



PLANNING PROPOSAL – ROWAN VILLAGE, 7066 HOLBROOK ROAD, ROWAN

**Residential and Retail Market Demand
Assessment**

Prepared for DevCore Property Group Pty Ltd
April 2022

COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION

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We acknowledge, in each of our offices, the Traditional Owners on whose land we stand.

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EXECUTIVE SUMMARY

PROJECT BACKGROUND

Rowan Village is a 225.02 hectare site in Wagga Wagga South. The development is set to comprise approximately 2,100 dwellings. DevCore is looking to rezone the site as part of their planning proposal and requires a:

- Residential market assessment to understand the potential demand and take-up of the proposed development, and
- Retail market assessment to understand the potential demand, mix and scale of a village centre.

SUBJECT SITE AND PROPOSED DEVELOPMENT

The subject site is positioned on the southern boundary of the Wagga Wagga urban area on predominantly cleared, flat land. The subject site is largely bounded by rural land, except for the large lifestyle residential lots to the north.

The subject site is somewhat removed from the township, located around 7.5 km south of Wagga Wagga Town Centre and 6.1 km south-east of Southcity Shopping Centre. However, most amenities and services are still within a 10-15 minute drive from the subject site and so, within a regional town where private vehicles are the main mode of transport, this is unlikely to be a significant disadvantage.

RESIDENTIAL MARKET ASSESSMENT

Wagga Wagga is a growing regional market in which the COVID-19 pandemic has catalysed the growth of remote working and, in turn, growth of people relocating to regional areas. Wagga Wagga is a relatively higher socio-economic area, relative to the regional NSW benchmark, which is reflected in the house and land market.

Key residential drivers, such as major shopping centres, hospitals, schools and employment precincts, have supported the local housing market. Overall, the region has averaged around 380 lot sales transactions per year, peaking at 515 lot sales in 2017. Lot sales volumes have since slowed as a result of a shortage in supply, evident in the significant price growth over this period, very low vacancy rates and rental growth.

The Wagga Wagga Local Strategic Planning Statement (LSPS) indicates Council's vision to grow to a population of 100,000 residents by 2040. To achieve this target, an additional 15,270 dwellings are required by 2040 (from a 2021 base year), equating to ~800 additional dwellings annually.

Relative to the LSPS's assumption that the LGA achieves 342 approvals per year, this represents an annual shortfall of 460 dwellings, totalling 8,700 dwellings by 2040. This shortfall supports the rezoning of the subject site, which could contribute circa 2,100 dwellings to the LGA, helping to address this supply shortage. Achieving the target of over 100,000 residents by 2040 will require an increase in employment opportunities and infrastructure investment to retain young residents and attract new households.

Key findings and recommendations supporting residential lots at the subject site are as follows:

- **Take-Up:** Based on the targeted population growth rates and competition in the market, the subject site could achieve a market share of 17.5% - 22.5%. This market share equates to an annual demand for 160-210 lots per year.
- Assuming that the subject site has the capacity to deliver ~2,100 dwellings, we expect the subject site will take around 14 years to be sold out in the base case and 11 years in the high case.

EXECUTIVE SUMMARY

- **Mix:** We anticipate demand will be higher for smaller lots and therefore the majority of lots should be around 450 sq.m to 1,500 sq.m. There is limited historical take-up of lots more than 7,000 sq.m and affordability constraints may reduce the depth of the market for these lots.
- **Buyer Mix:** We anticipate most buyers would be first home buyers (particularly families), followed by downsizers and relocating Sydney residents.
- **Prices:** Indicative sales prices for various lot sizes in 2022 have been estimated based on recent sales in Wagga Wagga (see table below), which are an attractive alternative to buyers. Land prices have recorded strong growth in the market as a result of strong demand and constrained supply.

Lot Typology	Indicative Price Range (2022)
600 sq.m – 700 sq.m	\$210,000 - \$250,000
700 sq.m – 800 sq.m	\$260,000 - \$310,000
850 sq.m – 1,200 sq.m	\$280,000 - \$330,000
1,400 sq.m – 2,000 sq.m	\$320,000 - \$400,000

Source: Urbis

RETAIL ASSESSMENT

The trade area population is estimated to grow from around 16,030 residents in 2021 to 18,880 residents by 2036, with retail spending growing from \$250 million to \$399 million over the same period.

There is limited provision of retail floorspace within the trade area, indicating a potential gap in the market. Key competitive centres are predominantly situated to the north, including Southcity Shopping

Centre, Sturt Mall and Wagga Wagga Marketplace. Southcity Shopping Centre, which has received development approval for a ~7,500 sq.m expansion, to comprise a new Target, a mini major and ~1,679 sq.m of specialty stores.

An assessment of retail floorspace demand indicates that the trade area can generate demand for around 35,880 sq.m of retail floorspace in 2021, which is estimated to grow to 47,540 sq.m by 2045.

Based on a market share approach that considers the subject site's location, accessibility and competitive environment, the subject site could support approximately 2,670 sq.m of retail floorspace by 2045. One consolidated retail centre is preferable (as opposed to two), in order to maximise the performance of prospective retail tenants.

Given the lack of retail within the trade area, the subject site is well placed to provide a strong specialty mix, creating a holistic offering for residents to fulfill their convenience shopping needs.

	Supportable Floorspace (sq.m)	
	2025	2045
Supermarket	900	1,480
Liquor	160	270
Food Catering	190	300
Household Goods	120	200
Leisure/General	160	240
Retail Services	120	180
Total	1,650	2,670

Source: Urbis

INTRODUCTION



INTRODUCTION

Introduction

Rowan Village is a 225.02 hectare site in Wagga Wagga South, proposed to comprise around 2,100 residential lots. The residential typologies are set to include rural transition residential lots, neighbourhood residential lots and village residential lots. DevCore is looking to rezone the site as part of their planning proposal. Urbis have been engaged to assess the market potential for residential and retail land uses.

The residential assessment includes the following:

- Identifying and assessing key drivers of housing demand relevant to the subject site
- Analysis of demographic profile of the Study Area
- Assessment of historical supply and profiling of greenfield developments relevant to the subject site
- Reviewing historical take-up of lots and the potential market absorption of the subject site development in conjunction with the forecast growth and planning strategies set by Wagga Wagga City Council
- Informed recommendations on lot size mix, achievable price ranges and achievable take-up rates, based on the market analysis.

The retail assessment includes the following:

- Analysis of the trade area population and spending growth
- Analysis of demographic profile of the trade area
- Assessment of key existing and proposed competitive centres relevant to the subject site development
- Analysis of the potential retail floorspace demand within the trade area
- Informed recommendations on the supportable retail floorspace and indicative mix, based on the market analysis.

PROPOSED DEVELOPMENT

Key Findings

The subject site is on the southern boundary of the Wagga Wagga urban area, approximately 7.5 km south of the Wagga Wagga town centre and 5 km south-east of Southcity Shopping Centre.

Figure 1 and 2 illustrate the proposed structure plan, which is set to feature residential lots, a village centre and seniors living, connected by a network of roads. Rowan Village is set to provide around 32.7 hectares of open space, particularly along the creek lines.

The subject site currently comprises cleared, flat land with a number of dams and creeks. It is bounded by:

- Land zoned R5 Large Lot Residential to the north, currently comprising of large, rural-living and lifestyle lots.
- RU1 Primary Production zoned land to the east, south and west, currently used as agricultural and rural-living land.

The proposed development will encompass the delivery of a diverse mix of low density residential housing typologies, comprising:

- **Rural transition residential lots:** located along the southern boundary of the site, these lots will be the largest residential lot typology.
- **Neighbourhood residential lots:** a range of suitable low density residential lots close to open space and riparian corridors.
- **Village residential lots:** these lots will leverage off proximity to the local centre and its associated amenities.

Structure Plan

Figure 1

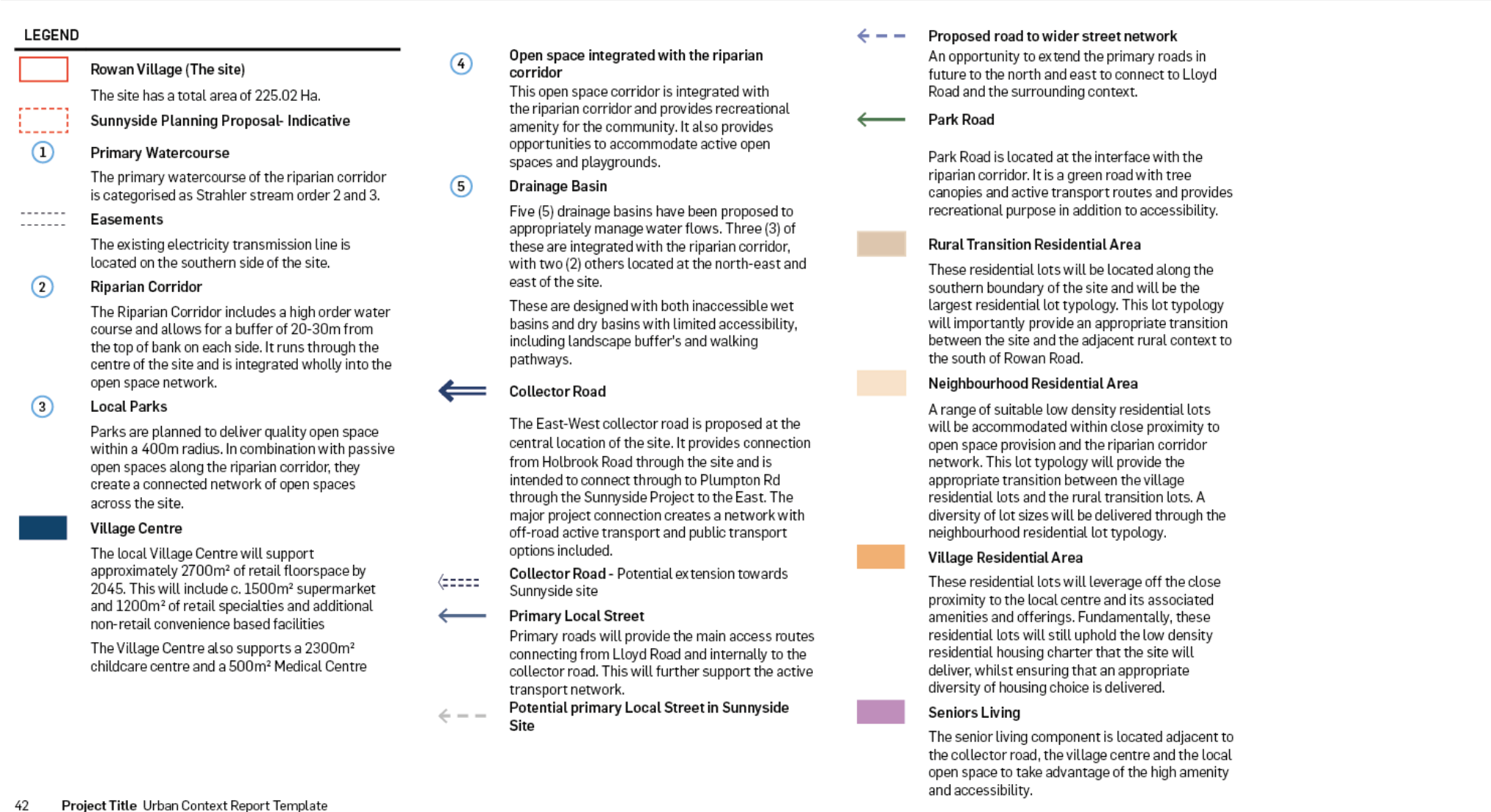


Source: Urbis

PROPOSED DEVELOPMENT

Legend

Figure 2



1. RESIDENTIAL ASSESSMENT



1.1. SITE CONTEXT AND RESIDENTIAL DEMAND DRIVERS

DRIVERS OF RESIDENTIAL DEMAND

Key Findings

There are five key drivers of residential housing demand relevant to the proposed development.

Table 1.1.1 provides a brief description of these drivers and the implications for the Subject Site. As shown in the table below, the Subject Site is in a quiet surrounding location, however is slightly removed from the main township.

Map 1.1.1 illustrates the location of the Subject Site within the local area and highlights the key surrounding land uses, services and amenity. Overall, Wagga Wagga provides a high level of amenity including schools, hospitals and retail which makes it an attractive place to live.



Attractive Views and Surrounding



Access to Amenities and Services



Transport Accessibility and Infrastructure



Employment Opportunities



Availability of Choice/ Competing Supply

Key Demand Drivers for Residential Development

Table 1.1.1

Factors	Components	Implications for the Subject Site
1. Attractive Views and Surrounding		
A good outlook that includes views of the surrounding region, and northerly aspects that maximise light and climate benefits, increase demand and price point.	✓ Quiet Neighbourhood	The subject site is in a fairly quiet location on the southern outskirts of Wagga Wagga, away from major roads, industrial precincts and residential areas.
	✓ North Aspects	Relatively flat terrain with slight escarpment views to the north and rural surrounds.
	✓ Views	

DRIVERS OF RESIDENTIAL DEMAND

Key Demand Drivers for Residential Development

Table 1.1.1

Factors	Components	Implications for the Subject Site
2. Amenities and Services		
Locations that have easy access to shops, public transport, parks, entertainment and dining options, medical facilities and school will be highly demanded as residential locations. These factors remain high on the priority lists of those looking to rent or buy.	<ul style="list-style-type: none"> ✓ Shops, Cafes/ Restaurants ✓ Open Space/ Recreational Space ✓ Schools ✓ University/TAFE ✓ Health Services 	<ul style="list-style-type: none"> • Southcity Shopping Centre in Glenfield Park is around 6km north of the subject site, which features Coles, The Reject Shop and 14 specialty retailers. • Wagga Wagga town centre is around 10km north of the subject site and is home to two shopping centres and Baylis Street retail strip. • Charles Sturt University, Wagga Wagga Campus is within a 15 minute drive of the site. • Schools feature prominently in Wagga Wagga with a mix of public and private schools including Lake Albert Public School, Lutheran School, Red Hill Public School, Mount Austin High School and Saint Mary Mackillop College Wagga Wagga. • Wagga Wagga Country Club, Wagga Wagga Boat Club, Jubilee Park and Wiradjuri Walking Track provide recreational amenity to the area. The City of Wagga Wagga Botanic Gardens is also located around 7km north of the subject site. • Wagga Wagga Showground is an 8 minute drive from the subject, which hosts numerous outdoor events including equestrian events (including the annual Wagga Show), stud sales, children's activities and home and leisure shows. • Wagga Wagga Base Hospital and Calvary Riverina Hospital are the two main hospitals that service the region. They are both within a 10 minute drive from the subject site.
3. Transport Accessibility		
<p>Access to good public transport and road infrastructure are important to potential purchasers and renters. Particularly, linkages to local amenity.</p> <p>Future infrastructure projects can revitalise areas, improve connectivity and linkages, create new jobs and reshape the existing community.</p>	<ul style="list-style-type: none"> ✓ Main Roads x Train x Bus 	<ul style="list-style-type: none"> • Travelling by car is the primary transport option for local residents. The subject site is around a 15 minute drive to Charles Sturt University at the northern boundary of Wagga Wagga. It is around a 12 minute drive from the east to west boundaries, along Sturt Highway. Other major roads in Wagga Wagga include Olympic Highway, Holbrook Road, Red Hill Road and Lake Albert Road. • Wagga Wagga Train Station and Bus Interchange are located 10.4km north of the subject site. The station provides regional train services to Sydney, via Goulburn, and Melbourne, via Albury and Wangaratta. The bus interchange provides regional bus services to Canberra and Queanbeyan via Cootamundra and Yass. The subject site's location is inferior to competing developments, which are generally located closer to the station.

