



# Appendix H

Retail Need Assessment

Author: RPS

# ALKIMOS CENTRAL

## Retail Need and Impact Assessment

Alkimos Central Retail Need  
Assessment  
FINALC  
27 September 2021

## REPORT

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## EXECUTIVE SUMMARY

### Introduction

Alkimos Central is a planned major centre in the North West Corridor of metropolitan Perth collocated with major motorway roads (Mitchell Freeway and Romeo Road Extension) and passenger rail (METRONET Yanchep Rail Line) transport infrastructure and anchoring the Alkimos Eglinton District.

Alkimos Central is the largest activity centre within the District and is recognised as a “Secondary Centre” within the wider Perth Metropolitan activity centre network by State Planning Policy (SPP) 4.2, Directions 2031 and Beyond, Perth and Peel at 3.5m and the North West Sub-Regional Planning Framework.

In particular, the Sub-Regional Planning Framework establishes that:

*Alkimos will support the strategic metropolitan centres with a mix of land uses, including retail, office, high density residential development, entertainment and community services. Alkimos will also be served by an extension of the Joondalup railway line. The centre will require detailed planning to maximise transit-oriented development and sustainable employment opportunities.*

This is the second largest and most prominent centre category within the network, following Strategic Metropolitan Centres like Joondalup and Yanchep (planned).

### Retail Context and Drivers

RPS was engaged by DevelopmentWA to undertake an assessment of the need and impact of future retail floor space if its Alkimos Central project. This is designed to support the development of an updated masterplan and development concept for the project.

Despite the differences in the methodologies and approaches adopted by economic and planning consultants that have been engaged to assess retail need and sustainability for the Alkimos Centre over the past 13 years, there is a high degree of consistency that exists across the time period:

- IBECON (2006) – 65,000sqm
- RPS (2013) – 75,000sqm
- MacroPlan Dimasi (2015) – at least 60,000sqm (reconfirmed in the 2018 Dimasi & Co Report).

Overall, the current retail environment in Western Australia is highly volatile due to the COVID-19 pandemic. This follows a period of depressed economic conditions driven by a combination of below average wage and salary growth, slower population growth and the impact of online retail. Population growth in Western Australia was recovering following an extended period of below average growth, though international and interstate migration levels were significantly impacted by COVID-19 border closures in 2020.

Online retail continues to grow rapidly, though many retail sectors are adapting with their own hybrid online-shop front models, particularly in groceries and discount department stores. The continued emergence and growth of online retail in Australia (including the potential acceleration of growth of Amazon Australia) has the potential to have the largest impact of these factors on Discretionary Spending sectors, which includes Department and Discount Department Stores and Specialty Stores. These shops are most likely to be located within traditional shopping centres, and this may result in a structural change in the format and composition of shopping centres and requires a greater focus on food and beverage, lifestyle and entertainment related uses and activities.

For the Alkimos Central centre, the function of the centre as a Secondary Centre within the metropolitan retail network means it will continue to play a critical role in the delivery of retail floorspace and consumer choice for the wider catchment. Changing trends however, in retail spending and business models is likely to have an impact on the viability of current Department and Discount Department Store models, as well as the role and function of food, beverage and entertainment in anchoring activity.

However, as a Secondary Centre it is expected that both Department Store and Discount Department Stores (or equivalent new larger floor plate formats) will play an important role in the establishment of the new centre, potentially at the expense of the rationalisation or transformation of these formats in other parts of the wider metropolitan network.

Potential implications for the planning for Alkimos Central of emerging trends may be:

- Smaller floor plate Department and DDS offerings;
- Greater numbers of themed DDS or mini major offerings;
- Changes in floor plans and layouts of larger format shop retail to internalise showroom and distribution functions;
- Integration of food, beverage and entertainment spaces into traditional Department and DDS offerings.

**Trade Catchment Definition and Expenditure**

Based on accessibility attributes and constraints outlined in this report, RPS has defined a three part Main Trade Area for this assessment:

**Table 1 Suburbs in the Alkimos Central Trade Areas**

<b>PRIMARY</b>	<b>SECONDARY SOUTH</b>	<b>SECONDARY NORTH</b>
Eglinton	Quinns Rocks	Yanchep
Alkimos	Clarkson	Two Rocks
Butler	Mindarie - Tamala Park	
Jindalee	Merriwa	
	Ridgewood	

RPS has reviewed population data from multiple sources to inform the preparation of the Retail Need Assessment for Alkimos Central. This includes:

- ABS Census of Population 2016 from the Australian Bureau of Statistics<sup>1</sup>;
- ABS Estimated Residential Population, by SA2, from the Australian Bureau of Statistics<sup>2</sup>;
- WA Tomorrow No.11 Population Projections by SA2 from WAPC<sup>3</sup>;
- Forecast ID Population Projections by Suburb for the City of Wanneroo.

Overall, Forecast ID was used as the primary population data source. Forecast ID population projections draw on ABS Census and ERP data sets as their baseline and then project forward based on a number of factors including developable area/potential, household formation rates and sizes and migration and

<sup>1</sup> ABS (2017) Census of Population and Housing, 2016, Australian Bureau of Statistics, Canberra

<sup>2</sup> Note 12

<sup>3</sup> WAPC (2018) WA Tomorrow No.11 Population Forecasts 2016 to 2031, by SA2, accessed at v



demographic attributes. This data is also superior to WA Tomorrow No.11 in that it applies to smaller geographies (suburbs vs SA2s) and extends out to 2041 (rather than 2031 for WA Tomorrow). The population projections utilised in this retail assessment are summarised in the table below.

**Table 2 Population Projections, by Alkimos Central Trade Area, 2021 to 2041**

Trade Areas	2021	2026	2031	2036	2041
Primary	43,174	60,994	77,212	89,736	94,523
Secondary S	44,534	48,540	50,081	50,547	50,479
Secondary N	18,300	24,971	34,099	47,328	65,891
<b>Total</b>	<b>106,008</b>	<b>134,505</b>	<b>161,392</b>	<b>187,611</b>	<b>210,893</b>

RPS has applied location specific expenditure profiles from MarketInfo2018 to the population of each of the Trade Areas. The results are summarised in the following table.

**Table 3 Total Expenditure Pool, Shop and Bulky Goods Retail Categories, by Trade Area, Alkimos Central, 2021<sup>4</sup> to 2041**

Trade Area	Retail Category	2021	2026	2031	2036	2041
Primary	Shop Retail Total	\$511.5	\$768.9	\$1,035.8	\$1,280.9	\$1,435.7
	Bulky Goods Total	\$143.5	\$215.7	\$290.6	\$359.4	\$402.8
Secondary North	Shop Retail Total	\$221.5	\$302.3	\$412.8	\$572.9	\$797.6
	Bulky Goods Total	\$59.6	\$81.3	\$111.0	\$154.1	\$214.5
Secondary South	Shop Retail Total	\$586.0	\$638.7	\$659.0	\$665.1	\$664.2
	Bulky Goods Total	\$171.1	\$186.4	\$192.4	\$194.1	\$193.9
Main Trade Area	<b>Shop Retail Total</b>	<b>\$1,319.0</b>	<b>\$1,709.9</b>	<b>\$2,107.5</b>	<b>\$2,518.9</b>	<b>\$2,897.5</b>
	<b>Bulky Goods Total</b>	<b>\$374.1</b>	<b>\$483.4</b>	<b>\$593.9</b>	<b>\$707.6</b>	<b>\$811.2</b>

### Market Shares and Floor Space Requirements

Different centres in the Perth Metro retail hierarchy play different roles in meeting the retail expenditure needs. Secondary Activity Centres such as Alkimos Central are traditionally anchored by regional or large sub-regional centres, and account for up to 25% of retail floorspace needs including a full mix of groceries/food, department and discount department store and specialty retail.

For the purpose of this assessment, RPS has applied broad market shares for Alkimos Central across all retail categories. This differs from the retail category specific market shares and instead reflects the role and function. This reflects the fact that there is not currently a concept for the delivery of shop and Bulky Goods retail at Alkimos Central. Similarly, the purpose of this assessment is to provide insights and guidance on the potential massing of shop and Bulky Goods retail floor space in the centre.

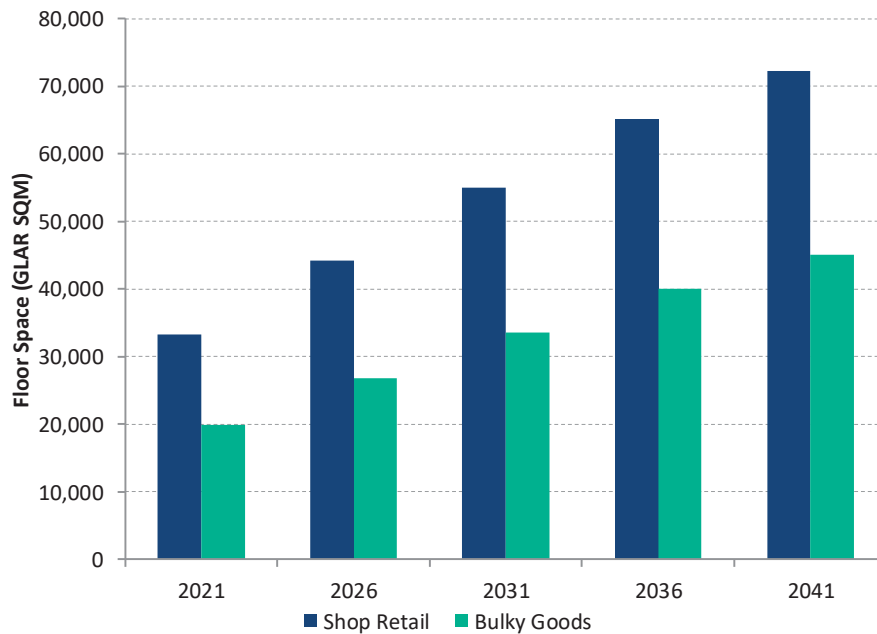
**Table 4 Alkimos Central Market Shares, by Shop and Bulky Goods, by Trade Area**

Catchment	Shop Retail	Bulky Goods
Primary	25.0%	30.0%
Secondary South	10.0%	10.0%
Secondary North	12.5%	20.0%

<sup>4</sup> Note, expenditure projections commence in 2021 as this is the earliest date at which investment decisions regarding the retail offering at the centre are likely to occur.

Overall, higher market shares are expected for Alkimos in the Primary Trade Area across both Shop and Bulky Goods Retail. These higher shares are normal for a Secondary Centre’s primary catchment and reflects the role and function of the centre in the Main Trade Area as a whole.

Applying these local market shares and retail turnover density assumptions to the Shop and Bulky Goods Retail expenditure, RPS estimates that by 2041, Alkimos Central could sustain upwards of 72,300sqm (Gross Lettable Area – Retail) of Shop Retail floor space and a further 45,050sqm of Bulky Goods floor space.



**Figure 1 Sustainable Retail Floor Space, Shop Retail and Bulky Goods, Alkimos Central 2021 to 2041**

**Retail Staging Recommendations**

RPS recommends a progressive staging of Alkimos Central Shop Retail floor space. This staging seeks to position Alkimos Central to fulfil the optimal retail role and function in the District as the population of the catchment establishes, before evolving with Stages 2 and 3 into a Secondary Centre retail destination of choice. Refer to section 8.3 for detail.

Early activation of the site with interim, temporary uses in the short-term is often an effective mechanism for establishing consumer exposure to the site prior to the creation of a more formal retail offering. Early activation will be achieved through a Stage 1 development that includes a Town Square and Community Hub building. The Community Hub will be located adjacent the Town Square and opposite the Train Station with the intent for it to be used as a mixed use building for the community which will likely include a small café/restaurant and some space for aspiring local businesses to utilise before more permanent built form infrastructure is delivered in later stages.

**Conclusions**

Previous analysis of the retail potential of Alkimos Central (previously Alkimos City Centre or Alkimos Secondary Centre) have indicated a Shop Retail potential of at least 60,000sqm Gross Lettable Area – Retail (equivalent to Net Lettable Area). Since this time, more recent population projections for Alkimos and Eglinton have become available and the settlement pattern of the District is becoming more apparent and understood. Additionally announcements have been made regarding the imminent investment and delivery of catalytic road and rail transport infrastructure. This combination of population growth and infrastructure investment means the prospects and timing of the retail development of Alkimos Central have changed.

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Analysis in this report is regarded as realistic. Lessons have been learnt from previous analysis regarding both the likely extent of the Primary Trade Area and the growth rates of real expenditure in both the Primary and Secondary Trade Areas. These changes have contributed to estimates in 2041 of a total of over 72,000sqm GLAR of Shop Retail and over 45,000sqm GLAR of Bulky Goods/Showroom retail. This is regarded as appropriate and consistent with Alkimos Central's role as a centrally located Secondary Centre within the North West Corridor.

# 1 INTRODUCTION

## 1.1 Background and Context

Alkimos is a suburb on the North West Coast of the Perth Metropolitan Area within the City of Wanneroo. The Alkimos Eglinton District is currently subject to an approved Activity Centre Structure Plan that provides a planning framework for the creation of a vibrant, sustainable new coastal community.

### 1.1.1 Alkimos and Alkimos Central

Alkimos Central is the largest activity centre within the District Structure Plan and is recognised as a “Secondary Centre” within the wider Perth Metropolitan activity centre network by State Planning Policy (SPP) 4.2, Directions 2031 and Beyond, Perth and Peel at 3.5m and the North West Sub-Regional Planning Framework.

In particular, the Sub-Regional Planning Framework establishes that:

*Alkimos will support the strategic metropolitan centres with a mix of land uses, including retail, office, high density residential development, entertainment and community services. Alkimos will also be served by an extension of the Joondalup railway line. The centre will require detailed planning to maximise transit-oriented development and sustainable employment opportunities.*

This is the second largest and most prominent centre category within the network, following Strategic Metropolitan Centres like Joondalup and Yanchep (planned).

### 1.1.2 Rail and Road Investments

A key factor requiring an update to retail and economic analysis previously undertaken for Alkimos Central is major proposed and planned transport infrastructure. Namely, this includes:

- The extension of passenger rail infrastructure to Yanchep as part of the METRONET project including a new Station at Alkimos Central; and
- the extension of the Mitchell Freeway to Alkimos including Romeo Road.

Both transport projects are currently under construction and are targeted for completion in 2022-23.

#### Yanchep Rail Extension

The Yanchep Rail Extension is a 14.5km project that will deliver the last proposed section of the Joondalup rail line from Butler to Yanchep, helping to support ongoing growth in the area, as well as reducing road congestion. In the short-term, the Yanchep Extension Project will help develop activity centres by stimulating new employment opportunities in the Yanchep Strategic Metropolitan Centre and supporting higher density land use. In the long-term, the extension will help move the more than 150,000 future Yanchep-Two Rocks residents.

## 1.2 Research Purpose

RPS was engaged by DevelopmentWA to undertake an assessment of the need and impact of future retail floor space if its Alkimos Central project. This is designed to support the development of an updated masterplan and development concept for the project.

The area encompasses the proposed Alkimos Secondary Centre, identified in the Alkimos Eglinton District Structure Plan, Perth & Peel @3.5M North West Sub Regional Planning Framework and Directions 2031. Alkimos Central is the largest centre within the Alkimos Eglinton District Structure Plan area and is collocated with the planned extensions of the Yanchep Rail Line and the Mitchell Freeway and the existing Marmion Avenue.

The approved Alkimos City Centre Local Structure Plan No 89, identified the potential for approximately 3,335 dwellings in the Alkimos Central area by 2050<sup>5</sup>. It also evaluated the dwelling yield potential and targets for the City Centre against both the requirements under the Alkimos Eglinton District Structure Plan and the SPP 4.2.

The analysis by RPS in this report is designed to answer several retail-related questions:

- What are the current and emerging trends in retail in Australia and what are the implications for Alkimos Central?
- What is the need for Shop Retail floor space at Alkimos Central, based on its role and function and relationship with other Centres within and outside of the Alkimos Eglinton District?
- What is the impact, if any, on other major retail and activity centres within the North West Corridor of Perth, including the Strategic Metropolitan Centres of Joondalup and Yanchep?
- What is the need for showroom and bulky good retail floor space at Alkimos Central, based on its role and function and relationship with other Centres within and outside of the Alkimos Eglinton District?
- What is the notional timing and staging of the development of retail floor space in Alkimos Central and what opportunities exist for innovation in retail format?

This analysis draws on custom and tailored retail needs modelling by RPS as well as desktop research and best practice case study analysis from around Australia.

