A photograph of a woman and a young child in a grocery store. The woman is smiling and looking down at a young child who is also smiling. They are both looking at a display of red apples in the foreground. The background is slightly blurred, showing shelves stocked with various products. The overall tone is warm and positive.

URBIS

YANCHEP CENTRAL

RETAIL SUSTAINABILITY

ASSESSMENT

Prepared for CBRE / FRP Capital
July 2021

JULY 2021 ADDENDUM

This analysis was undertaken to inform the long term planning for Yanchep Central and the potential staging. There have been subsequent changes to the floorspace level of select uses in the proposed stage one. These changes are moderate (+/-5%) and do not have any meaningful impact on the study findings and conclusions.

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EXECUTIVE SUMMARY

The analysis and findings outlined in this report demonstrate that there is strong merit in expanding the retail / commercial amenities in the Yanchep District Centre. In particular, this report supports a staged expansion of the Yanchep Central from approximately 6,100 sq.m NLA Shop Retail NLA currently to 19,510 sq.m Shop Retail NLA (Shop Retail floorspace in the District Centre increasing from approximately 7,847sq.m NLA to 21,257sq.m NLA).

The key findings supporting this conclusion are summarised below.

- **A Rapidly Growing Population:** Housing stimulus measures and land supply availability are supporting high near-term population growth that is not being supported by a commensurate increase in retail / commercial amenities. Looking further forward, the trade area's population is expected to double over the next decade.
- **Increasing Retail Spend:** Annual retail expenditure generated by residents in the trade area is forecast to increase from \$362 million in 2020 to \$846 million in 2030 (in 2020 dollar terms) due to high population growth and per capita retail expenditure increases.
- **Retail Undersupply:** Retail development has not kept pace with historical population growth and this presents challenges regarding the liveability of the area and the level of local employment opportunities. Only 15-20% of retail expenditure generated by residents in the trade area is estimated to be captured by retailers in the trade area. Taking into account the sustainable growth of existing and planned centres outside the trade area, there is still an estimated undersupply of one supermarket and one discount department store (DDS) in the trade area as of 2020 and this undersupply is expected to increase to six supermarkets and three DDS' by 2035 – and continue to increase at a fast rate thereafter as the area's population continues to rapidly grow.

- **District Centre Role:** Currently, the Yanchep District Centre functions as a neighbourhood centre as per SPP 4.2 guidelines. The proposed expansion however will enable this centre to function as a district centre, with floorspace levels comparable to district centres in metropolitan Perth.
- **Activity Centre Hierarchy Sustainability:** This assessment demonstrates that other centres within the coastal corridor can sustainably develop as per adopted structure planning alongside a staged expansion of the Yanchep Central. Of particular relevance, the share of retail demand captured by the Yanchep District Centre is anticipated to increase slightly from 14% as of 2020 to 17% as of 2030 when the proposed expansion is complete (and this proportion is expected to decrease to 5% over the long term when the catchment approaches build-out).

The proposed expansion of Yanchep Central is expected to deliver a number of benefits to the community. Key positive impacts include:

- **Increased consumer choice and liveability** associated with the provision of additional retail and commercial amenities;
- **Community engagement** through the provision of pedestrian friendly spaces, a landscaped main street precinct, and numerous additional non-retail services not previously featured in the centre.
- **Increased employment opportunities** in the short term through the construction phase (equivalent to 106 full-time equivalent jobs for stage one). Additionally, there will be significant ongoing employment equivalent to 723 jobs in the centre.

Overall, the proposed development will deliver a significant range of direct and demonstrable benefits for the community whilst maintaining a sustainable existing and planned activity centre hierarchy.

INTRODUCTION

STUDY BACKGROUND AND PURPOSE

The north-west coastal corridor is a fast-growing region in Perth's north. There are currently limited existing operating activity centres in the area, with the Yanchep District Centre and a local centre in Two Rocks the only centres north of Alkimos. The Yanchep District Centre is primarily comprised of the Yanchep Central Shopping Centre, as well as an external Aldi Supermarket, and external fast-food restaurant.

Urbis was engaged to prepare a retail need and sustainability assessment to understand the opportunity for Yanchep Central to accommodate some of the unmet need for retail amenities (specifically for supermarkets and discount department stores); taking into account the sustainable future development of undeveloped centres in the Yanchep, Eglinton, Alkimos and Two Rocks areas.

STUDY APPROACH

Recognising the requirements of SPP 4.2 Activity Centres for Perth and Peel and the draft SPP 4.2 Activity Centres, this study assessed:

- The outlook for retail demand and supply in the coastal corridor;
- The forecast supply / undersupply of supermarket and discount department store floorspace;
- The appropriate scale and staging of an expansion of Yanchep Central; and
- The impacts of a recommended development mix, particularly the impacts on the sustainable development of other activity centres and the employment impacts.

Given the immature nature of the activity centre hierarchy and the fact that effectively all other

centres in the catchment are undeveloped, without certainty around the timing of developments, a turnover impact assessment was not undertaken. Instead, this report explored the impact of the recommended development on the ability for these planned centres to expand in line with structure plan intentions. This approach is consistent with activity centre assessments undertaken in this growth corridor.

REPORT STRUCTURE

This report includes the following sections.

- **Local context** – review of the current and future activity centre hierarchy and urban development context, as well as a review of the development and subject site characteristics to determine if the site is appropriate for development.
- **Trade area profile** – analysis of the attributes of the defined trade area.
- **Development potential** – analysis of the need for relevant shop retail uses.
- **Impact assessment** – analysis of the impact of the recommended development staging on other the sustainable development of other activity centres and employment.

01

LOCAL CONTEXT



CENTRE LOCATION

Key Findings

The subject site is located on the corner of Peony Boulevard and Marmion Ave. It can be accessed directly via Marmion Ave to the West, Kakadu Road to the East, and a local internal road that connects to Kakadu Road and Marmion Avenue to the north, allowing convenient connection to Yanchep Beach Road.

The main carpark is located on the west of the centre with some parking available east of the centre as well.

In addition to the Yanchep Central, there is an external Aldi located along an internal road. The Aldi is not a part of Yanchep Central, but is a part of the District Centre.

At various points in this report, Yanchep Central is referred to, and Yanchep District Centre is referred to. These spaces are defined on the map on this page. In this context, the key difference for shop retail is that the District Centre boundary includes the Aldi Supermarket.

The centre has the potential to expand towards the east and the south, with large land parcels located adjacent to the centre. Development towards the south would be across Peony Boulevard, while development to the East is likely to directly connect to the existing centre.

| DISTRICT CENTRE COMPONENT | SIZE (SQ.M NLA) |
|---------------------------|-----------------|
| Yanchep Central | 6,673* |
| Aldi | 1,747 |
| Total | 8,420 |

* this includes 557sq.m of currently vacant NLA which may be non-retail or retail floorspace when leased.

Yanchep Central Location



CENTRE MIX

Key Findings

The current centre mix entails a Woolworths (3,807sq.m NLA) as the anchor tenant, a mini major in the form of Red Dot and 16 specialty stores, including a clothing stores, pharmacy, newsagency, eateries and hairdresser. It features three separate entrances, and parking to the east and west. All up the centre is

There is an Aldi Supermarket located opposite Yanchep Central on Kakadu Road with a total NLA of 1,747 sq.m. This Aldi is not a convenient walk from Yanchep Central, as it is up a hill, and users would typically drive from this centre to the Yanchep.

Additionally, there is a McDonald's restaurant located in the car-park to the west of the centre, and future development will involve developing more fast-food pad sites, and a petrol station site.

Yanchep Central (Current)



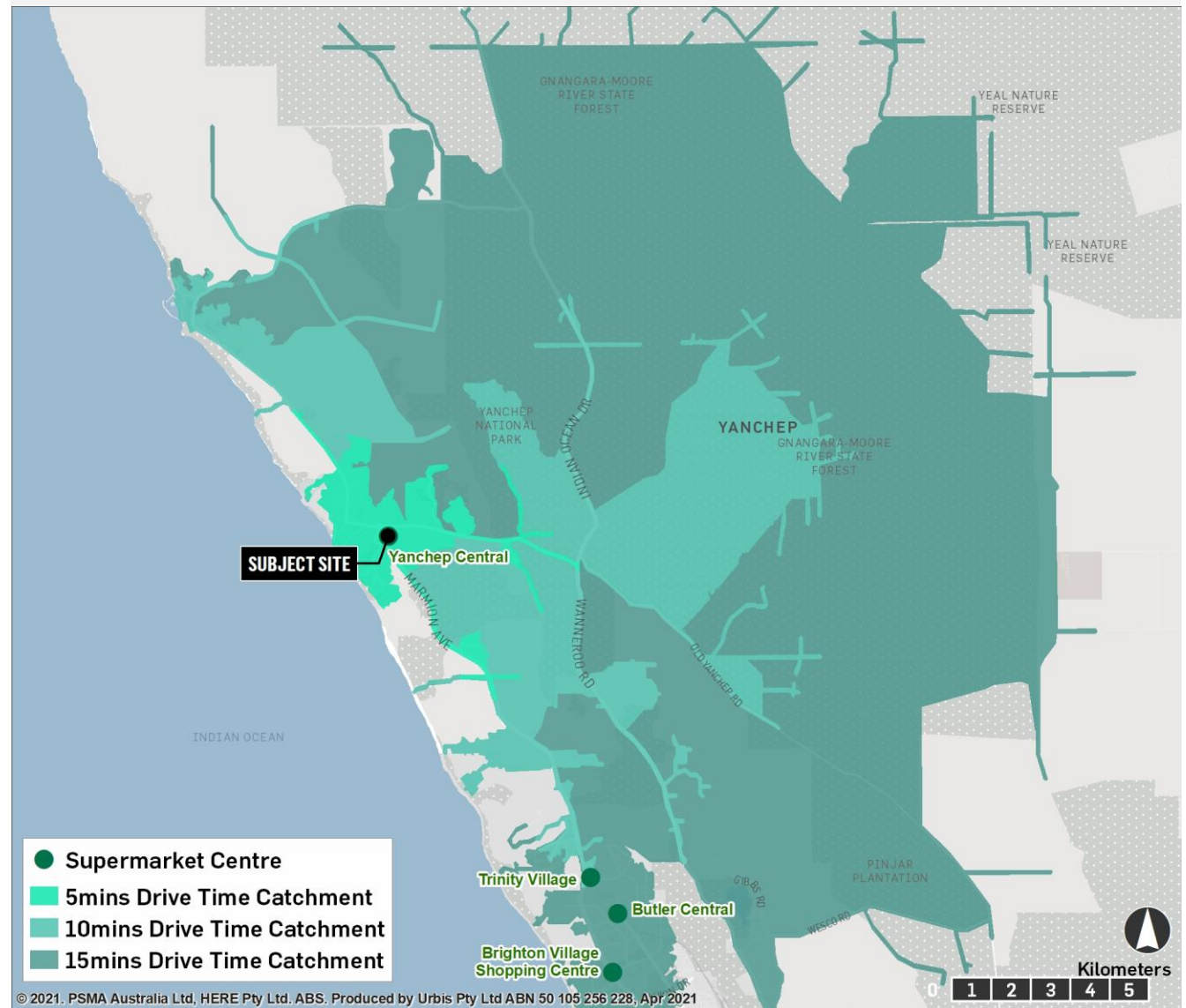
SITE ACCESSIBILITY

Key Findings

There are no centres in close proximity to the site, with the closest centre being the Gateway in Alkimos, and the closest Full-line supermarket anchored centre being Trinity Village. There is also the Alkimos Gateway centre located along Marmion Avenue approximately 10 minutes south of Yanchep Central.

