

Ocean Village SC, Perth

Retail needs assessment

PREPARED FOR **BLACKBURNE**

June 2024

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Executive summary

Regional context

- Ocean Village SC is a supermarket-based neighbourhood centre situated in City Beach at the intersection of Brompton Road and Hale Road, within the Town of Cambridge, approximately 10 km north-west of the Perth CBD.
- The centre is accessible from the Cambridge area primarily by the West Coast Highway, which is a major north-south thoroughfare in the region. Hale Road is a key east-west thoroughfare connecting City Beach with the Perth CBD via various streets and the Mitchell Freeway.
- Two schools are situated close to the centre, while other features in the region include Floreat/City Beach to the south-west, Scarborough Beach to the north-west, Herdsman Lake to the east, Wembley Golf Course/Bold Park Aquatic Centre to the south-east and Peasholm Dog Beach to the west.

Centre composition and proposed development

- The current centre is to be replaced by a mixed-use development which is planned to include a range of retail, commercial and food & beverage uses, anchored by a supermarket.
- The current plan calls for a retail provision of 4,025 sq.m, including a 2,600 sq.m supermarket with a liquor store (180 sq.m) and 1,425 sq.m of retail specialty (including 455 sq.m of food & beverage provision).
- Non-retail provision is planned to include 870 sq.m of gymnasium / wellness / medical, 1,260 sq.m tavern / bar provision (considered non-retail) and 325 sq.m medical / office, with these floorspaces areas representing the Net Lettable Area (NLA) of each use.
- 247 premium apartments will sit above the retail precinct.
- An underground carpark consisting of 507 residential bays and 211 retail bays, including 8 retail pick-up bays, with access via Hale Road provided by lift and travelator.

Trade area analysis

- The trade area which is available to be served by Ocean Village SC is influenced particularly by the ease of access to the centre, the supermarket anchor of the centre and the locations of relevant competitive facilities such as Luna Maxi Mart. The main trade area contains a population estimated at 22,900 at 2021, including 9,070 residents within the primary sectors. The trade area population is projected to reach around 27,150 by 2041.
- A review of the socio-demographic profile shows that the trade area population has higher than average income levels; an older than average age profile; and a higher proportion of Australian born residents compared with metropolitan Perth.
- The main trade area available to be served by Ocean Village SC generates estimated retail expenditure of \$463 million at 2022, projected to \$1.09 billion by 2041, reflecting an average annual growth rate of 4.6% per

annum. The primary sector is expected to grow from \$186 million in 2022, to \$438 million by 2041, reflecting an average annual rate of 4.6%.

Competitive context

- An analysis of the competitive context within which Ocean Village SC operates highlights the limited extent of competition within the centre's main trade area. Smaller centres surrounding Ocean Village SC include The Downs SC to the east and Empire Village SC to the south, anchored by IGA supermarkets, and Doric Street/Brighton Road shops in Scarborough. Luna Maxi Mart provides the closest major supermarket to the centre, while other shopping centres in the region include Westfield Innaloo (Stirling) and Floreat Forum.

Retail floorspace demand and specialty floorspace

- The quantum of retail floorspace considered supportable by 2026 is estimated at up to approximately 5,060 sq.m (currently 4,025 sq.m proposed), including up to 2,759 sq.m of FLG and 1,525 sq.m of food catering.

Recommended tenancy mix

- The supermarket anchor could potentially take the form of a major or premium and well-presented independent.
- The recommended mini-major for the centre is a large premium fresh food retailer, a pharmacy or restaurant.
- In terms of retail specialty space, up to one fresh food tenant is considered supportable (e.g. bakery and fresh seafood), five to seven food catering, and a small footprint of other tenants.
- A range of non-retail facilities are also considered sustainable including a medical centre, allied health facilities, a gymnasium, a bank branch and a real estate agent.

Key findings and conclusions

- Overall, there is considered strong potential for a relatively premium retail and non-retail offer at the subject site, anchored by a supermarket which can serve the food and convenience retail needs of residents in the surrounding area.
- The estimated trading impacts arising from the proposed development on the surrounding area are well within the reasonable bounds of competition and are unlikely to threaten their viability.

Introduction

This report presents an assessment of the retail potential for Ocean Village SC, a neighbourhood centre located in the suburb of City Beach in north-western Perth and is intended to be read in conjunction with the Economic Impact Assessment titled “*Ocean Village SC Economic Impact Assessment*”.

The report has been prepared under instructions from Ocean Village Shopping Centre Pty Ltd and is set out as follows:

- **Section 1** presents a review of the existing asset, including its location and accessibility, as well as the current centre composition and proposed redevelopment.
- **Section 2** examines the trade area available to Ocean Village SC post expansion and details the current and projected future trade area population levels together with the 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 Ocean Village operates, 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 subject site.
- **Section 5** provides an assessment of the retail potential for the Ocean Village SC redevelopment.
- **Section 6** examines the potential for various non-retail facilities at the centre.

Section 1: Site context

This section of the report presents a review of the existing asset, including its location and accessibility, as well as the local and regional context of the area.

1.1 Regional and local context

Ocean Village SC is a supermarket-based neighbourhood shopping centre, located in City Beach, an affluent suburb within the Town of Cambridge, approximately 10 km north-west of the Perth CBD (refer Map 1.1).

There is convenient accessibility to the centre and the Cambridge area at large, provided primarily by the West Coast Highway, which is a major north-south thoroughfare in the region. Hale Road is a key east-west thoroughfare from City Beach to Herdsman Lake and Pearson Street/Jon Sanders Drive, which links to Perth CBD via the Mitchell Freeway.

Ocean Village SC occupies a site on the north-western corner of the intersection of Brompton Road and Hale Road, and is accessible from Kilpa Court, as shown on Map 1.2. The map also highlights that there are two schools near the site – Wembley Downs Primary School located to the north-east and Holy Spirit Primary School to the south. Notable features in the wider region include Floreat/City Beach to the south-west, Scarborough Beach to the north-west, Herdsman Lake to the east, Wembley Golf Course/Bold Park Aquatic Centre to the south-east and Peasholm Dog Beach to the west of the subject centre.

The closest shopping centres to Ocean Village SC are The Downs SC, located 1.3 km to the north-east, and Empire Village SC, located 2.2 km to the south. The major shopping destination for residents of the area is Westfield Innaloo, situated 5.1 km north-east of Ocean Village SC. Further discussion on the competitive context of the area is provided in Section 3 of this report.

1.2 State Planning Policy 4.2 – Activity Centres

The Western Australian Planning Commission's (WAPC) State Planning Policy 4.2 Activity Centres (SPP4.2) was gazetted in July 2023 for the planning and development of activity centres throughout region scheme areas of the State. This latest policy represents an evolution of the Metropolitan Centres Policy (2000) and the former SPP4.2 Activity Centres for Perth and Peel (2011).

The intent of the policy is “to ensure planning, development and decision making adequately consider the distribution, function, broad land use, access and urban form considerations for activity centres.”.

The objectives of SPP4.2 are to:

- a) Locate people and the employment, goods and services they need close to each other within activity centres.*
- b) Promote activity centres as the focus of integrated and well-designed medium and high-density residential and mixed use development.*

c) Plan for the sustainable growth and development of activity centres ensuring development intensity is appropriate to a centre's position in the activity centre hierarchy.

d) Manage the hierarchy of activity centres to ensure efficient and equitable access by the community to employment opportunities, housing choice and a broad range of goods and services.

e) Ensure activity centres are accessible and well served by a range of transport options with a priority on walking, cycling and public transport use.

f) Ensure the urban form of activity centres enables the primary focus of activity to be on the street, in the public realm and connected to public open spaces.”.

Under the SPP4.2, a “Net Benefit Test” must consider whether a proposal will:

- *“Impact activity centre hierarchy.*
- *Result in a loss of services to the community.*
- *Impact upon existing, committed and planned public and private infrastructure.”*

1.2 Centre composition

Ocean Village SC currently consists of the following:

• Shop 1-3	Vacant	1,200 sq.m
• Shop 4	Vacant	65.8 sq.m
• Shop 5	Vacant	130.08 sq.m
• Shop 6	Vacant	115.8 sq.m
• Shop 7	Vacant	81.4 sq.m
• Shop 8	Con's City Beach Fine Wines	196.15 sq.m.
• Shop 9/11	Vacant	217.3 sq.m.
• Shop 10	Hugo's Pizza	88.4 sq.m.
• Shop 12	Vacant	68 sq.m
• Shop 14	Vacant	133 sq.m.
• Shop 15	City Beach Fish Bar	67.4 sq.m.
• Shop 17-19	Vet	171.6 sq.m.
• Shop 20	Acupuncture	85 sq.m.
• Shop 21	Vacant	92 sq.m.



Map 1.2: Ocean Village SC
Site location

1.3 Proposed redevelopment

This section outlines the plans for the proposed redevelopment of Ocean Village SC, which is illustrated in Figure 1.1. Details of the development proposal are summarised below:

- The current centre is to be replaced by a mixed-use development which is planned to include a range of retail, commercial and food & beverage uses, anchored by a supermarket.
- The current plan calls for a retail provision of 4,025 sq.m, including a 2,600 sq.m supermarket with a liquor store (180 sq.m) and 1,425 sq.m of retail specialty (including 455 sq.m of food & beverage provision).
- Non-retail provision is planned to include 870 sq.m of gymnasium / wellness / medical, 1,260 sq.m tavern / bar provision (considered non-retail) and 325 sq.m medical / office, with these floorspaces areas representing the Net Lettable Area (NLA) of each use.
- 247 premium apartments will sit above the retail precinct.
- An underground carpark consisting of 507 residential bays and 211 retail bays, including 8 retail pick-up bays, with access via Hale Road provided by lift and travelator.



Figure 1.1: Ocean Village SC Site plan

Section 2: Trade area analysis

This section of the report details the trade area that is expected to be served by Ocean Village SC post expansion, 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:

- 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.
- 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.
- 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.
- 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 Ocean Village SC trade area is influenced in particular by the following:

- The ease of access to the centre, reflecting its location near the West Coast Highway and with frontage to Hale Road.
- The designation of the centre as a neighbourhood centre, with a core role and function to serve the food, grocery and convenience retail needs of residents in the surrounding area.
- The locations of competitive facilities in the area, particularly Luna Maxi Mart in the north, The Downs SC in the east, and Empire Village SC in the south.

On this basis, the Ocean Village SC main trade area has been defined to include two primary sectors and three secondary sectors, as illustrated on Map 2.1 and described as follows:

- The **primary central sector** includes parts of the suburbs of City Beach, Wembley Downs and Scarborough. The sector is bound mainly by Ventnor Street to the north, Weaponess Road to the east, Empire Avenue to the south and Peasholm Dog Beach to the west.
- The **primary east sector** includes parts of the suburbs of Wembley Downs and Scarborough. This sector extends east from the primary central sector to Glenelg Avenue in the east and south.
- The **secondary north sector** is enclosed within the suburb of Scarborough, extending north to Brighton Road, and Grand Promenade and Byland Street in the east.
- The **secondary east sector** includes parts of the suburbs of Wembley Downs, Doubleview, Woodlands and Churchlands. This sector extends up to 1.4 km east from the primary east sector, down to Empire Avenue in the south and Ewen Street in the north.
- The **secondary south sector** is enclosed within the suburb of City Beach. It extends south to Templetonia Crescent and to Pandora Drive and The Boulevard in the east.