## 1.3 Summary of Previous Alkimos Central Retail Assessments

RPS has also undertaken a review of previous retail and city centre design work, as part of Stage 1 of its engagement with DevelopmentWA. This report is provided separately, but the summary of key findings are provided below.

Despite the differences in the methodologies and approaches adopted by economic and planning consultants that have been engaged to assess retail need and sustainability for the Alkimos Centre over the past 13 years, there is a high degree of consistency that exists across the time period:

- IBECON (2006) – 65,000sqm
- RPS (2013) – 75,000sqm
- MacroPlan Dimasi (2015) – at least 60,000sqm (reconfirmed in the 2018 Dimasi & Co Report).

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<sup>5</sup> LandCorp (2013) Alkimos City Centre Activity Centre Structure Plan, Part Two: Explanatory Sections, accessed at [http://www.wanneroo.wa.gov.au/downloads/file/2500/draft\\_alkimos\\_city\\_centre\\_activity\\_centre\\_structure\\_plan\\_no\\_89\\_-\\_part\\_2](http://www.wanneroo.wa.gov.au/downloads/file/2500/draft_alkimos_city_centre_activity_centre_structure_plan_no_89_-_part_2)

A factor that contributes to this consistency is the similar approach adopted by the consultants in defining the Catchment of Alkimos Central, namely the adoption of a somewhat expansive catchment that allowed for inter-centre role and function in retail offering to be assessed (particularly between the centres of Alkimos and Yanchep).

However, a number of differences were also identified. The sqm/person approach adopted by IBECON and MacroPlan Dimasi and Dimasi & Co is no longer regarded as industry practice in retail economics, with microsimulation expenditure estimates now the preferred model in estimating local expenditure.

Similarly, it is important to recognise that the size of the potential population within the Alkimos Eglinton District assumed by the consultants and the timing at which this population is reached varies significantly. While IBECON assumed a level of 57,000 people by 2031/32, recent projections by Forecast ID for the City of Wanneroo and used by Dimasi & Co suggest a population of 68,187 by 2041. This is a higher end population but almost a decade later. The state of the retail competition in the wider market has evolved during this time as well. While Clarkson was only considered by IBECON due to the wider nature of the Study Area defined in 2006, that Centre has generally grown larger than earlier expectations and is now approaching 40,000sqm. This additional floor space likely extends Clarkson's catchment further north than the Secondary South Catchment/Trade Areas previously defined by MacroPlan Dimasi and RPS. While this is unlikely to impact the extent of this catchment, it is likely to impact the expenditure market share Alkimos Central is expected to secure from this secondary catchment.

Finally, none of the assessments appeared to factor in the more recent announcements and subsequent investment certainty relating to the Yanchep Rail line extension and Mitchell Freeway extension. Mostly this was because the research pre-dated the announcement of the transport infrastructure investments or was narrower in scope (i.e. the review undertaken by Dimasi & Co). For the most part, the investments in rail and highway infrastructure are earlier than previously considered by the consultants and so it is likely to result in a greater extent and reach of the catchment for Alkimos Central than previously defined, as well as potentially support a more accelerated staging of the development.

## 1.4 Assessment Structure

The Alkimos Central Retail Need and Impact Assessment is comprised of the following key sections:

- **Introduction** – outline of the background, purpose and structure of the research and report;
- **Key Trends in Retail** – a summary of current and emerging trends in retail in Australia and around the world, including demographic/generational, expenditure, technological and format changes, challenges and opportunities;
- **Policies and Planning Overview** – a summary of key policies and plans that influence retail development in Alkimos Central;
- **Trade Catchment Definition** – defines the trade Catchment for consideration, including alignment with statistical geographies,
- **Population and Expenditure Profile of Alkimos Central** – summary of the population and socio-economic profile of the Alkimos Central Trade Area and the size and drivers of the total expenditure pool;
- **Role of Alkimos Central** – define the role of Alkimos Central in the Main Trade Area in meeting Shop and Bulky Goods Retail and relevant market shares from each Trade Area;
- **Floor Space Requirements and Impacts** – estimates of floor space requirements to meet the expenditure needs at Alkimos Central and analysis of potential impacts on competitor centres;
- **Staging Recommendations** – recommendations on the staging and timing of Shop Retail development at Alkimos Central, benchmarking against case study centres; and
- **Conclusions**– summary of conclusions in the report.

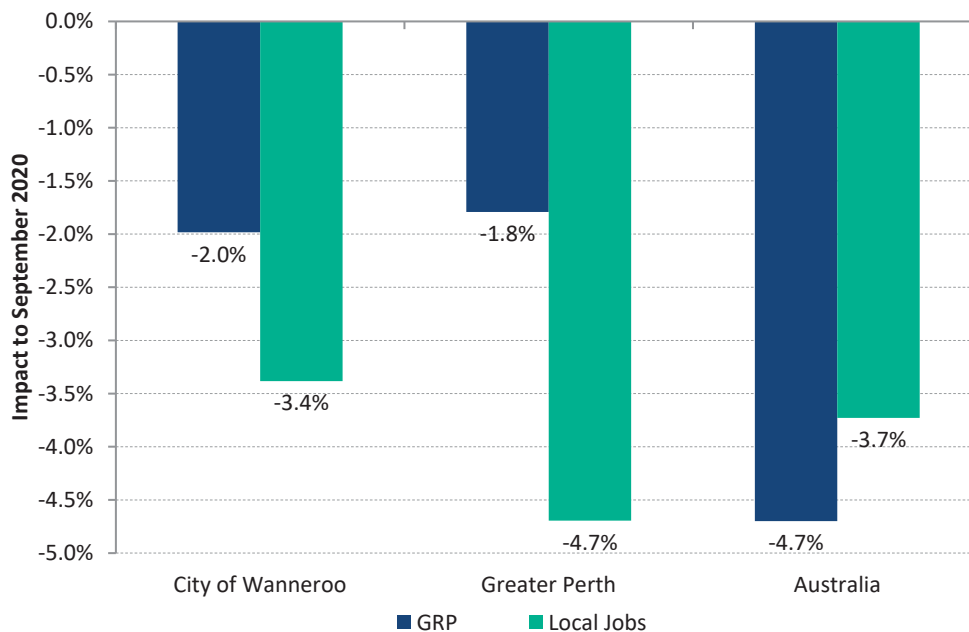
## 1.5 Glossary and Abbreviations

The following terms and abbreviations are used within this report.

Term/Abbreviation	Definition
ABS	Australian Bureau of Statistics
CBD	Central Business District
DS	Department Store
DDS	Discount Department Store
ERP	Estimated Residential Population
HES	Household Expenditure Survey
MDS	Market Data Systems
RTD	Retail Turnover Density
SA2	Statistical Area Level 2
SMC	Strategic Metropolitan Centre
SPP	State Planning Policy
WAPC	Western Australian Planning Commission

## 1.6 Implications of COVID19

The majority of analysis for this report occurred during the onset of the COVID19 pandemic. Analysis by Profile.ID for the City of Wanneroo indicates that in the year to September 2020, the Wanneroo LGA experienced a decline of Gross Regional Product of 2.0%, more than Greater Perth of -1.8% but less than Australia of -4.6% (reflecting the larger impact on the NSW and Victorian economies). Despite this, local jobs and employment was less significantly impacted than both Greater Perth (-4.7%) and Australian (-3.7%) economies, with the City of Wanneroo experiencing a decline over the year of only -3.4%.



**Figure 2** Gross Regional Product (GRP) and Jobs Impacts of COVID-19, Wanneroo (C), Greater Perth and Australia, Year to September 2020<sup>6</sup>

<sup>6</sup> ID (2021) COVID-19 Impact Tool – City of Wanneroo accessed at <https://economy.id.com.au/wanneroo/covid19-quarter-impacts>

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While the economic impacts of COVID-19 are increasingly understood, the long-term implications for consumer and household dwelling preferences are not. It is possible that the pandemic, and associated social distances and travel restrictions, may accelerate emerging trends in areas such as house and amenity/service collocation/integration and Small Office/Home Office (SOHO) type offerings.

At this stage, the advice from State and Federal Treasuries is for analysis on long-term housing, retail, and economic trends to rely upon existing population and economic projections, assuming the impact of COVID19 is contained to the short-term only.



## 2 RETAIL ENVIRONMENT IN WESTERN AUSTRALIA

This section provides an overview of recent and current trends in the retail environment in Western Australia and the City of Wanneroo and the potential implications for planning and designing Alkimos Central.

### Key Findings:

- Retail spending in WA was depressed until 2019/2020 by a combination of below average population and wage and salary growth, household debt deleveraging, mining sector investment recovery and generational change. Additionally, online retail is impacting a number of traditional retail sub-sectors.
- Spending levels had begun to recover in late 2019 and early 2020 in response to positive population growth, though COVID-19 restrictions saw both population growth slow and spend volatility increase significantly.
- New technologies and changing business models are also presenting opportunities for retail developments including the growing prominence of food and entertainment precincts as well as new shop front models for online and membership-based retail.

### 2.1 Recent Trends in Retail Spending

Prior to COVID-19, Western Australia retail growth had lagged that of Australia, as below average wage and salary growth acted as a headwind to greater levels of spending. Retail expenditure growth declined more steadily from 2016/17 onwards and was negative in 2018/19 before experiencing a rapid recovery back to positive growth in the first half of 2020.

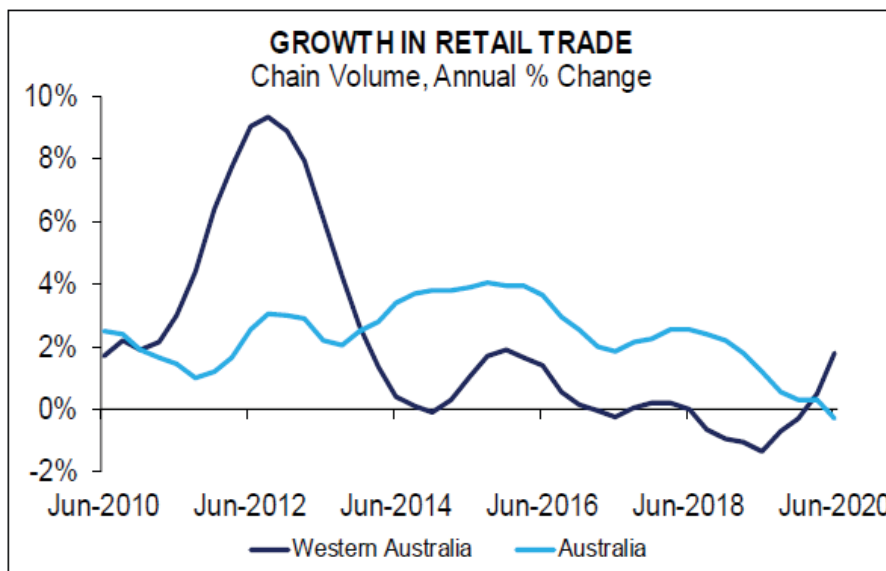


Figure 3 Growth in Retail Trade, WA and Australia June 2010 to June 2020<sup>7</sup>

<sup>7</sup> WA Treasury (2019) Western Australian Economic Notes, Retail Trade June 2012, accessed at [https://www.treasury.wa.gov.au/uploadedFiles/Treasury/Economic\\_Data/retail-trade-Jun-2020.pdf](https://www.treasury.wa.gov.au/uploadedFiles/Treasury/Economic_Data/retail-trade-Jun-2020.pdf)

However, the COVID19 pandemic and associated transaction and movement restrictions has significantly increased both the scale and volatility of growth in retail sales in March 2020 quarter. Data from WA Treasury highlights the degree to which lockdowns and associated consumer behaviours (such as stockpiling) significantly increased monthly retail sales volatility in the state – volatility that has continued.

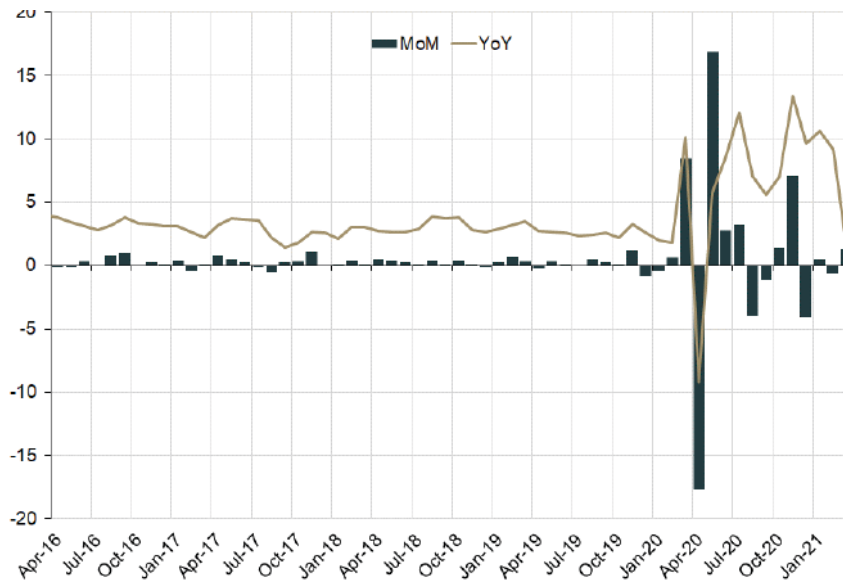


Figure 4 Growth in Retail Trade, Australia, April 2016 to July 2021<sup>8</sup>

## 2.2 Population Growth Trends

Expenditure growth in Western Australia was significantly impacted by a slowing of population growth between 2016 and 2018. A trend of negative interstate migration over the 5 years to 2018 resulted in population growth falling to a third of the long-term average. Despite this, natural increase and international migration levels have remained broadly positive and population growth trends across Perth varied.

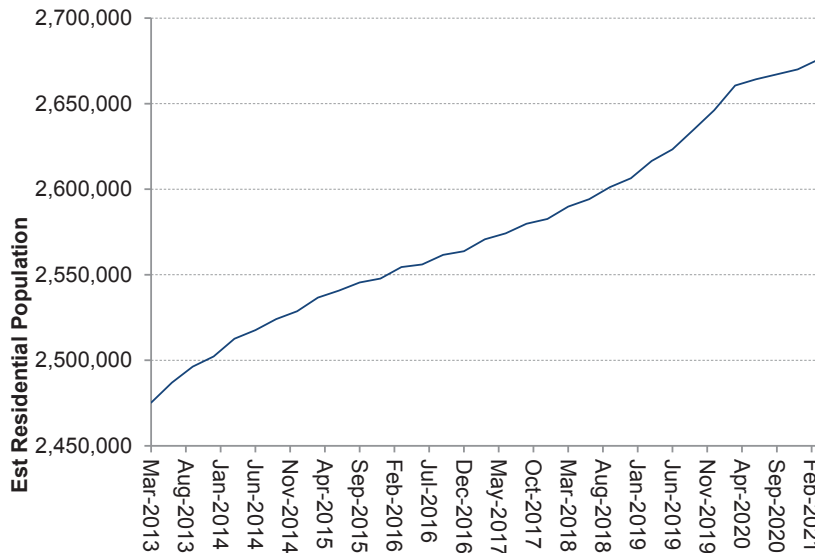


Figure 5 Population Growth, WA, 2013 to 2021<sup>9</sup>

<sup>8</sup> WA Treasury (2021) Western Australian Economic Notes, Retail Trade March 2021, accessed at [wac.wa.gov.au/wp-content/uploads/2021/05/Retail-Trade-March-2021.pdf](http://wac.wa.gov.au/wp-content/uploads/2021/05/Retail-Trade-March-2021.pdf)

<sup>9</sup> ABS (2021) Estimated Residential Population, Cat No 3101.0, Australian Bureau of Statistics Canberra

Growth had begun to accelerate and recover again in 2019 as mining related sectors improved in response to health global economic conditions. However, growth slowed again from March 2020 as movement restrictions and border closures limited interstate and international migration.

## **2.3 Role of Online Retail**

Another more structural factor impacting on the future prospects of the retail sector is the continued growth in online retail and B2C e-commerce. In 2019, Australia's online retail market was valued at \$28.6b (approximately 9%), which is expected to grow to \$35.2b by 2021. As of 2019, 80.8% of Australians shopped online<sup>10</sup>.

The largest impact of retail trading is on Department and Variety/Specialty Stores, including electronics, fashion/clothing, media and homewares and appliances major categories. These products are also more likely to come from overseas, with 57% of online retail expenditure being directed to sites outside of Australia, namely the US and China<sup>11</sup>.

