



WOOLSTORES PLACE MASTER PLAN NEEDS ANALYSIS



CONTENTS

Executive Summary	3
Introduction	5
Local Context	6
Regional Context	10
Residential Opportunities	19
Short Stay Opportunities	26
Retail / Commercial Opportunities	33
Recommendations	41
Appendices	44

EXECUTIVE SUMMARY

This study explored land use opportunities for the Woolstores Place site in Albany as part of a master planning process for this landholding.

This study identified the following key local and regional factors that will influence the opportunities and challenges for this site.

- **Lot Size:** The size of the lot supports many uses and there is flexibility in configuration. It is additionally one of the limited opportunities for mixed use waterfront development of scale in the region.
- **Growing catchment population:** Albany and surrounds are growing residential and tourism areas.
- **Edge of Town Location:** The subject site is a brownfield development site outside the established urban area of Albany.
- **Surrounding Infrastructure:** The freight and road infrastructure provide physical barriers which present real and perceived impacts on the desirability of the site.
- **Ease of Accessibility:** The site is likely to be easily accessible via the Albany Ring Road, albeit exposure could be limited and the population catchment is limited by its location at the south-eastern edge of Albany.
- **Market Viability:** There has, to date, been limited medium density development delivered in the market.

An interactive process of analysis with the project team led to the identification of key land use opportunities for more detailed analysis. The analysis determined that the site is a strong candidate for a multi-use tourism and residential development given its scale, accessibility, natural attributes and competitive context.

Overall, there is an opportunity to accommodate the following uses.

- **Terrace / Townhouse** (55-80 dwellings)
- **Apartments** (160-250 dwellings)
- **Low Rise Resort / Serviced Apartment** (80 rooms)
- **4-Start Hotel** (150+ rooms)
- **Retail and Entertainment Showroom Typology** (15,000-20,000 sq. m GLA)
- **Food Catering Ground Floor** (1,100 sq. m GLA).

In particular, the site should afford focus heavily to low and medium density residential uses in the short and medium term (i.e. the next 10 years), with focus afforded to lots 4, 5 and 6. A small retail (food and beverage) offering could be supported on lot two during this initial stage of development.

EXECUTIVE SUMMARY (CONT.)

Recommend Land Use Mix			
USE	LOT #	SITE POTENTIAL	TENANT TYPE OPPORTUNITIES
Residential (Low and Medium Density)	Lots 3-8	215-330 Dwellings	-
Retail	Showroom	Lot 2 15,000 to 20,000 sq.m GLA	<ul style="list-style-type: none"> Bulky goods Leisure / entertainment Self storage Food catering / fast food
	Food Catering	Lots 6-9 1,100 sq.m GLA	<ul style="list-style-type: none"> Micro-brewery / restaurant Café Take-away food
Short Stay Accommodation	Lots 6 & 9	80-room low rise & 150+ room hotel	<ul style="list-style-type: none"> Family-friendly resort / serviced apartments 4-star hotel



INTRODUCTION

STUDY BACKGROUND

A master planning and structure planning process is underway for the Albany Woolstores (subject site).

The subject site is located along Woolstores Place, Mount Elphinstone and covers multiple lots that are variously owned by Mainbeam Holdings Pty Ltd, other private landowners or are crown or state-controlled land. The site is located west of the Albany Town Centre with waterfront access to the Princess Royal Harbour.

A portion of the subject site is proposed to be acquired for Main Roads WA's Albany Ring Road project and associated road interchange. This section of the project is expected to be completed in early 2024.

The structure planning process considered various land use opportunities that provide a strong return on investment and represent the highest and best use of the subject site, while having regard to the changing road network.

STUDY PURPOSE AND APPROACH

Urbis was engaged to undertake an assessment of the land use potential of the subject site to inform the development of a structure plan. In particular, this study sought to identify a preferred mix of land uses and staging.

To cover the broad range of issues within the scope, this study undertook the following key tasks.

- **Phase One:** This task assessed the site attributes, broader market conditions in the surrounding area and a long list of potential land uses. In collaboration with the project team, an agreed short list was identified based on market viability and other considerations.
- **Phase Two:** This task assessed the market viability of the shortlisted land use opportunities and identified a preferred mix of uses for the subject site.

This report presents the findings from phases one and two.

01

LOCAL CONTEXT



LOCAL CONTEXT | SITE ASSESSMENT

Key Findings

The subject site is located along Woolstores Place, Mount Elphinstone at the intersection of Princess Royal Drive and Frenchman Bay Road (with its southern half bordering the water of Princess Royal Harbour). The intersection between Frenchman Bay Road and Woolstores Place at the site's most westerly point is set to be turned into a roundabout which plans to separate Frenchman Bay Road into two distinct roads connecting to Lower Denmark Road and Hanarahan Road.

The site sits on the same road as multiple harbour-facing accommodations such as the Albany Bali Style Accommodation and Lilacs Waterfront Villas.

Mount Elphinstone is located on the Western urban-rural fringe of the Albany area and lies between the suburb of Robertson to the West, which contains an industrial zone as well as holiday retreats and chalets, and the town of Albany to the East, containing a higher density of residential and commercial properties.

Albany is considered a popular tourist destination, home to attractions such as the Torndirrup National Park and the National Anzac Centre. It is also located in close proximity to major Great Southern Tourist attractions such as Greens Pool, Valley of the Giants Tree Top Walk and the tourist-friendly town of Denmark.

Infrastructure investment in the region is strong, with the \$175 million Albany Ring Road currently underway. The road is intended to increase freight transport capacity whilst also reducing urban freight traffic and is set to open in early 2024. Other major projects include the \$25 million Water Pipeline, the recently completed \$24 million Hilton Garden Inn and the \$16.6 million Mount Lockyer Primary School.

Subject Site – Structure Plan Area



Source: Rowe Group






LOCAL CONTEXT | SITE ASSESSMENT

Key Findings

The subject site provides one of the few opportunities in Albany for a coordinated waterfront development. The ability to successfully accommodate a range of uses will however be influenced by a number of site considerations noted below.

- **Remoteness:** The subject site is a brownfield development site outside the established urban area of Albany.
- **Surrounding Infrastructure:** The freight and road infrastructure provide physical barriers which present real and perceived impacts on the desirability of the site.
- **Ease of Accessibility:** The site is likely to be easily accessible via the Albany Ring Road, albeit exposure could be limited and the population catchment is limited by its location at the south-eastern edge of Albany.
- **Lot Size:** The size of the lot supports many uses and there is flexibility in configuration.

Success Drivers

	SUCCESS DRIVER	DESCRIPTION
	Exposure and Access	<ul style="list-style-type: none"> ▪ Visibility and exposure to major roads and / or main road frontage ▪ Access to main roads for vehicle transport ▪ Ease of getting in and out
	Land Use Demand	<ul style="list-style-type: none"> ▪ Limited competition ▪ Strong unmet demand for proposed land uses
	Lot Size	<ul style="list-style-type: none"> ▪ Ability to accommodate appropriately sized lots and flexibility of design configuration
	Co-location	<ul style="list-style-type: none"> ▪ Co-location to other uses that drive visitation and patronage
	Surrounding Resident and Worker Population	<ul style="list-style-type: none"> ▪ Dense surrounding population will aid in getting exposure and be accessible to more potential customers