Overall, the trade area is expected to be served by Ocean Village SC extends 1 - 3 km around the site.



Map 2.1: Ocean Village SC
Trade area and competition

2.2 Trade area population

Table 2.1 details the existing and projected population levels within the defined Ocean Village SC 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 (2021);
- ABS Dwellings Approvals and Estimated Residential Population Data;
- Western Australia Tomorrow (March 2019) prepared by the WA Planning Commission;
- Other investigations of future residential development, undertaken by this office.

The trade area population is estimated at 22,800 residents at 2021, including 9,070 residents in the primary sectors.

Over the last intercensal period, 2016-2021, population growth in the trade area averaged 0.8% or 188 residents per annum. The population of the Ocean Village SC trade area is forecast to reach around 27,150 residents by 2041, including over 10,000 in the primary sector. This reflects an average annual growth rate of 0.9% for the main trade area from 2021 to 2041.

Population growth in the main trade area is expected to be underpinned by a number of predominantly medium density developments, with the most notable summarised as follows:

- The Ocean Village redevelopment at the subject site, which is planned to include up to 250 apartments.
- An ongoing trend of medium and rise residential developments in Scarborough, to the north of the subject centre, which is expected to continue into available sites.

Long term growth is expected to be driven by further infill development such as subdivisions and additional medium/high rise developments.

Table 2.1
Ocean Village SC trade area population, 2016-2041*

Trade area sector	Estimated population		Projected population			
	2016	2021	2026	2031	2036	2041
Primary sectors						
• Central	5,960	6,290	6,890	7,140	7,390	7,590
• East	<u>2,760</u>	<u>2,780</u>	<u>2,880</u>	<u>2,980</u>	<u>3,080</u>	<u>3,155</u>
Primary	8,720	9,070	9,770	10,120	10,470	10,745
Secondary sectors						
• North	4,660	4,880	5,180	5,480	5,780	6,030
• East	5,750	6,030	6,280	6,530	6,780	6,980
• South	<u>2,730</u>	<u>2,820</u>	<u>2,970</u>	<u>3,120</u>	<u>3,270</u>	<u>3,395</u>
Total secondary	13,140	13,730	14,430	15,130	15,830	16,405
Main trade area	21,860	22,800	24,200	25,250	26,300	27,150

Trade area sector	Average annual growth (no.)				
	2016-21	2022-26	2026-31	2031-36	2036-41
Primary sectors					
• Central	66	120	50	50	40
• East	<u>4</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>15</u>
Primary	70	140	70	70	55
Secondary sectors					
• North	44	60	60	60	50
• East	56	50	50	50	40
• South	<u>18</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>25</u>
Total secondary	118	140	140	140	115
Main trade area	188	280	210	210	170

Trade area sector	Average annual growth (%)				
	2016-21	2022-26	2026-31	2031-36	2036-41
Primary sectors					
• Central	1.1%	1.8%	0.7%	0.7%	0.5%
• East	<u>0.1%</u>	<u>0.7%</u>	<u>0.7%</u>	<u>0.7%</u>	<u>0.5%</u>
Primary	0.8%	1.5%	0.7%	0.7%	0.5%
Secondary sectors					
• North	0.9%	1.2%	1.1%	1.1%	0.9%
• East	1.0%	0.8%	0.8%	0.8%	0.6%
• South	<u>0.7%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>0.9%</u>	<u>0.8%</u>
Total secondary	0.9%	1.0%	1.0%	0.9%	0.7%
Main trade area	0.8%	1.2%	0.9%	0.8%	0.6%

*As at June

Source: ABS Census 2021; Western Australian Planning Commission, WA Tomorrow 2018; Macroplan

2.3 Socio-demographic profile

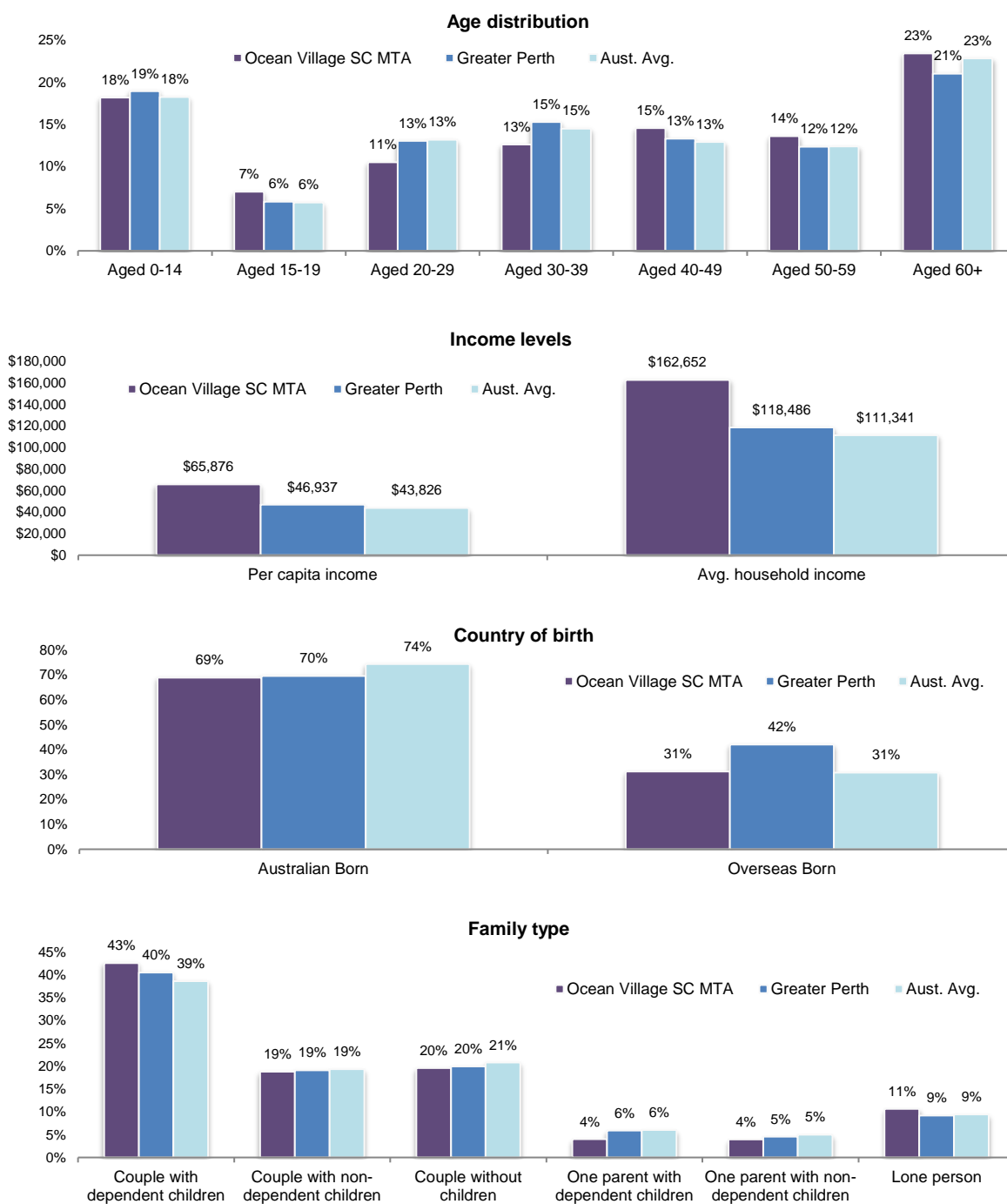
The attached Chart 2.1 and Table 2.2 detail the socio-demographic profile of the Ocean Village SC trade area population, based on the 2021 Census of Population and Housing, highlighting the following:

- The average age of trade area residents, at 41.9 years, is older than the metropolitan Perth average of 38.0 years, reflecting a higher representation of residents aged 60 years and over, as well as a below average proportion of children in the trade area.
- Income levels vary across the trade area sectors, with household incomes in the primary sector significantly higher than the metropolitan Perth benchmark. Secondary south and secondary east sector average household incomes that are 77.5% and 37.9% higher than the metropolitan Perth average respectively, while in the secondary north sector household incomes are 3.7% above the respective benchmark. On balance, the average household income for trade area residents is 37.3% above the metropolitan Perth average.
- Home ownership levels throughout the trade area are slightly above than the metropolitan Perth average, with a higher level of outright homeowners than the Perth average.
- Trade area residents are predominantly Australian born, at 68.8% of the total.
- Traditional families, i.e. couples with dependent children, account for 42.5% of households in the main trade area, which is slightly above the metropolitan Perth average of 40.5%.
- The secondary north sector has a much higher representation of residents aged 30-39 who rent and a greater proportion of lone person households than other sectors.

In summary, the Ocean Village SC trade area is reflective of an established suburb with a mix of traditional family households and residents over 60 years, who earn significantly above average incomes and are attracted to the area by high amenity levels and beach views.

Chart 2.1

Ocean Village SC main trade area - socio-demographic profile, 2021



Source: ABS Census of Population & Housing 2021; Macroplan

Table 2.2
Ocean Village SC main trade area - socio-demographic profile, 2021

Census item	Primary sectors	Secondary sectors			Main TA	Greater Perth avg.	Australia avg.
		North	East	South			
Per capita income	\$68,128	\$61,283	\$60,687	\$77,882	\$65,876	\$46,937	\$43,826
Var. from Greater Perth	45.1%	30.6%	29.3%	65.9%	40.3%		
Avg. household income	\$175,558	\$122,907	\$163,427	\$210,329	\$162,652	\$118,486	\$111,341
Var. from Greater Perth	48.2%	3.7%	37.9%	77.5%	37.3%		
Avg. household size	2.6	2.0	2.7	2.7	2.5	2.5	2.5
<u>Age distribution (% of population)</u>							
Aged 0-14	18.9%	15.6%	19.5%	17.9%	18.2%	18.9%	18.3%
Aged 15-19	7.0%	3.9%	9.5%	7.3%	7.0%	5.8%	5.7%
Aged 20-29	10.5%	14.1%	8.7%	8.3%	10.5%	13.1%	13.2%
Aged 30-39	11.7%	24.2%	7.9%	5.9%	12.6%	15.3%	14.5%
Aged 40-49	14.9%	14.9%	14.7%	12.8%	14.6%	13.3%	12.9%
Aged 50-59	14.4%	10.6%	14.1%	15.4%	13.6%	12.4%	12.4%
Aged 60+	23.1%	16.4%	25.8%	31.8%	23.4%	21.0%	22.8%
Average age	41.4	36.4	43.5	48.6	41.8	38.0	38.8
<u>Housing status (% of households)</u>							
Owner (total)	<u>76.7%</u>	<u>59.2%</u>	<u>80.3%</u>	<u>78.3%</u>	<u>73.2%</u>	<u>69.7%</u>	<u>65.1%</u>
• Owner (outright)	38.9%	22.5%	44.4%	46.1%	36.8%	28.2%	30.6%
• Owner (with mortgage)	37.8%	36.8%	35.9%	32.2%	36.4%	41.5%	34.5%
Renter	21.0%	37.6%	15.9%	9.4%	22.8%	26.4%	30.3%
<u>Birthplace (% of population)</u>							
Australian born	68.3%	66.9%	70.8%	69.5%	68.8%	69.5%	74.4%
Overseas born	<u>31.7%</u>	<u>33.1%</u>	<u>29.2%</u>	<u>30.5%</u>	<u>31.2%</u>	<u>42.0%</u>	<u>30.7%</u>
• Asia	6.9%	3.5%	8.1%	6.1%	6.4%	14.7%	13.3%
• Europe	5.8%	7.0%	4.7%	5.5%	5.7%	5.2%	4.4%
• Other	19.0%	22.6%	16.4%	18.8%	19.1%	22.0%	13.1%
<u>Family type (% of population)</u>							
Couple w dep't child.	44.2%	35.2%	46.8%	45.0%	42.5%	40.5%	38.6%
Couple w non-dep't child.	21.4%	9.0%	22.9%	24.1%	18.8%	19.1%	19.3%
Couple without child.	17.7%	24.7%	16.9%	19.5%	19.6%	19.9%	20.8%
One parent w dep't child.	3.8%	6.0%	3.2%	1.6%	4.0%	5.9%	6.0%
One parent w non-dep't	4.2%	4.6%	3.4%	2.9%	3.9%	4.6%	5.0%
Lone person	8.3%	19.8%	6.5%	6.4%	10.7%	9.2%	9.4%

