

TAKTICS4
East Baldivis District Structure Plan

Commercial Activity Plan

March 2010

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Version Control

Document Name	Date	Description	Prepared
East Baldivis-Commercial Activity Plan-T4-7060-02	Mar 2010	Final Draft reflecting client feedback	GD

Distribution Control

Document Name	Date	Distribution	Format	Delivery
East Baldivis-Commercial Activity Plan-T4-7060-02	Mar 2010	RS – RPS Group	PDF	email

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EXECUTIVE SUMMARY

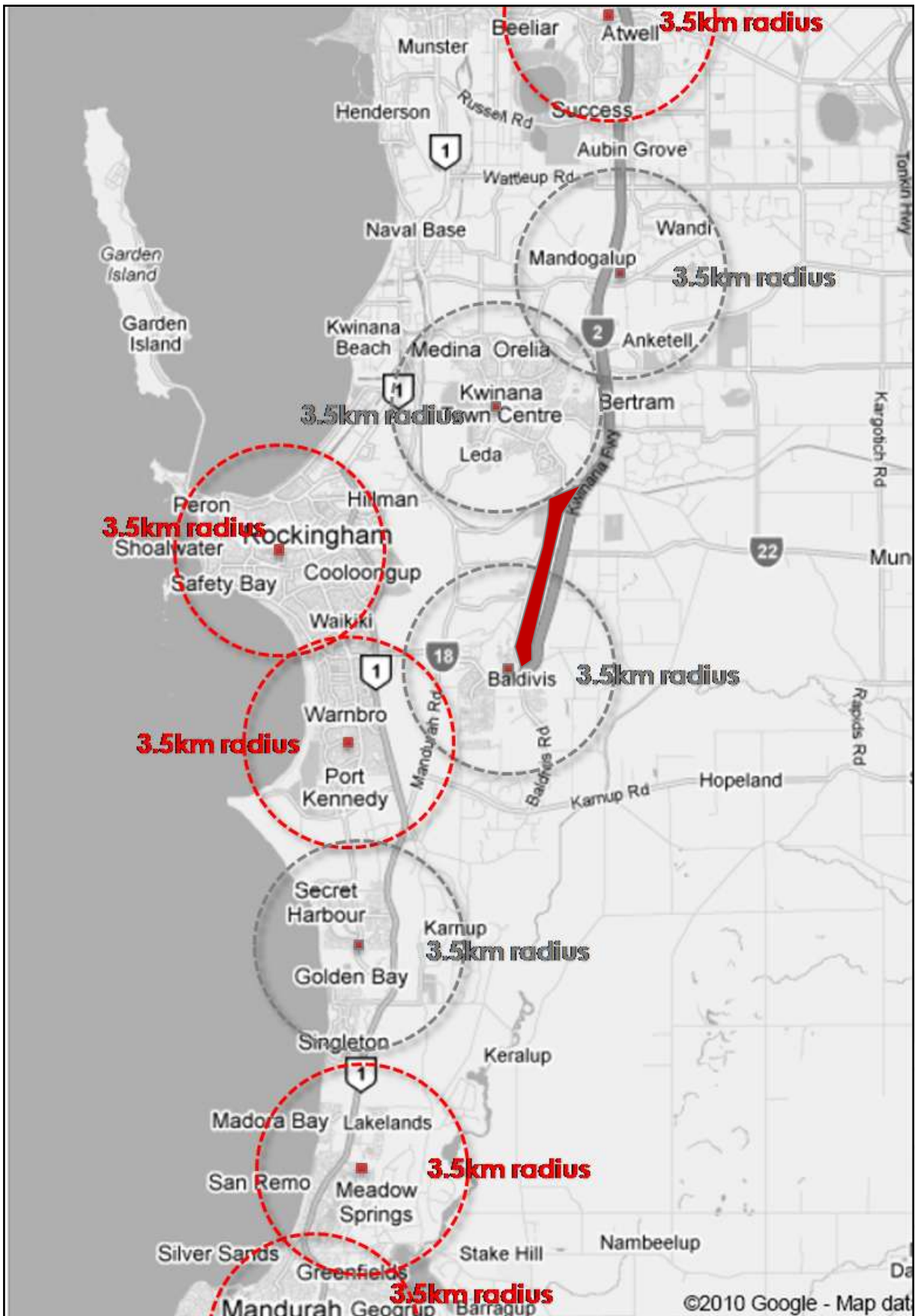
Future residents in the East Baldivis District Structure Plan area will contribute to the successful commercial performance of the existing Baldivis Town Centre and a future supermarket based centre already planned in North Baldivis.