DRIVERS OF RESIDENTIAL DEMAND

Key Demand Drivers for Residential Development

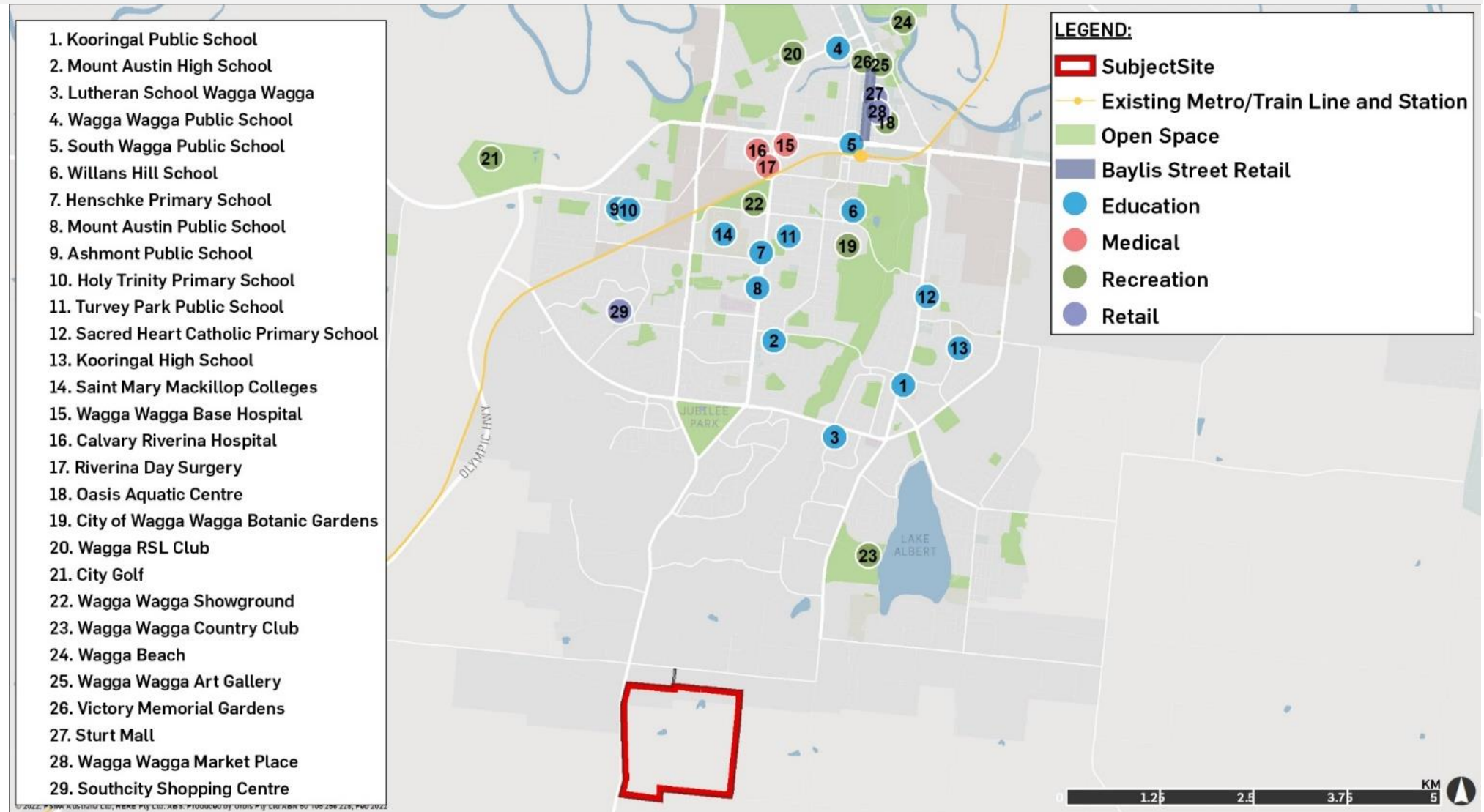
Table 1.1.1

Factors	Components	Implications for the Subject Site
4. Employment Opportunities		
Residents often prefer to live close to work, enabling them to minimise travel times and improve work/life balance.	✓ Local jobs	<ul style="list-style-type: none"> The \$431 million Wagga Wagga Base Hospital redevelopment completed its third and final stage of construction in 2021, boosting jobs in health and social assistance, which accounted for 16.3% of jobs in the Wagga Wagga LGA in the 2016 Census. The Wagga Wagga Special Activation Precinct (SAP) will be a high-value production and advanced manufacturing hub, focused around the Bomen Business Park. The SAP will leverage off the region's existing strengths in agriculture, transport and logistics to support economic growth and job opportunities through to 2060. Strategically located between Sydney and Melbourne, the Riverina Intermodal Freight and Logistics Hub (RiFL) will be the largest inland port in Australia. The RiFL will be situated close to Bomen Business Park industrial area, supporting future industrial jobs. The Snowy Hydro 2.0 will involve linking two existing dams and the construction of an underground power station, to provide flexible, on-demand renewable energy by 2025. Snowy 2.0 is estimated to create around 4,000 jobs across the life of the project. EnergyConnect will connect power grids across three Australian states and drive competition in the wholesale electricity market. The project will create 1,500 jobs, primarily across regional NSW, with construction anticipated to commence in early 2022.
5. Availability of Choice and Competing Supply		
<p>Competing developments in the residential market provide an indication of market preferences in terms of price points, size, mix and scale of development.</p> <p>The quantum of competing supply, and the quality and location of other apartment developments in the area can influence demand at the Subject Site.</p>	Limited Competing Supply in Market	<ul style="list-style-type: none"> There are several competing residential lot developments in Wagga Wagga, particularly in Estella and Gobbagombalin on the north and western boundaries of the Wagga Core. These include The Dress Circle at Estella Rise, Lloyd Estate and Governors Hill, which are profiled in this report. However, the overall supply of land is relatively low with future releases including Sunnyside and Lake Albert Heights The subject site provides a unique point of difference to competing developments as it comprises a mix of lot typologies, including rural transition lots, neighbourhood residential lots and village residential lots. The release of residential lots has been limited in recent years within the Wagga Wagga LGA and largely unable to keep up with demand. Wagga Wagga needs new residential lands to be released in order to keep up with demand and to be able to deliver on Council's growth strategy

SITE CONTEXT

Locational Context

Map 1.1.1



1.2 MIGRATION AND STUDY AREA

MIGRATION ANALYSIS

Key Findings

Map 1.2.1 shows the migration patterns of where current residents (in 2016) of the Wagga Wagga South Statistical Area 2 (SA2) resided in 2011. The map shows the percentage of residents that came from different locations (i.e. of the new residents who moved to a new address in the Wagga Wagga South SA2).

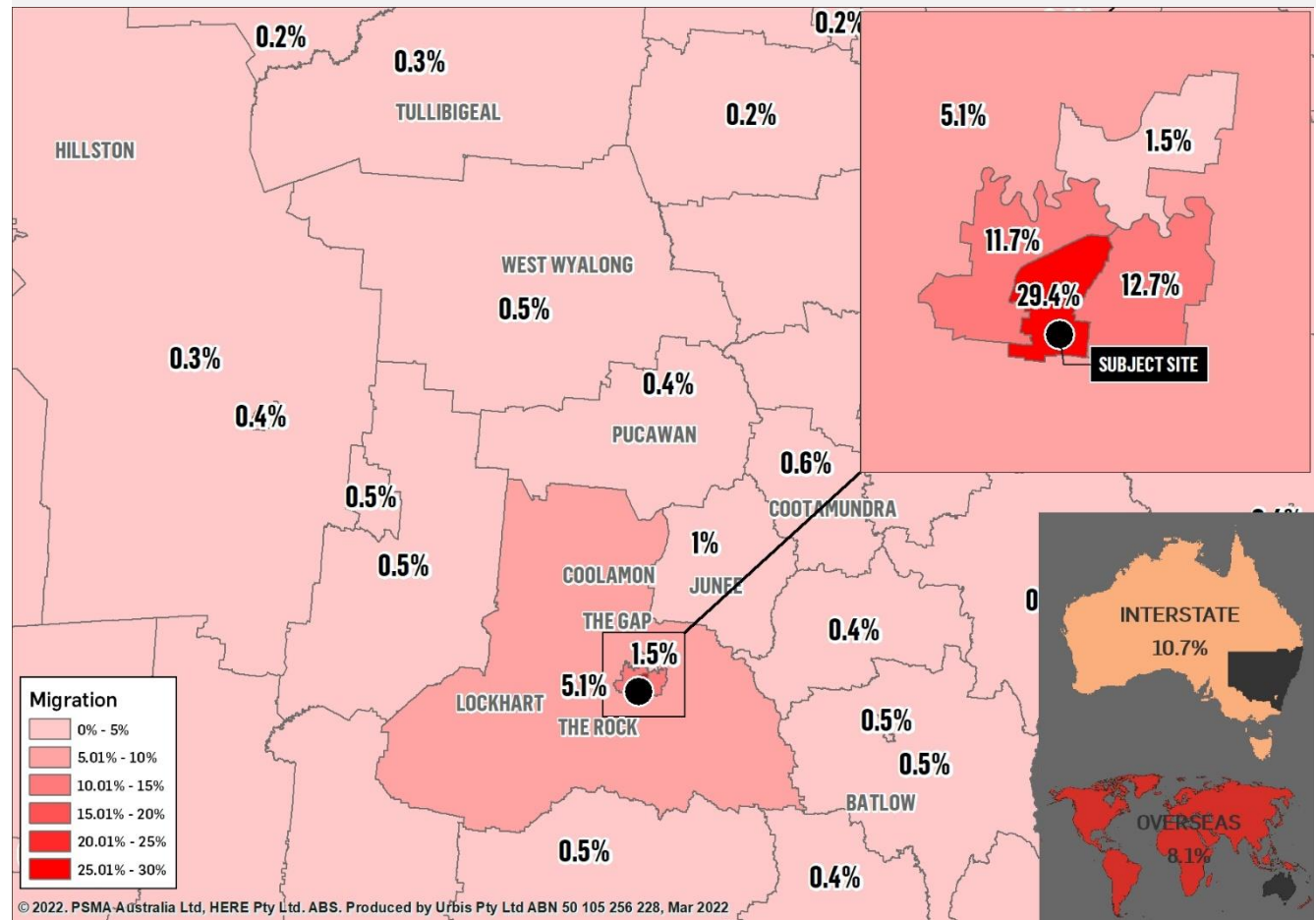
This analysis is used to inform the definition of a relevant Study Area, by indicating where people have historically moved from and therefore the areas we can draw residential buyers from for Wagga Wagga South.

Key findings comprise:

- Approximately 29.4% of residents who moved to a new address in the Wagga Wagga – South SA2 in 2016 previously resided in another address within the SA2.
- A further 24.4% of residents previously resided in either Wagga Wagga – East or Wagga Wagga – West.
- Around 5.1% previously resided in Wagga Wagga Region, which comprises the remainder of Wagga Wagga LGA, Lockhart LGA and Coolamon LGA.
- Interstate (10.7%) and overseas (8.1%) migrants also comprise a significant share of new residents in the Wagga Wagga South SA2.
- Overall, residents changing address are typically from the Wagga Wagga area and surrounding regions in Lockhart and Coolamon Shire Councils, together accounting for around 60% of total migration. This indicates that local buyers have been the major driver of the market.

Migration to Wagga Wagga South SA2, 2011 – 2016

Map 1.2.1



STUDY AREA DEFINITION

Key Findings

Map 1.2.2 outlines the Study Area that has been adopted for this residential market assessment. This has been informed by the preceding migration analysis in addition to the buyer profile of recent residential projects in the local region.

Migration trends and buyer characteristics in local projects indicate that the area is attracting a large proportion of residents from within the Wagga Wagga city centre and, to a lesser extent, the Wagga Wagga regional surrounds.

The Primary Study Area captures the established urban areas surrounding the Wagga CBD. It comprises of the following Statistical Area 2's (SA2s):

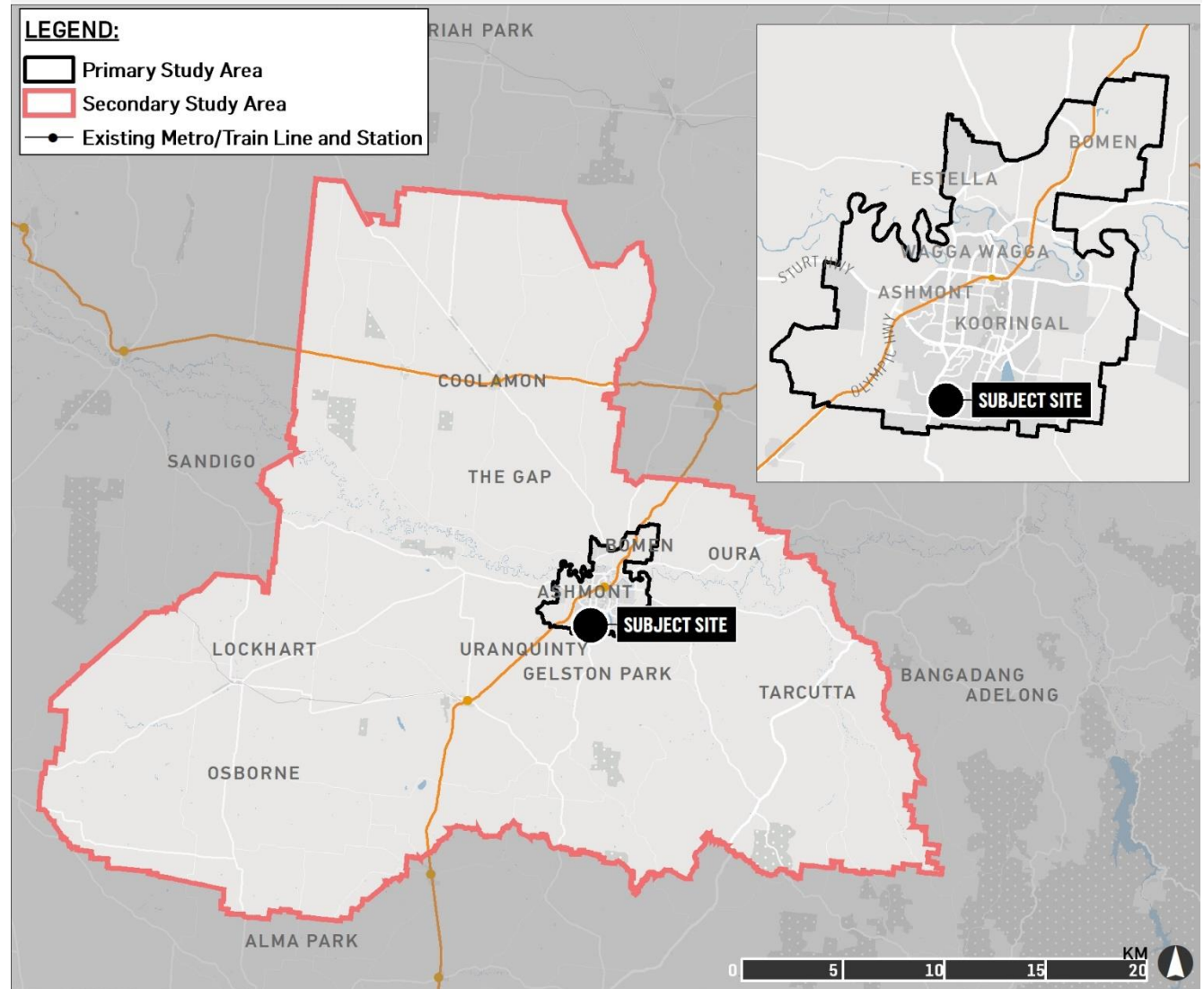
- Wagga Wagga – North
- Wagga Wagga – East
- Wagga Wagga – South
- Wagga Wagga - West

The Secondary Study Area comprises the Wagga Wagga – Surrounds SA2, which captures the remainder of the Wagga LGA, as well as Coolamon LGA and Lockhart LGA.

For the purposes of this report, the “Study Area” refers to the Primary and Secondary Study Areas combined.

Locational Context

Map 1.2.2



1.3 STUDY AREA POPULATION AND DEMOGRAPHICS

HISTORICAL POPULATION GROWTH

Key Findings

Chart 1.3.1 shows that the population in the Study Area has grown from 68,570 in 2011 to 72,670 in 2020 at an average growth rate of 0.6% per annum.

Over the decade to 2020, the primary study area grew by approximately 2,750 residents, equating to an average growth rate of 0.6% per annum. Over the same period, the secondary study area has grown at a faster rate, averaging 1.0% annually. This has largely been attributed to the growth areas of Estella and Gobbagombalin

Table 1.3.2 shows the pre-COVID components of population growth within the study area. Majority of growth in the study area came from natural increase, indicating the attractiveness of the area to younger families and the strong local market.

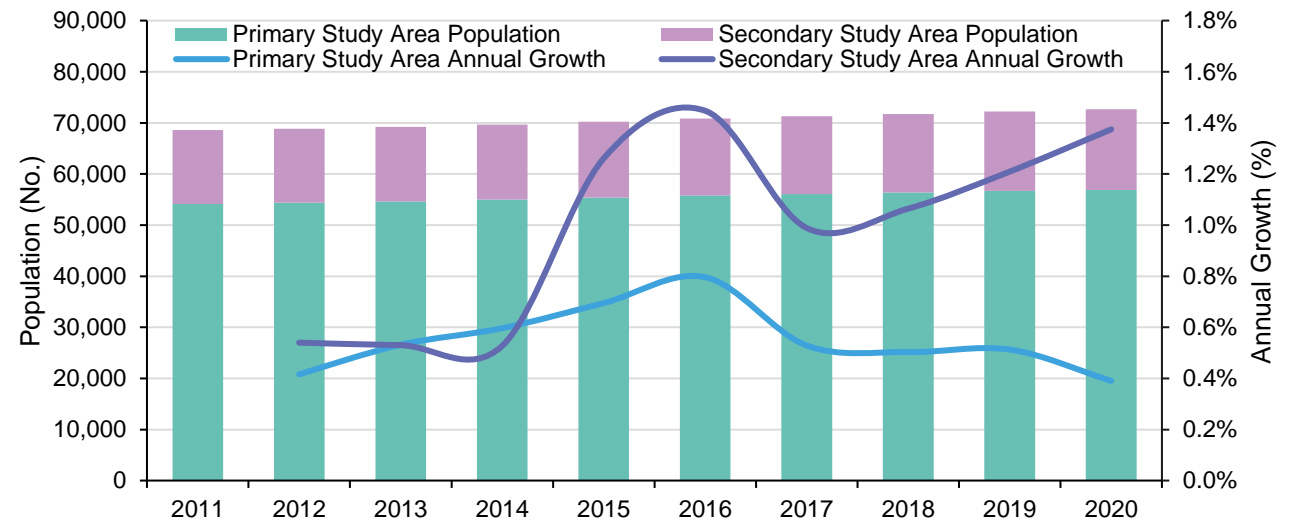
Net overseas migration also contributes to a significant proportion of population growth, with migrants typically looking to purchase an affordable home, live in a smaller community and pursue employment opportunities.

