

APPENDIX A

RETAIL SUSTAINABILITY ASSESSMENT

BUNNINGS CLARKSON SITE RETAIL SUSTAINABILITY ASSESSMENT

Final Report

4 APRIL 2018
FINAL
PREPARED FOR BWP TRUST

URBIS

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INTRODUCTION

Purpose

Urbis has been engaged by BWP Trust to undertake an independent assessment of the sustainability demand and impact of a proposed retail development on its former Bunnings Warehouse site at Lot 408 Neerabup Road, Clarkson.

While a specific retail plan has not been finalised at this time, this report considers the impact on the network of activity centres around Clarkson of a range of mixed use development including up to 10,000 sq.m of shop-retail floorspace. Separate capacity exercises have established this quantum of space is capable of being accommodated and could include:

- A second-tier supermarket of approximately 2,500 sq.m;
- A range of complementary specialty shops and other uses;
- Retail showrooms or bulky goods facilities of around 5,000 sq.m.

As prescribed in State Planning Policy 4.2 (SPP 4.2) a Retail Sustainability Assessment is required to consider the impact of such a development and is to include the following:

6.5 Retail Sustainability Assessment

“A Retail Sustainability Assessment (RSA) assesses the potential economic and related effects of a significant retail expansion on the network of activity centres in a locality. It addresses such effects from a local community access or benefit perspective, and is limited to considering potential loss of services, and any associated detriment caused by a proposed development. Competition between existing businesses of itself is not considered a relevant planning consideration.”

This is distinct from a Retail Needs Assessment, which provides an assessment of projected future retail needs for a catchment population. These are intended to form a basis for local planning strategies, and district or activity centre structure plans¹.

This report presents two options for the development outcome to consider the range of impacts that might result: one where all 10,000 sq.m is allocated to shop-retail uses (a higher impact outcome) and a second where shop-retail use is only assumed to be 5,000 sq.m as the other 5,000 sq.m is allocated to non-shop showroom uses.

Report Objectives

Having regard to the requirements of SPP 4.2 and the economic issues associated with the proposed development, the RSA report provides an assessment of the:

- Market need and demand for increased retail facilities. This will be undertaken in terms of the requirements of the market as well as the appropriate scale and role of the former Bunnings warehouse site as a retail-anchored mixed-use node.
- Potential trading impact of the proposed retail development on the existing and planned activity centre hierarchy. Impacts will be assessed in the context of PLUC 5 Shop/Retail floorspace (SHP)
- Other economic impacts and community benefits associated with the proposed retail development.

¹ State Planning Policy 4.2: Activity Centres for Perth and Peel (2010), s 6.2.2. Western Australian Planning Commission.

Report Structure

This report includes the following sections:

- **Section 1 (Property Attributes and Proposed Development)** provides an overview of the proposed retail development and location attributes of the subject site.
- **Section 2 (Trade Area Profile)** outlines an assessment of the trade area market that would be expected to be served by the proposed retail development.
- **Section 3 (Retail Supply)** details the existing and planned centre hierarchy in the region of relevance to the proposed retail development.
- **Section 4 (Economic Need, Demand and Impacts)** outlines the assessment of the market need, demand and impact of the proposed retail development. This includes an estimate of potential retail turnover of the proposed development and assessment of associated trading impacts on other activity centres and other economic impacts and community benefits (e.g. employment generation).
- **Section 5 (Conclusions)** outlines the key findings and conclusions of the Retail Sustainability Assessment.

1. PROPERTY ATTRIBUTES & PROPOSED DEVELOPMENT

1.1. THE SUBJECT SITE

The subject site (site) is located at the northeast corner of Marmion Avenue and Neerabup Road, with a land area of approximately 3.0 ha. The site was previously occupied by a Bunnings Warehouse, the operations of which have recently been relocated to a new site approximately 430 m to the east, leaving the site vacant.

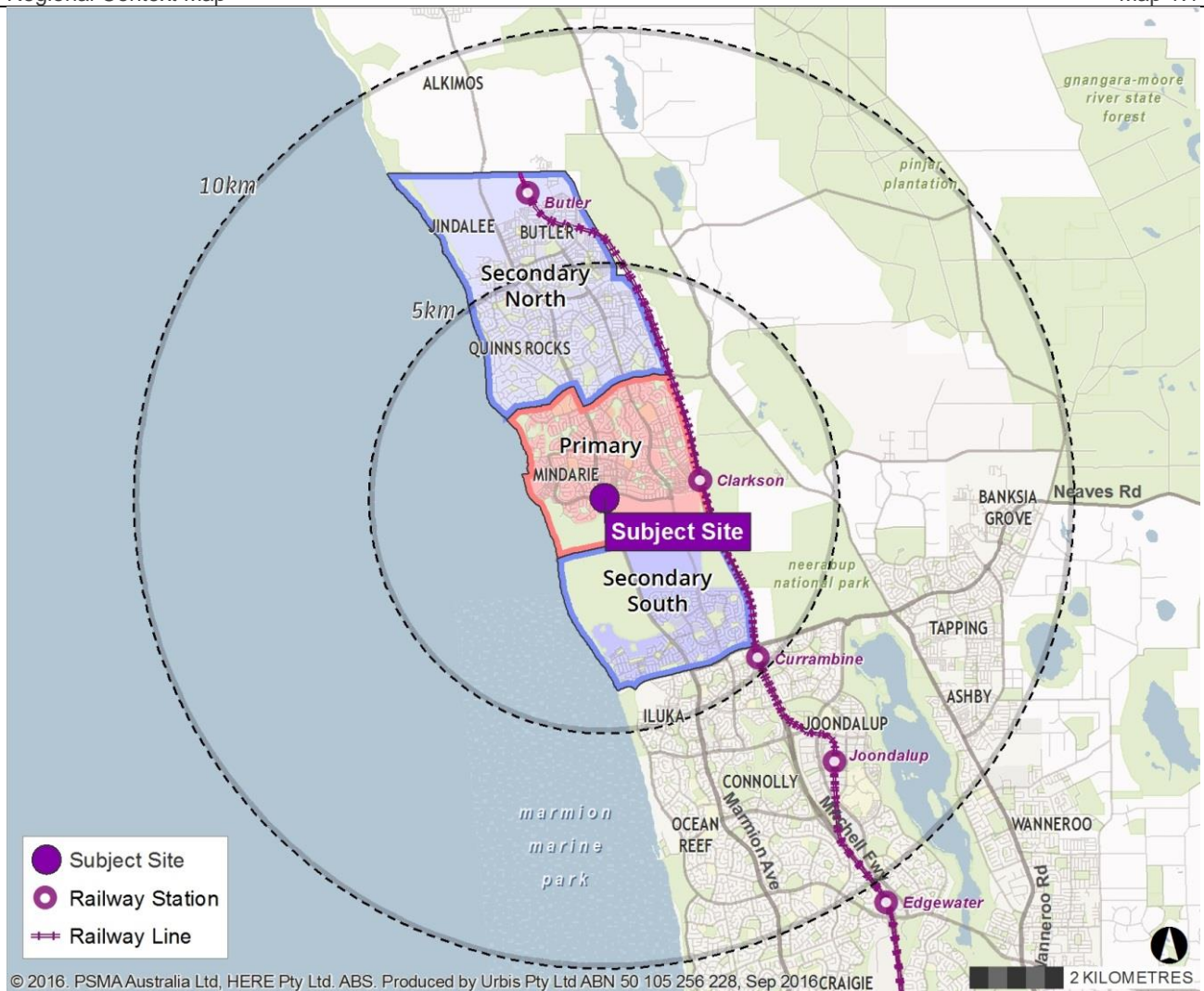
This is a strategic site within the Clarkson Activity Centre, adjacent to the Ocean Keys Shopping Centre. BWP Trust is looking to deliver an optimal development outcome reflective of the location and size of site.

1.1.1. Regional Context

The site is located within the Clarkson Secondary Activity Centre, within the City of Wanneroo municipal area (see map below). The activity centre is a key regional service centre for the catchment population, with the nearest district level and above activity centres being Currambine District Centre (6 km south), and Butler District Centre (6.5 km north). Higher level activity centres nearby are the well-established Joondalup Strategic Metropolitan Centre (8.5 km south), and the emerging Yanchep Strategic Metropolitan Centre (18.5 km north).

Regional Context Map

Map 1.1



Source: Urbis 2017

1.1.2. Local Context

Within Clarkson Secondary Centre, the site is located facing Marmion Avenue and Neerabup Road, immediately south of the existing shop-retail core comprised of Ocean Keys Shopping Centre and a range of convenience retail developments (see map below).

The site is highly accessible by car and well-exposed to passing trade along Marmion Avenue. Public transport is provided by bus services to Clarkson Train Station and the surrounding suburbs, with a bus stop located on the western edge of the site.

Outside of the Ocean Keys Shopping centre, the Clarkson Secondary Centre features a variety of land uses including a large format retail precinct with the new Bunning Warehouse site, commercial / industrial areas and commercial / showroom precincts. To the north of Ocean Keys Shopping Centre, Ocean Keys Boulevard forms a main street environment that incorporates civic, retail and non-retail, and food catering uses.

Subject Site Surrounds

Map 1.2



Source: Urbis 2017

1.2. PLANNING FRAMEWORK

The current planning framework for the site is summarised in **Table 1.1** below.