This paper recommends another smaller supermarket based centre on the north east corner of Mundijong and Baldivis Road intersection to service the community planned in and around the northern part East Baldivis Structure Plan area.

The Mundijong Road centre should:

- comprise between 1,500sqm – 2,000sqm of retail floorspace
- include a small supermarket (1,000sqm) and 500sqm – 1,000sqm of specialty shops
- require a land area of 6,000sqm
- should have access directly from Baldivis Road
- have direct exposure and address to Mundijong Road (with access if possible from Mundijong Road)
- not be big enough to adopt a functioning 'main street' configuration and will therefore be developed as a stand alone centre with offsite carparking exposed to the road.
- be based north of Mundijong Road and the east side of Baldivis Road
- be developed as required and may be ahead of the development front
- not have an undue impact on the development of North Baldivis which will develop once its catchment is sufficient to sustain the main supermarket operator





1 CATCHMENT INFLUENCES

Key decisions that reflect the desired positioning and vision for planned commercial activity should be predicated on a thorough understanding of the market drivers that will influence the likely performance of its tenants. Analysis of consumer markets and economic drivers will ensure that development and initiatives involving the commercial activity will be able to operate in a sustainable manner.

This section considers the key drivers influencing the future delivery and performance of commercial activity within the designated planning area. In particular it assesses the influences of existing and planned centres and barriers to accessibility between centres and catchment.

1.1 Competing Centres

The distribution of existing centres and in particular major tenants such as Supermarkets and Discount Department Stores play a key role in consumer's retail shopping behaviour and subsequent contribution to the delineation of trade areas. Smaller local centres without a supermarket as their anchor are less likely to have an influence on the distribution of future retail activity within the designated planning area.

DDS Based Centres

Discount Department Store (DDS – Kmart, Target, BigW) based centres typically trade to a 3.5km radius resident catchment. The nearest existing DDS based centres to East Baldivis are located at Rockingham (Kmart, Target) to the east and Cockburn (BigW) a considerable distance to the north. Meadow Springs to the south contains a Target. East Baldivis community falls well outside the 3.5km radius of these centres.

Warnbro and Secret Harbour are both smaller centres now but are earmarked to accommodate DDS operators in the future once the catchment becomes commercially sustainable. Both of these centres would trade to their immediate catchment and would not expect to capture trade from East Baldivis.

The Kwinana Town Centre was initially developed with a DDS operator but the limited catchment population at the time resulted in the operator not renewing their lease. Population revitalised growth in Kwinana has resulted in the recent re-opening of the DDS (Big W) The. DDS in the Town centre predominantly trades to the immediate Kwinana community as far south as Wellard. The 3.5km trade area does not reach as far as the East Baldivis community.

Baldivis District Centre is allocated sufficient floorspace to accommodate a DDS in the future. Its future trade area will encompass the majority of the East Baldivis community, although the area immediate north of Mundijong road will still fall outside the 3.5km radius catchment.

The Baldivis and Kwinana Centres will both play a significant role in the DDS based shopping behaviour of East Baldivis consumers. These centres will therefore be likely to provide for two of the three main DDS operators between them. It is difficult to see either of these centres able to accommodate two DDS operators.

It is difficult to see another centre either existing or planned being able to attract the third DDS operator to the District.

Supermarket Based Centres

A full line supermarket operator typically trades to a catchment defined by a 1.5km radius. In some instances a fully developed catchment with this trade area is capable of commercially sustaining two full line supermarket operators.

Baldivis Town Centre currently contains a Coles supermarket. It has the potential to attract a second supermarket (Woolworths or IGA) in the future although it is more likely that they will attract a DDS operator.

Kwinana Town Centre also contains two supermarket operators (Coles and Woolworths) although two centres south of Kwinana will ultimately accommodate supermarkets in the future. Wellard (Leda) and Bertram are expected to develop a smaller supermarket based centres around the railway stations.