Internal migration has been a constraint on population growth, as the study area recorded a high proportion of residents moving away. The LGA must focus on job creation in order to retain existing residents.

With COVID-19 having resulted in the closure of international borders, net overseas migration will likely be low over the next few years, negatively impacting the Study Area. However, COVID-19 has also resulted in an increase of Metropolitan Sydney residents moving to regional towns looking to purchase more affordable homes and improve quality of life, as remote working trends increase.

Study Area Historic Population Growth, 2011 – 2020

Chart 1.3.1



Source: ABS; Urbis

Study Area Population by Growth Component

Table 1.3.2

Year	Natural Increase	Net Internal Migration	Net Overseas Migration	Total
2017	354	-282	403	475
2018	434	-338	356	452
2019	500	-352	340	488
Average	429	-324	366	472

Source: ABS; Urbis

PROJECTED POPULATION GROWTH

Key Findings

The rate and extent of future population growth in the Study Area will have a substantial bearing on future demand for residential dwellings.

Chart 1.3.3 illustrates the historical and forecast population growth within the Study Area. Urbis has forecast population growth in the Study Area incorporating likely impacts of COVID-19 on the components of population growth:

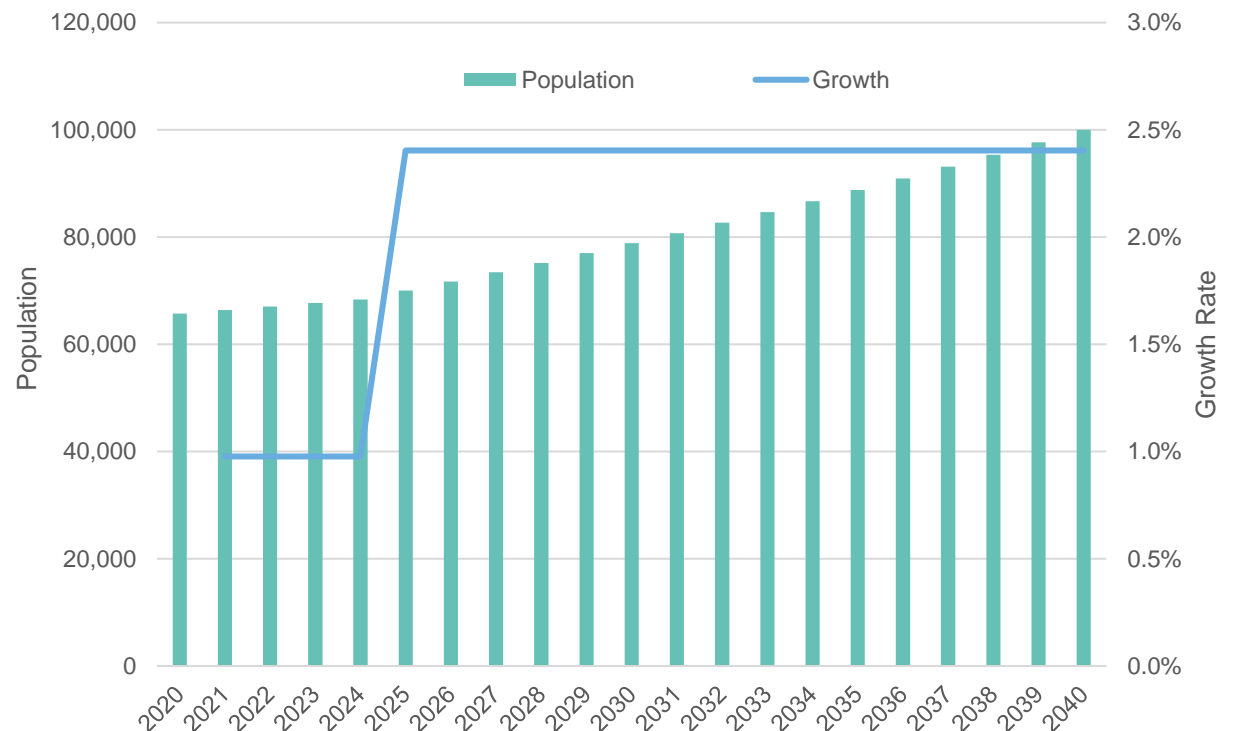
- **Natural Increase:** Limited short term impact from lower birth rate as families reconsider options
- **Migration:** Some impact in the short-term as interstate migration falls
- **International Migration:** Significant impact as border restrictions limited inward migration.

Due to the shortage of new housing in the Wagga Wagga LGA, the population is projected to grow at around 1% per annum over the next few years. In order to achieve Council's target of a population of 100,000 by 2040, the population growth in the LGA will need to increase to around 2.4% per annum. This will require significant new land release to support the population growth. Rowan Village is well placed to help accommodate some of this demand.

Wagga Wagga has the potential to follow a similar growth trajectory as the Albury-Wodonga region, which has grown at an average 1.5% per annum since 2011 to 98,910 people in 2020. The region's ongoing campaign, Invest Albury Wodonga, highlights the strength and maturity of the region to attract investment and support business relocation into the region, helping attract employees and residents.

Wagga Wagga Population Growth Target, 2020 – 2040

Chart 1.3.3



Source: ABS; Urbis

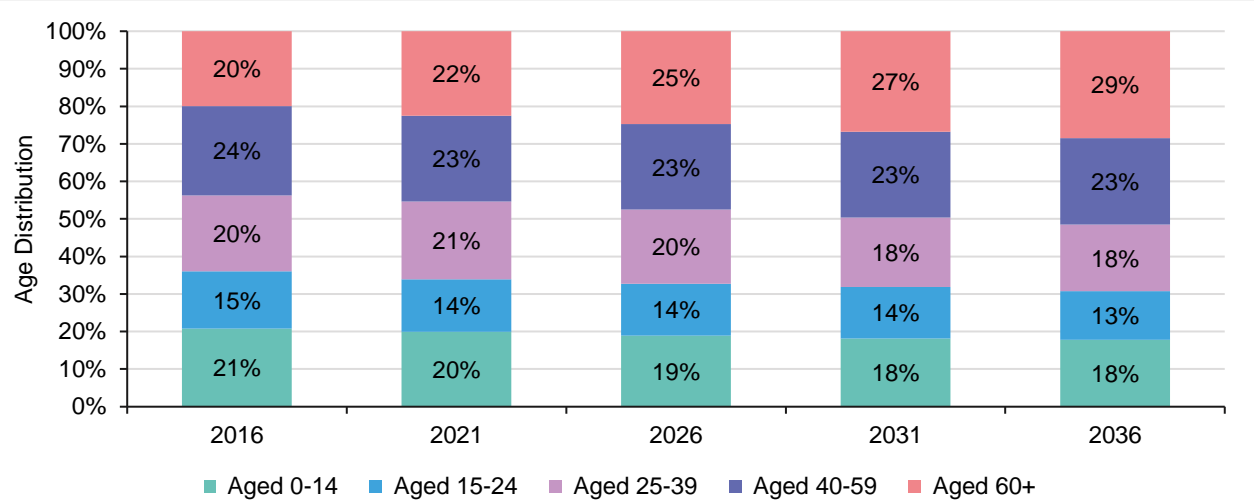
PROJECTED POPULATION GROWTH

Key Findings

Chart 1.3.4 shows the projected age distribution within the Study Area from 2016 to 2036. The proportion of residents aged 60 and above is forecast to increase from 20% in 2016 to 29% by 2036, while the proportion of all other age groups are anticipated to decline.

This highlights the potential for Rowan Village to provide lots/dwellings than meet the needs of retirees and downsizers.

Study Area Population Growth by Age, 2016 – 2036 Chart 1.3.4



Source: ABS; Urbis

HOUSEHOLD GROWTH

Key Findings

The proportion of couple families with children in the Study Area is projected to decline from 28% to 24% from 2016 to 2036. Single parent families are also expected to experience a decline from 12% to 11%.

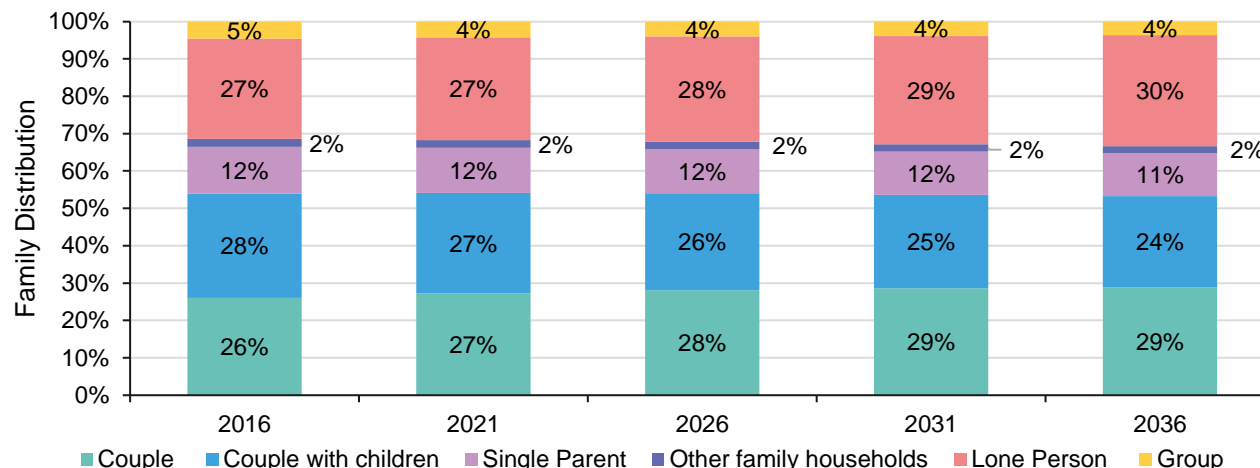
This is in contrast to an increase in the proportion of lone person households from 27% to 30%, reflective of the ageing population in Wagga Wagga. This will increase the demand for smaller households, as residents look to downsize.

The proportion of couples is expected to increase from 26% to 29%, contributing to demand for new houses as they look to purchase their first home.

The average household size within all three LGAs that comprise the Total Study Area are projected to decline between 2016 and 2036. This includes a fall from 2.50 to 2.31 in Wagga Wagga LGA, which largely comprises the Primary Study Area. The decline reflects the ageing population and indicates there is potential for some smaller product to meet the needs of downsizers and smaller households.

Household Projections, 2016 – 2036

Chart 1.3.5



Source: NSW Department of Planning, Industry and Environment; Urbis

Household Size Projections, 2016 – 2036

Table 1.3.6

LGA	2016	2021	2026	2031	2036
Wagga Wagga	2.50	2.44	2.39	2.35	2.31
Lockhart Shire Council	2.39	2.33	2.28	2.23	2.19
Junee Shire Council	2.37	2.34	2.29	2.24	2.19

Source: NSW Department of Planning, Industry and Environment; Urbis

DEMOGRAPHIC CHARACTERISTICS

Key Findings

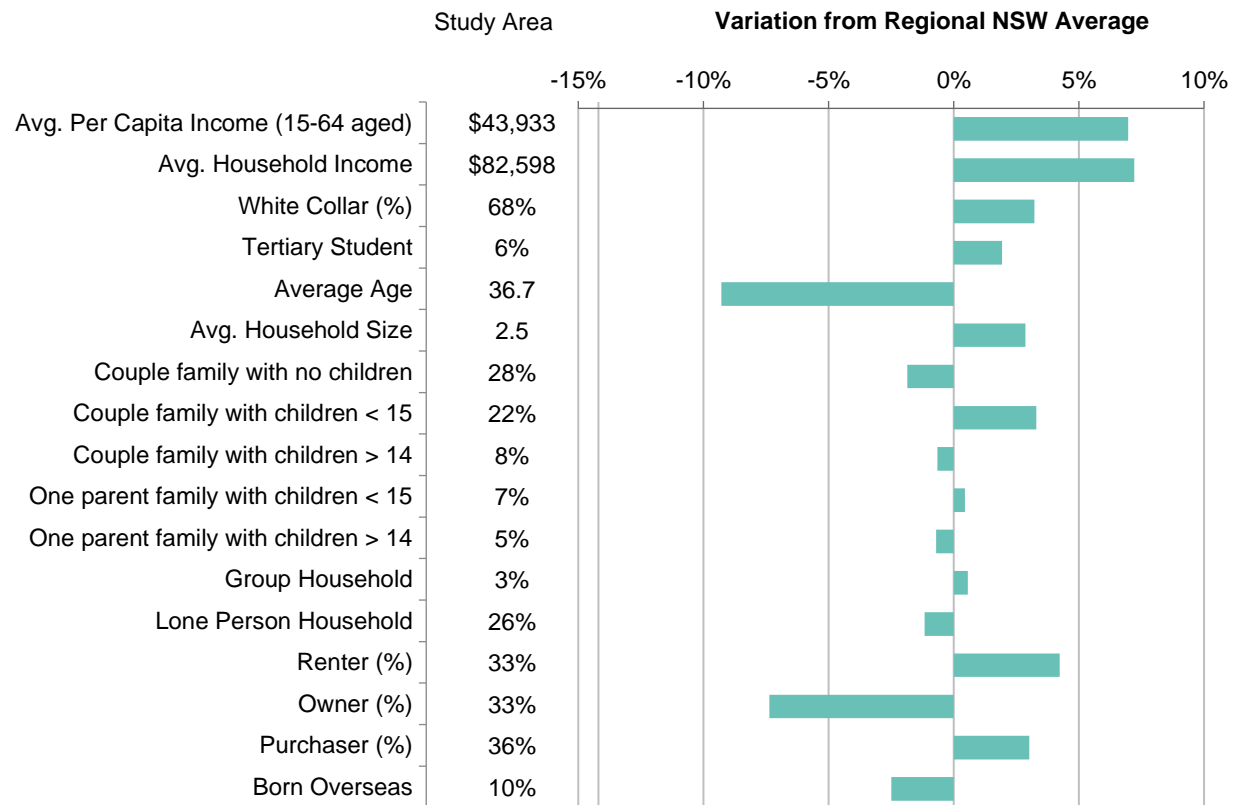
Chart 1.3.7 provides a summary of the key demographic characteristics of the Study Area population compared to the Regional NSW average. This is based on 2016 Census data and illustrates the differing characteristics of residents.

The Study Area population in 2016 was characterised by:

- Personal and household incomes of 7% above the Regional NSW average, indicating higher disposable income levels for individuals to purchase land.
- A relatively higher proportion of white collar workers (+3% above the Regional NSW average)
- A relatively higher proportion of single parent and couple families with children under 15, indicating demand to purchase a first family home or upsize.
- Around 33% of households are renters, 4% above the Regional NSW average, indicating demand from investors.

Key Demographic Characteristics

Chart 1.3.7



Source: ABS; Urbis

1.4 RESIDENTIAL SUPPLY ANALYSIS

EXISTING RESIDENTIAL SUPPLY

Key Findings

This section provides an assessment of the existing and proposed supply of residential dwellings in the Study Area.

As illustrated in Chart 1.4.1, new dwelling approvals in the Study Area have historically been dominated by detached house developments, accounting for an average 85% of total approvals.

The Study Area has sustained high levels of dwelling approval activity since FY14, whereby approvals have generally remained above the 10-year average of 330 approvals per year. Separate houses have accounted for an average of 280 approvals per year over the 10-year period.

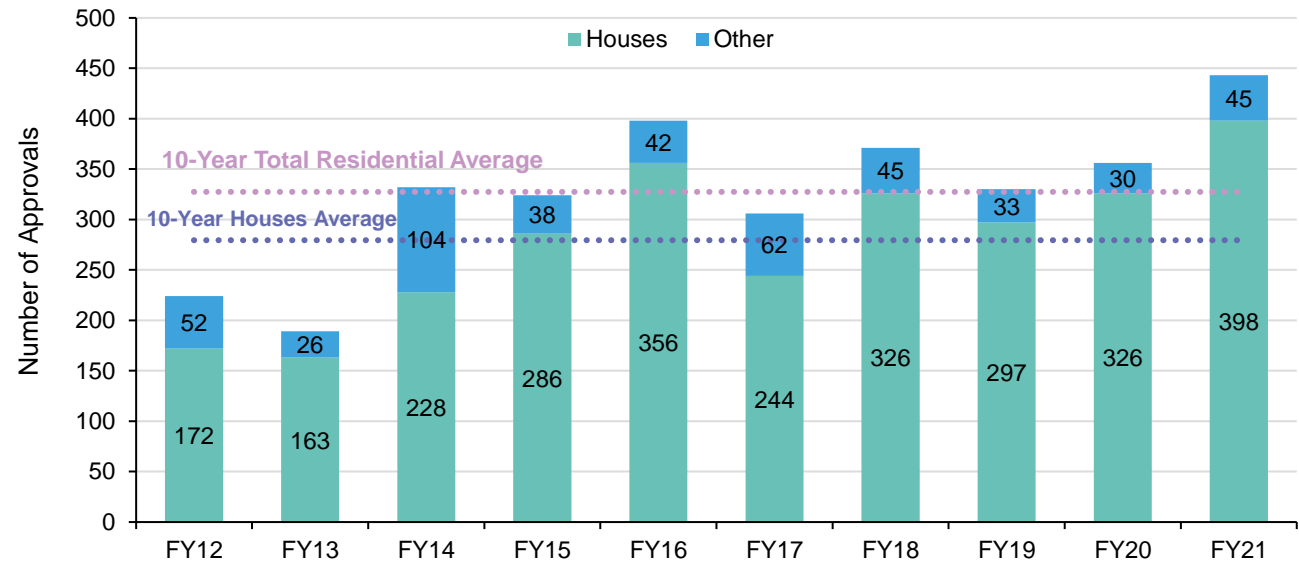
New dwelling approvals peaked in FY21 with 443 approvals, well above the 10-year average. This indicates that the market has been resilient in the face of COVID-19, a likely consequence of the flight-to-suburbia trend seen across Australia.