Planning Framework

State and Local Context

Table 1.1

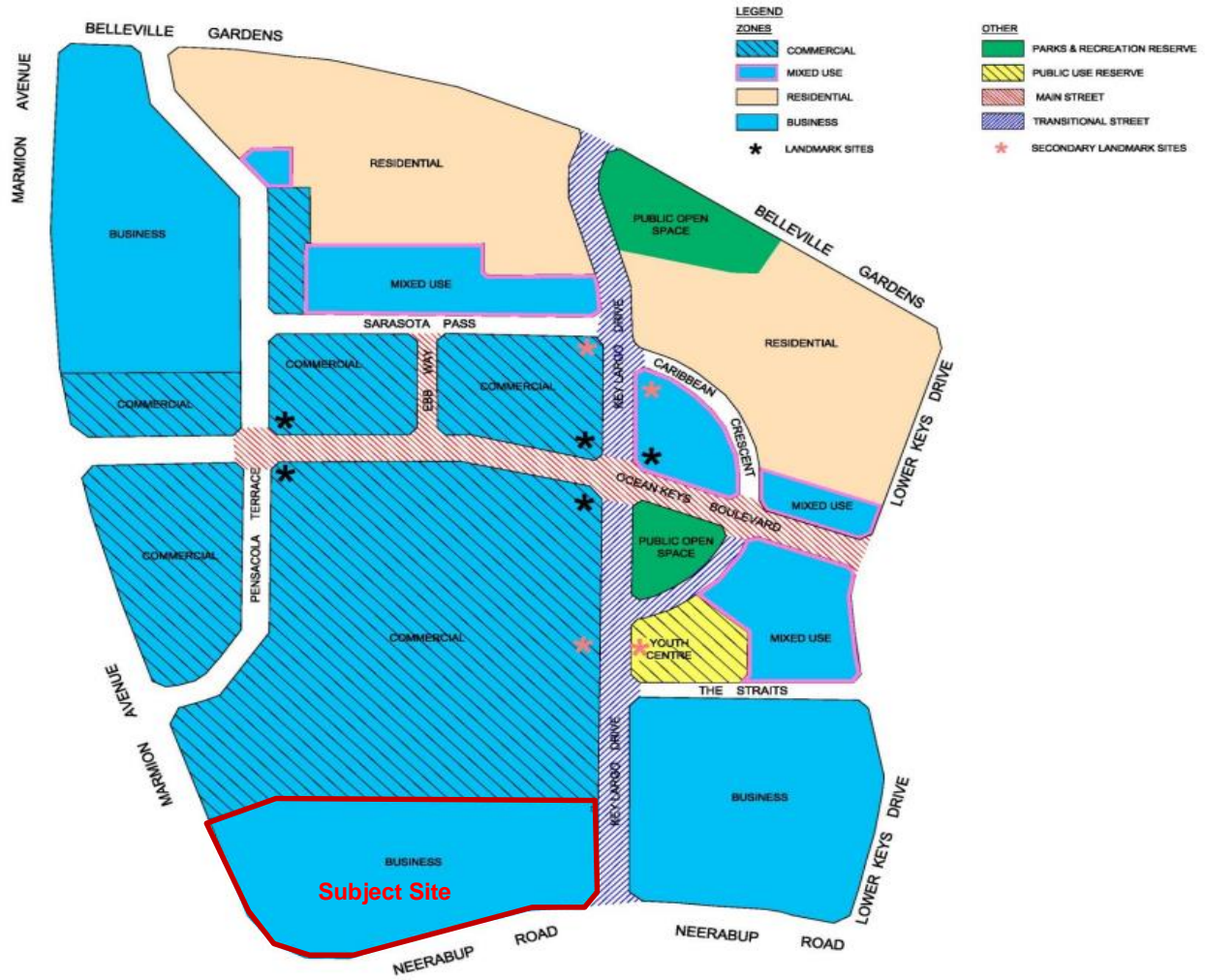
Planning Framework	Type	Relevance
Perth and Peel@3.5 million 2015	Regional Strategy	Recognises Clarkson Secondary Centre
Draft North West Sub-Regional Planning Framework 2015	Sub-regional Strategy	Recognises Clarkson Secondary Centre
Metropolitan Region Scheme 2017	Region Scheme	Zoned "Urban"
SPP 4.2: Activity Centres for Perth and Peel 2010	State Planning Policy	Designates Clarkson Secondary Centre
City of Wanneroo Town Planning Scheme No. 2	Local Planning Scheme	Zoned "Centre" R-Code subject to agreed Structure Plan
City of Wanneroo Local Planning Policy 3.2: Activity Centres	Local Planning Policy	Recognises Clarkson Secondary Centre
Clarkson Activity Centre Agreed Structure Plan 2012	Activity Centre Structure Plan	Zoned "Business"

Source: Urbis 2017; WAPC 2015, 2017; City of Wanneroo 2012; State of Western Australia 2010

The existing Clarkson Activity Centre Agreed Structure Plan (As Amended), adopted by the WAPC in May 2012 (the Plan), is the key guiding planning document for development of the site. Within this Plan, the site is currently within the Business Zone (see map 1.4 below). The structure plan states that the Business Zone "should comprise predominantly mixed business/showroom uses, with supporting bulky goods retail, office, and service commercial uses."

The Plan sets out the estimated Shop-Retail floorspace within the structure plan area for the future, based on the information available at the time of publication. This suggests that in 2016, 42,015 sq. m. NLA shop-retail floorspace is located within the activity centre. By 2021 this was estimated to increase to 44,065 sq. m. NLA. The growth trajectory growth outlined in the plan intends that retail floorspace in the centre will grow 57% above 2016 levels by 2031. Total floorspace in the centre is planned to reach 102,678 sq. m beyond 2031, with Shop-Retail space at 44,565 sq. m, just over 16,000 sq. m higher than 2016 levels. Table 1.2 following outlines agreed structure plan estimates out to 2031.

N.B. there is the potential to modify the current Business Zoning under the Structure Plan to Commercial Zone, which will allow for Shop uses.



Source: City of Wanneroo, 2012

Clarkson Activity Centre Agreed Structure Plan Floorspace Estimates

Table 1.2

Current	2016	2021	2026	2031	Beyond 2031
Shop Retail floorspace (NLA Sq. m)	28,373	42,015	44,065	44,565	44,565
Other Floorspace (NLA Sq. m)	37,911	41,563	46,363	51,763	58,113
Total Floorspace (NLA Sq. m)	66,284	83,578	90,428	96,328	102,678
Other Floorspace (%)	57%	50%	51%	54%	57%
Surplus / Deficit (Other Floorspace sq. m NLA)	18,026	16,490	19,235	22,865	27,310

Source: City of Wanneroo, 2012

1.3. PROPOSED DEVELOPMENT

The proposed development options for the site is detailed in **Table 1.3** below. The site is effectively a redevelopment of the existing site previously anchored by a 10,000 sq. m Bunnings Warehouse. The proposed Shop / Retail uses are not an increase on the previous provision of Other Retail floorspace as the tenancy is currently vacant.

Option 1 proposes a 2,500 sq. m supermarket anchor with an additional 7,500 sq. m of specialty retail shops that may include other potential majors, and other stores across the categories of food retail, food catering, apparel and other general retail uses.

Option 2 proposes a maximum of 5,000 sq. m of PLUC 5 retail floorspace, again anchored with 2,500 sq. m supermarket but with allowance for 5,000 of other retail space that may be comprised largely of boutique large format retail space.

Subject Site Proposed Uses

Table 1.3

Use	Previous	Proposed (Option 1)	Proposed (Option 2)
Other Retail			
Former Bunnings Warehouse (Vacant)	10,000 sq. m		5,000 sq. m
Shop / Retail Uses			
Supermarket		2,500 sq. m	2,500 sq. m
Shops and Services		7,500 sq. m	2,500 sq. m
Total Floorspace	10,000 sq. m	10,000 sq. m	10,000 sq. m

Source: Urbis

2. TRADE AREA PROFILE

2.1. TRADE AREA DEFINITION

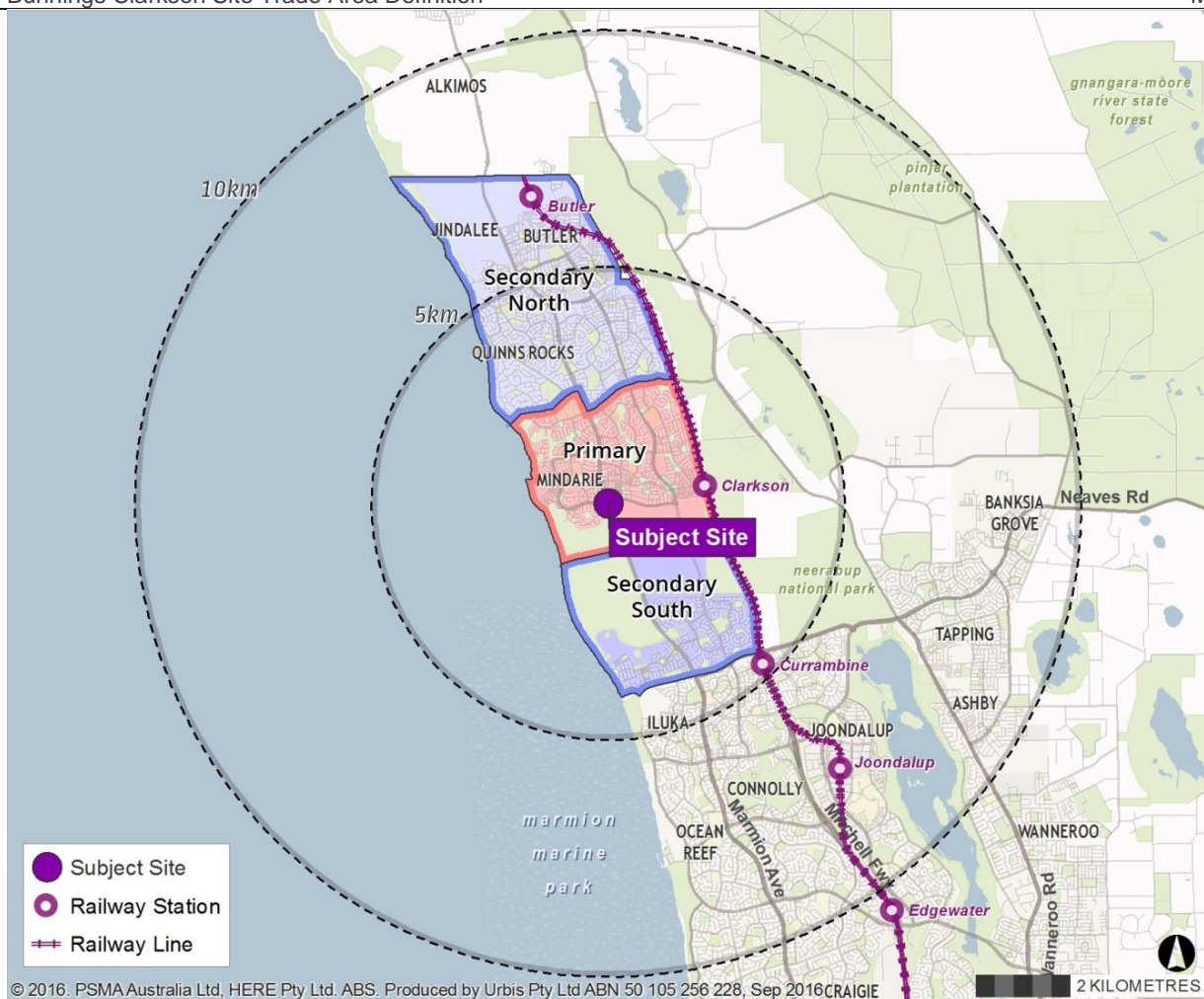
The trade area defined for the analysis of potential market opportunities for the subject site development is illustrated on the map below.