Source: Urbis

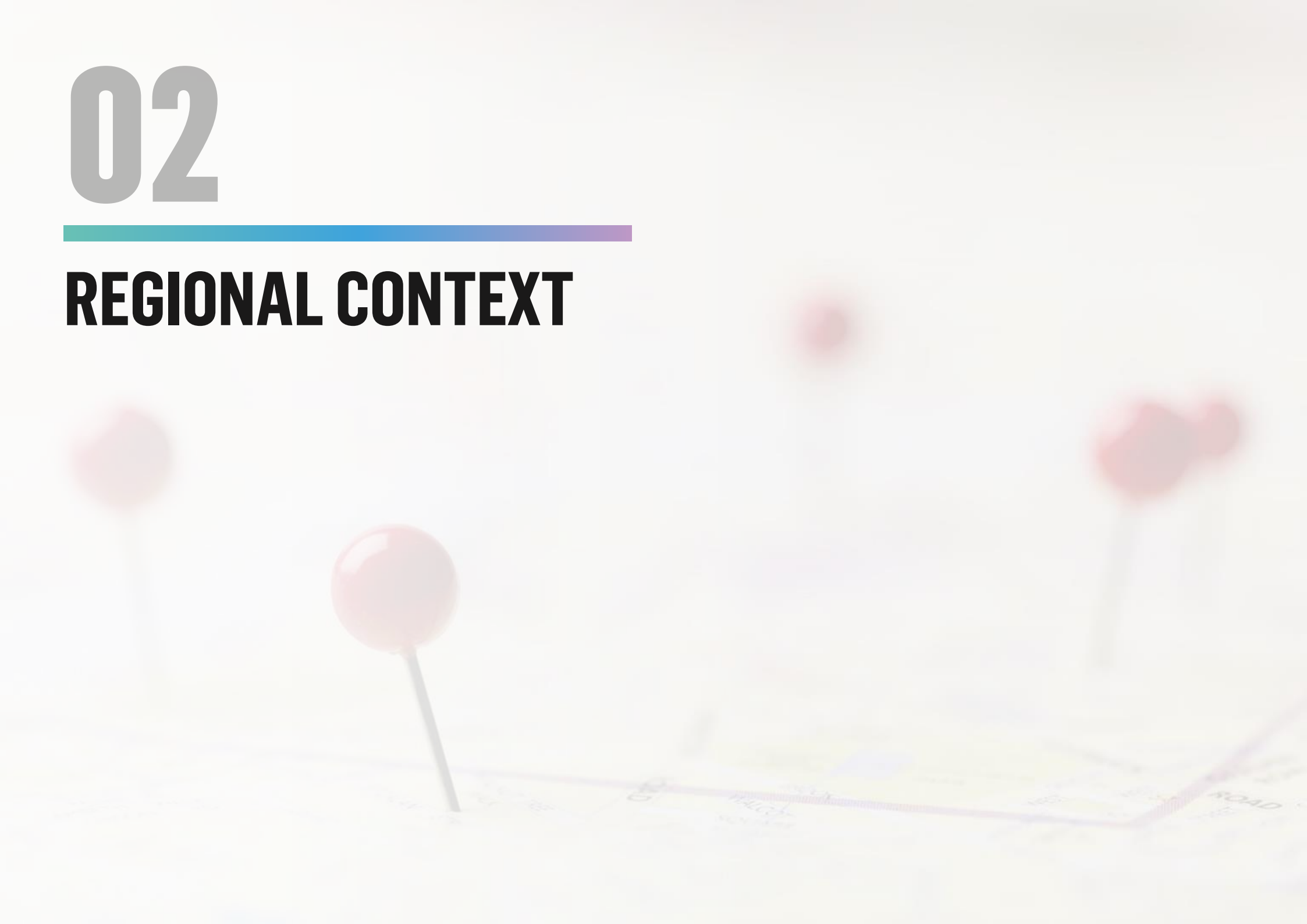
LOCAL CONTEXT | NON RESIDENTIAL DEVELOPMENT SUITABILITY

Site Assessment for Subject Site		
LOCATION DRIVER	IMPLICATIONS FOR SUBJECT SITE	RATING
Exposure and Access	<ul style="list-style-type: none"> The future Albany Ring Road project will have implications for access to the site. The site will likely be easily accessible from the new road, however the changes to the road and the existing freight rail present challenges to exposure. 	Strong
Land Use Demand	<ul style="list-style-type: none"> While the site is somewhat isolated from the Albany town centre, there are limited developable sites of the same scale on the waterfront in close proximity. 	Moderate
Lot Size	<ul style="list-style-type: none"> The size of the subject site means that there is flexibility configuration and uses it could support. It is noted that the subject site / structure plan boundary includes land owned by Mainbeam Holdings Pty Ltd as well as Crown and state-controlled land. Additionally, a portion of the land area will be acquired by Mainroads WA as part of the Albany Ring Road project. 	Strong
Co-Location	<ul style="list-style-type: none"> The site is isolated from the non-residential land uses of the town centre. There are several hospitality operators located to the south west of the subject site along the coastline. 	Moderate
Surrounding Resident and Worker Population	<ul style="list-style-type: none"> The subject site is located on the south-eastern edge of Albany, meaning there are several barriers to access for portions of the population. The majority of Albany's future urban growth is expected to occur in areas north east of the site, in closer proximity to the town centre and existing amenity. Albany serves as the administrative centre for the Great Southern region, and as such some uses will have a larger draw of population from beyond Albany. There is limited worker population in close proximity to the site. Albany is a tourist destination with a relatively seasonal market, with visitors adding to the service population of the catchment. 	Moderate

Source: Urbis

02

REGIONAL CONTEXT



REGIONAL CONTEXT | STUDY AREA DEFINITION (CONT.)

Key Findings

A study area was defined to assist with determining key opportunities for the subject site.

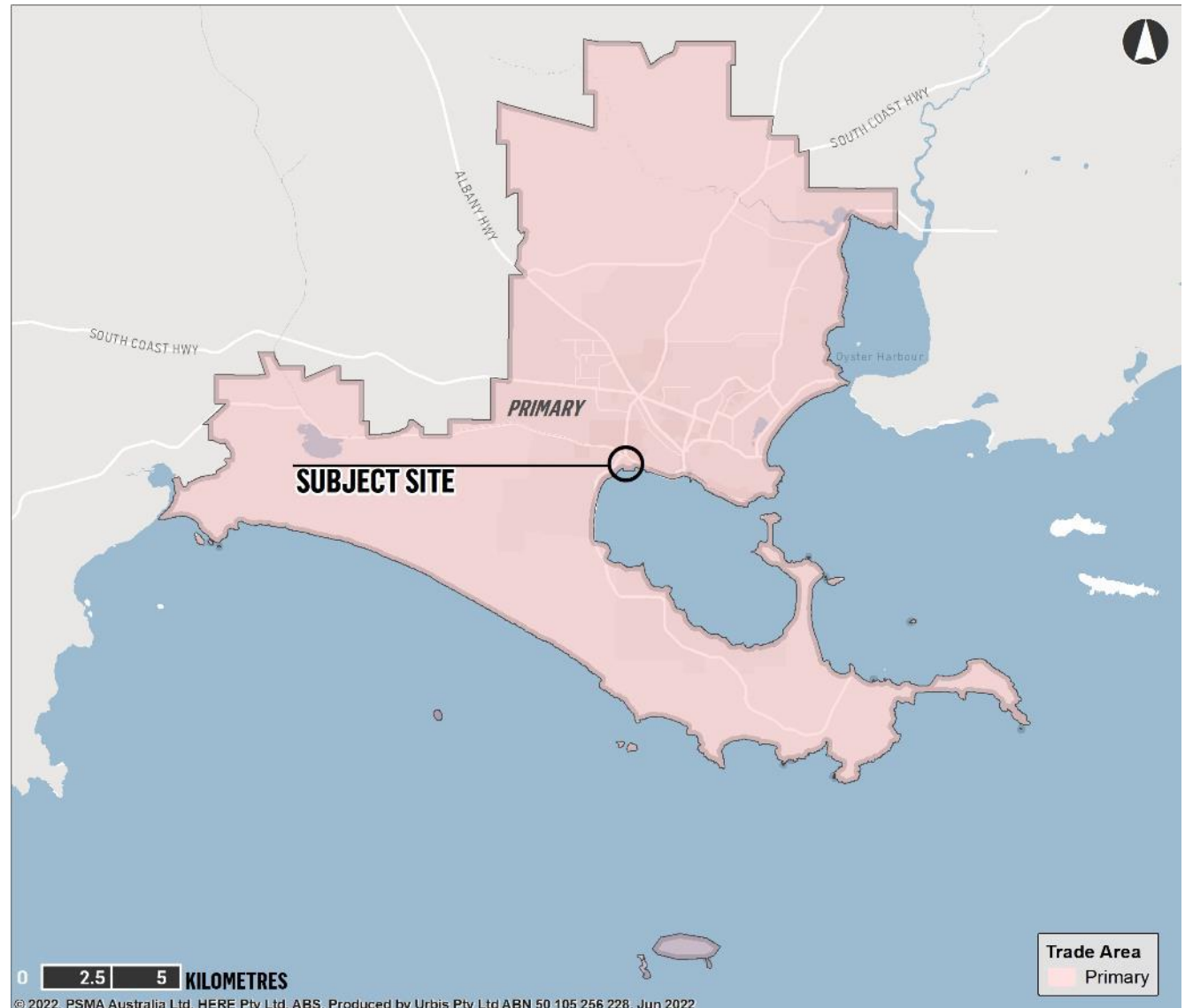
The study area has been drawn as a singular catchment (i.e. without secondary or tertiary catchments) to capture the residential core of the City of Albany.