The Wellard centre in particular has the potential to include East Baldivis community (especially north of Mundijong Road) in its trade area.

The Rockingham Commercial Strategy promotes a supermarket based centre north of Baldivis Town Centre on Fifty Road. This North Baldivis centre is sufficiently north of Baldivis to accommodate a full line supermarket. However if Baldivis TC attracts the second full line supermarket (Woolworths) it is possible that this centre may only ever attract a smaller IGA based supermarket.

Its intended catchment includes the East Baldivis community although it fails to include the community planned north of Mundijong Road within its immediate catchment.

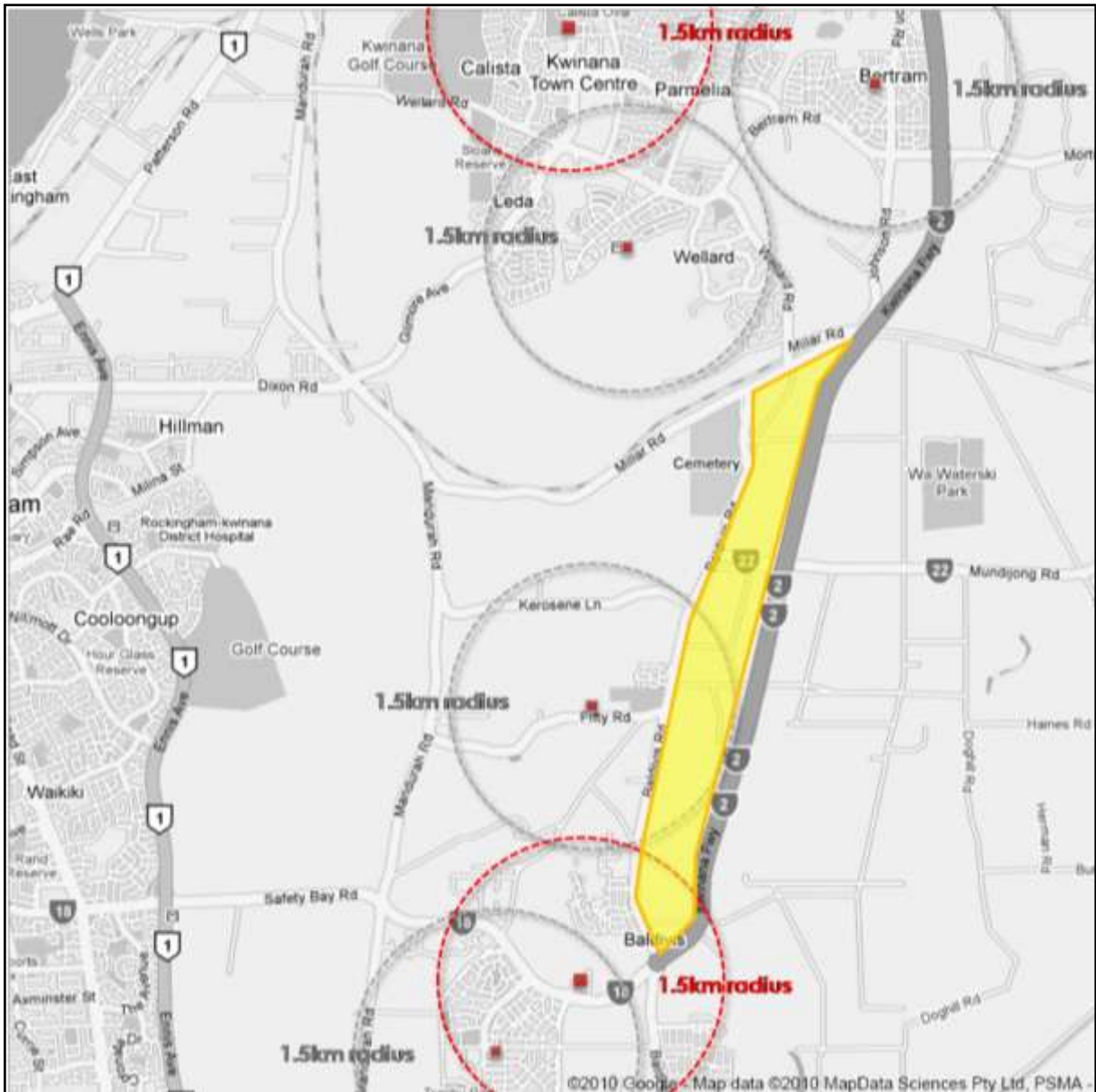
1.2 Accessibility

Elements that ease or impede travel will influence the relative access of a particular location to a range of locations, and subsequently improve the attraction of one activity over another.