Source: ABS Census of Population & Housing 2021; 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:

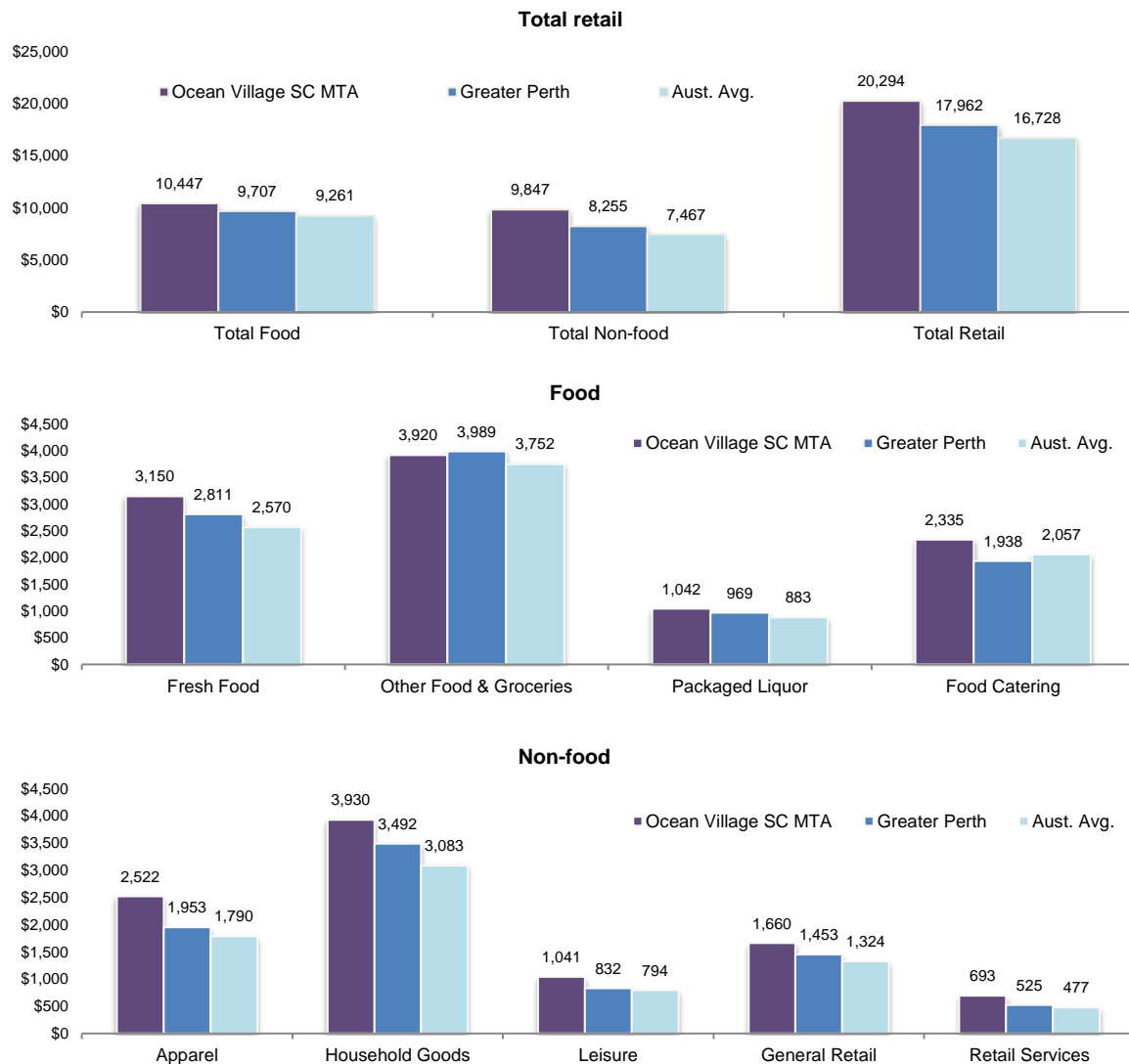
- Take-home food and groceries – goods typically sold in supermarkets and specialty fresh food stores.
- Packaged liquor – packaged beer, wine and spirits such as those purchased at bottle-shops and liquor outlets. The combination of take-home food and groceries and packaged liquor is referred to as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

Chart 2.2 presents a comparison of retail spending behaviour of the Ocean Village SC trade area residents with metropolitan Perth and Australian averages. All retail spending estimates detailed in this report include GST.

The total level of retail expenditure per person for the trade area population in 2021 is estimated at \$20,294, which is some 13% above the metropolitan Perth average.

Chart 2.2

Ocean Village SC main trade area - retail expenditure per person, 2021/22*



*Including GST

Source: MarketInfo; Macroplan

Table 2.3 presents estimates of total retail expenditure generated by the population within each sector of the Ocean Village SC trade area over the forecast period to 2041. All spending forecasts provided include retail inflation, which is assumed to average 3.0% per annum.

Total available retail expenditure within the trade area is forecast to grow from \$463 million at 2022 to \$1.09 billion by 2041, reflecting an average annual growth rate of 4.6% per annum over the forecast period. The primary sector is expected to grow from \$186 million in 2022, to \$438 million by 2041, reflecting an average annual rate of 4.6%.

Table 2.3 Ocean Village SC main trade area - retail expenditure (\$M), 2022-2041*								
Year ending June	Primary sectors		Primary sectors	Secondary sectors			Total Secondary	Main TA
	Central	East		North	East	South		
2022	131	56	186	100	117	60	276	463
2023	137	58	195	104	122	62	288	482
2024	144	60	205	109	127	65	301	506
2025	152	63	215	115	133	68	315	531
2026	161	66	227	120	139	71	330	557
2027	172	69	241	128	146	75	349	590
2028	179	72	252	134	153	79	366	617
2029	187	75	263	140	160	83	383	646
2030	196	79	274	147	167	87	401	675
2031	204	82	287	154	174	91	419	706
2032	213	86	299	162	182	95	439	738
2033	223	90	312	170	190	99	459	772
2034	233	94	326	178	199	104	481	807
2035	243	98	340	186	208	109	503	843
2036	253	102	355	195	217	114	526	882
2037	264	106	371	204	227	119	550	921
2038	276	111	386	214	236	124	574	961
2039	287	115	403	224	246	130	600	1,003
2040	300	120	420	234	257	136	627	1,047
2041	312	125	438	245	268	142	654	1,092
<u>Average annual growth (\$M)</u>								
2022-2041	9.6	3.7	13.2	7.6	8.0	4.3	19.9	33.1
<u>Average annual growth (%)</u>								
2022-2041	4.7%	4.4%	4.6%	4.8%	4.5%	4.7%	4.6%	4.6%
*Inflated dollars & including GST Source: MarketInfo; Macroplan								

Table 2.4 details the projected retail spending of the Ocean Village SC trade area population by retail category. FLG (food, liquor and groceries) is the main expenditure category for supermarkets, representing 40% of the total retail expenditure, and is forecast to grow from \$185 million at 2022 to \$285 million by 2031, reflecting an average annual growth rate of 4.9%.

Table 2.4								
Ocean Village SC main trade area - retail expenditure by category (\$M), 2022-2041*								
Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2022	185	53	58	90	24	38	16	463
2023	193	56	60	93	25	39	16	482
2024	203	59	62	98	26	41	17	506
2025	213	62	65	102	27	43	18	531
2026	224	65	68	107	28	45	19	557
2027	237	69	72	113	30	48	20	590
2028	249	73	75	118	31	50	21	617
2029	260	76	78	124	33	52	22	646
2030	273	80	82	129	34	55	23	675
2031	285	84	85	135	35	57	24	706
2032	299	89	89	141	37	59	25	738
2033	313	93	92	147	38	62	26	772
2034	327	98	96	153	40	65	28	807
2035	343	103	100	160	42	68	29	843
2036	359	108	104	167	44	70	30	882
2037	375	113	108	174	45	73	32	921
2038	392	118	113	181	47	77	33	961
2039	410	124	117	189	49	80	34	1,003
2040	428	130	122	197	51	83	36	1,047
2041	447	136	127	205	53	87	37	1,092
<u>Average annual growth (\$M)</u>								
2022-2041	11.2	3.5	3.1	5.0	1.3	2.1	0.9	27.0
<u>Average annual growth (%)</u>								
2022-2041	4.9%	5.2%	4.4%	4.6%	4.5%	4.6%	4.8%	4.8%
*Inflated dollars & including GST								
Source: MarketInfo; Macroplan								

Retail expenditure category definitions:

- FLG: take-home food and groceries, as well as packaged liquor.
- Food catering: expenditure at cafes, take-away food outlets and restaurants.
- Apparel: clothing, footwear, fashion accessories and jewellery.
- Household goods: giftware, electrical, computers, furniture, homewares and hardware goods.
- Leisure: sporting goods, music, DVDs, computer games, books, newspapers & magazines, stationery and photography equipment.
- General retail: pharmaceutical goods, cosmetics, toys, florists, mobile phones and pets.
- Retail services: hair & beauty, optical goods, dry cleaning, key cutting and shoe repairs.

Section 3: Competition

This section of the report considers the competitive environment within which Ocean Village SC operates, including existing and proposed retail facilities. Table 3.1 summarises the competitive centres, including the additional floorspace targets outlined in the Town of Cambridge Local Planning Strategy (LPS) 2021, while Map 3.1 illustrates their locations relative to the subject site.

Table 3.1				
Ocean Village SC - schedule of major retail facilities				
Centre	Retail GLA (sq.m)		Major traders	Dist. by road from Ocean Village SC (km)
	Current	LPS 2050**		
Ocean Village SC	2,363 *	3,300		
Within trade area				
The Downs SC	1,750		IGA	1.3
Doric Street Scarborough	1,000			1.5
Empire Village SC	2,000		IGA	2.2
Brighton Road Scarborough	800			2.5
Beyond trade area				
Luna Maxi Mart	4,400		Coles	2.8
Woodlands SC	2,300		Farmer Jack's Supermarket	3.4
IGA Doubleview	1,000		IGA	3.7
Floreat Forum SC	17,000	24,700	Coles, Woolworths	4.8
The Herdsman Market	1,200			4.9
Westfield Innaloo	44,000		Kmart, Target, Coles, Woolworths, Spudshed	5.1
*Assumes all vacant tenancies are retail				
**Adjusted to reflect estimated retail floorspace share of additional target				
Source: Property Council of Australia; Cordells; Macroplan				

Ocean Village SC is the neighbourhood shopping centre serving the northern parts of the suburb of City Beach and is well positioned as a convenient destination for the food and grocery needs of local residents. Ocean Village SC is currently anchored by a supermarket (vacant), with a limited range of specialty traders.

