis, with the Australian Bureau of Statistics having ceased the 5-yearly Retail Census in 1991/92.

However, having regard to data previously available from retail censuses, and also allowing for the amounts of retail floorspace which have been built over the past 15 years, a figure in the range of 2.25 – 2.40m² per person is a robust estimate.

A figure in this range is also borne out by information available for areas of Australia where detailed inventories of retail floorspace provision are maintained. For example, in Perth, where the State Government Department of Planning oversees regular surveys of retail floorspace provision across the metropolitan area, and similarly in Canberra, where regular floorspace surveys are also undertaken by the Territory Government, recent results show levels of provision which are in the range 2.25 – 2.80m² per person.

Historically, the level of retail floorspace provision throughout Australia has increased steadily over the past 50 years, since suburban shopping centres first started to be developed throughout Australia. The 1991/92 data from the Retail Census showed a level of provision nationally in the order of 1.80m² per person. Over the past 20 years, this level of provision is estimated to have increased by 1 to 1.5 per cent annually.

The steady increase in retail floorspace per capita has been driven by both supply and demand factors. On the demand side, the real incomes of Australian residents have improved steadily over this period, due to robust health of the Australian

economy. Increases in real incomes have translated into growing demand for retail goods and services.

On the supply side, development trends within the retail industry have seen new store types introduced on an ongoing basis to improve consumers' amenity and shopping experience, as well as to differentiate stores from the competition. Supermarkets have got larger, shopping centres have steadily increased in size while bulky goods/homemaker centres were rapidly developed over the decade from 1995 to 2005. These types of centres were previously almost non-existent throughout Australia.

An important point to make regarding the level of floorspace provision is that very few forecasters and planners managed to accurately predict the evolution of trend in the Australian retail market. As is often the case, a 'status quo' approach was typically used, whereby the conditions applying at the time that a forecast is prepared area assumed to continue to apply over the forecast period. As a consequence, almost all forecasters have underestimated the level of retail floorspace demand both for individual shopping/activity centres and on a state-wide or national basis.

The table below details the estimated breakup of the current national provision of retail floorspace per capita, into store types/retail categories. In addition, the estimated bora allocation of total retail floorspace per person for the main trade area population, which in our view should be provided as a minimum within the study area, having regard to the type of retail floorspace in question.

Table 4. **Retail floorspace provision per person**

T17 17 ype	Retail floorspace per person (m ²)			Main trade area		Total
	Aust. average	% Retained in Main Trade Area	Add on trade	Within the area	Beyond the area	
<u>Food retailing</u>						
Supermarkets	0.35	95%	5%	0.33	0.02	0.35
Food retail & liquor specialties	0.15	95%	5%	0.14	0.01	0.15
Food catering	0.30	70%	30%	0.21	0.09	0.30
Total food	0.80					
<u>Non-food retailing</u>						
Dept. stores / DDS	0.25	85%	15%	0.21	0.04	0.25
Non-food mini-majors/specialties	0.45	85%	15%	0.38	0.07	0.45
Bulky goods	0.60	85%	15%	0.51	0.09	0.60
Total non-food	1.30					
<u>Retail services</u>						
Retail services specs.	0.15	95%	5%	0.14	0.01	0.15
<u>Total retail floorspace</u>	2.25			1.93	0.32	2.25

Source: Market Info; MacroPlan Dimasi

The table first shows the estimated allocation, by broad retail category/usage, of the 2.25m² per person which is provided nationally, e.g. supermarkets, department stores/discount department stores, food specialties, bulky goods, etc. A conservative total provision figure that of 2.25m² is adopted for the purposes of these estimates, being at the lower end of the range which is estimated nationally.

The second column then shows the percentage allocation by floorspace type which in our view should be provided within the main trade area – at all facilities. This allocation has regard to the nature of the area; the potential for such uses to locate within the main trade area, in particular the critical mass required to provide for larger anchor stores and bulky goods; the relative isolation of the area.