Slightly further down is Butler Central and Brighton Village Shopping Centre (a 15 minute drive time). This drive time context, combined with the urban development context, was used to determine the trade area.

Drive-Time to Subject Site



LAND DEVELOPMENT CONTEXT

Key Findings

The Yanchep District Centre is located in a fast-growing area that has considerable levels of existing and planned land estates supporting population growth.

Housing stimulus measures supported high levels of land sales activity which will support near term population levels. According to UDIA WA, vacant residential lot sales were 35% higher than the ten-year average.

Expectations of increased levels of upgrader and investor activity, combined with the extension of the rail to Yanchep, and the freeway extension through to Yanchep (in the longer term), it is likely to translate into continued high levels of development activity.

In addition to existing and planned estates, the Yanchep and Two Rocks area has considerable zoned land able to accommodate future population growth.



2,468

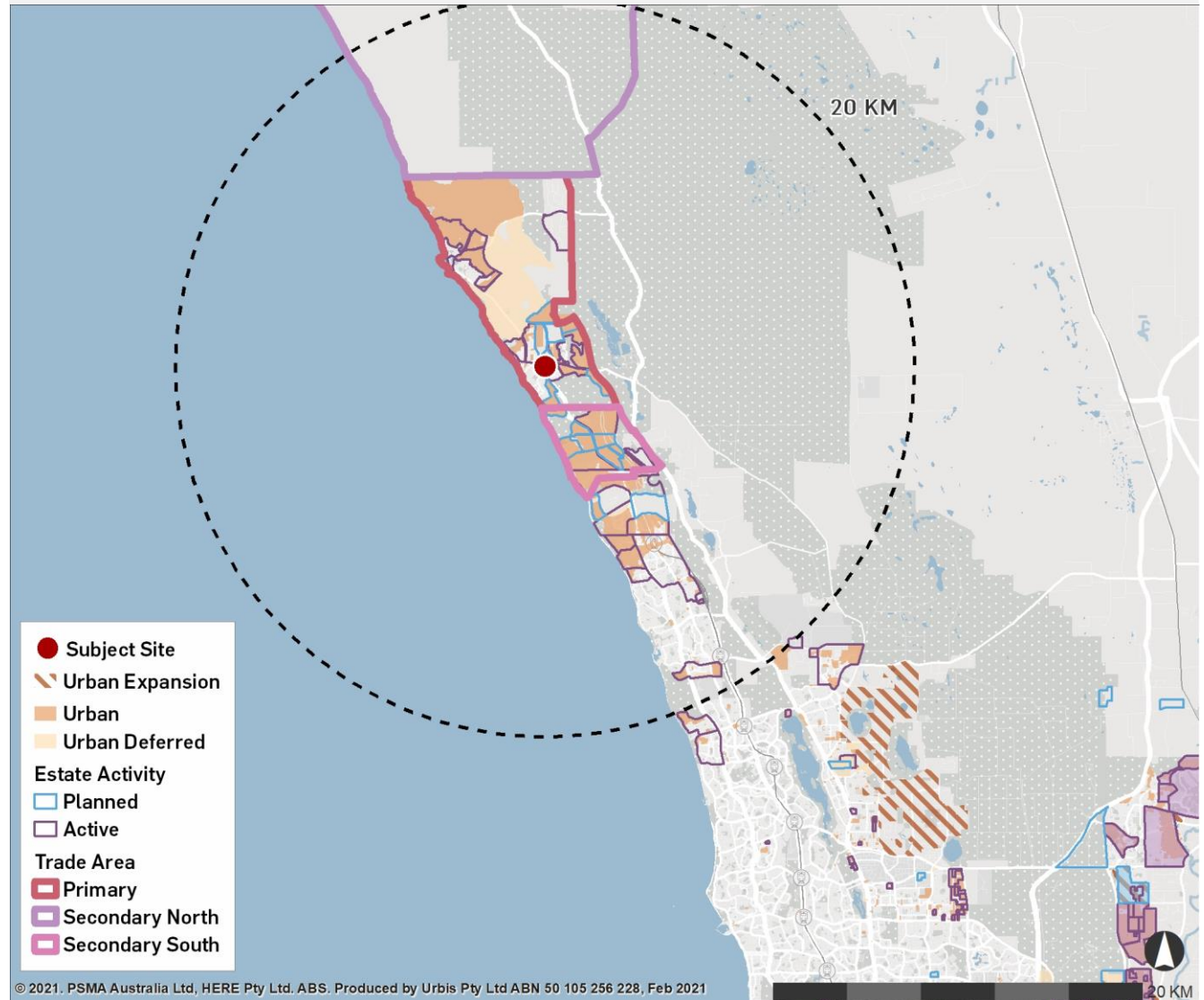
LOT SALES IN CITY OF WANNEROO
(Year to Dec 2020)



~ 32,460

TOTAL LOTS EXPECTED IN TRADE AREA
(Inc. Existing and Planned Estates)

Land Estates and Future Development Areas



SITE SUITABILITY






Key Findings

Yanchep Central is well-positioned to accommodate the current and growing need for activity centre land uses in the Yanchep area. In particular, the site was demonstrated to have the following advantages.

- **High Exposure / Visibility:** This site is located on Peony Boulevard which directly connects to the Marmion Avenue. This location supports exposure from a wide catchment that includes future growth north and east of Yanchep.
- **Ease of Accessibility:** The site is accessible via direct connection from Marmion Ave as well as Yanchep Beach Road from Wanneroo Road. There are also internal connections to support convenient access from residents in the Jindowie Estate to the east.
- **Large and Growing Catchment:** The surrounding area has experienced strong population growth over the past decade and it is expected to continue to grow as it develops over the next 20 years.
- **Adequate Development Land:** The centre features potential development land to the east and south that is currently vacant. There is also adequate space for at-grade car parking to cater to a larger centre.

Overall, the site is well-positioned to help meet a growing need for retail and other activity centre uses.

Activity Centre Success Drivers

| | SUCCESS DRIVER | DESCRIPTION |
|---|-----------------------------------|--|
|  | Exposure | <ul style="list-style-type: none"> ▪ Visibility and exposure to major roads and / or main road frontage |
|  | Transport Access | <ul style="list-style-type: none"> ▪ Access to main roads for vehicle transport ▪ Ease of getting in and out |
|  | Population Levels / Growth | <ul style="list-style-type: none"> ▪ Demonstrated population growth outlook ▪ Strong unmet demand for proposed land uses |
|  | Lot Size | <ul style="list-style-type: none"> ▪ Ability to accommodate appropriately sized lots and flexibility of design configuration |
|  | Ant Track / Co-Location | <ul style="list-style-type: none"> ▪ Well located to take advantage of people who are using the centre for non-retail uses |

