URBIS

BUSSELTON CITY CENTRE

RETAIL & COMMERCIAL ANALYSIS

PREPARED FOR

CITY OF BUSSELTON

JUNE 2020

CONTENTS

INTRODUCTION

Background

Urbis has been engaged to prepare a retail and commercial analysis for the Busselton City Centre to inform the preparation of an Activity Centre Plan. The purpose of the analysis is to determine the current and future level of floorspace demand and supply within the Busselton City Centre area, and to gain an understanding of the level of floorspace that will be required to satisfy development in the City Centre over the next 15 years.

The analysis also includes a profile of the City Centre's strengths and weaknesses and will provide recommendations to the City of Busselton on potential priorities for revitalisation and regeneration within the City Centre.

Our Approach

Urbis has used a variety of data sources to build an evidence base for the analysis:

- ABS census;
- Small Area Forecast Information (SAFi) forecasts
- Landgate sales data
- Uber Media Mobile Phone Ping Data
- Urbis Retail Benchmarks
- South West Planning and Land Use Survey

This report has been structured in the following way:

TRADE AREA ANALYSIS	RETAIL MARKET DEMAND ANALYSIS	NON-RETAIL DEMAND ANALYSIS	ACP PRIORITIES & RECOMMENDATIONS
Analysis of City Centre Retail Catchment	Overview of Current Retail Supply and Mix	Overview of Current Non-retail mix	Identification of Key Challenges and Opportunities
Ping Data Definition of Catchment	Analysis of Key Market Segments	Analysis of Key Non-Retail Floorspace Types	Identify of Guiding Objectives
Analysis of Resident Demographics	Forecast of Retail Expenditure Acquirable by City Centre Retail Core	Identification of Benchmark Per Capita Rates	Recommendations on Future Direction for Retail & Commercial Development in Busselton
	Forecast of Retail Floorspace Demand	Forecast of Future Floorspace Potential	

SECTION ONE
FINDINGS AND RECOMMENDATIONS

ANALYSIS FINDINGS

KEY FINDINGS

- The decentralisation of retail in central Busselton is negatively affecting the ability of the City Centre to benefit from growth in the catchment and resulting in some diversion of trade.
- There is a lack of a strong link between tourism infrastructure at the Busselton Foreshore and the City Centre's retail core.
- There are broader industry trends such as online retailing and evolving spending patterns which will influence the ability for the City Centre to expand floorspace and retail amenity.
- These factors are expected to support fewer development opportunities for additional retail space in the longer term than has been experienced historically. The retail strategy for the ACP Study Area over the next 15 years should largely focus on consolidation and enhancement of the mix and overall revitalisation of the precinct, rather than an increase in floorspace.
- There is an indicative undersupply of several non-retail uses in the City Centre, particularly commercial and entertainment/leisure focussed developments. These uses would provide new demand drivers in support of retail, better leverage the tourist market and generate greater activation of a night economy.
- The City Centre continues to function as the main activity centre for the Busselton District and the surrounding communities and is a key employment node. Its retail role can be enhanced through a targeted strategy.

Note, this report is focused on longer term planning and did not take into account the potential impact of COVID-19.

CHALLENGES & THREATS	
Economic Conditions	The recent economic downturn in Western Australia which filtered into the Busselton area and growth in online retailing have likely had significant impact on the performance of retail in Busselton. The current impact of COVID-19 on the economy and forecast growth in online retailing could result in further vacancy in the Busselton City Centre. A focus on consolidating activity in the key nodes will be critical to retain a suitable level of vibrancy, amenity and customer experience in the City Centre.
Decentralisation of Retail Activity.	As the Vasse Centre and the Busselton Service Commercial area continue to consolidate their role for convenience retail and showroom retail respectively, it will be increasingly important for the Busselton City Centre to consolidate and refine its role as the highest order retail, entertainment, leisure and commercial precinct in the Busselton District.
Poor Connection Between Tourist & Retail Nodes	The foreshore and the City Centre retail core are separated, with only an estimated 28% of foreshore visitors going into the City Centre on the same day. Further, there is a modest range of significant tourist draws in the City Centre to encourage cross-usage and overall visitation levels.
Limited Potential for Retail Floorspace Expansion	Our analysis indicates that floorspace demand in the next five years will largely be taken up by the expansion of Busselton Central. Over the 10-year period from 2024 to 2034 there is potential demand to support another 3,600 sq.m of retail space however this could be achieved through utilisation of existing vacant retail tenancies or redevelopment of these sites.
STRENGTHS & OPPORTUNITIES	
Opportunity for Commercial & Entertainment Focussed Developments	Our analysis indicates that the Busselton City Centre's primary catchment area has a lower volume of entertainment and commercial floorspace per capita than benchmarks. In the long term (to 2034), there is potential to support over 2,700 sq.m of additional entertainment floorspace, and 7,340 sq.m of commercial floorspace.
Revitalisation of Mitchell Park	The redevelopment of Mitchell Park in line with the Busselton Central expansion is likely to establish Mitchell Park as the focal point of the City Centre retail core area. This is key to encouraging activity on the main street from locals, workers and tourists.
Strong Population Outlook in the Longer Term	While the last few years have seen relatively weak population growth, the positioning of the centre as the key employment node in the region and significant activity centre support a strong long-term growth outlook.

ACTIVITY CENTRE PRECINCT POSITIONING

KEY FINDINGS

- Using activity centre planning principles, adjusted for the particular position of the Busselton City Centre area, we have identified some key objectives that should be pursued for the rejuvenation and future positioning of the City Centre. These objectives have been largely based on the key threats and opportunities that are facing the Busselton City Centre.
- Based on these objectives we have provided a number of recommendations for activity that could be implemented to assist achieving these objectives (see subsequent pages).

KEY OBJECTIVES

Objective	Rationale
Make the Busselton City Centre an appealing place to be for residents and workers	The City Centre should be a place that people are comfortable spending time in, with good amenities, appropriate levels of shade and seating, and appealing events to draw people in. This means that the City Centre must cater to non-retail developments to acquire additional users and provide activities for them while they are in the area. It will be important that the City Centre precinct continues to enhance its offering to residents so that it becomes a place that people are going to for more than basic convenience retail which can be provided at competing centres. Attractors that differentiate the City Centre from neighbourhood centres (such as cinemas and enhanced food and beverage retailing) should be a key part of the City Centre offering.
Enhance tourism spending and connection	Making the City Centre more attractive for retail and leisure uses for the local residents and workers will also assist in making it somewhere that is more attractive to tourists. Improving streetscapes and overall amenity and adding new entertainment/leisure uses and cultural attractions will be important in better leveraging the tourist market.
Maintain the Busselton City Centre status as a key regional centre in the Busselton District	The Busselton City Centre is a key employment node in the Busselton District, and broader South West region. To maintain this status, there should be focus on consolidating and establishing new employment opportunities and unique retail offerings.
Support well-designed developments that add vibrancy to the City Centre	Cohesive design is key to maintaining a sense of 'place' throughout a precinct. Deliberate design can also support people spending time in the area.
Support non-retail developments and greater density that will increase activity in the City Centre	To attract alternate visitor groups and increase overall activity in the City Centre, there should be a focus on strategies to encourage non-retail development (e.g. residential, hotel, offices, education, etc.) and general commercial activity. More workers, tourists and a local resident base will build a larger captive market for the City Centre's retail tenants.

OVERVIEW OF RECOMMENDATIONS FOR CITY CENTRE

KEY FINDINGS

- Based on the analysis carried out in this report and our retail and City Centre experience, we have developed a list of recommendations that could be implemented by the City of Busselton to support a more resilient and vibrant City Centre.
- These recommendations have been divided into four categories which are listed and described in the table to the right.

RECOMMENDATION CATEGORIES

Category	Description
Policy Controls	Development can be influenced by adjusting planning controls to provide stronger guidance of the types, intensity and location of land uses, as well as introducing stronger development guidance to improve built form outcomes in order to align with the City of Busselton's criteria for good design.
Infrastructure Investment	Infrastructure investment is often necessary for activating and attracting users to certain areas where there aren't obvious user anchors.
Placemaking and Council Initiatives	Creating well designed places that are pleasurable to be in is key to generating and maintaining visitor traffic and will often have direct flow-on impacts to retail uses.
Partnership and Advocacy	The City of Busselton can look at public and private partnerships to achieve their goals.

OVERVIEW OF RECOMMENDATIONS

Category	Recommendation	Rationale
Policy Controls	Reduce the potential for development out of the City Centre	Retail in the City Centre has been impacted by shop retail development at the Power Centre on West Street largely in the form of a Kmart and an Aldi Supermaket. More proposed development that blurs the line between 'showroom' (large format) retail and 'shop' retail is proposed in this area. To sufficiently support the ongoing vibrancy and retail role of the City Centre, the City of Busselton could consider developing a clearer criteria that manages leakage of 'shop' retail from the Activity Centre Study Area. It should be noted that the City of Busselton has included strategies within the Local Planning Strategy (2019) to explicitly not support expansions outside of the activity centre network or support significant shop retail or office uses outside of activity centre boundaries.
Policy Controls	Promote clustering in precincts	City Centre retail precincts have a variety of uses in each area that do not necessarily fully complement each other. There is potential to create specific precincts in the activity centre plan with distinct visions and objectives that are embedded in planning controls. These precincts should not limit development to a narrow range of uses but rather encourage complementary uses that attract a diversity of visitation (e.g. time of day, market segments, etc.).
Policy Controls	Built Form Guidelines	The City Centre's retail core features a disparate retail form. Due to the unconsolidated nature of land ownership in the City Centre, there is an inconsistent built form approach between different land-owners, which is particularly pronounced as we move away from the main street core. Developing built form guidelines will help establish a pedestrian friendly streetscape and help to knit the inner core of the retail core together. Revised built form guidelines are expected to be developed as part of the urban design project of the ACP preparation process. Incentives on plot ratios and decreased parking ratios could also be developed to support design that exceeds the minimum guideline requirements. It should be noted that the Local Planning Scheme includes plot ratio incentives for mixed-use developments.
Policy Controls	Urban Strategy	City Centres evolve over time and the big picture can get lost in the detail. An urban strategy provides an opportunity to take a step back and identify key connections that need to be established or enhanced, identify clusters of uses that can be tied together or public open space that can be tailored to fit the community's needs and be leveraged to enhance commercial outcomes.

OVERVIEW OF RECOMMENDATIONS (CONTINUED)

Category	Recommendation	Rationale
Infrastructure Investment	Activate precinct focal points	With the redevelopment of Busselton Central, the City of Busselton is taking steps to develop Mitchell Park as a focal point for the City Centre that connects the main street and the shopping centres in Busselton. When undergoing the Mitchell Park redevelopment, opportunities to connect the main street to Busselton Central through landscape and streetscape design will be key.
Infrastructure investment	Focus on repurposing and redeveloping vacant tenancies	Retail vacancy in the City Centre is relatively high. While the potential to attract key major retailers (supermarkets, discount department stores) is low given the existing supply of these uses in the broader area, focus should be on repurposing and revitalising vacant tenancies rather than expanding the total floorspace supply (if these sites are appropriate for proposed uses). Nevertheless, the focus should be on encouraging development that optimises the potential performance of retailing in the City Centre.
Infrastructure Investment	Council led regeneration strategy	A regeneration strategy is likely to follow on from the ACP document and provide necessary detail on the form of discrete investments (such as streetscape improvements, laneway activation, land acquisition and / or public art) including staging and funding. This would need to be funded (fully or in part) to be effective and also include appropriate marketing and placemaking initiatives. An example of this is the City of Canning Regeneration program which directs $76m in spending to provide essential infrastructure improvements to activate residential and commercial opportunities within the Canning City Centre.
Placemaking and Council Initiatives	Implement ongoing events schedule utilising Mitchell Park	Busselton already maintains a strong events schedule catering to the key demographics of residents in the region. Given the lack of night-time activation in the City Centre, the redevelopment is a good opportunity to have more of a focus on night-time events that can create vibrancy in the City Centre and support entertainment and food catering uses.
Placemaking and Council Initiatives	Improving linkages between Foreshore and City Centre Retail Core	Only 28% of foreshore visitors also visit the City Centre, with users typically needing to drive between locations or just skip the City Centre entirely. Expanding this cross-usage can be accomplished through improved wayfinding measures, increased branding activities, and a focus on providing City Centre wide events that link the City Centre rather than dedicated events at Signal Park and other Foreshore areas (e.g Busselton Foreshore Markets being held at Mitchell Park).
Partnership and Advocacy	Diversify visitors through promotion of non-retail uses	Private and public education providers, and commercial businesses should be key targets for future developments. Increasing the level of traffic from different user groups will support local retail businesses, and activate the City Centre at different times of the day. The City of Busselton can play a significant part in promoting the City Centre area to potential businesses that may be located in the broader region and would value a City Centre location.

SECTION TWO BUSSELTON ACP AREA OVERVIEW

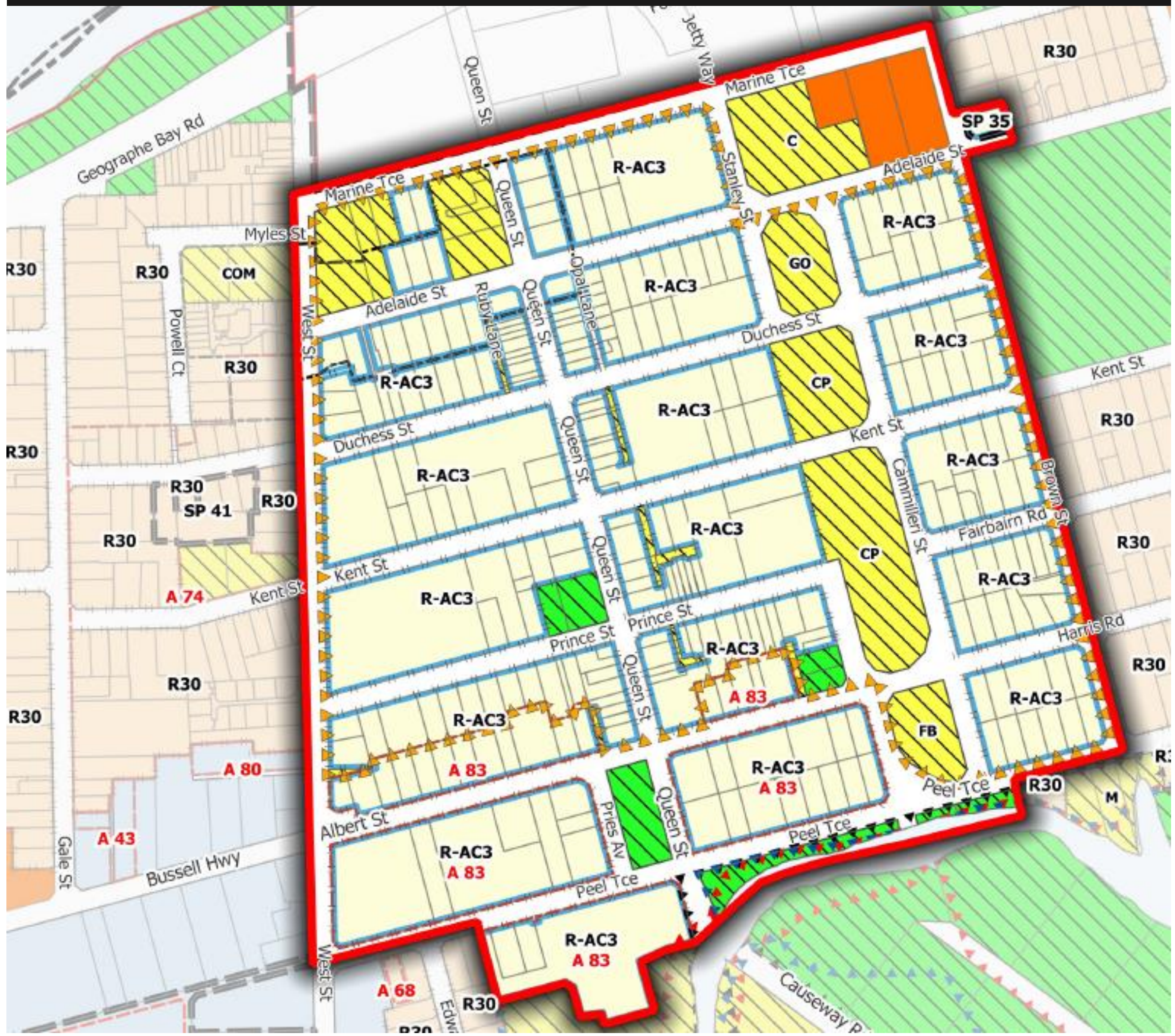
ACP AREA OVERVIEW

INTRODUCTION

KEY INSIGHTS

- The City of Busselton is working to prepare an Activity Centre Structure Plan. The proposed area that the Activity Centre Structure Plan will cover is outlined here.
- It should be noted that this ACP area does not include the Busselton Service Commercial area to the South-west, or the foreshore.

