

North Ellenbrook DSP

Economic, Retail and Employment Strategy

PREPARED FOR Lend Lease

December 2019

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Executive summary

This assessment considers the future economic, retail and employment impacts of the proposed North Ellenbrook DSP development. It argues that the North Ellenbrook development is essential to provide a workforce to support the future strategic investment, particularly within the major industrial areas of Muchea, Bullsbrook South and North Ellenbrook. The lack of a workforce in proximity to these major developments could become a constraint to economic development and delay economic development of the North-East Sub-region.

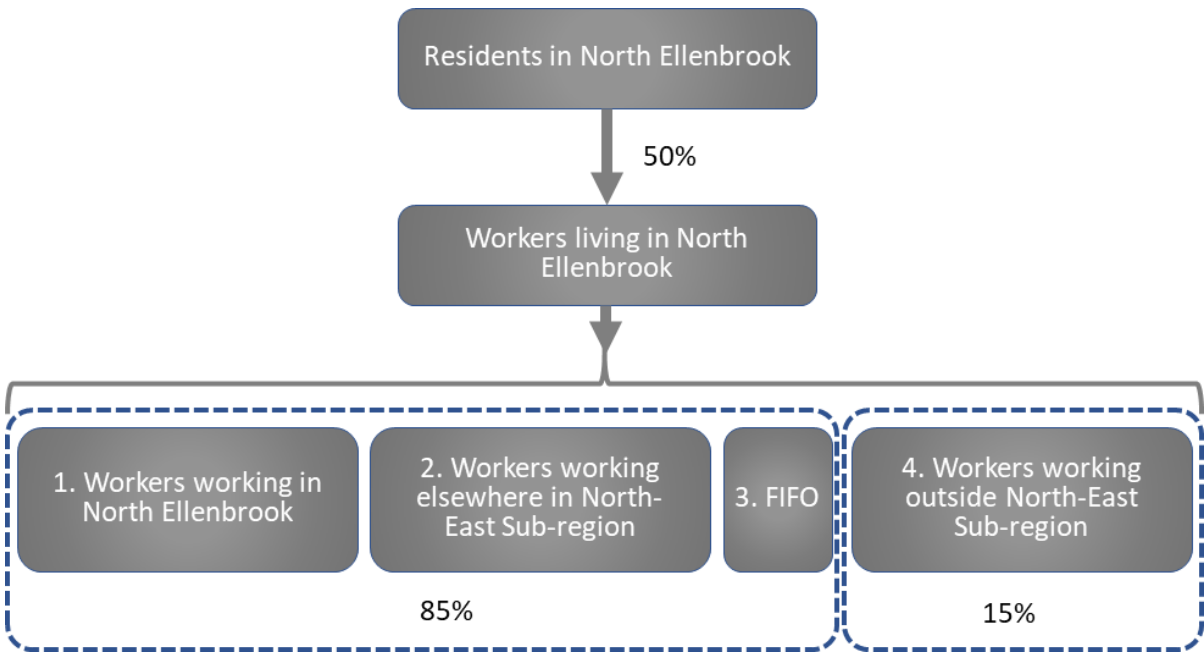
This report is also supported by a Retail Needs Assessment, which provides a detailed analysis of the future expenditure and retail floorspace demand generated by the proposed North Ellenbrook DSP. This concludes that North Ellenbrook can support up to 10,000 square metres of retail floorspace that may be developed in a single large Neighbourhood Centre or in a mid-sized Neighbourhood Centre supported by a Local Centre.

This report provides an assessment of the job's equation for the North Ellenbrook DSP to show how the development can meet the target of 85 per cent employment self-sufficiency as per the North-East Sub-regional Framework.

The North Ellenbrook DSP area will support around 5,500 dwellings and an estimated population at completion of 16,550 people. Based on the *North-east Sub-regional Framework* assumption of 50 percent of all residents being in the workforce, the North Ellenbrook DSP area is likely to accommodate 8,275 resident workers once the area is fully built out. Based on the employment self-sufficiency target, 15 per cent could work in jobs outside the sub-region, while the remaining 85 percent should (ideally) work within the sub-region. This means achieving a target of 7,034 residents of the North Ellenbrook DSP area working in jobs that are also located within the North-East Sub-region.

Macroplan's approach to the employment strategy is shown in the following diagram. This shows the breakdown of the workforce into four major groups that are then each modelled in detail to demonstrate how the North Ellenbrook area can achieve employment self-sufficiency.

Figure 1 Jobs flow chart target for North Ellenbrook



Source: Macroplan (2019)

The following table provides a summary of the jobs demand and how the North Ellenbrook DSP area can achieve the employment self-sufficiency target of 85 percent by drawing on the employment opportunities in the sub-region.

It shows that there would be around 8,275 workers living in North Ellenbrook once fully developed and that 7,024 of these people would be working in jobs located within the North-East Sub-region and therefore meet the self-sufficiency target.

Table 1 Jobs balance sheet for North Ellenbrook DSP

North Ellenbrook DSP area	Assumption	2011	2016	2019	2021	2026	2031	2036	2041	2046	2051	Capacity
Job demand from residents living in North Ellenbrook												
Dwellings	Estimated	17	17	17	17	17	600	1,717	3,217	4,717	5,517	5,517
Population	3.0 persons per dwelling	50	50	50	50	50	1,800	5,150	9,650	14,150	16,550	16,550
Workers	50% of population	25	25	25	25	25	900	2,575	4,825	7,075	8,275	8,275
Self-sufficiency target (within sub-region)	85% of all workers	21	21	21	21	21	765	2,189	4,101	6,014	7,034	7,034
Jobs supply to meet demand from workers living in North Ellenbrook												
Group 1: Workers within North Ellenbrook DSP	Collectively sums to 85% of all workers living in North Ellenbrook	5	5	5	5	5	180	515	965	1,415	1,600	1,601
Group 2: Workers elsewhere in NE Sub-region		15	15	15	15	15	549	1,571	2,943	4,316	5,103	5,102
Group 3: FIFO workers		1	1	1	1	1	36	103	193	283	331	331
Subtotal Groups 1-3		21	21	21	21	21	765	2,189	4,101	6,014	7,034	7,034
Group 4: Workers working elsewhere in the Perth Metropolitan Region (other sub-regions)	15% of all workers living in North Ellenbrook	4	4	4	4	4	135	386	724	1,061	1,241	1,241
Total workers (residents of North Ellenbrook)		25	25	25	25	25	900	2,575	4,825	7,075	8,275	8,275

Source: macroplan based on data from DPLH (North-East Sub-regional Planning Framework and Land Use and Employment Survey), ABS (Census) and CLE

Section 1: Introduction

1.1 Overview

The *North-east Sub-regional Framework* uses an assumption that approximately half of the population are in the workforce. This is supported by the latest data from the 2016 Census which identified that the Swan Statistical Area 3 had a total workforce of 66,600 workers and a resident population of 128,500 people. The following table from the Framework demonstrates the challenge to create more jobs in the sub-region to gradually increase the employment self-sufficiency from the 80.3 percent ratio in 2011, up to 85.8 percent by 2050.

Table 2 Population, labour force and jobs assumptions for the North-East Sub Region

Indicator	2011	2050	Total change	Total % change
Population	209,150	450,580	241,430	115%
Labour force	102,610	224,860	122,250	119%
Jobs	82,380	192,950	110,570	134%
Employment self-sufficiency	80.3%	85.8%	5.5%	-

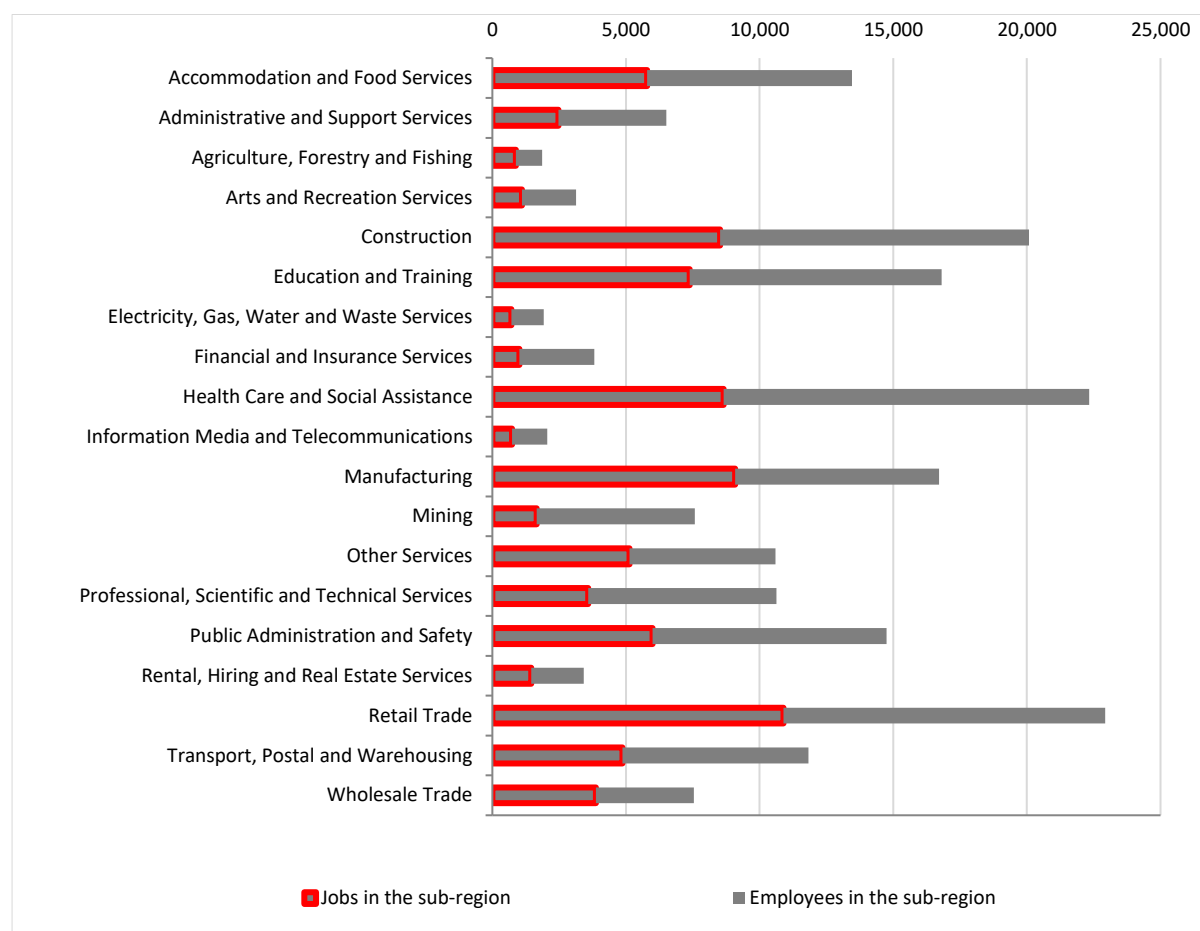
Source: WAPC, *North-East Sub-regional Framework*, 2018

1.2 Employment self-sufficiency by industry

The North-East Sub-region has a reasonable level of employment self-sufficiency estimated at 80.2 percent in 2011. Achieving the *Perth and Peel @3.5 million Sub-regional Planning Framework 2018* targets for employment self-sufficiency in the sub-region will require the creation of approximately 104,100 additional jobs by 2050.

The following figure shows the number of workers living in the sub-region (grey bars) and the number of jobs in the sub-region as at 2016 (red lines). This indicates that in every industry, there were more workers than jobs in the sub-region, including the population-servicing jobs (retail, healthcare, education, public administration and human services) as well as the industrial and construction jobs.

Figure 2 Relationship of jobs and employees in the North-East Sub-region - 2016



Source: Australian Bureau of Statistics – Census of Population and Housing 2016

Therefore, the north-east sub-region needs to create more jobs across all industry sectors to improve its employment self-sufficiency. This means jobs in strategic activity centres, specialised centres and industrial areas.

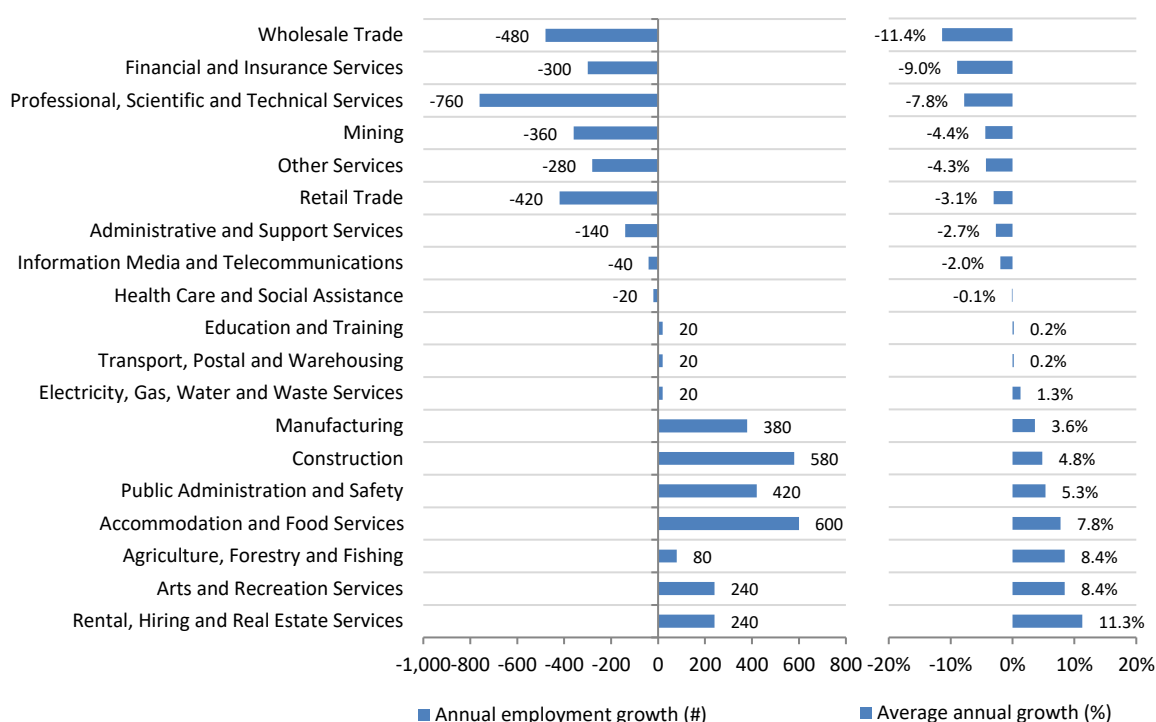
1.3 Employment growth opportunities

The job market in the North-East Sub-region is led by the health care and social assistance industry which was the largest industry in the region at 15,700 jobs but saw negative growth over the period at -0.1 per cent.

The following figure illustrates the change in employment in each industry over the period May 2013 to May 2018 in the North-East Sub-region. The fastest growing industries include the rental, hiring and real estate (11.3% growth), arts and recreation (8.4% growth), agriculture, forestry and fishing (8.4% growth), accommodation and food services (7.8% growth) and public administration and safety (5.3% growth).