The trade area extends further north and south beyond the immediate vicinity of the subject site to include the neighbouring suburbs. We note:

- The trade area includes a total of three sectors, the Primary, the Secondary North and the Secondary South.
- The Primary Trade Area covers the suburbs of Clarkson and Mindarie, within 1km-3km from the subject site. The Primary Sector is expected to generate the larger share of the market demand for potential future uses at the subject site.
- The Secondary North Sector incorporates Butler, Jindalee, Quinns Rocks, Merriwa and Ridgewood. Although these suburbs are served by their respective local centres, residents still rely on the Ocean Keys Shopping Centre and the remainder of the Clarkson Activity Centre for the provision of higher order goods or services.
- The Secondary South Sector extends across Tamala Park to include the suburbs of Burns Beach and Kinross. Given the proximity to the Lakeside Joondalup Shopping Centre some 3km (direct line distance) to the south east, market demand from this sector is expected to be less significant compared to the Primary and the Secondary North sectors. Nonetheless, Clarkson offers a convenient alternative shopping destination.

Bunnings Clarkson Site Trade Area Definition

Map 2.1



Source: Urbis

2.2. TRADE AREA RESIDENT POPULATION

The historical and forecast resident population in the trade area defined for the former Bunnings Clarkson site is outlined in **Table 2.1**. These population estimates are based on the following sources of information:

- The Australian Bureau of Statistics' (ABS) 2011 and 2016 Census of Population and Housing.
- New Dwelling Approvals (NDAs) data prepared by the ABS to June 2016. This data provides an indication of potential short-term dwelling development activity and resident population growth.
- Population forecasts prepared by .id Consulting at a small area level.
- A review and analysis of current and proposed residential developments in the trade area by Urbis.

Between 2011 and 2017 the trade area resident population grew by more than 9,300 or 15%. In 2017 the estimated residential population of the former Bunnings Clarkson Site Trade Area, had an estimated resident population of 69,580 with 19,380 in the Primary Sector.

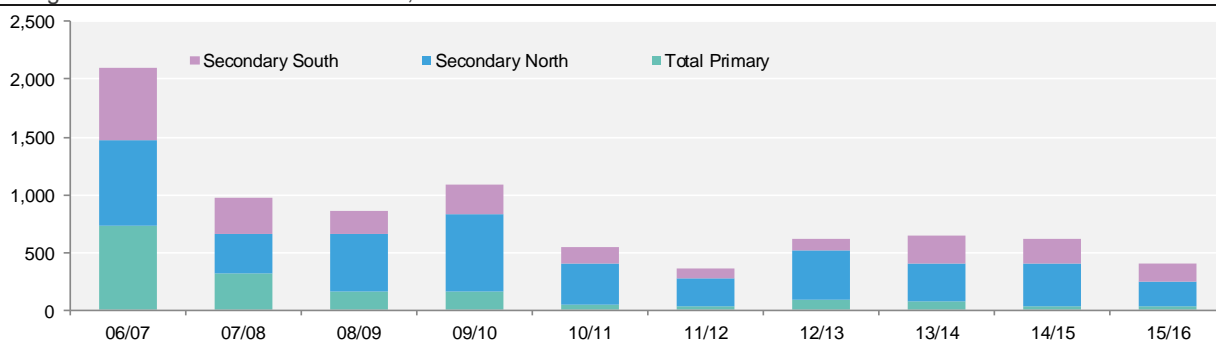
While growth in the Primary Sector has plateaued, the secondary sector is expected to see significant growth going forward, with an estimated 53% growth in Secondary Sector population forecast between 2017 and 2032.

The NDA data shows (refer to **Chart 2.1**) a continuing steady level of proposed residential development activity in the Secondary Sector of the trade area, with an average of 507 approvals per year over the most recent three-year period (i.e. 2013-2016), with 60% of these occurring in the Secondary North sector

New Dwelling Approvals

Bunnings Clarkson Site Main Trade Area, Ten Years to 2015/2016

Chart 2.1



Source: ABS; Urbis

Historical & Forecast Resident Population

Bunnings Clarkson Site Main Trade Area, 2011-2032

Table 2.1

	2011	2017	2022	2027	2032
Total Primary	20,110	19,830	19,980	20,340	20,540
Secondary North	30,800	36,810	44,790	52,180	55,140
Secondary South	9,350	12,950	17,460	20,940	20,790
Main Trade Area	60,270	69,580	82,220	93,470	96,480

	11-17	17-22	22-27	27-32	11-17	17-22	22-27	27-32
Total Primary	-47	30	72	40	-0.2%	0.2%	0.4%	0.2%
Secondary North	1,002	1,596	1,478	592	3.0%	4.0%	3.1%	1.1%
Secondary South	600	902	696	-30	5.6%	6.2%	3.7%	-0.1%
Main Trade Area	1,552	2,528	2,250	602	2.4%	3.4%	2.6%	0.6%

1 As at December 31

Source: ABS; Western Australia Tomorrow2035; SAFI; Urbis

2.3. SOCIO-ECONOMIC PROFILE OF TRADE AREA RESIDENTS

The socio-economic profile of trade area residents is based on the results of the 2016 Census of Population and Housing. **Chart 2.2** provides a summary of the key characteristics for the main trade area as a whole. Tables A.1 and A.2 in the Appendix to this report provide a more detailed range of variables for each trade area sector.

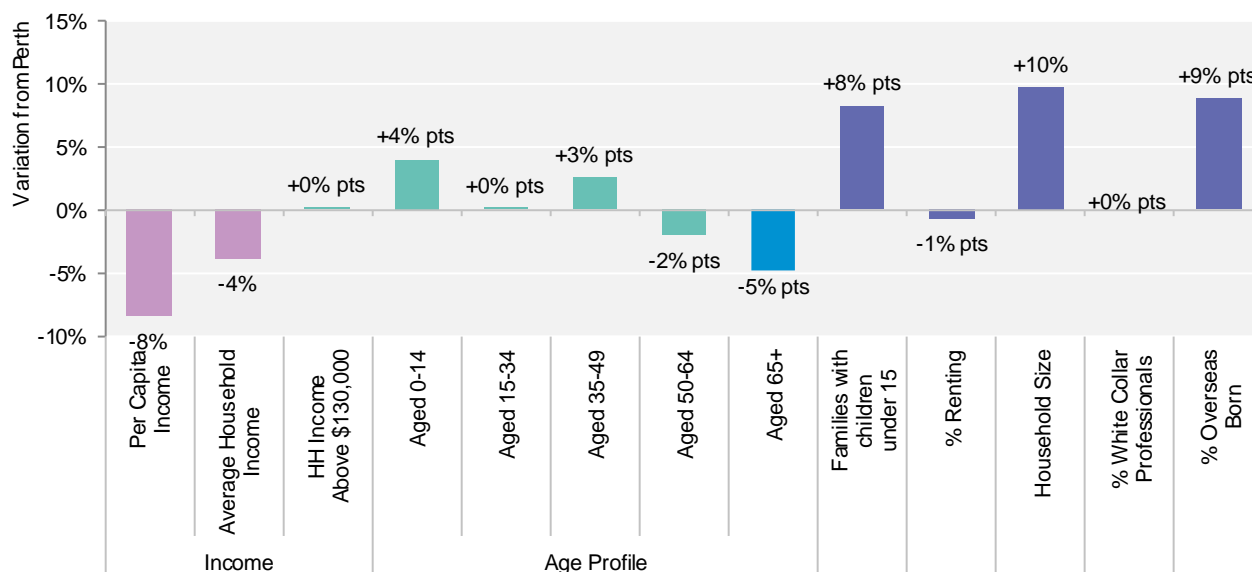
The trade area demographic profile is typical of outer suburbs growth areas. The key features of the trade area resident population are as follows:

- Per capita incomes 8% below the Perth average. The average household income in the trade area is 4% below the Perth average.
- The age profile is more skewed to younger family households with the population in the age brackets of 0-14 and 35-39, 4 percentage points and 3 percentage points respectively above the Perth average
- Families with children under 15 account for 37% of households, 8 percentage points higher than the Perth average
- Around 48% of the population was born overseas, higher than the Perth average of 39%. This area is appealing to migrants from the United Kingdom, New Zealand and South Africa in particular.