In the Primary Study Area, new dwelling approvals peaked in FY16 with 301 approvals before steadily declining to 179 approvals in FY20. Between FY12 and FY21, the Primary Study Area has generally accounted for a diminishing proportion of approvals within the Total Study Area, from 82% to 51%. This indicates that development is increasingly occurring in the Wagga Surrounds, driven primarily by approvals in the Gobbagombalin Urban Release Area. Houses are also the main dwelling type, accounting for 82% of approvals in the last 10 years.

Wagga Wagga has historically been undersupplied as evident by the relatively low approvals. Rowan Village provides an opportunity to deliver around 160-210 homes per year and contribute around 20% of the homes towards the target of around 800 new homes per year.

New Dwelling Approvals, 2012 – 2021

Chart 1.4.1



Note: Data is in financial years to capture the effects of COVID-19 in 2020.

Source: ABS; Urbis

FUTURE RESIDENTIAL SUPPLY

Key Findings

According to Cordell Connect and Urbis research, there are 1,156 proposed residential lots and 111 dwellings across 12 projects within the Study Area. This excludes potential projects that are yet to be rezoned. These projects range from being in the early planning (i.e. rezoning or subdivision phase) to development approval phase. Residential subdivision projects average around 170 lots while dwelling projects average 19 dwellings.

Tables 1.4.1 and 1.4.2 provides a summary of the potential completion for proposed residential and dwelling projects by stage and year in the Study Area. Map 1.4.1 overleaf outlines the locations of these proposed developments.

Almost 70% of lots or dwellings are in the early planning phase while a further 30% have received development approval. There are currently no projects in the construction phase.

The Primary Study Area accounts for 660 lots or dwellings (~60% of total), including all 111 dwellings. Much of the proposed development activity is clustered in Wagga Wagga – West, in close proximity to the Wagga Wagga town centre and health hub.

The remaining 507 residential lots are situated within the Secondary Study Area, particularly to the northwest of the Wagga Wagga town centre.

By 2026, there is currently proposed to be an average of 250 lots or dwellings per year. Taking into account that there was approvals for an average of 330 residential dwellings, of which 280 are separate houses, the future pipeline of residential lots is well below the historical trend.

Rowan Village is well placed to help address this shortage of supply in the market that will result in pent up demand.

Proposed Lots by Year and Status, Study Area

Table 1.4.2

Current Stage	Anticipated Completion Year					Total
	2022	2023	2024	2025	2026	
Construction	0	0	0	0	0	0
Development Approval	98	214	0	0	0	312
Development Application	0	0	0	0	0	0
Early Planning	0	89	195	140	420	844
Total	98	303	195	140	420	1,156

Source: Cordell Connect; Urbis

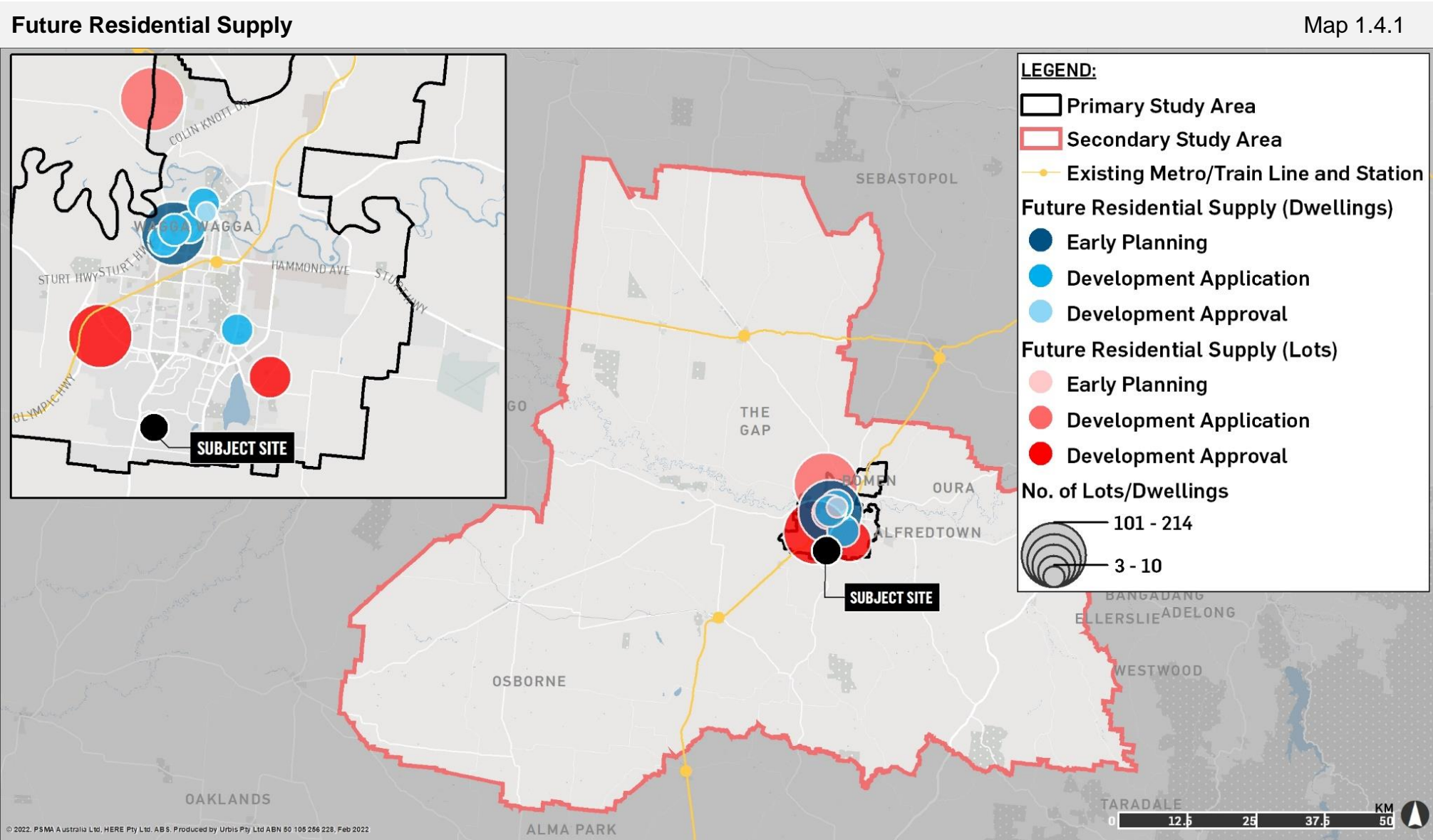
Proposed Dwellings by Year and Status

Table 1.4.3

Current Stage	Anticipated Completion Year					Total
	2022	2023	2024	2025	2026+	
Construction	0	0	0	0	0	0
Development Approval	5	22	0	0	0	27
Development Application	0	3	0	0	0	3
Early Planning	0	0	0	0	81	81
Total	5	25	0	0	81	111

Source: Cordell Connect; Urbis

FUTURE RESIDENTIAL SUPPLY



FUTURE RESIDENTIAL SUPPLY

Key Findings

The Wagga Wagga Local Strategic Planning Statement (LSPS) establishes a 20-year framework for the city's land use planning. The LSPS aims to ensure that as the population grows to 100,000 residents, new houses, transport networks, infrastructure and services are developed sustainably.

The LSPS estimates that in 2020, the LGA accommodated a population of around 68,562 residents. To reach the long-term target of 100,000 residents, the LSPS estimates that an additional 14,000 homes are required. This will be achieved by focusing residential development in:

Infill and urban renewal areas: 4,000 new homes in Tolland, Koorinal and Ashmont to the south of the CBD, where there is a concentration of public land ownership.

Current urban release areas: 2,600 new dwellings in Lloyd, Estella, Boorooma and Gobbagombalin (~8 years of housing supply).

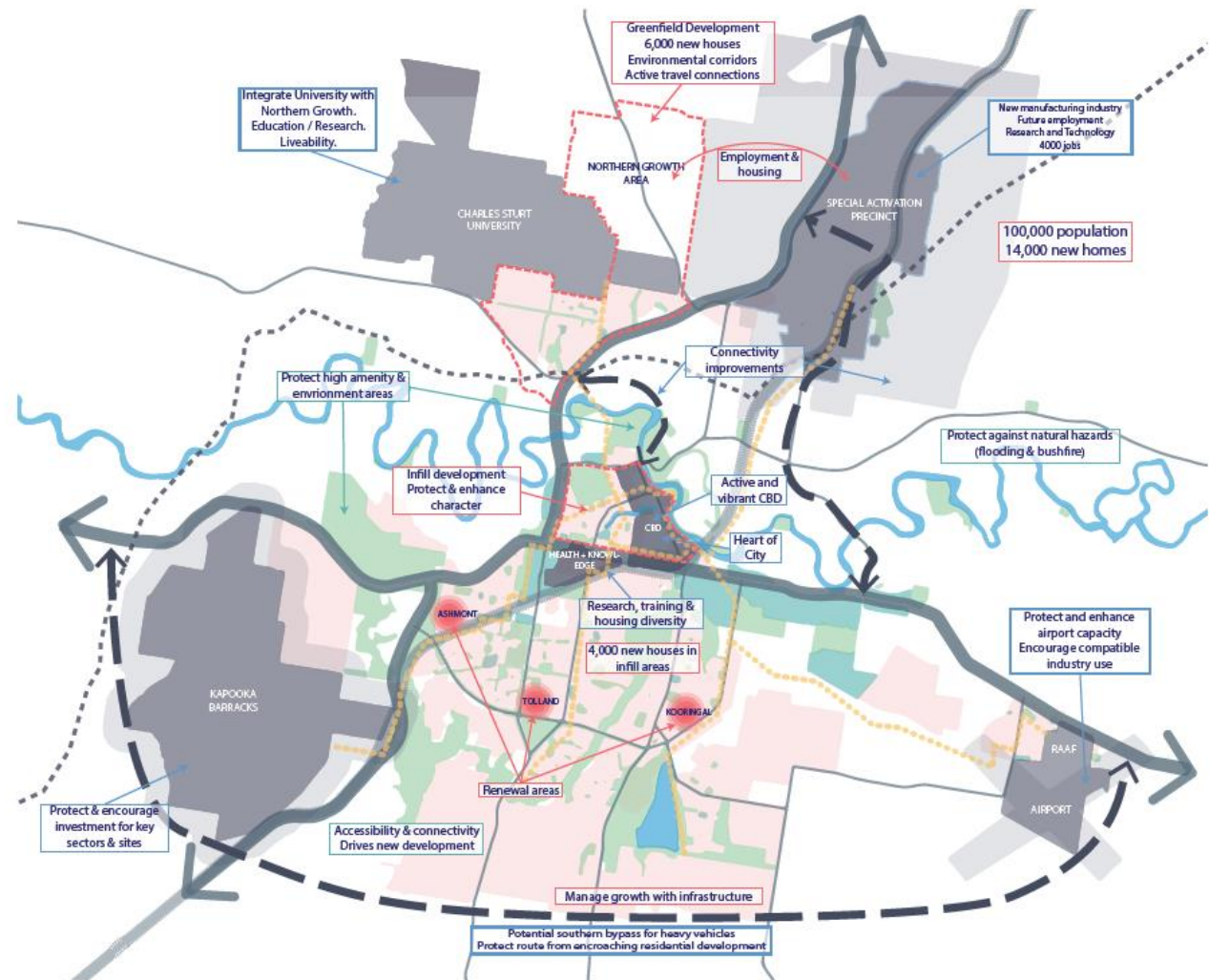
Greenfield development: 6,080 new homes in the Northern Growth Area, leveraging off proximity to job opportunities in Wagga SAP and CSU campus.

The LSPS aims to develop a 15-minute city by targeting the Northern Growth Area and developing new suburbs where 15-minute travel to the CBD is still achievable.

The proposed development is located at the southern boundary of Wagga Wagga City Core and within the 15-minute city catchment. This land is well placed to become a future growth area, continuing the expansion of low density greenfield developments as land in Lloyd and the infill areas begins to reach capacity.

Strategic Residential Areas

Figure 1.4.1



Source: Wagga Wagga Local Strategic Planning Statement

1.5 RESIDENTIAL COMPETITOR ANALYSIS

COMPETITION SUMMARY

Key Competing Locations

- Competing locations are those which are competing directly for potential buyers with the subject site.
- Developments in Wagga Wagga North and in Lloyd, to the west of the subject site, are key competitive markets for young families, downsizers and prospective buyers looking to relocate from Sydney.
- Relative to the subject site, these locations are slightly superior in terms of proximity to amenities such as retail, schools and employment.
- Lifestyle lots in estates such as Governors Hill, to the east of the Wagga Wagga Town Centre, will also compete with the subject site's larger lot offering. Governors Hill is fairly removed from the township, but slightly closer to the Town Centre than the subject site.

Lot Mix

- The majority of projects in the Study Area have comprised a high proportion of 500-1,000 sq.m lots sizes. This mix is reflective of developers trying to maximise lots in a development and buyers preferring a more affordable option. Of the profiled projects the average mix was:
 - 500 sq.m – 999 sq.m: 67%
 - 1,000 sq.m – 1,499 sq.m: 5%
 - 1,500 sq.m – 1,999 sq.m: 0%
 - 2,000 – 3,999 sq.m: 0%
 - 4,000 sq.m – 5,999 sq.m: 20%
 - 6,000 sq.m – 20,000 sq.m: 7%
- Historical sale trends show that lot sizes in the 500 sq.m – 999 sq.m account for around 68% of lot sales in the study area, in line with the profiled projects. Historical sales in the 1,000 sq.m – 1,499 sq.m size range accounted for around 10% of sales, which is above the profiled mix.
- A similar pattern was seen in historical house sales trends, whereby houses on lots between 500 – 999 sq.m accounted for almost 71% of house sales, while lots between 1,000 – 1,499 sq.m accounted for 11% of sales.
- Larger size lots between 1,500 sq.m – 20,000 sq.m only account for around 16% of lot sales and 9% of house sales.

Pricing

- The pricing across the projects differs considerably with prices having risen significantly in the last 18 months.
- Brunslea Park has recently been selling the first stage with lots achieving strong prices of:
 - 600 – 699 sq.m - \$185,000 - \$239,000
 - 700 – 850 sq.m - \$215,000 - \$259,000
- Brunslea Park is located on the outskirts of the town towards the Wagga Wagga Airport and it is reported that projects closer to town are achieving a premium.

BRUNSLA PARK



Developers	Wakefield Ashurst Developments
Location	Lacebark Drive, Forest Hill
Council Area	Wagga Wagga
Location Characteristics	<ul style="list-style-type: none"> • 10 minute drive to Wagga Wagga Town Centre • 14 minute drive to Charles Sturt University • 13 minute drive to Wagga Wagga Base Hospital
Completion	~2024
Project Launch	2021
Status	Construction
Total Lots	250
Lot Sizes	600 – 1,250 sq.m

Lot Sizes (Stage 1)	Mix (no.)	Price Range*	Price per sq.m
600 – 699 sq.m	38	\$185,000 - \$239,000	~\$350
700 – 850 sq.m	16	\$215,000 - \$259,000	~\$325
1,250 sq.m	1	Not Advised by agent	
Take-up Rates	Stage 1 launched around late 2021 and has sold out of the initial 55 lots.		
Buyer Profile	Not provided by agent		

* Refers to all exchanged sales in 2021 and 2022
Source: Agent Discussion

ESTELLA RISE



Developers	Combined Development Group
Location	Harris Road, Estella
Council Area	Wagga Wagga
Location Characteristics	<ul style="list-style-type: none"> • 9 minute drive to Wagga Wagga Town Centre • 3 minute drive to Charles Sturt University • 8 minute drive to Wagga Wagga Base Hospital
Completion	~2024
Project Launch	June 2013
Status	Construction of Stage 7
Total Lots	Stage 1-6: ~398 lots (Complete) Stage 7: 58 lots (Under Construction) Stage 8: 95 lots (Launching in May 2022) Future Stages: ~554 lots Total: ~1,105 lots
Lot Sizes	600 – 1,200 sq.m

Estate Description	Located in Estella, north-west of the Wagga Town Centre. A scenic extension of Estella Rise featuring elevated lots and panoramic, semi-rural views from The Rock to Wagga Wagga Airport. Lots are also designed to overlook a centrally located park.		
Lot Sizes (Stage 7)	Mix (no.)	Price Range*	Price per sq.m
500 – 999 sq.m	53	\$181,000 - \$215,000	\$215 - \$249
1,000 sq.m or more	5	No achieved sales	
Take-up Rates	<p>Stage 1 launched around June 2013 and achieved an average take-up of 2.7 lots per month during its initial year. Momentum slowed to an average take-up of around 2.2 lots through to 2016 but picked up again to 2.7 lots between 2017 and 2018. Agent discussions revealed that all lots in Stages 1 to 7 have now sold.</p> <p>Stage 8, also known as The Dress Circle, was launched in August 2019 and agent discussions revealed that all 58 lots sold within 15 minutes of launching. The most popular lots have been between 800 – 1,000 sq.m.</p>		
Buyer Profile	Agent discussions revealed that buyers comprise a mix of families, downsizers and couples. Buyers are predominantly from the local area.		

