



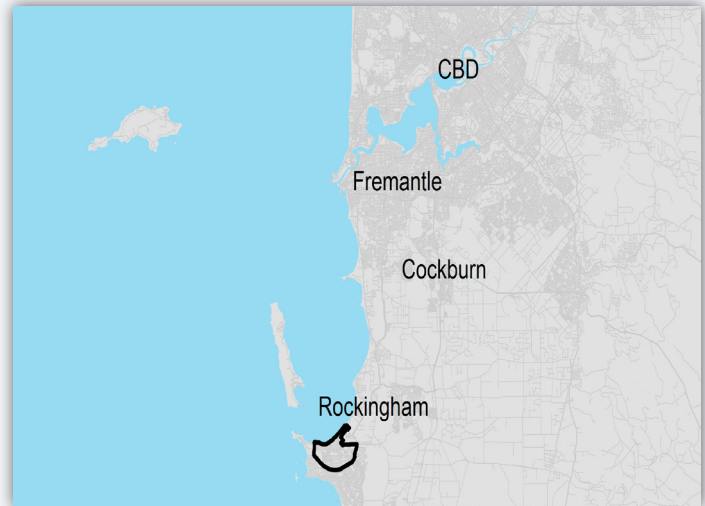
Rockingham Apartment Living Report

May 2015

Rockingham Overview

The suburb of Rockingham is located approximately 45km south-west of the Perth CBD within the City of Rockingham. Located between Fremantle and Mandurah, this seaside suburb with many foreshore development opportunities is undergoing a transformation which is supporting population growth.

Rockingham offers a variety of facilities, from shopping at the expansive Rockingham Shopping Centre or the foreshore café and restaurant precinct, to walks at Lake Richmond or neighbouring Peron Foreshore Park, to studying at Challenger Institute of Technology or Murdoch University. There are also a number of nature reserves, a local high school, and as well as the nearby Rockingham Golf Course and the Rockingham Train Station.



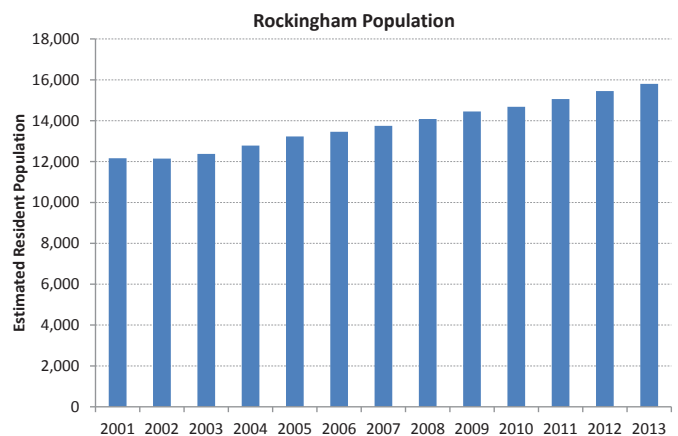
Population and Demographic Overview

RPS has explored the population and demographics of the Rockingham region. Some of the key demographic findings of the region are as follows:

- Population of 15,805 in 2013, up 3,821 or 27.7% since 2003;
- Rockingham’s median age of 44 is significantly older than the Western Australian median of 36 years old;
- There is a high proportion of couple only and lone person households;
- Residents are generally older, with 42.9% of the population aged 50 and above compared to 32.3% nationally, with a large increase in older residents moving to the region over the last decade;
- Over one-third of Rockingham’s population was born overseas, with a relatively large and growing proportion from England (17%);
- The suburb’s proximity to manufacturing employment centres is reflected in its employment diversity which is more heavily focussed around blue collar professions;

- The suburb is also home to substantial retail and community services professionals and a notable defence presence due to the proximity to the Garden Island naval base; and
- Average household income for adult residents was \$46,540 – lower than the metropolitan Perth average (\$57,088).

These demographics indicate Rockingham is a popular sea-change location for baby boomers and overseas migrants seeking affordable coastal housing



Source: ABS, RPS

Community Assets and Facilities

The following outlines just a few major community assets and facilities located in Rockingham and the surrounding region.