The study area was developed having regard to:

- The accessibility of the centre and proximity to competition;
- Physical and manmade barriers; and
- Urbis' internal catchment surveys for comparable mixed use developments.

In addition to a residential catchment, this site will attract visitors and therefore visitation to the study area was a core consideration.

Defined Study Area



REGIONAL CONTEXT | POPULATION OUTLOOK

Key Findings

There are significant portions of developable land available in the study area; albeit with varying challenges.

The City of Albany Local Planning Scheme No. 1 has a provision for “future urban” zoned land that is largely concentrated on the outer edges of the existing urban core of the City.

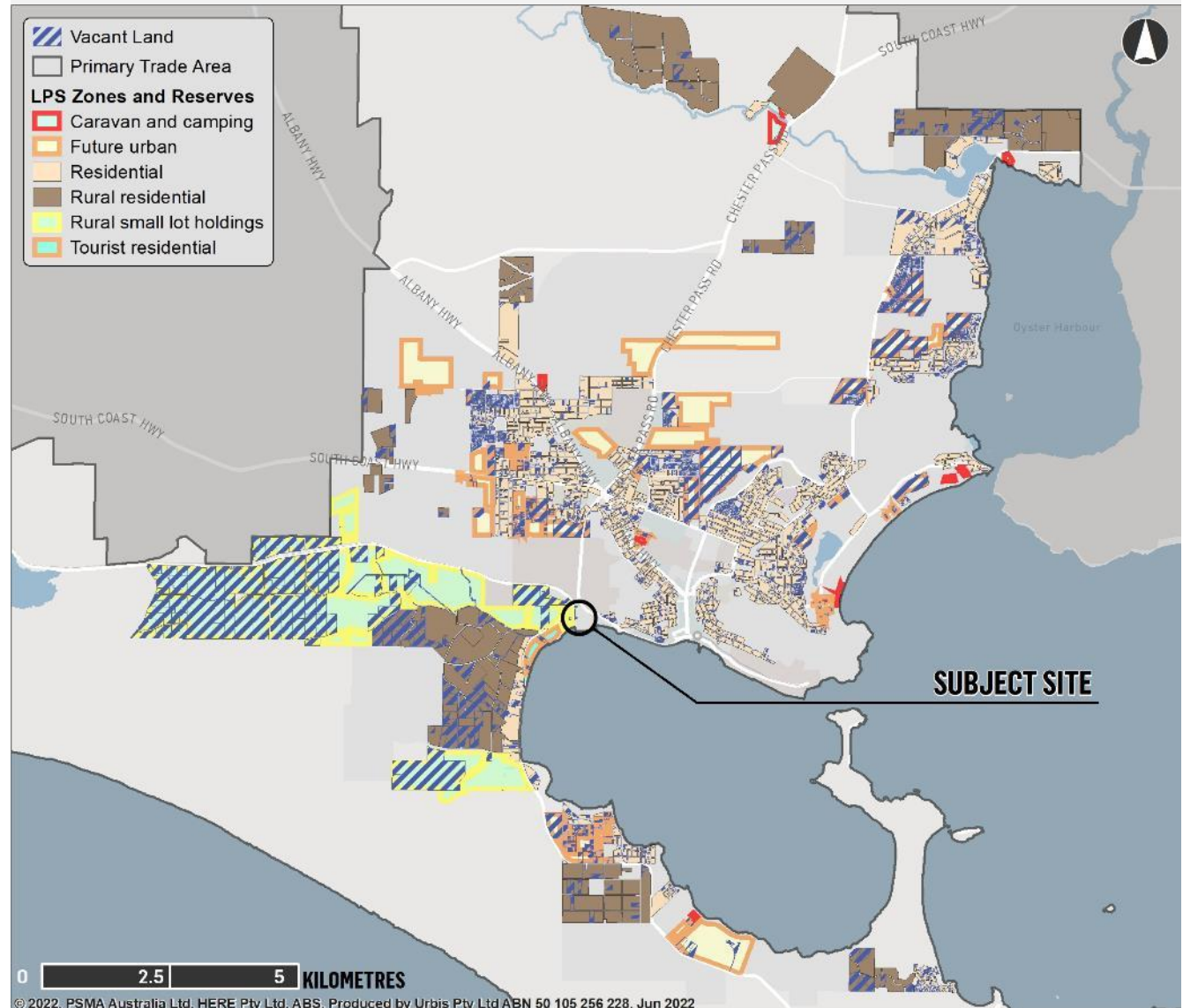
The majority of urban land in close proximity to the site is zoned for “tourist residential”, “rural residential” and “rural small lot holdings”, with significant holdings to the west of the site remaining undeveloped.

While there is a healthy supply of residential land for development in the “future urban” areas, it is unlikely that significant residential development will occur in close proximity to the subject site.

Moreover, the subject site represents one of the limited opportunities for coordinated medium density development of scale.

These land supply considerations form part of the assessment of the population outlook for the study area.

Map of Zoning and Reserves



REGIONAL CONTEXT | POPULATION OUTLOOK (CONT.)

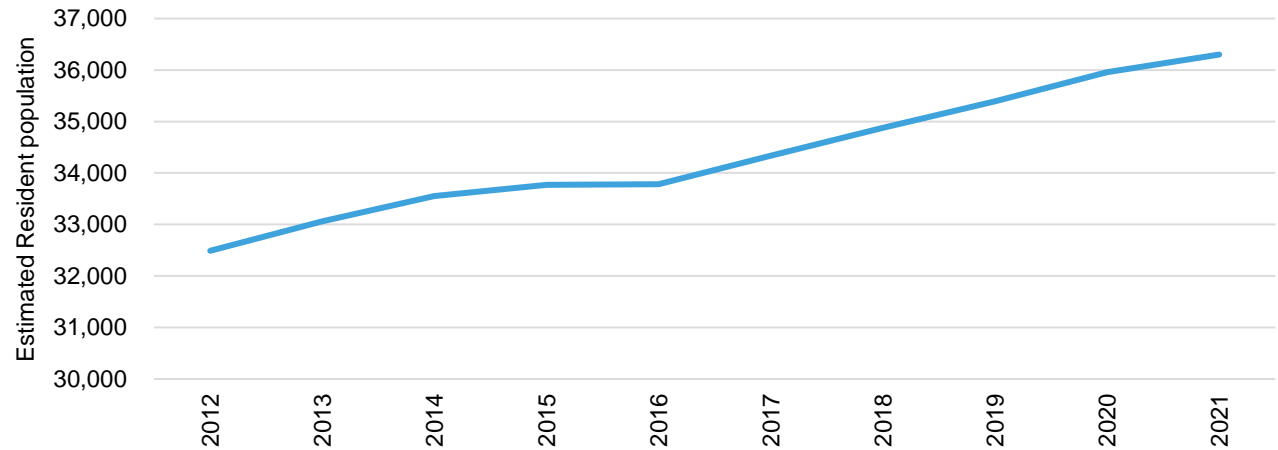
Key Findings

The study area has experienced steady population growth over the past decade, with an average per annum growth rate of 1.1%. The strongest level of population growth was seen between 2012 and 2014, with a peak of 1.8% growth from 2012 to 2013.

The population is forecast to continue on a steady growth path at an average yearly rate of 1.2% per annum in the ten years to 2032.

It is noted that Albany is also home to transient workers and visitors during tourism seasons.