PROPOSED BUSSELTON ACP STUDY AREA



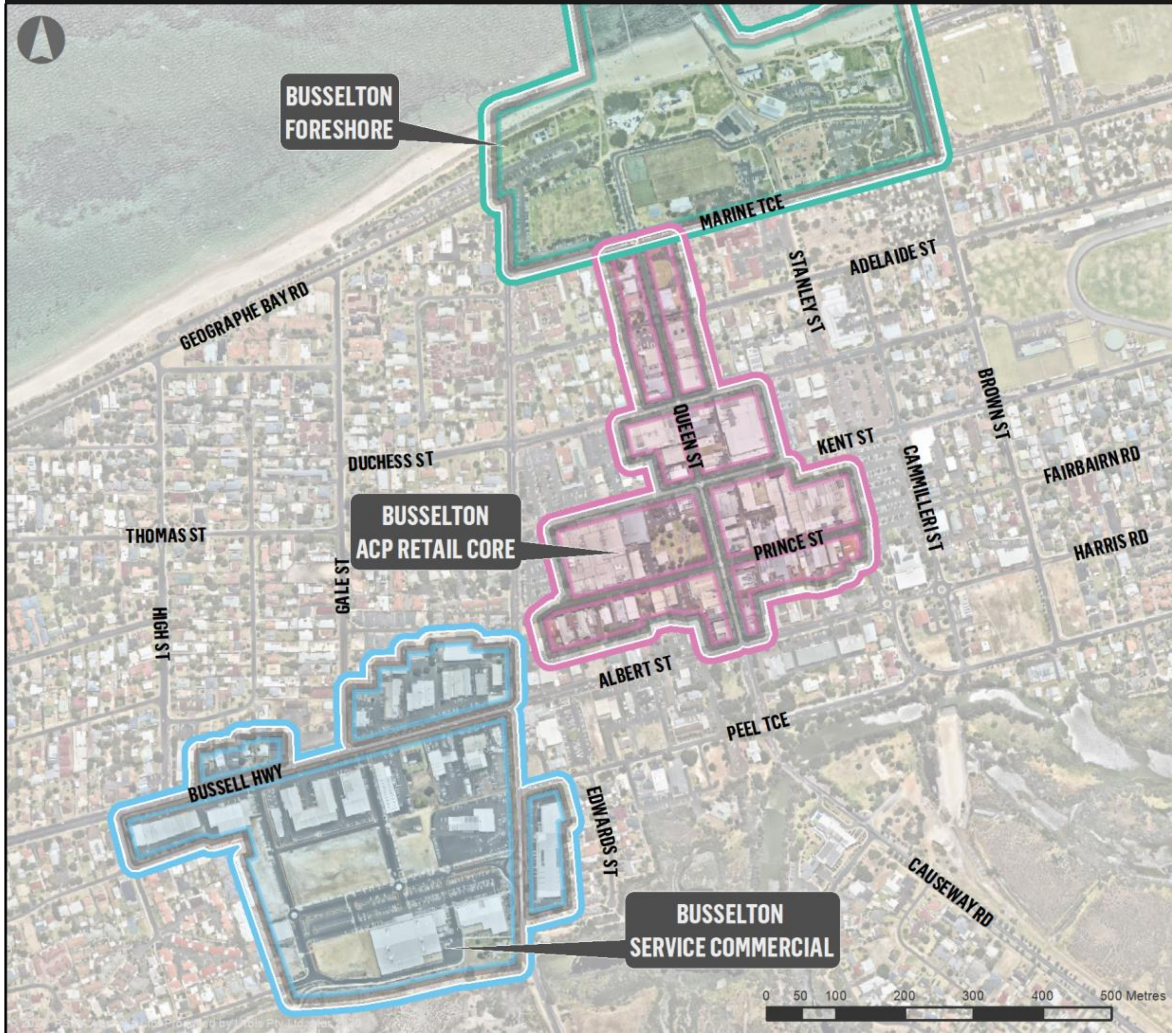
Source: City of Busselton

BUSSELTON CITY CENTRE CONTEXT

KEY INSIGHTS

- The Busselton City Centre and its surrounding area features the following sectors:
  - **Busselton ACP Retail Core –** This sector includes all retail areas in the Activity Centre Plan Study Area, including the three shopping centre locations and main street retail. This is expanded upon on page 14.
  - **Busselton Service Commercial Area –** This area includes the Power Centre development, which is comprised of a small Aldi based-shopping centre, a standalone Kmart, and a large volume of showroom retail, service industry and bulky goods floorspace.
  - **Busselton Foreshore –** This sector includes the Busselton Foreshore, the Busselton Jetty, and the associated play and open space areas. This sector also includes tourist focussed hospitality businesses, accommodation, and there is currently entertainment uses under construction.

ACTIVITY PRECINCTS IN THE BUSSELTON CITY CENTRE AND IMMEDIATE SURROUNDS

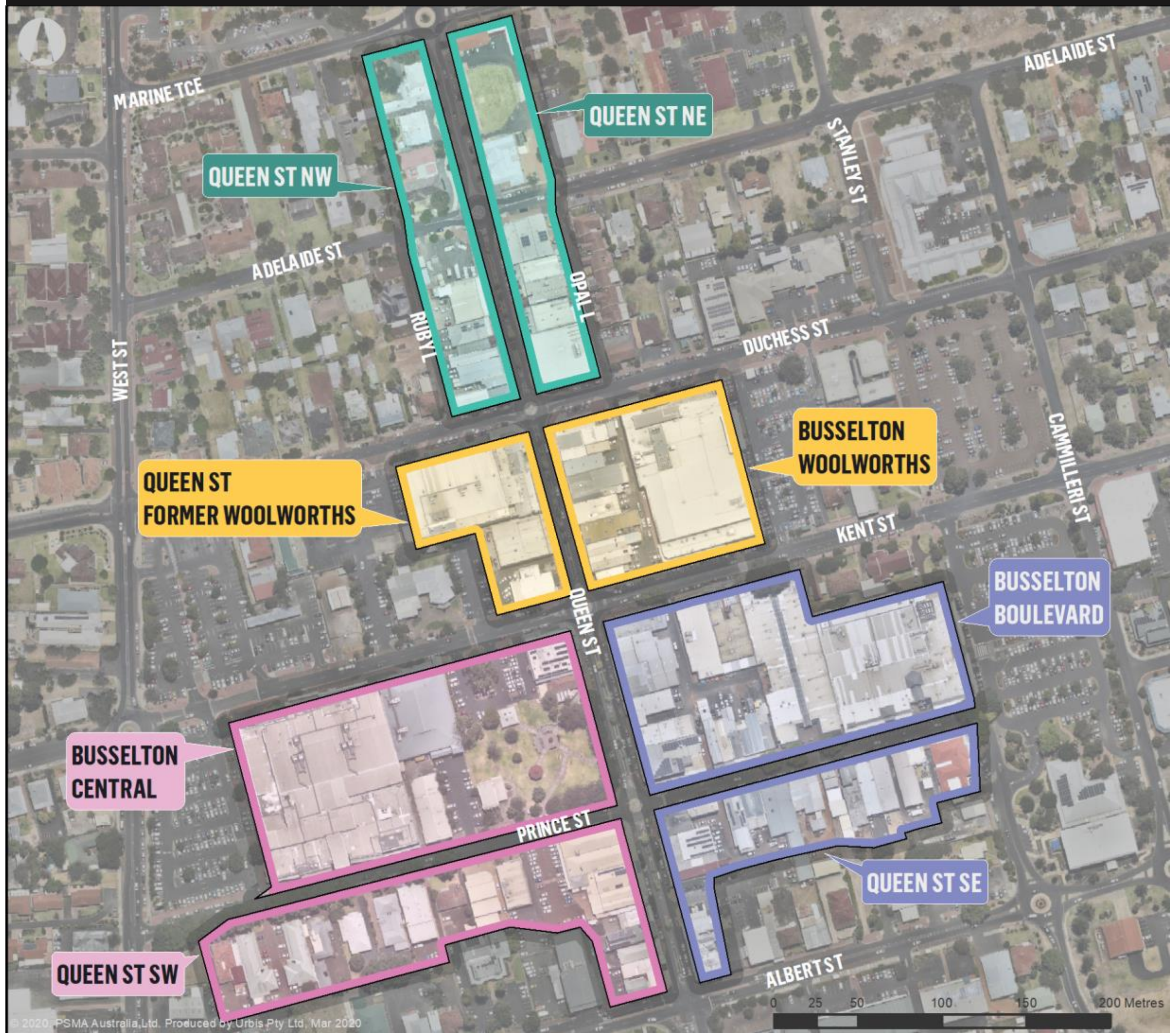


BUSSELTON ACP STUDY AREA OVERVIEW

KEY INSIGHTS

- Urbis have divided the ACP Study Area into four distinct precincts and have analysed the mix of retail and commercial development within each.
  - **Busselton Central & SW Queen St -** This sector features the Busselton Central Shopping Centre, which is anchored by Coles and Target, which is the only Discount Department Store in the ACP Study Area. It should be noted that the status of this Target store is expected to close prior to the Busselton Central redevelopment in 2021, and is likely to be replaced by a number of smaller specialty stores.
  - **Busselton Boulevard and SE Queen St –** This sector features the Busselton Boulevard Shopping Centre which includes the second Coles store in the Activity Centre Study Area. This sector also features the specialty retail mall of Fig Tree Lane, and some key mini-major stores, such as the Reject Shop.
  - **Busselton Woolworths and Former Woolworths site –** This sector includes a standalone Woolworths Shopping centre, with specialties located in the same building but fronting Kent St. This sector also features the vacant Woolworths supermarket site on Duchess street.
  - **NE & NW Queen St –** This sector is largely a main street strip that leads to the Foreshore precinct of Busselton. It features a number of restaurants and takeaway food options, as well as heritage buildings and commercial premises.

DEFINED PRECINCTS IN THE BUSSELTON ACP STUDY AREA



CITY POLICY REVIEW

KEY INSIGHTS

- A number of key planning and strategy documents have been reviewed in preparing this analysis.
- The key documents and how their findings have been used in the report are listed here.
- We have also reviewed a number of other Busselton documents, but these documents did not include information that was relevant to our analysis.

DOCUMENT REVIEW

Policy Document	Key Findings
Busselton Local Planning Strategy Report (2019)	This strategy informs the future direction of the Busselton City Centre and explains the vision for activity centres in the broader Busselton region. This has been used to broadly inform which developments we allow for in our analysis.
Busselton Local Commercial Planning Strategy (2011)	This strategy is key to informing the future planned retail developments in the Broader Busselton area, and when they are likely to see development. For this project, the scale and development triggers for development at the Ambergate centre, as well as the scale of other future centres have been taken into account when estimating market share changes for the City Centre.

CITY CENTRE STRENGTHS AND WEAKNESSES

STRENGTHS	
Major regional presence, access to a variety of demand drivers and critical mass of retail shops	Given its role as a key employment node and the most significant activity centre in the Southwest (with the exception of Bunbury), retailing in the Busselton City Centre has access to a variety of demand drivers, including local residents in the Busselton District, as well as workers and tourists. This supports the largest breadth and depth of retail shops and services in the Busselton district. The scale and variety of the retail offer is important to the retail role and performance of the City Centre. It should be noted that the Target store in Busselton Central is expected to close in 2021, in line with the national Target strategy or reducing their number of regional stores. In the case that the store closes and is not tenanted by a different discount department store, this would reduce the draw of the City Centre, particularly to local residents.
Compact retail precinct	The core retail area benefits from a reasonably compact layout, with a distance of no more than approximately 500 metres between the east/west and north/south boundaries.
Good distribution of major retailers	The major retailers (three supermarkets and Target) are well positioned within the City Centre to support a good distribution of foot traffic and activity generally across the City Centre. However, improving the connection of the key centres with the main street precincts would help to drive better overall activity in the City Centre.
Accessible car parking options	There are several dedicated car parks in the City Centre area largely associated with the main shopping centres as well as the usual complement of on-street carparking.
WEAKNESSES	
Limited night economy drivers	The offer in the City Centre is largely focussed on daytime trade and servicing residents and workers with few facilities driving visitation in the evening (e.g. entertainment, leisure, etc.)
Existing vacancies	There are currently 17 vacant shops in the City Centre which detracts from the overall vibrancy and image of the precinct. This is mostly an issue in the northern sectors of the City Centre.
Poor connection and significant distance between tourist nodes and retail nodes	There has been a substantial level of investment in the Busselton Foreshore over the past decade which has not translated to support for City Centre retailers. The Foreshore and retail core are poorly connected, due to the distance between the precincts.

CITY CENTRE THREATS AND OPPORTUNITIES

OPPORTUNITIES	
Strong population outlook	Busselton is one of the key employment nodes in the South-West and the key employment node in the City of Busselton. Busselton has a strong resident draw, and has enjoyed consistent population growth above the levels seen in comparable towns in the South-West. The Busselton LGA area also features many of the highest selling residential development estates in the south west area, and a high volume of developable land within close proximity to its City Centre.
Established and growing tourist market	Busselton and the Margaret River region attracts a high volume of tourists, particularly from domestic visitors. However, as international visitation to WA becomes a larger portion of total visitation (forecasted international tourist growth outpaces domestic growth across regional Western Australia), it is likely that international visitation will become a key opportunity.
THREATS	
Decentralisation of retail activity	As Busselton continues to expand there is inevitably a need for more retail floorspace to be developed to conveniently service these emerging communities and suburbs (e.g. Vasse Town Centre). It will be increasingly important for the retail core of the Busselton City Centre to consolidate its role as the highest order retail and commercial precinct in the region.
Online retailing	Online retailing continues to capture an increasing share of retail expenditure. Categories that have traditionally seen only low levels of diversion to online channels (e.g. food retailing, supermarkets) are now growing more strongly and challenges remain for fashion shops and other high exposure categories.