The market is shifting away from the wholesale trade (-11.4% change), financial and insurance services (-9.0% change) and professional, scientific and technical services (-7.4% change) industries as these industries saw negative annual growth in employment over the period.

Figure 3 Change in employment by industry, Perth – North-east sub-region, 2013 – 2018

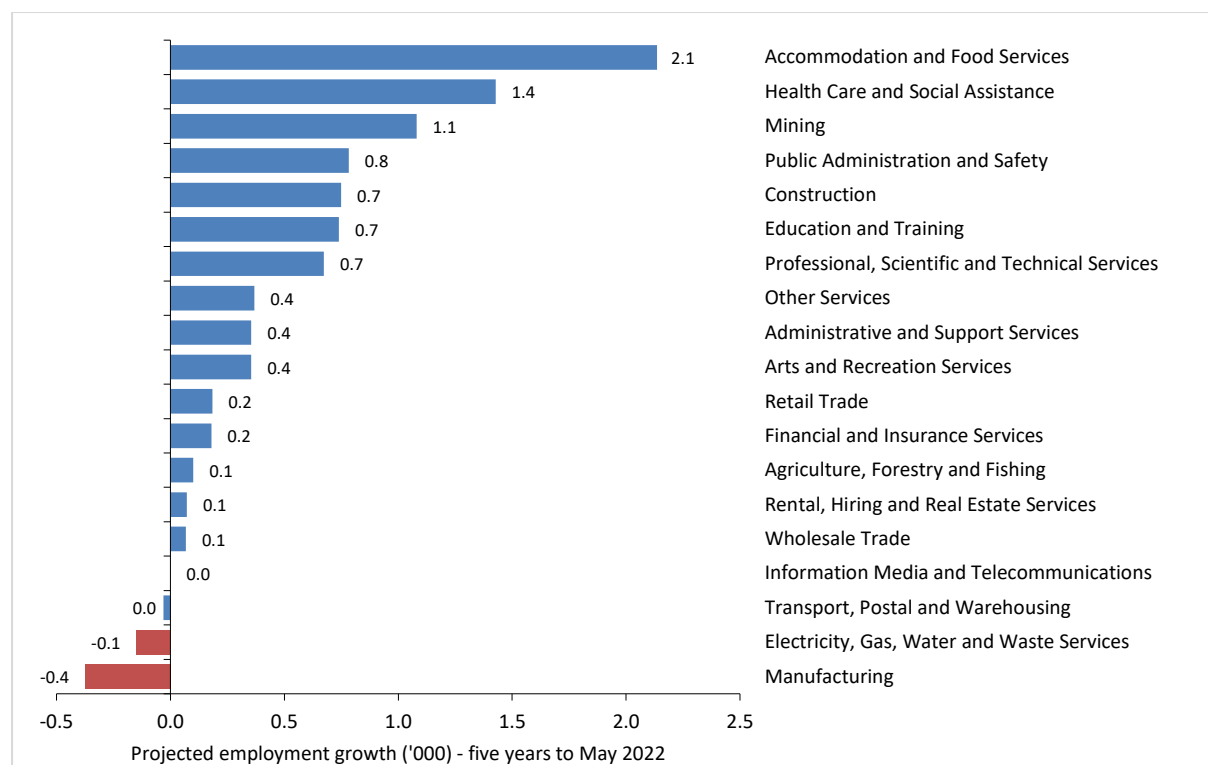


Source: Department of Employment, Skills, Small and Family Business (2019)

1.4 Employment growth opportunities

Employment projections for the North-east Sub-region indicate mining and construction employment will be one of the top five driving industries, while manufacturing and logistics employment decline. These projections reflect the trend in construction and mining wages outlined above. Note that these projections only extend to 2022, which is well short of the development timeframe for the Bullsbrook Freight and Industrial Area, however, it does provide a suggestion of the future potential growth if these trends continue into the medium and longer terms.

Figure 4 North-East Sub-regional employment projections to 2022



Source: Department of Employment, Skills, Small and Family Business (2019)

Section 2: Employment demand from the North Ellenbrook DSP

2.1 Demand for employment generated by the North Ellenbrook DSP

The North Ellenbrook DSP area will support around 5,500 dwellings and an estimated population at completion of 16,550 people.

Based on the *North-east Sub-regional Framework* assumption of 50 percent of all residents being in the workforce, the North Ellenbrook DSP area is likely to accommodate 8,275 resident workers once the area is fully built out. Based on the employment self-sufficiency target, 15 per cent could work in jobs outside the sub-region, while the remaining 85 percent should (ideally) work within the sub-region. This means achieving a target of 7,034 residents of the North Ellenbrook DSP area working in jobs that are also located within the North-East Sub-region.

The following table provides the jobs balance sheet for the North Ellenbrook DSP area, showing the employment target need to achieve the 85 percent employment self-sufficiency level.

Table 3 Jobs balance sheet for North Ellenbrook DSP

	Assumption	2011	2016	2019	2021	2026	2031	2036	2041	2046	2051	Capacity
Dwellings	Estimated	17	17	17	17	17	600	1,717	3,217	4,717	5,517	5,517
Population	3.0 persons per dwelling (Census average)	50	50	50	50	50	1,800	5,150	9,650	14,150	16,550	16,550
Workers	50% of population (assumption from North- East Sub-regional Framework)	25	25	25	25	25	900	2,575	4,825	7,075	8,275	8,275
Self-sufficiency target (within sub-region)	85% of all workers (assumption from North- East Sub-regional Framework)	21	21	21	21	21	765	2,189	4,101	6,014	7,034	7,034

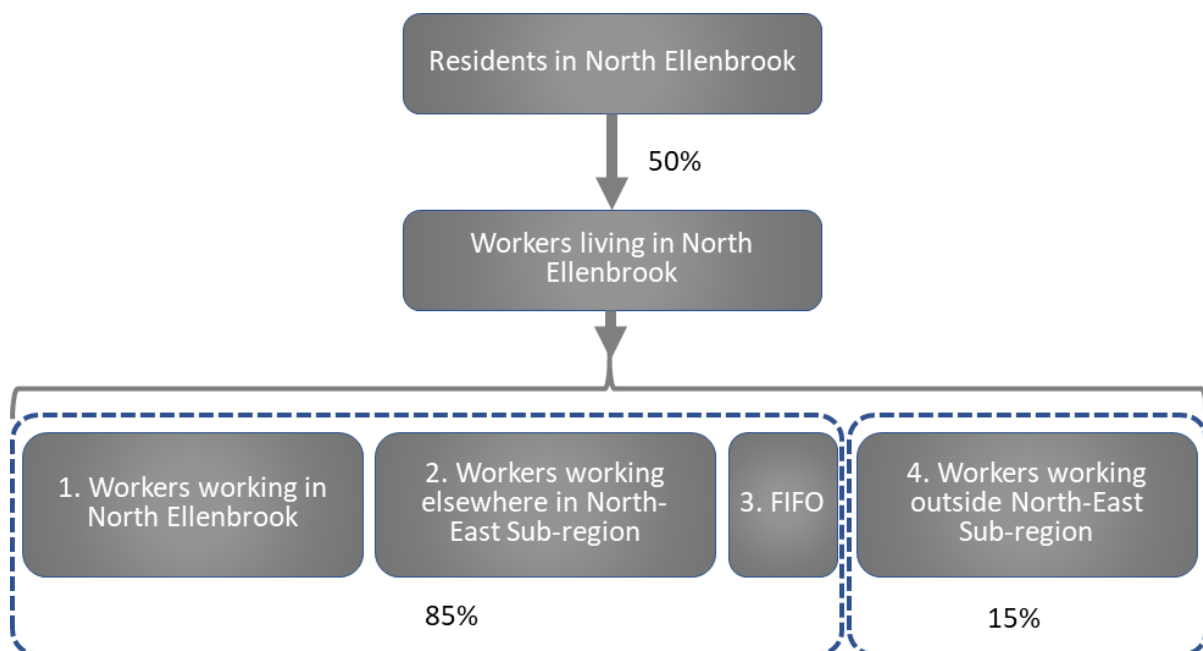
Source: macroplan based on data from DPLH (North-East Sub-regional Planning Framework and Land Use and Employment Survey), ABS (Census) and CLE

Section 3: Employment opportunities in the North-east subregion

This section of the report demonstrates how the North Ellenbrook DSP can meet the employment self-sufficiency targets meeting the jobs demand identified in the previous section.

Macroplan's approach to the jobs strategy is shown in the following diagram. This shows the breakdown of the workforce into four major groups that are then each modelled in detail to demonstrate how the North Ellenbrook area can achieve employment self-sufficiency.

Figure 5 Jobs flow chart target for North Ellenbrook



Source: Macroplan (2019)

The employment demand will be met by:

- Group 1: Jobs within the North Ellenbrook area – population-based employment including activity centres based around retail businesses, schools, local shops, health care.
- Group 2: Jobs in the North-East Sub-region - Major employment nodes including commercial centres and industrial centres. It also includes jobs within the sub-region that are not fixed to a regular place of work (ie. construction workers), but that are still predominantly within the sub-region.
- Group 3: Fly-in-fly-out jobs that are physically located outside of the metropolitan region, but that do not put a day-to-day load on the metropolitan transport system and therefore should count towards the employment self-sufficiency target. The only relevant travel

involved is typically to and from Perth Airport (which borders the North-East Sub-region) and those trips only occur every two to four weeks (depending on the rota).

Group 4: Jobs outside the North-East Sub-region, including jobs the Perth Central Area, other strategic metropolitan centres and/or specialised centres.

3.1 Group 1: Jobs within the North Ellenbrook Sub-region

The following table shows Macroplan's estimate of the number of jobs that will be created by the population demand within the North Ellenbrook DSP area. These jobs represent the estimated employment within the area created by the demand from the local population.

Table 4 Population-driven employment located within North Ellenbrook DSP area – at buildout

Sector	Number of sites / facilities	FTE (each site / facility)	Total employment
Education			
Childcare (full day care and before/after school care)	4	10	40
Primary school	3	42	126
Secondary school	1	80	80
Subtotal education			246
Health			
Retirement (120 units)	1	36	36
Aged care (80 beds)	1	45	45
Allied health	5	4	20
Subtotal health			101
Activity centre			
Neighbourhood centre (8,000 sqm)	1	320	320
Local centre (2,000 sqm)	1	80	80
Subtotal activity centre			400
Service and convenience shops (not in activity centres)			
Convenience (service stations, other convenience)	2	5	10
Food	5	8	40
Non-food	5	4	20
Subtotal service retail (not in activity centres)			70
Urban employment			
Emergency	4	12	48
Transport	76	1	76
Human services (gyms, trainers, hairdressers, beauticians not in activity centres)	60	4	240
Subtotal urban employment			364
Work at/from home			
Home-based employment	350	1	420
Total jobs in the North Ellenbrook DSP area			1,601

Source: Macroplan (2019)

While there are some decisions yet to be finalised about the exact format and size of the neighbourhood centre, the location and scale of the retail does not matter for this calculation as it is based on the needs assessment which demonstrates a need for 10,000 square metres of retail floorspace generated by the North Ellenbrook trade area population.

The following section discusses the planned major employment area to the north of the North Ellenbrook DSP area and the employment opportunities in the broader area.

3.2 Group 2: Employment in strategic activity centres and industrial areas

3.2.1 Employment in the Bullsbrook Freight and Industrial Area

The North-East Sub-regional Planning Framework identifies a future substantial employment node referred to as the Bullsbrook Freight and Industrial Area, which consists of four major precincts across a total of 2,650 hectares:

- Bullsbrook South A (300 ha gross) – zoned industrial in the MRS and is called the Northern Gateway Industrial Park (Bullsbrook)
- Bullsbrook South B (100 ha gross) – zoned industrial in the MRS
- North Ellenbrook (900 ha gross) – identified as ‘industrial expansion’ in the Perth and Peel @3.5 million – North-East Sub-regional Planning Framework
- North Ellenbrook Extension (industrial investigation) (1,350 ha gross) - identified as ‘industrial investigation’ in the Perth and Peel @3.5 million – North-East Sub-regional Planning Framework.

The developable yield for the area has yet to be determined, however, environmental constraints and infrastructure requirements in the area mean that the likely development yield may be around 50-70 per cent of the gross area or between 1,325 and 1,855 hectares.

Based on the projected take-up of industrial land and the employment land uses identified in the draft DSP an average employment density of 30 jobs per net developable hectare is likely to be achieved when fully developed. Macroplan’s assessment is that this area alone will support more than 50,000 jobs once fully developed.

Given that the 400-hectare Bullsbrook South precinct is already zoned industrial in the MRS and on the market, these employment opportunities are only subject to industrial land users establishing businesses in the area.

The Bullsbrook Freight and Industrial Area could have two development fronts catering to different industrial needs (one focusing on freight and logistics and the other providing land for general and light industrial uses) and potentially achieve an average take-up of up to 20 hectares per annum. This would

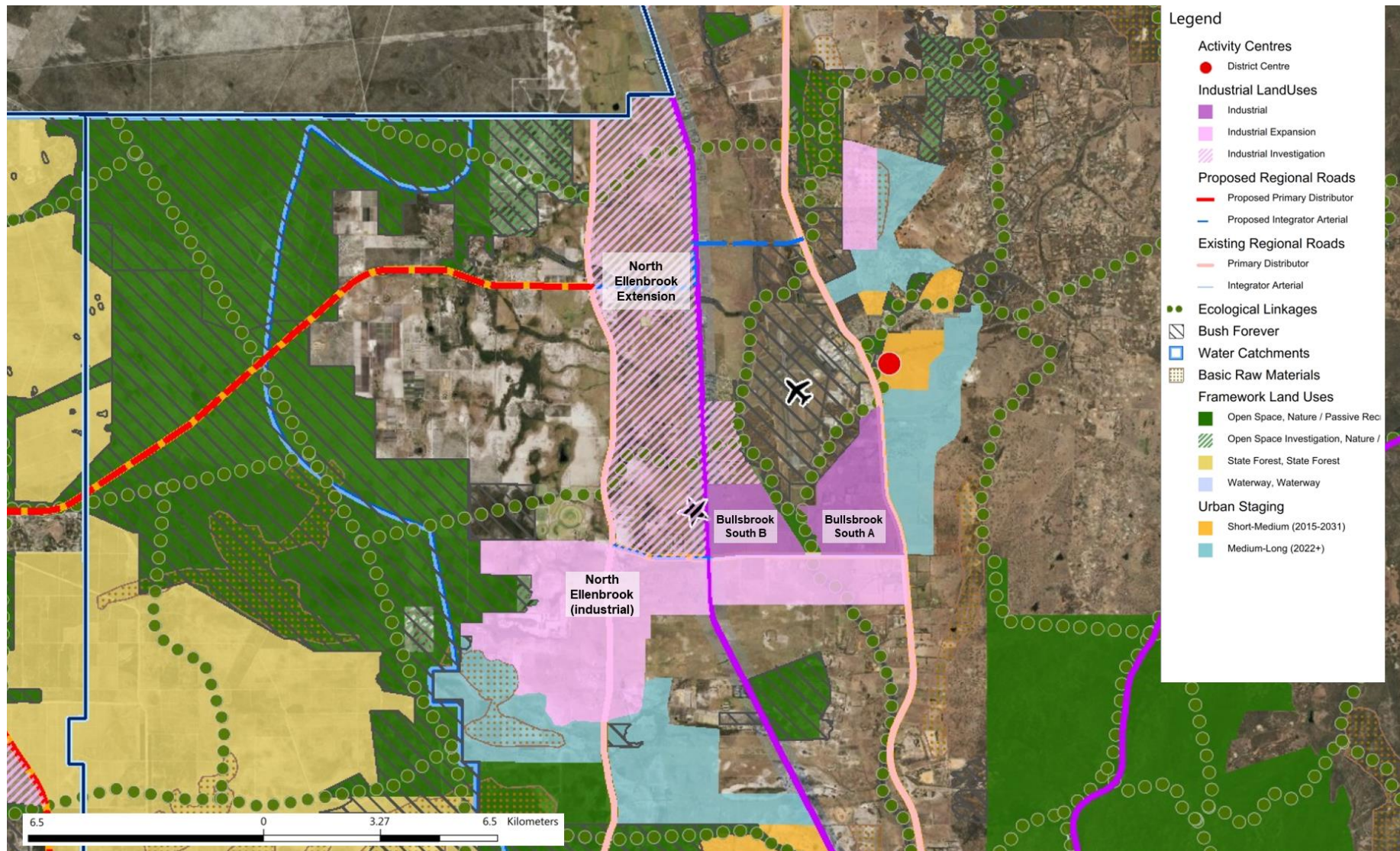
imply a development timeframe of at least 70 years across the whole area, although increases in employment land use intensity over that timeframe are likely to extend the supply beyond 2100.