* Refers to all settled sales in 2021

Source: Agent Discussion; Pricefinder; forecast.id

LLOYD ESTATE



Developers	Trustees of the Roman Catholic Church for the Diocese of Wagga Wagga
Location	Red Hill Road, Lloyd
Council Area	Wagga Wagga
Location Characteristics	<ul style="list-style-type: none"> • Adjacent to Jubilee Sporting Grounds • 5 minute drive to Southcity Shopping Centre • 3 minute drive to Wagga Wagga City Golf Club • 8 minute drive to Wagga Wagga Town Centre
Completion	~2023
Project Launch	June 2014
Status	Construction of Stages 8-9
Total Lots	~1,416 lots
Lot Sizes	490 – 1,300 sq.m

Estate Description	Bounded by Red Hill Road to the north and Holbrook Road to the east. Elevated blocks allowing views to the north, east and west.		
Lot Sizes (Stage 8-9)	Mix (no.)	Price Range*	Price per sq.m
499 sq.m or less	1	\$120,000	\$246
500 – 999 sq.m	82	\$180,000 - \$215,000	\$215 - \$249
1,000 – 1,499 sq.m	5	No achieved sales	
Take-up Rates	<p>Stage 1 launched in 2014, achieving slow take-up that averaged 0.5 lots per month over the initial year. The estate picked up momentum during the release of later stages, reaching an average take-up rate of around 1.2 lot per month in 2018 and 2019. Discussions with agents reveal that all lots in Stages 1 to 7 have sold.</p> <p>Stages 8-9, also known as Lloyd Heights, launched around May 2020. By January 2022, 84 of the 88 lots in Lloyd Heights had sold and by February 2022, the remaining 4 lots had sold. This indicates take-up of around 4 lots per month. Agent discussions indicated that the most popular lots were those around 700-800 sq.m in size.</p>		
Buyer Profile	Agent discussions indicated that the buyers comprised a mix of families, downsizers and couples, most of which are first home owners. Buyers are mostly from the local area.		

*Refers to all settled sales in 2021

Source: Agent Discussion; Pricefinder; forecast.id

GOVERNORS HILL ESTATE



Developers	Atalato Bros
Location	Sirius Way, Gumly Gumly
Council Area	Wagga Wagga
Location Characteristics	<ul style="list-style-type: none"> • 15 min drive to Wagga Wagga Town Centre • 15 min drive to Wagga Wagga Base Hospital • 9 min drive to Lake Albert
Completion	~2023
Project Launch	May 2012
Status	Construction of Stage 5
Total Lots	Stages 1-4: ~56 lots (Complete) Stage 5: 36 lots (Under Construction) Future Stages: ~39 lots Total lots: 131 lots
Lot Sizes	4,000 – 12,000 sq.m

Estate Description	A semi-rural estate featuring large, lifestyle lots overlooking farmland. The large lots cater to families looking for space and privacy.		
Lot Sizes	Mix (no.)	Price Range*	Price per sq.m
4,000 – 4,999 sq.m	33	\$315,000 - \$343,000	\$68 - \$83
5,000 – 5,999 sq.m	7	\$348,000	\$68
6,000 – 6,999 sq.m	6	\$358,000	\$55
7,000 sq.m or more	9	No achieved sales	
Take-up Rates	Stage 1 launched around May 2012. Pricfinder sales data shows slow take-up during the initial project launch, with just 2 sales in 2012. Sales slowly picked up to reach an average take-up of 1.7 lots per month by 2017, which has steadied to around 1.3 lots in 2021. Pricfinder data indicate that approximately 21 lots in Stage 5 have now sold.		
Buyer Profile	The estate caters towards families and second-home buyers looking for a semi-rural lifestyle.		

*Refers to all settled sales in 2021

Source: Agent Discussion; Pricfinder; forecast.id

SUMMARY OF RESIDENTIAL DEVELOPMENTS

Summary of Unit Mix and Sales Rates

Table 1.5.1

Project	Suburb	Status	Yield	Lot Sizes (sq.m)	Mix (no.)	Average Lot Size (sq.m)	Sales Prices*	Indicative Average Price per sq.m	Commentary
Brunslea Park	Forest Hill	Under Construction	55	600 - 699	38	824	\$185,000 - \$239,000	~\$350	Strong take-up in sales for Stage 1. Site located on the eastern outskirts of the city.
				700 – 850	16	1,216	\$215,000 - \$259,000	~\$325	
				1,250	1		No achieved sales	No achieved sales	
Estella Rise	Estella	Under Construction	58	500 - 999	53	824	\$155,000 - \$205,000	\$215 - \$249	Prices lower than Lloyd Estate, reflecting the estate's geographical separation from the Wagga CBD, due to the Murrumbidgee River.
				1,000 - 1,499	5	1,216	No achieved sales	No achieved sales	
Lloyd Estate	Lloyd	Under Construction	88	0 - 499	1	488	\$120,000	\$246	Slightly higher price range than Estella Rise, due to proximity to retail amenities in Glenfield Park and Tolland.
				500 - 999	82	888	\$180,000 - \$215,000	\$215 - \$249	
				1,000 - 1,499	5	1,114	No achieved sales	No achieved sales	
Governors Hill Estate	Gumly Gumly	Under Construction	36	4,000 – 4,999	33	4,415	\$315,000 - \$343,000	\$68 - \$83	Low price range reflects the large lot sizes. Superior location relative to the subject site (only 8km east of the Wagga Wagga town centre). Elevated position allows for rural outlooks while still being connected to the town.
				5,000 – 5,999	7	5,337	\$348,000	\$68	
				6,0000 – 6,999	6	6,617	\$358,000	\$55	
				7,000 – 12,000	9	8,468	No achieved sales	No achieved sales	

*Refers to all settled sales in 2021

Source: Agent Discussion; Pricefinder; forecast.id

SUMMARY OF STUDY AREA RESIDENTIAL LOT SALES

Key Findings

Table 1.5.2 provides a summary of the historical take-up rates in the study area for different lot size ranges. Overall lot sales peaked at 478 sales in 2017 and dropped to 274 by 2021.

Lot sizes ranging from 500 – 999 sq.m have the highest take-up rate at an average of 239 lots per year, representing 68% of total lot sales. It is also evident that a minimum lot size of 500 sq.m is preferred by buyers as lots ranging from 0-499 sq.m have a much lower average take-up of 22 per year.

Sales in larger lot sizes has been more limited. Average annual sales have generally decreased as lot size increases, with the exception of lots between 4,000 and 5,999 sq.m. These lots have shown relatively high average take-up of 15 lots per year, peaking at 24 sales in 2021. Other larger lot size ranges have generally recorded annual take-up of less than five sales between 2018 and 2021.

Despite a downturn in take-up rates in recent years, particularly in larger lot sizes, this has been the result of limited land releases occurring, rather than a demand-driven slow down. Strong buyer interest is evident in the sales prices that have been achieved for lots, particularly within the Primary Study Area, which have seen significant growth.

Study Area Residential Lot Sales by Lot Size

Table 1.5.2

Lot Size Range (sq.m)	Study Area	2017	2018	2019	2020	2021	Average	Average Total Study Area	Share of Average Sales
0-499	Primary	22	11	11	22	25	18	22	6.3%
	Secondary	5	1	1	4	8	4		
500-999	Primary	128	109	103	117	59	103	239	68.0%
	Secondary	186	136	99	154	103	136		
1,000-1,499	Primary	29	16	14	26	7	18	35	9.9%
	Secondary	22	9	10	22	18	16		
1,500 – 1,999	Primary	8	1	10	9	1	6	12	3.3%
	Secondary	9	6	2	8	4	6		
2,000 – 2,999	Primary	7	4	9	11	3	7	15	4.3%
	Secondary	11	9	1	10	10	8		
3,000 – 3,999	Primary	3	2	3	1	2	2	3	0.9%
	Secondary	2	0	1	1	1	1		
4,000 – 5,999	Primary	12	3	2	5	20	8	15	4.2%
	Secondary	11	3	9	4	4	6		
6,000 – 7,999	Primary	8	4	2	0	3	3	5	1.4%
	Secondary	2	1	0	2	2	1		
8,000 – 9,999	Primary	4	2	1	1	0	2	3	0.7%
	Secondary	1	1	1	1	1	1		
10,000 – 20,000	Primary	6	2	3	1	2	3	4	1.1%
	Secondary	2	0	1	2	1	1		
Total		478	320	283	401	274			100%

Source: Pricerfinder; Urbis

SUMMARY OF STUDY AREA RESIDENTIAL HOUSE SALES

Key Findings

Table 1.5.3 provides a summary of the historical take-up rates in the study area for houses by lot size ranges. House sales declined between 2017 and 2019 (pre-pandemic), before rising significantly to a peak of 1,678 sales in 2021.

It is evident that buyers prefer houses on lots less than 1,500 sq.m in size, which have accounted for an average 91% of total house sales. However, houses built on lot sizes ranging from 500 – 999 sq.m have historically had the highest take-up rate of all lot ranges, averaging 1,000 sales per year. This represents an average 71% of total house sales since 2017.

Sales of houses on larger lot sizes have been more limited. Houses on lots between 1,500 – 3,999 sq.m have accounted for around 5% of total house sales. Properties within this lot range recorded higher take-up within the secondary study area, relative to the primary study area, likely attributed to the lack of availability of larger lots closer to the Wagga CBD.

Houses on lots 4,000 sq.m or greater have accounted for just 4% of total house sales. Houses on these larger lot size ranges have shown an average take-up of around 5-17 sales per year across the total study area.

The uptick in house sales within the study area in 2020 and 2021 indicates the popularity of Wagga as a destination during the pandemic. Compared to lot sales, which decreased during this period, house sales trends likely reflect homebuyer preference for ready-built homes to move into immediately.

Study Area Residential House Sales by Lot Size

Table 1.5.3

Lot Size Range (sq.m)	Study Area	2017	2018	2019	2020	2021	Average	Average Total Study Area	Share of Average Sales
0 – 499	Primary	103	105	106	99	146	112	128	9.1%
	Secondary	16	15	11	21	20	17		
500 – 999	Primary	867	763	723	921	997	854	1,000	70.8%
	Secondary	138	157	115	159	160	146		
1,000 – 1,499	Primary	94	76	90	89	105	91	158	11.2%
	Secondary	67	63	52	66	87	67		
1,500 – 1,999	Primary	9	5	12	8	7	8	25	1.8%
	Secondary	11	18	15	19	23	17		
2,000 – 2,999	Primary	4	5	6	9	13	7	47	3.3%
	Secondary	39	28	33	49	49	40		
3,000 – 3,999	Primary	2	2	4	1	3	2	5	0.4%
	Secondary	6	3	2	3	1	3		
4,000 – 5,999	Primary	2	6	8	5	15	7	17	1.2%
	Secondary	10	8	11	5	16	10		
6,000 – 7,999	Primary	6	5	8	12	9	8	11	0.8%
	Secondary	6	1	1	3	5	3		
8,000 – 9,999	Primary	4	8	2	4	4	4	7	0.5%
	Secondary	2	2	1	3	4	2		
10,000 – 20,000	Primary	8	10	10	9	11	10	14	1.0%
	Secondary	5	7	2	5	3	4		
Total		1,399	1,287	1,212	1,490	1,678			100%

Source: PriceFinder; Urbis

1.6 RESIDENTIAL DEMAND ANALYSIS

MEDIAN LOT PRICES AND SALES

Key Findings

Median lot sales prices in the study area have grown significantly in the last 10 years. The second half of 2011 saw a median lot sales price of \$125,000 and reached \$205,000 by December 2021. This represents an average growth rate of 5.1% per annum.

Median sales prices in the last 10 years have grown stronger in the Primary Study Area (5.9%) compared to the Secondary Study Area (4.2%). This reflects increasing buyer interest within the Wagga Core in recent years.

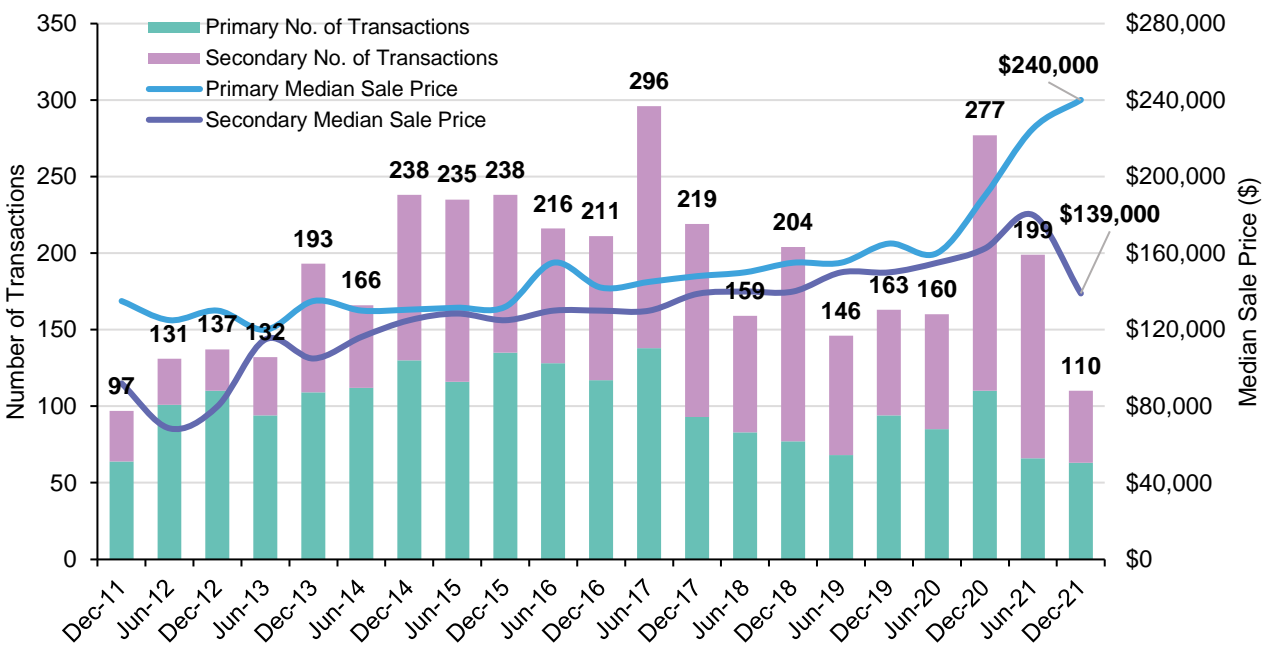
The Primary Study Area has been resilient to the impacts of COVID-19. Over the last two years, sales prices within the Primary Study Area have grown at a significant 20.6% per annum. This highlights the regional relocation trend seen across Australia that has been catalysed by the pandemic. Buyers are increasingly taking advantage of remote working opportunities and purchasing more affordable homes in regional locations such as Wagga Wagga.

The Secondary Study Area has not seen the same growth patterns over the past two years, with median sales prices contracting by an average 3.7% per annum. This reflects the preference of buyers to remain close to a regional centre such as Wagga Wagga.

Over the past 10 years, the study area recorded an average of 380 lot sales transactions per year. Lot sales peaked at 515 sales in 2017 before slowing to just 310 sales in 2021. The falling number of sales, coupled with the increasing median sales prices to record high levels over the past three years reflects a shortage in the supply of residential lots.

Historical Residential Lot Price Sales, Dec 2011 – Dec 2021

Chart 1.6.1



Source: Pricerfinder; Urbis

The shortage of new land supply in Wagga Wagga has resulted in prices climbing significantly which is creating affordability challenges in the area. The price growth is placing downward pressure on lot sizes in order to try and manage affordability constraints. Rowan Village has the potential to provide much needed supply to the market, which will increase competition and offer a mix of product type/sizes in order to reach the broad spectrum of buyers in the market.

MEDIAN HOUSE PRICES AND SALES

Key Findings

Median house sales prices in the study area have also grown significantly in the last 10 years.

The Primary Study Area saw a median house sales price of \$302,500 in June 2011 and reached \$457,750 by December 2021. This represents an average growth rate of 4.5% per annum.