Online retail however also increasingly features as part of the offering of local traditional "bricks and mortar" retailers. Food and grocery retailers (such as Woolworths and Coles) are the most prominent Australian online retailers, followed by online fashion (e.g. the Iconic), discount department stores (i.e. Kmart and Target), electronics (e.g. JB Hi-Fi) and Department Stores (e.g. Myers). Amazon Australia has had a very slow entry to the market and continues to underperform in Australia relative to the US and other markets in which it is operating despite high take up rates by Australians of online retail, due to decisions regarding restriction of Australian access to the US site and the comparatively limited stock offering in Australia. Securing further partners as well as providing comparable shipping options as in the US is likely to see Amazon Australia play a larger role. However, this is likely to require significant changes in Amazon's Australian business model to optimise operations within the local market<sup>12</sup>.

COVID19 has also contributed to an acceleration in growth in online retail, with strong growth in the early part of 2020 in both food and non-food categories – spend that has broadly stabilised at these stronger levels at the time of this report.

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<sup>10</sup> Statista (2019) Statista Digital Market Outlook accessed at <https://www.statista.com/outlook/digital-markets>

<sup>11</sup> Australia Post (2019) Inside Australian Online Shopping accessed at [https://auspost.com.au/content/dam/auspost\\_corp/media/documents/2019-ecommerce-industry-report-preview.pdf](https://auspost.com.au/content/dam/auspost_corp/media/documents/2019-ecommerce-industry-report-preview.pdf)

<sup>12</sup> Claire Webber (2019) How Amazon will change the Australian retail landscape in 2019 accessed at <https://www.adnews.com.au/opinion/how-amazon-will-change-the-australian-retail-landscape-in-2019>

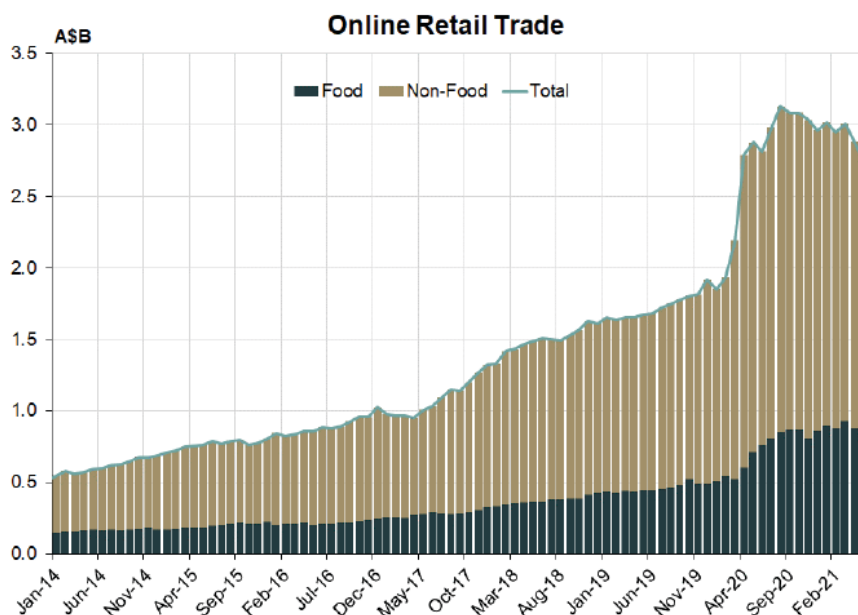


Figure 6 Online Retail Trade Spend, Western Australia, January 2014 to March 2021<sup>13</sup>

Online food spend in particular continued to the first quarter of 2021 as increased exposure to online food retailing (approximately 15%) during the pandemic appears to have translated to a greater structural level of acceptance and adoption in the Western Australian market.

## 2.4 Changing Retail Drivers, Formats and Models

Retail is undergoing a transformation in Australia and the world as a diverse range of interrelated trends are challenging traditional models and driving new innovation. At the same time, depressed wage and salaries growth, generational change and emerging technologies are influencing how customers engage and interact with retailers, driving further model changes and adaption. A summary of key trends in retail are outlined below.

Table 5 Summary of Key Trends in Retail Development

TREND	DESCRIPTION	IMPACTS	IMPLICATIONS FOR ALKIMOS CENTRAL
<b>Generational Change</b>	The core spending demographic has shifted from Baby Boomers and Gen X to Millennials and Gen Z. This transition has seen a shift in household spending priorities, in response to reduced disposable income. It has also seen focus shift from product-based consumption to experience-based consumption, reflected in cafes and restaurants, entertainment and travel.	Traditional Shop Retail in non-perishable product-oriented sectors expected to grow at a slower rate than historical while cafes and restaurants, cinemas and entertainment precincts are growing more rapidly.	The role of DDS and Department Store retail at Alkimos Central likely to be less significant than comparable size centres. In contrast, strong focus needs to be afforded entertainment, lifestyle. Bulky goods and showroom retail likely to become less prominent, while footprints for some retailers may decline.
<b>Household Debt De-Leveraging</b>	Since the GFC, per capita credit card debt levels have been declining, as households have actively sought to deleverage in response to minimal wage and salary growth.	Retail spending in the short-to-medium term expected to grow at or below wage and salary growth. In the current period of slow wage and salary growth, a lack of credit card debt growth will further	Retail growth in Alkimos Central likely to lag traditional centres, particularly in terms of the timing of DDS and DS components. However, specialty and experiential retailers expected to prove to be

<sup>13</sup> WA Government (2021) Retail Trade Economic Notes March 2021, accessed at <https://www.watc.wa.gov.au/economic-services/economic-analysis/economic-indicators/retail-trade/>

TREND	DESCRIPTION	IMPACTS	IMPLICATIONS FOR ALKIMOS CENTRAL
		depress product-based retail expenditure.	more prominent earlier in the development.
<b>Online Retail and Shift to Retail Showcase and Hubs</b>	Online retail is becoming more and more prominent. Current online retail transactions are limited in value, as consumers retain a preference for the physical purchase and inspection of larger products.	This trend has displaced some retailers in gaming, music and other digital sectors, while shifting other retailers into membership and showcase models. This is best illustrated by Nespresso and their physical store expansion to offer an experiential cafe-style environment in support of their principally online business.	Customer interaction with retail shop fronts at Alkimos Central may become less transactional and more experiential as retailers adopt membership and showcase models of operation. This may influence retail shop formats and centre design.
<b>Integration of Health and Wellness Products</b>	The ageing of the Baby Boomer Generation, coupled with a growing focus on wellness as a life goal and an experiential product, is driving demand for health and medical services. Health already represents a major tenant in retail centres and precincts across the country, often occupying tenancies on main street and second level locations.	The blurring of health and retail will see the retail model already in place for optometry expand into audiology, podiatry, physiotherapy, physiology and dieticians. These tenancies will offer both products as well as services.	Alkimos Central has the potential to accommodate significant health and medical offerings, both in the form of a standalone health precinct as well as an integrated part of the retail offering.
<b>Retail Converting to Warehouse</b>	The shift to online retail requires significant supply chain, transport and logistics capacity. This means that any loss of floor space in retail centres is likely to be replaced by warehouse and transport sectors.	Well placed logistics and warehouse precincts, centrally located within extended catchments and located close to major traditional retail centres, are likely to be highly competitive.	Alkimos Central has the potential to offer both a critical mass of traditional Shop Retail, as well as warehouse and logistics support with access to major highway, centrally located in the Corridor.
<b>Discount Department Store Model</b>	As at the time of this assessment, the discount department store retail model was under considerable pressure, with major providers (such as Target, Kmart and BigW) either rationalising or converting stores. This format has experienced the largest impact from online retail and technological changes, resulting in newer format stores and layouts across the network.	Discount department stores currently represent a major tenant group for larger shopping centres, acting as an anchor tenant and a consumer draw through traditional internal malls. Challenges being experienced with the viability of DDS means that some of these anchors may be closed, impact existing store viability and performance and requiring redevelopment to account for interrupt consumer movement patterns.	While the long-term viability of the current discount department store model is unknown, it is expected that, as a Secondary Centre, Alkimos Central is likely to continue to accommodate discount department store offerings in the future and is unlikely to be impacted by long-term store network rationalisation. However, changes in the format mean that consideration should be given to ensuring that a diversity of tenancy sizes (including those currently accommodating Mini-Major and DDS stores) continue to be offered to help accommodate emerging larger floorplate formats in the future.
<b>COVID-19</b>	While the long-term impact of COVID-19 on retail expenditure is not yet clear, early indications are that it has entrenched and accelerated the take up of online retail in supermarket and food segments while also substantially increasing volatility in the overall sector.	Supermarket and food sector retail models are likely to see an accelerated change to incorporating online options into all stores, while entertainment, cafes, restaurant and homewares and bulky goods sectors are expected to see growth in response to the removal of restrictions.	It is likely that Alkimos Central will need to be planned and designed to incorporate and facilitate more modern and emerging models of retail sooner than previously expected.

## 2.5 Implications for Alkimos Central

Overall, the current retail environment in Western Australia is highly volatile due to the COVID-19 pandemic. This follows a period a depressed economic conditions driven by a combination of below average wage and salary growth, slower population growth and the impact of online retail. Population growth in Western Australia was recovering following an extended period of below average growth, though international and interstate migration levels were significantly impacted by COVID-19 border closures in 2020.

Online retail continues to grow rapidly, though many retail sectors are adapting with their own hybrid online-shop front models, particularly in groceries and discount department stores. The continued emergence and

growth of online retail in Australia (including the potential acceleration of growth of Amazon Australia) has the potential to have the largest impact of these factors on Discretionary Spending sectors, which includes Department and Discount Department Stores and Specialty Stores. These shops are most likely to be located within traditional shopping centres, and this may result in a structural change in the format and composition of shopping centres and requires a greater focus on food and beverage, lifestyle and entertainment related uses and activities.

For the Alkimos Central centre, the function of the centre as a Secondary Centre within the metropolitan retail network means it will continue to play a critical role in the delivery of retail floorspace and consumer choice for the wider catchment. Changing trends however, in retail spending and business models is likely to have an impact on the viability of current Department and Discount Department Store models, as well as the role and function of food, beverage and entertainment in anchoring activity.

However, as a Secondary Centre it is expected that both Department Store and Discount Department Stores (or equivalent new larger floor plate formats) will play an important role in the establishment of the new centre, potentially at the expense of the rationalisation or transformation of these formats in other parts of the wider metropolitan network.

Potential implications for the planning for Alkimos Central of emerging trends may be:

- Smaller floor plate Department and DDS offerings;
- Greater numbers of themed DDS or mini major offerings;
- Changes in floor plans and layouts of larger format shop retail to internalise showroom and distribution functions;
- Integration of food, beverage and entertainment spaces into traditional Department and DDS offerings.

### 3 POLICY AND PLANNING OVERVIEW

This sub-section reviews the relevant planning documents for the surrounding Alkimos Central Area and the wider Alkimos Eglinton District, which are briefly discussed below.

The following documents have been assessed to provide an understanding of the consistency of the proposed retail and Bulky Goods development at Alkimos Central:

- State Planning Policy 4.2 Activity Centres for Perth and Peel;
- North West Sub-Regional Planning Framework 2018;
- City of Wanneroo Strategic Community Plan 2017/18 – 2026/27; and
- City of Wanneroo Economic Development Strategy 2016 to 2021.

#### Key Findings:

- Alkimos is identified as a Secondary Centre in SPP 4.2, Directions 2031 and the North West Sub-Regional Planning Framework 2018.
- Alkimos Central anchors a sub-regional retail network that includes multiple District, Neighbourhood and Local Centres.
- Approximately 20,000 jobs are required at Alkimos Eglinton in the future.

#### 3.1 State Planning Policy 4.2 – Activity Centres for Perth and Peel

The State Planning Policy 4.2 Activity Centres for Perth and Peel (the Policy) was gazetted in August 2010 for the planning and development of activity centres throughout Perth and Peel and supersedes the previous Metropolitan Centres Policy.

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

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

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

- **The Perth CBD** - the largest centre and peak of the hierarchy, providing the largest concentration of floor space and activity in Perth Metro, with the widest range of services and employment facilities.
- **Strategic Metropolitan Centres** – The Strategic Metropolitan Centres are the main regional activity centres, providing a diverse mix of economic and community uses for their extensive catchments. Identified Strategic Metropolitan Centres include Yanchep, Joondalup, Currambine, Morley, Midland,



Fremantle, Cannington, Armadale, Rockingham and Mandurah. The North West Corridor Perth region is home to two Strategic Metropolitan Centre, at Joondalup and Yanchep.

- **Secondary Centres** – There are 19 Secondary Centres spread across the Perth Metro area. Secondary Centres offer a diverse range of services and facilities, including community and economic opportunities. Alkimos Central is identified as a Secondary Centre in the hierarchy.
- **District Centres** – A network of District Centres is distributed throughout Perth Metro that supplement and complement the Secondary Centres. These centres are principally focused on meeting the daily and weekly needs of local residents.
- **Neighbourhood and Local Centres** – Such centres are expected to provide local community hubs to service the day-to-day needs of the immediately surrounding residents. The Policy does not provide the locations of the neighbourhood centres, but emphasises their important roles, which should be recognised in local planning strategies and structure plans.

### 3.2 North West Sub-Regional Planning Framework 2018

The North West Sub-Regional Planning Framework summarises State strategic planning and planning scheme attributes of the North West sub-region of Perth Metro. This includes identification of Alkimos Central as a Secondary Centre under Directions 2031 and as a City Centre under the Planning Framework.

The Alkimos Secondary Centre is described in the Sub-Regional Planning Framework as:

*Alkimos Town Centre is an emerging secondary centre located between Joondalup and Yanchep. As a secondary centre, Alkimos will support the strategic metropolitan centres with a mix of land uses, including retail, office, high density residential development, entertainment and community services.*

*Alkimos will also be served by an extension of the Joondalup railway line. The centre will require detailed planning to maximise transit-oriented development and sustainable employment opportunities.<sup>14</sup>*

The Planning Framework seeks to summarise the relevant activity centres identified for the sub-region under both SPP 4.2 and the Yanchep-Two Rocks District Structure Plan. These centres are outlined below.

Hierarchy classification	Activity centre		
Strategic metropolitan centre	Joondalup Yanchep*		
Secondary centre	Alkimos* Clarkson Two Rocks North*	Wanneroo Warwick Whitfords	
District centre	Alexander Heights Butler* Currambine Eglington*	Girrawheen Greenwood Madeley Neerabup	Sorrento Woodvale Yanchep Centres C*, E*, F* and K*

**Figure 7 Activity Centres, Current and Planned, North West Sub-Region**

<sup>14</sup> DPLH (2019) North West Sub-Regional Planning Framework 2018, Department of Planning, Lands and Heritage, Perth accessed at [https://www.dplh.wa.gov.au/getmedia/0c8b1bf4-5fc7-4bd0-946f-156cb78016d3/FUT-PP-North-West\\_Sub\\_Region\\_March2018](https://www.dplh.wa.gov.au/getmedia/0c8b1bf4-5fc7-4bd0-946f-156cb78016d3/FUT-PP-North-West_Sub_Region_March2018)



Of these Activity Centres:

- Alkimos, Eglinton and Butler are located within the Primary Trade Area;
- Clarkson is located in the Secondary South Trade Area; and
- Yanchep, Two Rocks North and various Yanchep Centres are located in the Secondary North Trade Area.