Challenger Institute of Technology: The Rockingham campus offers adult training courses in creative arts, health, and education and community services.

Kwinana: Kwinana is one of the fastest developing employment hubs in metropolitan Perth. On top of the vast employment occurring in the area, there are currently \$1.08 billion in projects either under construction or in the application phase across Kwinana.

Mike Barnett Sports Complex: The MBSC YMCA is a multi-purpose sport and recreation facility owned by the City of Rockingham and professionally managed by the YMCA of Perth.

Murdoch University – Rockingham Campus: Murdoch University's Rockingham campus focuses on research and university pathway programs.

Rockingham Golf Course: Rockingham golf course features 18 holes set amongst beautiful native bushland with fairways lined with native tress & kangaroos regularly making an appearance.

Rockingham Lakes Regional Park (and numerous other reserves): The regional park is home to numerous reserves ideal for cycling, jogging, and family gatherings, including Cape Peron and Lake Richmond.

Rockingham Shopping Centre: The redeveloped retail precinct on Chalgrove Avenue received the 2010 Property Council of Australia Award for Retail Property of the Year. It is home to cinemas, major supermarkets and department stores, a food court and over 50 specialty stores.

Rockingham Train Station: There are regular bus services to the Rockingham Station located in neighbouring Cooloongup and part of the Mandurah line which connects Perth's southern suburbs to the CBD.

Current and Planned Investments

The suburb is planned to undergo a significant transformation over the next decade and there are numerous investments planned to support this. Some key investments include:

Mangles Bay Marina: The Mangles Bay Marina at Point Peron is expected to provide the local and visiting community with a focal activity centre for the suburb and provide a range of recreational, tourist, commercial and residential components.

Rockingham Foreshore Redevelopment: The City of Rockingham is undertaking a redevelopment of the foreshore with the aim to improve the amenity and attractions of the foreshore and encourage events and retail and entertainment uses. The draft master plan details over \$40 million of upgrades and enhancements across the foreshore, including playgrounds, boardwalks, a beach jetty and an entertainment plaza.

Rockingham Strategic Metropolitan Centre: The State Government has recognised Rockingham as a priority centre within Perth. The vision is for a modern, distinctly coastal centre offering a wide range of mixed uses including retail, commercial, office, civic, residential, education, cultural and recreation within an accessible and highly interconnected, urban-scaled townscape, comprising a major activity centre and related urban villages.

Rockingham Shuttle Light Rail: The Rockingham Shuttle is a State Government public transport proposal which links the Rockingham rail station to the Rockingham City Centre, then onto the Murdoch University campus, after which it travels to the Rockingham beachfront. The shuttle is ultimately proposed to operate as a streetcar system as surrounding development and patronage increases over time.



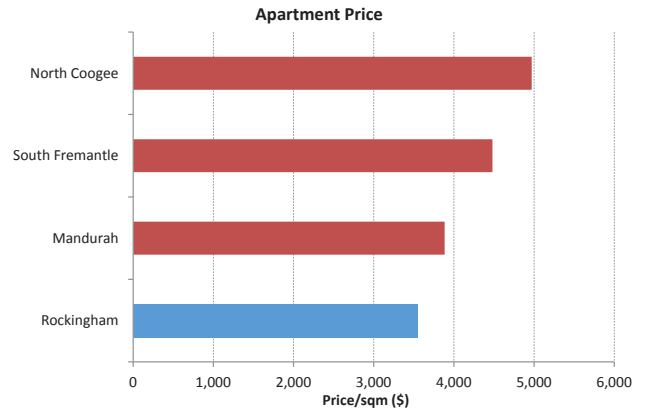
Rockingham Apartment Market

An analysis of the Rockingham apartment market revealed:

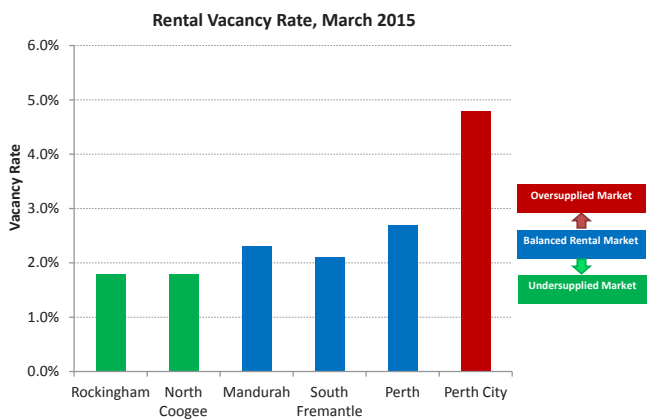
- Rockingham is more affordable than other comparable coastal suburbs in Perth, with a price per square metre below the key coastal markets of South Fremantle, North Coogee and Mandurah;
- The median size of an apartment in Rockingham, at 156sqm, is also larger than the median size of the coastal suburbs of North Coogee (117sqm) and South Fremantle (96sqm); and
- The median return from rent is higher in Rockingham than in both North Coogee and South Fremantle, with owners receiving a median rate of \$506p/w in Rockingham as opposed to \$489p/w and \$398p/w in North Coogee and South Fremantle, respectively – the median rent in Mandurah is \$516 p/w.
- Rockingham apartments are generally two or three bedroom dwellings (84%) with fewer one bedroom dwellings than the Perth average.

The broader residential market in Rockingham is characterised by:

- A mix of new townhouses and apartments by the beach and a sprawl of 1980s brick homes;
- Lower vacancy rates of 1.8% compared to the Perth average 2.7%, as at March 2015.



Source: Landgate, RPS



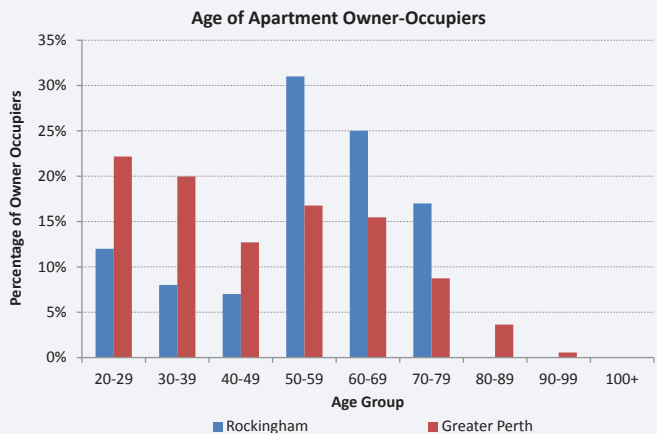
Source: SQM Research, RPS

Buyer Profile

An analysis of Rockingham apartment owners and tenants revealed that:

- The average apartment dweller in Rockingham is significantly older than the Perth average, with more than two-thirds (68.2%) of owner occupiers in Rockingham apartments aged between 50 and 80 years old compared to 38% across Perth;
- A larger share of apartments in Rockingham is sold to owner occupiers rather than investors (45.9% compared to the Perth average of 36.8%), with close to half of owner occupiers buying apartments in Rockingham owning their apartment outright;
- Households in Rockingham apartments are more likely to be couple only families than the Perth average – there is also a significant lone person household proportion (36%) living in Rockingham apartments;
- Rockingham apartment buyers generally move from neighbouring areas, with 20% moving from the Rockingham region (within a 3km radius) and the majority of owner occupiers moving from the Rockingham to Port Kennedy area;

- Outside of the Rockingham region, other popular markets are downsizers moving from the Kwinana, Cockburn, Melville and Canning regions – regions which do not offer high amenity apartment living; and
- The major competitor market for downsizers and owner occupiers is Mandurah which attracts both a larger buyer market catchment (extending from Wanneroo to Bunbury) and a broader demographic (such as 3rd and 4th home buyer families).



Source: ABS, RPS

Apartment Living Trends

Apartment living has become increasingly popular in Perth as the city's population has grown and new areas have gentrified, with new dwellings in Perth during 2014 68% more likely to be apartments compared to ten years prior.