BUSSELTON CITY CENTRE FLOORSPACE SUMMARY

KEY INSIGHTS

- Overall, retail shops and services are concentrated in the Busselton Central & Busselton Boulevard precincts. Comparatively, the north-east and north-west portion of Queen Street does not feature an anchor retail tenant, and the retail offering is dominated by food catering establishments.
- The NE & NW Queen St Precinct features the highest number of vacant tenancies, though the highest volume of vacant floorspace is in Duchess St precinct due to the large tenancy formerly occupied by a Woolworths supermarket.
- It should be noted that the Target located at Busselton Central is likely to close in 2021, and is likely to be replaced by smaller specialty tenancies.

Product Group	Description
Apparel	Clothes and accessories retail
DDS	Discount Dept. Stores (Target)
Food Catering	Restaurants, cafes, bars
Food Retail	Food vendors (bakers, butchers, green grocers)
Homewares	Kitchenware, Manchester
General Retail	Gifts, books, sporting goods
Retail Services	Service based stores (hairdressers, beauticians)
Supermarket	Supermarkets (inclusive of independent supermarkets)

CITY CENTRE FLOORSPACE BY BUSSELTON ACP STUDY AREA PRECINCT

City Centre Precinct	Apparel	DDS	Food Catering	Food Retail	Homew a res	General Retail	Retail Services	Super market	**Total**
Busselton Central & Queen St SW	3,348	3,000	612	0	391	237	1,595	4,579	**13,762**
Busselton Boulevard & SE Queen St	2,801	0	1,851	740	78	2,730	1,133	3,149	**12,480**
Duchess St Woolw orths & Former Woolw o	504	0	952	1,254	28	169	382	3,159	**6,448**
NE & NW Queen St	466	0	753	0	0	154	201	0	**1,574**
Total ACP Precincts	**7,119**	**3,000**	**4,168**	**1,994**	**497**	**3,289**	**3,310**	**10,887**	**34,264**

Source: Urbis

VACANT TENANCIES BY BUSSELTON ACP STUDY AREA PRECINCT

City Centre Precinct	Vacant Tenancies	Vacant Floorspace (sq.m)
Busselton Central & Queen St SW	2	340
Busselton Boulevard & SE Queen St	4	1,047
Duchess St Woolw orths & Former Woolw orths	4	3,464
NE & NW Queen St	7	593
Total	**17**	**5,444**

Source: Urbis

BUSSELTON SUBURB LEASING PROFILE – RECENT LEASES

KEY INSIGHTS

- Retail tenancies in the Busselton City Centre core retail strips tend to see higher rental rates than non-retail tenancies (particularly non-retail tenancies located outside of the retail core).
- A snapshot of recent non-retail leases in the suburb of Busselton, which extends south of the City Centre, indicates that warehouse & industrial tenancies tend to see lower rental rates compared to tenancies that can be used as showrooms.

RECENT RETAIL LEASE SNAPSHOT, BUSSELTON SUBURB

Location	Lease Date	NLA (sq.m)	Rent p.a ($)	Rent ($)/sqm	Details
48A Prince Street	Nov-19	323	$49,000	$152	Dymocks
47 Prince Street	Oct-19	146	$43,500	$298	Fusion Jewellers
60 Kent Street	Aug-19	890	$180,000	$202	Reject Shop
21A Queen Street	Jun-19	103	$35,400	$344	Massage Parlour
17 Queen Street	Jun-19	165	$35,400	$215	Asian Grocer/Café
Unit 5 8-10 Prince Street	Apr-19	93	$27,000	$290	Flight Centre
Average		**362**	**$54,662**	**$207**	

Source: Real Commercial, Commercial Real Estate, Urbis

RECENT COMMERCIAL LEASES SNAPSHOT, BUSSELTON SUBURB

Address	Lease Date	NLA (sq.m)	Rent p.a ($)	Rent ($)/sqm	Details
2/15-17 Fairlawn Road	Jun-19	120	$12,000	$100	Warehouse & Industrial
40 Cook Street	May-19	1054	$55,000	$52	Warehouse & Industrial
4 Goldsmith Street	Mar-19	1501	$72,000	$48	Warehouse & Industrial
65B Strelly Street	Feb-20	130	$19,500	$150	Showroom/Workshop
Unit 2, 57 Cook Street	Jul-19	299	$39,000	$130	Showroom/Workshop
Unit 1, 57 Cook Street	Oct-17	316	$42,000	$133	Showroom/Workshop
Average		**570**	**$39,917**	**$102**	

Source: Real Commercial, Commercial Real Estate, Urbis
Note: This data is a snapshot of leased tenancies that featured complete information with the intention of determining lease rates, it is not intended to be taken as a comprehensive list of recently leased properties.

BUSSELTON CITY CENTRE LEASING PROFILE – ON THE MARKET

KEY INSIGHTS

- There are a number of vacant retail and office tenancies currently being marketed in the Busselton City Centre.
- This includes several retail tenancies within established shopping centres, such as two relatively small tenancies within Busselton Boulevard.
- Additionally, there were several tenancies available for lease at Primewest Busselton and the Busselton Homemaker Centre.
- Within the City Centre, there were several office tenancies available for lease across four properties.
- It should be noted that there could be more vacant tenancies available, but these are not being advertised.

SNAPSHOT TENANCIES AVAILABLE FOR LEASE, BUSSELTON SUBURB

Location	Vacant Tenancies	Size (sq.m)	Rent ($)/sqm	Details
Busselton Boulevard	2	80 & 135	-	Specialty Tenancies
44-48 Queen Street	2	2833 & 453	-	Woolworths & Tavern
Busselton Homemaker Centre	1	1,750	-	Bulky Goods Tenancy
Primewest Busselton	2	511 & 439	$205	Bulky Goods Tenancy
71 Kent Street	1	96	-	Office Tenancy
44 Prince Street	1	129	$280	Office Tenancy
1/102 Queen Street	3	975	-	Office Tenancy
100 Queen Street	2	16 & 20	-	Office Tenancy

Source: Real Commercial, Commercial Real Estate, Urbis
Note: This is a snapshot of available tenancies as of June 2020. It is likely there are other vacant tenancies that are not being leased by commercial agents, or have a tenant that will vacate their premises when their lease term ends

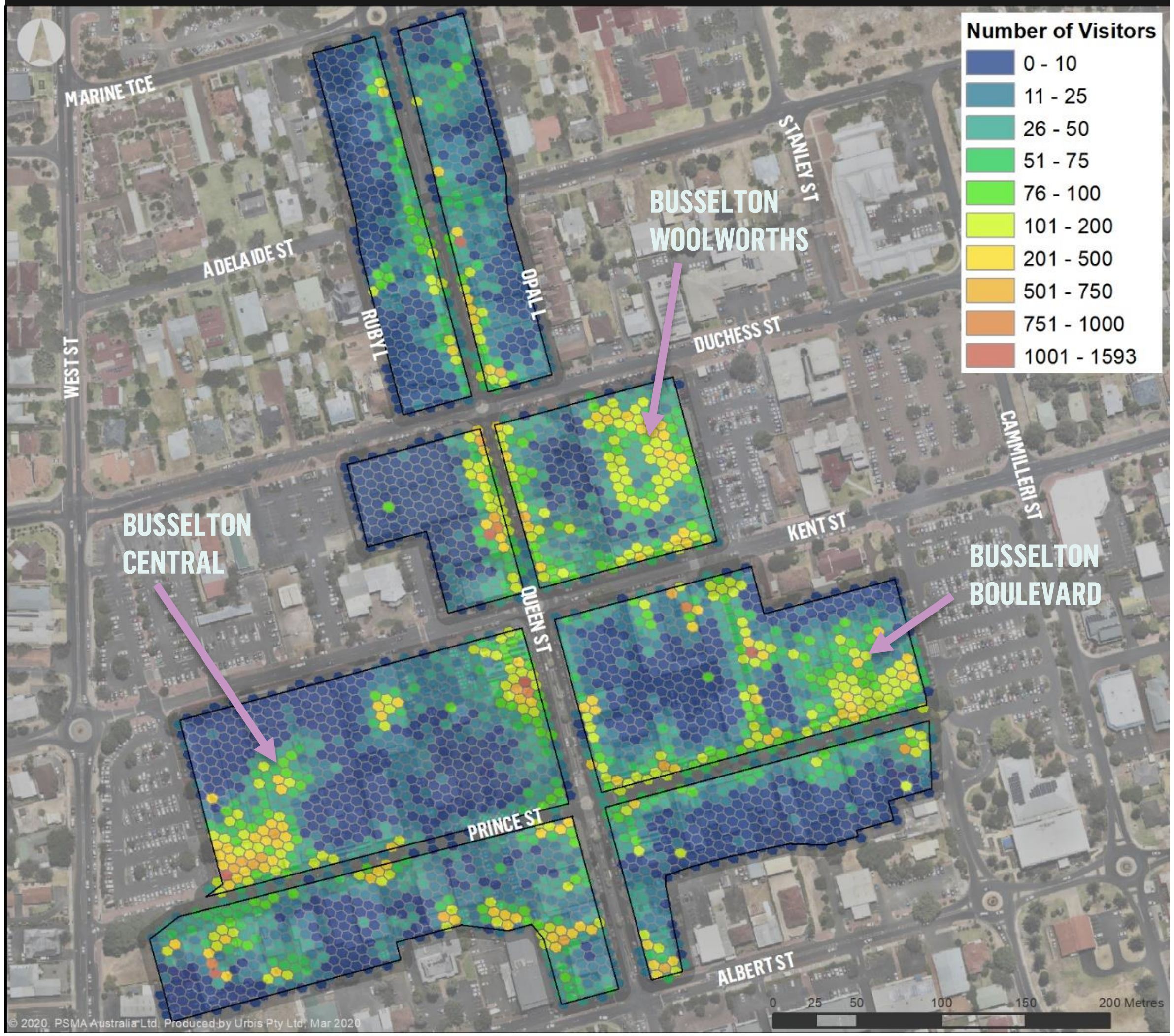
BUSSELTON CITY CENTRE VISITOR PROFILE

BUSSELTON ACP STUDY AREA VISITATION HOTSPOTS BY PRECINCT

KEY INSIGHTS

- Urbis has acquired mobile phone ping data for use in this project. The data is used in a number of ways throughout the report, the key uses being to determine:
  - Visitor hot spots within the City Centre; and
  - The geographic draw of visits to the ACP Study Area relative to the rest of the Busselton City Centre (Foreshore, Power Centre) and
- The main hot spots within the ACP Study Area precincts are the three shopping centre precincts that are anchored by supermarkets.
- In terms of main street activation, the areas attracting the highest levels of activity include:
  - Queen Street between Duchess Street and Prince Street; and
  - Prince Street and Kent Street east of Queen Street.
- Mitchell Park provides a break in activation between Busselton Central and the Queen Street shopping strip.
- Although less than within the core precincts, activation levels are reasonable on Queen Street extending northward from Duchess Street.

BUSSELTON ACP STUDY AREA RETAIL CORE VISITATION



Source: Urbis, Uber Media Mobile Phone Ping Data
Visitation recorded over a 12 month period through to November 2019

LOCATION OF VISITORS

KEY INSIGHTS

- North East and North West Queen Street broadly saw the lowest level of visitation, particularly from local residents, with approximately 50% of visitation coming from Greater Perth, interstate, or internationally.
- The Busselton Boulevard centre saw the highest level of visitation from people in the Busselton municipality compared to the other shopping centre anchored sectors of the City Centre.
- Residents in Dunsborough were more likely to travel to the Busselton Central Precinct than other parts of the City Centre, though a relatively low number of visitors to the City Centre came from the Dunsborough region overall.
- Visitation to the Busselton City Centre typically came from within the state, with a low proportion of non-resident visitors being from interstate or overseas.

PROPORTION OF VISITORS BY PLACE OF RESIDENCE

Location	Busselton Boulevard & SE Queen St	Busselton Central & SW Queen St	NE & NW Queen St	Woolworths & Former Woolworths	ACP Retail Core
Busselton municipality	56.1%	49.6%	31.3%	48.0%	49.3%
Dunsborough	3.2%	4.9%	2.7%	2.4%	3.5%
Other Regional Western Australia	13.7%	15.8%	15.9%	14.1%	14.8%
Greater Perth	20.0%	22.1%	36.8%	25.3%	23.7%
Interstate Visitors	4.0%	3.8%	7.1%	5.0%	4.5%
International Visitors	3.1%	3.8%	6.1%	5.3%	4.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Urbis, Uber Media Mobile Phone Ping Data

CROSS USAGE PATTERNS IN BUSSELTON CITY CENTRE

KEY INSIGHTS

- The cross usage tables on the right describe how visitors to a primary location (column headings), visit a second location (row headings). An example would be, in the top table to the right, 26% of Busselton Foreshore Visitors (column header) visited the Busselton Commercial Area (row header) as well.
- Some 28% of Busselton Foreshore visitors also visit the Busselton retail core in the same day. Their visits are distributed across the whole of the City Centre with a slightly higher proportion using the main shopping centres.
- Approximately 31% of visitors to the service commercial area (ALDI and Kmart) also go to the City Centre Retail Core in the same day. When they do go to the City Centre Retail Core, they tend to go to Busselton Central and the Busselton Boulevard Centre.
- The analysis indicates that there is cross-usage between the City Centre Retail Core, foreshore area and service commercial areas but the level of cross usage could be improved and initiatives to improve linkages between precincts have a high potential to attract more visitors and more spending to the retail core.