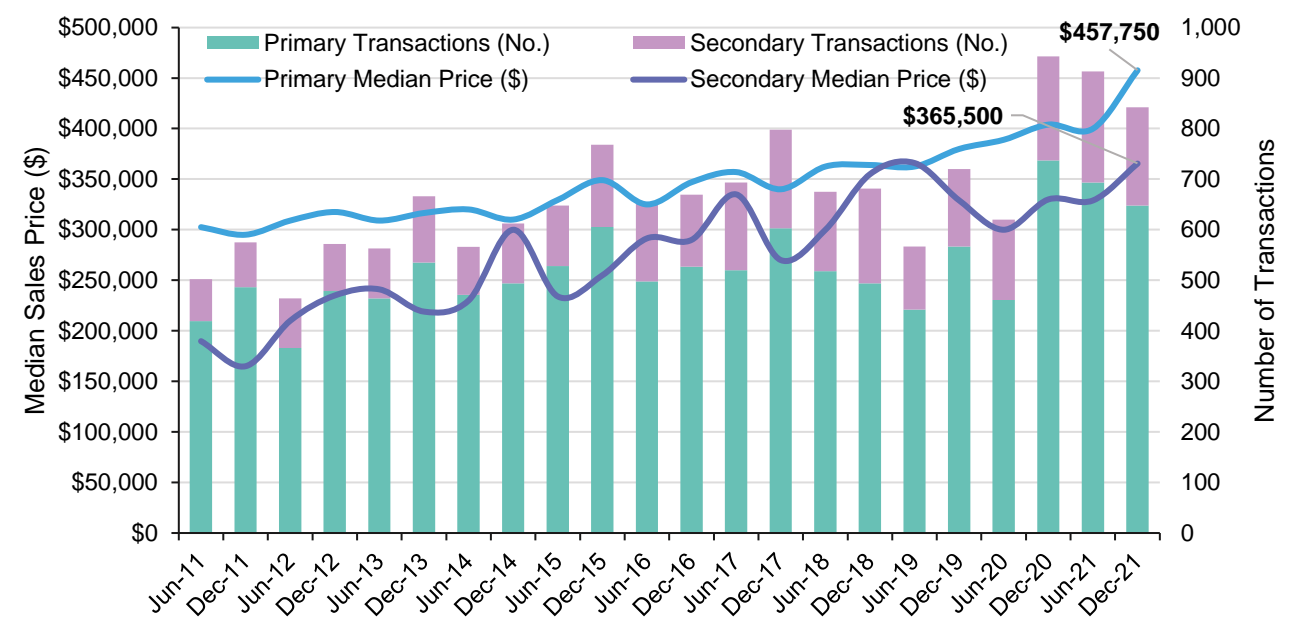
The Secondary Study Area saw a median house sales price of \$189,750, reaching \$365,500 in December 2021. This represents an average growth rate of 8.3% per annum, indicating stronger growth than the Primary Trade Area.

Over the last two years, house sales prices within the Primary Study Area have grown at 20.5%, in line with lot price growth. The Secondary Study Area has also experienced strong growth of 11.1% over the same period, relative to contracting growth in lot prices. This indicates strong interest in regional relocation as a result of the pandemic. The greater growth in the housing market relative to the residential lot market reiterates the shortage in supply of residential lots, resulting in buyers having to seek an alternative.

Over the past 10 years, the study area recorded an average of 1,360 house sales transactions per year. The number of house sales has trended upwards during this period and recorded a sharp increase in 2020 (1,560 sales) and 2021 (1,755 sales). Relative to the falling number of lot sales during this period, this reflects the shortage in the supply of residential lots, with buyers purchasing ready-built houses as an alternative. The development of Rowan Village will help alleviate the shortage of housing across the whole market.

Historical House Price Sales, Dec 2011 – Dec 2021

Chart 1.6.2



Source: Pricefinder; Urbis

GOVERNMENT GRANTS AND SCHEMES

Key Findings

Government grants and schemes can impact demand for vacant lots within the Study Area.

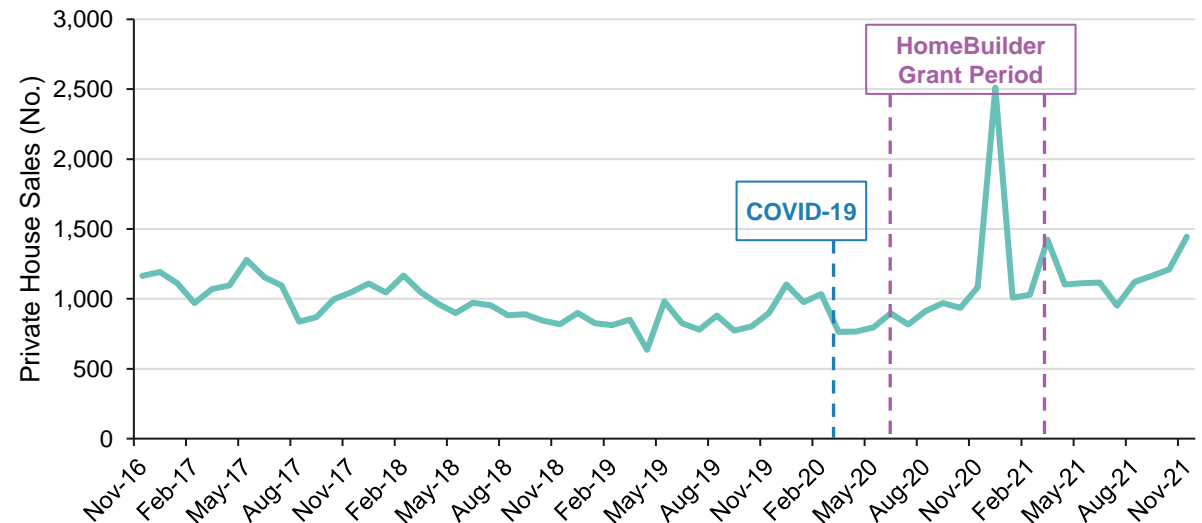
Chart 1.6.3 illustrates the number of monthly detached house sales that have occurred in NSW over the past 5 years, as reported by the Housing Industry Association. Following the onset of COVID-19, the Federal Government introduced the HomeBuilder scheme in June 2020 to help drive residential construction activity and support jobs. The \$25,000 grant was eligible to owner occupiers looking to build or buy a new home or substantially renovate an existing home, where the total value of the land and home is \$750,000 or less (income caps apply).

The Homebuilder program boosted private house sales by around 17% from pre-COVID trends. Regional towns are more positively impacted as they are more likely to meet the eligibility requirements of the scheme with lower land values.

New home sales have remained strong since the end of the HomeBuilder scheme, likely spurred by other grants available to potential buyers of vacant lands:

- **First Home Owner Grant (New Homes):** a \$10,000 grant for first home buyers who are buying or building a new home. To be eligible when purchasing vacant lots to build a new home, the total price of the vacant land and construction of the new home must be less than \$750,000.
- **First Home Buyer Assistance Scheme:** entitles first home buyers to an exemption or concessional rate on transfer (stamp) duty. From 1 August 2021, vacant land valued at less than \$350,000 or new homes valued at less than \$650,000 are eligible for a full exemption. Vacant land up to \$450,000 and new homes up to \$800,000 are eligible for a concessional rate.

New Detached Private House Sales in NSW, Nov 2016 – Nov 2021 Chart 1.6.3



Source: Housing Industry Association; Urbis

RENTAL MARKET

Key Insights

The rental market provides a good indication of the current state of the residential market with rents and vacancy rates responding quickly to changes in supply and demand dynamics.

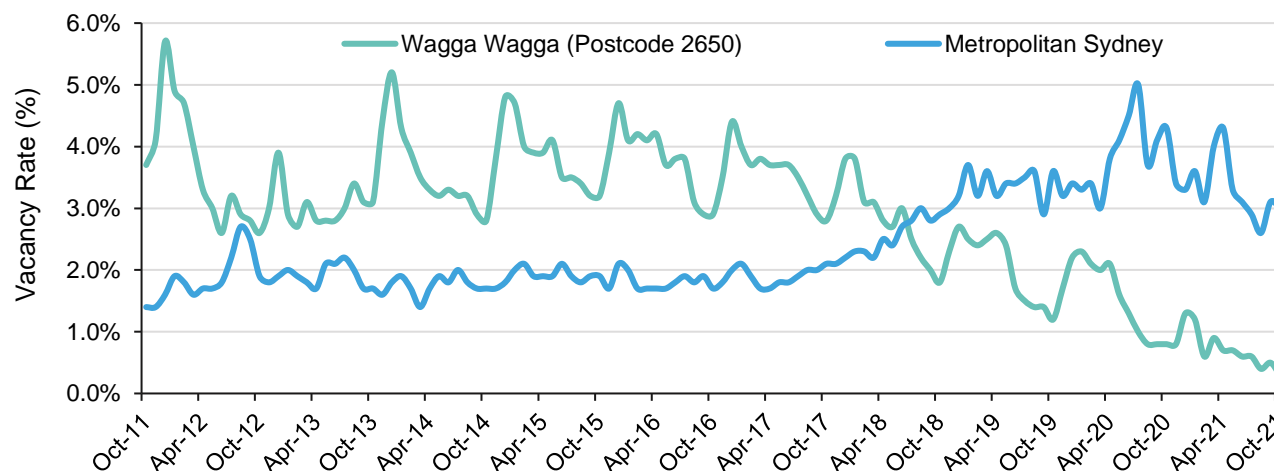
Between October 2011 and January 2018, the Wagga Wagga rental market recorded relatively high levels of vacancy rates, generally above 3.0%. Since then, vacancy rates have rapidly tightened and has remained below 2.0% since May 2020.

The rental market in Wagga Wagga has historically had an inverse relationship with Metropolitan Sydney, most evident in the responsiveness of each rental market to COVID-19. Vacancies in Wagga Wagga tightened significantly from 2.0% in March 2020 to a 10-year record-low of 0.3% in October 2021. This is in contrast to the spike experienced in Metropolitan Sydney, reflecting the regional relocation trend enabled by remote working opportunities. Sydneysiders have likely been vacating rental properties to look for more affordable options in regional locations such as Wagga Wagga.

Chart 1.6.5 depicts median rents in Wagga Wagga (Postcode 2650) for houses in the last four years. Since September 2017, rents for 2 bedroom houses have grown steadily, at an average growth rate of 2.6% per annum. Rents for 3- and 4-bedroom houses has grown at a faster rate of 5.2% and 4.0%, respectively, indicating higher demand for larger homes.

All Dwellings Rental Vacancy Rate, Oct 2011 – Oct 2021

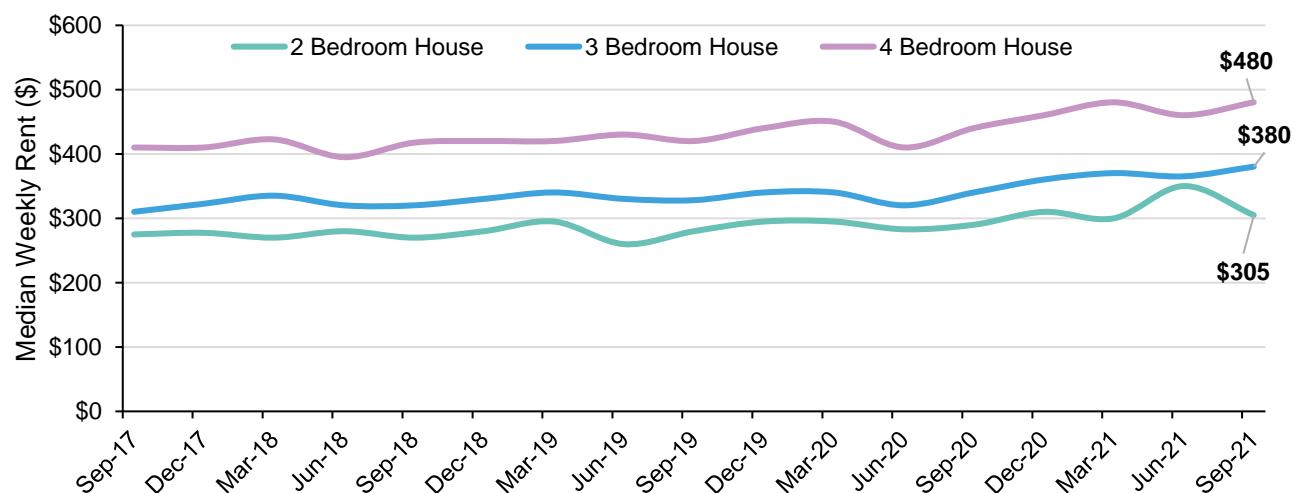
Chart 1.6.4



Source: SQM Research; Urbis

House Rental Growth in Wagga Wagga (Postcode 2650), Sep 2017 – Sep 2021

Chart 1.6.5



Source: NSW Housing; Urbis

LOTS TAKE-UP RATES

Key Findings

Table 1.6.1 highlights the take-up of lots of the profiled land developments in Wagga Wagga.

The Estella Rise (The Dress Circle – Stage 7) subdivision had the most successful release, selling all 58 lots at launch. The Estate enjoys rural views and its location to the north of Wagga CBD is close to Charles Sturt University and the future Special Activation Precinct.

Lloyd Estate (Lloyd Heights – Stages 8-9) achieved a high take-up rate of 4.0 lots per month. Its strong take-up reflects its elevated blocks with expansive rural outlooks and proximity to Southcity Shopping Centre. Estella Rise and Lloyd Estate also share similar lot sizes with the majority of lots between 500 – 999 sq.m, which have been popular in the market.

Relative to the above developments, Governors Hill Estate has had a fairly moderate take-up of 2.3 lots per month. However, the development has been on the market for the shortest period and comprises only large, lifestyle lots between 4,000 – 12,000 sq.m. This indicates that there is also significant demand for larger lots, albeit at lower rates than smaller lots.

Overall, the developments have had an average take-up rate of 5.2 lots per month. However, it is noted that the take-up rates have been impacted by the shortage of available supply.

Lots Sales Rates for Projects

Table 1.6.1

Development	Suburb	Launch	Total Lots	Take-up	Months*	Take-up per Month
Estella Rise (The Dress Circle – Stage 7)	Estella	Sep-19	58	58	1	58
Lloyd Estate (Lloyd Heights – Stages 8-9)	Lloyd	May-20	88	88	22	4.0
Governors Hill Estate (Stage 5)	Gumly Gumly	Nov-20	36	21	9	2.3

**Months is date of launch to last known sale
Source: Marketing Agents; Pricer; Urbis*

MARKET NEED

Need

The population of the Wagga Wagga LGA was estimated by the ABS to be 66,400 in 2021, which equated to population growth of 1.0% from 2020. In order to reach a target population of 100,000 by 2040, the LGA population needs to increase by 33,600 at an average of 1,770 persons per year. To achieve these targets, Council and the State/Federal Government must focus on business, investment attraction, job creation and infrastructure investment, in order to attract and retain residents within the LGA. This growth is achievable though will require successful catalyst projects to make Wagga Wagga a larger inland city.

Over this period, the average household size across the Wagga Wagga LGA is projected by the NSW Department of Planning and Environment to drop from 2.44 to 2.31. This equates to the need for an additional 15,270 dwellings at an average of 800 per year.

To determine demand for vacant land/new houses, we assumed that demand for vacant land/new houses in the LGA will account for 90% of future dwelling demand, based on historical approval trends. This equates to the need for around 720 new lots per year. Due to the supply constraints, Wagga Wagga is only generating around 300-350 new lots per year with a relatively low level of active supply. As such, if this supply rate continues in the short term, there could be an additional pent up demand of around 1,000 lots within three years. This will mean that new projects (such as Rowan Village) will need to be brought to market even sooner to get the supply back on track to meet Council targets.

Market Share

The proposed estate could begin development within the next three years, based on anticipated planning and construction timeframes, with lots brought to market in 2025.

Based on an assessment of the quantum, location and characteristics of proposed competitive supply in the Study Area, the subject site development could potentially achieve a market share of new residential lots of around 17.5% per year for a base case scenario and 22.5% per year for a high case scenario from 2025 onwards. The high case scenario reflects the potential of the large masterplanned community to achieve a higher market share as it can provide higher amenity and is not impacted by fragmented ownership.

Under the base case, this equates to around 120 lots in 2025 (or ~10 lots per month), increasing to an average of around 160 per year from 2031 onwards (~13 lots per month), as outlined by Table 1.6.

The higher market share under the high case would result in the subject site having a projected take-up of 155 lots (~13 lots per month) in 2025, increasing to an average of 210 per year (~17 lots per month) from 2031 onwards.

Assuming that the subject site has the capacity to deliver ~2,100 dwellings, we expect the subject site will take around 14 years to be sold out in the base case and 11 years in the high case.

The assumed market share is based on:

- The location of the subject site (~7.5 kilometres south of the Wagga Wagga town centre) is relatively disconnected from the town compared to competing developments. However, the Subject Site still remains within a 15-minute drive of the town centre and, within a regional town where private vehicles are the main mode of transport, this is unlikely to be a significant disadvantage.
- As far as we are aware, there are very limited future developments offering large, lifestyle lots (over 3,000 sq.m). The unique point of difference of the subject site has resulted in an estimated market share of 17.5% for the base case, increasing to 22.5%.