Within the trade area, there are two neighbourhood shopping centres, and smaller centres including Doric Street/Brighton Road shops in Scarborough. The Neighbourhood Centres are summarised below:

- **The Downs SC** is a local centre located 1.3 km east of Ocean Village SC and comprises around 1,750 sq.m of retail floorspace. The centre is anchored by an IGA and features a café, Liquor Barons, a newsagency and TerryWhite Chemist.
- **Empire Village SC** is situated 2.2 km south of the subject centre with 2,000 sq.m of retail floorspace, and is anchored by the well presented The Boulevard IGA supermarket. The centre's food and beverage offer consists

of 3 cafes, 4 restaurants (two Italian, a Japanese ramen restaurant and a fish and chip shop), as well as an Asian takeaway food outlet. The outward facing cafés and restaurants offer al fresco dining options. Other tenancies within the centre include two bakeries (including a Brumby's), two hair salons, two real estate agencies, a travel agency, a pharmacy and Vintage Cellars.

Beyond the trade area, there are several key competitive facilities which are summarised as follows:

- To the north of Ocean Village SC is **Luna Maxi Mart**, which is anchored by a Coles and comprises some 4,400 sq.m of retail floorspace. The food and beverage offer at the centre includes a café, a fish and chip shop, a burger restaurant, Buteko Bar & Restaurant and Liquorland, while non-food outlets include Rip Curl, a chemist and a hairdresser. In the immediate surrounding area there are also further dining options including three cafés, three ice cream stores (including Cold Rock), four restaurants (Thai, Mexican, Nando's and a late night eatery), as well as four bars offering a wide selection of wine and cocktails.
- **Woodlands SC** is a shopping centre located 3.4 km east of the subject centre and is anchored by Farmer Jack's Supermarket. With a total retail floorspace of around 2,300 sq.m, this centre mainly caters to the food and grocery needs of southern Woodlands residents. The shopping centre's food and beverage offer consists of a fish and chips shop, a Thai restaurant and a café. Other tenancies include a newsagency, Australia Post, a hairdresser and a pharmacy.
- **IGA Doubleview** is positioned 3.7 km north-east of the subject centre and comprised of around 1,000 sq.m of floorspace. Supporting the IGA is a café, a hairdresser, Brumby's, a newsagency and Terry White Chemmart. Nearby are a pathology clinic, podiatrist, sports massage parlour, dental clinic, fitness studio, beauty salon, laundromat, yoga studio and Japanese takeaway food outlet.
- **Floreat Forum** is a large supermarket based centre anchored by Coles and Woolworths, situated 4.8 km south-east of Ocean Village SC, comprised of around 17,000 sq.m of floorspace. The centre also contains a Best & Less mini-major and an outdoor fresh food precinct which includes Floreat Market, a premium fresh food grocer, and The Source Bulk Foods, an organic health food store. Other tenancies featured within the outdoor precinct are a Japanese sushi restaurant, Thai restaurant, a burger bar, Vintage Cellars and Australia Post.
- **Westfield Innaloo** – A sub-regional shopping centre located approximately 5.1 km north-east of Ocean Village SC, and is the primary retail component of the Stirling City Centre with around 44,000 sq.m of retail floorspace. The centre is anchored by Kmart and Target discount department stores, as well as Coles, Woolworths and Spudshed supermarkets.
- **The Herdsman Market** – A long standing fresh produce focused local centre, focusing on artisanal produce and online sales.

Section 4: Analysis of floorspace demand

This section of the report provides an analysis of the supermarket and retail specialty floorspace considered supportable at Ocean Village SC.

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 retail floorspace demand by residents in the defined Ocean Village main trade area, not including non-retail facilities (e.g. 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.

Table 4.1										
Ocean Village SC main trade area - Estimated retail floorspace demand (sq.m), 2022-2041										
Year ending June	FLG	Food catering	Total food	Apparel	H'hold goods	Leisure	General retail	Retail services	Total non-food	Total retail
2022	14,916	6,268	21,180	9,764	16,612	3,015	4,362	2,315	36,070	57,250
2023	15,029	6,330	21,360	9,799	16,698	3,029	4,385	2,331	36,240	57,600
2024	15,246	6,439	21,690	9,898	16,895	3,062	4,437	2,363	36,650	58,340
2025	15,476	6,557	22,030	9,998	17,101	3,096	4,491	2,396	37,080	59,110
2026	15,708	6,675	22,380	10,099	17,306	3,131	4,545	2,430	37,510	59,890
2027	16,104	6,864	22,970	10,303	17,691	3,197	4,647	2,489	38,330	61,300
2028	16,292	6,966	23,260	10,371	17,844	3,222	4,687	2,515	38,640	61,900
2029	16,481	7,068	23,550	10,439	17,996	3,246	4,727	2,542	38,950	62,500
2030	16,671	7,171	23,840	10,506	18,149	3,271	4,766	2,569	39,260	63,100
2031	16,862	7,275	24,140	10,573	18,302	3,295	4,806	2,595	39,570	63,710
2032	17,054	7,381	24,430	10,640	18,454	3,319	4,846	2,622	39,880	64,310
2033	17,247	7,487	24,730	10,707	18,607	3,343	4,886	2,650	40,190	64,920
2034	17,441	7,594	25,030	10,773	18,759	3,368	4,926	2,677	40,500	65,530
2035	17,636	7,702	25,340	10,839	18,912	3,392	4,966	2,704	40,810	66,150
2036	17,832	7,811	25,640	10,905	19,065	3,416	5,006	2,731	41,120	66,760
2037	18,015	7,915	25,931	10,962	19,203	3,437	5,042	2,757	41,400	67,331
2038	18,186	8,015	26,200	11,010	19,326	3,456	5,074	2,780	41,647	67,847
2039	18,357	8,115	26,472	11,059	19,450	3,475	5,106	2,804	41,893	68,365
2040	18,530	8,215	26,745	11,107	19,574	3,493	5,138	2,827	42,139	68,884
2041	18,703	8,317	27,020	11,154	19,697	3,512	5,171	2,851	42,385	69,405
RTD*	12,400	8,494	11,200	5,890	5,394	7,874	8,680	6,820	6,200	8,100

*Retail Turnover Density - Turnover (\$) per sq.m in 2022, growth assumed at 3.5% p.a
Source: MarketInfo; Macroplan

The figures illustrate how the retail floorspace demand of main trade area residents will increase over the forecast period, particularly as infill development progresses within the trade area. The redeveloped Ocean Village SC will be very well placed to serve this increase in demand for retail facilities and has the potential to be a key food, grocery and convenience-oriented shopping destination for local residents.

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 main trade area is forecast to increase to around 69,405 sq.m retail floorspace at 2041.

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

Table 4.2 provides indicative estimates of the amount (up to) of supportable retail floorspace at Ocean Village SC, taking into account the estimated levels of expenditure which the centre is likely to retain. Standard RTD values have been applied by category to calculate the amount of retail floorspace supportable, presented on the previous Table 4.1.

Table 4.2										
Ocean Village SC - indicative supportable floorspace by category (sq.m), 2022-2041										
Year ending June	FLG	Food catering	Total food	Apparel	H'hold goods	Leisure	General retail	Retail services	Total non-food	Total retail
% retail expenditure retained										
Primary	31.0%	36.8%	32.7%	0.0%	1.5%	5.8%	6.5%	11.0%	2.7%	13.7%
Secondary	<u>5.4%</u>	<u>9.4%</u>	<u>6.6%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>4.0%</u>	<u>4.0%</u>	<u>7.0%</u>	<u>1.3%</u>	<u>3.3%</u>
Main TA	15.7%	20.4%	17.1%	0.0%	0.6%	4.7%	5.0%	8.6%	1.8%	7.5%
2022	2,602	1,424	4,030	0	114	160	246	223	740	4,770
2023	2,624	1,439	4,060	0	115	161	247	225	750	4,810
2024	2,667	1,466	4,130	0	116	162	251	228	760	4,890
2025	2,713	1,496	4,210	0	118	164	254	231	770	4,980
2026	2,759	1,525	4,280	0	120	166	257	235	780	5,060
2027	2,834	1,571	4,410	0	123	170	263	241	800	5,210
2028	2,864	1,593	4,460	0	124	171	265	243	800	5,260
2029	2,895	1,615	4,510	0	125	172	267	246	810	5,320
2030	2,925	1,637	4,560	0	126	174	270	248	820	5,380
2031	2,956	1,659	4,620	0	126	175	272	251	820	5,440
2032	2,987	1,682	4,670	0	127	176	274	253	830	5,500
2033	3,018	1,705	4,720	0	128	177	276	256	840	5,560
2034	3,049	1,728	4,780	0	129	179	278	258	840	5,620
2035	3,080	1,751	4,830	0	130	180	280	261	850	5,680
2036	3,111	1,774	4,890	0	131	181	283	264	860	5,750
2037	3,141	1,797	4,937	0	132	182	285	266	864	5,802
2038	3,168	1,818	4,986	0	132	183	286	268	870	5,856
2039	3,195	1,839	5,035	0	133	184	288	270	875	5,910
2040	3,223	1,861	5,084	0	134	185	290	273	881	5,965
2041	3,250	1,883	5,133	0	134	186	292	275	887	6,020
RTD*	12,400	8,494	11,000	5,890	5,394	7,874	8,680	6,820	7,500	10,500
*Retail Turnover Density - Turnover (\$) per sq.m in 2022, growth assumed at 3.5% p.a. Source: MarketInfo; Macroplan										

The proportion of available FLG expenditure which Ocean Village SC has the potential to retain from the defined primary sector is estimated at 31%. At this retention rate, Ocean Village SC is assumed to be a key food and grocery shopping destination for the residents of the primary trade area, though still allows 69% of FLG expenditure to be directed to other facilities in the region. FLG spend will be directed to high-order facilities in the surrounding region, to account for where supermarket shopping is done in conjunction with shopping for high-order retail needs, as well as to other neighbourhood centres in the region.

Ocean Village SC is considered a strong location for food catering outlets and is expected to be able to support a number of cafes and restaurants, reflected in the higher share of expenditure estimated to be retained from the food catering category. As a neighbourhood centre, non-food retention rates are projected to be lower. For the household goods, general and leisure retail categories, the expected retention rates at the subject centre are estimated up to 6.5%, which along with apparel are generally served by sub-regional or regional centres. In this

case, it is likely that local residents will primarily utilise facilities at Westfield Innaloo for higher-order retail needs. In line with the function of Ocean Village SC, 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 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 13.7%, with around 3.3% of captured from the total spend of secondary sector residents. The analysis also allows for some of the retail floorspace demand to be generated by residents living beyond the defined trade. We have allowed for 12% of the demand for retail floorspace to come from beyond the main trade area.