SECTOR CROSS USAGE, BUSSELTON CITY CENTRE PRECINCTS, RESIDENTS

Visitors Who Went to:

Also Went to:	Busselton ACP	Busselton Foreshore	Busselton Service Commercial Area	Total
Busselton ACP	100%	26%	30%	61%
Busselton Commercial	100%	26%	30%	61%
Busselton Boulevard	31%	8%	10%	19%
Busselton Central Shopping Centre	29%	8%	12%	18%
Busselton Woolworths	24%	7%	7%	14%
Busselton - Queen Street SW (Prince St to Bussell Hwy)	19%	4%	7%	11%
Busselton - Queen Street SE (Prince St to Bussell Hwy)	15%	4%	5%	9%
Busselton - Queen St former Woolworths	8%	3%	2%	5%
Busselton - Queen Street NE (Marine Tce to Dutchess St)	5%	3%	1%	3%
Busselton - Queen Street NW (Marine Tce to Dutchess St)	4%	4%	1%	2%
Busselton Service Commercial Area	20%	14%	100%	41%
Busselton Foreshore	7%		5%	15%
Dunsborough Town Centre	4%	4%	6%	5%

SECTOR CROSS USAGE, BUSSELTON CITY CENTRE PRECINCTS, NON-RESIDENTS

Visitors Who Went to:

Also Went to:	Busselton ACP	Busselton Foreshore	Busselton Service Commercial Area	Total
Busselton ACP	100%	28%	32%	49%
Busselton Commercial	100%	28%	32%	49%
Busselton Central Shopping Centre	33%	9%	14%	16%
Busselton Boulevard	29%	6%	10%	14%
Busselton Woolworths	25%	9%	8%	12%
Busselton - Queen Street SW (Prince St to Bussell Hwy)	17%	4%	7%	8%
Busselton - Queen Street SE (Prince St to Bussell Hwy)	12%	3%	5%	6%
Busselton - Queen Street NE (Marine Tce to Dutchess St)	11%	6%	3%	5%
Busselton - Queen Street NW (Marine Tce to Dutchess St)	10%	6%	3%	5%
Busselton - Queen St former Woolworths	9%	4%	3%	4%
Busselton Foreshore	24%		17%	42%
Busselton Service Commercial Area	22%	14%	100%	34%
Dunsborough Town Centre	8%	10%	10%	9%

Source: Urbis, Uber Media Mobile Phone Ping Data

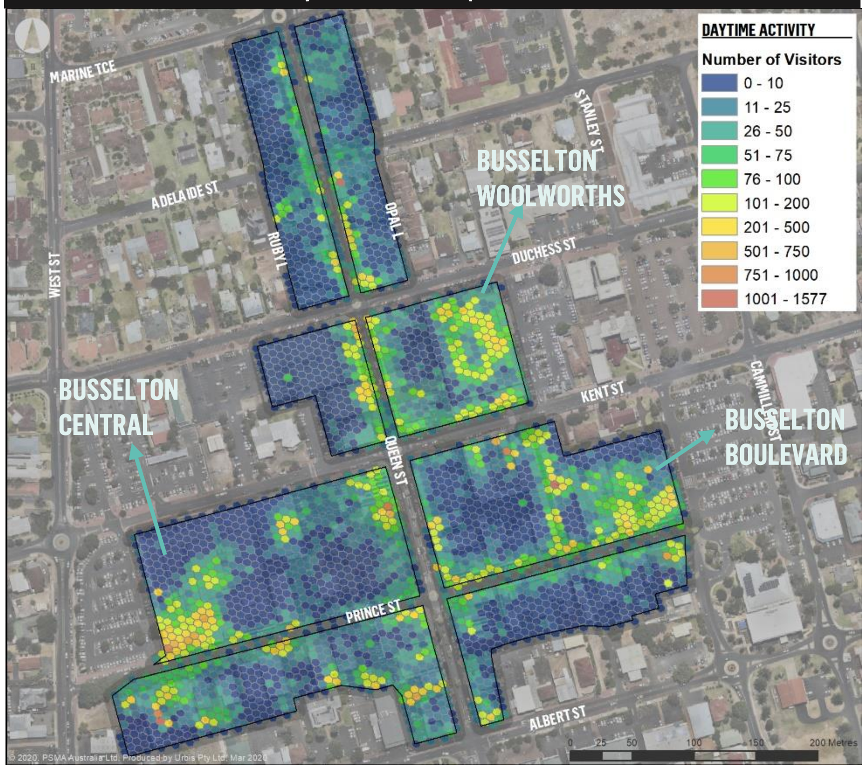
ACTIVATION BY TIME OF DAY

Day-time activation in the City Centre appears to largely be focussed around the key shopping centre areas, which are anchored by supermarkets and other significant majors.

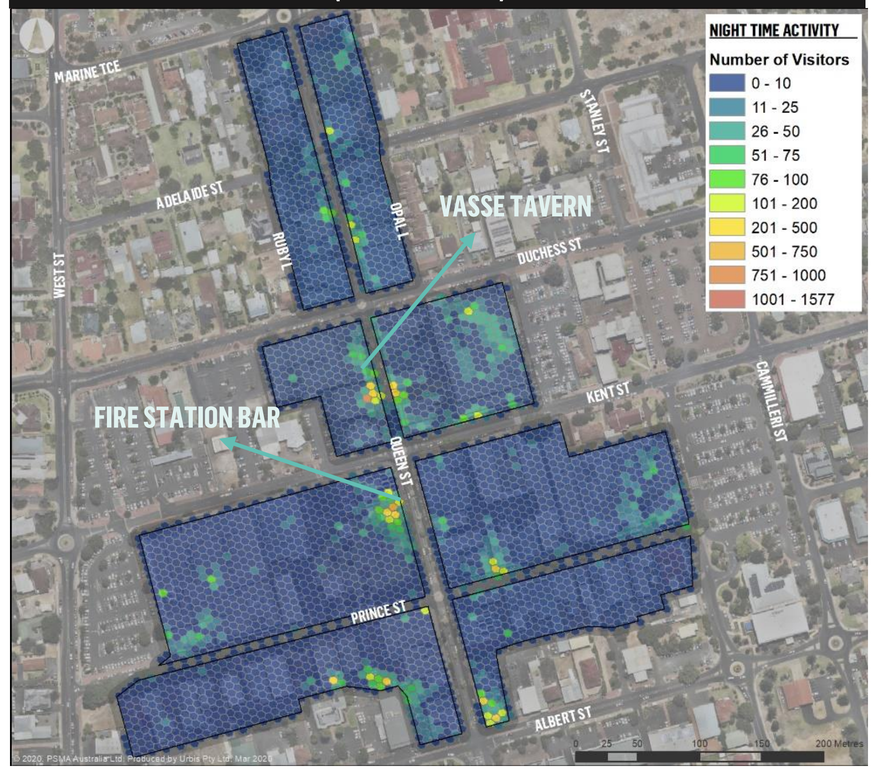
There is a major shift from night-time and day-time activation, particularly at the shopping centre areas, which do not see a high level of night-time activation.

Night-time activation has been focussed on some main street areas, namely the locations of bars and restaurants, such as the Fire Station Bar adjacent to Mitchell park and the strip of Queen Street between Duchess St and Kent St, where there are multiple restaurants and another bar.

DAY-TIME VISITATION (6AM TO 5PM)



NIGHT-TIME VISITATION (5PM TO 6AM)



Source: Urbis, Uber Media Mobile Phone Ping Data
This data is based on the aggregated visitation recorded over a 12 month period through to November 2019

KEY COMPETING DEVELOPMENTS

RETAIL FLOORSPACE SUPPLY

KEY INSIGHTS

- While Busselton is the key activity centre within the broader Busselton region, there are several competing centres that have some impact on the retailing in the City Centre retail core.
  - The Vasse Village is a recently developed neighbourhood centre that includes a supermarket and specialties.
  - The West Street Centre (Power Centre) is comprised of an ALDI supermarket and a standalone Kmart.
- The two major supermarket brands are represented in the ACP Study Area retail core. Additional supermarket floorspace exists at the Power Centre in the form of an ALDI, and small independent supermarkets are located along Busselton Highway towards the Vasse Town Centre.
- Without capturing a higher portion of supermarket spending from tourists and residents, the Coles supermarket in Busselton Boulevard could potentially become vacant in the longer term if it becomes non-viable to retain two stores in close proximity to each other.

KEY COMPETING CENTRES

Development	Description	Growth Potential	Floorspace Summary (approx.)
Vasse Village	The Vasse Village centre is a newly developed neighbourhood centre, anchored by a Coles supermarket with convenience based specialty shops.	Likely to expand to 4,500-5,000 sq.m.	3,690 sq.m Retail Floorspace
West Street Centre (Power Centre)	The West Street Centre is a relatively new centre, located to the southwest of the Busselton City Centre on West Street. It features an ALDI supermarket and a standalone Kmart Discount Department Store.	Large volume of development land that will most likely be bulky goods or showroom retail.	8,800 sq.m Retail Floorspace
Dunsborough Town Centre	The Dunsborough Town Centre caters to the tourist and resident market in the Dunsborough and Yallingup area. It features a Coles supermarket and a Supa IGA as well as specialty stores and commercial uses.	Commercial analysis indicates potential shop/retail demand for an increase to 15,379sq.m by 2028.	12,500 sq.m Retail Floorspace
Unconsolidated Bussell Highway Uses	There are a number of local centres and retail developments to the west of the Busselton City Centre that include retail floorspace, though none are anchored by full-line supermarkets.	Unlikely to see major expansions, but tenancy changes could occur over time.	10,000 sq.m Retail Floorspace

FUTURE RETAIL DEVELOPMENTS

KEY INSIGHTS

- The key development planned to occur in the Busselton City Centre in the near future is the Busselton Central redevelopment. This redevelopment will expand the centre into the existing carpark area and increase retail floorspace by approximately 6,000 sq.m. Additionally, this development is expected to offer commercial development opportunities, as well as a new cinema and dining precinct. This development would leverage the amenity provided by Mitchell Park and provide a better physical and visual link to Queen Street.
- The recently developed Vasse Centre is expected to increase to include additional floorspace to reach its overall build-out volume in the next decade. As the centre will be oriented towards convenience retail, it is likely that the centre will increase the provision of takeaway food options and food retail options. This will likely have a moderate trading impact on the Busselton City Centre.
- There are a number of centres that have been identified as potential future centres that will enter the market when there is sufficient market demand. It should be noted that these are long term centres and are likely to see staged development in line with residential build out expectations.
- Whilst additional retail / commercial floorspace outside of the Busselton ACP Study Area will inevitably lead to reduced expenditure in the ACP Study Area, the orderly development of these centres will provide local convenience shopping options that will support the liveability of these areas. It is thus incumbent the desirability and diversity of the Busselton ACP Study Area is enhanced to ensure negative impacts are limited.

KEY RETAIL ACTIVITY CENTRES

Development	Description	Timing (year of operation)	Floorspace Addition
Busselton Central Redevelopment	Redevelopment of Busselton Central to include additional 6,215 sq.m of retail floorspace, largely in specialties. As well as a cinema and non-retail floorspace. While this development includes a relocation of the Target Discount department store, this store is scheduled to close in 2021, in which case it would be replaced with additional specialty stores	2022	Approximately 6,100 sq.m additional Retail Floorspace

POTENTIAL DEVELOPMENT OF OTHER CENTRES

Development	Description	Timing (year of operation)	Floorspace Addition
Vasse Village Build-out	Planning documents have allowed for a Vasse Village expansion up to 5,000 sq.m, while there are no plans for this it is likely as the local population grows.	2029	1,400 sq.m Additional Retail Floorspace
Ambergate	Ambergate is a future centre that will service the growing Ambergate Community, which is likely to accommodate upwards of 10,000 new residents	2034+	14,000 sq.m District Centre
Airport (neighbourhood centre)	This is a long-term future centre that is likely to see development as the Yalyalup region experiences population growth.	2034+	4,500 sq.m Neighbourhood Centre

SECTION THREE
CITY CENTRE TRADE AREA ANALYSIS

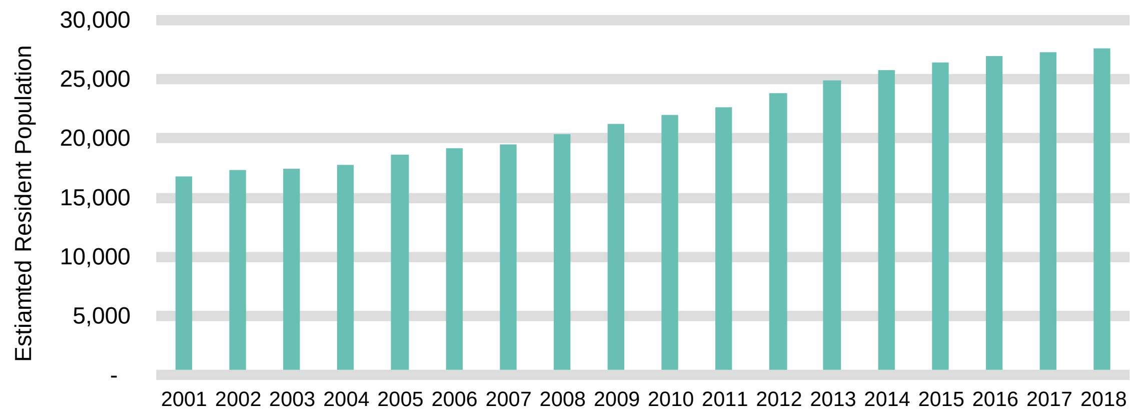
POPULATION & VISITATION OVERVIEW

POPULATION TRENDS

KEY INSIGHTS

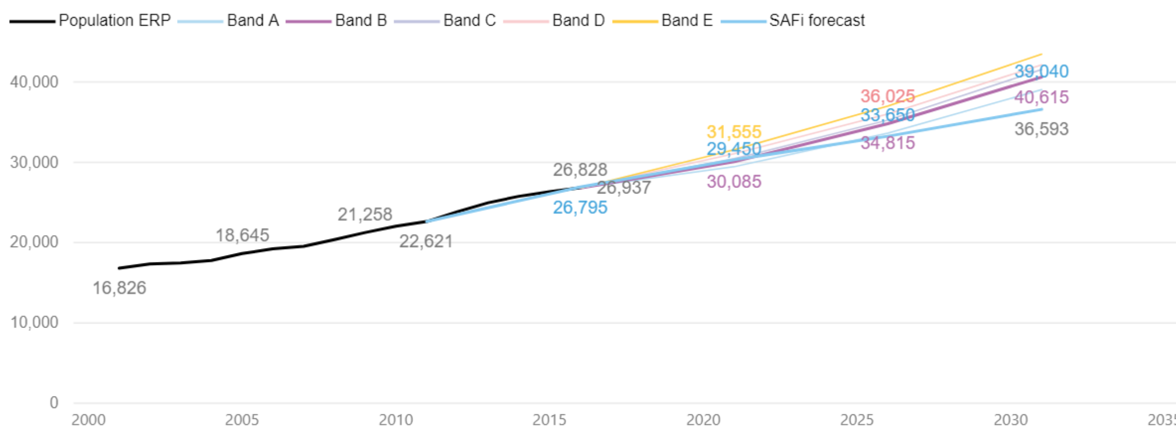
- In the Busselton SA2 (which includes the Busselton urban area bounded by Vasse to the west, capel to the northeast and Yalyalup to the South) there has been a strong level of growth experienced from 2001 through to 2016, as population increased at a rate of approximately 4% per annum. This is a rate of growth well above the level of population growth seen across the state, particularly areas outside of Greater Perth.
- However, this rate of growth slowed from 2016 onwards, with the growth rate falling substantially, to approximately 1.2% per annum from 2016 to 2018. The reduced population growth was partly driven by reduced international migration to Western Australia and an increase in the number of existing residents moving overseas and interstate.
- In the next 15-years, the resident population is expected to increase significantly to approximately 40,000 people by 2031 according to the State Government's population forecasts. It should be noted these population forecasts were based on historical growth rates that only included growth up to 2016 at the time of publication.
- Small Area Forecast Information (SAFi) also produce forecasts for areas across WA and have revised their population growth number down in the longer term (below the most conservative population forecast scenario for the state population forecasters).