MARKET NEED

Potential Take-up at the Subject Site to Achieve Council Targets

Table 1.6.2

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Study Area Dwelling Projections																
To Achieve Council Targets	770	791	813	836	859	883	908	933	960	986	1,014	1,043	1,072	1,102	1,133	1,165
Proportion that are House/Land	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
New Lot Projections																
To Achieve Council Targets	693	712	732	752	773	795	817	840	864	888	913	938	965	992	1,020	1,048
Market Share of Subject Site																
Base Case	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%
High Case	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%
Annual Subject Site Demand																
Base Case	121	125	128	132	135	139	143	147	151	155	160	164	169	174	178	183
High Case	156	160	165	169	174	179	184	189	194	200	205	211	217	223	229	236
Cumulative Subject Site Demand																
Base Case	121	246	374	506	641	780	923	1,070	1,221	1,377	1,536	1,700	1,869	2,043	2,221	2,405
High Case	156	316	481	650	824	1,003	1,187	1,376	1,570	1,770	1,975	2,186	2,403	2,626	2,856	3,092

Source: Urbis

1.7 RECOMMENDATIONS

RECOMMENDATIONS

Recommendations

The following outlines the recommended mix and indicative pricing (2022) for the subject site.

Mix:

We anticipate demand to be higher for smaller lots and therefore we recommend that the majority of lots be around 450 to 1,500 sq.m. There is limited historical take-up of subdivided lots of more than 7,000 sq.m, with lot sales of around this size in the study area mainly in Governors Hill Estate or large parcels of undeveloped land disconnected from the town. Affordability constraints within the study will reduce the depth of market for these larger lots.

Prices:

Indicative sales prices for various lot sizes in 2022 have been estimated based on recent sales activity and profiled developments, as follows:

- 600 sq.m – 700 sq.m: \$210,000 - \$250,000
- 700 sq.m – 800 sq.m: \$260,000 - \$310,000
- 850 sq.m – 1,200 sq.m: \$280,000 - \$330,000
- 1,400 sq.m – 2,000 sq.m: \$320,000 - \$400,000

Take-up:

Based on the Wagga Wagga LGA achieving a population of 100,000 by 2040, the subject site could achieve a sales rate of around 160 – 210 per year.

2. RETAIL ASSESSMENT



2.1 TRADE AREA POPULATION, DEMOGRAPHICS AND SPENDING

TRADE AREA DEFINITION

Key Findings

The trade area for the proposed centre has been defined based on:

- The existing road alignments and accessibility of the Subject Site
- Significant physical and geographic boundaries, such as the railway line, lakes etc.
- The proposed location of residential development in the surrounding area
- The provision of existing retail facilities throughout the area.

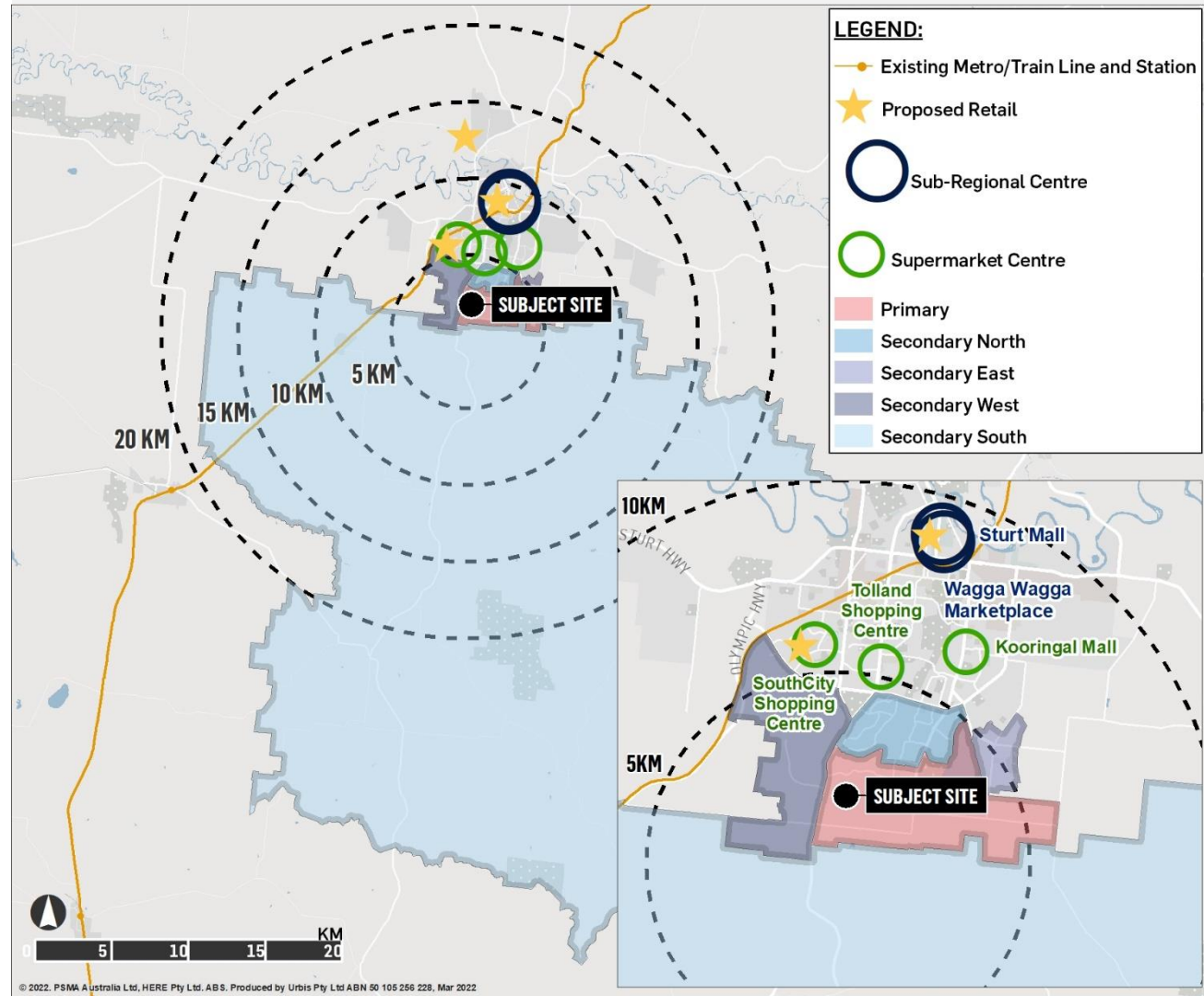
The adopted trade area has been based on ABS SA2 statistical divisions surrounding the Subject Site. It is defined as:

- **Primary Trade Area** – extends from Red Hill Road to the north, Lake Albert to the east and rural lands to the south and west.
- **Secondary North Trade Area** – bounded by the railway line to the north and west, Koorungal Road to the east and Red Hill Road to the south.
- **Secondary East Trade Area** – bounded by Vincent Road to the north, Mitchell Road to the east, rural land to the south and Lake Albert to the west.

In combination, the primary and secondary trade areas are referred to as the **main trade area**.

Wagga Wagga South Trade Area

Map 2.1.1



TRADE AREA POPULATION

Key Findings

Chart 2.1.2 presents population forecasts for the trade areas. Forecasts are based on ABS Estimated Resident Population data, Transport for NSW population projections, assumptions relating to the impacts of COVID on short term growth rates and assumptions relating to the short term development pipeline for the trade area.

As at the 2021 calendar year, the main trade area population is estimated at 16,030, including 2,250 residents in the primary trade area. The main trade area has grown by around 0.6% per annum since 2016.

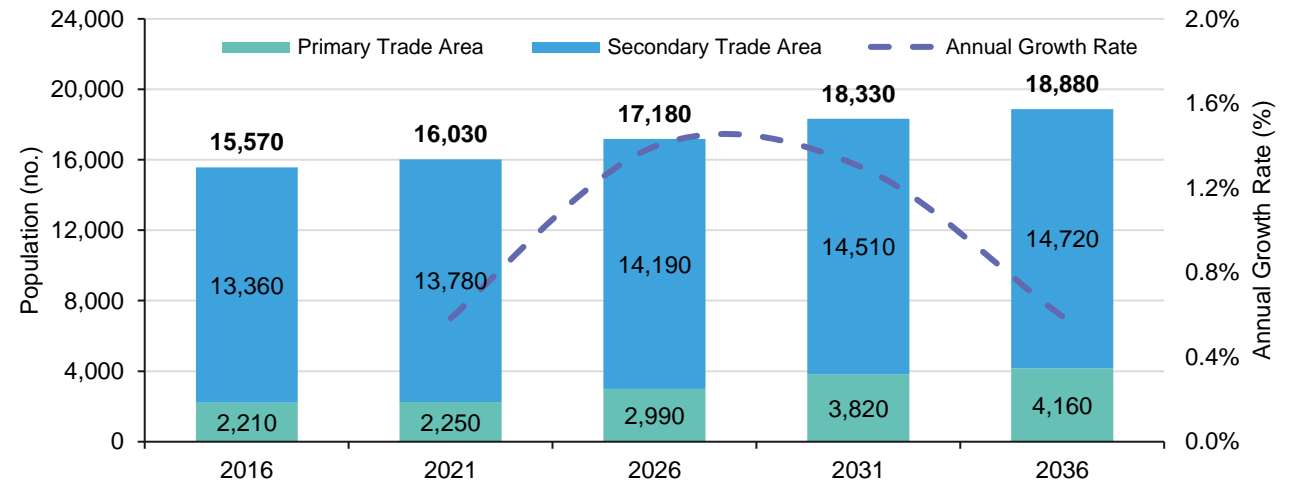
Over the forecast period to 2036, the main trade area population is projected to grow at an average of 1.1% per annum, or around 190 residents annually, to reach 18,880 residents by 2036.

New dwelling approvals within the trade area over the last seven years are illustrated Chart 14. Between FY14 and FY16, new dwelling approvals within the main trade area averaged 135 approvals annually. This fell to an average of 84 approvals from FY17 to FY20, likely attributed to the lack of vacant lot supply within the market.

Short to medium term growth will predominantly be supported by development at the subject site, with very minimal projects being delivered elsewhere within the main trade area. Over the medium to longer term, population growth is anticipated to be facilitated within the suburb of Lloyd in the Secondary West trade area, an Urban Release Area identified within the Wagga Wagga LSPS.

Population Forecast

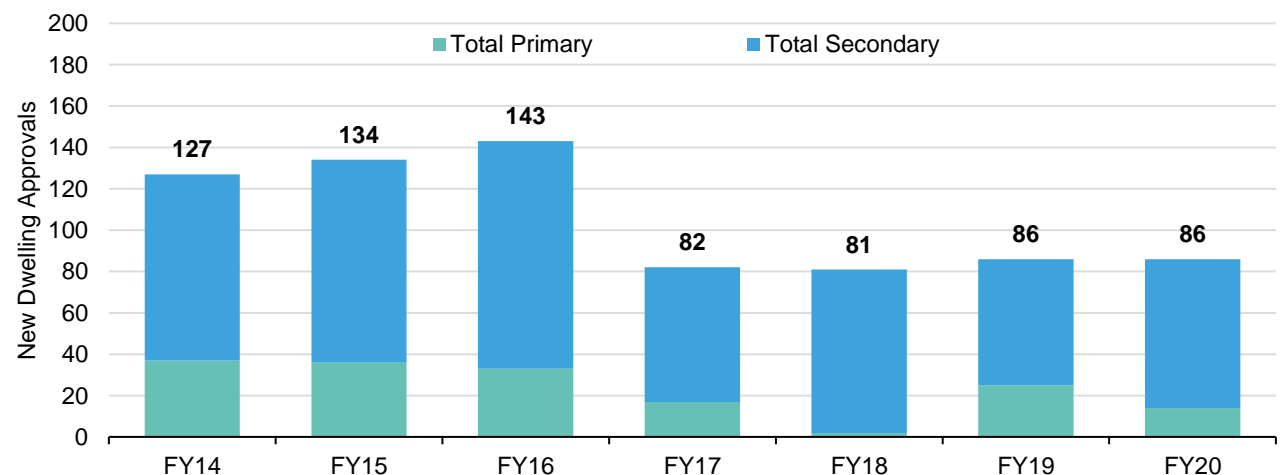
Chart 2.1.2



Source: ABS; TfNSW; Urbis

New Dwelling Approvals (House & Other)

Chart 2.1.3



Source: ABS; Urbis

TRADE AREA DEMOGRAPHICS

Key Findings

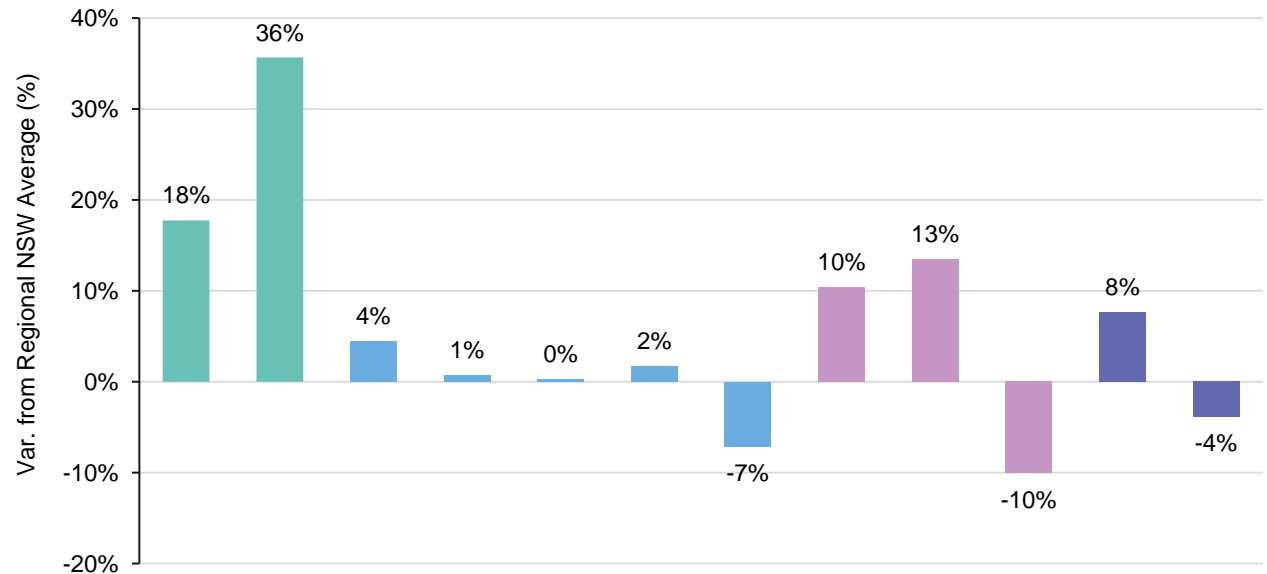
The key socio-economic characteristics of the Wagga South main trade area, as sourced from the 2016 ABS Census, are highlighted below:

- The main trade area is significantly more affluent, recording average per capita incomes and household income of 18% and 36% higher than the Regional NSW averages, respectively.
- The age distribution within the trade area is slightly skewed toward the younger age bracket, with the proportion of residents aged 60+ around 7% lower than the Regional NSW average.
- Families comprise approximately 50% of household types within the trade area, which is 10% above the Regional NSW average.
- The proportion of households with mortgages is higher than the Regional NSW average, while the proportion of renters is 10% lower.
- White collar workers account for an above average proportion of the population, at 8% above the Regional NSW average. This has been bolstered by the rise of remote working, which has enabled professionals to relocate to attractive regional areas.
- The main trade area has a lower than average proportion of residents born overseas, at 4% below the Regional NSW average.

Overall, the main trade area is characterised by a large proportion of families with higher than average household incomes. The high proportion of households with mortgages and lower proportion of renters signifies higher disposable income for retail.

Main Trade Area Socio-Demographic Profile, 2016

Chart 2.1.4



	Income		Age Profile					Household			Other	
	Per Capita Income	Avg. H'hld Income	0-14	15-24	25-39	40-59	60+	Families	Purchaser	Renter	White Collar Workers	Overseas Born
	(\$)	(\$)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)
Primary	\$43,883	\$124,343	22%	13%	9%	32%	24%	52%	47%	3%	78%	7%
Secondary												
North	\$41,738	\$110,634	23%	13%	18%	28%	19%	50%	45%	23%	77%	11%
East	\$33,124	\$80,527	22%	11%	21%	24%	23%	43%	41%	24%	64%	6%
South	\$34,669	\$92,146	23%	11%	14%	30%	22%	50%	46%	14%	71%	4%
West	\$40,265	\$117,056	26%	14%	18%	30%	12%	60%	59%	14%	73%	9%
Main Trade Area	\$39,408	\$104,524	23%	12%	17%	28%	20%	50%	46%	19%	74%	8%
Regional NSW	\$33,467	\$77,046	18%	12%	16%	26%	27%	39%	32%	29%	66%	12%

Source: ABS; Urbis

TRADE AREA SPENDING

As shown in the chart, average per capita spending levels across the trade area are 5% above the average for Regional NSW, although the variation differs across product groups.