Competition for the development comes from existing industrial areas that have substantial expansion capacity as well as from new areas. These include Muchea, Meridian Park (Neerabup), Latitude 32 (for intermodal freight) and Hazelmere South. The Muchea Employment Node and Industrial Park are attracting investment which will meet many of the heavy transport and freight demands. The role of Muchea is likely to be focused on primary production, logistics and freight operations and provide for regional demand.

The Bullsbrook location will need to differentiate its unique advantages, including:

- Proximity to the metropolitan region and Perth Airport
- Nexus point between interstate, intrastate and metropolitan transport
- Major road and rail infrastructure
- Longer term potential for two rail intermodal terminals.

Figure 1. Bullsbrook Freight and Industrial Area context and zoning



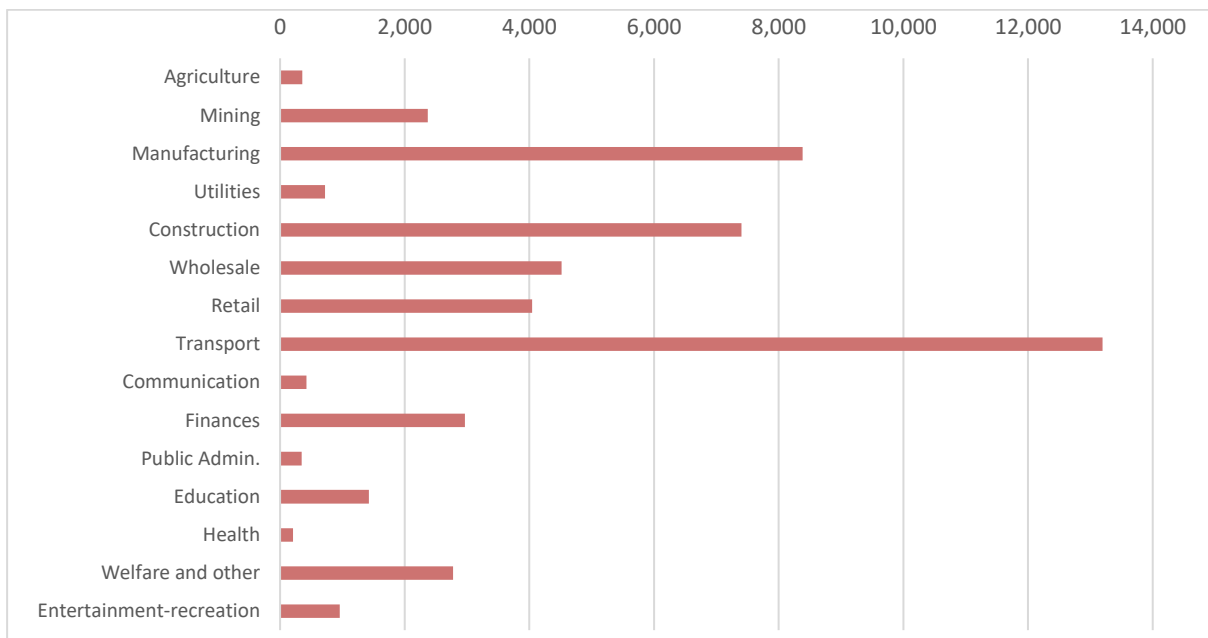
Source: Department of Planning, Lands and Heritage

Macroplan has modelled the types of jobs likely to be created in the Bullsbrook Freight and Industrial Area on:

- the proposed mix of land uses including logistics, general industrial, light industrial, service commercial and business park uses; and
- actual employment densities (jobs per hectare by industry) achieved in comparable industrial estates in Perth through the DPLH Land Use and Employment Survey.

The following figure shows that while transport and logistics jobs are likely to dominate the future employment opportunities, there will be a range of jobs created across the sectors.

Figure 2. Projected employment by industry in the Bullsbrook Freight and Industrial Area – at buildout



Source: MacroPlan 2019, based on DPLH Land Use and Employment Survey and consultation with Development WA

One of the fundamental economic growth challenges for the sub-region will be to ensure that there is a sufficient local resident workforce to meet the employment demand from businesses investing in the Bullsbrook Freight and Industrial Area. Therefore, the challenge is not to create jobs for these residents, but to provide urban growth areas that can provide enough housing for workers to live close to their place of work.

3.2.2 Other employment opportunities in surrounding industrial areas

Major employment nodes at the Muchea Industrial Park and Malaga will also provide additional opportunities for employment self-sufficiency within the corridor. These precincts include a range of existing and short-term industrial development areas, as well as long-term.

Immediate and near-term development precincts include;

- Whiteman
- Hazelmere South
- Wattle Grove
- Muchea Industrial Park
- Vacant land within other MRS industrial

The medium-term opportunities are:

- South Bullsbrook – which is zoned MRS industrial land on the market, but still at the early stages of development.

Long-term employment land identified in this strategy includes:

- North Ellenbrook Investigation Area
- Bullsbrook South Investigation Area
- Bullsbrook Town-Site Precinct North

Table 5 Major industrial employment nodes servicing the North-east sub-region

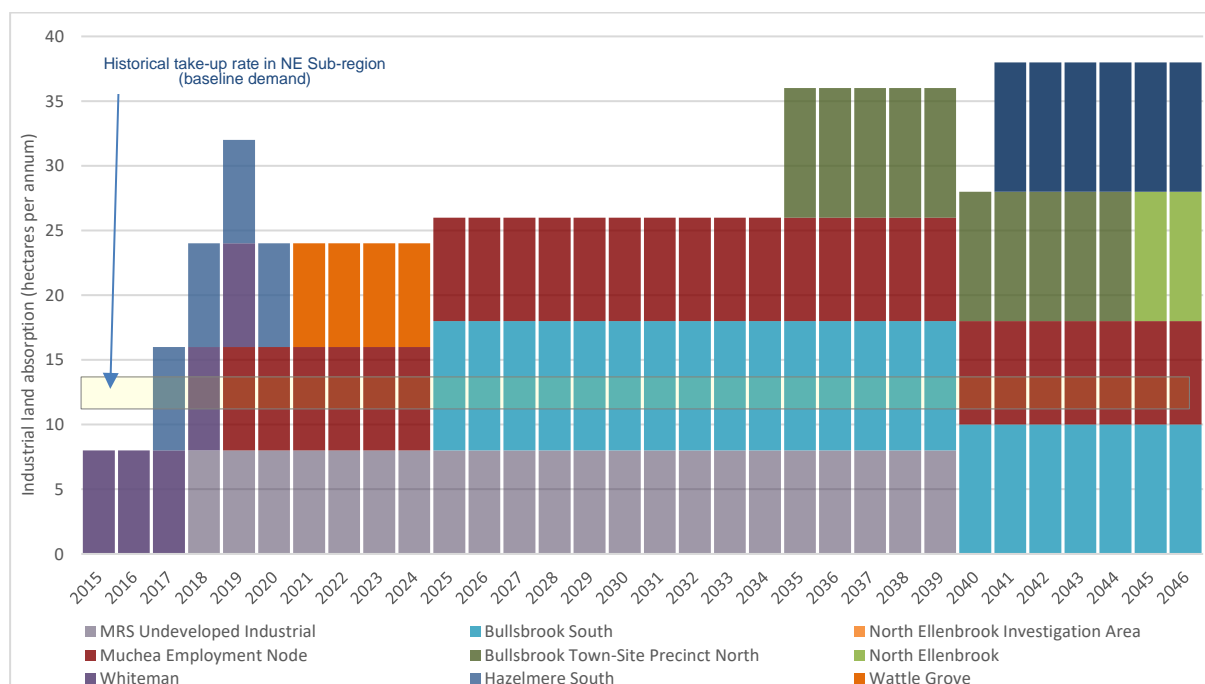
Site Name	Total area (ha)	Net developable area (ha)	Likely completion of planning	Likely start of sales based on market demand	Estimated Project Completion	Project term	Comment
Hazelmere South	41	30	2018	2017	2021 (4yrs, 8ha pa)	Short	Development is proceeding on existing lots, ahead of rezoning and structure planning.
Wattle Grove	46	33	2020	2021	2024 (4 yrs, 8ha pa)	Short	Land has recently been rezoned to industrial as part of Maddington Kenwick Strategic Employment Area (MKSEA).
North Ellenbrook	868	608	2021	2045	2081 (40yrs, 15ha pa)	Long	This precinct has been identified as expansion area under the draft 2015 P&P@3.5 million.
Whiteman	69	39	2019	2015	2024 (5yrs, 8ha pa)	Short	This site is owned by the WAPC and is zoned urban.
Bullsbrook South	471	317	2018	2025	2061 (30 yrs, 10ha pa)	Medium/ Long	Bullsbrook South is zoned industrial. Harvis has been actively marketing this as Northern Gateway Industrial Park (Bullsbrook) . The planning for the area has been well advanced. Effective land assembly may take a further 7-8 years. Strong demand for finished lots may not eventuate until 2031.
North Ellenbrook Investigation Area	1,314	788	2025	2057	2127 (72yrs, 10ha pa)	Long	It is understood that this precinct is yet to undergo a site capacity analysis. It is at the very early stages of planning. It is well located adjacent to the Perth- Darwin highway. Given the stages of the proposed Bullsbrook South and North Ellenbrook estates, vacant industrial lot land sales may not occur until 2051.
Bullsbrook South Investigation Area	397	238	2025	2041	2065 (24yrs, 10ha pa)	Long	This precinct is also yet to undergo a site capability analysis. Its actual commencement date also seems to be long term and has been assumed to be 2041.
Muchea Employment Node	1,116	476	2016	2019	2105, (60yrs, 8ha pa)	Short to Long	A structure plan for Muchea has been prepared and the precinct planning is comparatively well advanced. Access to reticulated water is a key constraint. A suitable cost sharing arrangement also has to be established. The precinct many be needed to accommodate lay down, mining and logistic related activities. This is reinforced by current plans to locate a truck breakdown facility in the precinct. The precinct may also meet local demand within the Shire of Chittering.
Bullsbrook Town-Site Precinct North	115	96	2025	2035	2045 (10yrs 10ha pa)	Long	It is understood this estate is intended to be for light industry. If so, it assumed start date may be earlier if it accommodates local business and industries.
MRS Undeveloped Industrial	232	175	2018	2018	2040 22yrs (8ha pa)	Short/ medium	There is undeveloped industrial land at several locations close to the Midland area. This land may be demand sooner due to its proximity to existing urban areas.
Total	4,669	2,779					

Source: MacroPlan 2019, based on consultation with Development WA

3.2.3 Industrial land take-up

The following figure shows the projected industrial land development in the North-east subregion and the Muchea Industrial Park through to 2046. This is based on consultation with Development WA on the realistic take-up for industrial land in the sub-region.

Figure 3. Industrial land take-up in the north-east sub-region- projections (to 2046)



Source: MacroPlan 2019, based on consultation with Development WA

Table 6 North-east corridor – projected land area developed (cumulative hectares)

Precinct	2016	2021	2026	2031	2036	2041	2046
Existing zoned precincts							
Hazelmere South	0	32	32	32	32	32	32
Wattle Grove	0	8	32	32	32	32	32
Whiteman	16	40	40	40	40	40	40
Muchea Employment Node	0	24	64	104	144	184	224
MRS Undeveloped Industrial	0	32	72	112	152	176	176
Bullsbrook South	0	0	20	70	120	170	220
Potential / proposed new precincts							
Bullsbrook Town-Site Precinct North	0	0	0	0	20	70	100
North Ellenbrook	0	0	0	0	0	0	20
North Ellenbrook Investigation Area	0	0	0	0	0	0	0
Bullsbrook South Investigation Area	0	0	0	0	0	10	60
Total	16	136	260	390	540	714	904

Source: MacroPlan 2019, based on consultation with Development WA

Between 2016 and 2046, a projected average 30 hectares per annum of new industrial land would be taken-up in the North-east sub-region. While this is higher than in the past, it recognises that the industrial land supply in other sub-regions (such as Central and South-East) have largely been developed and that some of that demand pressure would move to the North-east sub-region.

The employment impact of these industrial areas is outlined below, based on the 30 jobs per developable hectare of land which is the average across Perth's industrial areas (as measured by the DPLH Land Use and Employment Survey). The following table shows the total number of new additional jobs in the North-east sub-region that could be created based on the projected industrial land development as shown in the previous figure and table.

Table 7 North-east corridor – projected additional employment (number of jobs)

Precinct	2016	2021	2026	2031	2036	2041	2046
Existing zoned precincts							
Hazelmere South	0	960	960	960	960	960	960
Wattle Grove	0	240	960	960	960	960	960
Whiteman	480	1,200	1,200	1,200	1,200	1,200	1,200
Muchea Employment Node	0	720	1,920	3,120	4,320	5,520	6,720
MRS Undeveloped Industrial	0	960	2,160	3,360	4,560	5,280	5,280
Bullsbrook South	0	0	600	2,100	3,600	5,100	6,600
Potential / proposed new precincts							
Bullsbrook Town-Site Precinct North	0	0	0	0	600	2,100	3,000
North Ellenbrook	0	0	0	0	0	0	600
North Ellenbrook Investigation Area	0	0	0	0	0	0	0
Bullsbrook South Investigation Area	0	0	0	0	0	300	1,800
Total	480	4,080	7,800	11,700	16,200	21,420	27,120

Source: MacroPlan 2019, based on consultation with Development WA

Based on the projected rate of industrial land development in the north-east sub-region (plus Muchea), an additional 1,070 job per annum are forecast to be created between 2016 and 2046. At this rate of jobs growth, by 2046 there would be an *additional* 27,120 jobs in the sub-region in industrial estates.