Source: Urbis

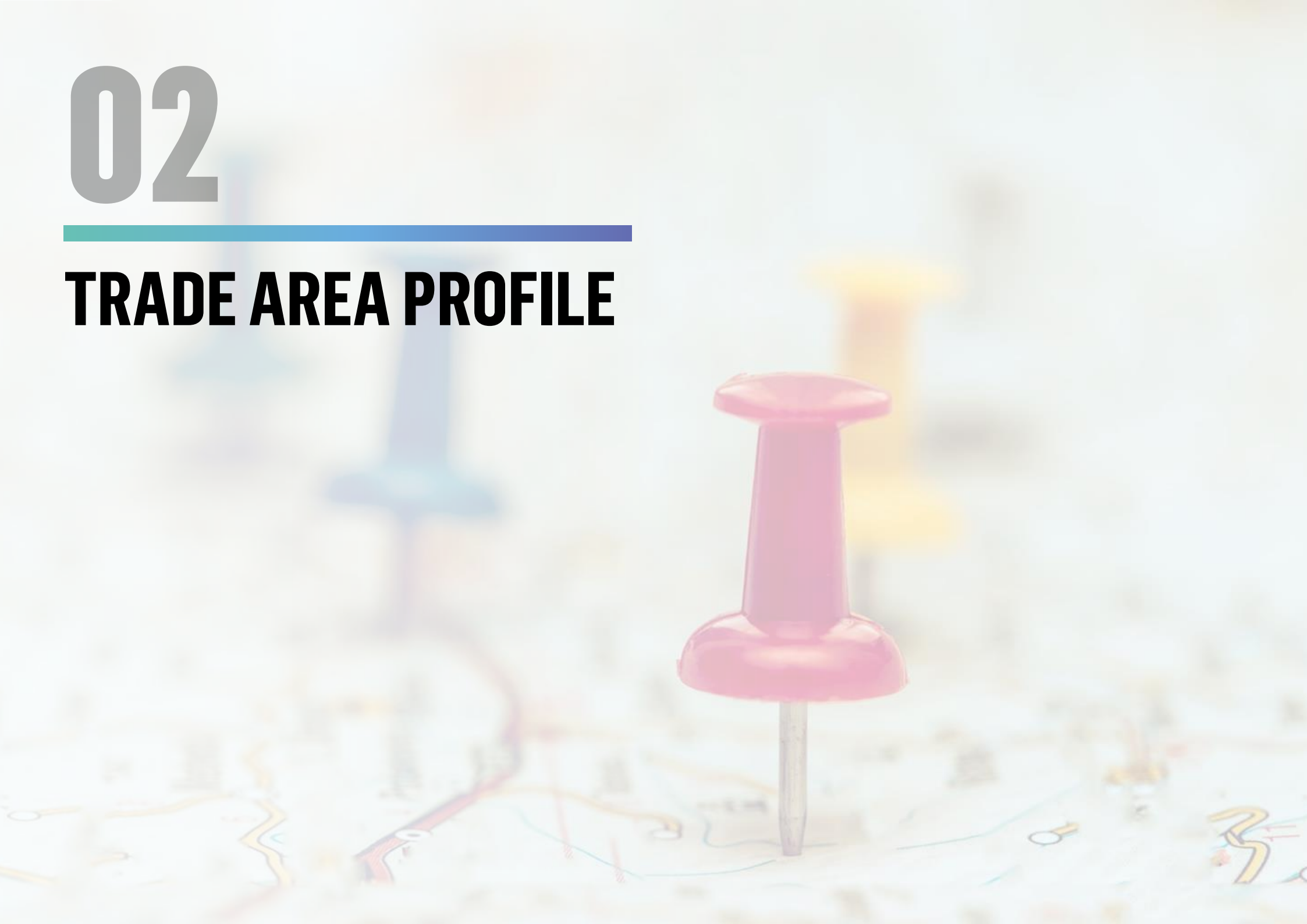
SITE SUITABILITY

| Site Assessment for Subject Site | | |
|----------------------------------|--|---------|
| LOCATION DRIVER | IMPLICATIONS FOR SUBJECT SITE | RATING |
| Exposure | <ul style="list-style-type: none"> This site is located on Peony Boulevard which directly connects to Marmion Avenue (approximately 23,000 vehicles per day north of Romeo Road). The site's location is also accessible from Yanchep Beach Road via Wanneroo Road which experiences approximately 7,200 vehicles per day west of Wanneroo Road. | Strong |
| Transport Access | <ul style="list-style-type: none"> The site is accessible via a direct connection from Marmion Ave from the west, and from Kakadu Road to the east (which connects directly to Peony Boulevard, and Yanchep Beach Road). Marmion Ave is the key arterial road through the entire northern coastal corridor and a large volume of traffic going into or out of Yanchep and Two Rocks use this road. There are several bus stops surrounding the centre, offering transport to Butler Central Train Station. Over the next five years, the METRONET will extend the train line through to Yanchep. | Strong |
| Population Levels / Growth | <ul style="list-style-type: none"> The defined trade area has experienced strong population growth over the past decade and will continue to see strong growth over the next 40-50 years. The total trade area is likely to see rapid growth over the next 15-20 years between 2015-2035, growing at a rate of 7.7% p.a. In the five years to 2035, the primary trade area (Yanchep and Two Rocks) is expected to see a rapid increase of 7.8% p.a. | Strong |
| Lot Size | <ul style="list-style-type: none"> The proposed site features an appropriate size and configuration to accommodate an expansion of retail floorspace, with appropriate parking and the potential for other non-retail uses to be accommodated. | Strong |
| Ant Track / Co-Location | <ul style="list-style-type: none"> Yanchep Lagoon Primary School to the west and Yanchep Secondary College to the south will generate passing trade from residents to the north west of Yanchep. Similarly, once the Jindowie Estate is built out, there will be more people in the immediate trade area to activate entertainment focused uses. However, relative to other major activity centres that feature train stations and community facilities, this centre does not feature uniquely good opportunities for co-location and foot traffic generation. | Average |
| Overall Site Appropriateness | Given the strong accessibility of the centre, located on the intersection of two key arterial roads that service the Yanchep and Two Rocks area, and the significant future population growth potential in the short and long term for the Yanchep, Two Rocks, and Eglinton area, this centre is well placed to accommodate additional retail uses. | Strong |

Source: Urbis

02

TRADE AREA PROFILE



TRADE AREA DEFINITION

Key Findings

The centre's resident catchment is influenced by the following attributes:

- The role of Yanchep activity centre as a key destination for everyday shopping and services. Yanchep Central, with its Woolworths supermarket, is an important driver of visitation.
- A range of other visitation drivers include Yanchep as a tourism destination.
- The centre is located on Peony Boulevard, which connects to Marmion Avenue, and Kakadu Road (which connects to Yanchep Beach Road to the north of the centre), providing easy access to the Yanchep Shopping Centre.
- Located in a fast growing urbanising area that benefits from its coastal location and established amenities.
- The lack of retail in the coastal towns to the north.
- The Yanchep rail extension will run through Kakadu Road, providing more exposure to daily commuters and other means to access the centre.

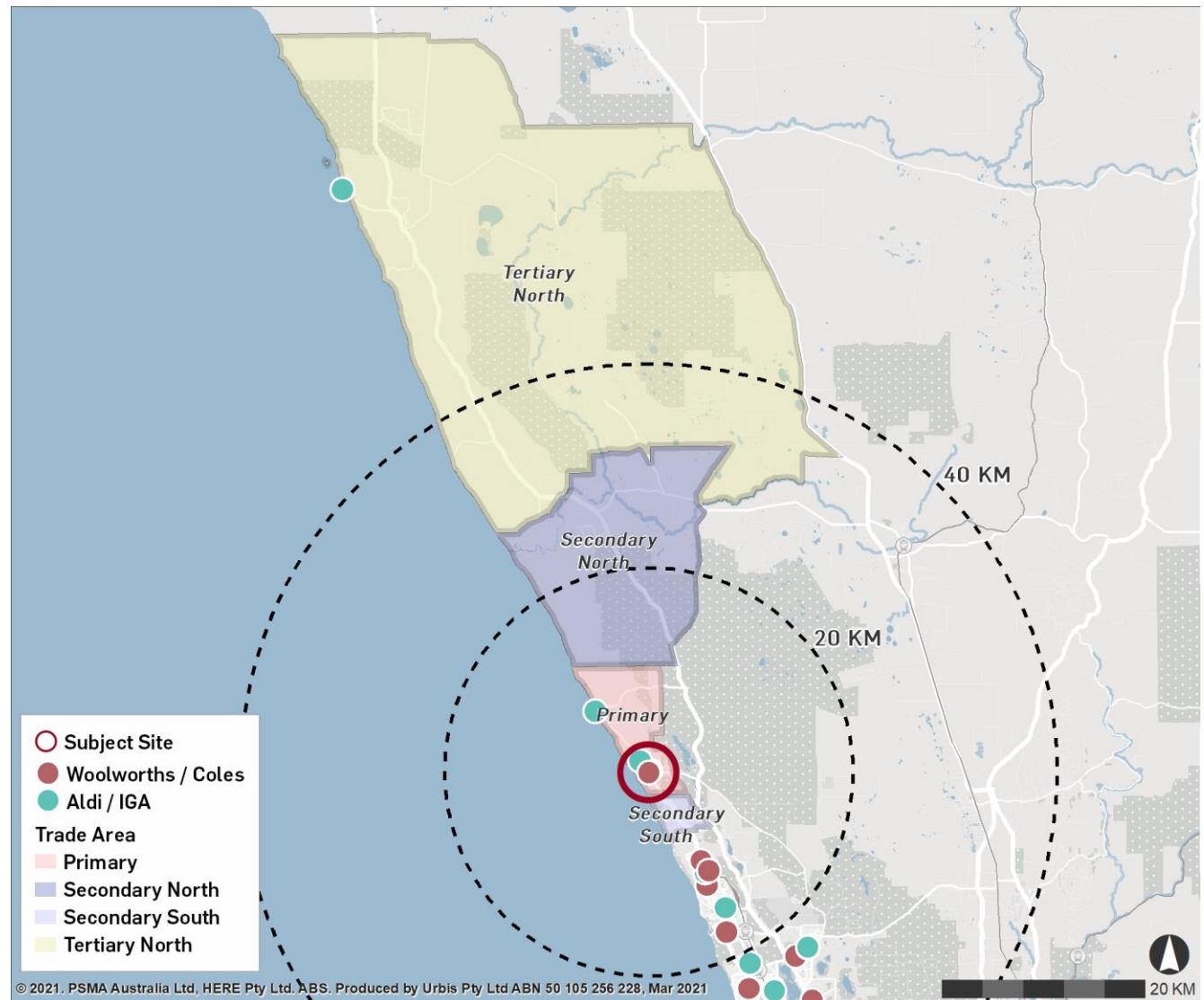
The primary trade area is defined by the urban development in Yanchep and the suburb of Two Rocks.

The secondary trade area is defined by two separate areas including the secondary south area which is the suburb of Eglinton and North West portion of Alkimos. The secondary north area includes the suburbs of Wilbinga, Caraban, Woodrige, Neergabby and Guilderton.

The tertiary trade area was defined by suburbs between Gabbadah up to Nilgen to the north.

NB: the map depicts both larger supermarkets (Woolworths/Coles) and smaller supermarkets (Aldi/IGA)

Trade Area



RESIDENT POPULATION

Key Findings

By June 2025, the total trade area is expected to have 34,170 residents, including around 18,320 in the primary trade area.

The trade area resident population has recorded a strong growth averaging 8.8% per annum over the last five years. This is much higher than the Greater Perth average of 1.1% per annum.

Going forward, population growth in the trade area is forecast to increase by 6.5% per annum or 1,864 people per annum in the next five years to 2025.

The primary trade area is forecast to account for over half of the growth in the trade area over the next 15 years.

It should be noted that the population forecasts generated by the City of Wanneroo anticipate a higher level of growth in the Yanchep and Two Rocks area by 2035, and our adopted forecasts are more conservative. For example, the City of Wanneroo (via Forecast.id) anticipates 40,188 persons in the primary catchment by 2035, compared to 36,550 in Urbis' forecast.

NB: based on 2015 to 2020 ABS Estimated Resident Population (ERP) and Urbis forecasts of lot sales in the area.