Key Socio-Economic Characteristics

Bunnings Clarkson Site Main Trade Area, 2016

Chart 2.2



Source: ABS; Urbis

2.4. TRADE AREA RESIDENT RETAIL SPEND MARKET

The retail spending market has been estimated using *MarketInfo*, a micro-simulation model developed by MDS Market Data Systems Pty Ltd. This model is based on information from the ABS' Household Expenditure Survey (HES), the Census of Population and Housing (2011) and other information sources that provide up-to-date information on changes in spending behaviour and/or income levels (e.g. Australian National Accounts, Australian Taxation Statistics, etc.). *MarketInfo* is used widely by stakeholders in the retail industry and by other consultants preparing Retail Sustainability Assessments/Economic Impact Assessments.

The model uses micro-simulation techniques to combine propensity to spend on particular commodities with the socio-economic characteristics of individuals to derive spending per capita estimates on a small area basis (i.e. the Statistical Area One level).

The retail expenditure estimates throughout the report include the component of turnover attributable to goods and services tax, and that all values are expressed in calendar years in constant 2017 dollar terms (i.e. inflation is not included).

The retail spending estimates outlined in this report represent the categories of retail goods and services which are served by retailers within the PLUC 5 definition. A summary of the types of retail expenditure within the PLUC 5 retail definition is provided in Table A.3 in Appendix A. Throughout this report PLUC 5 retail expenditure is referred to as retail expenditure, spend or spending.

2.4.1. Retail Spend Per Capita

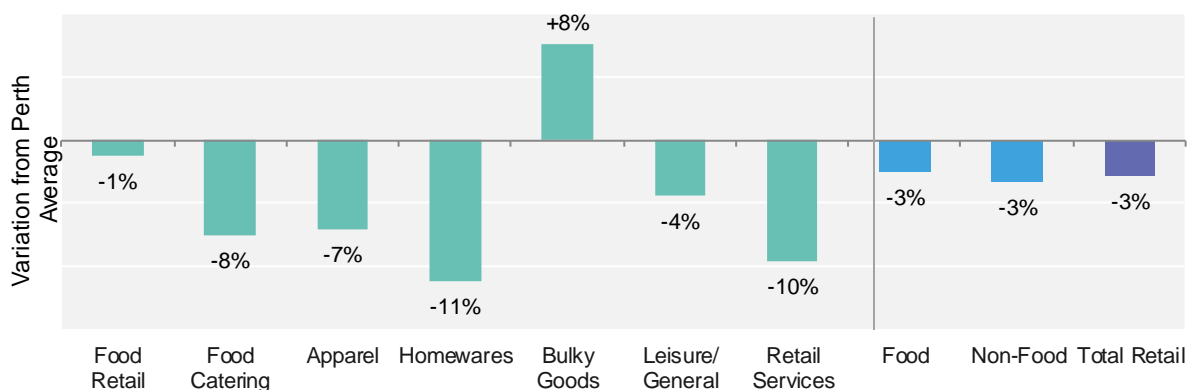
Chart 2.3 outlines estimates of retail spend per capita for residents of the Bunnings Clarkson site main trade area in the year to 2017. Consistent with the lower incomes of working residents, retail spend per capita across the main trade area is 3% below the Perth average.

A further breakdown of retail spend per capita by product groups, including food and groceries (which is the market of most relevance to supermarkets) is also provided in **Chart 2.3**. Spending on bulky goods items is higher than average per capita, typical of growth areas where households are being established.

Retail Spend Per Capita by Product Group

Bunnings Clarkson Site Main Trade Area, Variation from the Perth Average

Chart 2.3



Source: ABS; MarketInfo; Urbis

2.4.2. Total Retail Spend Market

The current and forecast annual retail spend generated by main trade area residents is shown in **Table 2.2**. In the year to December 2016, retail expenditure by main trade area residents amounted to \$992 million, including \$291 million by primary trade area residents and \$701 million by secondary trade area residents.

The forecast growth in retail expenditure by main trade area residents incorporates the following:

- Forecast population growth as outlined in Section 2.2 of this report.
- Retail spend per capita growth, averaging 0.7% per annum from 2017 to 2022 and 1.2% per annum from 2022 to 2027. The lower rate in the first five years allows for the softer economic environment currently but expectation for more normalised growth by 2019-2020.
- Of note, the forecasts exclude retail price inflation and are expressed in constant 2017 dollar terms (including GST).

Over the next five years to 2022, annual retail expenditure generated by main trade area residents is forecast to increase by an average of 4.2% per annum. From 2022 to 2027, forecast growth is expected to be higher at an average of 3.8% per annum. More of the growth will be concentrated in the secondary sectors due to ongoing population growth.

On this basis, annual retail spend by main trade area residents is forecast to increase by \$224 million to \$1.22 billion by 2022 and a further \$251 million to \$1.47 billion by 2027. Over the 10-year period, the trade area retail market is forecast to increase by around 48%. This substantial increase in retail spending capacity will require a substantial increase in floorspace across centres used by trade area residents.

In terms of the market of most relevance to the proposed Woolworths supermarket, i.e. food and groceries, expenditure in this category is forecast to grow from \$455 million in 2017 to \$652 million by 2027 (+43%).

Total Retail Spending Market

Bunnings Clarkson Site Main Trade Area, 2017 - 2027

Table 2.2

	Food Retail	Food Catering	Apparel	Home-ware	Bulky Goods	Leisure/General	Retail Services	Total Retail	Annual Growth	=	Pop Growth	+	Per Cap Spend Growth
Primary Trade Area:													
2017	133	31	26	19	15	34	9	267					
2022	138	33	27	21	16	36	10	282	1.1%		0.2%		0.9%
2027	146	36	30	23	17	39	11	303	1.4%		0.4%		1.1%
Secondary Trade Area													
2017	328	72	61	45	35	84	22	647					
2022	423	96	80	61	46	111	29	847	5.5%		4.6%		0.9%
2027	516	122	100	79	57	139	36	1,049	4.4%		3.3%		1.1%
Main Trade Area:													
2017	460	103	87	64	50	119	31	914					
2022	561	129	108	82	62	148	39	1,129	4.3%		3.4%		0.9%
2027	662	158	130	102	75	178	47	1,352	3.7%		2.6%		1.1%

Source: ABS; MarketInfo; Urbis

3. RETAIL HIERARCHY

This section of the report outlines a review of the existing and future distribution of retail centres and precincts in the region of relevance to the proposed Bunnings Clarkson site redevelopment.

3.1. CENTRE POLICY

On the 31st of August 2010, the Western Australian State Government released State Planning Policy 4.2, *Activity Centres for Perth and Peel*. This document outlines the centres hierarchy across metropolitan Perth and covers seven types of activity centres as follows:

- Perth Capital City
- Primary Centres
- Strategic Metropolitan Centres
- Secondary Centres
- Specialised Centres
- District Centres
- Neighbourhood Centres

The Activity Centres Policy outlines the requirements for the planning and development of new activity centres and the redevelopment and renewal of existing centres. In terms of the activity centres hierarchy, a number of provisions are specified to meet the Policy's objectives:

- *"The responsible authority should not support activity centre structure plans or development proposals that are likely to undermine the established and planned activity centre hierarchy."*
- *Activity centre structure plans and developments should be consistent with the centre's classification in the hierarchy.*
- *The responsible authority should consider the main role/function and typical characteristics for each centre type".*

3.2. CENTRE HIERARCHY

The location and hierarchy designation of the activity centres, including individual supermarkets, in the catchment for the Clarkson Secondary Centre is provided in **Map 2.1** (provided in Section 2 of this report). Estimates of PLUC 5 shop/retail floorspace, key anchor tenants and distance from the subject site for individual activity centres is provided in **0**.

- **Strategic Metropolitan Centre**
 - **Joondalup Strategic Metropolitan Centre** – although not in the defined catchment, Joondalup is one of ten strategic metropolitan centres and, given its size, has the capacity to draw retail spend from across the north west metropolitan corridor. Located 8.6 kms south east, the centre incorporates both the Lakeside Joondalup Shopping Centre and significant retail, commercial and non-retail floorspace in the town centre. The Land Use and Employment Survey reports that the total PLUC 5 floorspace in the centre is 98,575 sq. m with Lakeside Joondalup comprising 88,170 sq. m. Lakeside Joondalup includes major retailers like Myer, Big W Target, Kmart and Coles as well as a number of other majors and mini major tenants. As the State Planning Policy 4.2 states: *"Strategic metropolitan centres are the main regional activity centres. They are multipurpose centres that provide a diversity of uses. These centres provide the full range of economic and community services necessary for the communities in their catchments"*.

- **Secondary Centres**

- **Clarkson Secondary Centre** - is the most obvious and immediately relevant centre to this analysis as it contains the subject site. The Land Use and Employment Survey reports that the total PLUC 5 floorspace in the centre is 44,297 sq. m and is dominated by the 34,000 sq. m Ocean Keys Shopping Centre. Key tenants of the Ocean keys include Kmart, Woolworths, Coles, and JB Hi-Fi. Outside of Ocean Keys the centre features about 3,800 sq. m of PLUC 5 space. Secondary Centres *“share similar characteristics with strategic metropolitan centres but serve smaller catchments and offer a more limited range of services, facilities and employment opportunities. They perform an important role in the city’s economy, and provide essential services to their catchments”*.

- **District Centres**

- **Currumbine District Centre – the LUES survey reports the Currumbine centre as comprising 18,186 sq. m of PLUC 5 floorspace with** Currumbine Marketplace reported as 8,375 sq. m of retail floorspace featuring Woolworths and Farmer Jacks supermarkets. The centre is outside of the trade area for the Bunnings Clarkson site but is expected to draw some expenditure from the Secondary Southern sector of the trade area.
- **Butler District Centre –** Butler Central Shopping Centre is a newly opened centre that will ultimately comprise around 8,800 sq. m of retail floorspace. As yet the centre is not fully leased and like most of the centres in the trade area, is expected to draw mostly from the Secondary North sector.