3.3 Group 3: FIFO jobs

Macroplan has used the 2016 Census to estimate the number of fly-in-fly-out (FIFO) workers that will live in North Ellenbrook. In 2016, across the whole of the North-East Sub-region 5 per cent of the workforce worked in the mining sector. On this basis, Macroplan has used an estimate of 4.0 per cent of the total workforce in North Ellenbrook being a FIFO worker.

3.4 Supply of jobs to meet demand

The following table summarises the jobs supply numbers analysed in this section of the report:

Group 1 employment – population-servicing jobs: These jobs are addressed in detail in Table 4 of this report showing the total employment that would be generated by the population living in the area. This is based on actual employment numbers from similar greenfield developments. It demonstrates that at capacity, the North Ellenbrook DSP area would have around 1,600 local jobs including those in the activity centre(s), schools and healthcare sectors, as well as jobs that are more mobile but still generated and located within the local area (human services, emergency services, home-based aged care, etc).

Group 2 employment – workers elsewhere in the sub-region: These jobs include a wide range of employment opportunities in the sub-region, particularly within the Midland Strategic Metropolitan Centre for the higher level jobs (health and medical services, professional services, higher-level education, etc) and in strategic industrial employment nodes. The assessment shows that the industrial development in Muchea, Bullsbrook and Ellenbrook will create around 12,000 jobs by 2046. Based on this assessment, around 10 percent or 2,778 of these workers would come from the North Ellenbrook DSP area.

Group 3 employment – FIFO workers: These jobs are essentially contained within the sub-region because the point of travel is primarily to Perth Airport and it is infrequent (ie. one trip every two to four weeks, depending on the rota). Therefore, these workers do not put an undue strain on the transport network on a daily/weekly basis.

Table 1 Jobs balance sheet for North Ellenbrook DSP

North Ellenbrook DSP area	Assumption	2011	2016	2019	2021	2026	2031	2036	2041	2046	2051	Capacity
Job demand from residents living in North Ellenbrook												
Dwellings	Estimated	17	17	17	17	17	600	1,717	3,217	4,717	5,517	5,517
Population	3.0 persons per dwelling	50	50	50	50	50	1,800	5,150	9,650	14,150	16,550	16,550
Workers	50% of population	25	25	25	25	25	900	2,575	4,825	7,075	8,275	8,275
Self-sufficiency target (within sub-region)	85% of all workers	21	21	21	21	21	765	2,189	4,101	6,014	7,034	7,034
Jobs supply to meet demand from workers living in North Ellenbrook												
Group 1: Workers within North Ellenbrook DSP		5	5	5	5	5	180	515	965	1,415	1,600	1,601
Group 2: Workers elsewhere in NE Sub-region												
Midland Activity centre (and other activity centres in the NE Sub-region)		3	3	3	3	3	90	258	483	708	828	828
Industrial centres		8	8	8	8	8	297	848	1,590	2,331	2,779	2,778
Construction workers		4	4	4	4	4	135	386	724	1,061	1,241	1,241
Other workers in Sub-region (transport, maintenance, etc)		1	1	1	1	1	27	79	147	216	255	255
Group 2 Subtotal:		15	15	15	15	15	549	1,571	2,943	4,316	5,103	5,102
Group 3: FIFO workers		1	1	1	1	1	36	103	193	283	331	331
Total Group 1-3		21	21	21	21	21	765	2,189	4,101	6,014	7,034	7,034
Group 4: Workers working elsewhere in the Perth Metropolitan Region (other sub-regions)	15% of all workers living in North Ellenbrook	4	4	4	4	4	135	386	724	1,061	1,241	1,241
Total workers (residents of North Ellenbrook)		25	25	25	25	25	900	2,575	4,825	7,075	8,275	8,275

Source: macroplan based on data from DPLH (North-East Sub-regional Planning Framework and Land Use and Employment Survey), ABS (Census) and CLE

Section 4: Conclusion

The north-east sub-region needs to create more jobs across all industry sectors to improve its employment self-sufficiency. While the employment self-sufficiency was reasonable in 2016 at 68 per cent, it is still short of the target set in the Perth and Peel @3.5 million – North-East Sub-regional Planning Framework.

The proposed North Ellenbrook urban development is ideally located to service the employment needs Bullsbrook Freight and Industrial Area which will consist of a full range of employment opportunities including logistics, general industrial, light industrial, service commercial and business park uses. At full development, this industrial node alone will support an estimated 50,000 jobs.

The Bullsbrook Freight and Industrial Area will service the metropolitan region and become a major hub for logistics feeding into the north-east, north-west and central sub-regions of Perth. It will provide an effective interface between the east coast freight and Perth. As the Industrial Area is already serviced by freight rail, it can also become a major intermodal freight handling and storage area. In addition, the area will support the manufacturing, fabrication and maintenance needs of the resources sectors in the State's north west.

Across all industrial precincts in the sub-region and the Muchea Industrial Park, Macroplan projects a take-up of 30 hectares per annum through to 2046. This employment would accommodate an additional 1,070 jobs per annum between 2016 and 2046.

One of the fundamental economic growth challenges for the sub-region will be to ensure that there is a sufficient local resident workforce to meet the employment demand from businesses investing in the Bullsbrook Freight and Industrial Area. Therefore, the challenge is not to create jobs for these residents, but to provide urban growth areas that can provide enough housing for workers to live close to their place of work.

If the proposed North Ellenbrook project does not proceed, the lack of an available regional workforce may act as a constraint on economic development if businesses in the area cannot secure sufficient workers to support the construction and then on-going operation of those enterprises.

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Retail Needs Assessment

December 2019

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Executive summary

Regional context, proposed development and retail trends

- Lendlease is the lead proponent of a District Structure Plan (DSP) in North Ellenbrook, which is located in Perth's north-east growth corridor approximately 27 km from the Perth CBD.
- The subject DSP area is comprised of 498 hectares of broadacre englobo land, which is expected to yield 5,500 dwellings. The area is included in the North-East Sub-Regional Planning Framework, with the subject land currently designated as 'urban investigation'. The neighbourhood centre (referred to as the North Ellenbrook Neighbourhood Centre in this report) is planned to serve the future residents of the DSP area, with its scale and timing the subject assessment of this report.
- Retail is considered to be amidst one of its biggest transformations and is undergoing significant disruption that is also impacting retail property. There is a shift in values and behaviours, such as 'less is more.' Food retail is performing reasonably well, though non-food retail continues to face tough trading conditions.

Trade area analysis

- The defined main trade area for the subject centre contains a population estimated at 3,730 at 2019, predominately residing within the secondary south sector. The DSP area, which is defined as the primary sector, is assumed to commence development in 2026, and is assumed to have an ultimate residential capacity of 16,550 residents once it is fully developed, with the area projected to be fully occupied by around 2048.
- The estimated retail expenditure generated by future primary sector residents is forecast reach \$288 million in 2051, following the completion of development in the DSP area, growing at an average annual growth rate of 6.3% over the two decades from 2031 to 2051.

Retail floorspace demand

- Our analysis indicates that by around 2038 (and possibly as early as 2036) a neighbourhood centre of 4,000 – 4,500 sq.m is supportable at the subject site, anchored by a 3,200 sq.m supermarket, together with 1,200 sq.m – 1,400 sq.m of supporting retail specialties. This is based on the assumption that residential developed begins in the area by around 2026.
- As the DSP area continues development, there is estimated to be sufficient retail floorspace demand for an expansion of the centre in 2043 to accommodate a small format discount supermarket and additional specialty space.

Conclusions

- The DSP area has an estimated capacity for 5,500 dwellings. Assuming residential developed commences in 2026, the analysis in this report shows that future residents in the DSP area can support a neighbourhood activity centre anchored by a full-scale supermarket by around 2038, with a second stage expansion of the centre potentially supportable by around 2043. Overall, residents in the DSP area can support up to around 10,000 sq.m of retail floorspace within the local area.

Introduction

This report presents a retail needs assessment for the North Ellenbrook Neighbourhood Centre, located within the City of Swan, 27 km north-east of the Perth CBD. The purpose of this assessment is to examine the potential scale, possible timing and benefits arising from the development of a future retail centre within the District Structure Plan (DSP) area.

The report has been prepared under instructions from Lend Lease and is set out as follows:

- **Section 1** presents a review of the site, including its location and accessibility, its planning context and retail trends overview.
- **Section 2** examines the trade area available to North Ellenbrook Neighbourhood Centre, and details the current and projected future trade area population levels together with the expected socio-demographic profiles of the population within each trade area sector, and the estimated retail expenditure volumes, by category, generated by that population.
- **Section 3** examines the competitive environment within which North Ellenbrook Neighbourhood Centre would operate, and the likely changes to competition that can be expected in the foreseeable future.
- **Section 4** provides an analysis of supermarket and retail floorspace considered supportable at the North Ellenbrook Neighbourhood Centre.
- **Section 5** outlines our concluding remarks on the North Ellenbrook Neighbourhood Centre.

Section 1: Regional context & proposed development

This section of the report presents an overview of North Ellenbrook and surrounds, as well as providing a review of the planning context of the area and an overview of retail trends

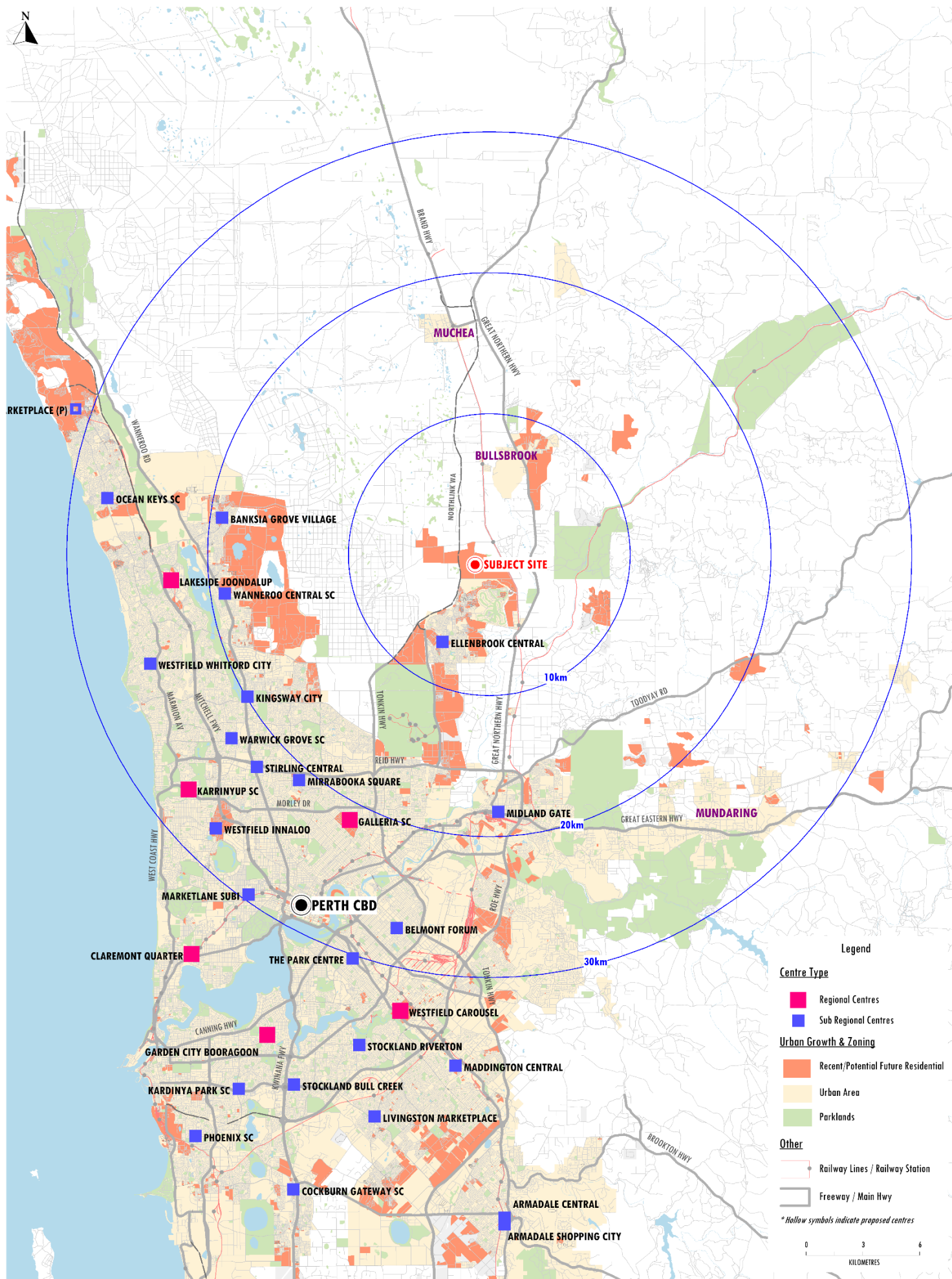
1.1 Regional context

Lendlease is the lead proponent of a District Structure Plan (DSP) in North Ellenbrook, which is located within Perth's north-east growth corridor approximately 27 km from the Perth CBD (refer Map 1.1). The subject DSP area is comprised of 498 hectares of broadacre englobo land (Figure 1.1) and is included in the North-East Sub-Regional Planning Framework, with the subject land currently designated as 'urban investigation' (refer Figure 1.2). The subject DSP land is expected to yield 5,500 dwellings in the long-term, with a neighbourhood centre (the North Ellenbrook Neighbourhood Centre) planning to serve these residents, with its scale and timing the subject assessment of this report.

The preferred location of the neighbourhood centre is planned to be situated centrally within the DSP area, as shown in Figure 1.1. While development of the surrounding road network is ongoing, regional access to the DSP will be provided via the future NorthLink WA, Maralla Road, Railway Parade and Sawpit Road.