Historical Population, Study Area, 2011-2021



Source: ABS

Population Forecasts, Study Area, 2016-31

	POPULATION (NO.)				ANNUAL POPULATION		ANNUAL POPULATION	
	2017	2022	2027	2032	2017-22	2022-32	2017-22	2022-32
Main Trade Area	34,330	36,900	39,840	41,700	1.5%	1.2%	514	480

1. Data provided as at June.

Source: Australian Bureau of Statistics (ABS); Urbis

REGIONAL CONTEXT | DEMOGRAPHIC PROFILE

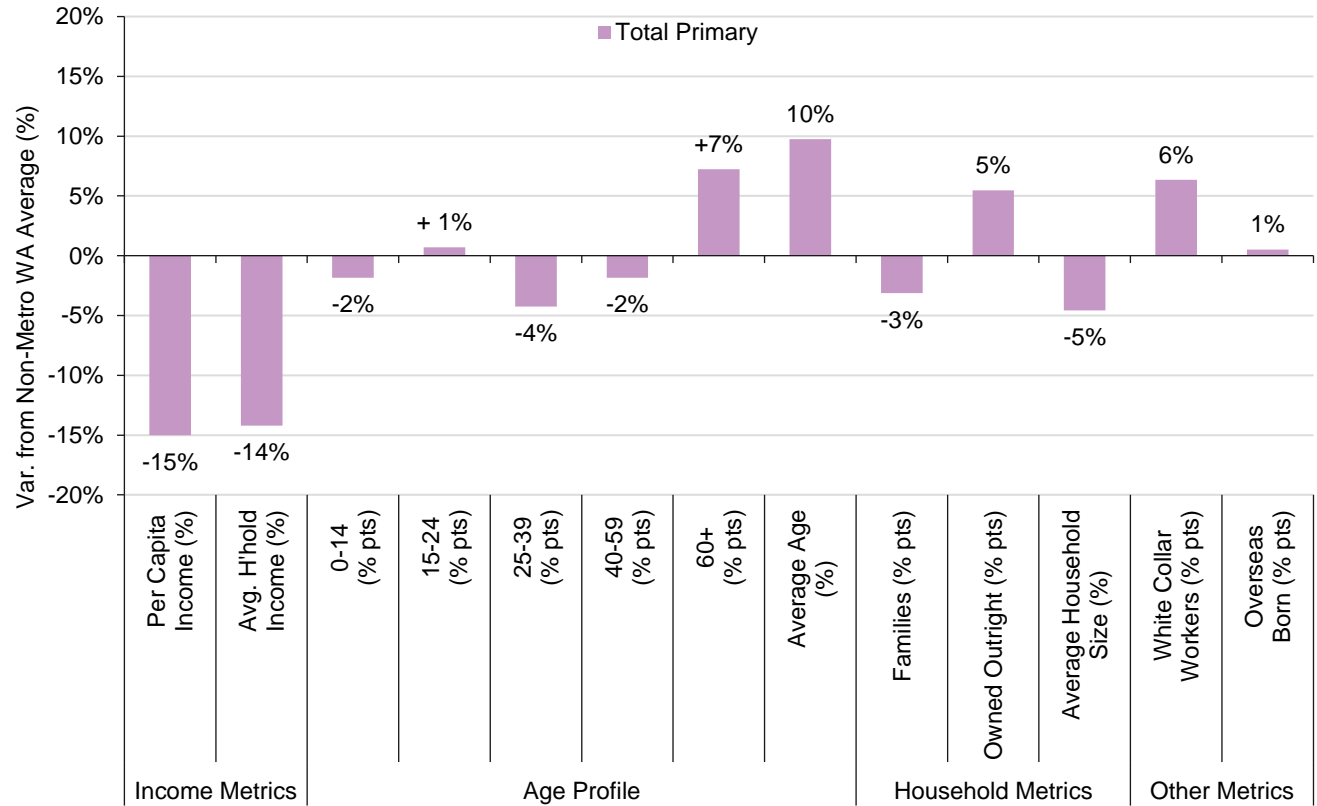
Key Findings

The level of future expenditure and retail demand in the trade area will be influenced by the socio-economic profile of current and future residents.

Based on data from the 2016 Census compared to non-metropolitan WA averages, the following attributes were noted as relevant.

- **Average Incomes:** Residents have significantly lower per capita and household incomes compared with the rest of non-metro WA which will influence the level of discretionary spending.
- **Age Profile:** Residents within the study area are on average 10% older than the rest of non-metro WA, which has implications for the need for health, aged-care and retail services.
- **Homeowners:** Residents in the study area are more likely to own their house outright, relative to the rest of non-metro WA. This will influence resident capacity for discretionary spending.

Key Socio-Economic Attributes, Study Area, 2016



Source: ABS

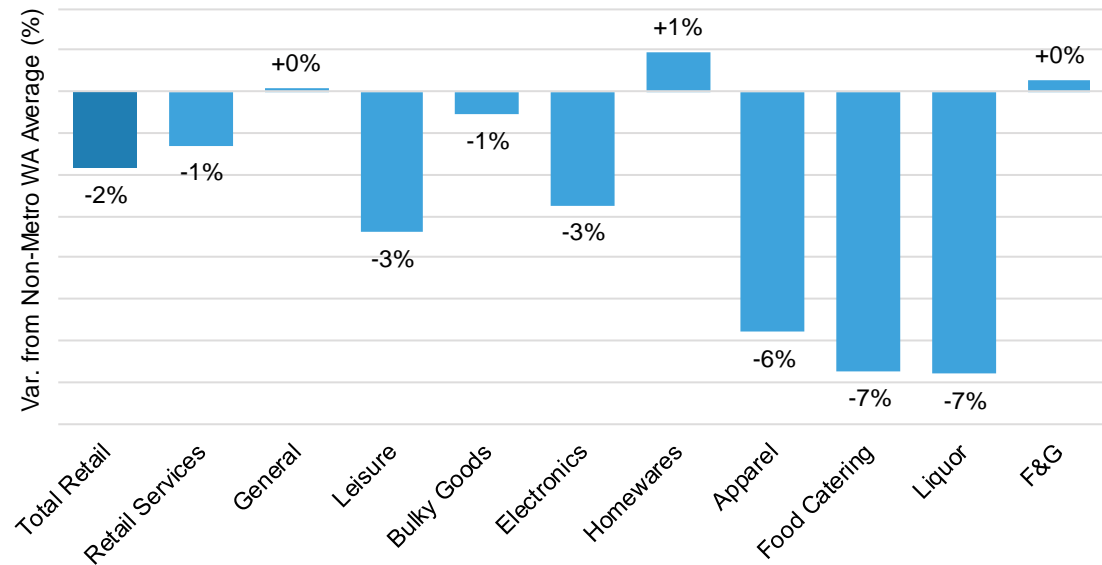
REGIONAL CONTEXT | SPENDING ATTRIBUTES

Key Findings

The level of future expenditure and floorspace demand in the trade area will be influenced by the spending characteristics of current and future residents. Based on a comparison of the trade area to non-metropolitan WA averages, the following attributes were noted as relevant.

- Trade area residents were estimated to have moderately lower average retail expenditure compared to non-metro WA average (2% below).
- There was estimated to be a particularly lower level of spending on liquor, food catering and apparel.
- Income levels are leading to less discretionary spending – though this does not account for visitors who play a significant role in tourism and entertainment-related retail spend in Albany.

Retail Spend per Capita, Study Area, 2022



1. Data provided for the year ending June 2022 including GST.

Source: MarketInfo; Urbis

Note: The retail spending market was estimated using MarketInfo – a micro-simulation model developed by MDS Market Data Systems Pty Ltd. This model is based on information from the ABS' Household Expenditure Survey (HES), the Census of Population and Housing and other information sources that provide up-to-date information on changes in spending behaviour and/or income levels (e.g. Australian National Accounts, Australian Taxation Statistics, etc.). MarketInfo is used widely by stakeholders in the retail industry and by other consultants preparing Retail Sustainability Assessments/Economic Impact Assessments.

The model uses micro-simulation techniques to combine propensity to spend on particular commodities with the socio-economic characteristics of individuals to derive spending per capita estimates on a small area basis (i.e. the Statistical Area 1 level).

REGIONAL CONTEXT | REGIONAL COMPETITION

ACTIVITY CENTRE	LAND USE	SIZE	COMMENTS
The Waterfront at Albany	<ul style="list-style-type: none"> ▪ Harbour / Jetty ▪ Commercial ▪ Accommodation ▪ Retail / Entertainment 	—	<ul style="list-style-type: none"> ▪ The Albany Waterfront precinct is a major integrated redevelopment project helping transform a previously underutilized and contaminated area of the Albany foreshore into a thriving mixed-use harbour. ▪ Includes marina with 74 boat pens, jetty with new pedestrian promenade, office space, shops/markets and multiple dining options. ▪ Completed in 2007, the 250 metre Albany Waterfront Footbridge connects the Waterfront to Albany's town centre, improving pedestrian access to the site. ▪ The \$70m Albany Entertainment Centre relocated to the waterfront in 2010. ▪ The 108-room, \$40m Hilton Garden Inn opened in November 2021. ▪ \$400,000 WA State Government investment proposed in 2021 to extend utilities such as water, gas and electricity on marina's Western breakwater to support further private sector development in the area.
Middleton Beach Activity Centre	<ul style="list-style-type: none"> ▪ Residential ▪ Commercial ▪ Accommodation ▪ Retail / Entertainment 	13,171 sq.m	<ul style="list-style-type: none"> ▪ \$9m foreshore enhancement project underway to improve the beach for public-use and coastal protection. ▪ \$25m Seashells hotel proposed with 66-100 rooms and eight storeys. ▪ Duettes six-unit medium density townhouses expected to be completed in 2023. ▪ Land reserved for potential tourist facilities, restaurants, cafes, shops etc.