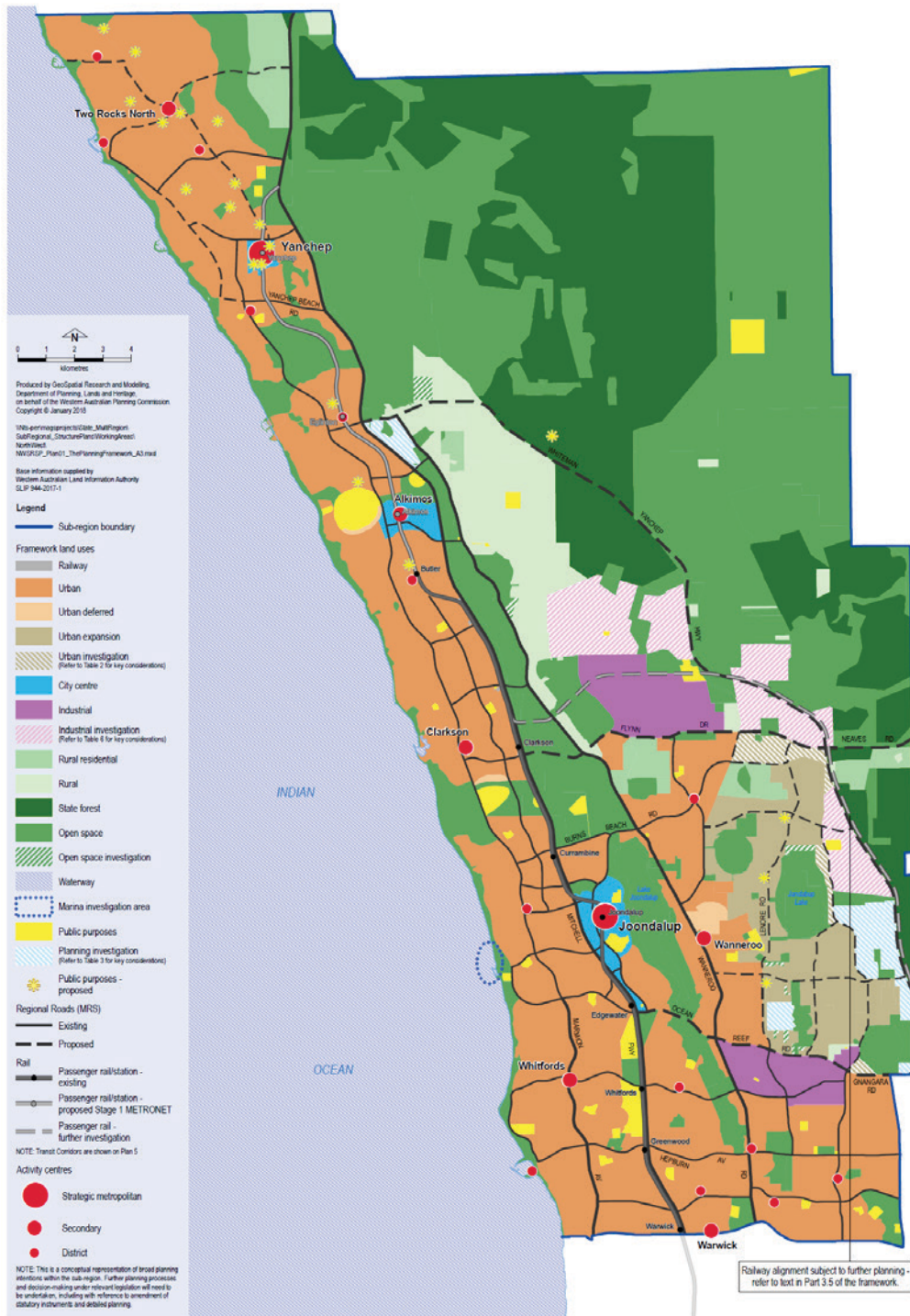


Figure 8 North West Sub-Regional Planning Framework 2018

### 3.3 City of Wanneroo Strategic Community Plan 2017/18 – 2026/27

The City of Wanneroo Strategic Community Plan is a visionary document for the future direction of the City. The Strategic Community Plan establishes the following vision:

*“Inspired by our past, working to create a vibrant, progressive City, providing opportunity and investment to enable our growing communities to prosper.”*

This Strategic Community Plan 2017/18 – 2026/27 reviews and builds on the previous Strategic Community Plan 2013/14 – 2022/23. The updated plan recognises that the current economic climate is a key challenge for the City of Wanneroo. The slowing down of economic growth and increased unemployment in Western Australia has an impact on residents of the City, particularly considering the population is forecast to grow to more than 410,000 by 2041.



**Figure 9 Strategic Community Plan and Themes**

The Strategic Community Plan guides and influences our strategic and service planning. In particular, it helps to determine what we deliver and how we deliver these services to our communities. Success in service delivery by the City cannot be achieved in isolation; it requires working with partners towards agreed outcomes. Identified partners include:

- City of Wanneroo;
- Elected Members;
- Residents;

- Local Business;
- Voluntary Groups;
- Community Organisations;
- Other Local Governments;
- State Government; and
- Federal Government.

### **3.4 City of Wanneroo Economic Development Strategy 2016 to 2021**

Through the Economic Development Strategy, the City of Wanneroo aims to solidify support for local business and enhance the City's focus on transformational initiatives to stimulate major investment, drive economic growth and diversify our economic base.

The City of Wanneroo is WA's largest growing local government area. This rapid growth will continue for another 50 years and presents both challenges and opportunities with respect to the creation of a suitable and adequate supply of jobs.

With a mission to *'create a diverse range of job opportunities for residents by expanding the economic base and accessing new investment opportunities'* the star performers of the past (construction, manufacturing, retail) will be joined by the emerging sectors of clean technology, agribusiness and advanced manufacturing and engineering.

Wanneroo's economic base of construction, manufacturing and retail has adequately provided the highest volume of jobs in Wanneroo over the past decade. The ability to match the skills of the local workers to areas of future demand relies on a City capable of creating opportunities in the areas of advanced manufacturing, clean technology and agribusiness. The use of technology to improve products and processes will maximise global connectedness and competitiveness.

The Strategy establishes jobs generation targets for activity centres and employment precincts across the City including the Alkimos Eglinton District (which requires a total of 20,000).

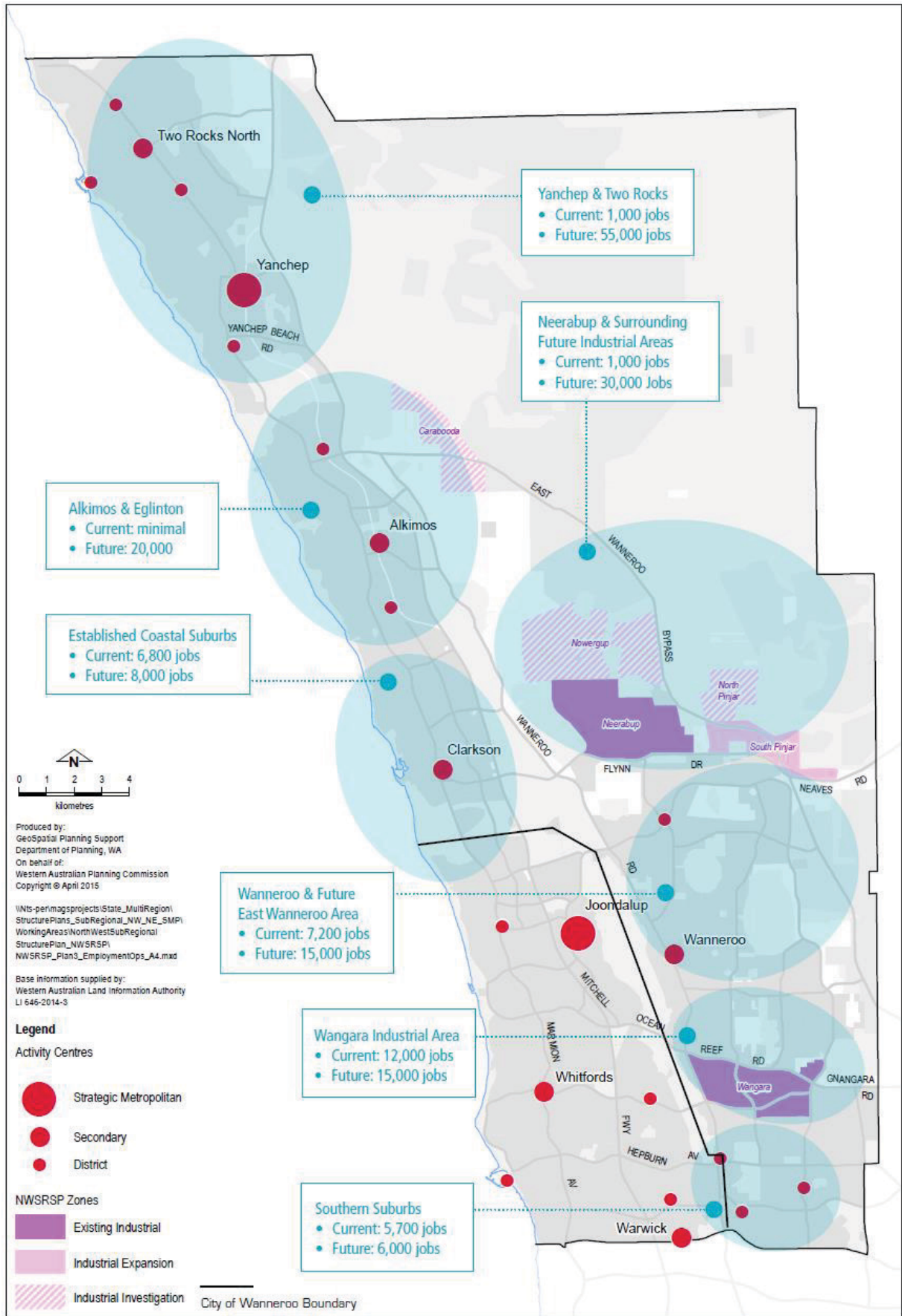
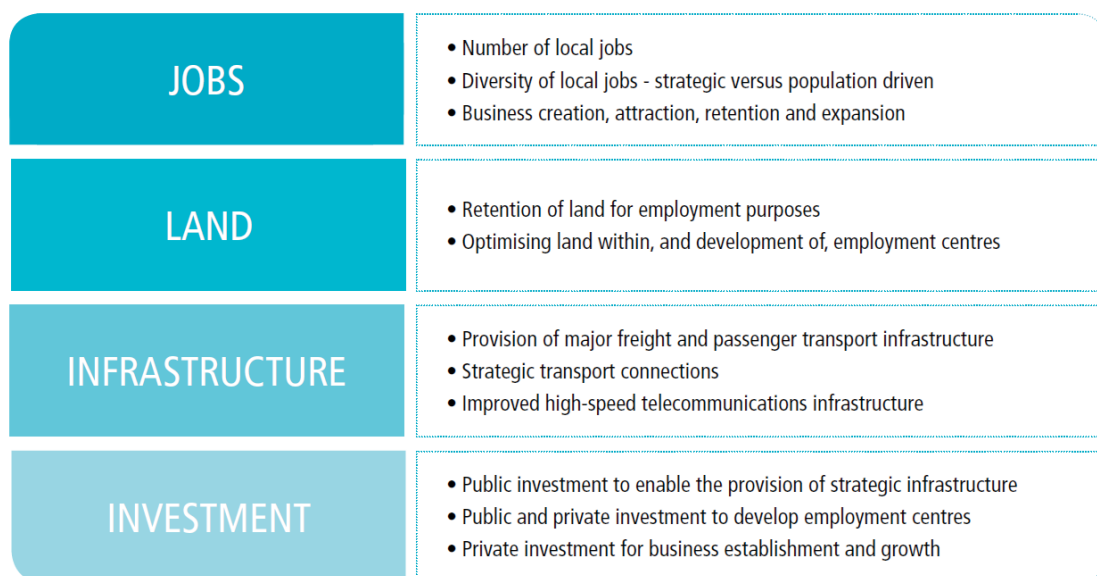


Figure 10 City of Wanneroo, Employment Targets by Centre and Precinct



A number of key economic challenges are identified for the City of Wanneroo.



**Figure 11 Key Economic Challenges in the City of Wanneroo**

To address these challenges, the Strategy identifies a series of Economic programs:

- Program 1 Industry Identification** - Supporting the growth and development of existing industries as well as diversifying our industry base;
- Program 2 Employment Locations** - Employment land reservation, acquisition and development to intensify employment centres within the City;
- Program 3 Investment Attraction and Advocacy** - Promotion, marketing and advocacy to attract strategic investment and deliver critical economic infrastructure;
- Program 4 Business Support and Workforce Development** - Local services, facilities, education and training opportunities to assist business establishment, growth and workforce development; and
- Program 5 Regional Employment Development** - Developing and strengthening regional partnerships to collaboratively increase and maximise the region’s economic competitiveness.

### 3.5 Implications for Alkimos Central

Alkimos is identified as a Secondary Centre in SPP 4.2, Directions 2031 and the North West Sub-Regional Planning Framework 2018. Secondary centres across Metropolitan Perth represents some of the largest sub-regional and regional shopping centres in the region with floor space up to 100,000sqm GLAR.

The role of Alkimos Central as a retail location is also supported by the employment targets for the area established by the City of Wanneroo, which estimates the need for up to 20,000 jobs in the Alkimos Eglinton District in the future.

The development of Alkimos Central will aid in addressing key economic challenges in the City of Wanneroo, including the developing of and investment in commercial and retail land and infrastructure to support jobs.

## 4 TRADE CATCHMENT DEFINITION

This section defines the trade Catchment for consideration, including alignment with statistical geographies.

### Key Findings:

- Alkimos Central will trade into a three-part Trade Area that extends from Two Rocks in the north to Tamala Park in the south. The Primary Trade Area will encompass the suburbs of Alkimos, Eglinton, Butler and Jindalee.

### 4.1 Defining a Trade Area

Trade Catchments are defined by the reasonable extent to which the majority of customers will travel to a current or planned retail destination. A number of factors are considered in defining a Trade Catchment including:

- The size of the proposed centre (and therefore the extent of its reach to customers);
- Transport infrastructure, including prevailing travel patterns;
- Physical natural and man-made barriers to movements, including major highways and rail lines, rivers and national parks/reserves;
- Other non-residential land uses, including major industrial estates;
- The spatial location of other retail offering, particularly larger higher order centres; and
- Natural groupings of suburbs and locations, based on common urban, development, demographic or socio-economic characteristics.

#### 4.1.1 Accessibility Attributes and Barriers of Alkimos Central

Alkimos Central is in the suburb of Alkimos and is currently serviced primarily by Marmion Avenue which runs north and south adjacent to the proposed secondary centre to the west.

However, current infrastructure investment in both the Mitchell Freeway (adjacent to Alkimos Central to the east) and the Yanchep Rail Line (with the Alkimos station to be collocated with the proposed Centre) will further extend the northern and southern “reach” of centre services and facilities.

### 4.2 Defining Alkimos Central’s Trade Area

Based on the accessibility attributes and constraints outlined above, RPS has defined a three part Main Trade Area for this assessment:

- **Primary Trade Area** – comprising the suburbs of Alkimos and Eglinton (including the entirety of the Alkimos Eglinton District Structure Plan Area and the Trinity Alkimos LSP) as well as the suburbs of Butler and Jindalee. The Primary Trade Area is bound to:
  - the west by the WA coastline;
  - the south by Lukin Drive to the east of Marmion Avenue and Hampshire Drive to the west of the Marmion Avenue;

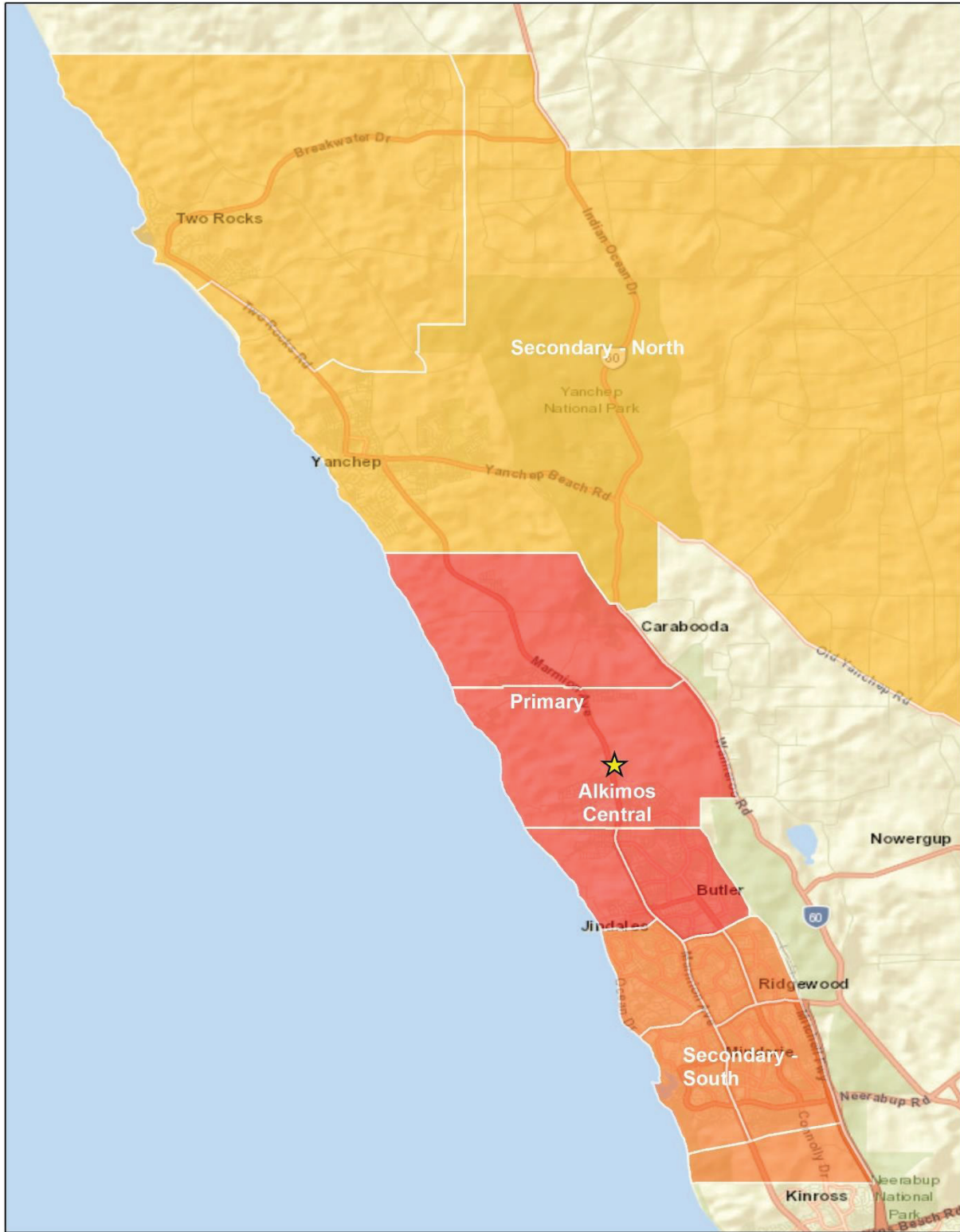
- the east by the planned Mitchell Freeway extension corridor.
- **Secondary South** – comprising the suburbs of Quinns Rocks, Clarkson, Mindarie, Tamala Park, Merriwa and Ridgewood. The Secondary South Trade Area is bound to:
  - The west by the WA coastline;
  - The south by the northern part of the suburb of Kinross; and
  - The east by the Mitchell Freeway (current and planned corridor).
- **Secondary North** – comprising the suburbs of Yanchep and Two Rocks. The Secondary North Trade Area is bound to:
  - The west by the WA coastline;
  - The south by the northern boundary of the Alkimos Eglinton District;
  - The east by the Yanchep National Park; and
  - The north by the top of the St Andrews Structure Plan Area.