The key aspect in the success of any shopping centre is the major tenants (e.g. supermarkets) act as key customer generators. The supporting specialty shops feed off the customer flows generated by these major traders. Our analysis indicates that the redevelopment of Ocean Village SC with additional food retailers will be supportable by the current trade area population moving forward. The amount of retail floorspace considered supportable by 2026 is estimated at approximately 5,060 sq.m, including up to 2,759 sq.m of FLG and 1,525 sq.m of food catering. The level of supportable FLG floorspace is expected to be able to easily accommodate the proposed supermarket and a range of specialty stores.

Section 5: Recommended Tenancy Mix

The Ocean Village site is relatively easily accessible for surrounding residents and has the potential to serve a trade area population estimated at around 25,250 people by 2031. The possible retail uses for the planned floorspace at Ocean Village SC are discussed in more detail by category below.

Supermarket opportunity

There is generally one full-scale supermarket provided for every 8,000 – 10,000 people across Australia. There is a limited provision of major supermarket facilities in the trade area, with no major supermarkets and only two other smaller scale supermarkets provided for around 22,800 residents – at The Downs SC and Empire Village SC. The provision of supermarket floorspace within the trade area is, therefore, well below the average provision throughout Australia.

There is considered a good opportunity for a major supermarket at the subject site. While it is acknowledged that a Coles supermarket anchors Luna Maxi Mart, which is easily accessible to residents via the West Coast Highway, the available population in the catchment indicates that an additional major supermarket or well-presented independent is deemed supportable, with an independent supermarket chain possibly providing a more premium offer featuring a selection of gourmet cheese and offers a wide selection of vegan, vegetarian, gluten free, dairy free and organic products.

Mini-major tenants

We consider there is a good opportunity to include at least one mini-major (i.e. tenants over 400 sq.m in size) at Ocean Village SC, reflecting that the site location and potential trade area population would be attractive to prospective mini-major tenants. The various types of mini-majors are discussed as follows:

- Food and liquor mini-majors include the likes of larger fresh food/specialist grocers (e.g. fresh produce stores, Asian supermarkets etc.) and large format liquor stores. However, there is an opportunity for a premium fresh food retailer similar to Floreat Market, which is located at Floreat Forum.
- While there is some provision at The Downs SC and Floreat Forum, a large format pharmacy could complement the convenience offer of Ocean Village. A pharmacy is recommended for the site.
- There is a lack of electronics retailers within the trade area. Residents will likely visit regional or sub-regional shopping centres for these needs, specifically adjacent to Westfield Innaloo.
- Sporting goods retailers are also often found at larger centres. Westfield Innaloo is the most likely shopping destination for residents seeking sporting goods and apparel.
- Most food catering stores (i.e. cafés and take-away food outlets) tend to be smaller than 200 sq.m, with most ranging around 60 – 150 sq.m. However, a large signature restaurant tenancy, i.e. above 400 sq.m, have the potential to provide an alternative anchor to the centre. We consider that a number of restaurants can be sustained at the subject site.

Overall, we consider that one mini-major tenant could be provided at Ocean Village and could take the form of a large premium fresh food retailer, a pharmacy or restaurant.

Specialty floorspace

Across Australia, supermarket-based shopping centres typically support around 1,500 – 2,500 sq.m of retail specialty floorspace. In a high density, urbanised environment, with limited competition, the provision of specialty floorspace can be at the higher end of this range. Furthermore, based on the retail floorspace demand analysis the market can support around 2,500 sq.m of retail specialty space. However, given the size of the proposed supermarket, at 2,600 sq.m, we consider that around 2,500 sq.m of retail specialty space is sustainable at the Ocean Village redevelopment. This conclusion reflects the masterplan and that the offer would be well suited to be relatively upmarket, and therefore may exclude 'discount' tenants which are usually located at supermarket-based centres. Overall, the retail specialty floorspace at Ocean Village SC should be oriented towards fresh food and food catering, with a more limited provision of convenience-based and non-food retailers.

With regard to the floorspace estimations in table 4.2 and our view of the ideal tenancies at the subject site, following are recommendations of the possible tenancy mix, with the expected potential for around 12 retail specialty stores:

- Supermarket and other fresh food – This category includes tenants such as a supermarket, bakery, butcher, fresh seafood, fresh produce and delicatessen. Specialties in this category reinforce and complement the offer of a supermarket, however, after accounting for the proposed supermarket there is limited additional floorspace in this category and as such we recommend a maximum of one additional (excluding a supermarket) fresh food tenant, likely an artisan bakery and a fresh seafood outlet.
- Apparel – Apparel stores are typically provided in regional and sub-regional (department store or discount department store based) centres. Supermarket centres, such as the redeveloped Ocean Village, typically cannot sustain large amounts of apparel space without a non-food anchor tenant such as a discount department store, especially given the location of Westfield Innaloo 5 km north-east of the subject site. On this basis, we have not recommended any apparel tenants for the centre.
- Household goods – As with apparel, we do not recommend provision of this category.
- Leisure – This category includes giftware and newsagencies. A provision up to 160 sq.m is recommended for the centre, which could include a newsagency/lotto outlet.
- General – The key tenant in this category which is considered supportable includes a pharmacy, while an upmarket florist may also be sustainable.
- Retail Services – The immediate resident population are likely to associate strongly with retail services and up to two retail services tenants are likely to be supportable such as a hairdresser, a beauty salon and an optometrist.
- Food catering – This category includes take-away food stores, cafes and restaurants. Given the residential population projected within the Ocean Village redevelopment and the population of the trade area, approximately five to seven food catering tenants are expected to be supportable at the centre, including restaurants offering al fresco dining and serving alcohol, (e.g. Japanese, Italian and burger outlet), a café and a take-away food outlet (such as pizza, or a fish and chips shop).
- With regard to the above comments and floorspace estimations in table 4.2, we note that there is a low to moderate quantum deemed supportable in the household goods, apparel, retail services and leisure categories.

As a result, where appropriate we recommend consideration of allocating some of this floorspace to the food catering category, if needed.

An optimal specialty mix would reinforce the offer and role of Ocean Village SC, acting as a key food, grocery and convenience-oriented shopping destination for the local area. Table 5.1 below summarises the recommended retail composition (up to), with regard to the floorspace deemed supportable in Table 4.2, the current masterplan, and our recommendations.

Table 5.1		
Ocean Village SC - recommended centre composition		
Tenancy	GLA	
	(sq.m)	(% share)
<u>Major tenants</u>		
• Supermarket	2,600	51.4%
<u>Retail specialties</u>		
• Other fresh food (e.g. bakery, fresh produce, butcher)	160	3.2%
• Food catering (e.g. café / casual restaurant / take away)	1,520	30.0%
• Apparel (e.g. clothing, jewellery)	0	0.0%
• Household goods (e.g. homewares / furniture / electrical)	120	2.4%
• Leisure (e.g. newsagent/lotto outlet)	170	3.4%
• General retail (e.g. pharmacy, discount variety, florist)	260	5.1%
• Retail services (e.g. hairdresser, beauty salon)	<u>230</u>	<u>4.5%</u>
Total retail specialties	2,460	48.6%
Total centre (excl. non-retail)	5,060	100.0%

Source: Macroplan

Section 6: Potential for non-retail facilities

This section of the report examines the potential for non-retail uses at the Ocean Village SC redevelopment.

In addition to retail specialty stores, a range of non-retail tenants are also generally also provided at supermarket-based centres, such as medical centres, allied health facilities, fitness centres/gymnasiums and banks.

Medical centre

There is generally a lack of medical centres within the primary central sector, resulting in good potential for a medical centre for Ocean Village SC. The closest medical centre to the subject site is the Ocean Village Medical Centre, located east near The Downs SC (refer Map 6.1). The addition of a medical centre, either within the site or as a pad site, would add to the amenity and convenience offer of Ocean Village.

Medical hub and allied health facilities

With a growing proportion of expenditure going toward healthcare costs, medical 'hubs' are increasingly being provided in mixed-use developments. Medical hubs can play an important role in generating a steady flow of people to locations and provide convenience to patrons, with benefits for retailers, particularly a pharmacy. Medical facilities attract all population segments, though the most important customer groups are elderly residents and young children. In this case, the trade area contains an above average proportion of residents aged 60 years and older, particularly in the secondary south sector.

Map 6.2 shows the locations of medical hubs in the region, which include a medical centre and a number of allied health facilities. The closest cluster of medical facilities is located near The Downs Shopping Centre, provided in a separate building anchored by the Ocean Village Medical Centre. Other medical/health services include dental, chiropractic, physiotherapy, pathology, podiatry, audiology as well as Ocean Cosmetics.

In terms of the subject site, Synaptic Health provides psychology and chiropractic services, while a dental clinic is located opposite. Overall, the subject site is considered to have the potential to provide a cluster of medical facilities, anchored by a medical centre and including at least around 3-4 allied health facilities.

Banks

There are no major bank branches within the trade area, with the closest provided at Westfield Innaloo (refer Map 6.3). There is considered a potential opportunity for one bank branch at Ocean Village SC.

Gyms

There are no fitness centres of gymnasiums within the primary sector (refer Map 6.4), and there is considered the potential for such a facility at Ocean Village. Within the trade area there are two fitness centres. The addition of a fitness centre of gymnasium would further add to the amenity and convenience offer of the subject site and would be able to particularly cater to the needs of residents on site.

Veterinary clinic

There is only one veterinary services provider in the trade area (refer Map 6.5), with the next closest located near IGA Doubleview and Westfield Innaloo. Given this competitive framework, there is considered ample opportunity to retain the existing provider in the redevelopment of Ocean Village SC. However, the placement of the clinic should have regard to the overall presentation and feel of the retail offer.

Childcare centre

Map 6.6 illustrates the locations of childcare centres in the region, showing that there is only one long day childcare centre within the trade area. Given the population of the catchment of over 22,000, there is considered the demand for at least two more childcare centres in the area, with the subject site providing a potential location for a centre.

Tavern/bar

Taverns and bars, considered non-retail provision, are a strong complimentary use for most centres as they attract patrons from further afar and encourage longer dwell times and activity outside traditional trading hours. We deem the planned tavern/bar at the subject site to be a strong addition.

Other

A real estate agent is also considered a suitable non-retail use for the centre.

Section 7: Potential retail trading impacts

This section analyses the anticipated impacts on competitive facilities within the wider region. To understand whether any centre may be impacted to the extent that its continued viability may be in question, we have estimated specific retail impacts that we expect across the surrounding competitive network once the proposed centre is developed.

These estimates provide indications as to whether the scale of the proposed provision is reasonable and whether any surrounding centres are likely to be at risk to the extent that the community would suffer a net disbenefit as a result. In considering likely trading impacts on any centre or individual retailer, it must first be acknowledged that such estimation can only realistically expect to provide a broad indication of likely outcomes, since there are many factors which can change in response to any new retail development. The impacted centre or retailer could take several actions which may mitigate the extent of the impact. Expansions and improvements may be undertaken at other centres throughout the region, and these factors can change the nature of the impact of the new centre being developed.

It is much more reasonable for the purposes of impact analysis, therefore, to consider the likely broad changes in competitive circumstances, and in particular the changes in availability of retail spending for competitive centres, that can reasonably be expected to result from the development of the proposed centre. These broad changes effectively set the market conditions within which the competitive centres will operate as a result of this development, and reasonable conclusions can then be drawn about the possible impacts of these broad changes in market conditions. In order to estimate the likely size of these impacts, we have had regard to the location and composition of each centre relative to the subject development site and their respective roles in the region.