The freeway alignment limits east west movement to and from East Baldivis. Access is limited to Safety Bay Road to the south of the East Baldivis community which takes customers past the Baldivis Town Centre before any centres to the north, and Mundijong Road which dissects the East Baldivis community to the north and provides more direct access from the east of the freeway to commercial activity in East Baldivis.

Limited urban development west of east Baldivis creates a barrier to urban development in Rockingham. This barrier of non urban land creates a more contained catchment for commercial activity planned in East Baldivis. While it restricts the size of the catchment available to commercial activity in East Baldivis it also protects the same activity from encroachment of commercial activity in Rockingham.

There is relatively straight forward access to east Baldivis from existing and planned communities north and south of the catchment. It is the proximity of commercial activity near these access points and not the access themselves that will restrict trade from being attracted to East Baldivis centre.



1.3 Catchment Definition

Based on the distribution and function of existing and planned centres, and the physical barriers influencing movement to and from East Baldvis, any commercial activity planned for East Baldvis will need to rely predominantly on the planned East Baldvis resident community.

Future DDS and related demand should be provided by Baldvis and to a lesser extent Kwinana. Future supermarket and related demand should be provided by Baldvis Town Centre to the south, North Baldvis for the middle catchment. The East Baldvis community planned for north of Mundijong Road will not fall within a specifically planned supermarket catchment, but will have access to North Baldvis and Wellard.

Any commercial activity planned to the north to accommodate this gap in offer will have a limited trade area although it will also be in a position to attract trade from a relatively small and dispersed community east of the freeway directly from Mundijong Road.

2 CATCHMENT PROFILE

The number and nature of the intended catchment will determine the extent of commercial activity sustainable in the planning area.

2.1 Dwellings and Population

The population base in the catchment underpins the potential value and relevance of each resident catchment to the performance of the planned commercial activity.

Over 4,000 dwellings are forecast for the East Baldvis District, including 1,350 dwellings north of Mundijong Road. A further 4,400 dwellings are planned for the Baldvis north area to the west of East Baldvis. A total of 8400 dwellings are therefore planned in the overall catchment between Safety Bay Road to the south and Millar Road to the north.

An average household size of 2.7 persons per household would produce a population base of nearly 23,000 including nearly 11,000 persons in the East Baldvis area.

	Dwellings	Population
East Baldvis	4,000	10,800
North Baldvis	4,400	11,880
Combined	8,400	22,680

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The North Baldvis centre will therefore have a dedicated catchment incorporating about 5,000 dwellings (13,500 persons) within its 1.5 km radius. The area incorporating the planned community north of Mundijong Road and the area immediately south of Mundijong Road that falls outside the North Baldvis catchment will comprise about 2,000 dwellings (5,400 persons).

2.2 Demographics & Spending Profiles

The sustainability of retail activity is determined by correlating spending patterns and market share with the level of sales required to attract and retain the major tenants necessary to support other tenants.

The demographic profiles for the surrounding Baldvis, Kwinana and Rockingham communities indicates a retail spending profile 2% below WA average spending. There is greater spending on household goods and the same amount of grocery spending. They generate slightly less spending on personal and non retail goods but considerably less on discretionary spending on leisure, fashion and miscellaneous goods.

These profiles indicate that the combined East and North Baldvis catchments are forecast to generate a total of \$218M p.a. in retail expenditure upon full development of the catchments.

The DDS based centre at Baldvis Town Centre will capture the majority of non convenience based spending allowing the remaining centres planned for the catchment to focus on capturing the convenience based retail spending available in the respective catchments.

Just over \$150M p.a. of the total spending will be captured by convenience based retailers, with \$65M p.a. of that captured by supermarkets.

The North Baldvis catchment (1.5km radius from North Baldvis centre) will generate \$130M p.a. including \$40M p.a. available to supermarkets. These figures support a single full line supermarket based centre at North Baldvis.