Trade Area Resident Population, 2015 – 2035

| | Population (no.) ¹ | | | | | Annual Population Growth (%) | | | | Annual Population Growth (no.) | | | |
|-------------------------|-------------------------------|---------------|---------------|---------------|---------------|------------------------------|--------------|--------------|-------------|--------------------------------|--------------|--------------|--------------|
| | 2015 | 2020 | 2025 | 2030 | 2035 | 2015 - 2020 | 2020 - 2025 | 2025 - 2030 | 2030 - 2035 | 2015 - 2020 | 2020 - 2025 | 2025 - 2030 | 2030 - 2035 |
| Primary: | | | | | | | | | | | | | |
| Primary | 10,160 | 14,870 | 18,320 | 25,130 | 36,550 | 7.9% | 4.3% | 6.5% | 7.8% | 942 | 690 | 1,362 | 2,284 |
| Secondary: | | | | | | | | | | | | | |
| North | 1,090 | 1,050 | 1,060 | 1,070 | 1,080 | -0.7% | 0.2% | 0.2% | 0.2% | -8 | 2 | 2 | 2 |
| South | 2,600 | 6,460 | 11,830 | 21,740 | 30,780 | 20.0% | 12.9% | 12.9% | 7.2% | 772 | 1,074 | 1,982 | 1,808 |
| Total Secondary | 3,690 | 7,510 | 12,890 | 22,810 | 31,850 | 15.3% | 11.4% | 12.1% | 6.9% | 764 | 1,076 | 1,984 | 1,808 |
| Tertiary: | | | | | | | | | | | | | |
| North | 2,520 | 2,750 | 3,240 | 3,540 | 3,830 | 1.8% | 3.3% | 1.8% | 1.6% | 46 | 98 | 60 | 58 |
| Total Trade Area | 16,370 | 25,130 | 34,450 | 51,480 | 72,230 | 9.0% | 6.5% | 8.4% | 7.0% | 1,752 | 1,864 | 3,406 | 4,150 |
| <i>Perth</i> | | | | | | 1.1% | 1.3% | 1.4% | 1.5% | | | | |

1. As at June

Source: ABS; Urbis



16,370 in 2015

72,450 in 2035

+ 7.7% p.a

CURRENT DEMOGRAPHICS

Key Findings

The trade area is characterised by families who are living in separate houses that have either purchased their home with a mortgage or own it outright.

There is a higher proportion of residents within the 40-59 years and 0-14 years old age brackets. It can be said that these are families, evident with 78% of households being families. This is much higher than Perth average of 73%.

Per capita incomes and the average household income in the total trade area is lower than the Perth average (-11% and -13%, respectively).

Expected trends regarding the profile of residents going forward include:

- Increasing proportion of family households as the area moves through a process of regeneration; and
- An improving income profile as the area matures, more development occurs in coastal areas west of Marmion Avenue and the average age increases due to higher levels of 'working age' residents.

Current Socio-Economic Profile (2016)

| | Yanchep Shopping Centre Trade Area | | | | | |
|-------------------------|------------------------------------|-----------------|-----------------|----------------|------------------|-----------|
| | Primary | Secondary North | Secondary South | Total Tertiary | Total Trade Area | Perth |
| Income Metrics: | | | | | | |
| Per Capita Income | \$35,560 | \$33,318 | \$40,766 | \$35,282 | \$36,392 | \$40,693 |
| Var. From Perth Average | -13% | -18% | +0% | -13% | -11% | - |
| Avg. H'hold Income | \$86,835 | \$75,266 | \$106,838 | \$68,222 | \$87,147 | \$100,524 |
| Var. From Perth Average | -14% | -25% | +6% | -32% | -13% | - |
| Age Profile: | | | | | | |
| Aged 0-14 | 23.8% | 17.3% | 25.4% | 13.9% | 22.5% | 19.1% |
| Aged 15-24 | 11.0% | 11.1% | 14.5% | 7.7% | 11.3% | 13.1% |
| Aged 25-39 | 21.6% | 14.1% | 32.2% | 13.1% | 22.1% | 22.9% |
| Aged 40-59 | 25.9% | 26.7% | 22.1% | 28.9% | 25.6% | 26.1% |
| Aged 60+ | 17.6% | 30.8% | 5.8% | 36.3% | 18.5% | 18.9% |
| Average Age | 35.1 | 43.5 | 27.8 | 45.2 | 35.5 | 36.6 |
| Household Metrics: | | | | | | |
| % Family Households | 79.1% | 73.2% | 83.5% | 68.7% | 78.1% | 73.4% |
| % Owned Outright | 21.1% | 44.6% | 6.3% | 48.2% | 23.5% | 29.6% |
| % Purchased | 58.2% | 41.3% | 66.7% | 36.6% | 55.8% | 44.1% |
| Average Household Size | 2.68 | 2.57 | 2.69 | 2.26 | 2.61 | 2.60 |
| Other Metrics: | | | | | | |
| % White Collar Workers | 54.6% | 46.6% | 62.7% | 51.1% | 55.6% | 68.4% |
| % Overseas Born | 39.2% | 32.7% | 46.8% | 25.9% | 38.6% | 38.7% |

Source: ABS Census (2016); Urbis

RESIDENT RETAIL SPENDING

Key Findings

Retail expenditure generated by trade area residents is estimated at \$362 million (incl. GST).



\$217 M Food

\$145 M Non-food

Trade area residents typically spend more on food retail and bulky goods relative to the Perth average (+2% and +6%, respectively).

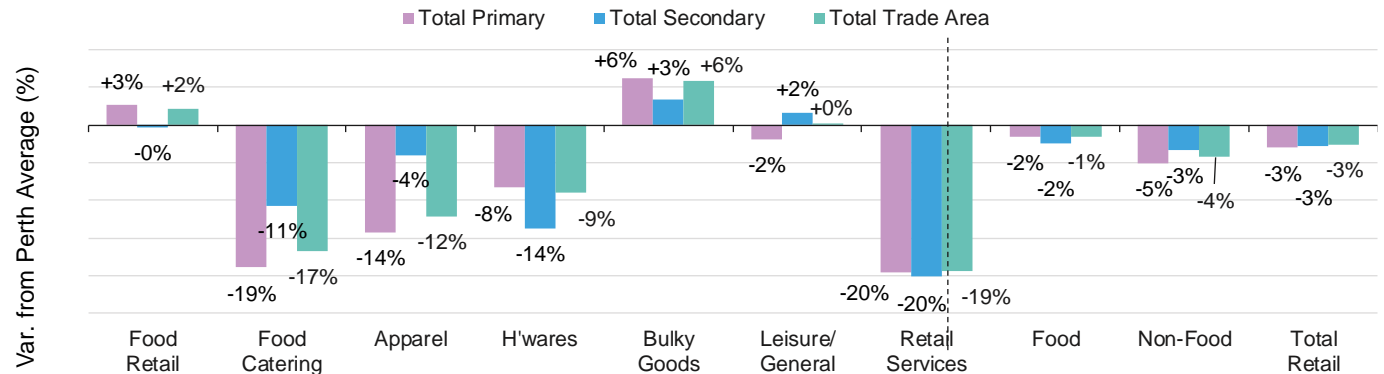
Trade area retail expenditure is forecast to increase at an annual compound growth rate of 9% between 2020 and 2035, reaching \$1.27 billion in 2035. This growth is largely driven by population growth.

Bulky goods expenditure in the total trade area is mostly driven by spending on hardware and garden items, followed by furniture, whitegoods and floor coverings. This reflects the high level of new home building that is occurring in the trade area.

It should be noted that while adjustments have been made to the forecast spending profile of Yanchep residents, there is likely to be a significant revitalisation of the area, which will lead to rapid growth in the level of retail spend per capita over the forecast period as the population of the Yanchep - Two Rocks area more than doubles in the next 15 years.

Nb: Adjustments to specific spending categories have been made to reflect the trade area's changing nature, which has seen substantial growth in the past decade. Forecast spending growth rates are based on Urbis House View Spending Growth Forecasts.

Retail Spend per Capita, Trade Area vs Perth Average, 2016



Source : ABS; MarketInfo; Urbis

Forecast Trade Area Retail Spending by Product Group (\$2020 dollars), 2020-2035¹

| | Food Retail | Food Catering | Apparel | H'wares | Bulky Goods | Leisure/General | Retail Services | Total Retail | Avg. Annual Growth | = Avg. Annual Pop Growth | + Avg. Annual Spend Per Capita Growth |
|--------------------------|-------------|---------------|---------|---------|-------------|-----------------|-----------------|--------------|--------------------|--------------------------|---------------------------------------|
| Total Primary: | | | | | | | | | | | |
| 2020 | 108 | 21 | 17 | 13 | 23 | 26 | 6 | 215 | | | |
| 2025 | 140 | 29 | 22 | 17 | 32 | 34 | 8 | 282 | 6.3% | 4.5% | 1.8% |
| 2030 | 201 | 45 | 33 | 25 | 46 | 49 | 12 | 413 | 9.2% | 7.9% | 1.4% |
| 2035 | 307 | 73 | 53 | 39 | 72 | 76 | 19 | 640 | 11.0% | 9.6% | 1.4% |
| Total Secondary: | | | | | | | | | | | |
| 2020 | 52 | 11 | 10 | 6 | 11 | 13 | 3 | 107 | | | |
| 2025 | 92 | 22 | 17 | 11 | 21 | 24 | 6 | 192 | 15.7% | 11.4% | 1.8% |
| 2030 | 175 | 45 | 34 | 21 | 40 | 46 | 11 | 372 | 18.8% | 12.1% | 1.4% |
| 2035 | 259 | 72 | 53 | 32 | 61 | 69 | 17 | 564 | 10.3% | 6.9% | 1.4% |
| Total Tertiary: | | | | | | | | | | | |
| 2020 | 20 | 4 | 3 | 2 | 4 | 5 | 1 | 40 | | | |
| 2025 | 26 | 5 | 4 | 3 | 6 | 7 | 2 | 53 | 6.4% | 3.6% | 1.8% |
| 2030 | 30 | 6 | 4 | 4 | 7 | 8 | 2 | 61 | 3.4% | 1.8% | 1.4% |
| 2035 | 34 | 8 | 5 | 5 | 8 | 9 | 2 | 71 | 3.1% | 1.6% | 1.4% |
| Total Trade Area: | | | | | | | | | | | |
| 2020 | 181 | 36 | 29 | 21 | 39 | 44 | 11 | 362 | | | |
| 2025 | 258 | 56 | 43 | 31 | 59 | 64 | 16 | 527 | 9.1% | 7.3% | 1.8% |
| 2030 | 406 | 96 | 72 | 50 | 94 | 103 | 25 | 846 | 12.1% | 10.8% | 1.4% |
| 2035 | 601 | 153 | 111 | 76 | 141 | 154 | 38 | 1,275 | 10.1% | 8.8% | 1.4% |

1. Spending figures are inclusive of GST and exclusive of inflation.

Source : ABS; MarketInfo; Urbis

FUTURE COMPETING ACTIVITY CENTRES AND DEVELOPMENTS

Key Findings

The wider area accommodates a number of existing and planned activity centres that would compete with the subject site. The key centres are summarised below.