Generally, retail trading impacts less than 5% are considered minor/negligible by the industry, while impacts between 5 and 10% are considered relatively moderate and between 10% and 15% are considered significant but acceptable.

The following factors are of relevance in terms of how the likely impacts will play out:

- The distance of each centre, by road, from the proposed development.
- The size and structure of the centre, in terms of total relevant retail floorspace, i.e. the amount of FLG floorspace available and the share of overall centre sales the FLG operator accounts for.
- The brand of FLG provider and its' core offer.
- The respective role and function of each centre. For example, a neighbourhood centre will be oriented towards serving the food, grocery, and convenience-oriented needs of the local population, while a regional centre will serve the predominantly the discretionary non-food needs of a wide-ranging catchment.
- The relative accessibility and convenience of the impacted centre compared with the proposed development.

- The estimated performance of the centre (in current sales) and projected future performance. This accounts for any future developments in the region that might also impact on the future sales of existing centres.

Table 7.1 presents an impact analysis for relevant centres which may be impacted by the proposed development. The analysis is described as follows:

- The estimated 2022 sales for each of the existing centres are estimated, based on publicly available information, and derived from appropriate sales productivity levels for comparable offerings.
- The projected sales potential for each centre in 2026 are then estimated using the expected growth in sales derived in Table 2.4, and presented in two scenarios, namely with and without the proposed subject site development. For future potential centres, sales are estimated in their projected opening year.
- The sales potential for each centre in 2026 under the development scenario is estimated by allocating the anticipated trading impacts on each centre from the no development scenario, following the abovementioned methodology.
- The estimated impact on each centre in 2026 is specified, in dollars and as a percentage of sales.

The analysis in Table 7.1 shows that surrounding centres are expected to experience impacts of between -2.2% and -9.9% in the first year that the proposed centre is developed. Other centres and freestanding provision is expected to experience 21.3% of the impact, reflecting the higher share of food catering offerings at the subject site which have competing offerings located outside centres.

As noted in Table 3.1, the LPS 2050 targets an increase of 1,100 sq.m to 3,400 sq.m of floorspace for the subject site (retail GLA estimated at 3,300). Table 7.2 provides the same analysis conducted in Table 7.1 for this smaller centre size. In this case, the impacts to competitive centres are estimated between -1.4% and -6.4% in the first year that the centre is developed.

In summary, the estimated trading impacts arising from the proposed development on the surrounding area are well within the reasonable bounds of competition and are unlikely to threaten their viability. While the smaller LPS 2050 target generates a lower impact to competitive centres, we note that the estimated impacts of the larger proposed development are considered reasonable, and the floorspace is supported by the analysis in Section 4.

Section 7: Potential retail trading impacts

Table 7.1												
Ocean Village SC - estimated impact on specific centres (\$M)*												
Centre	Dist. from site (km)	Retail GLA (sq.m)	Supermarkets	Est. sales 2022 (\$M)	Proj. 2026		Proj. 2031 With dev't (\$M)	Est. impact 2026			Change with dev't (%)	
					No dev't (\$M)	With dev't (\$M)		\$M	%	Dist.	2026	2031
Within trade area												
The Downs SC	1.3	1,750	IGA	11.4	13.7	12.4	13.0	-1.4	-9.9%	3.7%	8.5%	13.7%
Doric Street Scarborough	1.5	1,000	IGA	6.5	7.8	7.2	7.5	-0.7	-8.8%	1.9%	9.7%	15.0%
Empire Village SC	2.2	2,000	IGA	15.2	18.3	16.5	17.3	-1.8	-9.8%	4.9%	8.6%	13.9%
Brighton Road Scarborough	2.5	800	IGA	5.2	6.3	5.9	6.2	-0.4	-6.3%	1.1%	12.7%	18.2%
Total within trade area		5,550		38.3	46.1	41.9	43.9	-4.2	-9.2%	11.5%	9.3%	14.6%
Beyond trade area												
Luna Maxi Mart	2.8	4,400	Coles	27.3	32.9	30.0	31.5	-2.8	-8.5%	7.7%	10.1%	15.4%
Woodlands SC	3.4	2,300	Farmer Jack's	12.16	14.6	14.1	14.8	-0.5	-3.4%	1.4%	16.3%	21.9%
IGA Doubleview	3.7	1,000	IGA	7.7	9.3	8.5	9.0	-0.7	-7.8%	2.0%	10.9%	16.3%
Floreat Forum SC	4.8	24,700 **	Coles, Woolworths	204.4	246.0	235.4	246.9	-10.6	-4.3%	28.8%	15.2%	20.8%
The Herdsman Market	4.9	1,200		6.3	7.6	7.5	7.8	-0.2	-2.2%	0.5%	17.7%	23.5%
Westfield Innaloo	5.1	44,000	Coles, Woolworths, Spudshed	295.7	355.9	346.0	362.8	-9.9	-2.8%	27.0%	17.0%	22.7%
Beyond MTA total		77,600		553.7	666.3	641.6	672.8	-24.7	-3.7%	67.2%	15.9%	21.5%
Sub-total		83,150		592.0	712.4	683.5	716.7	-28.9	-4.1%	78.8%	15.5%	21.1%
Other centres/freestanding				n.a.	n.a.	n.a.	n.a.	-7.8	n.a.	21.3%	n.a.	n.a.
Total								-36.7		100%		
Ocean Village SC		5,060				36.7						
*Expressed in financial years; inflated dollars & including GST												
**Expanded floorspace as per LPS 2050												
Source: Shopping Centre News; Property Council of Australia; Macroplan												

Section 7: Potential retail trading impacts

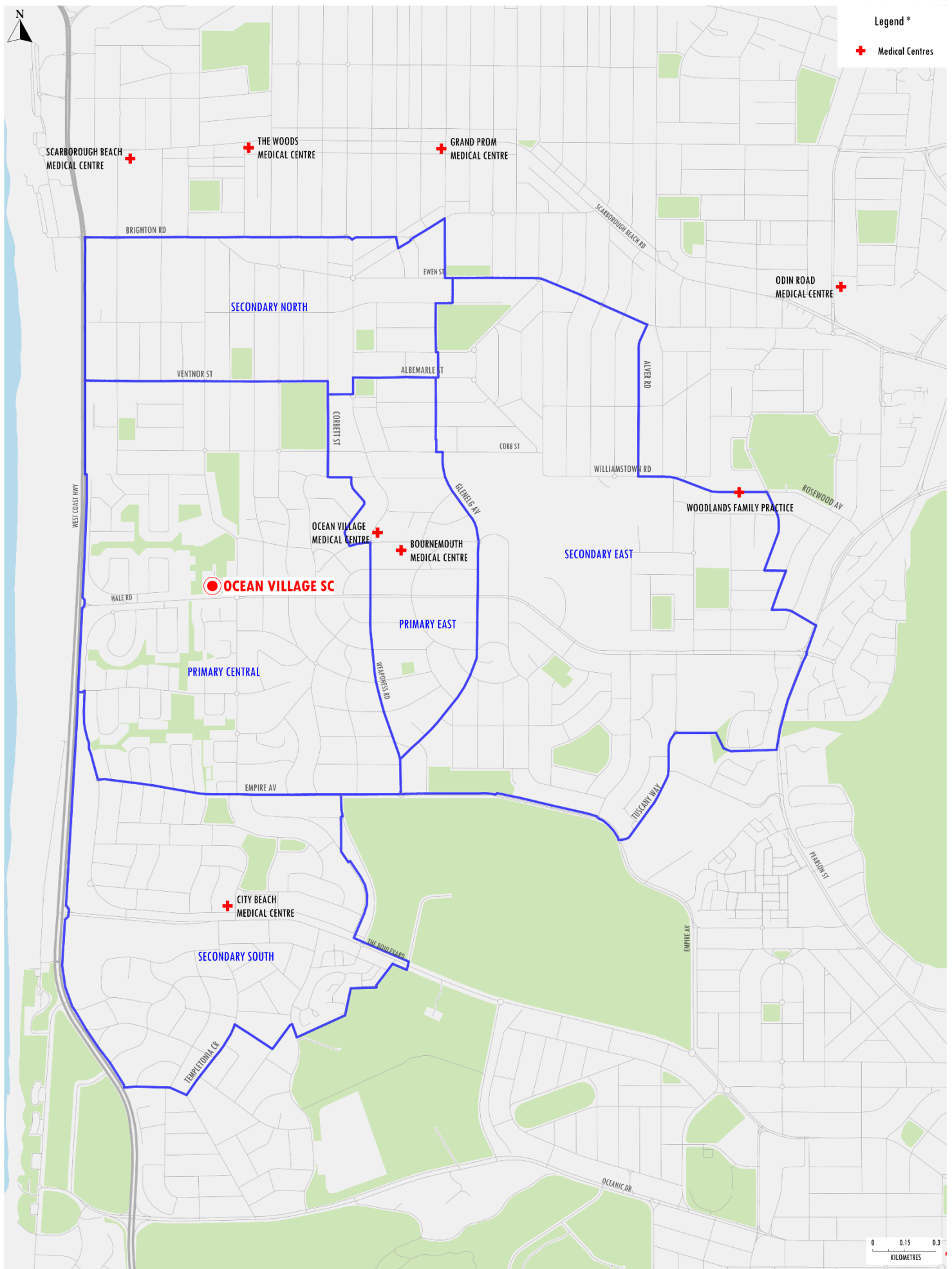
Table 7.2												
Ocean Village SC - estimated impact on specific centres (\$M)* - LPS 2050												
Centre	Dist. from site (km)	Retail GLA (sq.m)	Supermarkets	Est. sales 2022 (\$M)	Proj. 2026		Proj. 2031 With dev't (\$M)	Est. impact 2026			Change with dev't (%)	
					No dev't (\$M)	With dev't (\$M)		\$M	%	Dist.	2026	2031
Within trade area												
The Downs SC	1.3	1,750	IGA	11.4	13.7	12.8	13.5	-0.9	-6.4%	3.7%	12.6%	18.1%
Doric Street Scarborough	1.5	1,000	IGA	6.5	7.8	7.4	7.8	-0.5	-5.8%	1.9%	13.4%	18.9%
Empire Village SC	2.2	2,000	IGA	15.2	18.3	17.1	18.0	-1.2	-6.4%	4.9%	12.7%	18.2%
Brighton Road Scarborough	2.5	800	IGA	5.2	6.3	6.0	6.3	-0.3	-4.1%	1.1%	15.4%	21.0%
Total within trade area		5,550		38.3	46.1	43.4	45.5	-2.8	-6.0%	11.5%	13.2%	18.6%
Beyond trade area												
Luna Maxi Mart	2.8	4,400	Coles	27.3	32.9	31.0	32.5	-1.8	-5.6%	7.7%	13.6%	19.2%
Woodlands SC	3.4	2,300	Farmer Jack's	12.16	14.6	14.3	15.0	-0.3	-2.2%	1.4%	17.7%	23.4%
IGA Doubleview	3.7	1,000	IGA	7.7	9.3	8.8	9.2	-0.5	-5.1%	2.0%	14.2%	19.7%
Floreat Forum SC	4.8	24,700 **	Coles, Woolworths	204.4	246.0	239.1	250.7	-6.9	-2.8%	28.8%	17.0%	22.7%
The Herdsman Market	4.9	1,200		6.3	7.6	7.5	7.9	-0.1	-1.4%	0.5%	18.7%	24.4%
Westfield Innaloo	5.1	44,000	Coles, Woolworths, Spudshed	295.7	355.9	349.4	366.4	-6.5	-1.8%	27.0%	18.2%	23.9%
Beyond MTA total		77,600		553.7	666.3	650.2	681.8	-16.1	-2.4%	67.2%	17.4%	23.1%
Sub-total		83,150		592.0	712.4	693.6	727.3	-18.8	-2.6%	78.8%	17.2%	22.9%
Other centres/freestanding				n.a.	n.a.	n.a.	n.a.	-5.1	n.a.	21.3%	n.a.	n.a.
Total								-23.9		100%		
Ocean Village SC		3,300				23.9						
*Expressed in financial years; inflated dollars & including GST												
**Expanded floorspace as per LPS 2050												
Source: Shopping Centre News; Property Council of Australia; Macroplan												