A summary of the suburbs within each of these trade areas is as follows:

**Table 6 Suburbs in the Alkimos Central Trade Areas**

PRIMARY	SECONDARY SOUTH	SECONDARY NORTH
Eglinton	Quinns Rocks	Yanchep
Alkimos	Clarkson	Two Rocks
Butler	Mindarie - Tamala Park	
Jindalee	Merriwa	
	Ridgewood	

This trade area is illustrated in the following figure.



 Subject Area

0 0.5 1 2 3 4 Kilometres



Scale: 1 : 120,000 @ A3 | Date: 17/09/2020

Figure 12 Alkimos Central Trade Areas



## 5 POPULATION AND EXPENDITURE PROFILE

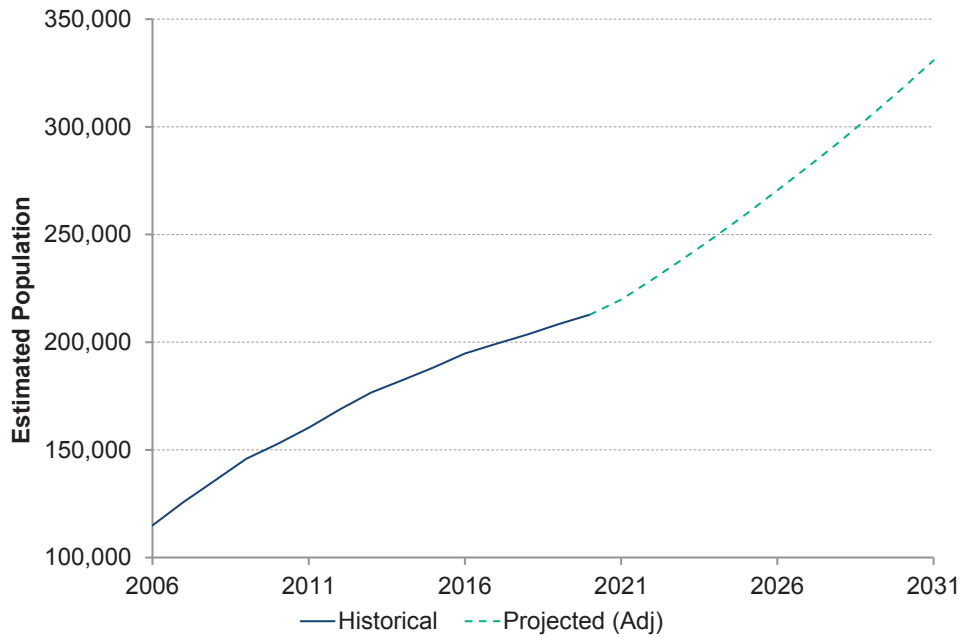
This section summarises the socio-economic profile of the Catchment and Study Area to identify a range of population, demographic and income and wellbeing related indicators.

### Key Findings:

- Wanneroo's population is expected to continue to grow strongly out to 2031 as the LGA is one of the main focus locations of residential population settlement and growth in Perth Metro.
- Forecast ID population projections indicate the Trade Area population will exceed 106,000 people in 2021 and reach over 210,000 in 2041.
- The Main Trade Area has diverse socio-economic attributes, with suburbs in the Secondary South Trade Area having more established and mature households with higher incomes and expenditure than the Primary and Secondary North Trade Area.
- In 2041, estimates are that the total expenditure pool will be \$2.9b of Shop Retail expenditure, with a further \$811.2m of Bulky Goods/Show Room expenditure.
- The Secondary South Trade Area is expected to account for the largest share of this expenditure in 2021, despite having a smaller population, reflecting the impact of higher retail expenditure per capita at this time.
- However, by 2031, the Primary Trade Area will account for almost half of the total retail expenditure pool in the Main Trade Area while retail expenditure levels in the Secondary South effectively stabilise. Secondary North Trade Area expenditure will continue to accelerate in response to both increased population and converging socio-economic and expenditure levels.

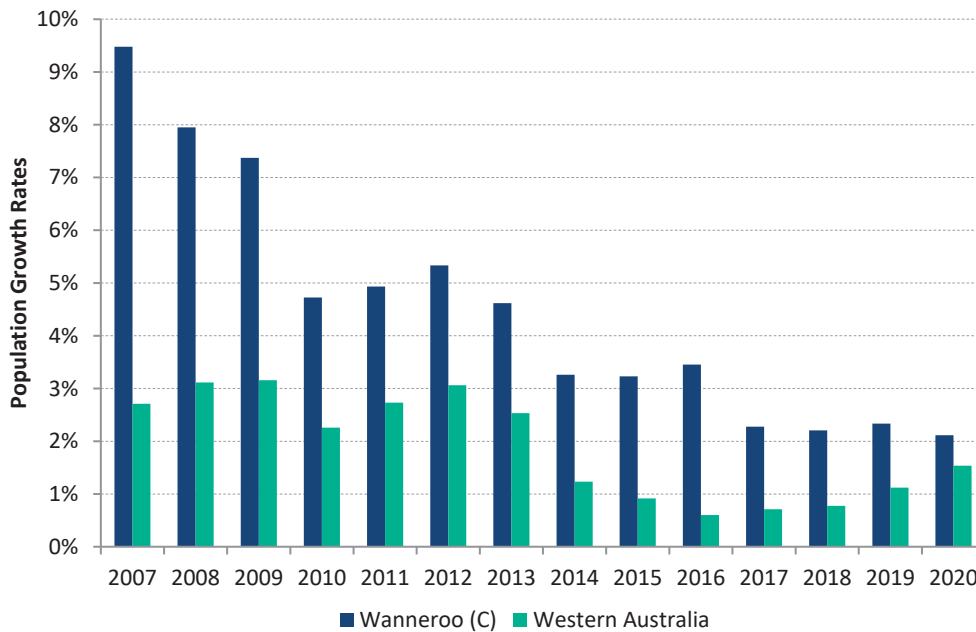
### 5.1 Population Trends in Wanneroo

The City of Wanneroo (which includes Alkimos Central) reached 200,000 people in 2018. Despite a slowing in the growth trajectory of the LGA in recent years, projections from WA Tomorrow indicate that this growth is expected to rebound and accelerate further into the future, resulting in the City reaching a population of almost 350,000 people by 2031.



**Figure 13 Population, Wanneroo (C), Historical and Projections, 2006 to 2031<sup>15</sup>**

This slowing in growth is evidenced in the following figure, where annual growth rates between 2007 and 2013 averaged well above 5% per annum. Since then growth rates have slowed but have remained positive at between 2% and 3% per annum, in line with long-term State averages.



**Figure 14 Population Growth Rate, Wanneroo (C) and WA, 2007 to 2020<sup>16</sup>**

<sup>15</sup> ABS (2019) Estimated Residential Population, 2021, Australian Bureau of Statistics, Canberra and WAPC (2019) WA Tomorrow Population Forecasts No. 11.

<sup>16</sup> ABS (2021) Estimated Residential Population, 2021, accessed at <https://www.abs.gov.au/statistics/people/population/regional-population/latest-release#abs-stat-datasets>

## 5.2 Trade Area Population

RPS has reviewed population data from multiple sources to inform the preparation of the Retail Need Assessment for Alkimos Central. This includes:

- ABS Census of Population 2016 from the Australian Bureau of Statistics<sup>17</sup>;
- ABS Estimated Residential Population, by SA2, from the Australian Bureau of Statistics<sup>18</sup>;
- WA Tomorrow No.11 Population Projections by SA2 from WAPC<sup>19</sup>;
- Forecast ID Population Projections by Suburb for the City of Wanneroo.

Overall, Forecast ID was used as the primary population data source. Forecast ID population projections draw on ABS Census and ERP data sets as their baseline and then project forward based on a number of factors including developable area/potential, household formation rates and sizes and migration and demographic attributes. This data is also superior to WA Tomorrow No.11 in that it applies to smaller geographies (suburbs vs SA2s) and extends out to 2041 (rather than 2031 for WA Tomorrow).

The population projections utilised in this retail assessment are summarised in the table below.

**Table 7 Population Projections, by Alkimos Central Trade Area, 2021 to 2041**

Trade Areas	2021	2026	2031	2036	2041
Primary	43,174	60,994	77,212	89,736	94,523
Secondary S	44,534	48,540	50,081	50,547	50,479
Secondary N	18,300	24,971	34,099	47,328	65,891
<b>Total</b>	<b>106,008</b>	<b>134,505</b>	<b>161,392</b>	<b>187,611</b>	<b>210,893</b>

By 2021, there will be over 100,000 people living in the Main Trade Area of Alkimos Central, with over 40% of this population living in the Primary Trade Area (particularly in Jindalee, Butler and southern parts of Alkimos).

The Secondary South Trade Area is expected to experience less rapid growth over the assessment period than the Primary and Secondary North Trade Areas, reflecting its comparatively established urban settlement pattern. Post 2026, population growth in the Secondary South is expected to slow to just 0.6% per annum on average to 2031 and slow again to only 0.2% to 2036. By this time, the Secondary South Trade Area will be effectively settled.

**Table 8 Projected Average Annual Population Growth, 2016 to 2036**

Region	2021-2026	2026-2031	2031-2036	2036-2041
Primary	7.2%	4.8%	3.1%	1.0%
Secondary S	1.7%	0.6%	0.2%	0.0%
Secondary N	6.4%	6.4%	6.8%	6.8%
<b>Total</b>	<b>4.9%</b>	<b>3.7%</b>	<b>3.1%</b>	<b>2.4%</b>

<sup>17</sup> ABS (2017) Census of Population and Housing, 2016, Australian Bureau of Statistics, Canberra

<sup>18</sup> Note 12

<sup>19</sup> WAPC (2018) WA Tomorrow No.11 Population Forecasts 2016 to 2031, by SA2, accessed at v

In contrast, the population of the Primary Trade Area will maintain stronger growth rates to 2036 and will only start to slow post 2036 as the main residential development within the District start to reach completion. The Secondary North Trade Area will however continue to grow rapidly and even accelerate out beyond 2041 as more southern parts of the Main Trade Area reach residential completion.

### 5.3 Socio-Economic Profile

The following table summarises and profiles key socio-economic attributes and indicators for residents and households in the suburbs that comprise the Defined Trade Areas.

Overall, the socio-economic profile of the Trade Areas varies considerably, with the Secondary South Trade Area exhibiting higher socio-economic attributes – across education, age, incomes and employment – than newer suburbs in the Primary and Secondary North Trade Areas.

This is not a reflection of socio-economic disadvantage in the Primary and Secondary North Trade Areas, rather the impact of the comparatively established nature of households in the Secondary South Trade Area and the younger nature of the households in the north.

These more northern households are more likely to be comprised of young families and workers, with lower levels of female workforce participation and less senior occupations and employment positions. These factors driver a lower socio-economic profile which impacts expenditure.

**Table 9 Socio-Economic Profile, Alkimos Central Trade Areas<sup>20</sup>**

Indicators	Alkimos	Eglington	Butler	Jindalee	Primary	Yanchep	Two Rocks	Secondary North	Ridgewood	Merrima	Quins Rocks	Clarkson	Mindarie	Secondary South
Population	6,269	1680	13,278	5320	26,547	8686	2990	11,676	4647	5489	8734	12967	7520	39,357
<b>Age Profile</b>														
0-4 years	711	187	1,250	335	2,483	809	207	1,016	406	420	543	1099	274	2,742
5-9 years	548	134	1,208	384	2,274	746	234	980	384	411	708	979	485	2,967
10-14 years	366	99	1,155	346	1,966	625	188	813	360	354	776	734	653	2,877
15-19 years	325	92	1,097	359	1,873	496	167	663	303	355	756	936	760	3,110
20-24 years	552	187	947	287	1,973	506	140	646	366	306	548	1105	477	2,802
25-29 years	844	260	1,108	270	2,482	656	199	855	341	384	456	1284	210	2,675
30-34 years	752	213	1,152	370	2,487	702	183	885	351	397	454	1313	202	2,717
35-39 years	522	98	1,030	403	2,053	639	178	817	347	331	598	1015	349	2,640
40-44 years	461	133	1,146	416	2,156	659	207	866	317	317	766	956	664	3,020
45-49 years	383	99	998	411	1,891	623	240	863	318	319	866	921	819	3,243
50-54 years	290	54	671	320	1,335	522	210	732	256	278	675	791	772	2,772
55-59 years	177	44	415	272	908	414	194	608	159	206	529	591	517	2,002
60-64 years	117	27	311	275	730	346	165	511	164	197	330	446	338	1,475
65-69 years	103	22	326	292	743	369	177	546	151	175	316	339	318	1,299
70-74 years	75	16	222	249	562	300	123	423	144	212	162	221	258	997
75-79 years	30	8	130	160	328	195	98	293	163	274	117	132	192	878
80-84 years	6	3	61	96	166	117	59	176	93	253	83	69	119	617
85 years and over	3	3	39	77	122	129	24	153	51	307	56	30	127	571

<sup>20</sup> ABS (2017) Census of Population and Housing 2016, by Suburb, Australian Bureau of Statistics, Canberra

Note that in some cases Median Family Incomes are larger than Household Incomes. This reflects the fact that Family Households in the Trade Areas are generally larger than non-family households and as such are more likely to have additional workers in the household.