REGIONAL CONTEXT | GAP ANALYSIS

Key Findings

A review of the DPLH Land Use and Employment Survey was undertaken to understand if there are uses that are relatively over-provisioned or under-provisioned in the area. The analysis is however indicative as an over-provision of a use does not imply that it should not be supported within the subject site (additionally, it may imply there are opportunities to attract these uses to re-locate).

The uses have been benchmarked against the Perth metropolitan area. The per capita measurement uses the population of the Lower Great Southern Region¹ (extended study area) as reflective of the area serviced by Albany as a regional centre.

Overall, this analysis highlights the high level of, in particular, short-stay accommodation / aged care, retail, other retail and utilities/communications uses, which is reflective of the regional nature of Albany.

Compared to the benchmark, the study area as a limited offering of office / business, manufacturing / processing / fabrication, and health / welfare / community services uses.

Floorspace Benchmarking (sq.m per 1,000 persons), Extended Study Area, 2015-19

USE	STUDY AREA	BENCHMARK
Entertainment / Recreation / Cultural	1,294	1,423
Health / Welfare / Community Services	3,367	3,870
Manufacturing / Processing / Fabrication	790	2,089
Office / Business	2,475	3,654
Primary-Rural	205	24
Short Stay Accommodation / Aged Care	2,234	1,691
Other Retail	1,051	693
Service Industry	1,532	1,479
Shop / Retail	2,117	1,958
Storage / Distribution	4,088	4,364
Utilities / Communications	1,369	1,174

Source: DPLH Land Use and Employment Survey; ABS ERP; Urbis

¹The Lower Great Southern includes the local governments of the City of Albany, the Shire of Cranbrook, Shire of Denmark and Shire of Westport.
 Wellington Place Master Plan Needs Analysis

REGIONAL CONTEXT | FLOORSPACE ASSESSMENT

Key Findings

A more detailed investigation of the sub-categories identified key market gaps for a range of uses.

Whilst this is not a comprehensive list, the analysis demonstrates that there are key uses that would be suitable for the subject site which are currently under-provisioned in the area.

The analysis also reveals the uses that are relatively more prevalent in the study area. These include fishing and forestry services, which is indicative of the nature of the region.

Interestingly, the study area has a below-benchmark provision of F&B uses. Professional and educational services are also under provisioned, when compared to the benchmark. The “other lodgings” category includes hotels and motels and has a floorspace provision above benchmark. This is expected for the area as a tourist destination.

This gap analysis informed the identification and assessment of the subsequent long list of uses.

Floorspace Benchmarking (sq.m per capita), Extended Study Area, 2015-19

USE	VARIANCE FROM BENCHMARK (+OVERSUPPLIED / -UNDERSUPPLIED)
Forestry Services	7934%
General Markets	5778%
Fisheries And Marine Products	2277%
Fishery Services	1828%
Commercial Forestry Production	1072%
Private Hotels	338%
Residence Halls Or Dormitories	148%
Hotels/Motels Licensed	26%
Supermarkets, Grocers, Confectioners And Tobacconists	1%
Drinking Places (Alcoholic Beverages)	-2%
Restaurants And Cafes	-13%
Medical Services	-39%
Services To Finance And Investment	-47%
Takeaway Food	-53%
Real Estate And Related Services	-58%
Heating, Plumbing And Refrigeration Equipment – Retail	-61%
Scientific Research Services	-83%
Catering And Functions Services	-94%

Source: DPLH Land Use and Employment Survey; ABS ERP; Urbis

03

**RESIDENTIAL
OPPORTUNITIES**



RESIDENTIAL | MARKET OVERVIEW

Key Findings

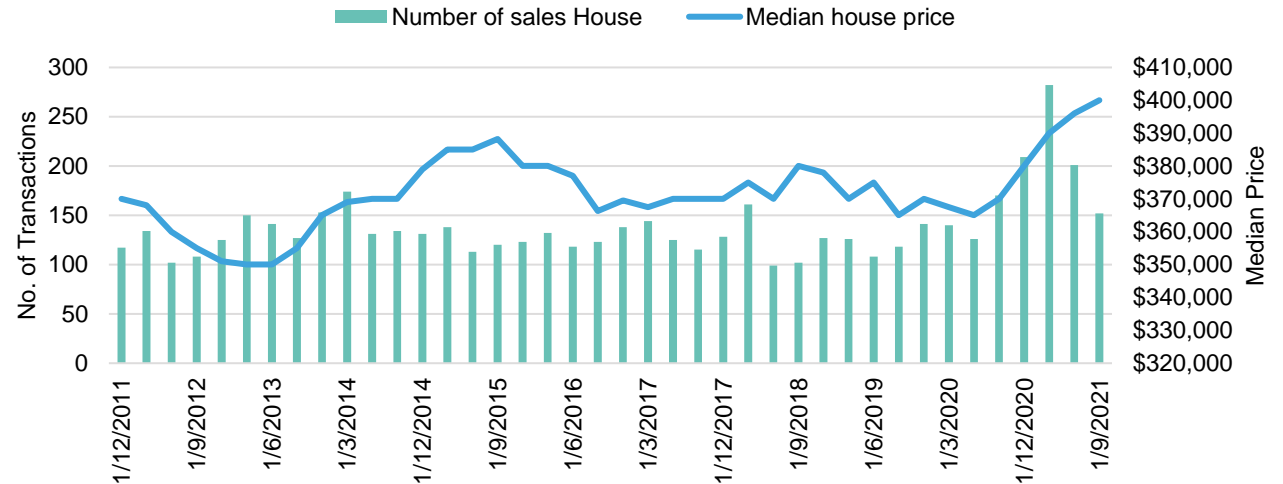
Residential property markets across Western Australia have experienced a cyclical upswing over the past two years as a result of government incentives, population growth, low interest rates and COVID-19 stimulus measures.

Whilst sales volumes have increased significantly, capital values have only recently recovered from the extended market downturn. Year-on-year growth for the 12 months to March 2022 was 8.8% for houses and 23.9% for units.

The sales volume for units at 54 for the current year is significantly lower than sales volume for houses, which is indicative of the relatively limited number of non-detached housing options and inherent preferences for large homes in the region.

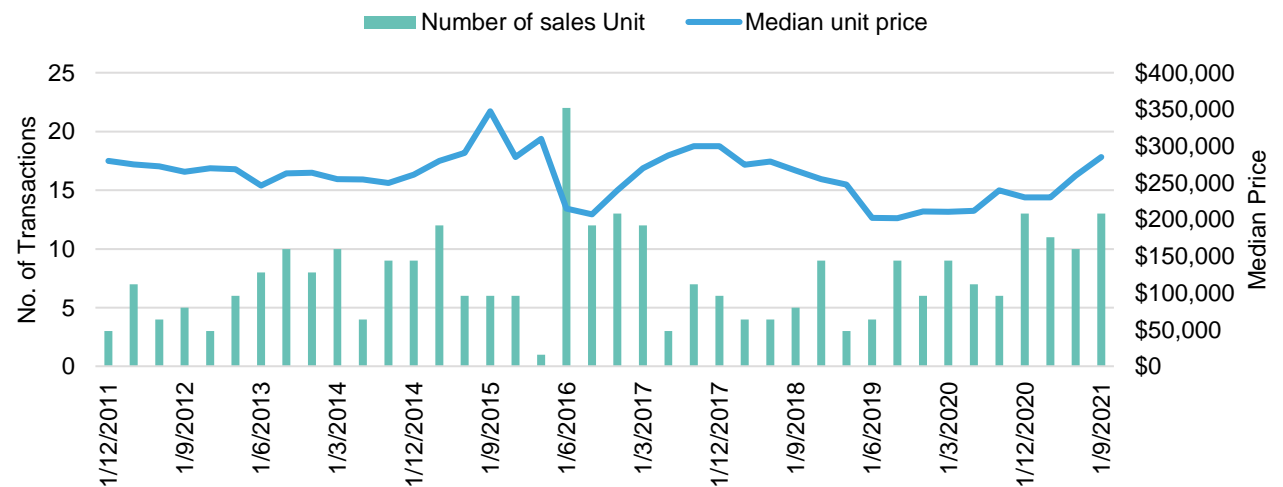
Case studies further in this section highlight that there is some housing stock being added to the market; albeit limited in nature.