- **Yanchep Strategic Metropolitan** – this undeveloped centre has a shop retail floorspace potential of 71,800 sq.m though the timing for a first stage development is unknown.
- **Alkimos Secondary Centre** – DevelopmentWA is currently developing a revised activity centre plan for this 100+ ha site which is ultimately expected to cater to up to 65,000 sq.m of shop retail floorspace, with an initial stage expected within the next decade.
- **Two Rocks Secondary & District Centre** – planned 44,000 sq.m of shop retail floorspace in the secondary centre and 29,900 sq.m shop retail space in three district centres. These are likely to be very long-term prospects, and some may not be developed.
- **Eglinton District Centre** – approximately 27,100 sq.m planned shop retail floorspace in the district centre, with 2 full line supermarkets and a limited line supermarket planned to be developed in the future, though timing for this is unknown.
- **Shorehaven Village** – a planned shopping centre has been approved in Alkimos that will have 5,500 sq.m of retail floorspace though the timing and viability of this proposal is unknown.

It should be noted that while retail has been allowed for at these undeveloped centres, the timing for almost all centres is unknown, and there is a likelihood that only some of these centres will be developed in the foreseeable future.

Key Competitors, Coastal Corridor

| CENTRE | RETAIL FLOORSPACE | PLANNED RETAIL FLOORSPACE | KEY TENANTS | STATUS |
|---------------------------------------|-------------------|---------------------------|------------------|----------|
| Yanchep Strategic Metropolitan Centre | - | 71,800 | - | Planned |
| Alkimos Secondary Centre | - | 65,000 | - | Planned |
| Two Rocks Secondary Centre | - | 44,000 | - | Planned |
| Two Rocks District Centres (combined) | - | 29,900 | - | Planned |
| Eglinton District Centre | - | 27,100 | - | Planned |
| Yanchep District Centre | 7,862 | 19,987 | Woolworths, Aldi | Existing |
| Shorehaven Village | - | 5,500 | Supermarket | Planned |
| Two Rocks IGA | 674 | 674 | IGA | Existing |

Source: DPLH Land Use and Employment Survey; Property Council Shopping Centres Online; Urbis

03

DEVELOPMENT POTENTIAL



FUTURE RETAIL POTENTIAL

Key Findings

An estimate of indicative supportable floorspace for shop retail was undertaken based on retail expenditure forecasts and the application of average sales densities informed by the Urbis Shopping Centre Benchmarks survey.

This assessment illustrates the significant level of demand generated by residents currently and over the next 15 years.

The analysis found that the quantum of supportable floorspace is expected to increase significantly across a range of categories, with floorspace demand anticipated to increase by 4,520 sq.m per annum from 2020 to 2025 and by 10,770 sq.m per annum from 2030 to 2035.

The trade area was estimated to notionally support approximately 57,400 sq.m of retail floorspace as of 2020 compared to the current volume of shop retail floorspace in the trade area, which is approximately 9,000sq.m (including the Yanchep District Centre, and other smaller retail developments in Two Rocks). As such, many residents have to travel to existing activity centres further south such as Butler, Clarkson and Joondalup.

Supportable Floorspace Capacity by Retail Category (sq.m NLA)

| Total Primary: | Food Retail | Food Catering | Apparel | H'wares | Bulky Goods | Leisure/ General | Retail Services | Total Retail | Additional Floorspace Supportable p.a |
|--------------------------|-------------|---------------|---------|---------|-------------|------------------|-----------------|----------------|---------------------------------------|
| 2020 | 12,031 | 3,217 | 3,795 | 3,181 | 7,828 | 3,050 | 976 | 34,078 | |
| 2025 | 14,807 | 4,247 | 4,692 | 4,079 | 10,067 | 3,772 | 1,239 | 42,903 | 1,765 |
| 2030 | 20,261 | 6,241 | 6,678 | 5,720 | 14,015 | 5,239 | 1,733 | 59,888 | 3,397 |
| 2035 | 29,383 | 9,720 | 10,075 | 8,503 | 20,681 | 7,711 | 2,570 | 88,644 | 5,751 |
| Total Secondary: | | | | | | | | | |
| 2020 | 5,824 | 1,766 | 2,118 | 1,493 | 3,800 | 1,577 | 484 | 17,062 | |
| 2025 | 9,701 | 3,201 | 3,602 | 2,581 | 6,617 | 2,651 | 834 | 29,186 | 2,425 |
| 2030 | 17,559 | 6,282 | 6,857 | 4,775 | 12,189 | 4,885 | 1,547 | 54,093 | 4,981 |
| 2035 | 24,834 | 9,574 | 10,128 | 6,914 | 17,542 | 7,020 | 2,238 | 78,251 | 4,832 |
| Total Tertiary: | | | | | | | | | |
| 2020 | 2,250 | 558 | 611 | 623 | 1,465 | 604 | 181 | 6,292 | |
| 2025 | 2,780 | 740 | 758 | 802 | 1,892 | 751 | 230 | 7,953 | 332 |
| 2030 | 3,046 | 870 | 864 | 901 | 2,109 | 835 | 258 | 8,883 | 186 |
| 2035 | 3,299 | 1,012 | 973 | 1,000 | 2,324 | 917 | 286 | 9,811 | 186 |
| Total Trade Area: | | | | | | | | | |
| 2020 | 20,105 | 5,541 | 6,524 | 5,297 | 13,093 | 5,231 | 1,640 | 57,432 | |
| 2025 | 27,288 | 8,188 | 9,051 | 7,462 | 18,576 | 7,174 | 2,303 | 80,041 | 4,522 |
| 2030 | 40,866 | 13,393 | 14,399 | 11,396 | 28,314 | 10,959 | 3,538 | 122,864 | 8,565 |
| 2035 | 57,516 | 20,306 | 21,177 | 16,418 | 40,547 | 15,649 | 5,094 | 176,706 | 10,768 |

Source: ABS, Marketinfo, Urbis, Urbis Shopping Centre Benchmarks to generate turnover per sq.m values

SUPERMARKET COMPETITION

Key Findings

The current supermarket floorspace in Yanchep Central equates to 4,000 sq.m. In addition to this, Yanchep Aldi is 1,747 sq.m in size.

The Yanchep Strategic Metropolitan Centre and Eglinton District Centre could develop during the forecast period, with a planned supermarket floorspace of 7,500 sq.m and 9,600 sq.m respectively at build out.

In the Yanchep – Two Rocks structure plan, nine supermarket centres have been identified with a total potential floorspace of 26,000 sq.m, though the timing of these supermarkets is unknown, and there is a possibility not all centres will develop or feature a supermarket.

This study explored the potential for Yanchep Central to accommodate an additional supermarket equivalent to an NLA of 3,520 sq.m. It should be noted that while we have allowed for these undeveloped sites to have retail provision, the timing of developments is largely unknown, as only initial district level structure planning has been completed for a number of these development sites.

Existing & Potential Supermarket Competition

| Supermarket | Supermarket Floorspace (NLA sq.m) | Est. Operation year | Description |
|---|-----------------------------------|---------------------|---|
| Yanchep Central Woolworths | 3,807 | Operational | Operational Supermarket in the Yanchep Central Shopping Centre |
| Yanchep Central Supermarket | 3,520 | Undeveloped | Proposed Supermarket as part of the plans presented in this document |
| Yanchep Aldi | 1,747 | Operational | Recently established Aldi Adjacent to Yanchep Central |
| Two Rocks IGA | 674 | Operational | Standalone supermarket in Two Rocks |
| Shorehaven Planned Supermarket | 3,100 | Undeveloped | Approved Supermarket in Shorehaven Village |
| Allara Residential Community Planned Supermarket | 500 | Undeveloped | planned 2,500sq.m of retail/entertainment floorspace, which will likely include a supermarket component |
| Eglinton District Centre | 9,600 | Undeveloped | Structure plan anticipates a 27,100sq.m of floorspace by 2040, with 2 full line supermarkets, and an Aldi operational by 2030, with a DDS operational by 2035. |
| Yanchep Strategic Metropolitan Centre | 7,500 | Undeveloped | 71,800sq.m planned retail floorspace, this likely represents two supermarkets and two DDS', this will be staged over several decades as population growth allows for additional floorspace. |
| Two Rocks Secondary & District Centres | 16,500 | Undeveloped | Across three district centres and a secondary centre in Two Rocks, there is a retail floorspace allocation of 73,900sq.m NLA. This would be likely to represent five supermarket stores. |
| Neighbourhood Centres across Yanchep and Two Rocks | 26,000 | Undeveloped | Across nine planned neighbourhood centres in Yanchep and Two Rocks there is an estimated 39,600sq.m of retail floorspace allocated. Indicatively, this is likely to support nine full-line equivalent supermarkets (with some centres having smaller independent supermarkets that are not equivalent to a full-line supermarket. |
| Total Across Trade Area | 72,948 | | |
| <i>Excluding Yanchep Central and Existing Centres</i> | <i>63,200</i> | | |

Source: Urbis; Yanchep – Two Rocks District Structure Plan, Cordell Connect, Various Media Releases, Urbis
 Note: These floorspace estimates for undeveloped centres are subject to change based on market occurrences.

8/07/2021

SUPERMARKET POTENTIAL

Key Findings

Yanchep Central is anticipated to be able to accommodate an additional supermarket currently. There is also capacity for a second additional supermarket outside of Yanchep Central being supportable in the trade area in the near future, by 2023.

Despite this expansion and assumptions of supermarket development south of the trade area, the area is expected to remain undersupplied for supermarket amenities over the next decade.

The supermarket capacity involves estimating the level of food and grocery spending captured by supermarkets, estimating the level of supermarket spending captured by supermarkets in the catchment (note that this assumes the development of supermarket floorspace in Alkimos Central over the next five years) and estimating the level of expenditure from beyond the catchment and non-F&G spending captured by supermarkets.