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Indicators	Alkimos	Eglington	Butler	Jindalee	Primary	Yanchep	Two Rocks	Secondary North	Ridgewood	Merriva	Quinns Rocks	Clarkson	Mindarie	Secondary South
<b>Level of Highest Educational Attainment</b>														
Bachelor Degree level and above	769	178	1202	1401	3,550	661	195	856	374	290	958	1578	1138	4,338
Advanced Diploma and Diploma level	565	133	956	450	2,104	639	192	831	310	313	672	1045	698	3,038
Certificate level IV	197	61	397	146	801	261	79	340	130	143	268	386	189	1,116
Certificate level III	952	281	1623	516	3,372	1286	486	1,772	593	705	1230	1714	1010	5,252
Year 12	821	194	1769	744	3,528	1056	366	1,422	657	768	1227	2002	1145	5,799
Year 11	223	65	644	152	1,084	437	125	562	271	287	389	674	349	1,970
Year 10	367	138	1150	364	2,019	849	329	1,178	434	677	826	1117	626	3,680
Certificate level II	0	0	6	3	9	3	0	3	5	4	0	0	0	9
Certificate level I	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Year 9 or below	110	38	394	143	685	289	151	440	205	320	307	373	267	1,472
No educational attainment	4	0	25	11	40	14	3	17	13	28	18	40	15	114
Not stated	495	135	1186	199	2,015	965	360	1,325	452	647	618	901	460	3,078
<b>Employment</b>														
Worked Full Time	2,173	616	3,708	1697	8,194	2,331	682	3,013	1164	1118	2423	3982	2276	10,963
Worked Part Time	893	237	1,839	916	3,885	1,155	404	1,559	627	635	1593	2048	1350	6,253
Away from Work	195	62	360	122	739	258	94	352	149	128	233	390	172	1,072
Unemployed	231	44	620	174	1,069	380	152	532	206	290	430	717	356	1,999
<b>Median Weekly Incomes</b>														
Personal	\$930	\$973.00	\$728.00	\$787.00		\$691.00	\$582.00		\$642	\$530	\$721	\$730	\$ 772	
Family	\$2,094	\$2,143	\$1,781	\$2,149		\$1,728	\$1,509		\$1,606	\$1,314	\$2,019	\$1,762	\$2,412	
Household	\$1,942	\$1,982	\$1,616	\$1,985		\$1,511	\$1,276		\$1,428	\$1,121	\$1,834	\$1,614	\$ 2,268	
<b>Dwelling Occupancy</b>														
Occupied private dwellings	2112	567	4190	1827	8,696	2906	1030	3,936	1511	1944	2810	4457	2396	13,118
Unoccupied private dwellings	310	112	344	105	871	405	156	561	139	256	352	538	258	1,543

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Indicators	Alkimos	Eglington	Butler	Jindalee	Primary	Yanchep	Two Rocks	Secondary North	Ridgewood	Merriva	Quinns Rocks	Clarkson	Mindarie	Secondary South
<b>Dwelling Type</b>														
Separate house	2,033	415	3,983	1747	8,178	2,805	1017	3,822	1296	1444	2721	3662	2126	11,249
Semi-detached, row or terrace house, townhouse etc	71	152	151	74	448	86	0	86	215	496	86	772	238	1,807
Flat or apartment	0	0	49	6	55	5	0	5	0	0	0	12	32	44
Other dwelling	0	0	0	0	0	0	10	10	0	0	0	4	0	4
<b>Household Type</b>														
Family households	1,729	467	3,365	1494	7,055	2,319	777	3,096	1196	1381	2308	3468	2126	10,479
Single (or lone) person households	330	86	718	268	1,402	513	228	741	274	506	425	829	257	2,291
Group households	47	11	109	64	231	74	29	103	36	57	74	161	16	344
Average People per Household	3.0	3.0	3.2	2.9	3.1	3.0	2.9	3.0	3.1	2.8	3.1	2.9	3.1	3.0

## 5.4 Retail Expenditure

### 5.4.1 MarketInfo

This diverse income profile is reflected in the expenditure profile of the Catchment. RPS has utilised microsimulation data from Market Data Systems (MDS). MarketInfo is recognised as Australia's most advanced local area retail expenditure data and is the industry standard for retail need, sustainability and impact assessments.

The MarketInfo database is generated by combining and updating data from the Population Census and the ABS Household Expenditure Survey (HES) on a micro level, using microsimulation modelling techniques. The Population Census contains detailed regional sociodemographic information but lacks any data on expenditures. On the other hand, the HES contains detailed expenditure and sociodemographic data but lacks regional detail. The sociodemographic information contained in both data sources is used by MDS to link the two data sources. The data generated through the link process contains detailed expenditures on a fine regional level, and thus combines the virtues of both data sources in a single database.

RPS utilises MarketInfo expenditure data across 75 detailed retail categories, which are consolidated into 18 broad retail categories. These include:

- Supermarket and grocery stores;
- Liquor retailing;
- Furniture, floor coverings, houseware and textiles;
- Electrical and electronic goods;
- Hardware and building supplies;
- Garden supplies;
- Clothing retailing;
- Footwear and other personal accessories;
- Newspaper and book;
- Sport and camping equipment;
- Home Entertainment;
- Toy and game;
- Pharmaceutical, cosmetic and toiletries;
- Other retailing;
- Cafes, restaurants and catering;
- Takeaway food services;
- Household Appliances; and
- Motor vehicle and fuel retailing.

### 5.4.2 Catchment Retail Expenditure

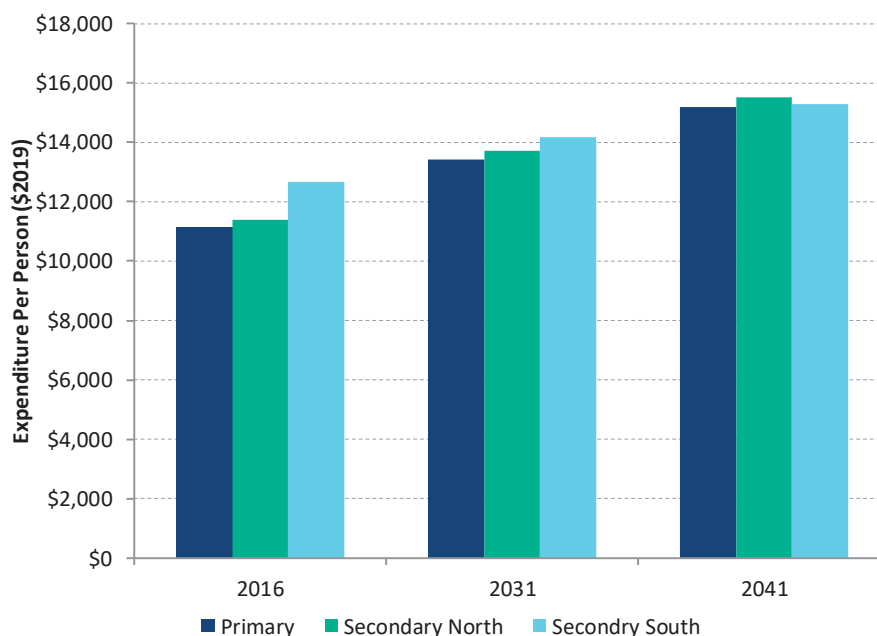
A lesson from previous analysis is that a standard uniform real retail expenditure growth rate cannot be applied equally across the Trade Areas. The differences in age profile and household and economic maturity means equating the Primary and Secondary North real retail expenditure with that of the Secondary South entrenches a lower socio-economic profile that is unrealistic in the long-term.

Instead, RPS has applied differential real retail expenditure growth rates across the Trade areas:



- Primary and Secondary North – 1.25% per annum; and
- Secondary South – 0.75% per annum

These rates are regarded as appropriate as it has the effect of converging per capita real retail expenditure in the Primary and Secondary North Trade Areas in 2041 with that of the Secondary South Trade Area. In other words, RPS assumes that by 2041, the socio-economics of the Main Trade Area have converged and gentrified.



**Figure 15 Real Retail Expenditure, Alkimos Central Trade Areas, 2016, 2031 and 2041**

RPS has applied these broad expenditure profiles to the population of each of the Trade Areas. The results are summarised in the following table.

**Table 10 Total Expenditure Pool, Shop and Bulky Goods Retail Categories, by Trade Area, Alkimos Central, 2021<sup>21</sup> to 2041**

Trade Area	Retail Category	2021	2026	2031	2036	2041
Primary	Shop Retail Total	\$511.5	\$768.9	\$1,035.8	\$1,280.9	\$1,435.7
	Bulky Goods Total	\$143.5	\$215.7	\$290.6	\$359.4	\$402.8
Secondary North	Shop Retail Total	\$221.5	\$302.3	\$412.8	\$572.9	\$797.6
	Bulky Goods Total	\$59.6	\$81.3	\$111.0	\$154.1	\$214.5
Secondary South	Shop Retail Total	\$586.0	\$638.7	\$659.0	\$665.1	\$664.2
	Bulky Goods Total	\$171.1	\$186.4	\$192.4	\$194.1	\$193.9
Main Trade Area	Shop Retail Total	\$1,319.0	\$1,709.9	\$2,107.5	\$2,518.9	\$2,897.5
	Bulky Goods Total	\$374.1	\$483.4	\$593.9	\$707.6	\$811.2

In 2021, estimates are that the total expenditure pool will be \$1.32b of Shop Retail expenditure, with a further \$374.1m of Bulky Goods/Show Room expenditure. The Secondary South is expected to account for the

<sup>21</sup> Note, expenditure projections commence in 2021 as this is the earliest date at which investment decisions regarding the retail offering at the centre are likely to occur.

largest share of this expenditure, despite having a smaller population, reflecting the impact of higher retail expenditure per capital at this time.

However, by 2031, the Primary Trade Area will account for almost half of the total retail expenditure pool in the Main Trade Area while retail expenditure levels in the Secondary South effectively stabilise. Secondary North Trade Area expenditure will continue to accelerate in response to both increased population and converging socio-economic and expenditure levels.

## 6 ROLE OF ALKIMOS CENTRAL

This section defines the role of Alkimos Central in the Main Trade Area in meeting Shop and Bulky Goods Retail and relevant market shares from each Trade Area.

### Key Findings:

- Applying assumed conservative market shares for Alkimos Central across the Trade Areas, Shop Retail expenditure directed to the Secondary Centre will increase from \$214.2m in 2021 to \$525.1m in 2041.
- Similarly, Bulky Goods Retail expenditure directed to Alkimos Central will grow from \$72.1m in 2021 to \$183.1m in 2041.

### 6.1 Role of Centres in Meeting Retail Demand

Industry analysis by retail experts indicates that different centres in the Perth Metro retail hierarchy play different roles in meeting the retail expenditure needs of:

- **Strategic Metropolitan Centres and Perth CBD** typically account up to 10% of retail floorspace expenditure, with larger shares of discretionary and higher order retail as well as markets located close to the city or centre.
- **Secondary Activity Centres** are traditionally anchored by regional or large sub-regional centres, and account for up to 25% of retail floorspace needs including a full mix of groceries/food, department and discount department store and speciality retail;
- **District Centres** are traditionally anchored by a sub-regional shopping centre and also account for up to 25% of retail expenditure. This level of centre has a similar composition to Secondary Activity Centres through has a reduced weighting of Department Store and speciality retail and a higher weighting of groceries/food/supermarket;
- **Local and Neighbourhood Centres** represent the most common form of centre within the hierarchy and generally account for the largest share of retail expenditure at up to 30% of total retail needs. This reflects the fact these centres are principally supermarket based and food and groceries account for the largest single share of retail expenditure; and

In addition to Shop Retail offerings, dedicated Bulky Goods and showroom precincts accounts for up to 25% of the total retail floorspace needs. These precincts are less distributed and more concentrated within the Perth Metro urban area.

### 6.2 Trade Area Market Shares

Not all total retail expenditure pool generated in a Trade Area is retained in the local area. Expenditure “leaks” from the Trade Area for several reasons:

- **Higher Order Retail** – Catchments that include higher order retail – including sub-regional and regional shopping centres with Discount Department (DDS) and Department Stores (DS) – generally retain higher shares of total expenditure in the local area. Conversely, if the Catchment lacks higher order retail, the leakage of expenditure in higher order retail categories tends to be very high (between 75-90% depending on the retail category).

- **Types of Expenditure** – the type of expenditure influences how much spending is retained. For example, supermarket and grocery expenditure is typically retained in local Catchments while more discretionary expenditure (including appliances and electronic, hardware, clothing) generally leaves the Catchment at higher rates).
- **Format of Existing Retail** – in Australia, the clear majority of retail floor space is in the form of small tenancies in dedicated shopping centres. However, other types of retail formats exist including standalone showroom and non-convenience retail (i.e. Bunnings Warehouse) and street-based retail tenancies. The format of the retail can significantly impact both the capacity of the floor space to attract and retain local expenditure, particularly locations in the absence of major attractors (i.e. shopping centre-based supermarkets).

### 6.2.1 Alkimos Central Trade Area Market Shares

For the purpose of this assessment, RPS has applied broad market shares for Alkimos Central across all retail categories. This differs from the retail category specific market shares and instead reflects the role and function.

This reflects the fact that there is not currently a concept for the delivery of shop and Bulky Goods retail at Alkimos Central. Similarly, the purpose of this assessment is to provide insights and guidance on the potential massing of shop and Bulky Goods retail floor space in the centre.

**Table 11 Alkimos Central Market Shares, by Shop and Bulky Goods, by Trade Area**

Catchment	Shop Retail	Bulky Goods
Primary	25.0%	30.0%
Secondary South	10.0%	10.0%
Secondary North	12.5%	20.0%

Overall, higher market shares are expected for Alkimos in the Primary Trade Area across both Shop and Bulky Goods Retail. These higher shares are normal for a Secondary Centre’s primary catchment and reflects the role and function of the centre in the Main Trade Area as a whole.

RPS has assumed a higher market share of Alkimos Central in the Secondary North Trade Area compared to the Secondary South. The Secondary South Trade Area is established, is home to an existing Secondary Centre (at Clarkson) and has a socio-economic profile that aligns with suburbs and locations in the City of Joondalup and the Primary Trade Area of the Joondalup Strategic Metropolitan Centre.

Similarly, prevailing travel patterns in the North West Corridor for employment and service access are likely to remain north-to-south for the foreseeable future, until such time as a critical mass of economic and service activity (and population) are present at Yanchep and Two Rocks. This is not expected to occur until after the assessment period, suggesting that the share of expenditure that will be attracted north to Alkimos Central will be less than that attracted from the Secondary North Trade Area.

This distribution of Shop Retail expenditure to Alkimos Central across the three Trade Areas for Shop Retail is mirrored in the market shares for Bulky Goods. However, as previously stated, Bulky Goods retail floor space is generally more concentrated and as a designated location for Bulky Goods and showroom floor space in the North West Corridor, it is expected that Alkimos Central will secure a higher share of that expenditure.

### 6.2.2 Expenditure Directed to Alkimos Central

Apply these market shares to the total expenditure pool across each of the defined Trade Areas, RPS estimates that Alkimos Central could attract and support over \$525m in Shop Retail expenditure (in \$2018) and a further \$183m per annum in bulky good expenditure.

**Table 12 Alkimos Central Expenditure, Shop Retail and Bulky Goods, 2021 to 2041**

<b>Trade Area</b>	<b>2021</b>	<b>2031</b>	<b>2041</b>
Primary	\$127.9	\$258.9	\$358.9
Secondary South	\$58.6	\$65.9	\$66.4
Secondary North	\$27.7	\$51.6	\$99.7
<b>Total Shop Retail Spend</b>	<b>\$214.2</b>	<b>\$376.4</b>	<b>\$525.1</b>

<b>Trade Area</b>	<b>2021</b>	<b>2031</b>	<b>2041</b>
Primary	\$43.0	\$87.2	\$120.8
Secondary South	\$17.1	\$19.2	\$19.4
Secondary North	\$11.9	\$22.2	\$42.9
<b>Total Bulky Goods Spend</b>	<b>\$72.1</b>	<b>\$128.6</b>	<b>\$183.1</b>

## 7 FLOOR SPACE REQUIREMENTS AND IMPACTS

This section summarises the floor space requirements at Alkimos Central to meet expected expenditure levels from the defined Trade Area and provides insights and guidance on the potential impacts of the proposed centre on existing and planned centres in the Trade Areas and beyond.

### Key Findings:

- Applying growing retail turnover densities, RPS estimates that there will be a need for over 72,000sqm GLAR of Shop Retail and 45,000sqm GLAR of Bulky Goods floor space at Alkimos Central by 2041;
- The development of the Alkimos Central Shop Retail floor space to this extent is unlikely to have a significant impact on the sustainability of the retail network or on individual centres within and outside of the District and Trade Area.

### 7.1 Retail Turnover Densities

Again, given the lack of a detailed concept for the centre, RPS has applied high level retail turnover densities (RTD) or floor space trading levels to the estimated Shop and Bulky Goods retail expenditure to be serviced by Alkimos Central. For the purpose of this assessment RPS has adopted the following RTDs:

- Shop Retail - \$6,250 per sqm as of 2016; and
- Bulky Goods - \$3,500 per sqm as of 2016.

Just as real retail expenditure per capita grows, so too does the retail RTDs. This reflects increases in retail productivity, above average product price inflation and the role of technology in increasing retail floor space efficiency. RPS has applied a real growth rate of 0.6% per annum to both the Shop Retail and Bulky Goods turnover densities across the assessment period. This is illustrated in the figure below.