HISTORICAL POPULATION GROWTH, BUSSELTON SA2, 2001-2018



Source: ABS Estimated Resident Population, cat. 3218.0

FUTURE POPULATION GROWTH, BUSSELTON SA2, 2018-2041



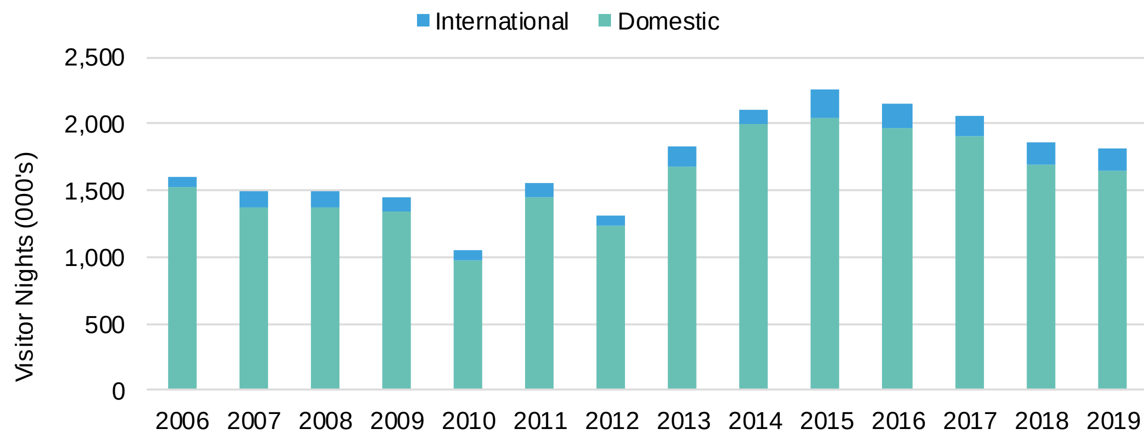
Source: ABS Estimated Resident Population, WA Tomorrow (2018), SAFi

BUSSELTON VISITATION CONTEXT

KEY INSIGHTS

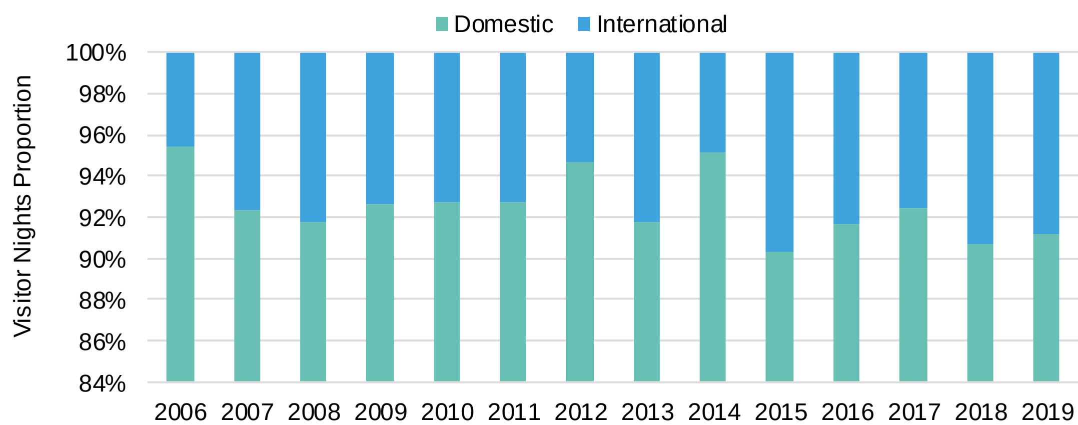
- From 2006 to 2016, visitation growth for the Busselton SA2 area was relatively strong, increasing by approximately 3.4% per annum during this period (according to Tourism Research Australia). This increase has broadly been in line with tourism growth experienced across WA.
- Since 2016, the overall visitor numbers have begun to decline but have remained above the longer-term average. Once again, this was aligned with trends in visitation across WA, with the key exception being that WA saw an uptick in visitation in 2019, while Busselton saw a continued decline.
- While international visitation is much less significant to the Busselton area than domestic visitors, the proportion has been trending upwards in recent years, with international visitors accounting for 8.5% of visitors in 2019 from 4.5% in 2006.

VISITOR GROWTH, BUSSELTON SA2, 2006-2019



Source: TRA

VISITOR ORIGIN, BUSSELTON SA2, 2006-2019



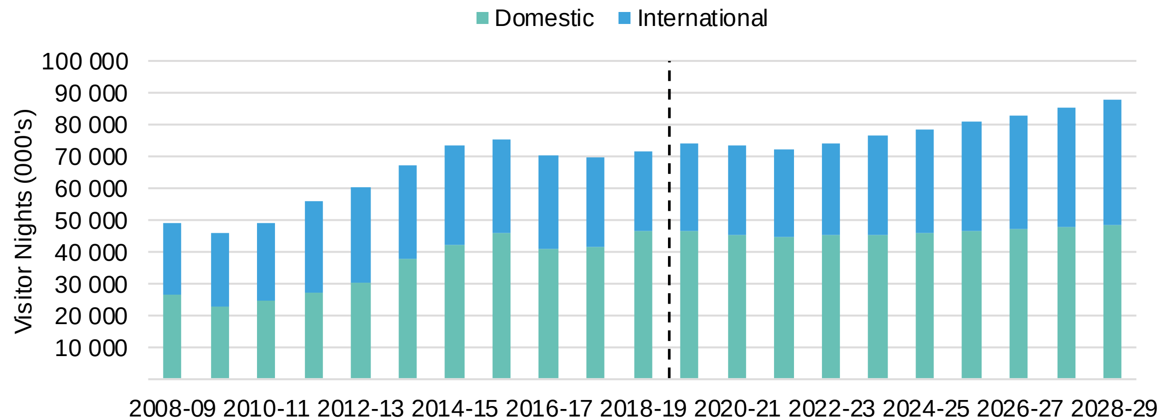
Source: TRA

VISITATION OUTLOOK

KEY INSIGHTS

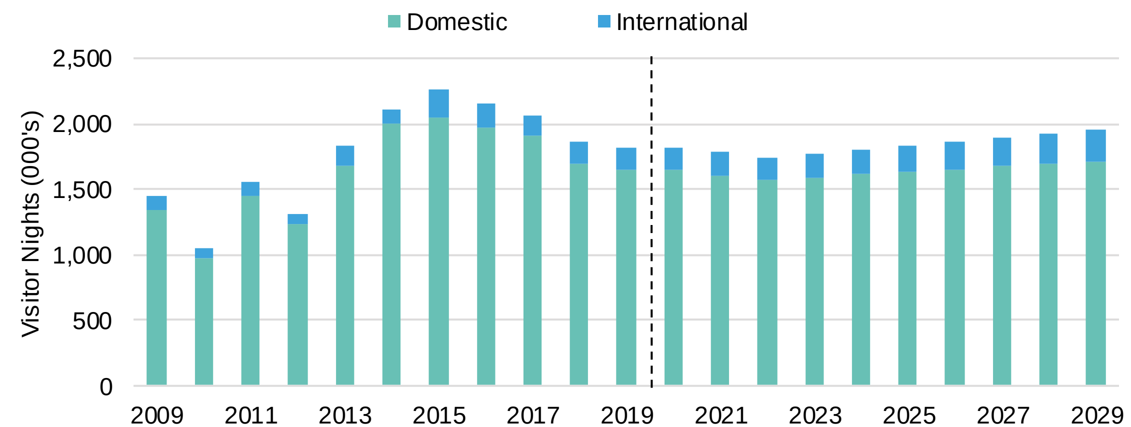
- Overall, the level of visitation generated by domestic visitors is not expected to grow substantially in the near term for WA as a whole, with the majority of tourist growth forecast to be in the international market (according to Tourism Research Australia).
- As the Busselton tourist market is dominated by domestic visitors, it is unlikely that over the next decade visitation will increase substantially, though we anticipate consistent growth in the Busselton tourist market from 2022 onwards. In addition to a steady continued growth, the proportion of international visitors is forecasted to increase, at a consistent rate through to 2029.
- The forecasts for the Busselton SA2 assume only a moderate lift in net visitation as a result of the Jetstar services at the Busselton Margaret River Regional Airport though there is potential for a more positive impact from these services.

VISITOR OUTLOOK, WA, 2008 - 2029



Source: TRA

VISITOR OUTLOOK, BUSSELTON SA2, 2008 - 2029



Source: TRA

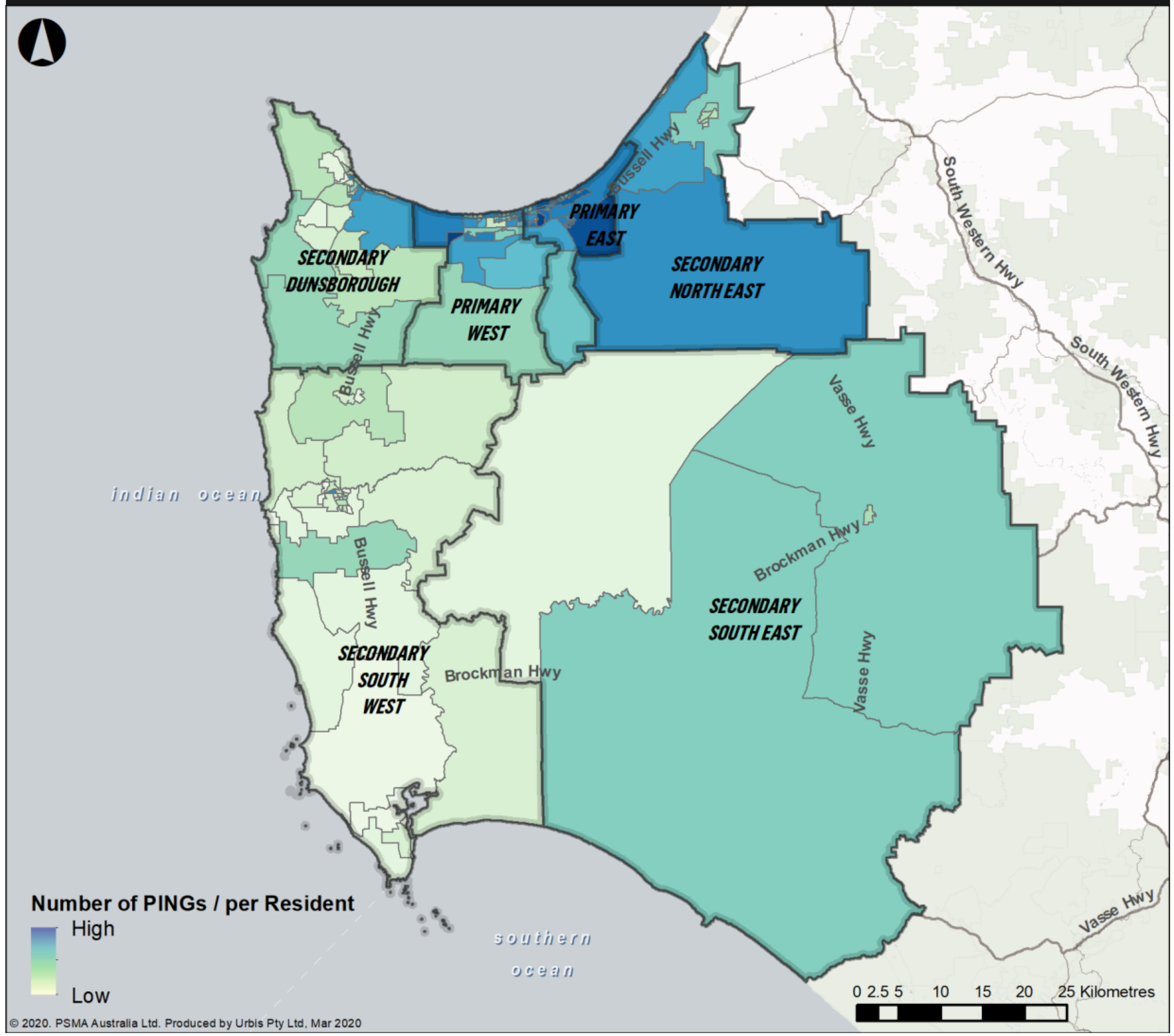
TRADE AREA DEFINITION

MOBILE PHONE PING ANALYSIS

KEY INSIGHTS

- The mobile phone ping data acquired by Urbis provides a data-based method of defining a trading area for the Busselton City Centre.
- Being such a significant activity centre in the City of Busselton, and the South West region generally, the trade area for the City Centre will be geographically broad.
- The resident areas that provide the highest number of visits per resident to the City Centre are largely focussed in the Busselton region, particularly residents located to the east of the City Centre, who have fewer options relative to residents located to the west, who have multiple local centres and the Vasse Centre to utilise.
- Dunsborough residents tend to visit the Busselton City Centre substantially less than Busselton residents, tending to use the Dunsborough Town Centre as their primary centre.
- While Nannup doesn't have a significant resident base, these residents are frequent users of the Busselton City Centre area.

ESTIMATED USAGE OF BUSSELTON ACP STUDY AREA PRECINCTS BY PLACE OF RESIDENCE

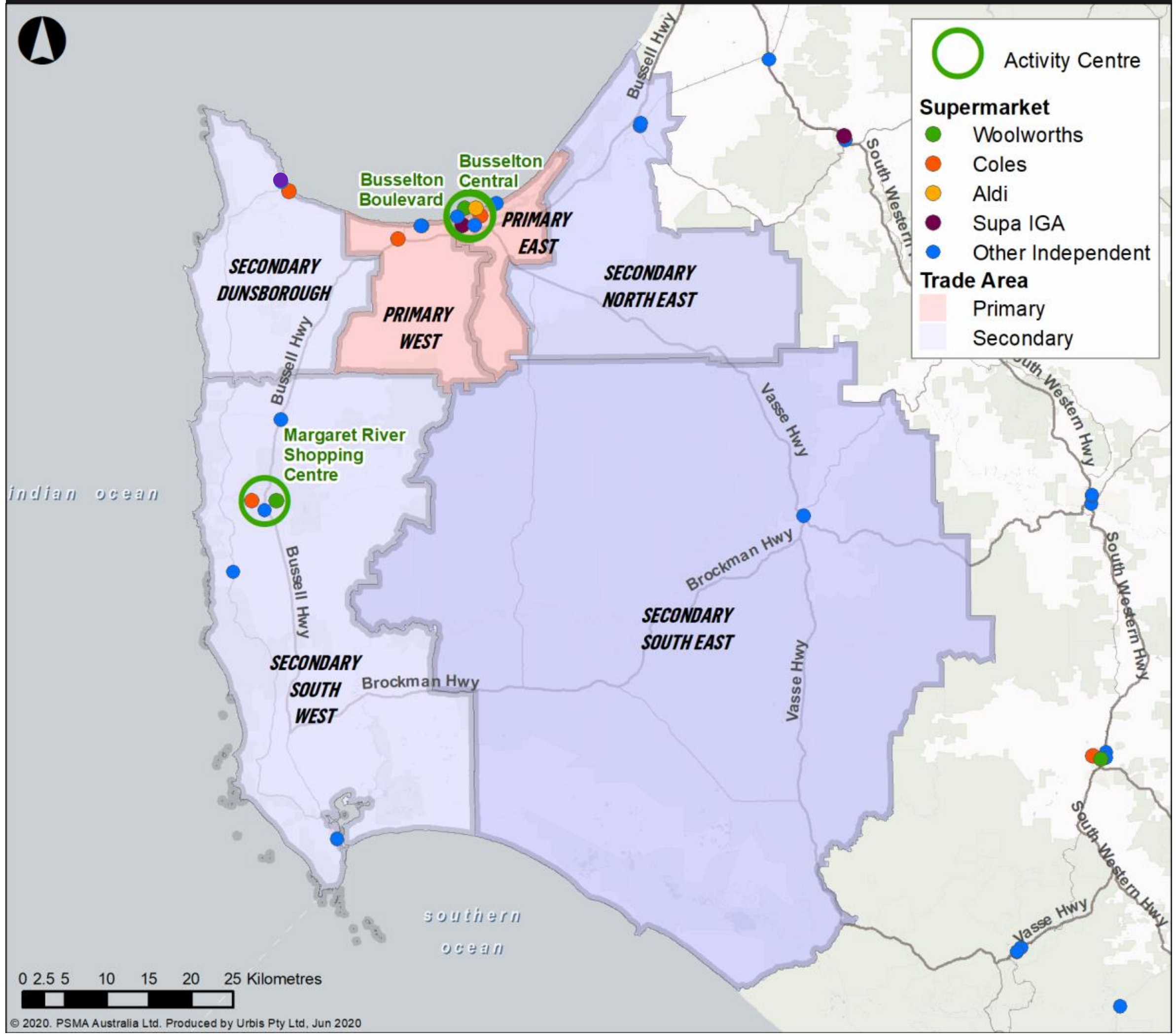


TRADE AREA DEFINITION

KEY INSIGHTS

- Urbis has defined six distinct resident catchments as part of the overall resident catchment for the trade area of the Busselton ACP Study Area.
- The trade area defined by Urbis is largely based on the following factors:
  - The supply and mix of retail in the Busselton ACP Study Area and at surrounding centres;
  - The accessibility of the are compared to other centres;
  - Physical barriers that may limit access; and
  - Mobile phone ping data analysis that indicates key resident sectors and the level of visitation per capita from these sectors.