Four time periods and a notional build-out time period (of 2060) were assessed as part of this process, with supportable sales density rates (average turnover per sq.m) assumed to grow at a rate of 0.9% per annum (an industry benchmark rate).

At an assumed future trading level of ~\$11,833 per sq.m (an industry benchmark), the available market could support around 28,615 sq.m of supermarket NLA by 2035. At an average store size of 3,300 sq.m, this would be equivalent to approximately 6 stores being supportable in the trade area by 2035, on top of the existing and proposed supermarkets at Yanchep Central, and the other smaller existing supermarkets in the region (Two Rocks IGA, and Yanchep Aldi).

Supermarket Capacity Assessment, Trade Area (\$2020)

| | Unit | Current (2020) | 2025 | 2030 | 2035 | Build Out (2060) |
|--|-------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| Food & Grocery Spending by Residents | \$M | <u>158.7</u> | <u>226.3</u> | <u>356.0</u> | <u>526.5</u> | <u>1,621.3</u> |
| Primary | \$M | 94.9 | 122.7 | 176.5 | 269.1 | 1,108.8 |
| Secondary North | \$M | 7.0 | 7.4 | 7.9 | 8.4 | 11.8 |
| Secondary South | \$M | 38.9 | 72.9 | 144.9 | 218.6 | 448.3 |
| Tertiary North | \$M | 17.9 | 23.2 | 26.8 | 30.5 | 52.3 |
| F&G Captured by all Supermarkets | % | 83% | 83% | 84% | 84% | 84% |
| | \$M | 131.2 | 187.8 | 297.4 | 441.7 | 1,367.0 |
| Supermarket F&G Captured by Supermarkets in Catchment | % | 68% | 66% | 64% | 64% | 68% |
| Supermarket F&G Captured by Supermarkets in Catchment | \$M | 89.2 | 124.3 | 191.1 | 283.5 | 927.8 |
| Plus F&G Turnover from Beyond Catchment | % | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% |
| | \$M | 8.8 | 10.5 | 13.5 | 18.9 | 62.2 |
| Plus Non-F&G Turnover | % | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| | \$M | 8.5 | 10.2 | 13.0 | 18.3 | 60.1 |
| Total Available Supermarket Turnover | \$M | 106.6 | 148.4 | 228.2 | 338.6 | 1,109.5 |
| Supportable Turnover Level | \$ | 10,500 | 10,927 | 11,371 | 11,833 | 14,441 |
| Supportable Supermarket Floorspace | sq.m | 10,151 | 13,583 | 20,072 | 28,615 | 76,825 |
| Yanchep Central Supermarket Floorspace | sq.m | 3,807 | 7,327 | 7,327 | 7,327 | 7,327 |
| Existing Supermarket Floorspace in Other Centres | sq.m | 2,421 | 2,421 | 2,421 | 2,421 | 2,421 |
| Floorspace Undersupply | sq.m | 3,923 | 3,835 | 10,324 | 18,867 | 67,077 |
| Number of Additional Stores (@3300sq.m) | no. | 1.2 | 1.2 | 3.1 | 5.7 | 20.3 |

DISCOUNT DEPARTMENT STORE COMPETITION

Key Findings

This study explored the potential for a new DDS of 5,800 sq.m at Yanchep Central. There are currently no Discount Department Stores (DDS) in Yanchep Central or in the trade area.

As part of this exercise, this study estimated which of the undeveloped centres could potentially accommodate DDS development during over the forecast period through to 2060. Regardless of potential floorspace scale in planning documents, the number of potential DDS stores in a single centre is typically capped at two, due to the fact that there are only three operators (Big W, Target, and Kmart). Our assumptions around DDS floorspace are detailed in the table to the right.

Across the trade area a total floorspace of 31,000 sq.m for DDS is planned. Excluding Yanchep Central's proposed DDS, this equates to 25,000 sq.m of likely discount department store floorspace that will be developed as part of planned centres (equivalent to 5 additional DDS stores).

It should be noted that while we have allowed for these undeveloped sites to have retail provision, the timing of developments, and potential tenants is unknown, as only initial structure planning stages have been completed for a number of these development sites. Furthermore, not all higher order centres require a DDS to function, and they may choose not to accommodate one.

Potential Discount Department Stores

| Centre | Indicative DDS Floorspace (NLA sq.m) | Status | Description |
|---|--------------------------------------|-------------|---|
| Yanchep Central | 6,000 | Undeveloped | Proposed DDS in Yanchep Central, as per plans featured in this document |
| Eglinton Secondary Centre | 5,000 | Undeveloped | Structure plan anticipates a 27,100sq.m of floorspace by 2040, with 2 full line supermarkets, and an Aldi operational by 2030, with a DDS operational by 2035. |
| Yanchep SMC | 10,000 | Undeveloped | 71,800sq.m planned retail floorspace, this likely represents two supermarkets and two DDS', this will be staged over several decades as population growth allows for additional floorspace. |
| Two Rocks Secondary & District Centres | 10,000 | Undeveloped | Across three district centres and a secondary centre in Two Rocks, there is a retail floorspace allocation of 73,900sq.m NLA. This would be likely to represent two DDS stores. |
| Trade Area Planned Stores | 31,000 | | |
| <i>Excluding Yanchep Central</i> | <i>25,000</i> | | |

Source: Urbis; Yanchep – Two Rocks District Structure Plan

DISCOUNT DEPARTMENT STORE (DDS) POTENTIAL

Key Findings

This assessment estimated the need for Discount Department Store (DDS) floorspace within the trade area and demonstrates that a DDS can currently be supported within the trade area, and there will be capacity for a second DDS in the trade area by 2030.

The DDS capacity assessment involves estimating the level of DSTM spending captured by DDS' (this has been elevated slightly above typical rates due to the lack of existing and planned non-discount department stores in the corridor), estimating the level of spending captured by DDS' in the catchment (note that this assumes the development of a DDS in Alkimos Central) and estimating the level of expenditure from beyond the catchment and non-DSTM spending captured by DDS'.

Four time periods and a build-out time period were assessed as part of this process, with supportable sales density rates (average turnover per sq.m) assumed to grow at a rate of 0.9% per annum (an industry benchmark rate). At an assumed future trading level of ~\$3,827 per sq.m (an industry benchmark), the available market could support around 15,874 sq.m of DDS NLA by 2035. At an average store size of 5,000, this would be equivalent to approximately 2 additional stores being viable by 2035 on top of the proposed DDS at Yanchep Central.

To determine total capacity, we have extended the forecast period and have determined that there is demand for an additional seven DDS stores at an indicative build out period (excluding Yanchep Central's DDS), given that undeveloped centres could likely accommodate a maximum of five DDS', there will be excess spending to support additional DDS' outside of the trade area.

DDS Capacity Assessment, Trade Area

| | Unit | Current (2020) | 2025 | 2030 | 2035 | Build Out (2060) |
|---|-------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| Department Store Merchandise Spending by Residents | \$M | <u>134.3</u> | <u>196.8</u> | <u>318.6</u> | <u>482.5</u> | <u>1,592.4</u> |
| Primary | \$M | 79.2 | 104.8 | 154.1 | 240.2 | 1,069.7 |
| Secondary North | \$M | 5.6 | 6.2 | 6.7 | 7.2 | 11.0 |
| Secondary South | \$M | 34.7 | 66.3 | 134.8 | 208.2 | 461.9 |
| Tertiary North | \$M | 14.8 | 19.6 | 23.1 | 26.9 | 49.8 |
| DDS Share of DSTM Spending | % | 16.0% | 16.0% | 16.0% | 16.0% | 16.0% |
| | \$M | 21.5 | 31.5 | 51.0 | 77.2 | 254.8 |
| Share of DDS Spending Captured by DDS' in Catchment | % | 63.7% | 62.2% | 60.2% | 65.9% | 69.0% |
| DDS DSTM Spend Captured by DDS' in Catchment | \$M | 13.7 | 19.6 | 30.7 | 50.9 | 175.9 |
| <i>Plus DSTM Turnover from Beyond Catchment</i> | % | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% |
| | \$M | 1.4 | 1.9 | 3.0 | 5.0 | 17.4 |
| <i>Plus Non-DSTM Turnover</i> | % | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| | \$M | 1.3 | 1.9 | 2.9 | 4.9 | 16.8 |
| Total Available DDS Turnover | \$M | 16.4 | 23.4 | 36.7 | 60.8 | 210.1 |
| Supportable Turnover Level | \$ | 3,200 | 3,397 | 3,605 | 3,827 | 5,157 |
| Supportable DDS Floorspace | sq.m | 5,110 | 6,886 | 10,176 | 15,874 | 40,736 |
| Yanchep Central DDS Floorspace | sq.m | 0 | 0 | 6,000 | 6,000 | 6,000 |
| Floorspace Undersupply | sq.m | 5,110 | 6,886 | 4,176 | 9,874 | 34,736 |
| <i>Number of Additional Stores (@5000sq.m)</i> | sq.m | 1.0 | 1.4 | 0.8 | 2.0 | 6.9 |

Source: Urbis; MarketInfo

CENTRE FLOORSACE RECOMMENDATIONS

Key Findings

The adjacent table outlines the recommended composition and timing for retail and other uses in the Yanchep District Centre.

There is capacity to develop an additional supermarket currently and this supermarket can be developed to have its first operational year in 2023 without undermining the potential for development in other locations.

There is capacity for two discount department stores to be developed in the trade area during the period from 2025 to 2030. Yanchep Central could support one of these DDS'. By 2035, there will be capacity for 3 DDS' in the trade area.

With the high volume of floorspace growth in all product categories over the next 15 years (equivalent to an average of 8,600 sq.m of retail floorspace per annum), associated specialty stores could be supported alongside other major developments.

All up, it is estimated that approximately 20,520sq.m of additional floorspace across retail and non-retail floorspace could be operational in 2035, with 13,410 of this being retail floorspace (excluding current vacant floorspace of 557 sq.m).