Overall, we consider that at least 85.8 per cent of the total retail floorspace needs of the study area population should be provided within the main trade area. The remaining 14.2 per cent represents expenditure which would escape (in net terms) to facilities located outside the study area. This escape expenditure would be directed primarily to the roles of higher order centres located outside the study area (e.g. facilities within the Perth metropolitan area). Of course the local provision can be higher than 90-100 per cent, and local residents would benefit from such an outcome.

Across the various store types and retail categories, the level of self-containment of retail expenditure will fluctuate, reflecting the different roles of each type of retailer. Thus, for example, it is anticipated that a very high proportion all of food and grocery retailing should be catered for by retail facilities provided within the study area (95 per cent). On the other hand, for the more discretionary types of retail expenditure, the level of self-containment is assumed to range from 85 per cent in the case of department store/discount department store retailers. Overall, this is considered to be a conservative assessment – the extent of self-containment of non-food retail expenditure could well be higher.

Adopting the logic outlined above, the level of retail floorspace provision within the main trade area which is considered necessary as a minimum is an estimated 1.93m² per person, leaving some 0.32m² per person to be provided at higher order centres beyond the study area.

Appendix D: Total retail floorspace required

The following shows our estimates of the total level of retail floorspace demand which is likely to eventuate within the main trade area over the forecast period, given the demand considerations previously outlined, and assuming that the required level of retail floorspace per person grows modestly over the forecast period (i.e. at around 1% per annum).

Table 5. **Estimated retail floorspace demand, 2014-2026**

	2014	2016	2021	2026
<u>Population</u>	148,890	161,270	192,020	223,720
<u>Floorspace requirement per capita *</u>				
Resident floorspace demand per capita (m ²) **	1.93	1.97	2.07	2.17
Add-on trade	0.32	0.33	0.34	0.36
<u>Floorspace demand</u>				
Retail floorspace demand within the main trade area	287,358	317,702	397,481	485,472
Add-on floorspace requirement	47,645	53,219	65,287	80,539
Total retail floorspace demand	335,003	370,921	462,768	566,012
<u>Additional floorspace requirement</u>	=	35,919	91,847	103,243

* Market share retention held constant. Major development may induce greater spending retention and floorspace need.

** Assumes real growth of 1% per annum in floorspace demand.

Source: Market Info; MacroPlan Dimasi

Based on all of the above:

- At present, there is an estimated demand of retail floorspace within the main trade area which is in the order of 287,358m²;
- By 2016, the demand for retail floorspace from residents within the main trade area is forecast to increase to 317,702m², or requiring an additional 30,344m²; and
- By 2026, the additional potential demand from residents within the main trade area would allow for an additional 198,114m² to be built (compared to the supply in 2014). However, the add-on demand as well as the interplay between supply and demand factors would allow for additional floorspace requirements based on new innovations in the retail sector.

Appendix E: Trading impacts

This section of the report assesses the likely retail turnover impacts on the existing retail supply network around the proposed retail centre. Retail turnover impacts upon centres are measured as a percentage of total turnover 'lost' as a result of a proposed development proceeding. However the most important consideration is whether or not a particular centre's on-going viability may be compromised.

Trading environment

In order to understand the distribution of impacts upon the existing retail network, various assumptions have been made regarding the sources of trade of the proposed expansion and these have been guided by the catchment analysis undertaken previously. These are as follows:

- 26% from growth in the MTA expenditure pool;
- 16% from beyond the MTA; and
- 58% from centres within the MTA.