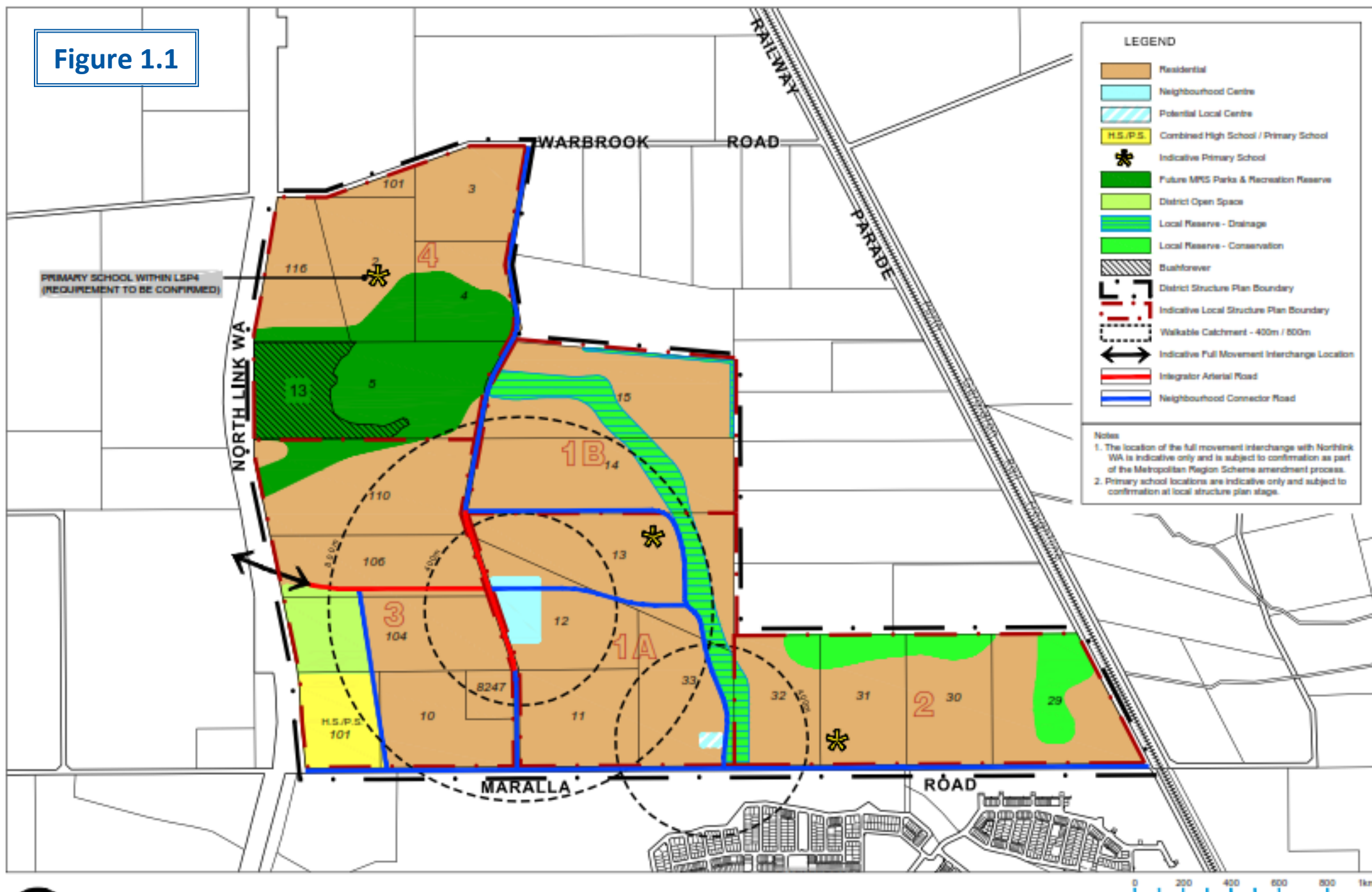
Regional access to the DSP area will be provided by NorthLink WA, which will extend north to Muchea and south to Reid Highway at Malaga via the Tonkin Highway. The road has been in construction since 2016 and is expected to be completed in late 2019. Reid Highway is the main thoroughfare through North Perth and connects to Roe Highway. Interchanges close to the site are planned at The Promenade west of Ellenbrook, and Stock Road situated north of North Ellenbrook. Future upgrades to the NorthLink WA may include the addition of an interchange on Maralla Road to provide access for future residents of the DSP area. There is also potential for an extension to Sawpit Road, which currently gives inner access from Maralla Road, providing greater accessibility from the north west of Ellenbrook.

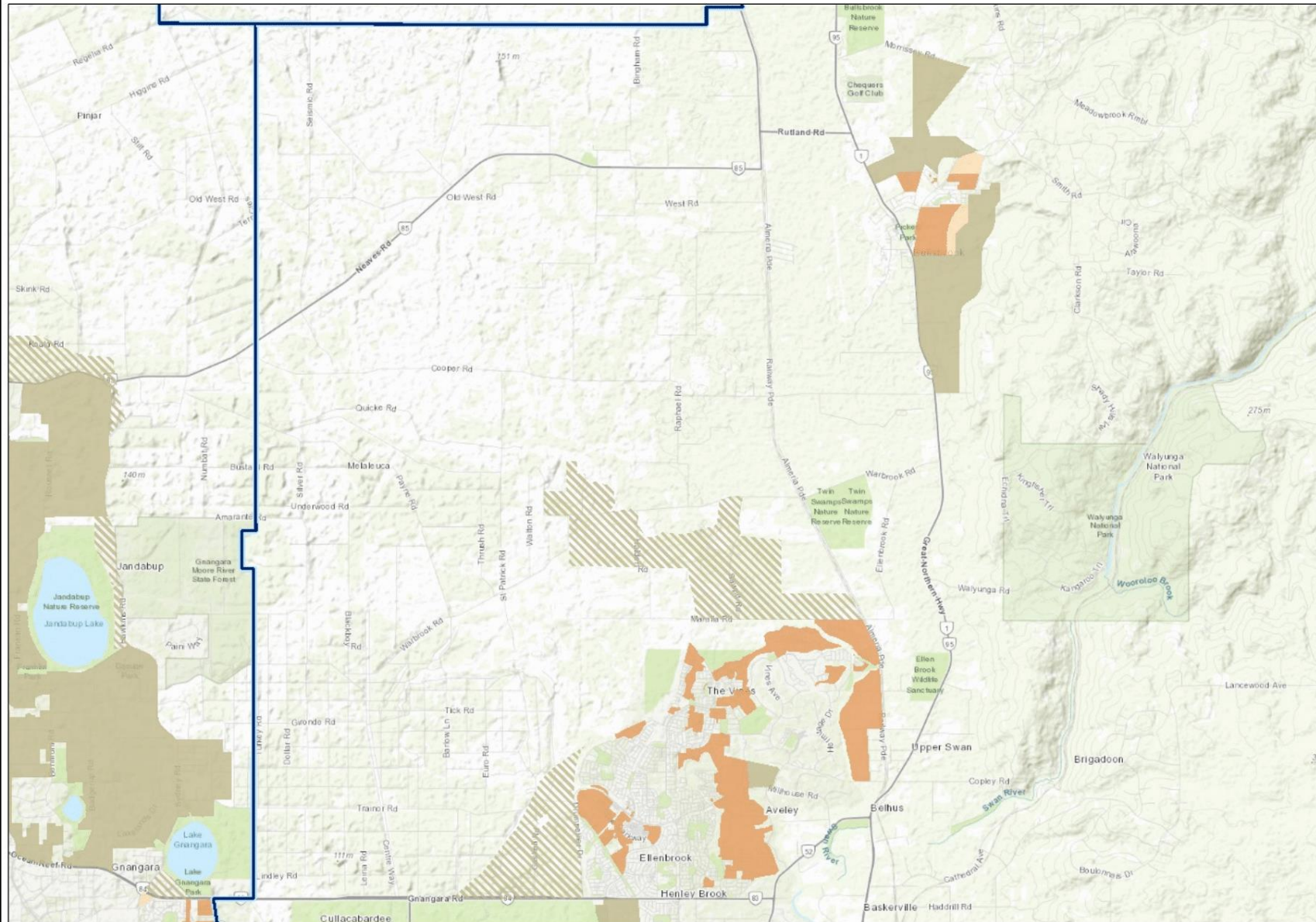
The land to the west of the NorthLink WA is undergoing a separate DSP process and is has approximately 380 hectares of land, expecting to yield roughly 4,560 dwellings, translating to a possible capacity population of around 13,700 residents.



Map 1.1: North Ellenbrook
Regional context

Figure 1.1





7.3	0	3.67	7.3 Kilometers
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This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Legend

Undeveloped Urban Land

Urban

Urban Deferred

Urban Land Uses

Urban Investigation

Urban Expansion

Figure 1.2

Notes

1.2 Planning context

This sub-section reviews the relevant planning documents for the future North Ellenbrook Neighbourhood Activity Centre, which are briefly discussed below.

Activity Centres Policy for Perth and Peel

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

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

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

In order to achieve its objectives, the Policy provides for a hierarchy of activity centres, which differentiates such centres and their planning principles in terms of their roles and functions within the overall network; their indicative retail catchments; and their housing density and mix of land uses. The key activity centre designations are summarised as follows:

- The Perth Capital City is the largest and highest ranking of the activity centres, providing the largest concentration of development in the region, with the greatest range of services and employment facilities.
- Strategic Metropolitan Centres – 10 such centres are designated, at Yanchep, Joondalup, Stirling, Morley, Midland, Fremantle, Cannington, Armadale, Rockingham and Mandurah. The Strategic Metropolitan Centres are the main regional activity centres, providing a diverse mix of economic and community uses for their extensive catchments. The inner north-eastern Perth region is serviced by one Strategic Metropolitan Centre, at Morley; while the north-western Strategic Metropolitan Centre is located at Stirling. Typically

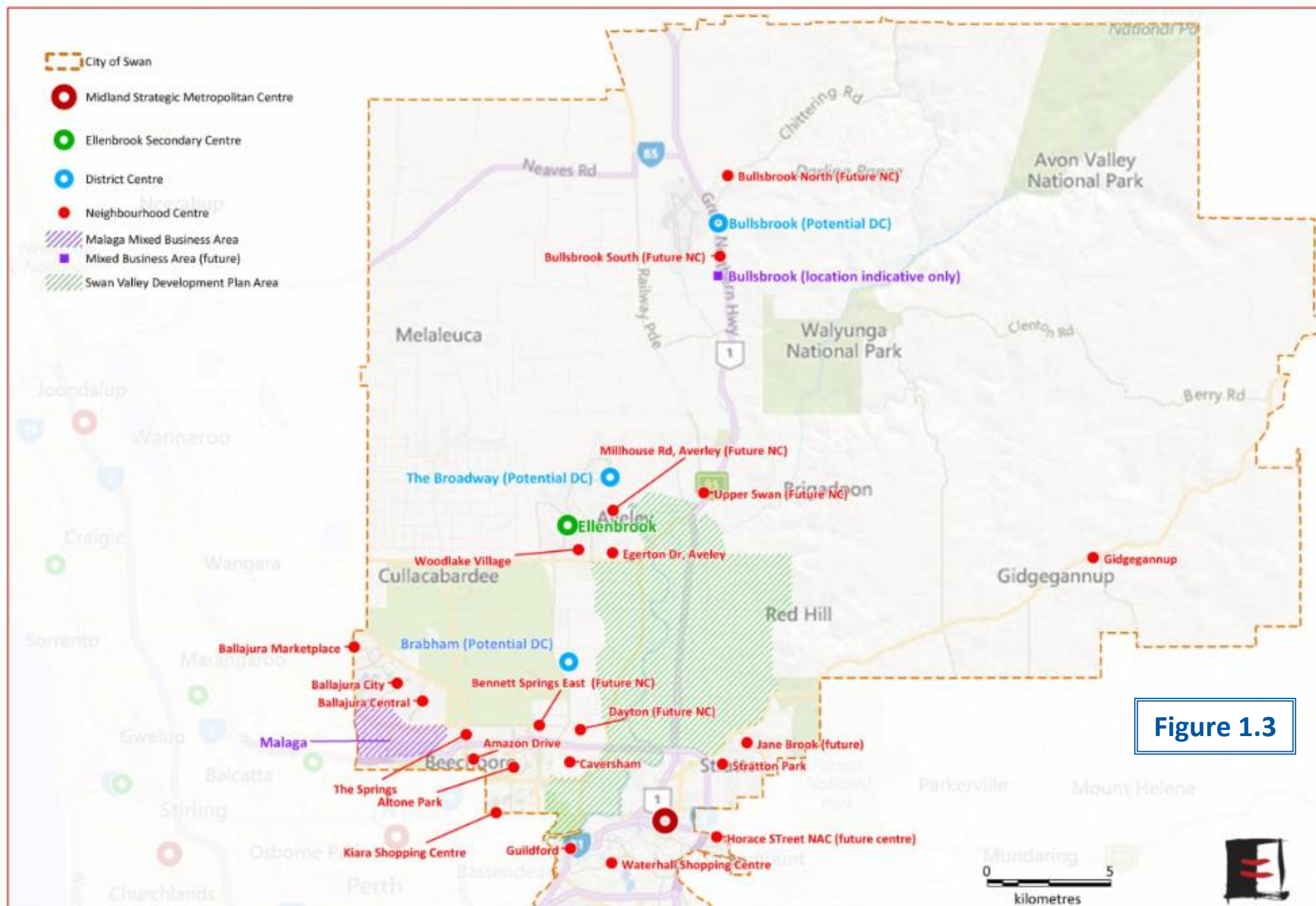
contain department stores, discount department stores, supermarkets and a full range of specialty shops.

- **Secondary Centres** – The Policy identifies 19 Secondary Centres, which are generally evenly distributed across the Perth urban area. Secondary Centres, similar to Strategic Metropolitan Centres, also offer a diverse range of services and facilities, including community and employment opportunities. Typically contain department stores, discount department stores, supermarkets and specialty shops.
- **District Centres** – A network of District Centres is designated throughout the Perth urban area. These centres are expected to focus on servicing the daily and weekly needs of residents within their local respective catchments. Typically contain discount department stores, supermarkets, convenience goods, small scale comparison shopping, personal services and some specialty shops.
- **Neighbourhood Centres** – Such centres are expected to provide local community hubs to service the day-to-day needs of the immediately surrounding residents. The Policy does not provide the locations of the neighbourhood centres, but emphasises their important roles, which should be recognised in local planning strategies and structure plans. This is the likely designation of the subject centre, given the expected population levels and typically contain supermarkets, convenience shops and personal services.

City of Swan Commercial and Activity Centre Strategy

The *City of Swan Local Commercial and Activity Centres Strategy*, (adopted in September 2017), outlines the roles and functions of existing activity centres within the municipality, and also guides the planning of future activity centres. Figure 1.3 illustrates the existing and planned network of activity centres within the City of Swan.

The subject North Ellenbrook Neighbourhood Centre site is currently not designated as a future development site in the strategy, reflecting the current rural status surrounding area and one requiring further investigation to facilitate greenfield residential growth.



1.3 Retail trends

Retail is considered to be amidst one of its biggest transformations and is undergoing significant disruption that is also impacting retail property. There is a shift in values and behaviours, such as 'less is more.' People are moving away from buying 'stuff', wanting more lifestyle, travel, experience. Unresponsive retailers and retail precincts are experiencing reduced footfall and losing market share in the face of more relevant competition, with retailers that provide experiential/entertainment, as well as embracing technology, tending to thrive.

A review of the recent performance of the retail sector by category reveals that supermarkets and fresh food specialty sales continue to grow solidly despite some deflation in food and grocery prices. While, food catering (restaurants, cafés, take-away food outlets) continues to perform strongly, underpinning a shift in consumer sentiment to eating out, particularly over the past decade. Consumers are generally willing to spend a little bit extra for unique food and 'experiential' dining concepts, with ambience and presentation a key part of the offer.

In contrast, non-food sales are not performing as strongly, as discretionary spending continues to experience a tough trading environment, which is particularly impacting on the sales performance of department stores and discount department stores. The shift in the retail sales to online continues to impact non-food retailers, particularly stores which are more generic and do not offer a vibrant store experience. As a result, larger non-food retail space is being replaced by more productive usages including food and services with a strong local and community perspective.

Overall, integrated and mixed-use centres are being more common, which incorporate more 'non-retail' elements, broadening appeal and customer base, increasing spend and dwell time. Furthermore, with Australia's population is ageing, there is increased demand for medical services, localised/accessible amenities and community hubs.