Supportable Floorspace and Staging, Yanchep District Centre, NLA sq.m

| Retail Uses | 2020 (existing*) | 2023 | 2025 | 2030 | 2035 |
|-------------------------|------------------|---------------|---------------|---------------|---------------|
| DDS | 0 | 0 | 0 | 6,000 | 6,000 |
| Supermarket | 5,554 | 9,154 | 9,154 | 9,154 | 9,154 |
| - Woolworths | 3,807 | 3,807 | 3,807 | 3,807 | 3,807 |
| - Aldi | 1,747 | 1,747 | 1,747 | 1,747 | 1,747 |
| - Future Supermarket | 0 | 3,600 | 3,600 | 3,600 | 3,600 |
| Mini Majors | 321 | 321 | 321 | 1,076 | 1,076 |
| Specialty Shops | 1,483 | 3,010 | 3,010 | 4,545 | 4,545 |
| External & Fast Food | 489 | 1,039 | 1,039 | 1,039 | 1,039 |
| Total Retail | 7,847 | 13,524 | 13,524 | 21,814 | 21,814 |
| Other Uses | | | | | |
| Medium Format Retail | 0 | 0 | 0 | 2700 | 2,700 |
| Medical / Health | 0 | 700 | 700 | 700 | 700 |
| Commercial | 0 | 360 | 360 | 1,290 | 1,290 |
| Childcare | 0 | 515 | 515 | 515 | 515 |
| Tavern | 0 | 0 | 0 | 750 | 750 |
| Large Format Liquor | 0 | 0 | 0 | 925 | 925 |
| Fuel | 200 | 430 | 430 | 430 | 430 |
| Total Other Uses | 200 | 2,005 | 2,005 | 7,310 | 7,310 |
| Total Centre | 8,047 | 15,529 | 15,529 | 29,124 | 29,124 |

Source: Urbis, FRP Capital/CBRE

* 2020 estimates exclude 557 sq.m of vacant floorspace. For subsequent years, this vacant floorspace is assumed to be specialty shop retail however it could also be used for non-retail uses.

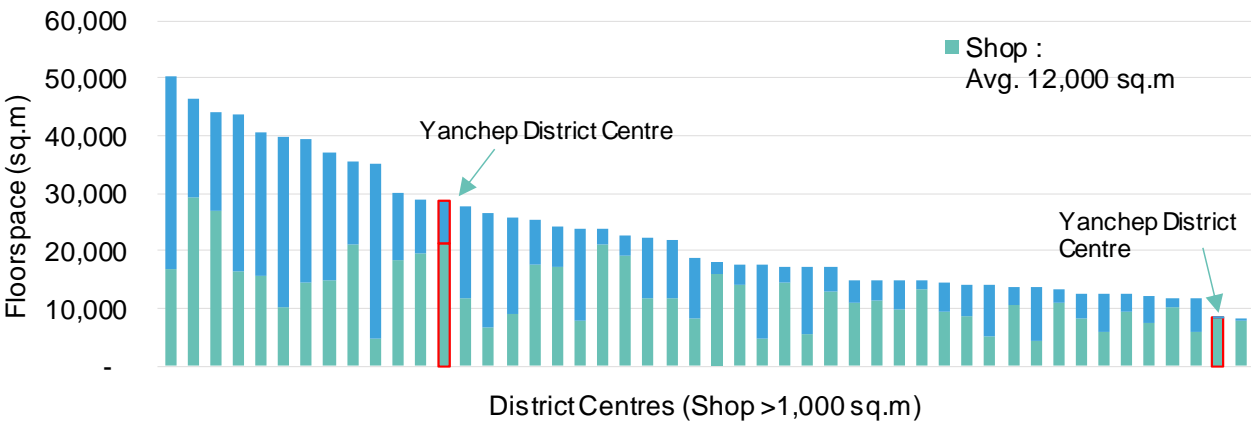
ROLE OF DISTRICT CENTRES

Key Findings

This study has been informed by State Planning Policy 4.2 Activity Centres in Perth and Peel. Particular focus was afforded to the illustrated characteristics of centres within the hierarchy. Yanchep Central is currently a smaller district centre when compared to other district centres across Perth (and it functions primarily as a neighbourhood centre) as it is still developing. However, when the centre is expanded in line with the proposed expansion it will not be a particularly large centre, with total floorspace, being in the top 40% of all centres.

The centre will continue to fulfil its district centre role as stated in SPP4.2 at 2030 which states “District centres have a greater focus on servicing the daily and weekly needs of residents. Their relatively smaller scale catchment enables them to have a greater local community focus and provide services, facilities and job opportunities that reflect the particular needs of their catchment.”

District Centre Floorspace Comparison, Perth



Source: Urbis, Perth Planning And Land Use Employment Survey (LUES) 2015/17, FRP Capital/CBRE

A woman with long brown hair, wearing a dark blue sweater, is seen from the side, browsing through a clothing store. She is looking at a rack of clothes, with her hands touching the fabric. The store has many racks of clothes, and the background is blurred, showing other racks and lights. The overall atmosphere is warm and inviting.

04

IMPACT ASSESSMENT

CENTRE HIERARCHY CONSIDERATIONS

Key Findings

In line with SPP 4.2, this report assessed the potential loss of services in the wider area. In order to ensure there was no potential loss of services and the identified centre hierarchy was not undermined, the proposed development staging and timing of the Yanchep District Centre was assessed in the context of the balance of demand available to other activity centres in the region.

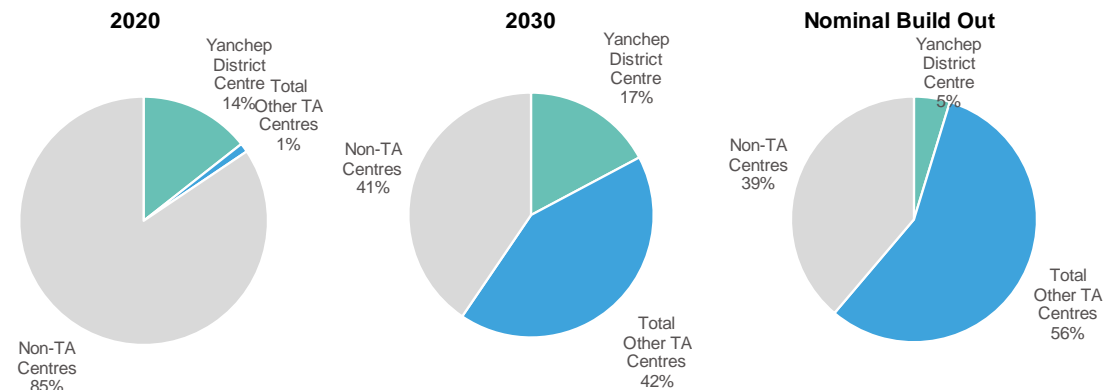
A turnover impact assessment was not undertaken given the early stage of development of competitive centres and given this assessment does not propose any changes that would undermine the planned / existing hierarchy.

In terms of total retail floorspace demand, approximately 85% of shop retail floorspace is currently serviced by centres outside of the trade area. With the continued development of Yanchep Central and the development of retail centres at the Yanchep SMC and Eglinton DC, as well as development at several local and neighbourhood centres, this level of spending leakage to non-TA centres is likely to fall to 41% by 2030.

The leakage to non-TA centres is anticipated to increase to 39% at the nominal build-out. The Yanchep District Centre is anticipated to service approximately 5% of total retail floorspace demand at this point in time.

Note that these assumptions are based on assumed staged developments of centres towards the total floorspace potential of relevant centres stated earlier in this document.

Allocation of Shop Retail Floorspace Demand by Centre



Source: Urbis, Marketinfo, Urbis Shopping Centre Benchmarks to generate turnover per sq.m rates

CENTRE HIERARCHY CONSIDERATIONS (CONT.)

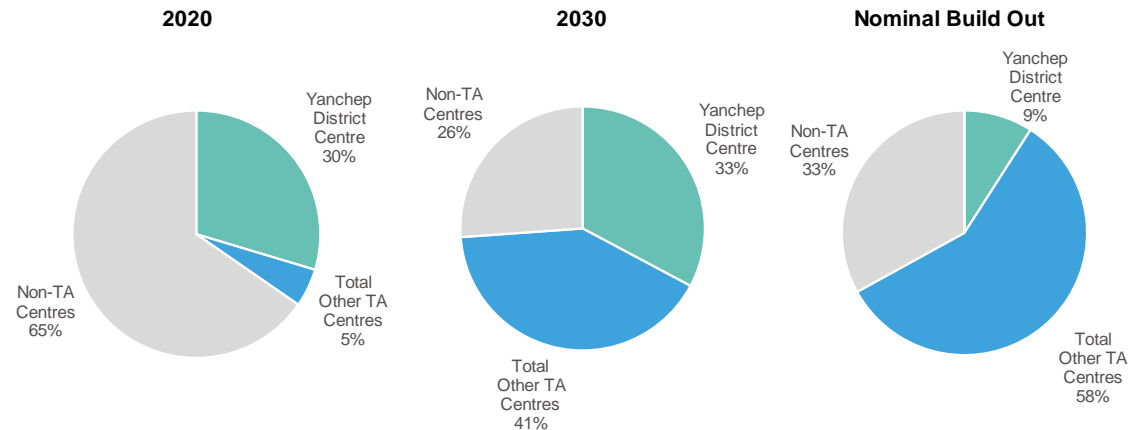
Key Findings

In terms of supermarket floorspace, approximately 65% of shop retail floorspace is likely to be spent outside of the trade area currently. With the development of planned centres through to 2030, and the substantial level of population growth that will be experienced in the catchment, this level of spending leakage to non-TA centres is likely to decrease to 26% of total retail spending by 2030. At the nominal build-out date, this proportion will increase again to 33% of supermarket floorspace demand.

Yanchep District currently takes up 30% of retail floorspace demand, the market share will slightly increase through to 2030 when the proposed expansion is complete though the proportion of demand taken up by the Yanchep District Centre at the nominal build-out period will then fall to 9%.