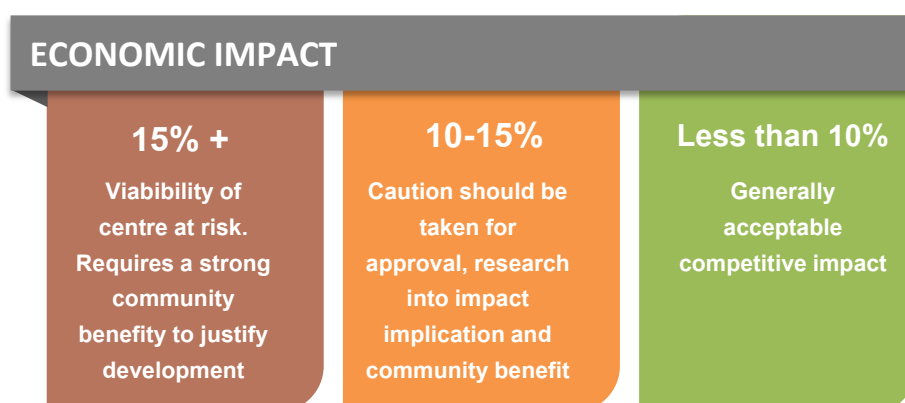
There are also other assumptions that will guide the modelling of the retail impacts upon the supply network. The proposed centre will encourage:

- Retained escape expenditure (opportunity to retain retail expenditure within catchment which is currently escaping the catchment); and
- Centre will capture expenditure pool growth within the catchment, which is expected to increase significantly given the population growth projections (and therefore will minimise impacts upon existing precincts).

Interpreting turnover impacts

In general terms, retail turnover impacts are interpreted as the percentage of sales 'lost' by a centre through a nearby proposed development as a proportion of likely sales that this centre would have achieved without the nearby proposed development. It is generally considered that impacts can be categorised into three cohorts. These are described in the following figure.

Figure 6. Economic impact



While the above impact guidelines should be considered, the resultant impact upon a particular centre's trading viability also needs to be considered. For example, if a centre is trading well in excess of national benchmarks then a significant percentage impact is very unlikely to affect the centre's viability and actually indicates there is an under-supply of retailing in a locality.

Where a centre maybe trading at benchmark levels and viability may be a concern, a new centre's contribution to meeting market demand and creating net community benefits such as jobs, competition, choice, travel savings, convenience, localised investment, centre revitalisation and amenity needs to be considered as well.

Retail turnover impacts

In order to estimate the likely turnover impacts upon the competitive retail supply network, the following methodology has been employed:

- Estimate sales turnover generated by proposed centre expansion – 2014 (assumed first full-year of trading);
- Estimate sales turnover at competing centres - 2014 (without proposed development);
- Estimate sales turnover at competing centres - 2014 (with proposed development; and
- Estimate impacts as percentage of total yearly turnover to determine effects on viability.

MacroPlan has estimated likely turnover at competing centres as at 2014 using Property Council of Australia (PCA) Shopping Centre Directory data, knowledge of the local area trading environment and using general industry benchmarks of retail turnover per square metre.

Based upon the above data sources, MacroPlan has assumed retail turnover densities (RTD's) for 2014 of:

- \$7,292 per square metre for general retail

In applying the above benchmark turnover figures, MacroPlan Dimasi has undertaken a conservative approach. By using benchmark turnover per square metre figures that err on the side of cautious, any assumed turnover on centres in the competitive network will be conservative. Therefore when assessing the proposed expansion, any estimated dollar impacts upon existing centres will be divided into a conservative estimate of total turnover and therefore are likely to overstate percentage trading impacts.

MacroPlan Dimasi has assessed the impacts of the proposed retail expansion over and above that which has already been approved. Therefore, the additional retail in question relates to 5,000m² of general retail floor space. The table below shows that this component will generate retail turnover of approximately \$29.1 million in its likely first full year of trading.

Table 6. **Proposed development, 2014**

Proposed development	Size (m²)	Turnover density (\$/m²)	Estimated turnover (\$m)
General shop/retail (2014)	5,000	7,292	36.5

Source: MacroPlan Dimasi (2014)

The following table demonstrates the likely trading environment of the retail network in 2014 if the proposed development does not proceed. This provides a base case scenario for comparison with a scenario whereby the proposed development does proceed, in order to determine the percentage trading impacts.