Section 2: Trade area analysis

This section of the report details the trade area that will be expected to be served by the future North Ellenbrook Neighbourhood Centre, including the population and spending levels within the trade area and the socio-demographic profile of trade area residents.

2.1 Trade area definition

The extent of the trade area or catchment for any centre is shaped by a number of important factors, which are described as follows:

- i. The relative attraction of the centre in question as compared with alternative retail facilities. The factors that determine the strength and attraction of any shopping or activity centre are primarily the scale and composition of the centre, in particular the major trader (or traders) that are included within it; the layout, ambience and presentation of the centre; and carparking, including access and ease of use.
- ii. While the strength and appeal of a centre directly impacts on the breadth of customer draw, the proximity and attraction of competitive retail centres serve to restrict a centre's ability to extend its trade area. Thus, the locations, compositions, quality and scale of competitive retail facilities all serve to define the extent of the trade area which the centre in question is effectively able to serve.
- iii. The available road network and public transport service and how they operate to effect ease of use and access to the centre in question are also important factors impacting on its relative attractiveness.
- iv. Significant physical barriers which are difficult to negotiate or which take considerable time to cross can often act to delineate the boundaries of the trade areas that are able to be served by specific centres.

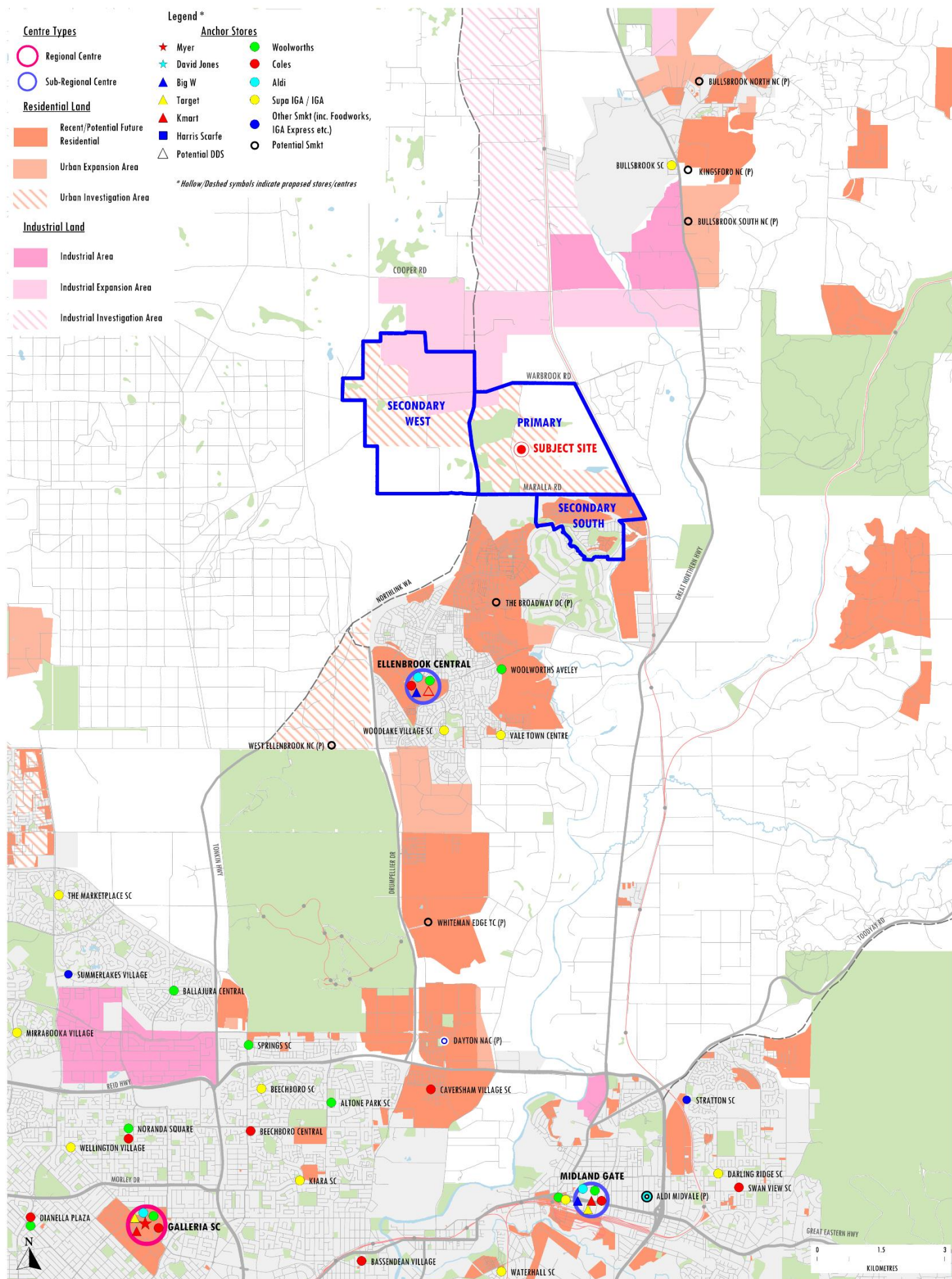
Taking the above into account, the North Ellenbrook trade area is influenced in particular by the following:

- The likely role of the centre as a neighbourhood centre, whose core function is to serve the main food, grocery and convenience-orientated needs of residents in the surrounding area.
- The locations of existing and future competitive facilities, including Ellenbrook Central and the potential District Centre located on The Broadway in the south, and Bullsbrook SC in the north.
- The future road network in the DSP area which is assumed to provide convenient access to the centre from the surrounding locality, while regional access is anticipated to be provided by the completion of NorthLink WA.

On this basis, the North Ellenbrook Neighbourhood Centre main trade area has been defined to include a primary sector and two secondary sectors, as illustrated on Map 2.1 and described as follows:

- The **primary sector** includes the area bound by the NorthLink WA to the west, Maralla Road to the south, Railway Parade to the east, and Warbrook Road to the north, and encompasses the entirety of the subject DSP area.
- The **secondary south sector** consists of a north-east section of Ellenbrook called Annie's Landing, which is being developed by LWP, as well as a small part of the suburb The Vines.
- The **secondary west sector** extends west from the primary sector across the NorthLink WA and reaches Halden Road to the west. It is bound by Maralla Road to the south and up to Cooper Street in the north. This area represents the future growth west of the NorthLink WA.

The extent of the trade area is mainly constrained to the south by the location of Ellenbrook Central and future The Broadway centre, located within the Ellenbrook district centre.



Map 2.1: North Ellenbrook
Trade area and competition

2.2 Trade area population

Table 2.1 details the existing and projected population levels within the defined North Ellenbrook Neighbourhood Centre trade area. The information has been collected from a range of sources, including the following:

- Australian Bureau of Statistics (ABS) Census of Population and Housing (2011 and 2016);
- ABS Dwellings Approvals and Estimated Residential Population Data (2016-2018);
- Western Australia Tomorrow (March 2019) prepared by the WA Planning Commission;
- Population projections prepared by forecast.id for the City of Swan updated in May 2019; and
- Other investigations of future residential development, undertaken by this office.

The trade area population is estimated at 3,730 residents at 2019 comprised mainly of residents within the secondary south sector, with a limited number of rural properties within the primary sector.

Table 2.1											
North Ellenbrook Neighbourhood Centre trade area population, 2011-2051*											
Trade area sector	Estimated population					Forecast population					
	2011	2016	2019	2021	2026	2031	2036	2041	2046	2051	Capacity
Primary	50	50	50	50	50	1,800	5,150	9,650	14,150	16,550	16,550
Secondary sectors											
• South	780	3,020	3,680	3,980	4,480	4,830	4,830	4,830	4,830	4,830	4,830
• West (future)	-	-	-	-	-	-	-	-	-	-	13,700
Total secondary	780	3,020	3,680	3,980	4,480	4,830	4,830	4,830	4,830	4,830	18,530
Main trade area	830	3,070	3,730	4,030	4,530	6,630	9,980	14,480	18,980	21,380	35,080
Average annual growth (no.)											
Trade area sector	2011-16	2016-19	2019-21	2021-26	2026-31	2031-36	2036-41	2041-46	2046-51		
Primary		0	0	0	0	350	670	900	900	480	
Secondary sectors											
• South		448	220	150	100	70	0	0	0	0	
• West (future)		-	-	-	-	-	-	-	-	-	
Total secondary		448	220	150	100	70	0	0	0	0	
Main trade area		448	220	150	100	420	670	900	900	480	
Average annual growth (%)											
Trade area sector	2011-16	2016-19	2019-21	2021-26	2026-31	2031-36	2036-41	2041-46	2046-51		
Primary		0.0%	0.0%	0.0%	0.0%	105%	23.4%	13.4%	8.0%	3.2%	
Secondary sectors											
• South		31.1%	6.8%	4.0%	2.4%	1.5%	0.0%	0.0%	0.0%	0.0%	
• West (future)		-	-	-	-	-	-	-	-	-	
Total secondary		31.1%	6.8%	4.0%	2.4%	1.5%	0.0%	0.0%	0.0%	0.0%	
Main trade area		29.9%	6.7%	3.9%	2.4%	7.9%	8.5%	7.7%	5.6%	2.4%	
*As at June											
Source: ABS Census 2016; Western Australian Planning Commission, WA Tomorrow 2019; MacroPlan											

Over the long term, the population of the North Ellenbrook trade area is forecast to reach capacity of approximately 21,400 residents by 2051, including 16,550 in the primary sector. This does not allow for any development of land currently classified as 'urban investigation' in the secondary west sector.

The key points and assumptions to note, regarding the population forecast for the North Ellenbrook Neighbourhood Centre trade area is summarised as follows:

- Development in the primary sector is assumed to begin in 2026, with first residents moving in by 2027. Residential development is projected to start initially at 80 dwellings per annum and peak at 300 dwellings per annum as the development gathers pace. This equates to an initial population growth of 240 residents per annum and peak of 900 residents per annum, using an assumed long-term average household size of 3, typical of greenfield development areas.
- Around 75% of the secondary south sector has been developed to date. There are an additional 26 hectares of undeveloped residential zoned land in this sector, with development projected to reach a capacity of 4,830 residents by 2031.
- Like the primary sector, the secondary west sector contains land currently designated as 'urban investigation', with some 380 hectares of such land. This area is subject to separate DSP process. If developed, the area has the potential for around 4,565 dwellings, resulting in around 13,700 residents in the long term, based on an assumed household density of 12 dwelling per hectare and an average household size of 3. It is likely future residents of the secondary west sector will utilise the subject centre, before the possible development of a retail centre in the local area.

2.3 Socio-demographic profile

Table 2.2 and Chart 2.1 summarise the socio-demographic profile of the North Ellenbrook trade area population, based on the results of the 2016 Census of Population and Housing. Due to the fact that North Ellenbrook has not yet been developed, the northern parts of Ellenbrook were selected as a proxy to represent the expected socio-demographic profile of future residents due to its recent development. The key points to note are as follows:

- Residents in the area are on average younger than the Perth metropolitan benchmark, reflecting an above average proportion of children and a lower representation of older residents, particularly in the primary sector.
- Income levels are generally below the Perth benchmark on a per capita basis, but on par with the average on a per household basis at \$115,237, reflecting an above average household size.
- The proportion of trade area residents who either own outright or own with a mortgage is 77.3%, higher than the benchmark by 5.7%. Outright ownership is lower however, which is characteristic of a greenfield growth area.
- Trade area residents are predominantly Australian born, and the proportion of overseas born residents at 35.1% is below the Perth metropolitan average of 38.6%.
- The family structure of trade area households indicates an above average proportion of traditional families, i.e. couples with dependent children at 61.4%, and a much lower representation of lone person households when compared with the Perth benchmark.

In summary, it is likely that the future North Ellenbrook population will be reflective of a growing outer suburban region comprised largely of traditional family households, who earn average incomes, and are attracted by the relative affordability of housing and lifestyle on offer.

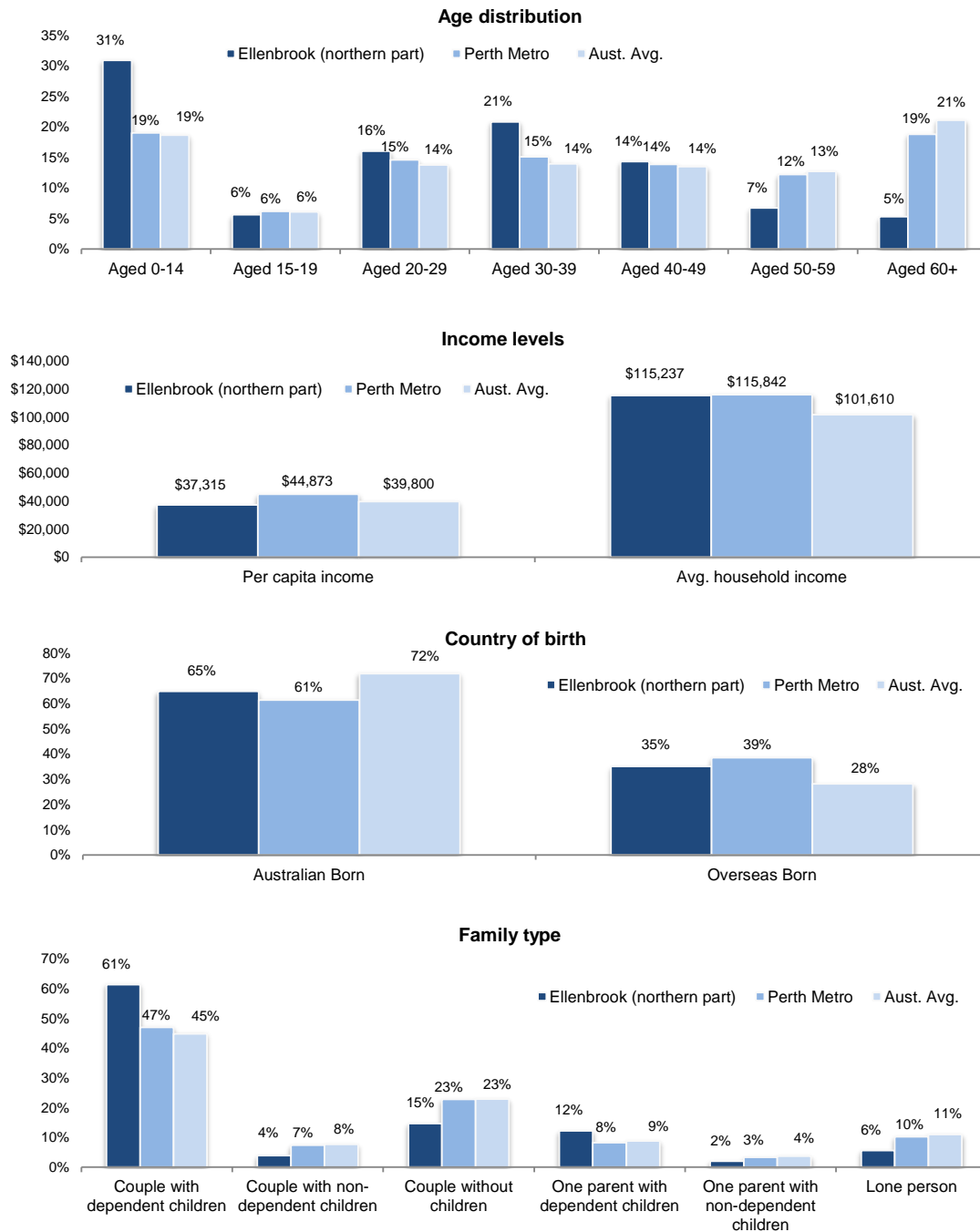
Table 2.2
Ellenbrook (northern area) - socio-demographic profile, 2016*