- **Neighbourhood and Local Centres**

- **Brighton Centre–** is a 4,570 sq.m centre with about 90% of the floorspace accounted for by a Coles supermarket anchored shopping centre of approximately 4,000 sq. m. The centre is located 7.1 Kms north of Clarkson subject site.
- **Quinn’s Centre –** LUES reports that Quinns is a 6,483 sq. m centre featuring a small, 1,790 sq. m shopping centre with an GA and a BWS. The centre is located on the border of the Secondary North and Primary trade areas.
- **Merriwa Centre -** is a 2,784 sq. m centre with an IGA based centre of 1,600 sq. m near the border of the Secondary North and Primary trade areas.
- **Kinross Centre –** is a 4,900 sq. m Supa IGA anchored centre located at the southern end of the Secondary Southern sector
- **Butler Local Centre –** is a small (1,200 sq. m) IGA and liquor store based centre one km to the east of Brighton Village
- **Carramar Neighbourhood Centre-** sits outside of the trade area and is east of a main border in Wanneroo Rd. The 4,600 sq. Woolworths anchored shopping centre forms most of the Carramar activity centre.

DoP Land Use and Employment Survey

Activity Centre Name	LUES Name	LUES Complex No.	LUES PLUC 5 Floorspace
Strategic Metropolitan Centre			
Joondalup Strategic Metropolitan Centre	Joondalup City	600	98,575
Secondary Centres			
Clarkson Secondary Centre	Clarkson	672	44,297
District Centres			
Currambine District Centre	Currambine Market Place	946	18,186
Butler District Centre	Butler Boulevard	9464	2,680
Neighbourhood and Local Centres*			
Brighton	Brighton	8812	4,570
Quinns Road	Quinns Road	659	6,483
Merriwa Plaza	Merriwa Plaza	8789	2,784
Kinross	Kinross	671	4,975
Carramar	Carramar	9446	3,142

N.B. The 1,200 sq. m Butler IGA & Liquor is not identified in the LUES data.

Source: Urbis, DoP

3.3. FUTURE RETAIL DEVELOPMENTS

The only retail development approved of relevance in terms of its impact on the Clarkson Activity Centre is in Butler and is described as follows:

- **Butler Central Shopping Centre Expansion.** Stage 2 of the Butler Central Shopping Centre is scheduled for completion in March. We understand that at completion the centre will comprise approximately 8,800 sq. m of retail floorspace. We have estimated approximately 75% of the total retail floorspace falls into current competing supply, with a further 2,130 sq. m (approximately) due for completion in the near future.
- **Aldi Clarkson** We also note that Aldi are expected to lodge a DA shortly for a site in the Clarkson primary catchment. Details on this DA are not available at present but we have factored the potential impact of development on the Bunnings Clarkson site on what we anticipate to be the Aldi development. It should be noted however, that there is some uncertainty as to the exact final location of and Aldi Clarkson store (were it to proceed) as it is understood that more than one location may be under consideration by Aldi.

Beyond the trade area, key incoming developments may include development of a neighbourhood centre in Catalina, although no firm details are available on the scale of the development at this stage and it has not been factored into our modelling.

4. ECONOMIC NEED, DEMAND & IMPACTS

This section outlines the demand for, impact and benefits of the proposed redevelopment of retail floorspace as part of a mixed-use development on the Bunnings Clarkson site. It presents the quantifiable impacts on the trading levels of centres within the local retail hierarchy, as well as considering the benefits to the community in terms of job creation, consumer choice and general retailer competitiveness.

4.1. PROPOSED DEVELOPMENT

As detailed in Section 1 of the report, BWP Trust are proposing to construct a mixed-use development on the subject site, including a retail component. The development will deliver major improvements to the overall amenity and range of retail shops and services in the Clarkson Secondary Centre on a strategic site that sits vacant since Bunnings Warehouse relocated. These changes are expected to better address the needs of the community, provide an enhanced experience for shoppers and support the designated role of the centre.

As stated previously, Option 1 proposes a 2,500 sq. m supermarket anchor with an additional 7,500 sq. m of specialty retail shops Option 2 proposes a maximum of 5,000 sq. m of PLUC 5 retail floorspace, again anchored with 2,500 sq. m supermarket but with allowance for 5,000 of large format retail space

4.2. ASSUMPTIONS

The key assumptions factored into the assessment of need, demand and impacts are as follows:

- The opening year of trade for the proposed development is calendar year 2022.
- Population and retail spending growth by trade area residents is as outlined in Section 2.
- The existing and future supply of retail shops and services is as outlined in Section 3.

4.3. MARKET NEED & SUPPORTABLE SCALE OF DEVELOPMENT

For the purposes of this report, we consider an outcome where a total of 10,000 sq.m of shop retail space is delivered. This is considered as a higher impact scenario to assist in determining the impact range that could result from development on site, regardless of the nature or mix of the retail space. The more likely outcome is for a smaller shop-retail provision, with showroom-type uses that are not considered as part of the PLUC 5 classification.

The proposed retail development for the former Bunnings Clarkson site will address a range of market needs as follows:

- **Strategic Site within the Activity Centre** – the site is a key location within the established activity centre and its addition will strengthen the Clarkson offer and contribute to the retail offering in the centre and extend the consumer servicing needs of the catchment.
- **Market Capacity** - the market capacity has been considered in determining that the retail component of the development as proposed can be sustained in this location, including a mid-sized supermarket. While the Clarkson centre offers large format stores, there is an opportunity for other chains to operate a mid-sized supermarket.
- **Improved Access and Site Activation** - The development of the site will improve catchment access to retail services and serve to activate a key location within the activity centre.
- Based on a supermarket of 2,500 sq.m, evidence from Urbis Retail benchmarks data on centres across the country indicates a total of around 5,000 sq.m of traditional retail space is supportable.
- A further 5,000 sq.m of retail showrooms is considered appropriate and sustainable given the prominent corner location and extension of existing uses along Neerabup Road.

4.4. TURNOVER POTENTIAL OF PROPOSED DEVELOPMENT

In order to assess the potential economic impacts that could eventuate from the proposed Bunnings Clarkson Site development, the turnover potential of the proposed Bunnings Clarkson Site requires consideration.

The turnover performance of the centre is based on future market demand and attainable market shares and trading densities (e.g. turnover per sq.m). Estimated market shares take into account the scale, composition and quality of the proposed retail development as well as the location and competitiveness of other retail locations. The turnover potential is assessed on the basis of the net additional retail turnover that would be generated by the proposed development.

The turnover potential of the proposed centre is assessed for the PLUC 5 shop/retail floorspace of the centre for calendar year 2022. Turnover figures are expressed in constant \$2017 including GST.

In Table 4.1 and Table 4.2 we have profiled net additional retail turnover for the two options: Option 1 includes an additional 10,000 sq. m whereas Option 2 explores the impacts of an additional 5,000 sq. m of retail floorspace.

Option 1 shows that, taking the relevant factors into account, the proposed Bunnings Clarkson site has the potential to achieve a net additional retail turnover of approximately \$58 million. Against a net additional retail floorspace of 10,000 sq.m, this turnover level equates to an average trading level of around \$6,201 per sq.m.

In terms of market shares the proposed Bunnings site retail component would capture:

- A 4.6% share of retail expenditure by trade area residents, including 4.9% of food retail expenditure.
- A 8.2% share of retail expenditure by primary trade area residents, including around 9.7% of food expenditure.
- Approximately 10.6% of turnover could be sourced from beyond the trade area, recognising the high profile and accessible location of the subject site within the broader town centre and potential for the centre to access home bound commuters.

These market shares are considered attainable for the development proposed. They are also quite modest, indicating the impact on other centres in the hierarchy will be limited.

Option 1 - Net Additional Retail Turnover (Additional 10,000 sq. m)

Bunnings Clarkson Site, 2022 (\$2017, including GST)

Table 4.1

	Resident Spending (\$M)			Market Share Potential			Turnover Potential (\$M)		
	Food	NF	Total	Food	NF	Total	Food	NF	Total
Total Primary Trade Area	171.0	110.8	281.9	9.7%	5.8%	8.2%	16.6	6.4	23.0
Secondary Trade Area									
Secondary North	371.0	230.8	601.7	3.8%	3.1%	3.6%	14.3	7.1	21.4
Secondary South	148.4	96.6	245.0	3.5%	2.4%	3.1%	5.2	2.3	7.6
Total Secondary	519.4	327.4	846.7	3.8%	2.9%	3.4%	19.5	9.4	28.9
Main Trade Area	690.4	438.2	1,128.6	5.2%	3.6%	4.6%	36.1	15.9	52.0
Turnover From Beyond TA				10.4%	11.0%	10.6%	4.2	2.0	6.2
Centre Retail Turnover (\$M)							40.3	17.8	58.1

Source: Urbis

Option 2 shows that, development of the site has the potential to achieve a net additional retail turnover of approximately \$40 million, against a net additional retail floorspace of 5,000 sq.m, this turnover level equates to an average trading level of around \$8,056 per sq.m. (excluding the 5,000 sq. m for large format retailing)

In terms of market shares the proposed Bunnings site retail component would capture:

- A 3.2% share of retail expenditure by trade area residents, including 4% of food retail expenditure.
- An 5.8% share of retail expenditure by primary trade area residents, including around 7.9% of food expenditure.
- Approximately 10.6% of turnover could be sourced from beyond the trade area, recognising the high profile and accessible location of the subject site and potential for the centre to access home bound commuters.