Table 7. **Estimated turnover of major centre stores – without proposed development, 2014**

Centre Name	Floorspace (m ²)	Turnover (\$m)	RTDs
<u>Secondary Trade Area</u>			
Joondalup Primary Centre	115,000	\$731.6	\$6,362
Wanneroo Regional Centre	17,000	\$89.1	\$5,241
Clarkson	50,000	\$318.1	\$6,362
<u>Beyond Trade Areas</u>			
Joondalup Gate	38,000	\$241.8	\$6,362
Gateway	13,000	\$82.7	\$6,363

Source: MacroPlan Dimasi (2014)

The proposed Drovers Market Place development is expected to capture approximately 4 per cent (\$6.2m) of this growth in the market and therefore the impacts of the proposed expansion have been assessed on the remaining \$30.2 million.

Table 8. **Proposed development capture growth**

Main Trade Area	\$m	%
Total retail market (2012)	\$1,307.3	
Total retail market (2014)	\$1,463.3	
Growth in market (2012-14)	\$156.0	11.9%
Proposed centre turnover (2014)	\$36.5	
Growth available for proposal	\$6.2	4%
Proposed development impact	\$30.2	

Source: MacroPlan Dimasi (2014)

The following table shows the estimated turnover situation if the proposed development does proceed. In this assessment MacroPlan Dimasi has employed a gravity based retail technique and used professional judgment to estimate the likely distribution of the impacts by the proposed retail expansion upon the existing centres network. The table shows that the centres without bulky goods offerings are likely to increase their trading performance without any impacts from the proposed Drovers Market Place development.

Table 9. **Estimated turnover of major centres | with proposed development (2014)**

Centre Name	Floorspace (m ²)	Turnover (\$/m ²)	RTDs
<u>Proposed Development</u>	<u>5,000</u>	<u>\$36.5</u>	<u>\$7,292</u>
<u>Secondary Trade Area</u>			
Joondalup Primary Centre	115,000	\$726.9	\$6,321
Wanneroo Regional Centre	17,000	\$89.0	\$5,241
Clarkson	50,000	\$315.8	\$6,362
<u>Beyond Trade Areas</u>			
Joondalup Gate	38,000	\$238.6	\$6,362
Gateway	13,000	\$82.0	\$6,363

Source: MacroPlan Dimasi (2014)

The following table shows the likely trading environment if the proposed development was delivered in 2014. In this assessment MacroPlan has employed a gravity-based retail technique and used judgment to estimate the likely distribution of the impacts by the proposed centre from the existing centres network.

Table 10. **Estimated trading impacts (2014)**

Centre name	Centre size	Centre turnover (2012)	Without proposal (2014)	Turnover m ² (2014)	With proposal (2014)	Turnover m ² (2014)	Impact (\$)	Impact (%)
<u>Secondary Trade Area</u>							<u>\$6.4</u>	
Joondalup Primary Centre	115,000	\$653.60	\$731.6	\$6,361.64	\$726.9	\$6,320.76	\$4.7	-0.6%
Wanneroo Regional Centre	17,000	\$79.60	\$89.1	\$5,241.06	\$89.0	\$5,234.47	\$0.1	-0.1%
Clarkson	50,000	\$284.20	\$318.1	\$6,362.22	\$315.8	\$6,315.21	\$2.4	-0.7%
<u>Beyond Trade Areas</u>							<u>\$3.8</u>	
Joondalup Gate	38,000	\$216.00	\$241.8	\$6,362.46	\$238.6	\$6,279.98	\$3.1	-1.3%
Gateway	13,000	\$73.90	\$82.7	\$6,362.91	\$82.0	\$6,311.25	\$0.7	-0.8%
<u>Total Drovers Place</u>							<u>(\$m)</u>	<u>(%)</u>
Total from growth in market							\$6.2	26.2%
Total from beyond trade area							\$3.8	16.0%
Total from existing							\$13.8	57.8%
Total							\$23.8	100.0%

Source: MacroPlan Dimasi (2014)

The figure below summarises the distribution of impacts across the retail network as a result of proposed development. Without the proposed development proceeding, the retention of trade area expenditure is expected to fall from about 61% across the MTA in 2012 to about 54% in 2014. However if the proposed

development is approved then the share of retained expenditure from within the MTA will be maintained. That means all of the positive impacts associated with reduced travel trips and shorter trip distances can be realised.