House Sales and Median Price, City of Albany, Q4 2011 – Q3 2021



Source: Pricefinder

Unit Sales and Median Price, City of Albany, Q4 2011 – Q3 2021



Source: Pricefinder

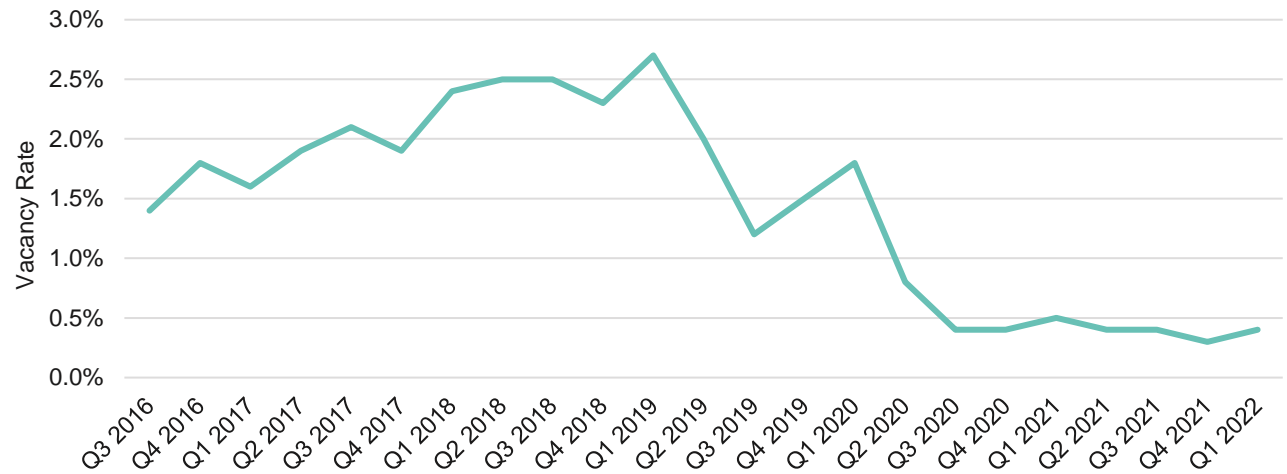
RESIDENTIAL | RENTAL MARKET

Key Findings

Improving labour market and economic conditions have coincided with a current lack of rental stock. This has translated to a tight rental market of with a historically low 0.4% vacancy rate in Albany.

Such low vacancy rates have resulted in increased rental costs. Asking rents in the City of Albany have increased 10.3% (houses) in the 12 months to November 2022.







Vacancy Rate, Albany (Post Code 6330), Q3 2016 – Q1 2022



Source: SQM Research

n.b. The Vacancy Rate data has been sourced from SQM Research which have collected the data by postcode rather than by suburb. As such, the postcode as been adopted in this analysis.

RESIDENTIAL | EXAMPLE UNIT SALES (ALBANY)

IMAGE	PROPERTY ADDRESS	SALE DATE	SALE AMOUNT	SALE AMOUNT PER SQ. METRE	BUILDING AREA (INTERNAL STRATA)	SITE AREA	YEAR BUILT	TYPE
	1/69 Stead Rd, Centennial Park	N/A (For Sale)	\$475,000 (Asking)	\$ 3,368.79 m ²	141 m ²	259 m ²	2008	2 x 2
	1/20 Grove St West, Little Grove	6/4/22	\$230,000	\$4,035.09 m ²	57 m ²	479 m ²	2013	1 x 1
	7/66 Carbine St, Orana	5/4/22	\$325,000	\$2,372.27 m ²	137 m ²	341 m ²	2009	2 x 2
	63A Cockburn Rd, Mira Mar	4/1/22	\$435,500	\$2,655.49 m ²	164 m ²	508 m ²	2010	3 x 2
	1/46 Vancouver St, Albany	8/6/22	\$260,100	\$5,654.35 m ²	46 m ²	56 m ²	1970	2 x 1
	12/89 Proudlove Pde, Albany	10/2/22	\$250,000	\$6,410.26 m ²	39 m ²	39 m ²	1998	1 x 1

Source: Realestate.com.au, Pricerfinder

RESIDENTIAL | NEW HOUSE SALE EXAMPLES (ALBANY)

	7 & 11 DOYLE WY, BAYONET HEAD	1 BARAMBAH CCT, BAYONET HEAD	CATALINA RIDGE ESTATE, STIRLING VIEW RD, LANGE	LOT 237 RADIATA DR, MCKAIL
 Price	\$140,000 (Housing Authority) \$308 m ² - \$312 m ² *	\$570,000 \$990 m ² *	\$386,000- \$405,000 \$825 m ² - \$957 m ² *	\$369,612 (House and Land) \$1,155 m ² *
 Build Year	2022	2021	Ongoing	TBC
 # of Dwellings	2	1	35	1
 Product Type	3 Bed 2 Bath	4 Bed 2 Bath	3 Bed 1 Bath 2 Bed 1 Bath	3 Bed 2 Bath
Comment	<ul style="list-style-type: none"> Affordable housing from Housing Authority Part of 9-unit cluster in and around Grenfell Dr 	<ul style="list-style-type: none"> Currently used as a display home 26 houses complete or near complete in Baramah Cct / Omrah Ln 	<ul style="list-style-type: none"> 12 units complete or near completion as of early 2022 	<ul style="list-style-type: none"> Currently for sale (as of late June 2022) More houses under development along Radiata Dr and Hankins Way
Image				

* Price per square metre based on total lot area
Source: Pricerfinder

RESIDENTIAL | RESIDENTIAL MARKET DEPTH

Key Findings

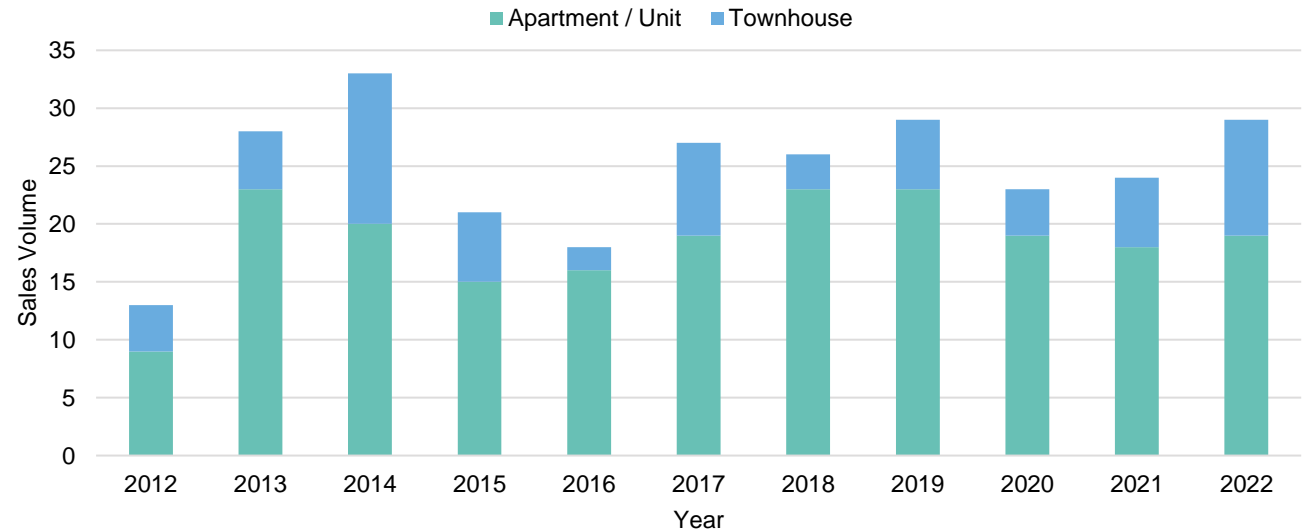
A review of new dwelling property sales was undertaken in order to determine the historical market depth for medium density housing products such as apartments and townhouses.

There has been a stable level of apartment / unit sales activity equivalent to approximately 15-20 sales per annum. It is however important to note that these developments have generally been small scale in nature and generally one to two storey developments with a similar typology to flats / units.