Option 2 – Net Additional Retail Turnover (Additional 5,000 sq. m)

Bunnings Clarkson Site, 2022 (\$2017, including GST)

Table 4.2

	Resident Spending (\$M)			Market Share Potential			Turnover Potential (\$M)		
	Food	NF	Total	Food	NF	Total	Food	NF	Total
Total Primary Trade Area	171.0	110.8	281.9	7.9%	2.5%	5.8%	13.5	2.8	16.3
Secondary Trade Area									
Secondary North	371.0	230.8	601.7	3.1%	1.3%	2.4%	11.5	3.0	14.5
Secondary South	148.4	96.6	245.0	2.9%	1.0%	2.1%	4.2	1.0	5.2
Total Secondary	519.4	327.4	846.7	3.0%	1.2%	2.3%	15.7	4.0	19.8
Main Trade Area	690.4	438.2	1,128.6	4.2%	1.6%	3.2%	29.2	6.8	36.1
Turnover From Beyond TA				10.4%	10.8%	10.5%	3.4	0.8	4.2
Centre Retail Turnover (\$M)							32.6	7.7	40.3

Source: Urbis

4.5. IMPACT ANALYSIS

4.5.1. Trading Impacts

Trading Impact Analysis Scope and Context

An Impact assessment is designed to provide an indication of the trading environment and average trading conditions under which retailers are likely to operate in. They are also intended to profile likely changes in turnover (declines or gains) that retailers can reasonably expect over time.

Because an impact assessment seeks to forecast how groups of people are likely to alter their shopping behaviour in response to a given change in the competitive environment, it is not possible to be so precise as to estimate exactly what will happen to each individual retailer, or each group of retailers in each location.

It is therefore not possible in any impact assessment of this type to estimate precisely what will be the trading impacts on any specific individual retailer. The impact on any one individual retailer, or any small group of retailers in a given location, would depend on many factors, only some of which are within their control. The actions that retailers take will determine the eventual impact on each of them and furthermore, the actions which they each take will also determine the eventual impact on the other retailers involved.

All of these factors need to be kept in mind when considering the likely impact of any relocation and expansion of a retailer within the existing retail network. Existing retailers are not passive participants, but rather will play a major role in the eventual impact which they will experience.

It should also be noted that the effects of new competition on individual businesses or centres are not a relevant planning consideration in most situations. The relevant consideration in planning terms relates to the ongoing ability for a centre to continue to provide for the needs of the community which they serve, and to ensure that new development does not fundamentally undermine the viability (or resulting trading levels) and role of existing and planned centres, particularly their role as community focal points for a range of needs. The sustainability of the activity centre hierarchy is of paramount importance, not simply the one-off percentage trading impact. Of note, a centre can have a significant percentage impact but still be viable given the resulting trading levels are still within sustainable levels.

Trading Impacts Methodology

Shopper behaviour is related to the satisfaction of particular requirements, and decisions regarding where to shop are based on the sum total of a number of judgements, including relative accessibility, the availability of particular traders, convenience, variety, carparking, and others. As a result, residents like to spread their purchases across a wide variety of shopping centres and areas, and to use the full range of facilities available to satisfy particular needs.

The method of analysis used to assess the impacts on individual centres from a retail development is based on a “competitive usage” model. This model is based on the principle that if shoppers choose to direct some of their retail expenditure to the subject development proposal, then they will reduce their expenditure at

other centres in direct proportion to their usage of each centre or location, as reflected by each centre's market share from the various trade area sectors. In assessing the potential impacts on other centres in the hierarchy we have adopted a "turnover allocation approach".

The assessment of impacts on specific retail centres relies upon an understanding of the existing turnover and level of usage of centres in the trade area and beyond. The model estimates the degree to which various shopping locations within and beyond the trade area are used for retail shopping by allocating a proportion of turnover to each trade area sector (i.e. source of sales). These estimates result in market share calculations for each competitive centre and thereby form the basis by which the impact of the proposed retail development is distributed to all other centres used by residents of the trade area.

It is also relevant to consider the dollar impacts in relation to the turnover that would potentially be generated by these and other shopping centres over the intervening period. The impact analysis therefore details the turnover loss or net impact which is expected for each centre/location, expressed as a reduction in turnover and as a percentage of the turnover level for each centre in 2022.

Quantification of Impact from New Retail Development

Tables 4.2 and 4.3 outlines the assessment of potential trading impacts on individual activity centres as a result of the proposed development of a Bunnings Clarkson site redevelopment. The analysis considers two options – Option 1 includes an additional 10,000s sq. m whereas Option 2 explores the impacts of an additional 5,000 sq. m of retail floorspace. Option 1 outlines the maximum impact in terms of retail turnover that might be expected of the larger development, and it follows that the impacts of Option 2 will be inherently lower than Option 1.

The key information provided in Tables 4.3 and 4.4 is as follows:

- Column 1: Estimated current PLUC 5 shop/retail turnover (year to December 2017) for existing activity centres, based on a combination of publicly available data relating to the performance of shopping centres (e.g. Shopping Centre News Big/Little Guns editions); Urbis' proprietary databases, and our observations of the relative trading performance of each centre.
- Column 2: Estimated potential retail turnover in the year to December 2022 for existing and proposed activity centres incorporating allowance for forecast market growth, the impact of online retailing general loss of market share and other proposed retail based developments (e.g. Extension of the Butler Village Shopping Centre).
- Column 3: Estimated retail turnover at each centre in the year to December 2022 incorporating allowance for the proposed development at the Bunnings Clarkson site.
- Columns 4 and 6: The change in retail turnover (\$M and percentage) from 2017 to 2022 incorporating trading impacts of all assumed new retail competition, including the proposed Bunnings Clarkson Site.
- Columns 5 and 7: The reduction in retail turnover (\$M and percentage) in 2022 as a result of the development of the retail component of the proposed Bunnings Clarkson Site.

Option 1 – Distribution of Impact on Activity Centres

Additional 10,000 sq. m of Retail Floorspace

Table 4.3

	Est. Retail Turnover (\$M)			Turnover Inc./Dec. (\$M)		Impact	
	Existing	Pre-Dev	Post-Dev.	Existing	Pre-Exp	2017	2022
	2017	2022	2022	2017	2022		
(1)	(2)	(3)	(4)=(3)-(1)	(5)=(3)-(2)	(6)=(4)/(1)	(7)=(5)/(2)	
Centres within Trade Area							
Clarkson Secondary Centre	250.7	293.4	335.4	+84.7	+42.0	+33.8%	+14.3%
<i>Bunnings Clarkson Site</i>	0.0	0.0	58.1	+58.1	+58.1	N/A	N/A
<i>Ocean Keys Shopping Centre</i>	233.3	259.9	245.7	+12.4	-14.2	+5.3%	-5.5%
<i>Clarkson - excluding Ocean Keys</i>	17.4	19.4	18.3	+0.9	-1.1	+5.2%	-5.7%
Kinross Neighbourhood Centre	29.7	36.4	35.6	+5.9	-0.8	+20.0%	-2.3%
Brighton District Centre	51.6	58.1	56.2	+4.6	-1.9	+9.0%	-3.3%
Quinns Local Centre	17.1	18.8	18.0	+0.9	-0.8	+5.1%	-4.5%
Meriwa Local Centre	13.4	15.0	14.5	+1.0	-0.6	+7.7%	-3.7%
Butler District Centre	87.6	100.1	96.0	+8.3	-4.1	+9.5%	-4.1%
Other Centres							
Joondalup Strategic Metropolitan Centre	668.2	750.4	741.0	+72.8	-9.4	+10.9%	-1.3%
Currambine District Centre	86.8	97.5	95.0	+8.2	-2.5	+9.4%	-2.6%
Carramar District Centre	29.3	32.7	32.3	+3.0	-0.4	+10.4%	-1.1%

N.B. The Clarkson Secondary Centre entry is the subtotal of three sites including the Bunnings Clarkson Site, the Ocean Key Shopping Centre and Clarkson – Excluding Ocean Keys.

Option 2 - Distribution of Impact on Activity Centres

Additional 5,000 sq. m of Retail Floorspace

Table 4.4

	Est. Retail Turnover (\$M)			Turnover Inc./Dec. (\$M)		Impact	
	Existing	Pre-Dev	Post-Dev.	Existing	Pre-Exp	2017	2022
	2017	2022	2022	2017	2022		
(1)	(2)	(3)	(4)=(3)-(1)	(5)=(3)-(2)	(6)=(4)/(1)	(7)=(5)/(2)	
Centres within Trade Area							
Clarkson Secondary Centre	250.7	293.4	323.0	+72.2	+29.6	+28.8%	+10.1%
<i>Bunnings Clarkson Site</i>	0.0	0.0	40.3	+40.3	+40.3	N/A	N/A
<i>Ocean Keys Shopping Centre</i>	233.3	259.9	250.5	+17.2	-9.4	+7.4%	-3.6%
<i>Clarkson - excluding Ocean Keys</i>	17.4	19.4	18.7	+1.3	-0.7	+7.7%	-3.5%
<i>Aldi Clarkson</i>	N/A	14.1	13.4	N/A	-0.7	N/A	-4.7%
Kinross Neighbourhood Centre	29.7	36.4	35.8	+6.2	-0.6	+20.8%	-1.6%
Brighton District Centre	51.6	58.1	56.6	+5.1	-1.5	+9.8%	-2.6%
Quinns Local Centre	17.1	18.8	18.2	+1.1	-0.6	+6.3%	-3.4%
Meriwa Local Centre	13.4	15.0	14.6	+1.2	-0.4	+8.7%	-2.9%
Butler District Centre	87.6	100.1	96.9	+9.2	-3.2	+10.5%	-3.2%
Other Centres							
Joondalup Strategic Metropolitan Centre	668.2	750.4	745.1	+77.0	-5.3	+11.5%	-0.7%
Currambine District Centre	86.8	97.5	95.5	+8.7	-2.0	+10.0%	-2.0%
Carramar District Centre	29.3	32.7	32.4	+3.1	-0.3	+10.6%	-0.9%

Note all turnover figures provided in Tables 4.3 and 4.4 are expressed in constant \$2017.

The main findings from the impact analysis is as follows:

- The one-off impacts in 2022 on individual centres range from -1.1% to -5.7%, which are within acceptable levels that would not impact the sustainability of any one centre. There are no impacts close to 10%, a notional benchmark for when impacts need to be more closely considered.