BUSSELTON ACP STUDY AREA TRADE AREA



BUSSELTON ACP STUDY AREA VISITOR DISTRIBUTION

KEY INSIGHTS

- There is a high level of visitation from people who live outside of the resident trade area. This comprises international and domestic visitors (intrastate and interstate visitors).
- This level of visitation from people outside of the residential catchment is relatively high compared to other regional City Centres (such as Bunbury and Geraldton) and indicates that the Busselton City Centre has a significant level of spending generated by tourists.
- The next highest visitor base is the eastern visitor catchment, which sees a significantly higher number of visits per capita than residents located in the western primary – which is considered due to the presence of the Vasse centre in this area.
- Broadly, visitors in the secondary catchment are not significant users as a whole, though visitors in the north-east secondary catchment (Capel and outer Busselton) are frequent users on a per capita basis.

VISITOR PLACE OF RESIDENCE DISTRIBUTION, BUSSELTON ACP STUDY AREA

SectorName	Visits per 1,000 Pop	2018 Population	% of Total Visits
Beyond	0		38.9%
Primary East	423	13,934	32.9%
Primary West	238	14,272	19.0%
Secondary Dunsborough	66	10,229	3.8%
Secondary North East	127	3,891	2.8%
Secondary South East	93	1,392	0.7%
Secondary South West	22	15,671	1.9%

Source: Urbis Mobile Phone Ping Data

RESIDENT POPULATION OUTLOOK

KEY INSIGHTS

- The forecast resident population in the trade area is based on the following information:
  - The latest Estimated Resident Population (ERP) figures to June 2018 (released by the ABS). This latest data is provided at a Statistical Area 1 (SA1) geography level, thus providing an accurate estimate of resident population for the trade area.
  - New dwelling approvals data prepared by the ABS to June 2018. This data provides an indication of potential short-term dwelling development activity and resident population growth.
  - Small Area Forecast Information (SAFI) prepared by .id Consulting (which also supplies population forecasts to the whole of WA).
  - A review and analysis of current and proposed residential developments in the catchment area, particularly greenfield estate.
- Given the fact that population growth has been constrained in recent times, we expect this to continue in the near future, with population growth remaining below 1.5% per annum through to 2024, before beginning to increase towards 2% per annum through to 2034, largely led by residential growth in the primary catchment.

RESIDENT POPULATION OUTLOOK (2019 – 2034)

	Population (no.)[1]					Annual Population Growth (%)			
	2014	2019	2024	2029	2034	14-19	19-24	24-29	29-34
Primary:									
East	13,240	14,100	15,210	16,770	18,800	1.3%	1.5%	2.0%	2.3%
West	13,120	14,440	15,430	16,560	17,850	1.9%	1.3%	1.4%	1.5%
Total Primary	**26,350**	**28,540**	**30,640**	**33,330**	**36,640**	**1.6%**	**1.4%**	**1.7%**	**1.9%**
Secondary:									
Dunsborough	9,070	10,450	10,980	11,410	11,980	2.9%	1.0%	0.8%	1.0%
North East	3,700	3,940	4,200	4,560	5,000	1.3%	1.3%	1.7%	1.9%
South West	13,940	16,060	17,530	18,970	20,550	2.9%	1.8%	1.6%	1.6%
South East	1,360	1,410	1,460	1,530	1,600	0.7%	0.7%	0.9%	0.9%
Total Secondary	**28,060**	**31,860**	**34,170**	**36,460**	**39,120**	**2.6%**	**1.4%**	**1.3%**	**1.4%**
Main Trade Area	**54,410**	**60,390**	**64,820**	**69,790**	**75,770**	**2.1%**	**1.4%**	**1.5%**	**1.7%**

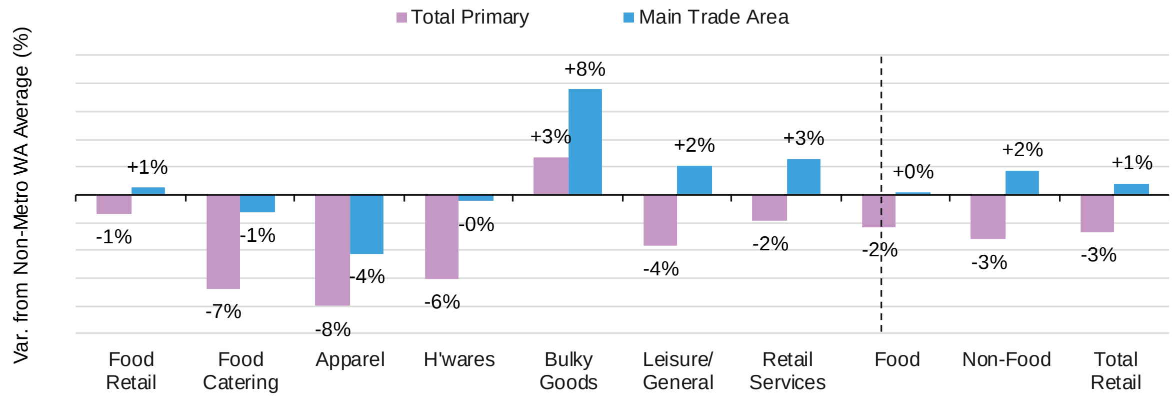
Source: SAFi, Landgate Urbis

TRADE AREA RESIDENT EXPENDITURE

KEY INSIGHTS

- Based on data from the 2016 Census of Population and Housing, the demographics of the catchment area reflect the established and rural nature of the area with a high representation of older residents and lower representation of young families, particularly in the primary catchment.
- Trade area residents are estimated to have moderately above average retail expenditure compared to the non-metro WA average (1% above). There is estimated to be a particularly higher level of spending on retail services (e.g. hairdressers, nail salons) and leisure and homewares goods and services.
- Real spend per capita growth is expected to be 0.9% per annum through to 2024, before continuing at a rate of 1.0% per annum. This is slightly below the anticipated level of growth seen in the Perth Metropolitan area, in line with historical observed growth rates.

RESIDENT EXPENDITURE CHARACTERISTICS



Source: ABS, Marketinfo, Urbis

TRADE AREA RESIDENT EXPENDITURE ($2019, INCL. GST)

	Food Retail	Food Catering	Apparel	H'wares	Bulky Goods	Leisure/ General	Retail Services	**Total Retail**	Annual Growth	= Pop Growth	- Spend Per Capita Growth
Primary:											
2019	198	39	31	22	40	48	13	**390**			
2024	221	43	35	24	45	56	15	**437**	2.3%	1.4%	0.9%
2029	252	50	39	27	51	65	17	**501**	2.7%	1.7%	1.0%
2034	290	57	45	31	59	78	20	**580**	3.0%	1.9%	1.0%
Secondary:											
2019	229	48	37	27	48	60	16	**465**			
2024	255	54	42	30	54	69	18	**521**	2.3%	1.4%	0.9%
2029	285	60	46	33	61	80	20	**585**	2.3%	1.3%	1.0%
2034	321	68	51	37	68	92	23	**661**	2.5%	1.4%	1.0%

Source: ABS, Marketinfo, Urbis

BUSSELTON CITY CENTRE MARKET GROWTH

KEY INSIGHTS

- To determine the overall level of spending that could be potentially captured by the Busselton ACP Study area retail offering, we have estimated the capacity of spending available to primary catchment retail centres, and have applied an increasing online market share to overall spending in line with observed online retail market growth trends.
- The retention rates used for this analysis are broadly based on our analysis of the mobile phone ping data, and changes in these retention rates are based on new developments entering and leaving the market, in addition to a general rate of erosion that will occur if these developments within the trade area do not receive improvements / investment.
- A share of turnover sourced from beyond the trade area has been assumed, which takes into account the high level of visitation experienced by the retailers within the Busselton ACP study area, and by the south-west region generally.

TOTAL SPENDING AVAILABLE TO PRIMARY CATCHMENT CENTRES, 2019 ($2019, INCL. GST)

	2019 ($M)	2024 ($M)	2029 ($M)	2034 ($M)
Total Trade Area Spending	**766.9**	**866.9**	**980.0**	**1117.3**
Primary	350.2	396.0	452.3	522.3
Secondary	416.7	470.9	527.7	595.0
Forecast Online Market Share	*10.0%*	*11.7%*	*13.4%*	*15.0%*
Total Spending to Physical Retailers	**690.2**	**765.5**	**849.0**	**949.7**
Primary	315.2	349.7	391.9	444.0
Secondary	375.0	415.8	457.1	505.7
Total Spending Retained by Trade Area Centres	**522.4**	**599.9**	**684.0**	**787.0**
Primary (63% in 2019, increasing to 68% in 2034)	218.7	255.5	299.5	355.2
Secondary (76% in 2019, increasing to 77% in 2034)	303.6	344.4	384.5	431.8
Total Spending Retained by Primary Catchment Centres	**234.6**	**272.1**	**314.4**	**368.5**
Primary (83% in 2019, remaining at 83% in 2034)	180.6	210.6	246.6	293.2
Secondary (18% in 2019, declining to 17% in 2034)	54.0	61.5	67.8	75.3
Plus Turnover from Beyond TA (@ 30%)	*100.5*	*116.6*	*134.8*	*157.9*
Total Spending Available to Primary Catchment Centres	**335.1**	**381.8**	**422.2**	**449.2**
Spending Captured by Busselton ACP Area	**209.9**	**243.4**	**272.0**	**287.8**
Busselton ACP Area TA Market Share	**27%**	**28%**	**28%**	**26%**
Primary	**33%**	**33%**	**32%**	**30%**
Secondary	**7%**	**8%**	**7%**	**7%**

Source: Urbis, Marketinfo

Note: Market shares are assumes to erode slightly over the next 15 years in these calculations, which occurs due to degradation in existing buildings, and consumer preferences moving away from brands that lose relevance over time. Trade Area spending does not include Bulky Goods Expenditure

BUSSELTON CITY CENTRE MARKET GROWTH

KEY INSIGHTS

- The rate of turnover per square metre in the ACP area is estimated to be broadly below the rate of turnover per square metre in other centres within the primary catchment (Vasse Village and the Power Centre). This largely reflects the varying mix of and quality of retailers in the main street retail area.
- Overall, the Busselton City Centre is expected to attract an additional $33M in retail turnover by 2024, which is largely a result of the Busselton Central expansion, which will attract additional retail spending from the residential catchment, but will also compete with main street retailers in the short term, and potentially lead to additional vacancies.
- The level of turnover per square metre at City Centre retailers is broadly below benchmark rates for comparable centres, and there is a relatively high rate of vacancy in the City Centre. Over time, it is likely that some of the floorspace demanded is likely to go to existing retailers in the form of increasing performance levels, rather than direct increases in floorspace.
- If the City were to progress initiatives that increased the level of draw to the City Centre, particularly from visitors that are already visiting the broader Busselton district and the South West (in line with the placemaking initiatives outlined on page 9 of this document to enhance the linkages between the foreshore and the City Centre), there is potential to attract additional entertainment and food catering retailers (bars and cafes), that would increase vibrancy in the City Centre, and assist with consolidating the City Centre as a key dining and entertainment area.

RETAIL TURNOVER SHARE AND TURNOVER PER SQ.M RATE IN PRIMARY CATCHMENT, 2019 ($2019, INCL. GST)

Primary Catchment Centres	Share of Primary Catchment Floorspace (%)	Share of Primary Catchment Turnover (%)	Turnover per sq.m ($)
Busselton ACP Area	66.4%	61.8%	$6,184
Other Centres (Vasse, Power Centre, Bussel Highway Centres)	33.6%	38.2%	$7,562

Source: Urbis, Marketinfo

BUSSELTON CITY CENTRE RETAIL TURNOVER AND NET FLOORSPACE DEMAND, 2019-2034 ($2019, INCL. GST)

	2019 ($M)	**2024** ($M)	**2029** ($M)	**2034** ($M)
Potential Spending Captured by Busselton ACP Retail	**210.0**	**241.4**	**270.5**	**287.0**
Additional Expenditure Captured	**-**	**31.4**	**29.2**	**16.5**
Additional Floorspace Demand (sq.m)	-	4,047	3,668	2,024
Proposed ACP Area Floorspace Additions (sq.m)	-	6,215	-	-
Net Floorspace Demand (sq.m)	**-**	**-2,168**	**1,500**	**3,524**

Source: Urbis, Marketinfo,
Note: The net floorspace demand figure is cumulative and includes any excess floorspace demand from the preceding period.

SECTION FOUR
NON-RETAIL FLOORSPACE ASSESSMENT

NON-RETAIL FLOORSPACE PER CAPITA RATIO BENCHMARKS

KEY INSIGHTS

- Broadly, the Busselton ACP Study Area's primary catchment has a lower rate of entertainment floorspace per capita and a lower rate of office floorspace provision per capita than the South-West region total.
- 'Other retail' which is largely made up of bulky goods and non-shop retail showroom uses is supplied at higher rates than the South-West region; as is health floorspace.
- This indicates a potential undersupply of entertainment and office floorspace within the primary catchment for the ACP Study Area.

FLOORSPACE PER 100 RESIDENTS, 2018

Region	Entertainment	Health	Office	Other Retail
South-west Region	52	27	217	65
ACP Primary Catchment	34	32	158	81
Variation from South-west Region	-35%	18%	-27%	26%

Source: Planning and Land Use Survey – South West (2018), ABS Estimated Resident Population
Note: this is based on floorspace within commercial complexes

FLOORSPACE PER CAPITA GAP

KEY INSIGHTS

- Due to recent expansions in bulky good retail outside of the City Centre retail core at the West Street Site, and the high provision of health & community services per capita in the City Centre primary trade area (as described on page 43), there is likely to be minimal growth in these sectors over the next 15 years.
- There is likely to be potential to increase entertainment and commercial office floorspace in the area, due to the relatively low provision of this floorspace in the City Centre trade area currently, and the population growth in the coming 15 years.
- There could be approximately 2,730 sq.m of entertainment floorspace and 7,340 sq.m of office floorspace allowed for in the ACP area due to population growth by 2034. It is likely that the majority of this floorspace can be provided within the ACP Study area.
- These uses would support a more vibrant City Centre that is activated consistently at all times of the day, which would support the retailers that currently exist, and would support an increasing level of food catering based floorspace provision in the future.