Table 11. **Diagnostic summary (2014)**

Main trade area	Without proposal		With proposal	
	\$m	%	\$m	%
Total retail expenditure	\$2,105.4			
Existing main trade turnover	\$1,138.8		\$1,155	
<u>Expenditure retention</u>	<u>\$1,138.8</u>	<u>54%</u>	<u>\$1,155</u>	<u>55%</u>
<u>Escape expenditure</u>	<u>\$966.6</u>	<u>46%</u>	<u>\$950</u>	<u>45%</u>

Source: MacroPlan Dimasi (2014)

Given the very strong growth in the catchment it is expected that within 18-24 months the impacts across each competitive centre will have dissipated completely. Therefore the retail supply network in which the proposed Drovers Market Place expansion will operate within is expected to maintain its functionality and no centres are expected to have their viability compromised. Nor will there be any delays or impediments to the expansion of existing or identified activity centres within the locality.

Future centres

As demonstrated, the existing activity centres network will not be impacted upon to any level of significance. MacroPlan Dimasi has given consideration to the district centre at Banksia Grove, which will open in December 2014, with future expansion planned as the catchment grows.

The Banksia Grove Structure Plan Part 1 states in regards to Activity Centres and Employment Banksia Grove is expected to “establish an accessible and amenable main street based district centre based on TOD principles to best serve the commercial, social and employment needs of the community and act as a focus for community and interaction”.

The intention is develop a “vibrant Banksia Grove Town (District) Centre incorporating best practice main street design and sustainability principles in the

area bounded by Pinjar Road, Joondalup Drive and the extension of Tumbleweed Drive, to act as a focus and attractor for the local community, create a centre for local employment, consistent with the City's Centres Strategy and Element 7 of Liveable Neighbourhoods.

The Banksia Grove District Centre Local Structure Plan was supported by various studies including the *Banksia Grove Retail Analysis undertaken by Shrapnel Planning*. While no specific retail floorspace parameters have been set for the District Centre within the structure plan, the Shrapnel Report provides some indicative timing in regards to appropriate retail floorspace provision at Banksia Grove.

The following summary of possible floorspace provision is provided in the table below:

Table 12. **Banksia Grove District Centre – Indicative composition & staging**

Stage	Year	Shop Type	Stage m ² NLA	Centre m ² NLA	Notes
1	2014	Major supermarket	4,195		Coles
		Liquor store	200		Liquorland
		Specialties	1,518		Both food and non-food
		Total Stage 1	5,913	5,913	(no DDS or showrooms in Stage 1)
2	2016	DDS	3,500		Half DDS (flexible)
		Mini-majors	550		e.g. Priceline, Dick Smith
		Specialties	650		e.g. fast food outlets
		Showrooms	5,300		in order to boost Main Street
		Total Stage 2	10,000	15,913	
3	2016-21	2nd Supermarket	1,250		A second major supermarket and a full (or half DDS)
		Specialties	700		
		Mini-Major	170		Maringiniup was to be urbanized
		Showrooms	3,600		
		Total Stage 3	5,720	21,633	(excludes larger DDS demand)

Source: Shrapnel Urban Planning; Lease Equity

On this basis, Banksia Grove could support over 21,000m² of retail floor space by 2021, including about 5,450m² of supermarket floorspace, 8,600m² of showrooms (inc. bulky goods), 720m² of mini-majors and 3,100m² of specialties floor space.

The first stage of the retail delivery will yield 5,913m² opening in December 2014, with 65 per cent of the retail floorspace designated to a major supermarket.

The second stage is expected to yield in the order of 5,300m² of showroom floorspace by the end of 2016, with a third stage of about 3,600m² of showroom floorspace to be delivered by 2021, dependent upon the development/urbanisation of Mariginiup.

The Main Trade Area of the Drovers Market Place precinct will have grown by some \$314million of general retail expenditure between 2014 and 2016. At general benchmark turnover levels of \$5,810m² grown forward to 2016, the indicative 5,000m² of general retail at Banksia Grove would be expected to generate a turnover of about \$29.1million in the first year of trading.