- The positive effect of market growth will, to varying degrees, help to offset the one-off trading impacts in 2022. As a result, in all cases, the difference in retail turnover of an individual centre will be higher in 2022 relative to the current 2017 turnover. The resulting trading levels of each centre will therefore be above existing levels, by definition confirming the sustainability of these centres. Market growth beyond 2022 will further mitigate the assessed levels of impact in future years.
- The highest impact is expected to be on the existing retail space within individual centres with in the Clarkson Secondary Centre, it should be noted, however, that total retail turnover in the Secondary Centre is expected to increase 14.3% overall in 2022 due to the addition of the proposed retail development within that centre. The largest share of this impact is expected to be on the otherwise well performing Clarkson centre excluding Ocean Keys. The percentage impact of -5.7% in 2022 is small and would not have any adverse impact on the viability of the town centre. It should also be noted that the 2022 turnover of this centre is expected to be \$12.4 million above 2017 turnover.
- It must be kept in mind that the **proposed development is within the Clarkson Activity Centre**. The addition of retail facilities on the subject site will increase the net turnover of the centre as a whole by \$42 million assuming Option 1 is fully operational by 2022. This implies that residents using the Centre will have access to wider range of goods and services and will direct a greater share of their spending to Clarkson retailers. Additional retail needs are met through this development.
- The next highest impact in dollar terms is on the Joondalup Strategic Metropolitan Centre (\$9.4 million) as the largest centre in the region with the broadest range of retailers. However, the percentage impact on the centre is just -1.3%, barely discernible given growth in the market.
- The impacts on other small scale local and neighbourhood centres in the trade area would all be within manageable levels and not impact the sustainability of any one centre. These centres are all based on small format supermarkets (e.g. 600-1,100 sq.m) or full line major supermarkets that are mainly focussed on serving top-up shopping needs of their immediate local markets. This role will not be impacted.
- In summary, the proposed BWP Trust based development on the Bunnings Clarkson site is not expected to have an adverse impact on the viability and role of any activity centre. The level of impacts are within the bounds of a normal and healthy competitive environment and would support the continued sustainability of the activity centre hierarchy.

4.6. ECONOMIC IMPACTS

4.6.1. Methodology

Analysis presented in this 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, allowing for analysis of impact 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 in the office building 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 (GVA) at both the local and the state level.
- Employment generated includes all full-time and part-time jobs created over the life of the construction phase; or in terms of the on-going operations, total on-going jobs generated.
- 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 as a result of the investment. For example, the construction phase will directly result in the creation of construction jobs.

- *Indirect* effects are 1) those felt within industries that supply goods to the industries directly affected and 2) to industries that benefit from the wages that are earned and spent by those employed within the industries directly affected.
- 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 the project is under construction. 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 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 investment it is unlikely that a similar project would be undertaken within the same period, and therefore the investment can be considered *additional*.

The following sub-sections present a summary of benefits for these two phases

4.6.2. Construction Phase

As mentioned earlier, the proposed development is estimated to have a total construction cost of around \$37 million inclusive of GST over an anticipated construction timeframe of approximately 24 months. This equates to an annualised construction cost of some \$18.5 million.

As shown in **Table 4.5** below, construction of the proposed development is estimated to be able to generate 64 direct jobs for the equivalent of one year, and another 141 jobs indirectly created across other industries.

These job estimates are equivalent to approximately \$11.4 million in direct Gross Value Added (GVA) per year during the construction period, and \$23.8 million in indirect GVA annually in constant 2017 dollar terms inclusive of GST for the state. The majority of the direct benefits are expected to be felt within the City of Wanneroo as this is the project location, with the spin-off effect benefiting more broadly across the rest of the State.

Construction Phase Benefits

At 10,000 sq. m of Retail Floorspace

Table 4.5

Construction Phase	Direct Benefits	Indirect Benefits	Total Benefits
Employment¹			
West Australia	64	141	205
Gross Value Added (GVA)²			
West Australia	11.4	23.8	35.2

1. Total full-time, part-time and casual jobs for the equivalent of one year of employment during construction.

2. Annual benefits measured in constant M\$ 2017 dollar value including GST.

Source: REMPLAN; Urbis

4.6.3. Operation Phase

Potential annual economic benefits (in jobs and GVA) resulting from the ongoing operation of the new retail centre are estimated here. The number of direct jobs for the proposed development was estimated by referring to industry benchmarks and Urbis' experience in staffing requirements for different land uses, based on the floorspace of each of these proposed uses. Estimates of total retail operations phase employment

Direct jobs are entered into REMPLAN to produce an estimate for indirect jobs and direct and indirect GVA. It is estimated that the proposed development would have the capacity to provide for around 332 direct retail jobs in total (full-time, part-time and casual) during the on-going operation phase.

The direct jobs are estimated to induce a further 154 indirect jobs (full-time, part-time and casual) both within and beyond the City of Wanneroo LGA as a result of flow-on effects.

There will be an estimated \$53.1 million per annum in direct and indirect GVA contribution generated from the daily operation and management of the development to the State economy. This includes \$25.8 million direct GVA benefit and \$27.4 million indirect GVA benefit for the state (see **Table 4.6**). GVA benefits generated from retail based jobs are calculated on the assumption that the 10,000 sq. m of space we propose is all retail.

On-Going Operation Benefit

At 10,000 sq. m of Retail Floorspace

Table 4.6

Operation Phase	Direct Benefits	Indirect Benefits	Total Benefits
On-going Annual Employment (At Capacity)¹			
West Australia	332	154	486
On-going Annual GVA (At Capacity)²			
Operation			
West Australia	25.8	27.4	53.1

1. Total full-time, part-time and casual jobs for the equivalent of one year of employment during operation.

2. Annual benefits measured in constant M\$ 2017 dollar value including GST.

Source: REMPLAN; Urbis

We note that the direct employment generated by the operations phase of the 10,000 sq. m retail option is expected to be approximately 90% higher than that generated by the previous Bunnings Warehouse site usage. Retail floorspace has inherently higher employment densities than the aforementioned large format retail uses.

5. CONCLUSIONS

The analysis and findings of this report support the conclusion that the proposed retail component of the former Bunnings Clarkson site development would have a net community benefit.

We reiterate key objectives of the Activity Centres policy as follows:

The Activity Centres Policy outlines the requirements for the planning and development of new activity centres and the redevelopment and renewal of existing centres. In terms of the activity centres hierarchy, a number of provisions are specified to meet the Policy's objectives:

- *"The responsible authority should not support activity centre structure plans or development proposals that are likely to undermine the established and planned activity centre hierarchy.*
- *Activity centre structure plans and developments should be consistent with the centre's classification in the hierarchy.*
- *The responsible authority should consider the main role/function and typical characteristics for each centre type".*

The analysis of trading impacts indicates that the level of trade diversion from existing and planned activity centres would be well within the bounds of a normal and healthy competitive environment and the viability and role of individual centres would not be threatened.

The proposed Bunnings Clarkson site development would also have a range of benefits for the community including:

- A maximum 10,000 sq. m of retail floorspace as proposed by this study is expected by 2022 to add 33.8% (+\$84.7 million) to retail turnover on 2017 turnover. This development would not present a significant negative impact to either the Ocean Keys Shopping Centre, or the surrounding retail floorspace of the Clarkson Secondary Centre, or indeed the other centres profiled in this analysis.
- Assuming full operation of the proposed 10,000 sq. m of floorspace in the Centre by 2022, we estimate the maximum impact will not exceed -5.7% on retail turnover within the Clarkson Secondary Centre with the impact on the turnover of other centres within the catchment of between -2.3% and -4.5%.
- It should be noted that, before any development of the proposed Bunnings Site centre occurs, turnover in the five years to 2022 in the Clarkson Secondary Centre is projected to increase to \$293 million. Post development of the Bunnings site, turnover in the Clarkson Centre remains some \$42 million (in current dollars) above the predevelopment result.
- A new supermarket, would be expected to drive stronger price competition which should result in keener prices for everyday shopping needs. This benefits all types of households and provides a large share of income to be directed to other activities and expenses.
- The new centre will increase the offering and appeal of the Clarkson Secondary Centre by adding a variety of specialty shops. This provision of shops would sufficiently support linked convenience based shopping trips and expansion of the town centre hub but would also see residents continuing to use other locations for their shopping needs.
- The construction and ongoing operation of the facilities within the proposed development would also create a significant number of new jobs, many of which could be occupied by local residents (especially the younger demographic which is a key employee segment for retail shops and services).

The proposed development will increase the provision of retail floorspace to almost 10,000 sq.m which is supportable by the market.

Overall, the proposed Bunnings Clarkson site development will generate a range of benefits for the community whilst enhancing the activity centre hierarchy in the north west coastal corridor. In this regard, it is an appropriate development.