Section 8: Key findings and conclusion

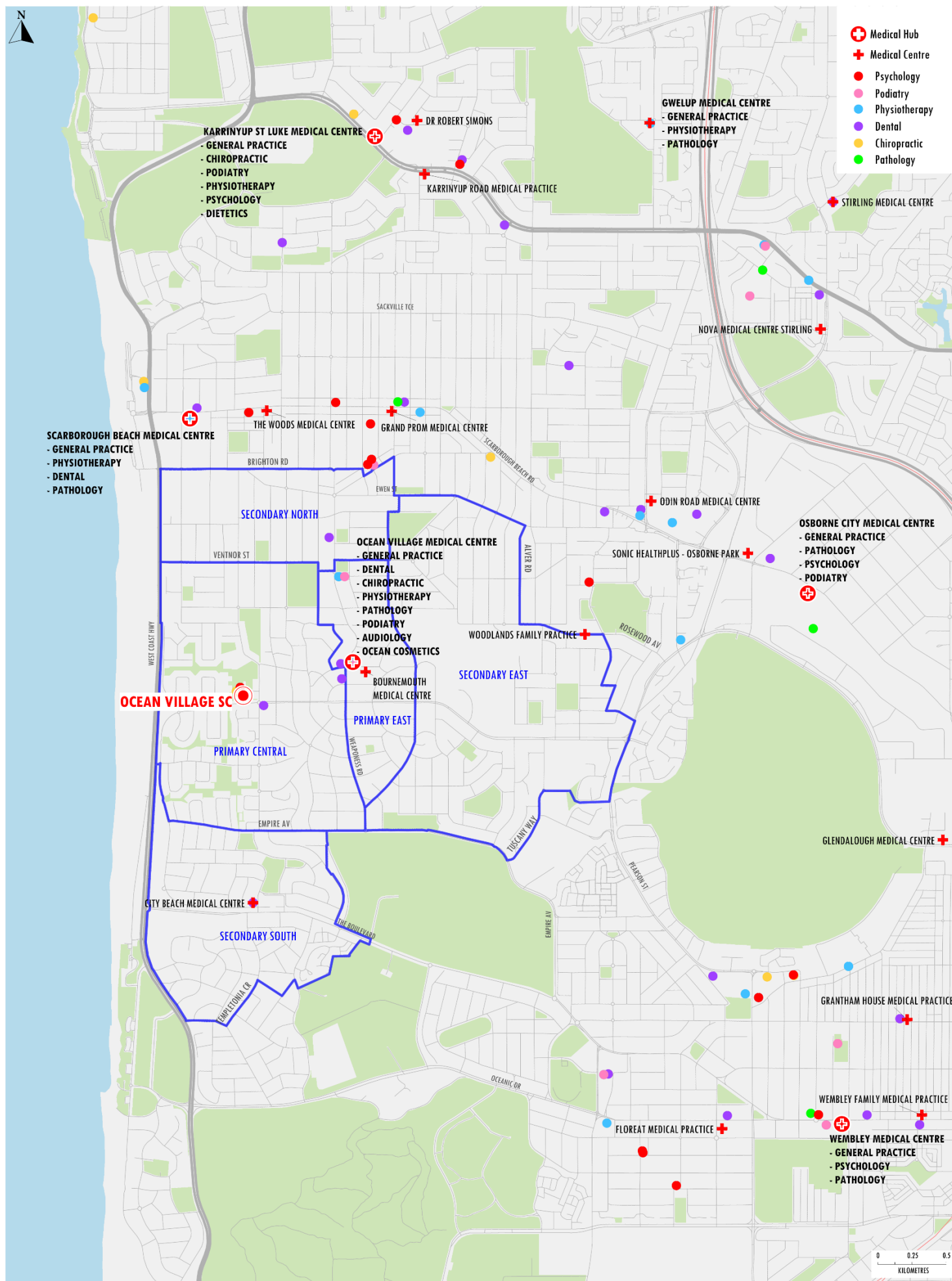
- Ocean Village SC is a supermarket-based neighbourhood centre situated in City Beach at the intersection of Brompton and Hale Roads, within the Town of Cambridge, approximately 10 km north-west of the Perth CBD.
- A review of the socio-demographic profile shows that the trade area population has higher than average income levels; an older than average age profile; and a higher proportion of Australian born residents compared with metropolitan Perth.
- Analysis of the retail floorspace demand reveals that there is strong opportunity for expansion and that the redevelopment of Ocean Village is supportable. The demand analysis shows the demand for a supermarket, a mini-major and retail specialties.
- **There is considered strong potential for up to 5,060 sq.m of retail floorspace at the site (currently 4,025 sq.m proposed), anchored by a supermarket. Several complimentary non-retail uses are also recommended for consideration.**
- **The estimated trading impacts arising from the proposed development on the surrounding area are well within the reasonable bounds of competition and are unlikely to threaten their viability.**

Table 8.1 provides a checklist and reference to the requirements of SPP4.2.

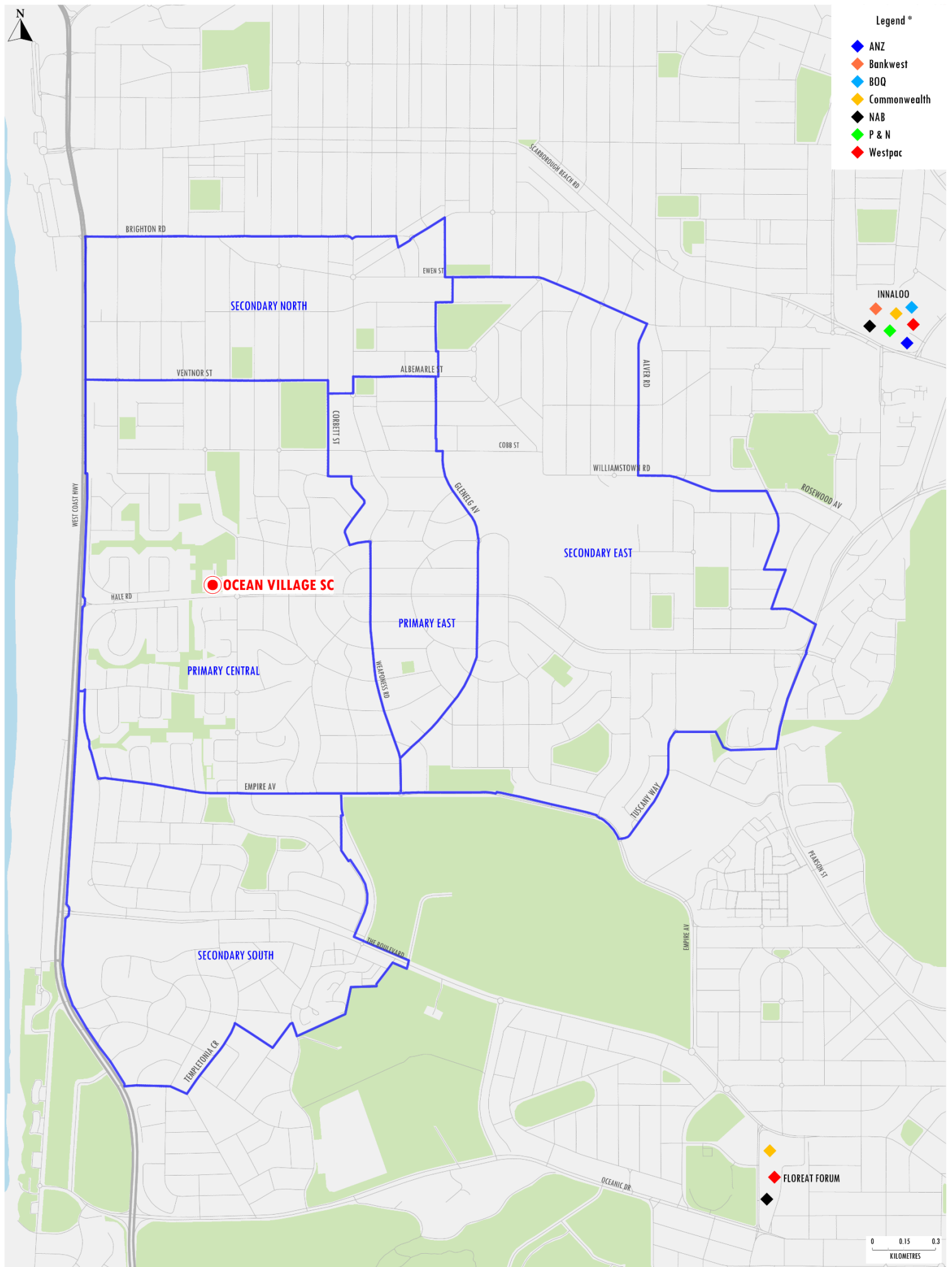
Table 8.1 Ocean Village SC - Net Benefit Test criteria*		
Criteria	Document	Location
Is there a demand for additional floorspace, and how does the proposal meet this demand?	Retail Needs Assessment	Section 4
How will the proposed development impact on the role of the activity centre and/or the viability and vibrancy of other activity centres in the hierarchy?	Economic Impact Assessment	Section 2
What is the anticipated loss and/or gain of services to the community?	Economic Impact Assessment	Section 2
What is the anticipated impact on access (distance, time, mode of travel) to services by the community?	Economic Impact Assessment	Section 2
Will the proposal contribute to a net increase in employment?	Economic Impact Assessment	Section 2
Are any potential impacts reduced over the longer term?	Retail Needs Assessment	Section 7
A judgement as to whether the likely impacts/ benefits are significant can only be reached considering local circumstances (such as the role, offering and performance of an activity centre and the level of service to the community).	Retail Needs Assessment	Section 7
Source: Macroplan		
* State Planning Policy 4.2 Activity Centres Implementation Guidelines July 2023		