FLOORSPACE PER 100 RESIDENTS, ACP STUDY AREA PRIMARY CATCHMENT, SOUTH-WEST PROVISION LEVELS, 2018-2034

Year	Entertainment	Health	Office	Other Retail
2018 (Actual)	9,627	9,018	45,054	23,188
2034	12,359	9,800	52,395	23,677
Growth 2018-2034	2,732	782	7,341	489

Source: Planning and Land Use Survey – South West (2018), ABS Estimated Resident Population, SAFi, Urbis

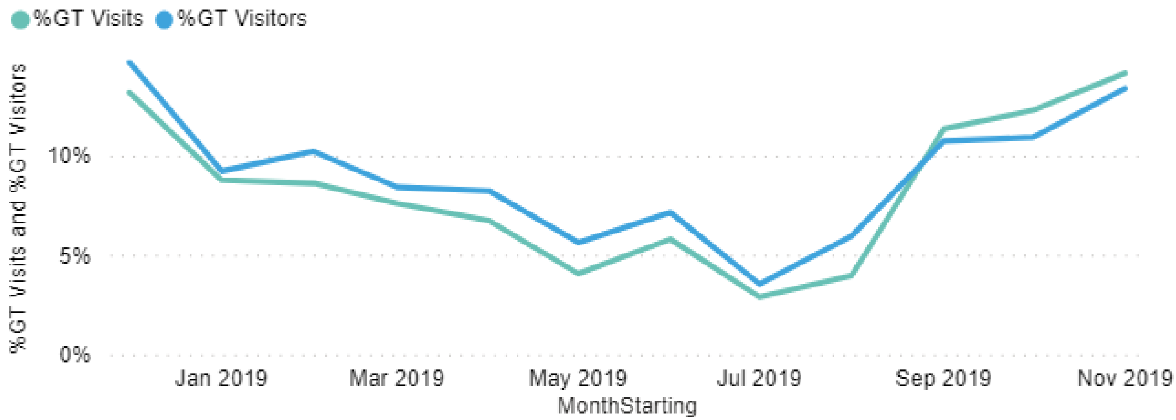
APPENDIX A
ADDITIONAL PING DATA CHARACTERISTICS

INTERNATIONAL VISITOR ANALYSIS

KEY INSIGHTS

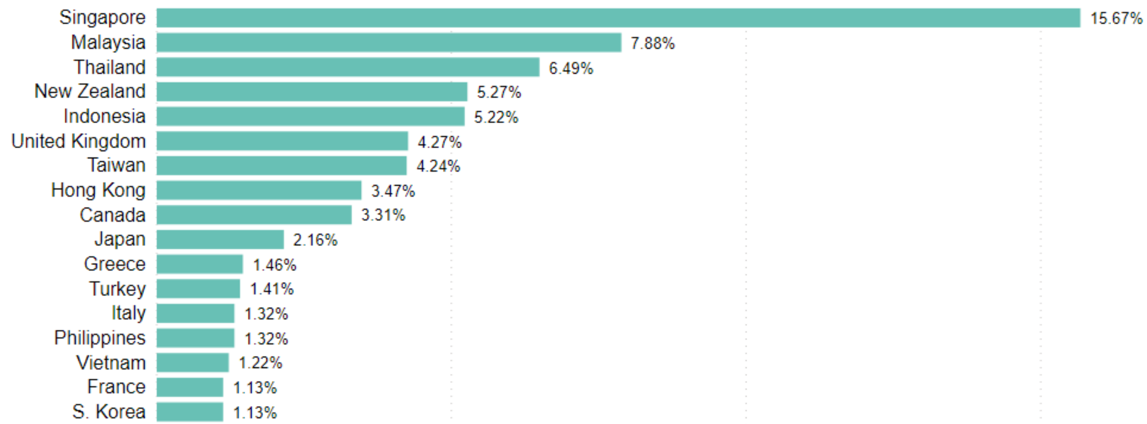
- Mobile phone ping data was used to determine visitor seasonality.
- International visitation tended to be highly seasonal, with December and January being the most popular months for visiting, and the winter months being the least popular.
- In terms of the countries people came from, Asian countries topped the rankings, with the UK and New Zealand also being popular spots. It should be noted that visitors from mainland china would not be captured in mobile phone data, but we believe they would be significant contributors to visitation.

INTERNATIONAL VISITOR SEASONALITY



Source: Urbis, Uber Media Mobile Phone Ping Data

INTERNATIONAL VISITOR COUNTRY OF ORIGIN



Note: China is excluded from this analysis, due to the fact that government censorship prevents installation of relevant applications that provide ping data for analysis

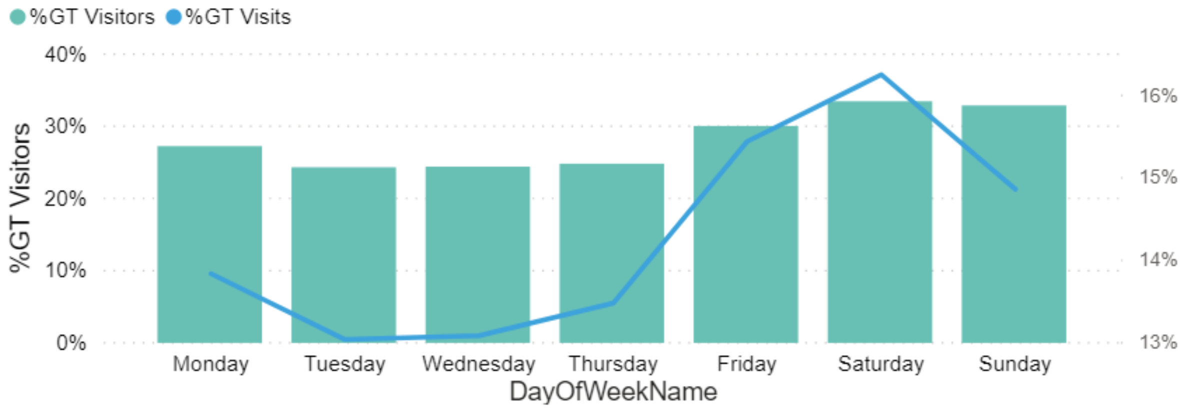
Source: Urbis, Uber Media Mobile Phone Ping Data

BUSSELTON CITY CENTRE VISITATION CHARACTERISTICS

KEY INSIGHTS

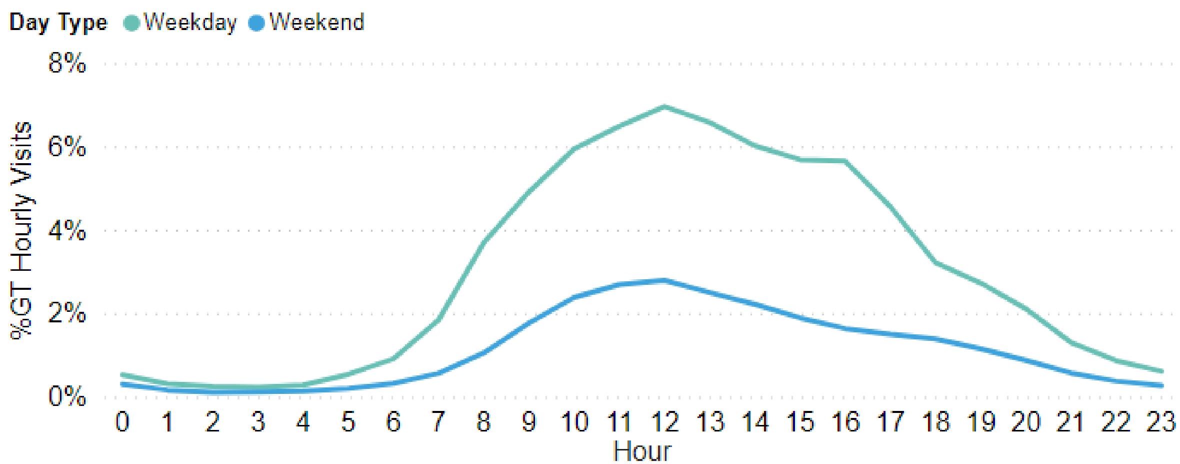
- Saturday and Sunday are the most popular days for visits to the Busselton City Centre, while Tuesday and Wednesday are the least popular.
- The centre is most visited during business hours, with the majority of visits happening between 9am and 5pm.
- There is still a significant proportion of visits to the ACP Study Area in the hours of 6-8pm, though it drops off significantly afterwards.
- On the weekend, the City Centre does not see a substantial volume of night-time visitation, with the number of people in the City Centre steadily dropping off from 12pm onwards.

VISITATION BY DAY OF THE WEEK



Source: Urbis, Uber Media Mobile Phone Ping Data

HOURLY VISITOR TYPE



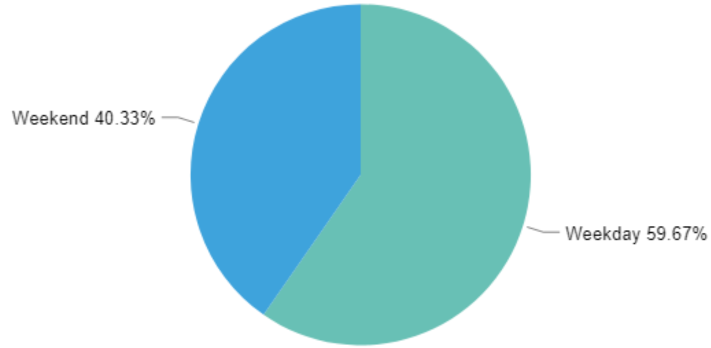
Note: blank refers to unclassifiable visitors, and is likely to be proportionally distributed amongst other visitor types
Source: Urbis, Uber Media Mobile Phone Ping Data

BUSSELTON FORESHORE VISITOR CROSS USAGE

KEY INSIGHTS

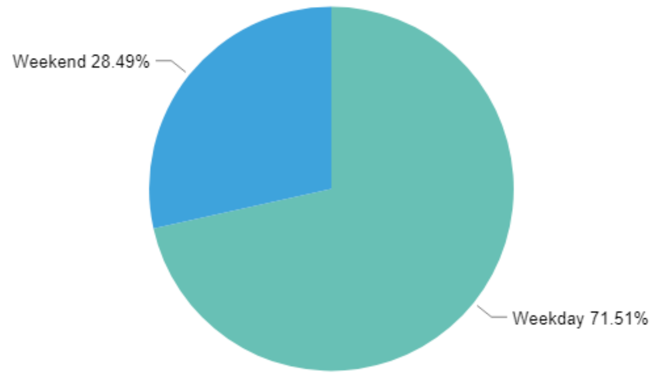
- Users at the Busselton Foreshore tended to visit the foreshore on the weekend, while Busselton City Centre visitors had a more even distribution of visitation, with the same proportion of people visiting the centre on weekends and weekdays.

BUSSELTON FORESHORE VISITS BY DAY OF THE WEEK



Source: Urbis, Uber Media Mobile Phone Ping Data

BUSSELTON ACP STUDY AREA RETAIL CORE VISITS BY DAY OF THE WEEK



Source: Urbis, Uber Media Mobile Phone Ping Data

APPENDIX B
TRADE AREA RESIDENT PROFILE

TRADE AREA RESIDENT PROFILE

TRADE AREA DEMOGRAPHIC PROFILE, BUSSELTON TRADE AREA, 2016

	Total Primary	Total Secondary	**Main Trade Area**	**Total Trade Area**	Non-Metro WA
Income Metrics:					
Per Capita Income	34,306	36,672	**35,526**	**35,526**	***40,640***
Var. From Non-Metro WA Average	*-16%*	*-10%*	***-13%***	***-13%***	***-***
Avg. H'hold Income	77,236	85,457	**81,375**	**81,375**	***89,077***
Var. From Non-Metro WA Average	*-13%*	*-4%*	***-9%***	***-9%***	***-***
Age Profile:					
Aged 0-14	19.8%	21.6%	**20.7%**	**20.7%**	***20.2%***
Aged 15-24	10.6%	8.1%	**9.3%**	**9.3%**	***10.7%***
Aged 25-39	15.6%	19.2%	**17.5%**	**17.5%**	***20.2%***
Aged 40-59	26.6%	28.8%	**27.7%**	**27.7%**	***28.3%***
Aged 60+	27.4%	22.4%	**24.8%**	**24.8%**	***20.5%***
Average Age	40.0	38.1	**39.1**	**39.1**	***37.2***
Household Metrics:					
% Family Households	0.0%	0.0%	**0.0%**	**0.0%**	***0.0%***
% Owned Outright	35.2%	34.6%	**34.9%**	**34.9%**	***32.5%***
Average Household Size	2.45	2.48	**2.47**	**2.47**	***2.51***
Other Metrics:					
% White Collar Workers	59.9%	62.4%	**61.3%**	**61.3%**	***57.2%***
% Overseas Born	19.4%	21.8%	**20.6%**	**20.6%**	***19.9%***

Source: ABS Census (2016), Urbis

CHANGE IN RESIDENT CHARACTERISTICS

SOCIO-ECONOMIC CHANGE, BUSSELTON TRADE AREA, 2006 - 2016

	Total Primary	**Main Trade Area**	Total Trade Area	*Non-Metro WA*	MTA Var. (% pt diff.)
Income Metrics:					
Per Capita Income	+53.1%	**+48.4%**	+48.4%	*+56.1%*	-7.7% pts
Household Income	+43.2%	**+43.1%**	+43.1%	*+44.4%*	-1.3% pts
Age Profile:					
% 0-14 years	-1.9% pts	**-1.2% pts**	-1.2% pts	*-2.8% pts*	+1.6% pts
% 15-24 years	-1.0% pts	**-1.4% pts**	-1.4% pts	*-1.3% pts*	-0.1% pts
% 25-39 Years	-1.8% pts	**-2.2% pts**	-2.2% pts	*-0.5% pts*	-1.7% pts
% 40-59 Years	-0.3% pts	**-1.1% pts**	-1.1% pts	*-0.5% pts*	-0.6% pts
% 60+ Years	+5.1% pts	**+5.8% pts**	+5.8% pts	*+5.0% pts*	+0.9% pts
Average Age	+2.8%	**+3.6%**	+3.6%	*+4.3%*	-0.7% pts
Household Metrics:					
% Family Households	+0.0% pts	**+0.0% pts**	+0.0% pts	*+0.0%*	+0.0% pts
% Owned Outright	+1.2% pts	**+0.7% pts**	+0.7% pts	*-0.2% pts*	+0.9% pts
Average Household Size	-2.3%	**-1.2%**	-1.2%	*-2.7%*	+1.5% pts
Other Metrics:					
% White Collar	+2.4% pts	**+2.3% pts**	+2.3% pts	*-0.2% pts*	+2.5% pts
% Born Overseas	+3.8% pts	**+3.9% pts**	+3.9% pts	*+4.2% pts*	-0.3% pts