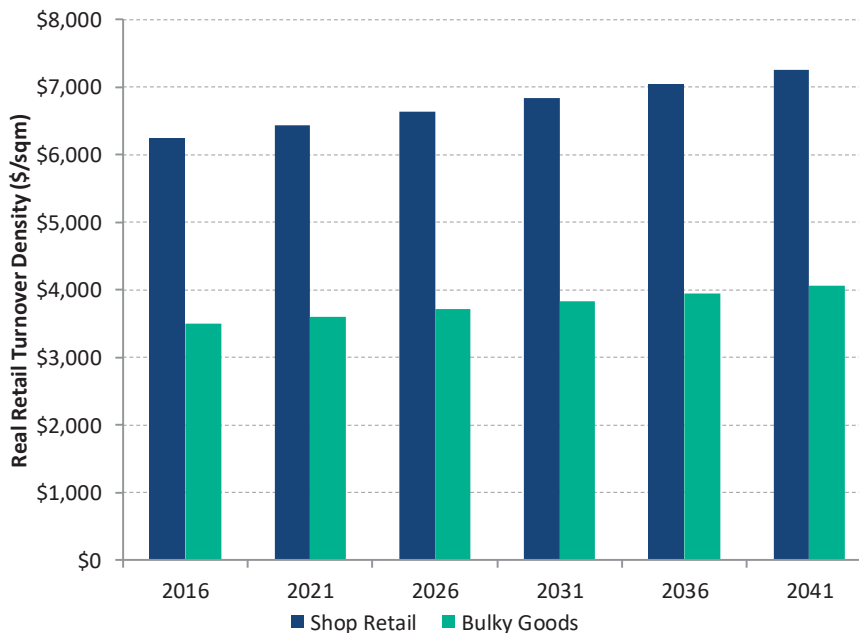
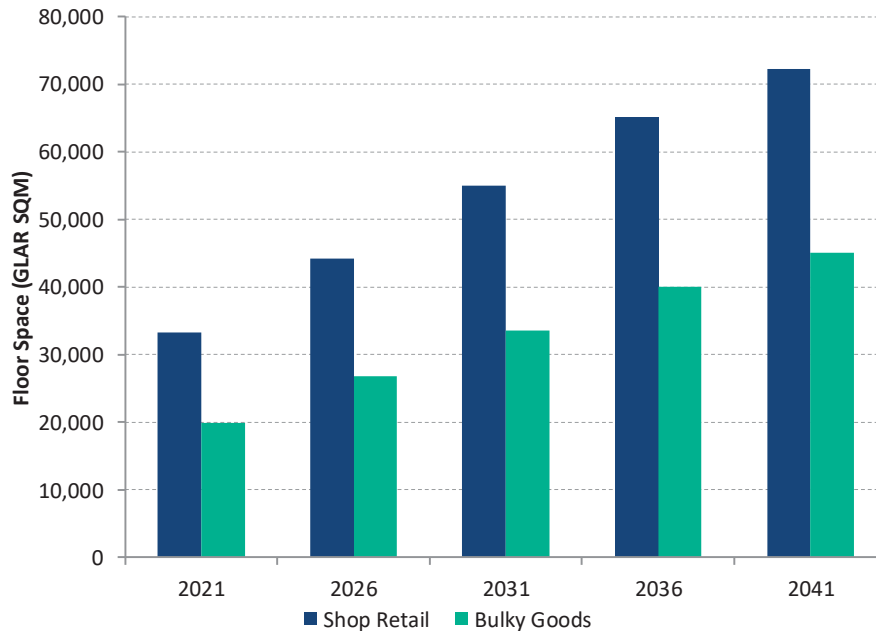


Figure 16 Assumed Real Retail Turnover Densities (\$2018), 2016 to 2041

## 7.2 Sustainable Retail Floor Space at Alkimos Central

Applying these retail turnover density assumptions to the Shop and Bulky Goods Retail expenditure for Alkimos Central estimated in section 6.0 of this report, RPS estimates that by 2041, Alkimos Central could sustain upwards of 72,300sqm (Gross Lettable Area – Retail) of Shop Retail floor space and a further 45,050sqm of Bulky Goods floor space.



**Figure 17 Sustainable Retail Floor Space, Shop Retail and Bulky Goods, Alkimos Central 2021 to 2041**

Overall, these estimates for 2041 represent a higher volume of both Shop Retail and Bulky Goods floor space than in previous estimates (as reflected in section 1.3 of this report). This likely reflects a number of interrelated factors:

- More current population projections** – population projections utilised in this report draw on more current data and information on the emerging settlement patterns and rates at Alkimos, Eglinton and Yanchep/Two Rocks. Previous assessments were based on projections that did not have the benefit of an established population base from which the projections could be developed.
- Adjustments to real retail expenditure growth per capita** – RPS has intentionally adjusted the real per capita expenditure growth rates in the Primary and Secondary North Trade Areas to reflect the issues in previous assessments regarding the inequitable treatment of household incomes and expenditure patterns in these emerging Trade Areas; and
- Adjusted Primary and Secondary South Trade Areas** – the Primary Trade Area adopted by RPS is more extensive to the south than previous estimates. RPS viewed previous definitions of the Primary Trade Area (including those by RPS), which selected the suburbs of Alkimos and Eglinton alone – as too restricted and not representative of the extent of a Secondary Centre’s retail catchment, particularly given the southern orientation of the Centre in the District Structure Plan.

## 7.3 Trading Impacts on Existing and Planned Centres

Maintaining the sustainability of the retail network and hierarchy within Metropolitan Perth is the principal objective of State Planning Policy 4.2. This policy seeks to balance the economic benefits associated with new retail floor space in development with the need to protect consumer welfare from an oversupply and eventual degradation in the quality and accessibility of retail floor space in the area.

Section 6 of SPP 4.2 establishes the need for new retail developments above a certain threshold to prepare a Retail Sustainability Assessment that demonstrates and quantifies the level of impact the proposed centre or development will have on the sustainability of the wider network.

In the case of Alkimos Central, a full retail sustainability assessment is unable to be undertaken at this time and is not a suitable assessment given the nature of the centre.

Firstly, Alkimos Central is a planned centre under the SPP 4.2, Directions 2031 and the North West Sub-Regional Planning Framework. Its inclusion in the network is already regarded as a sustainable outcome for residents and households in the Corridor and its future development is already considered in the retail sustainability of other proposed developments.

Secondly at the time of this report, there was no specific concept or tenancy mix for the proposed Shop Retail floor space at Alkimos Central. Such a concept or mix is required in order for a full impact-related sustainability assessment to be undertaken.

However, aware that sustainability is such a critical aspect of future retail floor space and centre planning, RPS considered the potential impact of Alkimos Central on existing and planned Activity Centres within and outside the defined Trade Area. See Table 9 for a comprehensive analysis.

A summary of the impact on relevant centres within and outside of the defined Trade Areas is outlined below.

Overall, RPS estimates that the impact of the establishment and operation of Alkimos Central as a Secondary Activity Centre will have minor impacts on the future potential trading performance of retailers at Yanchep/Two Rocks (Strategic Metropolitan Centre) and Clarkson (Secondary) centres. For Clarkson, the development of Alkimos Central at its full capacity will still provide opportunity for Clarkson to expand in line with its local population catchment before reaching a sustainable level at or around 45,000sqm. Yanchep/Two Rocks District is likely to see just over 5% of its total expenditure pool leave the District once it has reached a population of 150,000+ (post 2060), leaving almost 100,000sqm of local demand in 2041 growing to over 200,000sqm between 2060 and 2080.

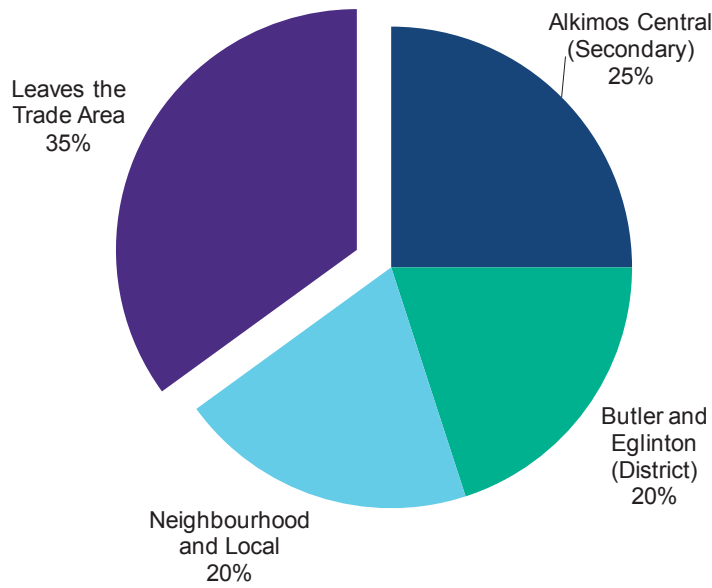


**Table 13 Evaluation of Potential Trade Impacts of Alkimos Central on Higher Order Centres in the North West Corridor**

Centre	Role/Function	Impact	Relationship with Alkimos Central
Joondalup	Strategic Metropolitan	Moderate	<p>Joondalup SMC, anchored by Lakeside Joondalup Shopping Centre, is the only established Strategic Metropolitan Centres in the North West Sub-Region. Located outside of the Alkimos Central Main Trade Area, Joondalup SMC retailers currently trade into Alkimos and Eglinton due to the lack of a competing SMC and the smaller size of the existing Secondary Centre (Clarkson) in its northern Catchment.</p> <p>Joondalup SMC has no notional floor space size limit and therefore has capacity to grow indefinitely. However, the population of the City of Joondalup is stabilizing in response to a lack of new greenfield residential development and the gentrification of existing households. This means that Joondalup SMC's trade catchment is likely to become more intensive and less extensive as time goes on.</p> <p>The biggest impact on the trade catchment of Joondalup SMC in the long-term will be the full establishment of the Yanchep SMC post 2060 at which time Alkimos and Eglinton and much of the Alkimos Central Primary Trade Area will flight from Joondalup and Yanchep (negated to a degree by the continued prevailing southward movement patterns in the corridor).</p> <p>In the medium term, the establishment of Alkimos Central to its full Shop Retail capacity will have a moderate impact on the northern trading catchment of the Joondalup SMC. It is expected that Joondalup SMC will continue to be a major destination for retail expenditure originating in the Primary and Secondary South Trade Areas of Alkimos Central, though Joondalup SMC will likely not benefit as greatly from population growth in the Alkimos Central Primary Trade Areas as it has to date.</p> <p>This suggests that the impact on Joondalup SMC from the establishment of Alkimos Central will be a slowing of growth, particularly as higher order retail offerings are provided locally in later stages of the development. This will not impact the fundamental sustainability of Joondalup SMC and associated centre-based retailers.</p>
Yanchep/Two Rocks Centres	Strategic Metropolitan and Secondary Centres	Minor	<p>Yanchep SMC and Two Rocks Secondary Centres are not expected to be fully developed until post 2060 with the Yanchep and Two Rocks District expected to accommodate over 150,000 residents by this time. Additionally, several District Centres are expected to be delivered within the District according to the current Structure Plan.</p> <p>RPS has assumed that the Alkimos Central Shop Retail will account for only 12.5% of the total expenditure pool of Yanchep and Two Rocks (i.e. the Secondary North Trade Area) by 2041. At this date, current projections are for the Yanchep-Two Rocks District to be home to over 65,000 people and growing at a rate of 6.8% per annum. This means that post 2041, there is an additional 85,000 people expected to call the District home.</p> <p>Adjusting for this population increase, then by the time that the retail networking in Yanchep-Two Rocks is fully established in line with the 150,000-person population, Alkimos Central's market share of its Secondary North Trade Area will reduce to under 5.5%. This is a very small market share for a Secondary Centre into its northern Secondary trade area and indicates that up to 95% of retail expenditure originating from the Yanchep-Two Rocks District will be available for local major centres.</p> <p>This suggests that the long-term impact of Alkimos Central on the development and progression of Yanchep-Two Rocks centres is likely to be minimal and minor.</p>
Clarkson	Secondary	Minor	<p>Clarkson, through the Ocean Keys Shopping Centres, is an established Secondary Centre located in the Secondary South Trade Area of Alkimos Central. In fact, this Secondary South Trade Area is likely closely aligned with Clarkson's</p>

Centre	Role/Function	Impact	Relationship with Alkimos Central
Eglinton	District	None	<p>Primary Trade Area, indicating that in relating the two centres will likely co-service much of the North West Corridor between Kinross and Eglinton.</p> <p>RPS has assumed that Alkimos Central will host only a small market share (10%) of the expenditure originating from its Secondary South Trade Area. Considering the proximity of this area to Joondalup SMC, it is likely that Clarkson will maintain a market share of 30% of its Primary Trade Area into the future, with further expenditure originating from both north and south of this area.</p> <p>This trade area however is expected to reach its full residential capacity between 2031 and 2036. This will impact the capacity of the proposed centre to grow significantly beyond its current capacity of 38,000+sqm. RPS estimates that the Clarkson Secondary Centre likely has capacity to add between 5,000-7,000sqm of floor space in line with the remaining population growth in its Primary catchment and expenditure that leaks from Alkimos and Eglinton south, for a full capacity of up to 45,000sqm.</p> <p>This suggests that not only is the development of Alkimos Central not expected to significantly impact the Clarkson Secondary Centre, but that Clarkson has capacity to grow over time.</p> <p>Eglinton is the second largest centre proposed for the Alkimos Eglinton District and is to function as a District Centre. Current plans are for Eglinton to host 20,000sqm of Shop Retail floorspace, trading principally in the Alkimos Central Primary Trade Area.</p> <p>In assessing trading market shares for Alkimos Central, RPS has assumed that Eglinton will secure a market share of the Primary Trade Area of approximately 10% by 2041 with additional expenditure captured from southern parts of Yanchepp-Two Rocks in line with prevailing expenditure patterns.</p>
Butler	District	None	<p>Butler is home to a District Centre with a proposed 22,500sqms of Net Lettable Area in line with Butler District Structure Plan. Again, RPS estimates that this will be primarily sourced from the Alkimos Central Primary Trade Area, complemented by some expenditure from the adjacent Secondary South Trade Area.</p> <p>Assuming a similar market share of 10% from the Alkimos Central Primary Trade Area as with Eglinton, this level of market share is unlikely to be impacted by the establishment of a critical mass of Shop Retail at Alkimos Central.</p>
Local and Neighbourhood Centres	Centres	None	<p>The proposed 25% market share for Alkimos Central in its Primary Trade Area is regarded as reasonable and proportional and indicates that, by 2041, less than half of the Shop Retail expenditure originating in the Alkimos Central Primary Trade Area will be met by local Secondary and District centres.</p> <p>Assuming a further 35% of Shop Retail expenditure leaves the Primary Trade Area for other Centres in the Main Trade Area and beyond, this leaves 20% or approximately 40,000sqm of Shop Retail floor space by 2041 to be accommodated in Neighbourhood and Local Centres. This equates to at least 8 Neighbourhood Size centres across the Primary Trade Area, more if a lower expenditure leakage rate is assumed.</p>

No impact is expected on District, Neighbourhood and Local Centres located within the Primary Trade Area of Alkimos Central. The distribution of retail across current and proposed centres in the Trade Area is reasonable, supports centres at their proposed size and role and meets the needs of the community.



**Figure 18 Assumed Distribution of Expenditure, Alkimos Central Trade Area, by Centre, 2041**

## 8 RETAIL STAGING RECOMMENDATIONS

This section provides recommendations on the staging and timing of Shop Retail development at Alkimos Central, benchmarking against case study centres.

### Key Findings:

- Key lessons from case study centres is the need for staging to:
  - Align with public transport delivery;
  - Be led by entertainment precinct development;
  - Integrate community and health services;
  - Delay or innovatively solve challenges with Department Store-led redevelopment models; and
  - Integrate commercial and residential into later stages.
- RPS has proposed a four stage development model for Alkimos Central Shop Retail.

### 8.1 Development Case Studies

Retail centres do not develop in line with population growth in their catchments. While population growth is typically linear and progressive, retail development is delivered in stages. Significant lessons can be learnt from other current and emerging Secondary Centres (and equivalent) across Australia on the optimal staging of the development of Alkimos Central.

Three case study centres are examined and explored in the following sections.

#### 8.1.1 Orion Springfield/Springfield Central

Orion Springfield is a Mirvac-owned shopping centre located in the suburb of Springfield Central in Queensland. Springfield Central is the “CBD” of the Greater Springfield Master Plan area, voted world’s best master plan in 2010. Greater Springfield is currently home to 35,000 people and is expected to grow to over 85,000 residents by 2030.