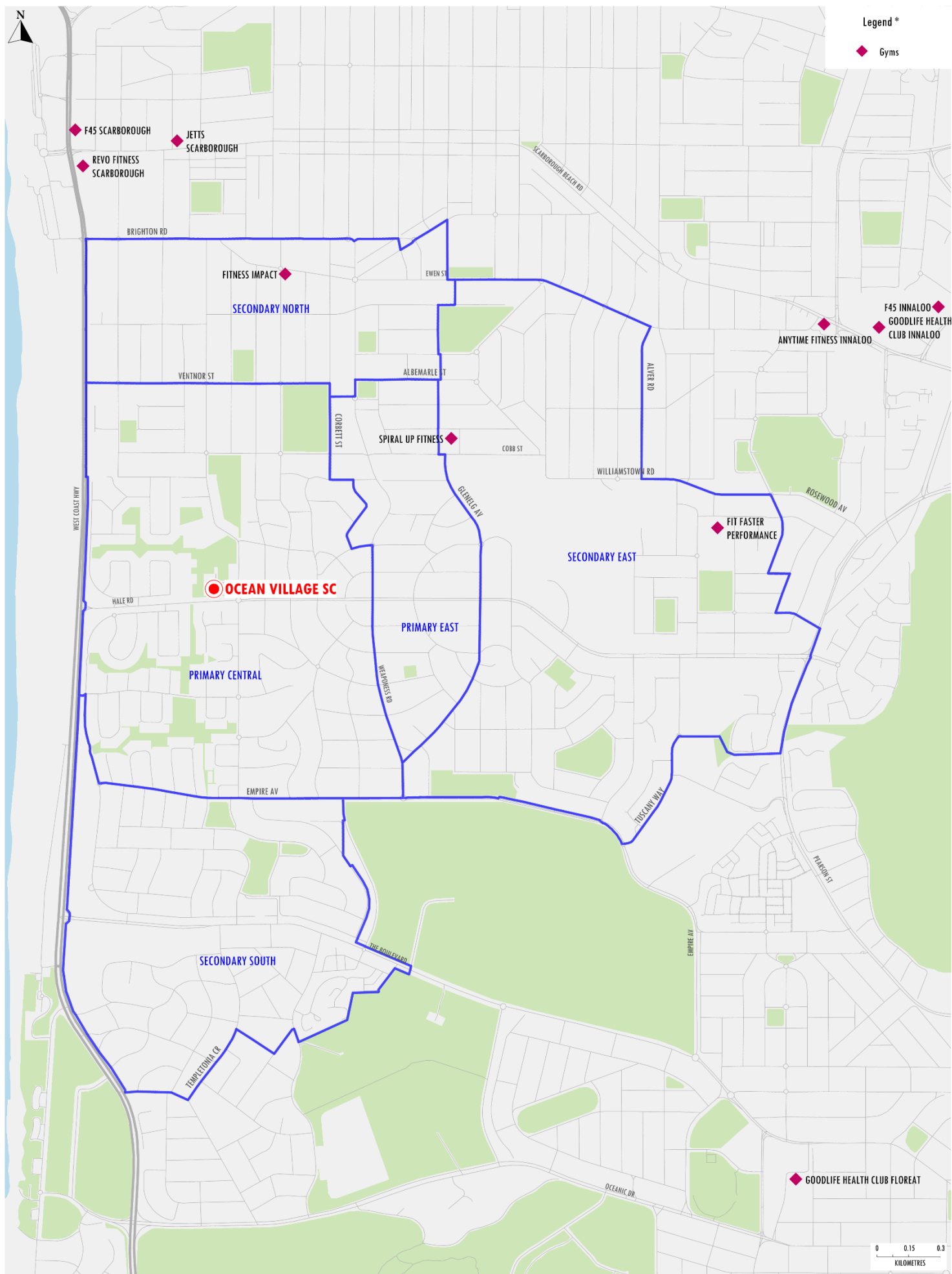
Map 6.1: Ocean Village SC
Medical centres



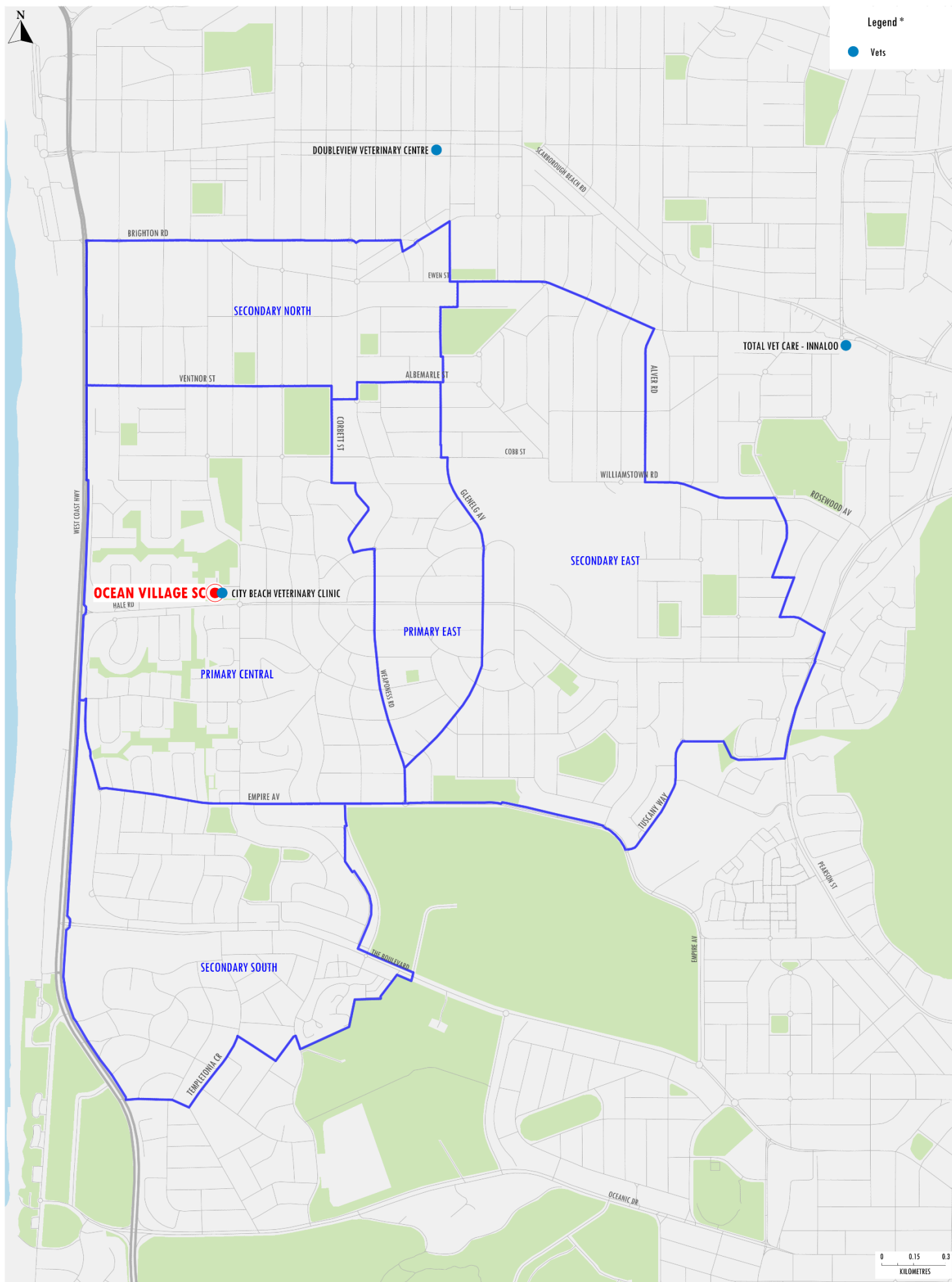
Map 6.2: Ocean Village SC
Medical hubs and allied health facilities



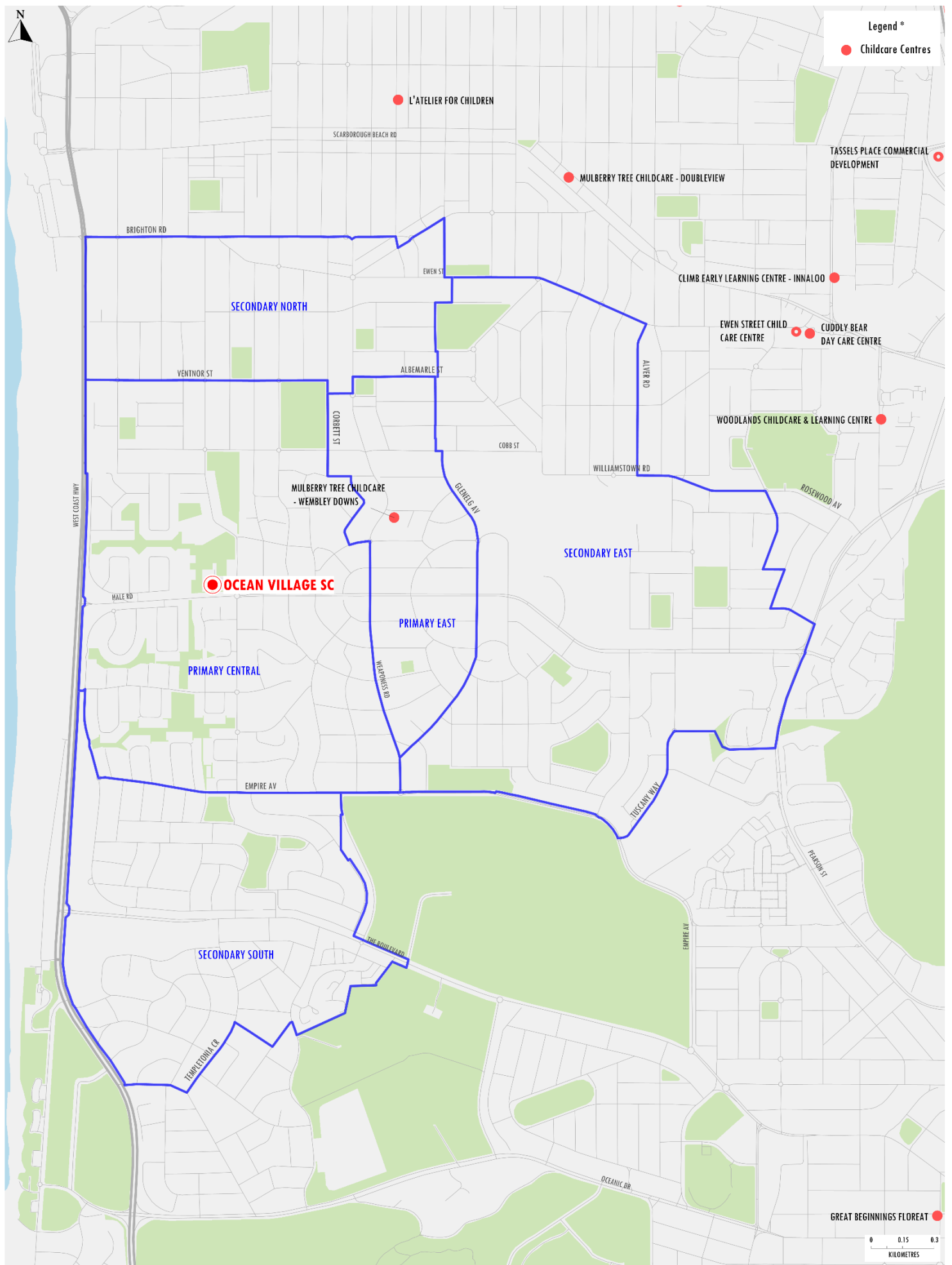
Map 6.3: Ocean Village SC
Banks/banking facilities



**Map 6.4: Ocean Village SC
Gymnasiums**



Map 6.5: Ocean Village SC
Veterinary clinics



Map 6.6: Ocean Village SC
Childcare centres

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