DISCLAIMER

This report is dated 4 April 2018 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of BWP Trust (**Instructing Party**) for the purpose of a Retail Sustainability Assessment (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

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This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

APPENDIX A CATCHMENT SOCIO-DEMOGRAPHICS

USUAL RESIDENT BASED						
Characteristics	Total Primary	Secondary North	Secondary South	Total Secondary	Total Trade Area	Perth
Estimated Resident Population	19,825	35,952	12,132	48,084	67,909	2,022,044
Population 2016 Census	19,179	34,710	11,558	46,268	65,447	1,943,630
Population Density (Persons per Sq.km)	1,956.1	1,991.6	970.8	1,577.3	1,672.2	302.9
Average Per Capita Income	\$38,311	\$34,780	\$43,025	\$36,902	\$37,318	\$40,779
Per Capita Income Variation	-6.1%	-14.7%	+5.5%	-9.5%	-8.5%	
Household Income (%)						
\$Neg/Nil	1.12%	1.37%	0.85%	1.24%	1.2%	1.6%
\$1-\$7,800	0.48%	0.49%	0.33%	0.45%	0.46%	0.57%
\$7,800-\$15,600	1.58%	1.95%	0.79%	1.65%	1.63%	1.91%
\$15,600-\$20,800	1.36%	2.1%	0.73%	1.75%	1.63%	2.53%
\$20,800-\$26,000	3.96%	5.38%	2.42%	4.62%	4.43%	6.07%
\$33,800-\$41,600	5.97%	7.4%	4.68%	6.71%	6.49%	6.51%
\$26,000-\$33,800	4.29%	4.64%	2.36%	4.06%	4.13%	4.17%
\$41,600-\$52,000	6.7%	7.02%	4.47%	6.37%	6.47%	6.3%
\$52,000-\$65,000	9.08%	8.53%	6.16%	7.92%	8.26%	8.24%
\$65,000-\$78,000	8.09%	8.99%	6.1%	8.25%	8.2%	7.49%
\$78,000-\$91,000	7.11%	7.54%	6.22%	7.2%	7.18%	6.53%
\$91,000-\$104,000	6.61%	7.29%	6.77%	7.16%	7.0%	6.32%
\$104,000-\$130,000	14.42%	14.58%	15.8%	14.89%	14.75%	12.69%
\$130,000-\$156,000	9.28%	8.5%	12.48%	9.51%	9.45%	7.89%
\$156,000-\$182,000	5.58%	5.06%	8.13%	5.84%	5.77%	5.32%
\$182,000-\$208,000	5.08%	3.55%	7.89%	4.66%	4.79%	5.18%
\$208,000 plus	9.27%	5.61%	13.84%	7.71%	8.17%	9.57%
Average Household Income5	\$103,256	\$91,561	\$124,851	\$100,016	\$100,968	\$104,975
Household Income Variation	-1.6%	-12.8%	+18.9%	-4.7%	-3.8%	
Average Household Size	2.8	2.8	3.0	2.9	2.8	2.6
Per Capita Income (Persons aged 15 and over) (%)						
\$Neg/Nil	13.52%	12.68%	12.98%	12.76%	12.99%	11.72%
\$1 - \$20,800	19.39%	20.5%	16.56%	19.44%	19.43%	19.77%
\$20,800 - \$41,600	20.33%	22.63%	17.79%	21.33%	21.03%	21.85%
\$41,600 - \$104,000	35.06%	35.39%	38.52%	36.23%	35.88%	34.55%
\$104,000 +	11.28%	9.01%	14.08%	10.37%	10.65%	12.07%
Per Capita Income (Persons aged 15 - 64) (%)						
\$Neg/Nil	13.93%	13.87%	13.11%	13.66%	13.74%	12.75%
\$1 - \$20,800	15.9%	15.97%	13.9%	15.39%	15.54%	15.36%
\$20,800 - \$41,600	17.45%	18.54%	15.44%	17.67%	17.6%	17.09%
\$41,600 - \$104,000	25.23%	26.77%	26.05%	26.57%	26.16%	25.51%
\$104,000 +	11.98%	9.42%	14.36%	10.8%	11.16%	13.06%
Average Income (Persons aged 15 - 64)	\$47,834	\$46,330	\$55,002	\$48,749	\$48,469	\$51,324
Per Capita Income (Persons aged 65 and over) (%)						
\$Neg/Nil	6.87%	3.09%	5.49%	3.54%	4.5%	3.73%
\$1 - \$20,800	31.69%	34.61%	28.09%	33.37%	32.89%	27.97%
\$20,800 - \$41,600	25.82%	33.7%	23.85%	31.84%	30.11%	31.71%
\$41,600 - \$104,000	9.74%	6.06%	6.87%	6.21%	7.22%	10.55%
\$104,000 +	1.64%	0.5%	2.0%	0.78%	1.03%	2.42%
Average Income (Persons aged 65 and over)	\$20,299	\$19,161	\$18,835	\$19,102	\$19,448	\$23,552

USUAL RESIDENT BASED						
Characteristics	Total Primary	Secondary North	Secondary South	Total Secondary	Total Trade Area	Perth
Age Distribution (%)						
Aged 0-4	6.72%	8.14%	6.41%	7.71%	7.42%	6.51%
Aged 5-9	7.33%	8.42%	7.22%	8.12%	7.89%	6.54%
Aged 10-14	7.05%	8.28%	7.77%	8.15%	7.83%	6.03%
Aged 15-19	8.42%	7.82%	8.42%	7.97%	8.1%	6.19%
Aged 20-24	7.4%	6.72%	7.48%	6.91%	7.05%	6.87%
Aged 25-29	6.62%	7.06%	6.32%	6.87%	6.8%	7.74%
Aged 30-34	7.1%	7.29%	6.18%	7.02%	7.04%	8.06%
Aged 35-39	6.69%	7.2%	6.95%	7.14%	7.01%	7.1%
Aged 40-44	7.93%	7.81%	8.71%	8.03%	8.0%	6.95%
Aged 45-49	8.72%	7.99%	9.78%	8.43%	8.52%	6.91%
Aged 50-55	7.71%	6.09%	8.42%	6.67%	6.97%	6.41%
Aged 55-59	5.54%	4.18%	5.82%	4.58%	4.86%	5.81%
Aged 60-64	3.9%	3.14%	3.97%	3.34%	3.51%	5.15%
Aged 65-69	3.25%	2.95%	2.77%	2.91%	3.01%	4.59%
Aged 70-74	2.54%	2.27%	1.37%	2.05%	2.19%	3.29%
Aged 75-79	1.57%	1.95%	1.1%	1.73%	1.68%	2.46%
Aged 80-84	0.87%	1.39%	0.74%	1.23%	1.12%	1.73%
Aged 85+	0.66%	1.3%	0.59%	1.13%	0.99%	1.67%
Aged 0-14	21.1%	24.84%	21.4%	23.98%	23.14%	19.09%
Aged 15-24	15.82%	14.54%	15.9%	14.88%	15.16%	13.06%
Aged 25-39	20.4%	21.55%	19.46%	21.03%	20.84%	22.91%
Aged 40-59	29.89%	26.06%	32.72%	27.72%	28.36%	26.08%
Aged 60+	12.78%	13.01%	10.53%	12.39%	12.51%	18.88%
Aged 0-17	26.19%	29.77%	26.38%	28.93%	28.13%	22.69%
Aged 18+	73.81%	70.23%	73.62%	71.07%	71.87%	77.31%
Average Age	33.4	32.4	33.8	32.8	33.0	36.6
Dependency Ratio1	29.99%	34.71%	27.96%	33.03%	32.14%	32.81%
Average Age (Persons aged 14 and over)	39.9	40.3	40.6	40.3	40.2	43.2
Average Age (Persons aged 15 and over)	40.4	40.9	41.0	40.9	40.8	43.7
Housing Status (%)						
Owner2	20.1%	14.44%	18.29%	15.42%	16.81%	28.68%
Purchaser2	54.26%	54.63%	65.69%	57.44%	56.49%	42.79%
Renter2	27.38%	29.2%	17.85%	26.32%	26.64%	27.3%
Public Renter3	2.5%	3.55%	0.25%	2.71%	2.65%	3.23%
Private Renter3	24.93%	25.65%	17.69%	23.63%	24.02%	23.57%
Households in Mortgage Stress6 (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Households						
Loan Mortgage Repayments (monthly \$)	\$2,108	\$2,064	\$2,278	\$2,126	\$2,121	\$2,081
Households in Rental Stress6 (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Households						
Rent Payments (weekly \$)	\$384	\$344	\$401	\$354	\$363	\$349
Same Address 1 year ago						
Different Address 1 year ago						
Same Address 5 year ago						
Different Address 5 year ago						
Dwelling Structure						
Separate House (%)	86.47%	91.15%	90.03%	90.87%	89.57%	77.0%
Separate House (No.)	5,447	10,221	3,387	13,608	19,055	530,806
Semi-detached (%)	12.75%	8.48%	10.21%	8.91%	10.05%	15.93%
Semi-detached (No.)	803	951	384	1,335	2,138	109,806
Flat, Unit or apartment (%)	0.83%	0.42%	0.0%	0.31%	0.47%	6.55%
Flat, Unit or apartment (No.)	52	47	0	47	99	45,183
Other dwelling (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.28%
Other dwelling (No.)	0	0	0	0	0	1,946
No Bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.11%
1 Bedroom	0.96%	0.74%	0.35%	0.64%	0.74%	3.31%
2 Bedrooms	5.23%	7.58%	1.97%	6.17%	5.89%	12.42%
3 Bedrooms	27.8%	31.21%	20.01%	28.39%	28.21%	37.67%
4 or more Bedrooms	66.24%	59.94%	76.76%	64.18%	64.79%	45.83%
Car Ownership						
% 0 Cars	3.13%	3.7%	1.44%	3.12%	3.12%	4.94%
% 1 Car	31.55%	36.17%	23.58%	32.92%	32.51%	33.1%
% 2 Cars	43.31%	43.23%	48.05%	44.48%	44.13%	40.47%
% 3 Cars	16.42%	13.71%	18.89%	15.05%	15.46%	13.81%
% 4+ Cars	8.07%	6.41%	9.5%	7.2%	7.46%	7.54%
Household Structure (%)						
Family Households	82.38%	79.67%	87.56%	81.63%	81.85%	72.96%
Non-Family Households	17.96%	20.42%	12.6%	18.47%	18.32%	27.03%
Group	2.05%	2.23%	0.99%	1.92%	1.96%	3.5%
Lone Person	15.57%	18.1%	11.45%	16.44%	16.19%	22.99%
Family Composition (%)						
Couple family with no children	31.9%	29.93%	30.62%	30.11%	30.64%	37.52%
Couple family with children under 15	33.32%	36.85%	34.87%	36.32%	35.43%	32.08%
Couple family with no children under 15	16.82%	12.88%	20.7%	14.98%	15.53%	14.2%
One parent family with children under 15	8.16%	11.84%	6.27%	10.34%	9.69%	7.2%
One parent family with no children under 15	8.05%	7.31%	6.53%	7.1%	7.38%	7.3%
Other	1.74%	1.2%	1.01%	1.15%	1.32%	1.57%



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