Retail Spending Category	Average Weekly Household Spending		Difference	
	Catchments	WA average	\$	%
Household	\$135.95	\$132.82	\$3.13	2%
Grocery	\$144.99	\$144.91	\$0.08	0%
Personal	\$86.90	\$88.09	-\$1.19	-1%
Non retail	\$314.04	\$319.79	-\$5.75	-2%
Leisure	\$115.51	\$121.97	-\$6.46	-5%
Fashion	\$37.45	\$41.29	-\$3.84	-9%
Misc	\$39.75	\$47.82	-\$8.07	-17%
Total	\$874.59	\$896.69	-\$22.10	-2%

Household Expenditure Survey (ABS 2003/04)

CPI (ABS 2003/04)

Spend Info expenditure by characteristics model (NIEIR 2006)

The northern catchment (area outside the 1.5km radius of North Baldvis) will generate \$52M p.a. including \$15M p.a. This amount would not support a full line supermarket but will sustain a smaller supermarket based centre, in the order of a 1,500sqm centre comprising a 1,000sqm supermarket and 500 sqm (5-7 shops) convenience based specialty floorspace.

2.3 Sustainability of Major Tenants

The spending profiles also highlight that the catchment north of Safety Bay Road will generate sufficient sales to support half of that required to sustain a DDS. a full line DDS is therefore sustained at Baldvis Town Centre when this catchment is combined with the catchment south of Safety Bay Road.

All three DDS operators will be interested in the Baldvis Town Centre although Kmart and Target are most likely given the ownership relationship they share with Coles which is already operating from the centre.

The combined catchments surrounding the Baldvis Town Centre are likely to support two supermarkets. However it only has sufficient floorspace allocation to sustain a single full line supermarket operator.

The North Baldvis centre is capable of sustaining a Woolworths supermarket as long as one is not introduced at Baldvis Town Centre.

A smaller supermarket (probably suited to an IGA format) of 1,00sqm would also trade sustainable from a site serving the northern catchment either side of Mundijong Road.

3 DISTRIBUTION OPTIONS

The successful performance of centres and their retailers will depend on the strategic distribution and placement of centres to maximise their accessibility and relevance to their intended catchments.

3.1 Spatial Distribution Opportunities

There are limited distribution options given the relatively concise and isolated nature of the catchment combined with the previously allocation of an existing centre at Baldivis and a planned centre at North Baldivis.

The placement of North Baldivis is relatively well positioned to take advantage of trade from all directions of its catchment. One option is for the North Baldivis Centre to be relocated further north and east in order to make it more accessible to the northern catchment and make its catchment more distinctly removed from the shadow of Baldivis Town Centre. Under this scenario, there might be no necessity for a smaller third centre in the catchment around Mundijong Road.

A second option is for the North Baldivis Centre to be allocated as a smaller supermarket (and subsequently smaller centre size) to reinforce Baldivis Town Centre as the major centre in the catchment. Under this scenario, a third smaller centre near Mundijong Road would have a similar role to North Baldivis.

However, the repositioning – either geographically or function - of North Baldivis is not critical and we acknowledge that the North Baldivis DSP has been developed with the centre in the allocated position.

3.2 Northern Centre Options

Allowing for the North Baldivis Centre in its planned position and function produces three main options for the location and role of the northern centre.