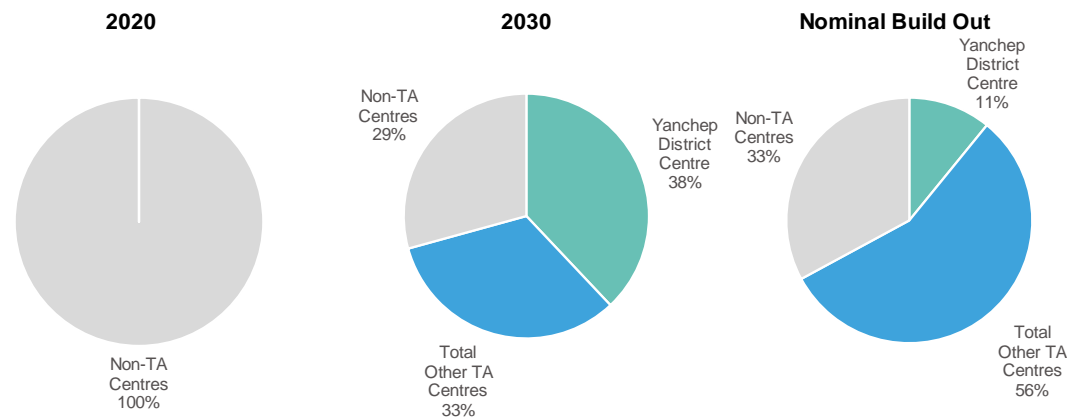
For DDS', all DDS floorspace demand is currently serviced outside of the Trade Area. By 2030, with the development of the proposed DDS at Yanchep District Centre and an additional DDS being operational in the trade area, the volume of leakage to non-TA centres will decrease to 29%. At the nominal build-out date, approximately 11% of DDS floorspace demand will be taken up by the Yanchep District Centre, and 33% of floorspace demand will be serviced by centres outside of the trade area.

Allocation of Supermarket Retail Floorspace Demand by Centre



Source: Urbis, Marketinfo, Urbis Shopping Centre Benchmarks to generate turnover per sq.m rates

Allocation of Discount Department Store Floorspace Demand by Centre



Source: Urbis, Marketinfo, Urbis Shopping Centre Benchmarks to generate turnover per sq.m rates

EMPLOYMENT GENERATION

Key Findings

Employment opportunities within the trade area are somewhat limited, with most residents travelling outside of the catchment to work in major employment centres in the corridor, or in the CBD. An expansion of floorspace in the local area however allows more people to be employed closer to home, with the proposed additional floorspace likely to support an additional 723 full-time, part-time and casual jobs in the area.

These jobs will be across a variety of industries, given the variety of retail and non-retail floorspace uses in the proposed development.

Additionally, there will be construction phase employment generation as this is a substantial development for the local area. Based on construction multipliers, the \$35.3m stage one is anticipated to deliver the following benefits.

- On average, 106 FTE direct & indirect jobs are likely to be supported during construction of the project with the potential for many jobs to be supported locally. This employment will include training and apprenticeship opportunities.
- Total direct and indirect Gross Value-Added to the economy is estimated at \$23.1 million over the construction period of the development.
- Based on similar construction projects, approximately 80-150 persons are anticipated to be employed on site at various times. The number of personnel employed by contractors working off site supplying products for the project is expected to be approximately 50-80.

Ongoing Employment, New Floorspace in Proposed Development

| Floorspace Category | Floorspace | Floorspace per Employee (sq.m) | Total Ongoing Jobs |
|------------------------|---------------|--------------------------------|--------------------|
| Retail | 12,125 | 27.6 | 439 |
| Fast Food | 480 | 11.3 | 42 |
| Medical | 750 | 25.2 | 30 |
| Childcare | 550 | 40.6 | 14 |
| Entertainment (Tavern) | 650 | 30.3 | 21 |
| General Commercial | 1,325 | 21.9 | 61 |
| Other Retail | 3,625 | 33.3 | 109 |
| Fuel | 195 | 28.4 | 7 |
| Total | 19,700 | | 723 |

Source: Urbis, Perth Planning And Land Use Employment Survey (LUES) 2015/17,
Floorspace numbers are based on plans acquired by Urbis created by Taylor Robinson Chaney Broderick.
Other retail includes the combination of 'Shop Retail' and 'Other Retail' Categories from the LUES.

Construction Phase Benefits, Stage One



106

**Total FTE construction
job years supported
(directly and
indirectly)**



\$23.1 M

**Value added (GVA) in the
WA economy
per annum over the
construction phase**

Source: Urbis, REMPLAN, RLB

* Numbers rounded, FTE = Full-Time Equivalent, GVA = Gross Value Added, Indirect benefits refer to Supply Chain effects, but not Consumption Effects

NET COMMUNITY BENEFIT

Key Findings

Overall, the estimated turnover impacts for other activity centres are not considered sufficient enough to warrant refusal of the development given the positive impacts likely to eventuate due to the development. These positive impacts include:

- **Increased consumer choice** associated with the provision of additional retail and commercial amenities;
- **The activation of a strategic site** which has remained under-developed;
- **Increased employment opportunities** in the short term through the construction phase and considerable ongoing employment;
- **Trading Impacts** that will not undermine the activity centre hierarchy for the Yanchep – Two Rocks region; and
- **Community engagement** through the provision of additional dwelling spaces, a landscaped main street precinct, and numerous additional non-retail services not previously featured in the centre.

Net Community Benefit Assessment Findings

| IMPACT | ASSESSMENT FINDINGS |
|---|---|
| Increased Consumer Choice | <ul style="list-style-type: none"> ▪ The proposed retail centre will provide for brand new retail outlets and formats which align closely to retail spending trends and needs. ▪ The centre will provide increased choice and price competition to the local community. |
| Activation of Strategic Site | <ul style="list-style-type: none"> ▪ The development is expected to offer more options for non-retail development, providing numerous commercial, medical, and showroom tenancies that will support business development in the Yanchep area. |
| Increased Employment Opportunities | <ul style="list-style-type: none"> ▪ The construction of the development and the ongoing operation will generate additional employment opportunities for the local community. ▪ The construction phase will support the Covid-19 recovery and support sustainable workloads for local businesses. ▪ Retail centres are also important providers of employment for young workers and workers re-entering the workforce which is highly relevant for this trade area, which has seen and will continue to see a demographic shift towards young families with children that will mature to working age over the next 15 years. |
| Trading Impacts | <ul style="list-style-type: none"> ▪ Currently, retail leakage is relatively high in the trade area, with a large proportion of spending going to other centres in the corridor, and beyond. The development will support a reduction in this level of leakage, without compromising the potential development in other centres, as there will still be a substantial volume of leakage, equivalent to 39% of retail floorspace demand, that will be accommodated in centres outside of the trade area, taking into account the development of planned centres in the trade area. |
| Community Engagement | <ul style="list-style-type: none"> ▪ There are a number of uses provided in the proposed centre which will support increased community engagement, such as a child care, medical, and population based commercial space being offered. ▪ The development will include a main-street precinct with more space to dwell in the centre. |

COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION

The data and information that informs and supports our opinions, estimates, surveys, forecasts, projections, conclusion, judgments, assumptions and recommendations contained in this report (Report Content) are predominantly generated over long periods, and is reflective of the circumstances applying in the past. Significant economic, health and other local and world events can, however, take a period of time for the market to absorb and to be reflected in such data and information. In many instances a change in market thinking and actual market conditions as at the date of this report may not be reflected in the data and information used to support the Report Content.

The recent international outbreak of the Novel Coronavirus (COVID-19), which the World Health Organisation declared a global health emergency in January 2020 and pandemic on 11 March 2020, is causing a material impact on the Australian and world economies and increased uncertainty in both local and global market conditions.

The effects (both directly and indirectly) of the COVID-19 Outbreak on the Australian real estate market and business operations is currently unknown and it is difficult to predict the quantum of the impact it will have more broadly on the Australian economy and how long that impact will last. As at March 2020, the COVID-19 Outbreak is materially impacting global travel, trade and near-term economic growth expectations. Some business sectors, such as the retail, hotel and tourism sectors, are already reporting material impacts on trading performance now and potentially into the future. For example, Shopping Centre operators are reporting material reductions in foot traffic numbers, particularly in centres that ordinarily experience a high proportion of international visitors.

The Report Content and the data and information that informs and supports it is current as at the date of this report and (unless otherwise specifically stated in the Report) necessarily assumes that, as at the date of this report, the COVID-19 Outbreak has not materially impacted the Australian economy, the asset(s) and any associated business operations to which the report relates and the Report Content. However, it is not possible to ascertain with certainty at this time how the market and the Australian economy more broadly will respond to this unprecedented event. It is possible that the market conditions applying to the asset(s) and any associated business operations to which the report relates and the business sector to which they belong could be (or has been) materially impacted by the COVID-19 Outbreak within a short space of time and that it will have a lasting impact. Clearly, the COVID-19 Outbreak is an important risk factor you must carefully consider when relying on the report and the Report Content.

Any Report Content addressing the impact of the COVID-19 Outbreak on the asset(s) and any associated business operations to which the report relates or the Australian economy more broadly is (unless otherwise specifically stated in the Report) unsupported by specific and reliable data and information and must not be relied on.

To the maximum extent permitted by law, Urbis (its officers, employees and agents) expressly disclaim all liability and responsibility, whether direct or indirect, to any person (including the Instructing Party) in respect of any loss suffered or incurred as a result of the COVID-19 Outbreak materially impacting the Report Content, but only to the extent that such impact is not reflected in the data and information used to support the Report Content.

This report is dated **July 2021** 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 **CBRE/FRP Capital** (Instructing Party) for the purpose of a **Retail Sustainability Analysis** (Purpose) and not for any other purpose or use. Urbis expressly disclaims any liability to the Instructing Party who relies or purports to rely on this report for any purpose other than the Purpose and to any party other than the Instructing Party who 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 including wars, civil unrest, economic disruption, financial market disruption, business cycles, industrial disputes, labour difficulties, political action and changes of government or law, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or made in relation to or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

Urbis has made all reasonable inquiries that it believes is necessary in preparing this report but it cannot be certain that all information material to the preparation of this report has been provided to it as there may be information that is not publicly available at the time of its inquiry.

In preparing this report, Urbis may rely on or refer to documents in a language other than English which Urbis will procure the translation of into English. Urbis is not responsible for the accuracy or completeness of such translations and to the extent that the inaccurate or incomplete translation of any document results in any statement or opinion made in this report being inaccurate or incomplete, Urbis expressly disclaims any liability for that inaccuracy or incompleteness.

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 belief on reasonable grounds that such statements and opinions are correct and not misleading bearing in mind the necessary limitations noted in the previous paragraphs. Further, no responsibility is accepted by Urbis or any of its officers or employees for any errors, including errors in data which is either supplied by the Instructing Party, supplied by a third party to Urbis, or which Urbis is required to estimate, or omissions howsoever arising in the preparation of this report, provided that this will not absolve Urbis from liability arising from an opinion expressed recklessly or in bad faith.

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