Census item	Ellenbrook	Perth Metro avg.	Aust. avg.
Per capita income	\$37,315	\$44,873	\$39,800
Var. from Perth Metro bmark	-16.8%		
Avg. household income	\$115,237	\$115,842	\$101,610
Var. from Perth Metro bmark	-0.5%		
Avg. household size	3.1	2.6	2.6
<u>Age distribution (% of population)</u>			
Aged 0-14	31.0%	19.1%	18.7%
Aged 15-19	5.7%	6.2%	6.1%
Aged 20-29	16.1%	14.6%	13.8%
Aged 30-39	20.9%	15.2%	14.0%
Aged 40-49	14.4%	13.9%	13.5%
Aged 50-59	6.8%	12.2%	12.7%
Aged 60+	5.3%	18.8%	21.1%
Average age	27.7	37.4	38.6
<u>Housing status (% of households)</u>			
Owner (total)	<u>77.3%</u>	<u>71.7%</u>	<u>67.4%</u>
• Owner (outright)	5.9%	28.8%	31.9%
• Owner (with mortgage)	71.4%	42.9%	35.5%
Renter	22.4%	27.4%	31.8%
<u>Birthplace (% of population)</u>			
Australian born	64.9%	61.4%	71.9%
Overseas born	<u>35.1%</u>	<u>38.6%</u>	<u>28.1%</u>
• Asia	9.1%	12.5%	11.2%
• Europe	10.7%	16.2%	9.6%
• Other	15.3%	9.9%	7.4%
<u>Family type (% of population)</u>			
Couple with dep't child.	61.4%	47.0%	44.8%
Couple with non-dep't child.	3.9%	7.4%	7.7%
Couple without child.	14.6%	22.7%	22.8%
One parent with dep't child.	12.2%	8.2%	8.8%
One parent w non-dep't child.	1.9%	3.3%	3.7%
Lone person	5.6%	10.2%	11.0%
<u>Car ownership</u>			
% 0 Cars	2.3%	4.9%	7.7%
% 1 Car	27.1%	33.1%	36.1%
% 2 Cars	49.1%	40.5%	37.5%
% 3 Cars	14.7%	13.8%	12.2%
% 4 plus Cars	6.9%	7.5%	6.5%

* The northern part of Ellenbrook has been used as a proxy for the subject area.

Source: ABS Census of Population & Housing, 2016; MacroPlan

Chart 2.1
Ellenbrook - socio-demographic profile, 2016*



* The northern part of Ellenbrook has been used as a proxy for the subject area.

Source: ABS Census of Population & Housing, 2016; MacroPlan

2.4 Retail expenditure capacity

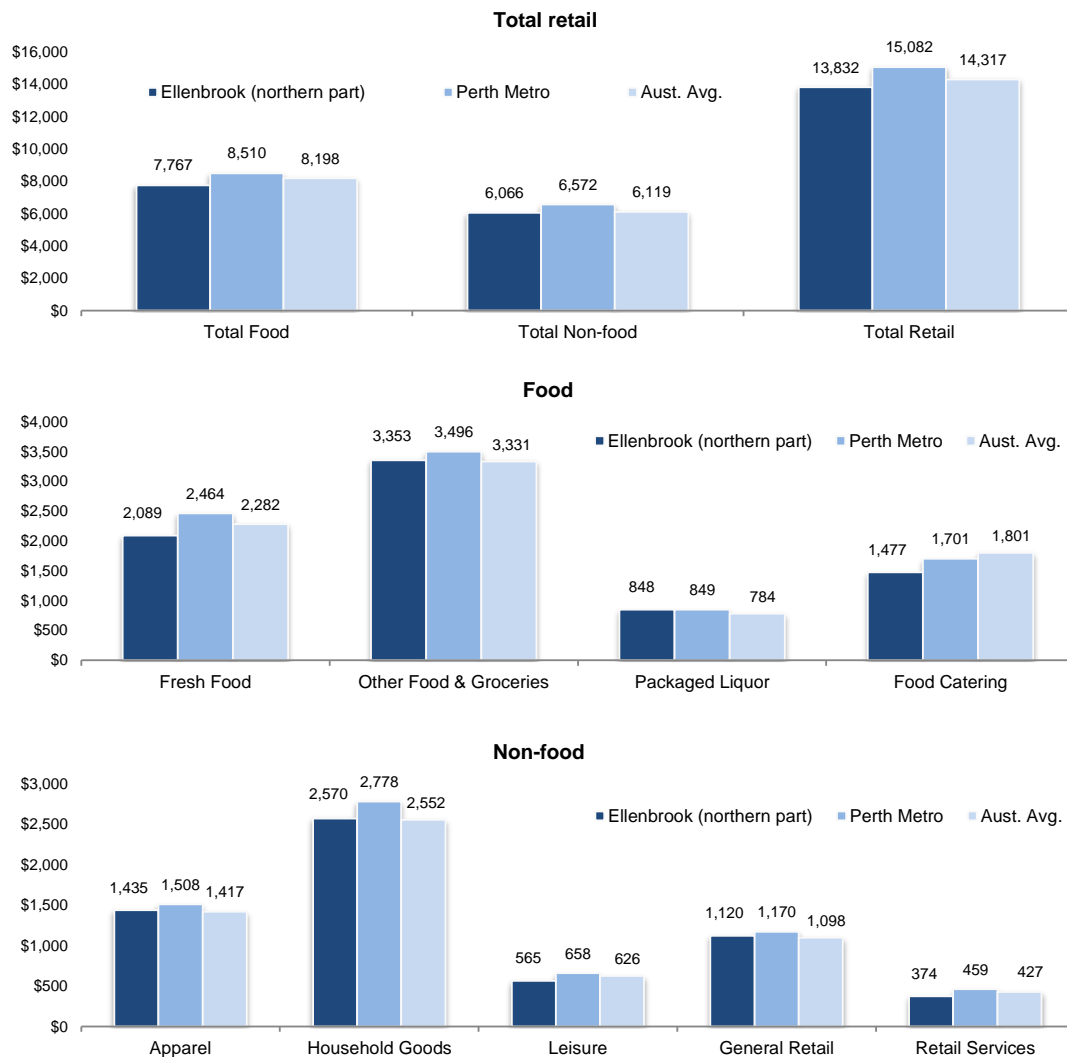
MacroPlan estimates retail expenditure capacity generated by trade area residents based on information sourced from Market Data Systems (MDS), which utilises the detailed micro-simulation model of household expenditure behaviour for all residents of Australia. The model takes into account information from a wide variety of sources, including the regular ABS Household Expenditure Survey, National Accounts Data, Census Data and other information.

MarketInfo data is considered to be an accurate, indeed the best available, detailed measure of retail expenditure capacity and behaviour, and is widely relied on in the retail industry. Total retail expenditure is detailed in a number of categories, as follows:

- Take-home food and groceries – goods typically sold in supermarkets and specialty fresh food stores;
- Packaged liquor – packaged beer, wine and spirits such as those purchased at bottle-shops and liquor outlets. The combination of take-home food and groceries and packaged liquor is referred to as FLG expenditure;
- Food catering – cafes, take-away outlets and restaurants;
- Apparel – clothing, footwear, fashion and accessories;
- Household Goods – giftware, electrical, computers, furniture and homewares;
- Leisure – sporting goods, games, books, stationary items, newspapers and magazines;
- General Retail – pharmaceutical goods, cosmetics, toys, florists, mobile phones; and
- Retail Services – key cutting, shoe repairs, hair and beauty.

Chart 2.2 provides a summary of the per capita spending levels for residents of the proxy northern Ellenbrook area, compared with benchmarks for metropolitan Perth and Australia. Again, since North Ellenbrook has not yet been developed, the recently developed parts of Ellenbrook are considered an appropriate proxy to represent the expected spending levels of future residents of North Ellenbrook.

Chart 2.2
Ellenbrook (northern area) - retail expenditure per person, 2018/19*



*Including GST

Source: MarketInfo; MacroPlan

Table 2.3 presents projections of retail expenditure capacity for residents of the North Ellenbrook trade area. Retail spending throughout the trade area is expected to increase from around \$63 million currently to around \$394 million by 2051, reflecting average annual growth of 6.3%. The available retail market in the primary sector is expected to increase to \$288 million by 2051. All spending forecasts in this report are expressed in constant dollars (excluding retail inflation) and including GST.

Table 2.3 North Ellenbrook Neighbourhood Centre MTA - retail expenditure (\$M), 2019-2051*			
Year ending June	Primary sector	Secondary South	Main TA
2019	1	63	63
2021	1	69	70
2026	1	81	82
2031	24	91	116
2036	75	95	171
2041	149	99	248
2046	230	102	332
2051	288	106	394
<u>Average annual growth (\$M)</u>			
2031-2051	13.2	0.7	13.9
<u>Average annual growth (%)</u>			
2031-2051	13.1%	0.7%	6.3%
*Constant 2018/19 dollars & including GST Source: MarketInfo; MacroPlan			

Table 2.4 details the North Ellenbrook Neighbourhood Centre primary sector expenditure by retail category, while Table 2.5 presents the expenditure for the main trade area.

Table 2.4								
North Ellenbrook Neighbourhood Centre primary sector - retail expenditure by category (\$M), 2019-2051*								
Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2019	0.3	0.1	0.1	0.1	0.0	0.1	0.0	0.7
2021	0.3	0.1	0.1	0.1	0.0	0.1	0.0	0.7
2026	0.3	0.1	0.1	0.1	0.0	0.1	0.0	0.7
2031	11.2	2.8	2.4	4.5	1.0	1.9	0.7	24.5
2036	34.7	8.7	7.4	13.7	2.9	5.8	2.1	75.2
2041	69.0	17.7	14.4	27.0	5.7	11.3	4.1	149.0
2046	106.9	27.9	21.9	41.4	8.6	17.1	6.4	230.1
2051	134.3	35.8	27.0	51.5	10.6	21.1	8.0	288.3
<u>Average annual growth (\$M)</u>								
2031-2051	6.2	1.7	1.2	2.4	0.5	1.0	0.4	13.2
<u>Average annual growth (%)</u>								
2031-2051	13.2%	13.7%	12.8%	13.0%	12.8%	12.8%	13.2%	13.1%
*Constant 2018/19 dollars & including GST Source: MarketInfo; MacroPlan								

Table 2.5								
North Ellenbrook Neighbourhood Centre MTA - retail expenditure by category (\$M), 2019-2051*								
Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2019	25	6	7	14	2	6	2	63
2021	28	7	8	15	3	7	3	70
2026	33	9	9	18	3	8	3	82
2031	48	13	12	24	4	10	4	116
2036	73	19	17	34	6	14	6	171
2041	109	29	24	48	9	20	8	248
2046	149	40	32	63	12	26	10	332
2051	178	48	37	74	14	30	12	394
<u>Average annual growth (\$M)</u>								
2031-2051	5.8	1.6	1.1	2.2	0.4	0.9	0.4	12.5
<u>Average annual growth (%)</u>								
2031-2051	7.0%	7.1%	6.0%	5.8%	6.5%	5.6%	5.7%	6.5%
*Constant 2018/19 dollars & including GST Source: MarketInfo; MacroPlan								

Section 3: Competition

This section of the report reviews the competitive environment in the surrounding region, including both existing and proposed retail facilities.

Table 3.1 details the major competitive retail facilities in the region, while the previous Map 2.1 illustrates the locations of these facilities.

Table 3.1 North Ellenbrook Neighbourhood Centre - schedule of competing retail facilities			
Centre	Retail GLA (sq.m)	Major traders	Distance from North Ellenbrook centre (km)
<u>Beyond trade area</u>			
Regional Centres			
• Galleria SC	82,000	Myer, Kmart, Target, Woolworths, Coles	20
Sub-Regional Centres			
• Ellenbrook Central	36,700	Big W, Woolworths, Coles, Aldi, Kmart (p)	6.0
• Midland Gate	45,000	Target, Kmart, Big W, Woolworths, Coles	17.7
Neighbourhood Centres			
• Aveley SC	4,500	Woolworths	5.0
• Vale Town Centre	2,500	Supa IGA	6.7
• Woodlake Village SC	3,560	IGA	6.8
• Bullsbrook SC	750	IGA	7.7
<u>Future retail facilities</u>			
• The Broadway DC (p)		Supermarket (p)	3.8
• West Ellenbrook NC (p)		Supermarket (p)	8.0
• Kingston NC (p)		Supermarket (p)	8.5
• Whiteman Edge TC (p)		Supermarket (p)	10.8
Source: Property Council of Australia; MacroPlan			

3.1 Existing competition

The main retail facilities located in the surrounding region are as follows:

- **Galleria SC** is a regional shopping centre located approximately 20 km south-west of the subject centre, and is the largest retail component of the Morley Strategic Metropolitan Centre. The centre is anchored by a Myer department store, Target and Kmart discount department stores (dds), as well as Coles, Woolworths and Aldi supermarkets. A \$350 million, 50,000 sq.m expansion of Galleria SC was approved by the Metro Central Joint Development Assessment Panel (JDAP) in 2016, which will see the centre total floorspace increase to around 130,000 sq.m. The development is planned to include over 100 new stores, as well as offering the latest department store and supermarket concepts. A new leisure and entertainment zone, fresh food market hall and casual dining precinct are also planned, along with a town square and an urban plaza. However, this redevelopment is currently deferred, although could proceed in some form in the medium term. Due to the size and scale of this centre, it is likely to be one of the key regional shopping destinations for the future residents of North Ellenbrook.
- **Midland Gate** is a sub-regional shopping centre located approximately 18 km south of North Ellenbrook Neighbourhood Centre, and is the primary retail component of the Midland Strategic Metropolitan Centre. The centre contains around 45,000 sq.m and is anchored by Big W, Kmart and Target dds operators, together with Woolworths and Coles supermarkets. There is also an additional Woolworths supermarket and an IGA supermarket located nearby.
- The main retail component of the Ellenbrook Secondary Centre is **Ellenbrook Central**, the closest sub-regional shopping centre to the subject DSP area, 6 km to the south west. The centre is comprised of around 36,700 sq.m and is anchored by a Big W dds as well as Woolworths and Coles supermarkets, and also provides a range of apparel, food catering and fresh food specialty outlets, catering for the food and non-food shopping needs of Ellenbrook residents. In February 2019, a \$63 million expansion for Ellenbrook Central was approved by the Metro-East Joint Development Assessment Panel, including the introduction of a Kmart discount department store, 16 specialty retailers and 2 new pad

sites. Ellenbrook Central is likely the main sub-regional shopping destination serving the future residents of North Ellenbrook.