Given that the growth in the Drovers Market Place MTA between 2014 and 2016 equates to about 127 per cent of this turnover, leakage still exceeds 40 per cent (\$950m) after the Drovers Market Place expansion and the total residential catchment size for retail is in the order of \$1.1 billion, then it becomes apparent that the evolution of Banksia Grove is very unlikely to be impacted upon to any degree of significance.

The centre at Lot 19 Clarkson Ave has approved use of 800m² for liquor; two family GPs and a service station, with a total floor space of 1900m². These uses provide a convenience offering to people on the east side of Wanneroo Road. Motorists travelling south along Wanneroo Road may also use the service station. These uses do not conflict with any of the current or proposed uses in Drovers Place. Even if a service station was also developed at Drovers Place, evidence shows that motorists do not cross major roads to (only) access a service station.

As shown, likely trading impacts on other existing retail centres are expected to be insignificant and the evolution of future centres, including the Banksia Grove District Centre, will be unimpeded as a result of the proposed Drovers Market Place expansion. In addition, there will also be many positive community benefits that result from the proposed development at Drovers Market Place.

Appendix F: Net benefits

The proposed development will also deliver many other net benefits to the local residents of Wanneroo and Joondalup as well as the broader economy. These include economic (employment, investment), social (household savings, wider choice, improved road safety from less/shorter trips) and environmental (pollution, run-off, wear & tear) benefits.

Employment

The Drivers Market Place expansion will result in jobs that will be created directly and indirectly at the development and through the construction phase of the project.

Direct jobs will include the retail workers and managers who will operate at the site itself. Indirect jobs will include maintenance workers and on-going supply chain jobs created through the broader economy.

The construction phase of the project will include direct jobs generated as part of the actual development as well as indirect jobs generated through the supply chain across the national economy.

Other net benefits

Some of the other net benefits to arise from the proposed development include:

- Increased consumer choice (diversity) and competition within the trade catchment
 - Household savings and choice
- **Land use integration** and capitalisation upon car based nature of precinct.
 - The site is only car-accessible without real pedestrian linkage opportunities, therefore bulky goods retailing integrates with the existing nature.

- Furthermore there will be direct business to business synergies on-site. For example workers at the retail will use the growers markets and vice versa.
- Interaction between land uses encourages **multi-purpose trips**. While provision of retailing closer to places of residence will result in **shorter travel distances**.
 - The benefits of reduced travel trips and distances are significant, especially when quantified over 20-50 year timeframes, often in the tens of millions of dollars. Some of the more significant benefits are highlighted below:
 1. Including reduced wear and tear,
 2. reduced travel times,
 3. reduced risks/costs of accidents (as calculated per km),
 4. air quality improvements,
 5. water and noise pollution savings
 6. household savings (ie. less petrol, time, wear and tear)
- Endorsement of strategic planning policy – ie. “Activity Corridor” designation.
- Localised investment and residential growth stimulus.
- **Maintenance of retail hierarchy** by providing complementary retailing to local, district, regional centres. Competitive impacts will be comparatively insignificant given the critical mass across the competitive network.

Appendix G: Site visit photographs (6 Nov)

Drovers Place car park



Source: MacroPlan Dimasi, 2014

Drovers Place car park



Source: MacroPlan Dimasi, 2014

Drovers Place car park



Source: MacroPlan Dimasi, 2014

Drover's Place car park



Source: MacroPlan Dimasi, 2014

Drover's Place car park



Source: MacroPlan Dimasi, 2014

Drover's Place



Source: MacroPlan Dimasi, 2014

Drover's Place



Source: MacroPlan Dimasi, 2014

Drover's Place



Source: MacroPlan Dimasi, 2014

Wanneroo Central car park



Source: MacroPlan Dimasi, 2014

Wanneroo Central car park



Source: MacroPlan Dimasi, 2014

Carramar Village



Source: MacroPlan Dimasi, 2014

Banksia Grove Village



Source: MacroPlan Dimasi, 2014