Source: ABS Census (2016), Urbis

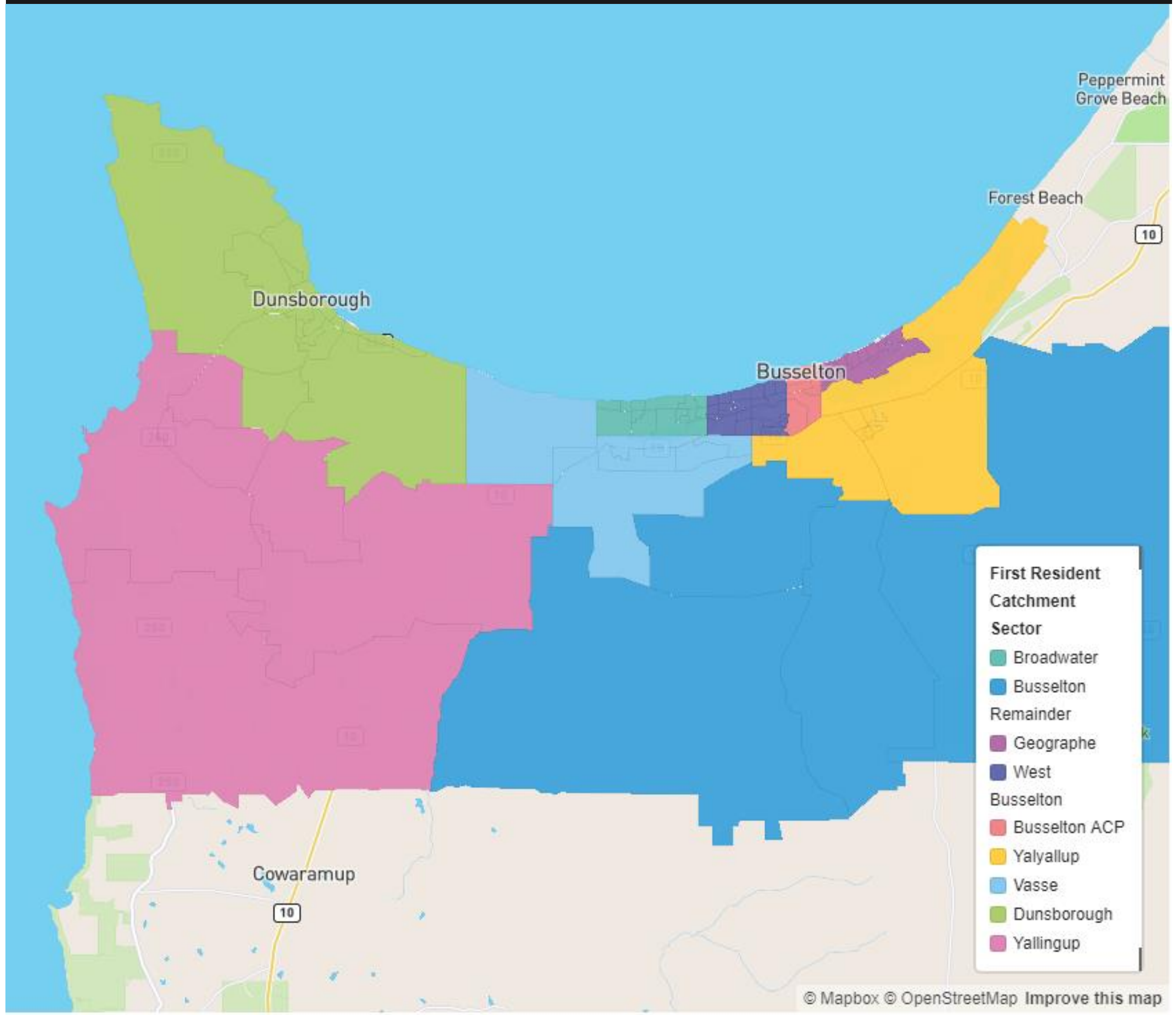
APPENDIX C
PING DATA VISITOR ORIGIN TO KEY ACTIVITY CENTRES

BUSSELTON ACP STUDY AREA RESIDENT CATCHMENTS

KEY INSIGHTS

- To summarise visits from particular areas, we have developed resident catchments to group similarly located statistical areas.
- These areas are referred to in the tables in the following section.

RESIDENT CATCHMENTS

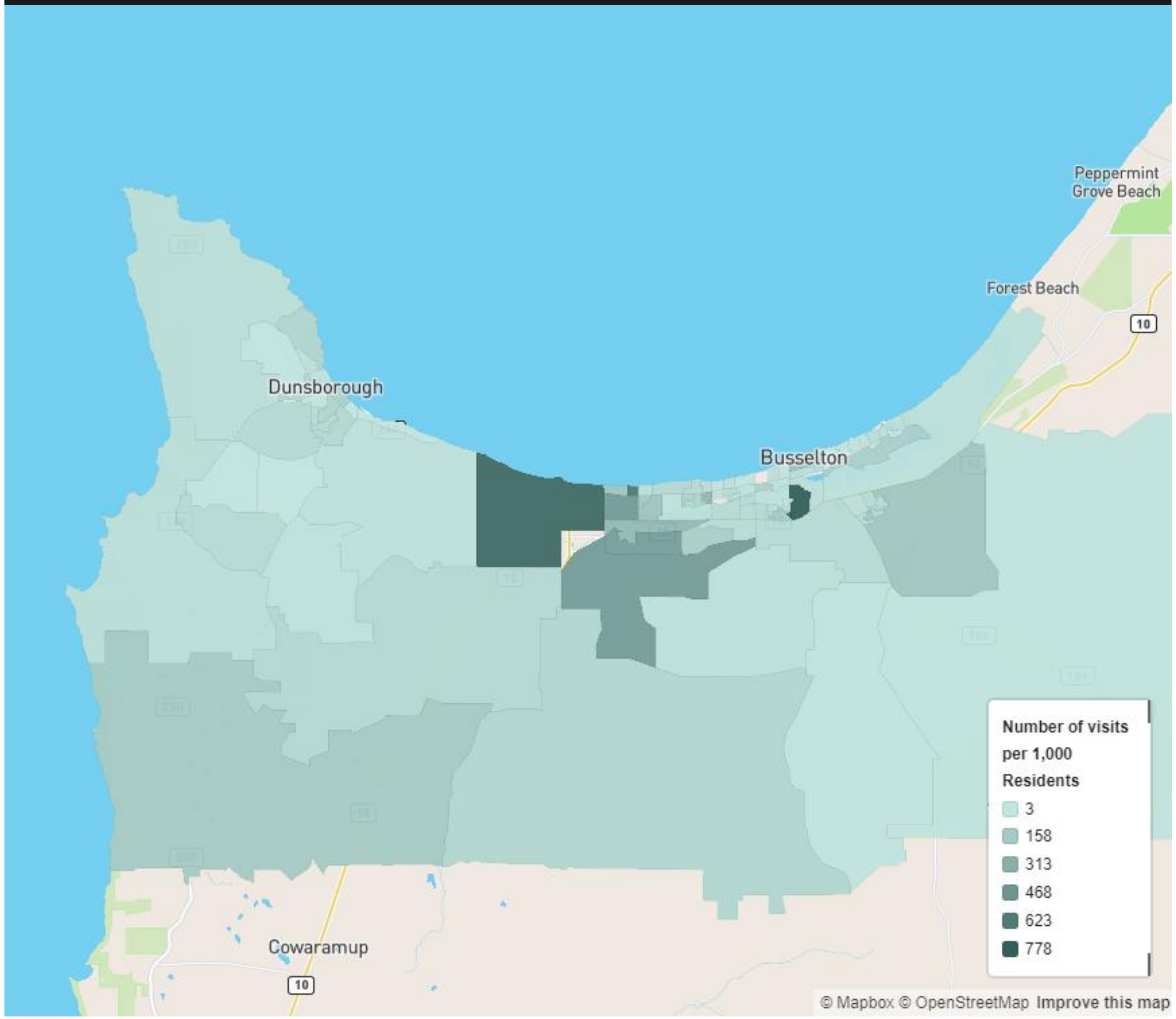


VASSE CENTRE

KEY INSIGHTS

- The Vasse centre sees a higher level of local trade than the Busselton ACP Study Area, which draws from a wider catchment. The centre also sees a lower number of visits per capita than the ACP Study Area Retail Core.
- This is intuitive given the smaller scale of the centre, and its retail offering.

VASSE CENTRE KEY RESIDENT DRAW LOCATIONS



Source: Urbis Mobile Phone Ping Data

VASSE CENTRE RESIDENT CATCHMENTS

KEY INSIGHTS

- Referring to the catchments outlined on page 8, Residents in the Vasse catchment used the centre very frequently, with Broadwater residents also being frequent users.
- Residents in the City of Busselton, east of the Busselton City Centre tended to be infrequent users.

KEY RESIDENT CATCHMENT METRICS – VASSE CENTRE

Resident Catchment Sector	Visits	Visitors	Visits per person	Visits per 1,000 Pop	2018 Population
Vasse	1,273	203	6.27	374	3,400
Broadwater	1,001	161	6.22	172	5,809
Busselton ACP	196	37	5.30	101	1,939
Yalyallup	255	66	3.86	72	3,529
Yallingup	156	52	3.00	71	2,194
Dunsborough	439	128	3.43	55	8,035
West Busselton	426	148	2.88	48	8,868
Busselton Remainder	65	28	2.32	40	1,608
Geographe	89	37	2.41	25	3,539

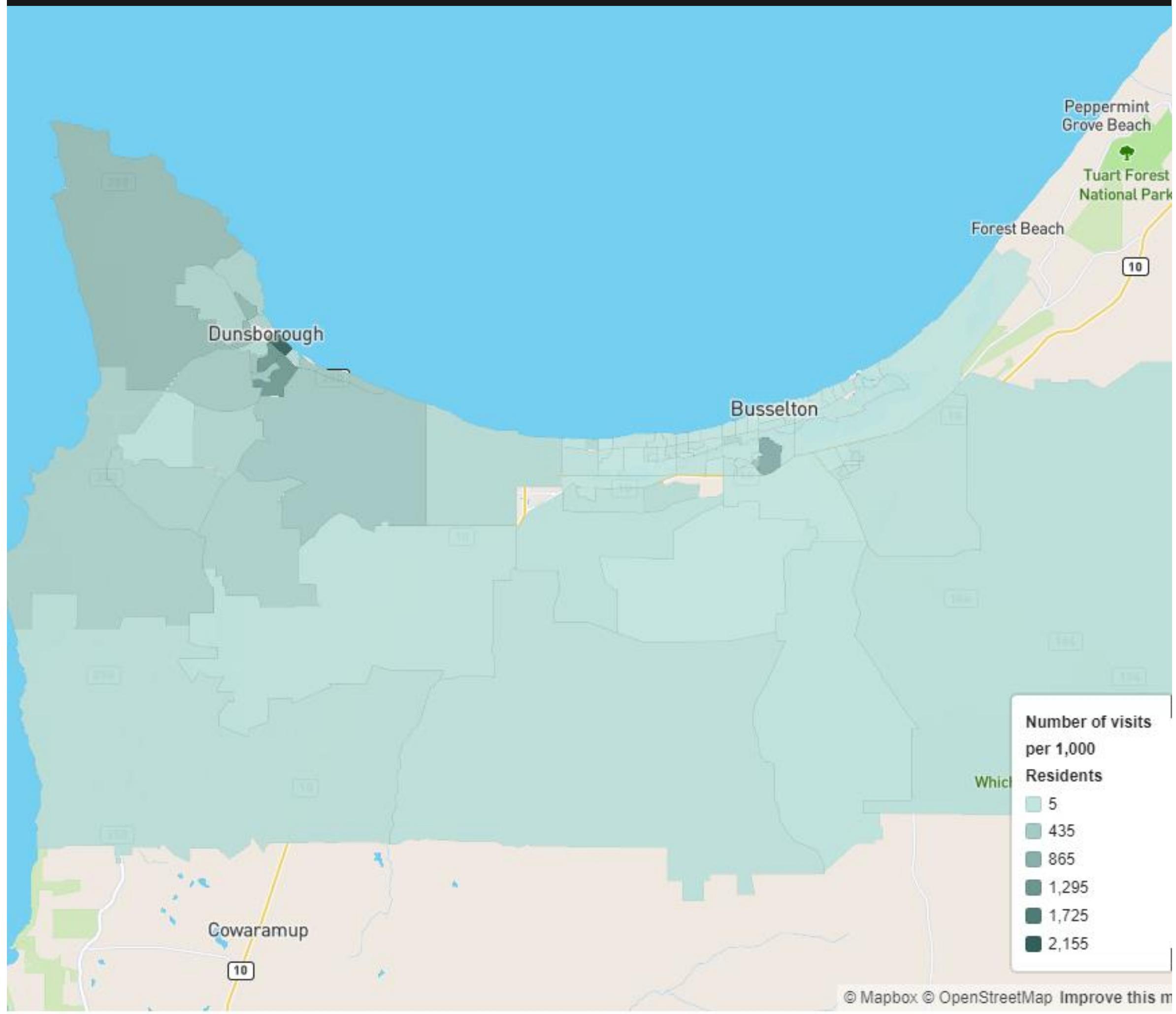
Source: Urbis Mobile Phone Ping Data, ABS Estimated Resident Population

DUNSBOROUGH TOWN CENTRE

KEY INSIGHTS

- The Dunsborough Town Centre draws from a relatively local catchment, with few people from Busselton patronising the centre relative to the number from Dunsborough and Yallingup who patronise it.

DUNSBOROUGH KEY RESIDENT DRAW LOCATIONS



Source: Urbis Mobile Phone Ping Data

DUNSBOROUGH TOWN CENTRE RESIDENT CATCHMENTS

KEY INSIGHTS

- Referring to the catchments outlined on page 8, Dunsborough residents were the most frequent users of the Dunsborough Town Centre, with Yallingup residents also being frequent users on a visits per person basis.
- The lowest level of visitation on a visits per person basis is from the Geographe and Broadwater Areas, which is intuitive, given that these sectors are significantly separated from Dunsborough geographically.

KEY RESIDENT CATCHMENT METRICS – DUNSBOROUGH TOWN CENTRE

Resident Catchment Sector	Visits	Visitors	Visits per person	Visits per 1,000 Pop	2018 Population
Dunsborough	6,405	699	9.16	797	8,035
Yallingup	498	104	4.79	227	2,194
Vasse	390	91	4.29	115	3,400
Busselton Remainder	124	28	4.43	77	1,608
West Busselton	629	134	4.69	71	8,868
Busselton ACP	135	46	2.93	70	1,939
Yalyallup	237	80	2.96	67	3,529
Broadwater	313	106	2.95	54	5,809
Geographe	78	39	2.00	22	3,539

Source: Urbis Mobile Phone Ping Data, ABS Estimated Resident Population

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The data and information that informs and supports our opinions, estimates, surveys, forecasts, projections, conclusion, judgments, assumptions and recommendations contained in this report (Report Content) are predominantly generated over long periods, and is reflective of the circumstances applying in the past. Significant economic, health and other local and world events can, however, take a period of time for the market to absorb and to be reflected in such data and information. In many instances a change in market thinking and actual market conditions as at the date of this report may not be reflected in the data and information used to support the Report Content.

The recent international outbreak of the Novel Coronavirus (COIVID-19), which the World Health Organisation declared a global health emergency in January 2020 and pandemic on 11 March 2020, is causing a material impact on world economies and increased uncertainty in both local and global market conditions.

The effects (both directly and indirectly) of the COVID-19 Outbreak on the global real estate market and business operations is currently unknown and it is difficult to predict the quantum of the impact it will have more broadly on the global economy and how long that impact will last. As at March 2020, the COVID-19 Outbreak is materially impacting global travel, trade and near-term economic growth expectations. Some business sectors, such as the retail, hotel and tourism sectors, are already reporting material impacts on trading performance now and potentially into the future. For example, Shopping Centre operators are reporting material reductions in foot traffic numbers, particularly in centres that ordinarily experience a high proportion of international visitors.

The Report Content and data and information that informs and supports it is current as at the date of this report and necessarily assumes that, as at the date of this report, the COVID-19 Outbreak has not materially impacted the global economy, the asset(s) and any associated business operations to which the report relates and the Report Content. However, it is not possible to ascertain with certainty at this time how the market and the global economy more broadly will respond to this unprecedented event. It is possible that the market conditions applying to the asset(s) and any associated business operations to which the report relates and the business sector to which they belong could be (or has been) materially impacted by the COVID-19 Outbreak within a short space of time and that it will have a lasting impact. Clearly, the COVID-19 Outbreak is an important risk factor you must carefully consider when relying on the report and the Report Content.

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Report number	Final 23/06/2020

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