Population ageing is the key demographic factor influencing these changing housing patterns. The over 50 population of Greater Perth is expected to grow at an annual rate of 2.5% (compared to 1.2% p.a. for the rest of the population) and by 2026 will represent more than a third of Perth's population or 788,600 people. This population ageing is more prevalent in the middle ring suburbs and therefore this market has been the key driver of the relatively new but growing trend among Perth households to downsize.

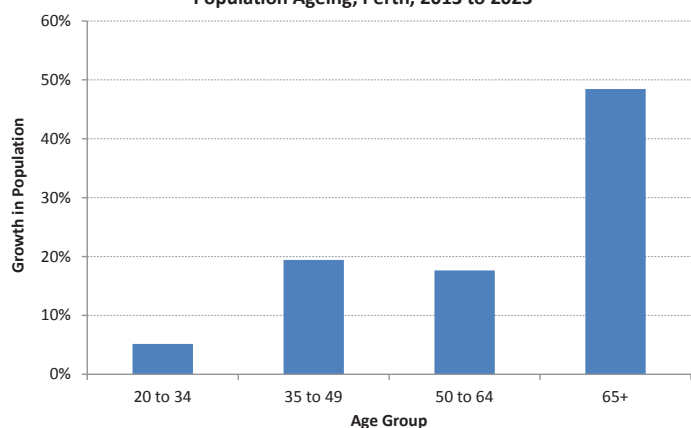
As highlighted in the research report 'The housing we'd choose' (March 2013) commissioned by the Department of Housing and the Department of Planning, potential mover and downsizing decision are influenced by location and amenity. Attributes of location matter most to households, specifically being located near

family and friends and public transport. Meanwhile, coastal and riverside destinations were considered the preferred destination.

At the other end of the spectrum, young adults are having fewer children later in life which is driving demand for smaller apartments close to amenity. This is compounded by modern lifestyle trends for people of all ages to go out socialising and spend a greater proportion of their earnings on experiential items. This is something the easy maintenance and lock-and-leave of apartments suits.

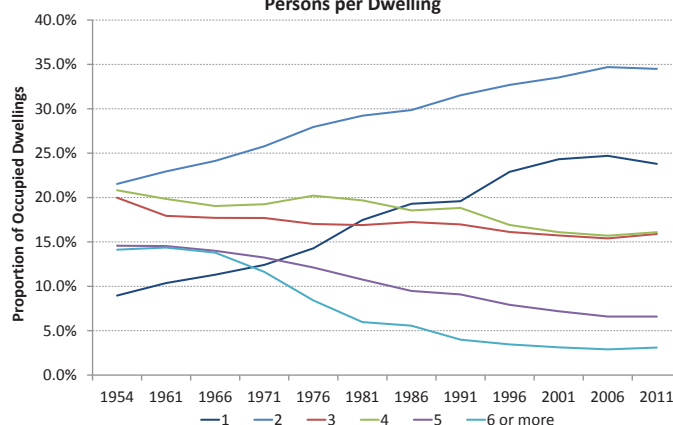
These trends combined with declining affordability and government support for density are encouraging both the increasing numbers of baby-boomers to downsize and move to apartments as well as young adults and increasingly families.

Population Ageing, Perth, 2013 to 2023



Source: WA Tomorrow, RPS

Persons per Dwelling



Source: ABS, RPS

Rockingham Apartment Living Overview

As a beneficiary of a natural coastline and beach, Rockingham has been an increasingly larger focal point for apartment development in Perth. As the most affordable apartment market south of the Swan River, the suburb has become a popular destination for downsizers, especially residents moving from neighbouring suburbs. The apartment market is also notably characterised by larger apartments, higher rates of owner occupiers and lower vacancy rates than the broader Perth apartment market.

Investments in redeveloping the foreshore are expected to further improve amenity and support apartment development which will cater for a growing number of ageing residents in Perth's middle ring and established suburbs.

About Economics at RPS

RPS is an international consultancy providing world-class local solutions in energy and resources, infrastructure, environment and urban growth. Our key areas of expertise include urban economics, socio-economics, economic development, regulatory economics, and corporate strategy and advice.

Contact

WA Head Office
Level 2, 38 Station Street
SUBIACO WA 6008

Tim Connoley
Technical Director

p. +61 8 9211 1111
w. www.rpsgroup.com.au