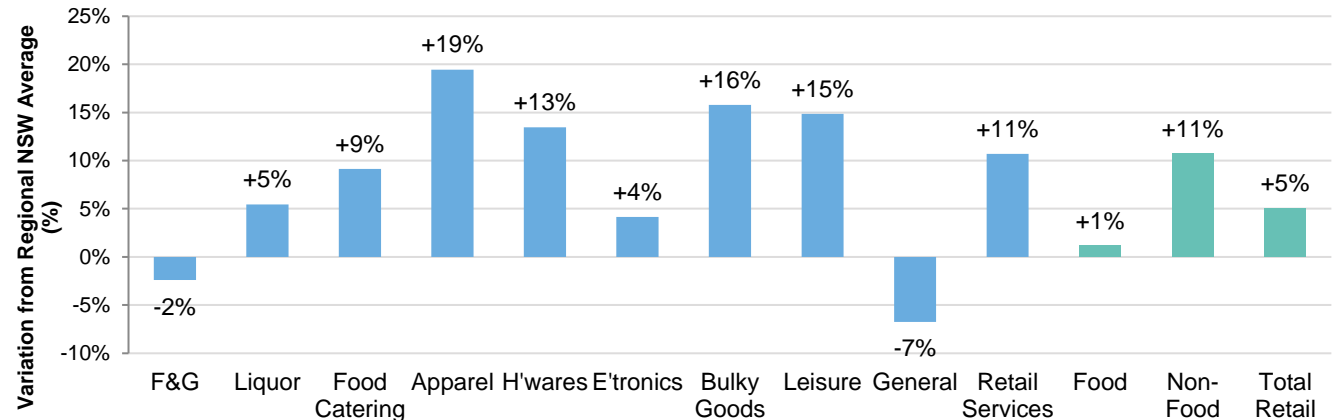
Per capita spending on food and groceries is 2% below the regional NSW average, while general retail is 7% below the average. The remaining sectors are between 4% - 19% above the average.

The total retail expenditure capacity of the main trade area population is estimated to grow from \$250 million in 2021 to \$399 million by 2036 (inclusive of GST and retail price inflation), reflecting an average annual growth of 3.2%.

Food spending accounts for the largest proportion of retail expenditure, at 57% (\$142 million) in the trade area in 2021.

Per Capita Spending Variation from Regional NSW Average

Chart 2.1.5



Source : ABS; MarketInfo; Urbis

Spending Forecast (nominal dollars, incl. GST)

Table 2.1.1

	Food Retail	Food Catering	Apparel	H'wares	E'tronics	Bulky Goods	Leisure	General	Retail Services	Non-Food	Total Retail	Annual Growth	= Pop Growth	+ Spend Per Capita Growth	+ Retail Price Inflation
Total Primary:															
2021	13	2	6	4	1	2	4	2	2	1	36				
2026	19	3	8	5	1	2	6	2	3	2	52	7.9%	5.8%	0.9%	1.1%
2031	26	4	12	7	2	3	9	3	4	3	74	7.2%	5.1%	0.9%	1.1%
2036	32	5	15	8	2	4	11	4	5	4	89	3.8%	1.7%	0.9%	1.1%
Total Secondary:															
2021	78	12	32	21	5	9	25	10	14	8	214				
2026	89	13	37	22	6	11	29	12	16	9	244	2.6%	0.6%	0.9%	1.1%
2031	100	15	43	24	7	12	33	13	18	11	276	2.5%	0.4%	0.9%	1.1%
2036	113	17	49	25	8	14	37	15	20	13	310	2.4%	0.3%	0.9%	1.1%
Main Trade Area:															
2021	91	13	38	25	6	11	29	12	16	9	250				
2026	107	16	46	28	7	13	35	14	19	12	296	3.5%	1.4%	0.9%	1.1%
2031	127	19	55	31	9	15	42	16	22	14	350	3.4%	1.3%	0.9%	1.1%
2036	145	21	64	33	10	18	48	19	25	17	399	2.7%	0.6%	0.9%	1.1%

1. Spending figures are inclusive of GST and inclusive of inflation after 2021.

Source : ABS; MarketInfo; Urbis

2.2 RETAIL COMPETITOR ANALYSIS

COMPETITIVE CONTEXT

Key Findings

Map 2.2.1 illustrates the locations of existing and proposed retail facilities that are likely to compete with the subject site.

There are no competitive facilities in the primary trade area.

The secondary east trade area features Lake Albert Shopping Centre, which includes a 620 sq.m Foodworks store.

Beyond the main trade area, key competitive centres of relevance include:

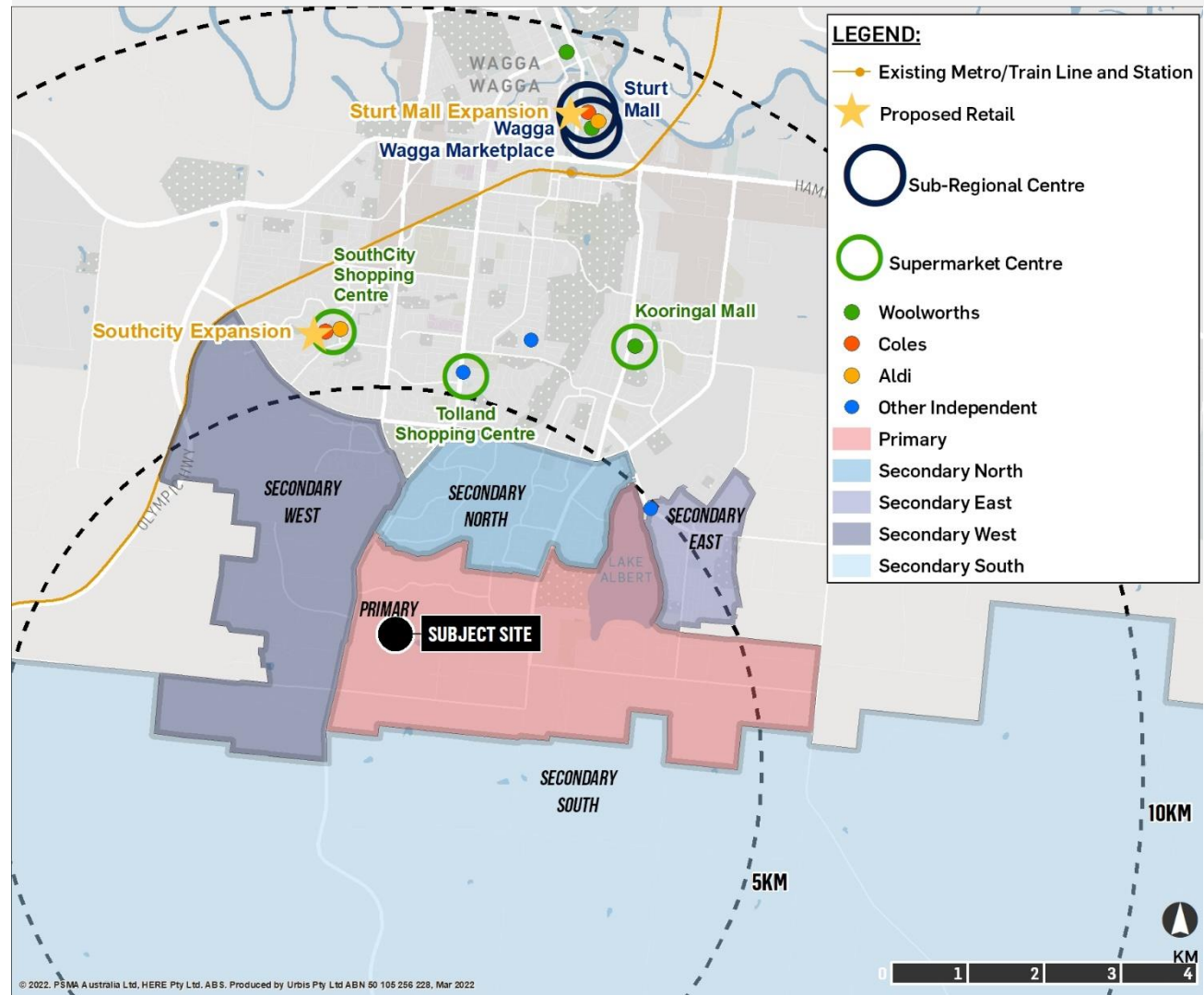
- **Wagga Wagga Marketplace** (10.7 km) – Woolworths (5,011 sqm)
- **Sturt Mall** (9.7 km) – Coles (3,694 sq.m)
- **Riverina Plaza** (x km) – Aldi (1,200 sq.m)
- **Southcity Shopping Centre** (6.1 km) – Coles (3,800 sq.m)
- **Koorungal Mall** (6.9 km) – Woolworths (1,950 sq.m)
- **Tolland Shopping Centre** (5.2 km) – IGA (1,100 sq.m)
- **Standalone stores** – Aldi Glenfield Park (1,450 sq.m)

There are currently no supermarkets within a 3 km radius of the subject site, indicating a potential gap in the market.

Within the main trade area, Southcity Shopping Centre has received development approval for a ~7,500 sq.m expansion, to comprise of a new Target, a mini major and an additional 1,679 sq.m of specialty stores.

Competition Map

Map 2.2.1



HIGHER ORDER CENTRES

STURT MALL

Centre Class: Sub-regional
Total GLA: 15,250 sq.m

Distance: 9.7 km
Majors: Coles, Kmart

Comment:

Sturt Mall features two major tenants and over 45 specialty stores, with a strong mix of local and national retailers. The centre's offer is largely targeted towards the mid-market and is underpinned by its Kmart anchor.

In 2014, Sturt Mall received development approval for approximately 6,000 sq.m of additional GLA. The expansion is set to feature a new, relocated Coles supermarket (4,200 sq.m) and provide for approximately 24 additional tenancies.



WAGGA WAGGA MARKETPLACE

Centre Class: Sub-regional
Total GLA: 24,828 sq.m

Distance: 10.7 km
Majors: Woolworths, Big W

Comment:

Wagga Wagga Marketplace is the largest sub-regional centre in the LGA, featuring two majors and 59 specialty retailers. The centre underwent a \$30 million expansion in 2016 that resulted in an additional 3,200 sq.m of GLA and upgraded amenities.

The centre's offer is largely targeted towards the mid-market and a younger demographic, with its wide array of national brand tenants.



REMAINDER WAGGA WAGGA CORE

Comment:

The Wagga Wagga Core features three supermarket centres that service the needs of residents in the immediate community.

Southcity Shopping Centre in Glenfield Park features a Coles supermarket, a Reject Shop and 14 specialty retailers across 6,800 sq.m of GLA. In 2013, the Centre received development approval for ~7,500 sq.m expansion to comprise a Target, a mini major and 503 sq.m of specialty stores.

Koorinal Mall comprises ~5,800 sq.m of retail floorspace. The Mall features a Woolworths and 25 specialty retailers.

Tolland Shopping Centre features an IGA and seven tenancies across ~2,900 sq.m of GLA.



2.3 RETAIL DEMAND ANALYSIS

FLOORSPACE DEMAND ASSESSMENT

Key Findings

Table 2.3.1 illustrates the assessment of supportable floorspace demand for the trade area. The adopted methodology is as follows:

- Firstly, the current and future spending capacity of the trade area is assessed.
- Total floorspace demand is then calculated by dividing the total resident spend market by an appropriate average trading level (sales productivity) for each retail category.
- Market shares are then adopted, reflecting the reasonable share that the subject site could potentially achieve from the resident catchment, having regard to location, accessibility and the surrounding competitive environment.
- A share of demand has also been allocated for trade that will be generated from beyond the total trade area (5%), e.g. from local workers that live beyond the trade area and visitors.

Given that the subject site development is still in the early planning phase, it has been assumed that any retail development is not likely to occur prior to 2025.

Based on the above methodology, total resident spend is projected to grow from \$274.2 million in 2025 to \$412.8 million by 2045. The resulting total floorspace demand generated by the total trade area is estimated to grow from around 35,880 sq.m in 2025 to 47,540 sq.m by 2045.

Based on estimated market shares that the subject site could achieve, the subject site could support 1,650 sq.m of total retail floorspace by 2025, growing to 2,670 sq.m by 2045.

Estimated Supportable Floorspace Demand

Table 2.3.1

Year	Food Retail	Food Catering	Apparel	Household Goods	Bulky Goods	Leisure/ General	Retail Services	Total Retail
Total Resident Spend (\$M)								
2025	\$112.0	\$41.3	\$27.7	\$19.4	\$33.0	\$30.6	\$10.2	\$274.2
2030	\$121.7	\$45.7	\$31.9	\$23.1	\$38.0	\$34.7	\$11.4	\$306.5
2035	\$131.0	\$50.1	\$36.5	\$27.3	\$43.2	\$38.9	\$12.7	\$339.7
2040	\$139.9	\$54.4	\$41.3	\$32.1	\$48.8	\$43.3	\$14.0	\$373.9
2045	\$149.8	\$59.3	\$46.9	\$37.7	\$55.2	\$48.3	\$15.5	\$412.8
Average Trading Level								
2025	\$12,270	\$9,600	\$4,750	\$12,270	\$4,010	\$7,860	\$7,210	\$7,640
2030	\$13,540	\$9,900	\$5,080	\$13,540	\$4,290	\$8,310	\$7,540	\$7,960
2035	\$14,810	\$10,210	\$5,420	\$14,810	\$4,560	\$8,760	\$7,870	\$8,270
2040	\$16,080	\$10,520	\$5,750	\$16,080	\$4,840	\$9,200	\$8,200	\$8,590
2045	\$16,580	\$10,640	\$5,880	\$16,580	\$4,950	\$9,380	\$8,330	\$8,680
Total Floorspace Demand (sq.m)								
2025	10,030	4,300	5,820	2,160	8,240	3,920	1,410	35,880
2030	10,720	4,610	6,280	2,330	8,860	4,200	1,520	38,520
2035	11,350	4,900	6,740	2,520	9,470	4,470	1,620	41,060
2040	11,920	5,170	7,190	2,720	10,090	4,730	1,710	43,540
2045	12,680	5,570	7,990	3,100	11,170	5,180	1,860	47,540
Estimated Market Share of Total Trade Area (%)								
2025	20.1%	4.2%	0.0%	12.2%	0.0%	8.2%	8.2%	4.4%
2030	21.8%	4.5%	0.0%	12.8%	0.0%	8.4%	8.5%	4.7%
2035	23.3%	4.7%	0.0%	13.2%	0.0%	8.7%	8.8%	4.9%
2040	24.7%	4.9%	0.0%	13.7%	0.0%	8.9%	9.0%	5.2%
2045	26.2%	5.1%	0.0%	14.1%	0.0%	9.1%	9.3%	5.3%
Supportable Floorspace Demand* (sq.m)								
2025	1,060	190	0	120	0	160	120	1,650
2030	1,230	220	0	130	0	180	140	1,900
2035	1,390	240	0	150	0	200	150	2,130
2040	1,550	270	0	170	0	210	160	2,360
2045	1,750	300	0	200	0	240	180	2,670

*Includes 5% of demand drawn from beyond the trade area

Source: ABS; Marketinfo; Urbis

FLOORSPACE COMPOSITION AND MIX

Key Findings

Table 2.3.2 outlines the indicative composition and mix of retail floorspace that could be supported at the subject site.

The subject site could support total retail floorspace of approximately 1,650 sq.m by 2025, including:

- 1,060 sq.m of food retail floorspace (e.g. a supermarket and a liquor store);
- 190 sq.m of food catering floorspace (e.g. ~1-2 cafes / restaurants);
- 120 sq.m of household goods (e.g. 1 giftware / homeware store)
- 160 sq.m of leisure/general floorspace (e.g. ~1 newsagency / tobacconist); and
- 120 sq.m of retail services floorspace (e.g. ~2 hair / nails / beauty salons).

Over the longer term, the subject site could support approximately 2,670 sq.m of total retail floorspace by 2045, including:

- 1,750 sq.m of food retail floorspace (e.g. a supermarket and a liquor store);
- 300 sq.m of food catering floorspace (e.g. ~2-3 cafes / restaurants);
- 200 sq.m of household goods (e.g. 1-2 giftware / homeware store)
- 240 sq.m of leisure/general floorspace (e.g. ~2 newsagency / tobacconist shops); and
- 180 sq.m of retail services floorspace (e.g. ~3x hair / nails / beauty salons).

Indicative Composition and Mix of Retail Floorspace

Table 2.3.2

	Supportable Floorspace (sq.m)				
	2025	2030	2035	2040	2045
Supermarket	900	1,040	1,180	1,310	1,480
Liquor	160	190	210	240	270
Food Catering	190	220	240	270	300
Household Goods	120	130	150	170	200
Leisure/General	160	180	200	210	240
Retail Services	120	140	150	160	180
Total	1,650	1,900	2,130	2,360	2,670

Source: ABS; MarketInfo; Urbis

2.4

RECOMMENDATIONS

RECOMMENDATIONS

Recommendations

We recommend a single consolidated, small scale retail centre at the subject site, given the surrounding density, accessibility and exposure. In the short term, this could potentially comprise a 1,060 sq.m supermarket and liquor store and around 590 sq.m of specialty tenants by 2025. This would coincide with the first lot of residents at the subject site and support the daily convenience needs of existing residents in the surrounding area.

Over the longer term, growth in trade area resident spending could support around 2,670 sqm of total retail floorspace by 2045, comprising 1,750 sq.m of supermarket and liquor floorspace and around 920 sq.m of specialty tenants.

If developed over the short term, the retail performance is expected to be relatively soft, until the retail centre is established and the residential population within the primary trade area densifies.

Given moderate competition from supermarkets in Glenfield Park, Tolland, Koorringal to the north, securing the strongest available supermarket anchor (e.g. a national brand retailer such as Aldi or IGA) will help to create a compelling offer for customers to visit.

Given the lack of retailers within the trade area, the subject site is well placed to provide a strong specialty mix that will create a holistic offer for residents to fulfill their one-stop shopping needs. The subject site should leverage off its high exposure to major roads (such as Holbrook Road) to maximise its convenience to passing traffic.