- **Woolworths Aveley** is located around 5 km south of the subject site. The centre was completed in 2016 and includes a pharmacy, newsagency, barber, café, bar and various restaurants, totalling 4,500 sq.m of retail floorspace.

A number of smaller convenience orientated centres are also located in the surrounding areas, which primarily cater to the convenience and top up needs of their respective catchments. These centres include Woodlake Village SC (IGA), Vale Town Centre (Supa IGA) and Bullsbrook SC (IGA).

3.2 Proposed competition

In the future, a number of new retail facilities are proposed in the region, which are summarised as follows:

- The **Broadway District Centre** site is located south of the subject site and could potentially contain a supermarket anchor in the future. There has yet to be a development application for the centre.
- There is an urban investigation area to the **west of Ellenbrook**, within the suburb of Lexia. Assuming that the land is successfully rezoned to residential, there is around 430 ha of land available for development. At a rate of 12 lots per hectare, this land can accommodate up to 5160 lots, or over 15,000 future residents. Typically for such a development, there will be a neighbourhood centre to cater to the food, grocery and convenient needs of local residents. The most logical location for the centre would be on the corner of Gngara Road and Gaskell Road, to serving local residents and passing traffic along Gngara Road. Such a centre would only be developed once a significant amount of the residential land has been developed.
- **Kingston Shopping Centre** is a future neighbourhood centre planned in Bullsbrook which is likely to be anchored by a supermarket.

- **Whiteman Edge Town Centre** is a large upcoming neighbourhood centre within the suburb of Brabham, located south of the subject site, and has received planning approval. Preliminary plans for the centre include a full-line supermarket, 15 specialty shops, a medical centre and a childcare centre. The centre is planned to provide open air shopping, laneways and food outlets featuring al fresco dining elements.

Overall, the North Ellenbrook Neighbourhood Centre is well positioned to serve both the food and convenience-oriented shopping needs of future residents of North Ellenbrook DSP area and the surrounding area. The higher-order shopping needs of local residents are likely to be served by Ellenbrook Central and Galleria Shopping Centre.

Section 4: Analysis of floorspace demand

This section of the report provides an analysis of the supermarket and retail floorspace considered supportable at the future North Ellenbrook Neighbourhood Centre.

4.1 Retail floorspace demand

Modelling retail demand for a given area or centre depends on a range of factors, therefore the floorspace demand analysis presented in this section should be viewed as indicative.

Table 4.1 details the estimated quantum of traditional retail floorspace demand by residents in the defined North Ellenbrook primary sector, not including large format retail or non-retail facilities (i.e. restricted retail, entertainment, medical, personal services, etc.). This indicative retail floorspace demand would be served by retail facilities located both within and beyond the main trade area.

The figures illustrate how strongly the retail floorspace demand of primary sector residents will increase over the forecast period, once residential development commences in the North Ellenbrook DSP area. The future North Ellenbrook Neighbourhood Centre will be very well placed to serve this strong increase in demand for retail facilities and is expected to be the main food, grocery and convenience-oriented shopping destination for new residents of the North Ellenbrook DSP area.

The floorspace figures in Table 4.1 are calculated by applying an average Retail Turnover Density (RTD) to the estimated available retail sales volume by category. The RTD is simply the level of sales per sq.m which retailers in each category typically achieve. The retail floorspace demand by residents in the primary sector is forecast to increase to around 10,000 sq.m retail floorspace a decade after the commencement of residential development in the DSP area, and is projected to reach 34,700 sq.m of retail floorspace upon completion and full occupation of the area.

Table 4.1										
North Ellenbrook Neighbourhood Centre primary sector - Estimated retail floorspace demand (sq.m)										
Year ending June	FLG	Food catering	Total food	Apparel	H'hold goods	Leisure	General retail	Retail services	Total non-food	Total retail
2026	35	12	50	16	30	5	8	3	60	110
2031	1,136	387	1,520	494	960	146	248	111	1,960	3,480
2036	3,365	1,170	4,535	1,435	2,815	424	720	328	5,723	10,258
2041	6,430	2,280	8,710	2,688	5,326	794	1,349	626	10,784	19,494
2046	9,575	3,464	13,038	3,925	7,852	1,159	1,970	933	15,839	28,877
2051	11,566	4,268	15,834	4,648	9,392	1,373	2,333	1,127	18,872	34,706
RTD*	9,000	6,500	7,800	4,500	4,250	6,000	7,000	5,500	5,100	6,300
*Retail Turnover Density - Turnover (\$) per sq.m in 2019, growth assumed at 0.8% p.a Source: MarketInfo; MacroPlan										

A supermarket centre at the subject site would serve mainly the food, grocery and convenience-oriented needs of local residents and has the potential to retain a substantial proportion of the fresh food, take-home liquor and grocery (FLG) spending in the DSP area. The demand for retail floorspace at the subject centre site will be driven primarily by the level of retail sales which a supermarket centre can reasonably expect to retain from the pool of expenditure generated by the primary sector population.

Table 4.2 provides indicative estimates of the amount of supportable retail floorspace at the North Ellenbrook Neighbourhood Centre, taking into account the estimated levels of expenditure which the centre is likely to retain. Standard RTDs have been applied by category to calculate the amount of retail floorspace supportable, presented on the previous Table 4.1.

Table 4.2										
North Ellenbrook Neighbourhood Centre - indicative supportable floorspace by category (sq.m)										
Year ending June	FLG	Food catering	Total food	Apparel	H'hold goods	Leisure	General retail	Retail services	Total non-food	Total retail
<u>% retail expenditure retained</u>										
Primary	60.0%	10.0%	47.6%	0.0%	5.0%	10.0%	20.0%	25.0%	7.1%	24.5%
2026	25	1	30	0	2	1	2	1	10	40
2031	818	46	860	0	58	18	60	33	170	1,030
2036	2,423	140	2,563	0	169	51	173	98	491	3,054
2037	2,818	164	2,982	0	196	59	200	114	570	3,551
2038	3,271	191	3,462	0	227	68	232	133	660	4,121
2039	3,724	218	3,942	0	258	77	263	151	749	4,691
2040	4,176	246	4,422	0	289	86	293	170	838	5,260
2041	4,629	274	4,903	0	320	95	324	188	927	5,830
2042	5,082	302	5,384	0	350	104	354	206	1,015	6,398
2043	5,535	330	5,865	0	381	113	384	225	1,102	6,967
2044	5,988	358	6,346	0	411	122	414	243	1,190	7,536
2045	6,441	387	6,828	0	441	131	443	261	1,276	8,104
2046	6,894	416	7,309	0	471	139	473	280	1,363	8,672
2047	7,347	445	7,791	0	501	148	502	298	1,449	9,240
2048	7,799	474	8,273	0	531	156	531	317	1,534	9,808
2049	8,252	504	8,756	0	561	165	559	335	1,619	10,375
2050	8,328	510	8,838	0	565	165	562	338	1,630	10,468
2051	8,328	512	8,840	0	564	165	560	338	1,626	10,466
Source: MarketInfo; MacroPlan										

The proportion of available FLG expenditure which the North Ellenbrook Neighbourhood Centre has the potential to retain from the defined primary sector is estimated at 60%. At this retention rate, the North Ellenbrook Neighbourhood Centre is assumed to be the main food and grocery shopping destination for the future residents of the DSP area. Some FLG spend is likely to be directed to high-order facilities in the surrounding region to account for instances where supermarket shopping is done in conjunction with shopping for high-order retail needs.

For a Neighbourhood Centre, non-food retention rates are projected to be far lower. For the food catering, household goods and leisure retail categories, the expected retention rates of the subject centre are estimated at between 5% - 10%, which along with apparel are

generally served by sub-regional or regional centres. In this case, it is likely that the future residents of the DSP area will utilise facilities at Ellenbrook Central, Midland Gate or Galleria SC for higher-order retail needs. In line with the function of the North Ellenbrook Neighbourhood Centre, which is to serve the convenience-oriented needs of residents in the surrounding area, the subject centre is likely to capture a moderate level of general retail and retail services spend.

Across the total retail spectrum, the proportion of available expenditure retained from primary sector residents is estimated to be in the order of 25%. The analysis also allows for some of the retail floorspace demand to be generated by residents living beyond the defined primary sector. We have allowed for 20% of the demand for retail floorspace to come from the secondary sectors and beyond the main trade area.

Our analysis indicates that by around 2038 (and possibly as early as 2036) a neighbourhood centre is supportable at the subject site. By that time, the amount of retail floorspace considered supportable is estimated at approximately 4,100 sq.m, including almost 3,300 sq.m of FLG floorspace. The level of supportable FLG floorspace is expected to accommodate a full-line supermarket (of at least 3,200 sq.m), as well as a small provision of supporting fresh food specialties. This analysis also shows that a range of non-food specialty stores are expected to be supportable at that time. Prior to this time residents in the area would be able to access Ellenbrook Central for most of their shopping needs.

The amount of supportable floorspace will substantially increase as the DSP area continues to be developed. The retail floorspace analysis indicates that the North Ellenbrook Neighbourhood Centre could support a small discount supermarket, which typically requires 1,500 sq.m – 2,000 sq.m in floorspace, at around 2043, some 5 years after a potential Stage 1 development. The supportable FLG floorspace at this date is estimated at around 5,500 sq.m, which is considered adequate to support a full-line supermarket, a discount format supermarket and a small provision of supporting FLG specialties.

4.2 Retail specialty floorspace

The key aspect in the success of any shopping centre is the major tenants (i.e. supermarkets), which act as key customer generators. The supporting specialty shops feed off the customer flows generated by these major traders.

We estimate that around 1,200 sq.m – 1,400 sq.m of retail specialty floorspace may be supportable at North Ellenbrook Neighbourhood Centre when it first opens for trade. Following are recommendations of the possible tenancy mix by category:

- Food Retail – This category includes tenants such as a baker, a butcher, a fresh produce store and a delicatessen. Most of these tenants are typically provided in supermarket based shopping centres, as dedicated food retailers reinforce and support the offer of the supermarket. Around 2 tenants (200 sq.m) in this category are supportable for North Ellenbrook Neighbourhood Centre at Stage 1, such as a bakery and fresh produce store.
- Food Catering – This category includes takeaway food stores, cafes and restaurants. We expect approximately 3-4 tenants could be supportable at the centre, including a café and a 2-3 takeaway food tenancies.
- General retail – Key tenants in these categories include a discount variety store and a pharmacy, and it is expected that both these uses are supportable at the North Ellenbrook Neighbourhood Centre.
- Retail Services – This category includes service-based tenants such as optometrists, dry cleaners, hairdressers and beauty salons. 2-3 of these tenants could be provided in this category at the centre in its first stage.
- Non-retail – In addition to retail specialty stores, non-retail tenants are generally provided at supermarket-based centres. Potential non-retail tenants expected to work well at the proposed centre include a fitness centre, a small medical centre and a real estate agent.

This supporting specialty tenancy mix is likely to reinforce the offer and role of the North Ellenbrook Neighbourhood Centre, acting as the main food, grocery and convenience-oriented shopping destination for the future residents of the subject DSP area.

Section 5: Conclusions

This section of the report outlines our concluding remarks on the North Ellenbrook Neighbourhood Centre.

The expected core function of the future North Ellenbrook Neighbourhood Centre is to serve the food, grocery and convenience-oriented needs of the DSP area population. Its development will greatly enhance the liveability of the DSP area, providing amenity for future residents of the local area. The key positive impacts which are expected to flow-on from the development of the future North Ellenbrook Neighbourhood Centre include the following:

- Serving the food and grocery needs of local residents and providing shopping choice

The future North Ellenbrook Neighbourhood centre is expected to include a supermarket, and a number of predominantly convenience-oriented retail specialty stores. Therefore, the centre will be able to serve the food and convenience shopping needs of residents in the subject DSP area, allowing the local population to be able to undertake their food and grocery shopping in an easily accessible shopping centre. A further expansion of the centre, which could potentially support a smaller discount format supermarket, would give future residents even greater choice in undertaking their daily and weekly supermarket shopping.

- Reduced costs, travel times and escape expenditure: The future North Ellenbrook Neighbourhood centre is likely to be the main local shopping centre serving the future residents of the North Ellenbrook DSP area. The development of the centre would reduce the need for residents to travel beyond the local area to undertake their regular shopping, resulting in time and fuel cost savings for residents, while also retaining retail expenditure and jobs in the immediate local area.

- Creating local employment opportunities

North Ellenbrook Neighbourhood centre development would also create a number of jobs, both for the construction and related industries during the construction phase, and ongoing jobs when the centre is completed. In general terms, the retail components of activity centres employ around 40 workers per 1,000 sq.m of floor area (GLA). Therefore, a 4,000 sq.m shopping centre is expected to create around 160 direct ongoing retail jobs, while a 10,000 sq.m centre would create around 400 direct ongoing jobs. The development of an activity centre would also create a substantial number of additional jobs for the construction and related industries during the construction phase of its development.

Employment self-sufficiency

The *State Planning Policy 4.2 (Activity Centres for Perth and Peel)* states that activity centres are important locations for employment creation and should contribute to meeting self-sufficiency targets for sub-regions as outlined in *Directions 2031*. The subject site falls within the North-East sub-region, which contains the Midland Strategic Metropolitan Centre and Ellenbrook Secondary Centre. *Directions 2031* outlines the desire for a total 98,000 jobs to be provided locally by 2031. The development of the planned activity centre at the subject site would contribute to the creation of these jobs, both directly and indirectly through supply induced multiplier effects.

Future local residents in the DSP area are also expected to have access to a range of employment options locally throughout the North-East sub-region. Firstly, the major activity centres in the area continue to be expanded. Midland Gate Shopping Centre recently underwent a major expansion which was completed in March 2019 while other businesses in Midland continue to open such as Spudshed in October 2018. At Ellenbrook, the Vicinity owned Ellenbrook Central recently commenced a \$63 million expansion. The ongoing expansions of these major activity centres will create employment opportunities while also encouraging further investment in the local area.

Furthermore, in the northern part of the North-East sub-region, a short distance north of the DSP area, there are large amounts of existing Industrial zoned land, areas designated for Industrial Expansion and additional land identified for Industrial Investigation. The extensive amount of land designated for industrial uses in the local area ensures that new businesses will be able to operate and grow in the area, creating employment opportunities for new residents. The previous Map 2.1 shows the land designated for existing and future industrial uses in the surrounding area.

Summary

In summary, the DSP area has an estimated capacity for 5,500 dwellings. Assuming residential development commences in 2026, the analysis in this report shows that future residents in the DSP area can support a neighbourhood activity centre anchored by a full-scale supermarket by around 2038, with a second stage expansion of the centre potentially supportable by around 2043.

Overall, at capacity, residents in the North Ellenbrook DSP area would be able to support around 10,000 sq.m of retail floorspace within the local area, potentially consisting of some 8,000 - 8,500 sq.m of food uses including supermarkets, fresh food stores and food & beverage outlets, as well as 1,500 - 2,000 sq.m of non-food retail stores. A retail centre at North Ellenbrook would have a range of benefits for local residents, particularly increased shopping choice and convenience.