Option A – located north of Mundijong Road

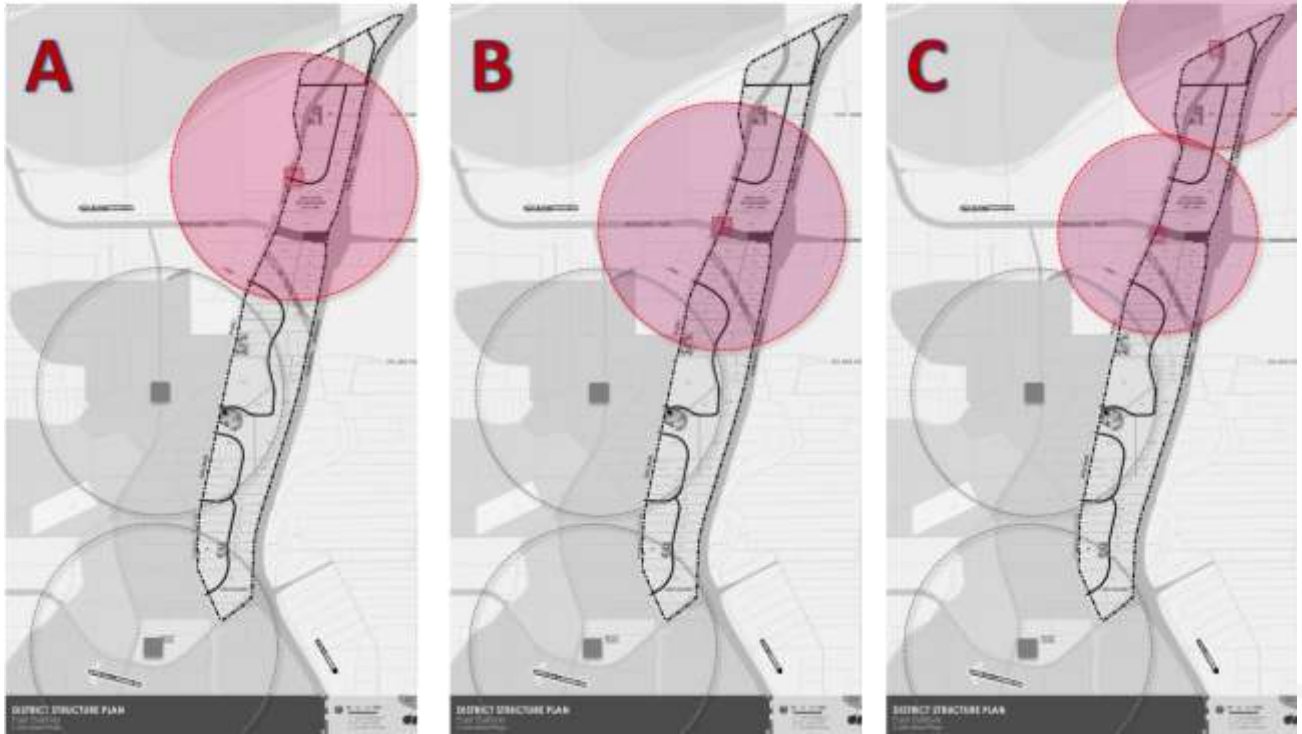
This option places the planned third centre centrally to the entire northern catchment although it is further from North Baldivis Centre which in theory is designed to improve its defined catchment. This option actually has the potential to reduce the exposure of the centre to trade from south of Mundijong Road which will consider Mundijong Road the northern most part of their local trip before turning toward the freeway. As such, this option will improve the trading potential from residents north of Mundijong Road but may alienate the consumers south of Mundijong Road.

Option B – Mundijong and Baldivis Road Intersection

This option brings the planned third centre to the high exposure Mundijong - Baldivis Road intersection. It improves the exposure of the centre to both residents north and south of Mundijong Road. But in doing so it increases the distance of travel for the northern most consumers closest to Millar Road. By placing the centre at the intersection, it improves access not only to the immediate catchment but also to the passing trade for residents further south as they use the freeway entry. Effectively this position goes some way to offsetting the reduced size of the centre by exposing it to a wider potential audience.

Option C – is effectively an adjunct to Option B

This option provides for an additional smaller centre at the northern extremity of the East Baldivis catchment. It would essentially service the community distanced by the relocation of the centre south toward Mundijong Road.



3.3 Preferred Distribution Pattern

Option B represents the most commercially effective outcome for commercial activity in this area of the Structure Plan area. This third centre has the potential to develop ahead of residential development as it is both smaller and more accessible than the North Baldivis centre. This staging advantage also allows it to adopt loyalty and trading patterns from consumers that may be maintained beyond the development of the Baldivis North centre.