There have been limited terrace / townhouse product with sales varying from 2-12 sales per annum over the past decade.

Whilst the above analysis is important context, there is likely a level of unmet demand given the lack of medium density developments of scale.

New Apartment and Townhouse Sales, City of Albany, 2012-2022



Source: Landgate

RESIDENTIAL | RESIDENTIAL DEVELOPMENT OPPORTUNITIES

Indicative Development Typology Viability Assessment

There are a range of market factors which influence the viability of residential density. As such, an indicative assessment was undertaken to help understand the opportunities for the site to accommodate alternative typologies over time.

The viability findings outlined below have been calculated with regard to:

- The supportable market price for the type of dwelling in this waterfront location;
- Construction costs in the Albany region, and
- Capital growth expectations above construction costs over the long term.

In the short-term, it is anticipated that the predominate residential typology that is viable at the subject site is detached houses. In the medium-term townhouses are expected to become more viable, as capital growth is anticipated to exceed cost increases over time.

It is estimated that steady capital growth in the long-term will lead to apartment projects in this waterfront location becoming moderately viable. However, the profitability of apartment projects will remain dependent upon the market depth and ability to create amenities within the subject site to create an environment attractive to investment.

Additionally, the market depth for each product type should be considered in conjunction with cost viability. Historically, there has been minimal market activity in terms of multiple / grouped dwellings in Albany.

	2022	2027	2032	2037
MARKET PRICES				
House (500 sq.m lot)	\$ 700,000	\$ 811,492	\$ 940,741	\$ 1,090,577
Townhouse / Terrace (220 sq.m)	\$ 520,000	\$ 602,823	\$ 698,837	\$ 810,143
Apartments (2-bed, 2-bath)	\$ 400,000	\$ 463,710	\$ 537,567	\$ 623,187
VIABILITY THRESHOLDS				
House (500 sq.m lot)	\$ 650,000	\$ 700,235	\$ 754,352	\$ 812,651
Townhouse / Terrace (220 sq.m)	\$ 600,000	\$ 646,370	\$ 696,324	\$ 750,139
Apartments (2-bed, 2-bath)	\$ 500,000	\$ 538,642	\$ 580,270	\$ 625,116
VIABILITY FINDINGS				
House (500 sq.m lot)	Viable	Viable	Viable	Viable
Townhouse / Terrace (220 sq.m)	Unviable	Low Viability	Moderately Viable	Viable
Apartments (2-bed, 2-bath)	Unviable	Unviable	Low Viability	Moderately Viable

n.b.: Market prices are based on a review of comparable properties and site attribute considerations.

04

SHORT STAY OPPORTUNITIES



SHORT STAY | SUPPLY OUTLOOK

Key Findings

Albany is a popular tourist destination, particularly with intra- and inter-state travellers. The majority of accommodation is clustered around the town centre, with a particular concentration around the Albany town centre.




The existing short stay accommodation for visitors ranges from caravan parks to mid-scale resorts. Recent investment in the Albany tourism industry includes the Hilton Garden Inn Hotel which opened in 2021.

In addition to larger operators, there are various smaller, boutique offerings, including on the waterfront west of the subject site.

There are two future hotel developments that are likely to occur in the next two to three years, with a third location speculated as a future hotel development site. They are as follows:

- Seashells at Middleton Beach – 66-suite hotel expected to open in 2024;
- Hilton Garden Inn Stage 2 – proposed 152-room addition to existing hotel; and
- Frenchman Bay – possible future development site (development application conditionally approved in 2018).

Future Short Stay Supply

DEVELOPMENT	STATUS / TIMING	LOCATION	POSITIONING
Seashells, Middleton Beach 	<ul style="list-style-type: none"> ▪ Publicly announced with works anticipated to commence in 2023 ▪ Hotel opening slated for 2024 	<ul style="list-style-type: none"> ▪ Middleton Beach ▪ Approx. 5km from subject site 	<ul style="list-style-type: none"> ▪ 4-star hotel
Hilton Garden Inn Stage 2 	<ul style="list-style-type: none"> ▪ Proposed second stage of existing hotel ▪ Early planning 	<ul style="list-style-type: none"> ▪ Albany Waterfront ▪ Approx. 2.5km from subject site 	<ul style="list-style-type: none"> ▪ 3-star hotel
Frenchman Bay 	<ul style="list-style-type: none"> ▪ Speculation ▪ Developable area that a DA was conditionally approved for in 2018 ▪ Site has changed ownership since 	<ul style="list-style-type: none"> ▪ Frenchman Bay ▪ Approx. 11km from subject site 	<ul style="list-style-type: none"> ▪ Unknown

Source: Cordell Connect, DevelopmentWA, Seashells, Nearmap

SHORT STAY | VISITOR MARKET

Key Findings

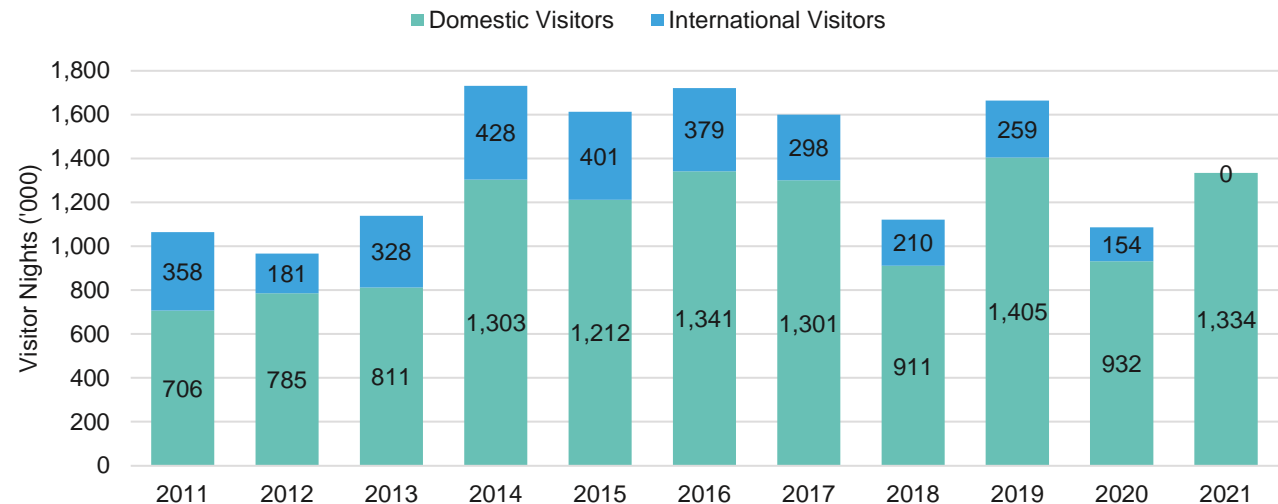
Albany is a recognised tourism destination and growth in the visitor economy is identified as an important channel for economic development across the Great Southern region.

Despite a dip in domestic visitor numbers in 2019, there has been a strong rebound in 2021, with domestic visitor nights 25% higher than the preceding 10-year average of 1,071. With the lifting of WA's borders in March 2022, international visitor numbers are expected to pick up again after an absence for almost two years.

In recent years, private accommodation has hosted the largest share of visitor nights, sitting near or above the 40% mark in the last 10 years.