Orion Springfield Shopping Centre is a “split centre” straddling a vehicle accessible main street. Stage 1 was delivered in 2007 and included a DDS and Supermarket (plus an Aldi and Spotlight undercroft) as well as speciality shops, pad sites (pet, sports fast food and automotive), underground, at grade and roof-based car parking and was supported by a collocated Bulky Goods development (Masters). Stage 1 comprised approximately 30,000sqm GLAR and included health and medical services on the second floor accessible via lift and from roof top car parking. The Main Trade Area of Orion Springfield Shopping Centre at this time was approximately 50,000 residents across Greater Springfield and into established areas of Ipswich East.

With the delivery of a new rail line connecting Springfield Central to the SEQ rail network, a second Stage of development was progressed adding a further 40,000sqm GLAR in 2015/16. This comprised a second discount department store and full line supermarket, further speciality shops, an 8-screen cinema complex and a large food and entertainment precinct centred on a town square. Pedestrian access spine connects the new rail line with the centre through to the Robelle Domain parklands, office development and the University and Health campuses. The second stage also included additional integrated health and a large multi-storey library. The population of the Main Trade Area at this time had increased to 85,000 people.

The delivery of the rail station of Springfield Central was critical to the adoption of an entertainment led second stage of the development by creating a clear pedestrian led path through the centre, perpendicular to the main street, maximising store frontage activation.

Refer to Appendix A for staging images.

### 8.1.2 Westfield Whitford City

Westfield Whitford City is located in Hillarys, a coastal suburb 20 kilometres north of the Perth CBD. It is a Secondary Centre located within the City of Joondalup close to the Joondalup Strategic Metropolitan Centre.

Westfield Whitford City currently offers over 85,000sqm GLAR of retail floorspace comprising Target, Big W, Coles, Woolworths and Bunnings as well as 290 specialty stores.

An \$80 million redevelopment was completed in September 2017 with the opening of a brand new dining, lifestyle and entertainment precinct incorporating an 8-screen Event Cinemas complex and a bowling alley.

Stage 2 is expected to be completed in coming years with recent announcements including the addition of a David Jones Department Store<sup>22</sup> and an Aldi<sup>23</sup>. This stage will also include an approved \$42 million commercial and residential development to the west of Westfield Whitford City shopping centre.



**Figure 19 Westfield Whitford City Commercial and Residential Redevelopment**

### 8.1.3 Westfield Booragoon

Westfield Booragoon (previously Garden City Booragoon) is in the suburb of Booragoon in the City of Melville. Westfield Booragoon is currently one of the most successful major shopping centres in Perth Metro. The 72,843 sqm centre features six majors, eight mini majors and more than 160 specialty stores. Ownership of the Centre by AMP Capital has recently been diluted with the sale of a 50% share to Scentre Group<sup>24</sup> as part of an ongoing joint venture.

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<sup>22</sup> Scentre Group (2019) Westfield Whitford City accessed at <https://www.scentre.com/our-portfolio/Centres/westfield-whitford-city>

<sup>23</sup> Shopping Centre News (2019) Scentre Group welcomes ALDI to its WA portfolio accessed at <https://www.shoppingcentrenews.com.au/shopping-centre-news/industry-news/scentre-groups-welcomes-aldi-to-its-wa-portfolio/>

<sup>24</sup> AMP (2019) AMP Capital introduces joint venture partner to Garden City Shopping Centre accessed at <https://www.ampcapital.com/au/en/media/articles/2019/december/amp-capital-introduces-joint-venture-partner-to-garden-city-shopping-centre>



Current redevelopment and expansion of the Centre commenced in 2015, with a \$750m development to expand the shopping centre to over 120,000sqm, almost doubling the number of stores. However, delays in the expansion were identified as part of the reason for the Scentre Group acquisition<sup>25</sup>.

Amara City Apartments at Booragoon are a luxury apartment complex collocated with Westfield Booragoon. The 125 apartment, 14 storey building includes ground floor commercial tenancies, 3 levels of above ground car parking (including sleeved apartments) and community garden and sunset deck. Construction started in January 2021<sup>26</sup>.

## 8.2 Key Lessons in Staging

The development and staging of the three case study centres reveal several pertinent lessons for Alkimos Central. These include:

- **Public Transport Aligned** – the expansion of a centre from District to Sub-Regional and Regional levels should be aligned with public transport infrastructure and service delivery. This is critical as public transport can provide an important point of origin and destination within local pedestrian and consumer movement corridors, presenting opportunity for integration and maximising exposure points on the outside of the centre, undermining the attractiveness of a traditional enclosed box model of development. Alkimos Central is expected to incorporate major public transport from Day 1.
- **Entertainment-Led Expansion** – Redevelopments and expansions are increasingly being led by the delivery of entertainment related uses, including outdoor dining precincts, modern cinema complexes and children's and adults play centres (such as bowling, electronic game centres and children's play areas. These uses align with the prevailing expenditure patterns of consumers in the modern climate and are increasingly recognised as an anchor in their own right.
- **Integration of Community and Health Services** – opportunity exists as retail development expands to integrate and collocate community and health services. These uses provide a secondary point of destination, increasing overall consumer visitation and creating new pedestrian movement corridors within the Centre. For example, the proposed Alkimos Aquatic and Recreation Centre (AARC) by the City of Wanneroo is currently planned to be located 100m from the core retail sites. Additionally, future libraries and community centre developments are also expected to be located in close proximity.
- **Challenges with Department Store-led Redevelopment Models** – The Department Store model is increasingly under pressure from both online retail and specialty store competition. This means that Department Store integration is featuring later in development staging.
- **Later Stage Commercial and Residential Integration** – Final development stages are diversifying underlying land uses and activity away from an exclusive retail development to more of a mixed use environment including commercial office, hotel, service commercial and residential. These developments help to create a self-sustaining economic eco-system in the local area, with residents and workers helping to drive increased pedestrian and consumer movements to and through the centre.

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<sup>25</sup> Scentre Group (2019) Media Releases – Westfield Booragoon Acquisition accessed at <https://www.scentre.com/news-events/media-announcements/2019/6-dec-2019>

<sup>26</sup> Amara City Gardens (2021) Construction - Amara City Gardens Booragoon accessed at <https://www.amaracitygardens.com.au/>

### 8.3 Recommended Shop Retail Staging

RPS recommends a progressive staging of Alkimos Central Shop Retail floor space. This staging seeks to position Alkimos Central to fulfil the optimal retail role and function in the District as the population of the catchment establishes, before evolving with Stages 2 and 3 into a Secondary Centre retail destination of choice.

#### 8.3.1 Accelerated and Conservative Scenarios

Two separate staging scenarios have been provided based representing an accelerated and conservative staging approaches.

**Table 14 Potential Shop Retail Staging, Alkimos Central, Accelerated Scenario**

STAGE	POTENTIAL TIMING	DESCRIPTION	ROLE
Stage 1	2025-2030	15,000-20,000sqm GLAR including: <ul style="list-style-type: none"> <li>• 1 full-line supermarket plus Aldi,</li> <li>• 3 mini majors</li> <li>• Food and Entertainment Precinct</li> <li>• 7,000sqm specialities</li> </ul>	District
Stage 2	2031-2035	35,000-40,000sqm GLAR adding: <ul style="list-style-type: none"> <li>• +1 full-line supermarket;</li> <li>• +2 mini majors</li> <li>• +1 DDS or equivalent</li> <li>• +Cinema, Food and Entertainment Precinct</li> <li>• +8,000sqm specialities</li> </ul>	District/Secondary
Stage 3	2036-2046	65,000-70,000sqm GLAR adding: <ul style="list-style-type: none"> <li>• +2 mini majors</li> <li>• +1 DDS or equivalent</li> <li>• +1 Department Store or equivalent</li> <li>• Expanded Food and Entertainment Precinct</li> <li>• +10,000sqm specialities</li> </ul>	Secondary
Stage 4	2046+	70,000-75,000sqm LGAR including: <ul style="list-style-type: none"> <li>• +1 Department Store or equivalent</li> <li>• +5,000sqm specialities</li> </ul>	Secondary

This Accelerated Scenario would establish a District level centre at the site in the short-term before Alkimos Centrals’ retail offering expands to a Secondary Centre role and function in the early 2030s with up to 40,000sqm GLAR. The Centre would then continue to expand in line with the growth profiles of other Secondary Centres, reaching between 70,000 and 75,000 sqm GLAR post 2046.

Note that this represents accelerated scenarios is premised on the centre having single ownership. While there is potential for a multi-ownership based model to be implemented, fragmentation of ownership may impact the speed with which some uses may be brought to market. In such case, cinema, entertainment/food and specialities may be delivered collocated with or in close proximity to the main retail centre in Alkimos Central, albeit at a rate more comparable with that of the Conservative Scenario below.

**Table 15 Potential Shop Retail Staging, Alkimos Central, Conservative Scenario**

STAGE	POTENTIAL TIMING	DESCRIPTION	ROLE
Stage 1	2025-2030	8,000-10,000sqm GLAR including: <ul style="list-style-type: none"> <li>• 1 full-line supermarket,</li> <li>• 1 mini-major/pharmacy</li> <li>• 4,000sqm specialities</li> </ul>	Neighbourhood
Stage 2	2031-2041	25,000-35,000sqm GLAR adding: <ul style="list-style-type: none"> <li>• +1 full-line or convenience supermarket,</li> <li>• +2 mini majors</li> <li>• +1 DDS or equivalent</li> <li>• Food and Entertainment Precinct</li> <li>• +6,000sqm specialities</li> </ul>	District
Stage 3	2041-2051	45,000-55,000sqm GLAR adding: <ul style="list-style-type: none"> <li>• +1 full-line or convenience supermarket,</li> <li>• +2 mini majors</li> <li>• +1 DDS or equivalent</li> <li>• Cinema</li> <li>• Food and Entertainment Precinct</li> <li>• +8,000sqm specialities</li> </ul>	Secondary
Stage 4	2051+	70,000-75,000sqm GLAR adding: <ul style="list-style-type: none"> <li>• +2 mini majors</li> <li>• +2 Department Stores or equivalent</li> <li>• Expanded Food and Entertainment Precinct</li> <li>• +12,000sqm specialities</li> </ul>	Secondary

The Conservative Scenario sees Alkimos Central established as a larger Neighbourhood Centre, anchored by a supermarket and an additional larger tenant (such as a pharmacy) and supporting by up to 4,000sqm of specialty stores. This is a larger Neighbourhood Centre but would primarily fulfil an expanded convenience role in the network.

The centre then evolves into a District level centre in the 2030s before growing further to a Secondary Centre in the 2040s and beyond. Total capacity under this scenario is likely not reached until post 2051, delaying the centre’s completion 5-10 years later than under the Accelerated Scenario.

This Conservative Scenario is most closely aligned with the delivery of retail in Alkimos Central by multiple parties across multiple collocated fronts/developments.

### 8.3.2 Interim Temporary Stages

Early activation of the site with interim, temporary uses in the short-term is often an effective mechanism for establishing consumer exposure to the site prior to the creation of a more formal retail offering.

Early activation will be achieved through a Stage 1 development that includes a Town Square and Community Hub building. The Community Hub will be located adjacent the Town Square and opposite the Train Station with the intent for it to be used as a mixed use building for the community which will likely include a small café/restaurant and some space for aspiring local businesses to utilise before more permanent built form infrastructure is delivered in later stages.



## 9 CONCLUSIONS

Previous analysis of the retail potential of Alkimos Central (previously Alkimos City Centre or Alkimos Secondary Centre) have indicated a Shop Retail potential of at least 60,000sqm Gross Lettable Area – Retail (equivalent to Net Lettable Area). Since this time, more recent population projections for Alkimos and Eglinton have become available and the settlement pattern of the District is becoming more apparent and understood. Additionally announcements have been made regarding the imminent investment and delivery of catalytic road and rail transport infrastructure. This combination of population growth and infrastructure investment means the prospects and timing of the retail development of Alkimos Central have changed.

Analysis in this report is regarded as realistic. Lessons have been learnt from previous analysis regarding both the likely extent of the Primary Trade Area and the growth rates of real expenditure in both the Primary and Secondary Trade Areas. These changes have contributed to estimates in 2041 of a total of over 72,000sqm GLAR of Shop Retail and over 45,000sqm GLAR of Bulky Goods/Showroom retail. This is regarded as appropriate and consistent with Alkimos Central's role as a centrally located Secondary Centre within the North West Corridor.

Lessons can be learnt from the progressive development of other centres in Western Australia and around the country. Staging should consider both the impact of technological and generational change on existing retail models and the emergence of new models. Similarly, entertainment and café/restaurant activities are increasingly recognised as a new major anchor for retail centres, driving longer activation (in terms of hours) and replacing traditional anchors (i.e. Department Stores) as the primary attractors for visitation by consumers.

Finally, there are a number of recent examples in Western Australia of the integration of health, commercial office and residential dwellings as part of both early and later stages of centre development. Consideration should be given to how all of these uses integrate with retail to maximise centre viability, sustainability and prosperity into the future.

# Appendix A

## Orion Springfield Staging





Figure 20 Orion Springfield, Stage 1 (2007)



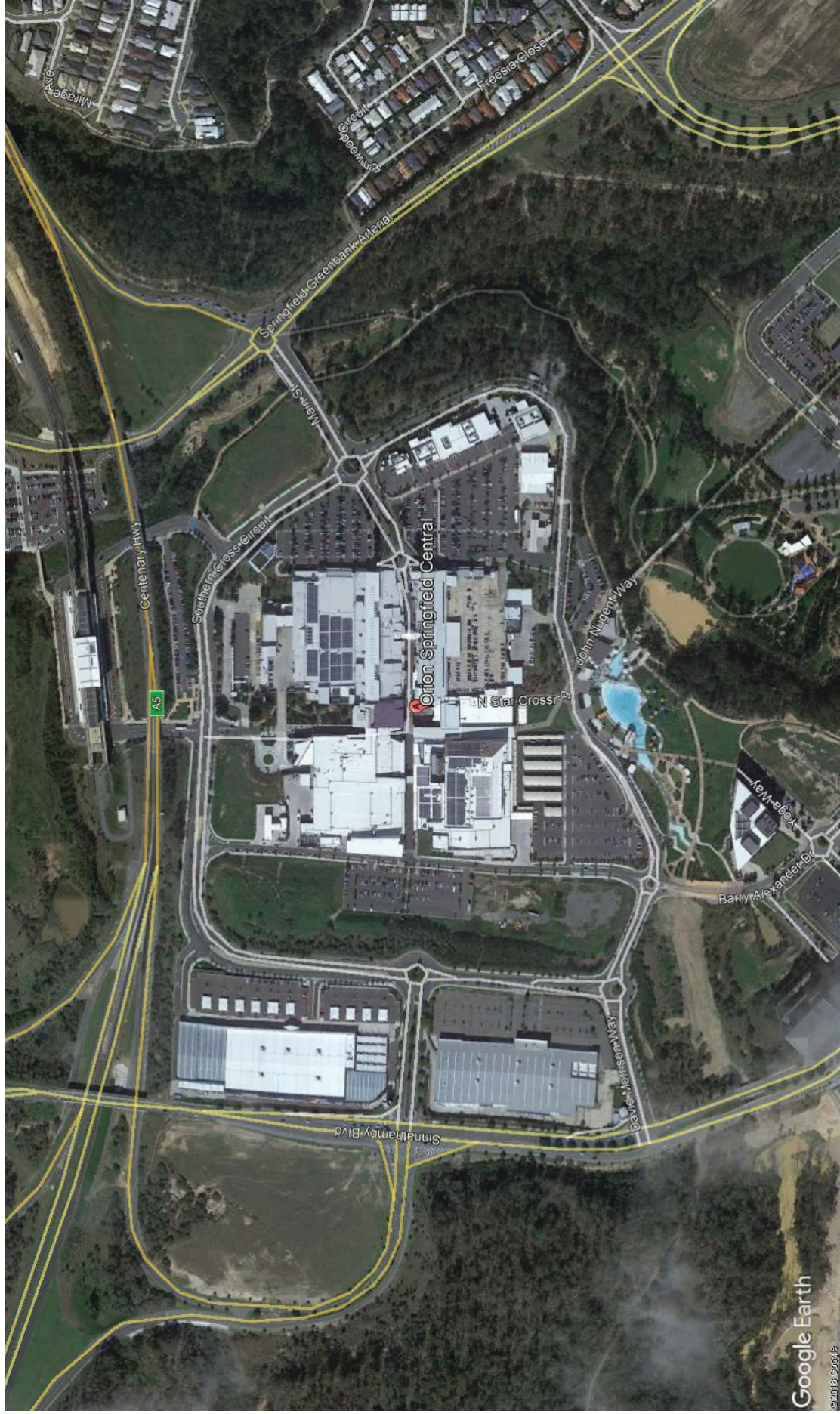


Figure 21 Orion Springfield, Stage 2 (Current)