3.4 Centre Functions and Role

The Mundijong-Baldivis Road Centre is the only additional centre planned as part of the East Baldivis Structure Plan. The centre should:

- comprise between 1,500sqm – 2,000sqm of retail floorspace
- include a small supermarket (1,000sqm) and 500sqm – 1,000sqm of specialty shops
- require a land area of 6,000sqm
- should have access directly from Baldivis Road
- have direct exposure and address to Mundijong Road (access if possible from Mundijong Road)
- not be big enough to adopt a main street configuration
- be based north of Mundijong Road and the east side of Baldivis Road
- be developed as required and may be ahead of the residential development front
- not have an undue impact on the development of North Baldivis centre which will develop once its catchment is sufficient to sustain the main supermarket operator

4 EMPLOYMENT

It is desirable to create communities which encourage and promote opportunities for the local resident labourforce to also work locally. This section considers the employment opportunities available to the East Baldivis Structure Plan community.

4.1 Industrial Land Strategy

The State Government released the Industrial Land Strategy (ILS) in late 2009. It addresses the shortfall in industrial land supply in both the Perth and Peel regions that became apparent during the resource boom experienced in the late 1990's and early 2000's.

The ILS has identified 29 potential future sites for industrial development, of which 6 have been noted to have priority status, following a multi-criteria analysis assessment process. Those allocated this priority status are those sites which are considered to have the most strategic attributes, and least amount of constraints that can be overcome. The remaining 23 sites are still considered to demonstrate potential for industrial development and will form part of the industrial land bank for the Perth and Peel regions to cater for forecast demand over the next 20 years and beyond.

Influence for East Baldivis

The Industrial Land Strategy nominates Mundijong Road as a major freight road as well as reconfirming the intended role of freight rail line immediately north of the East Baldivis Structure Plan Area.

The allocation of Mundijong Road as a major freight road creates a direct impact on the suitability of particular land uses along Mundijong Road in the East Baldivis Structure Plan Area. It is subsequently desirable to create a non residential buffer along Mundijong Road between Kwinana Freeway and Baldivis Road.

The preferred location of commercial zone on the northeast corner of Mundijong and Baldivis Roads creates a logical start for non residential activity. However the stretch of Mundijong Road between Baldivis Road and the Freeway is only 500 metres long. This strip of non residential land fronting the Road would not be sufficient to create a critical mass of commercial/industrial activity capable of generating a sustainable commercial node.

The plan therefore provides for a larger commercial node by creating a greater depth of non residential activity. Creating a node with a depth of 500 metres generates a 25Ha commercial node. Allowing for roads and a range of undevelopable areas within this area the 25Ha site could accommodate between 17.5Ha and 20Ha of commercial land area.

A plot ratio of 50% would generate between 87,500sqm – 100,000sqm of floorspace. An average floorspace per employee of between 75sqm-100sqm would produce an opportunity for 875 - 1,300 jobs in this area.

4.2 Employment Self sufficiency

Resident labourforce

Over 13,000 of the 23,000 residents within the East Baldivis Structure Plan Area and planned North Baldivis community will be expected to participate in the labourforce.

Dwellings	8,400
Persons/dwelling	2.7
Population	22,680
Resident labourforce (%)	60%
Resident labourforce (persons)	13,608

Employment Opportunities

Employment opportunities in and around East Baldivis are calculated in the following table. It highlights that East Baldivis provides opportunities for up to 32% of its resident labourforce. Employment opportunities are relatively diverse with opportunities for 9% of the resident labourforce to be employed within the Mundijong Road mixed business area, opportunities for 12% in the adjacent Baldivis district and North Baldivis retail centres and opportunities for 10% in home based businesses.

Employment Category	Floorspace (sqm)	Floorspace/employee (sqm)	Employees	Employment Self Sufficiency
Mundijong Rd Retail Village	2,500	25	100	1%
Mixed Business/Commercial	92,500	75	1,233	9%
District & Neighbourhood Centres	25,000	15	1,667	12%
Commercial employment	120,000	40	3,000	22%

Employment category	% of dwellings	Home based business	Employees/business	Employees	Employment Self Sufficiency
Home Based employment	10%	840	1.5	1260	9%

Employment category	Number	Employees	Employment Self Sufficiency
Primary schools	2	40	
Secondary schools	1	80	
Education employment	3	120	1%

Total Employment Opportunities	4,380	32%
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The level of self sufficiency falls below preferred levels of up to 60%. However, this figure should be considered in the context of significant industrial and other employment generating land to the immediate west, east and north of the EBSPA.

The figure also highlights the importance of providing the mixed business area north of Mundijong Road.