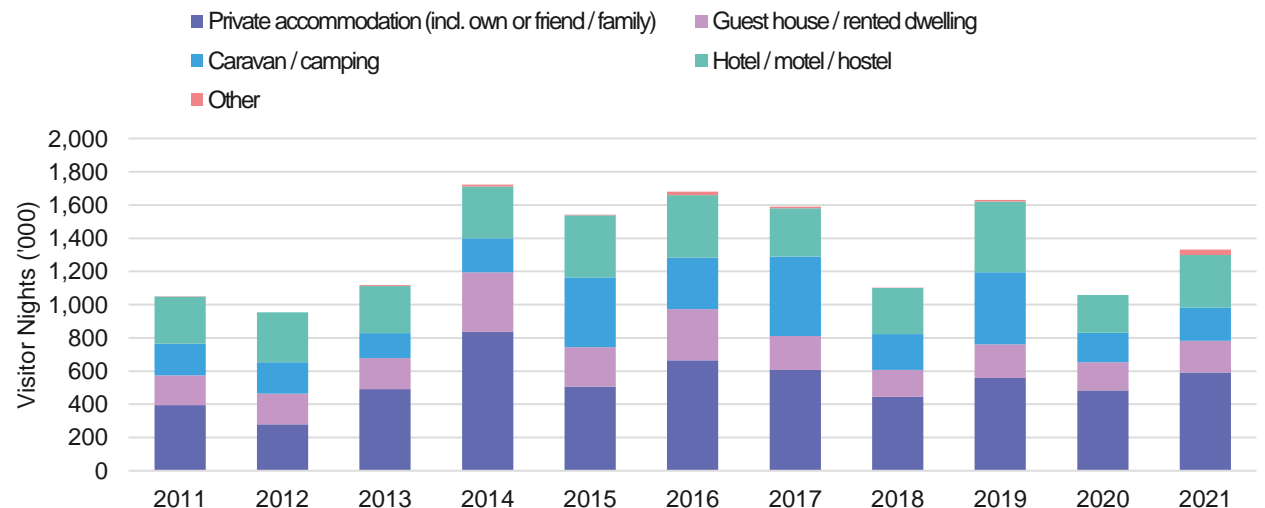
On the back of the visitor resurgence in 2021, demand for most accommodation types increased, driven largely by hotel and own property demand. The exception being backpacker and hostel stays which fell sharply, owing largely to the absence of international tourists who historically make up the majority of this accommodation type.

Visitor Nights by Origin, Study Area, 2011-21



Source: Tourism Research Australia

Visitor Nights By Accommodation Type, Study Area, 2011-21



Source: Tourism Research Australia

SHORT STAY | VISITOR MARKET (CONT.)

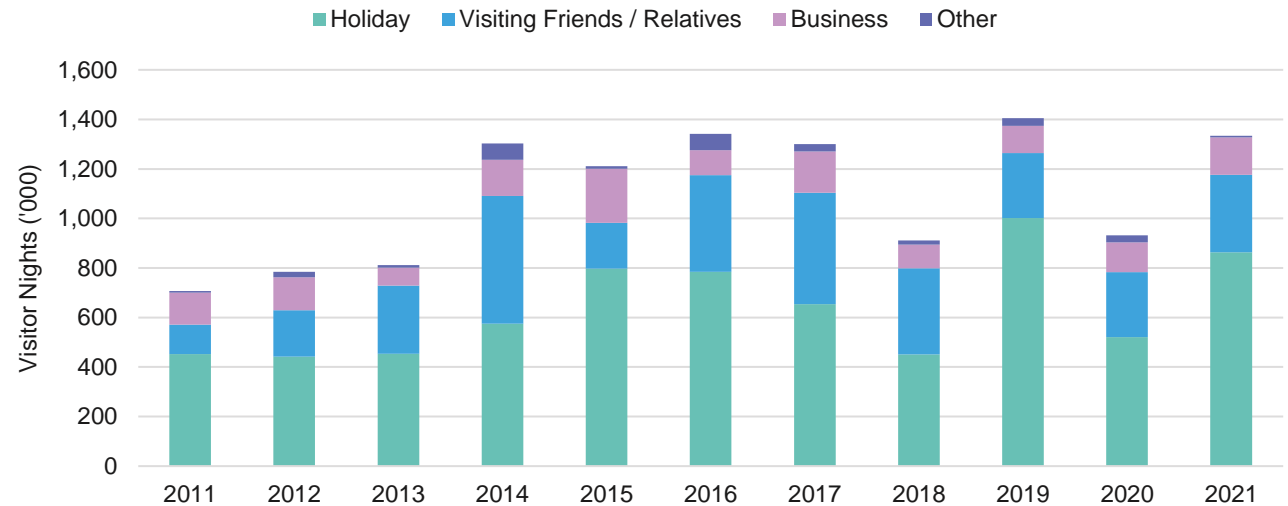
Key Findings

Naturally, due to its remote location, Albany attracts a high proportion of self-driving visitors for holidays.

Notably, in 2021, domestic holiday visitation rose to over 800,000 nights for only the second time in the past 11 years, visitation for business / employment purposes experienced a four-year high.

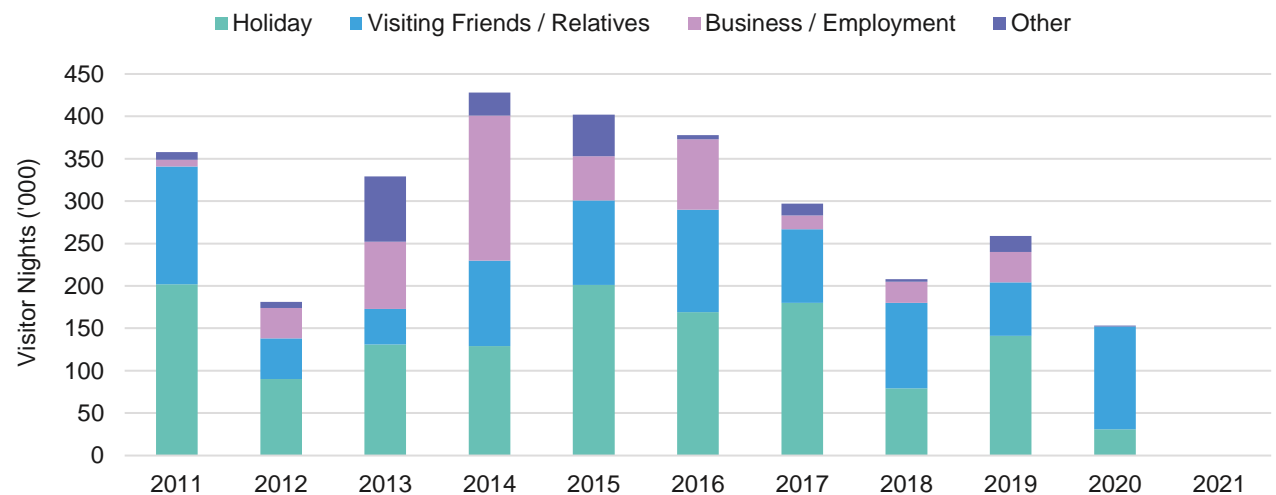
Domestic visitor nights on average have been more likely for the purpose of a holiday than international visitors. International stays for business / employment purposes has had the greatest degree of variability.

Domestic Visitor Nights by Purpose, Study Area, 2011-21



Source: Tourism Research Australia

International Visitor Nights by Purpose, Study Area, 2011-21



Source: Tourism Research Australia

SHORT STAY | VISITOR MARKET (CONT.)

Key Findings

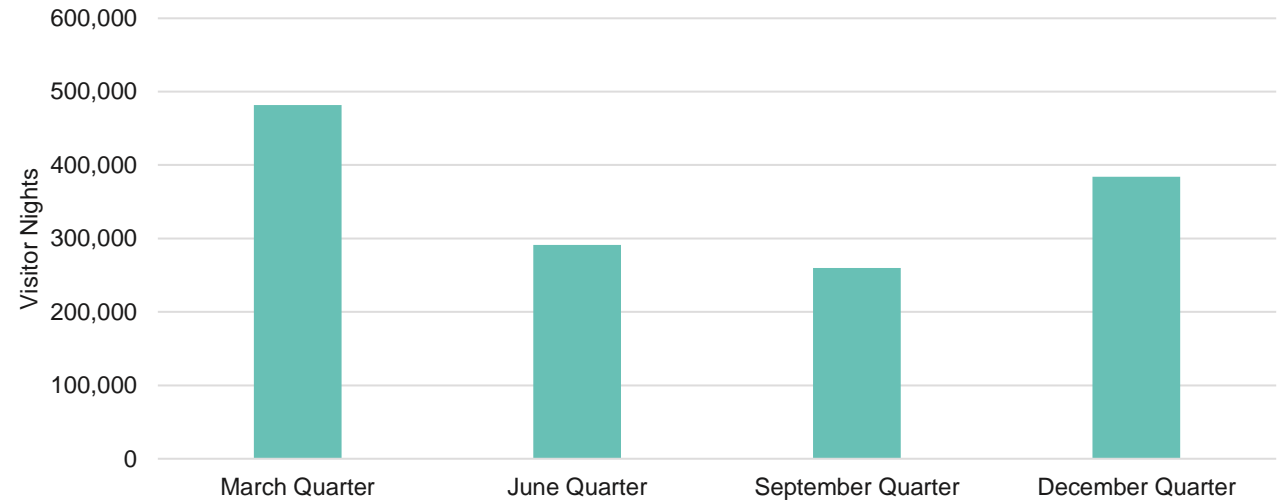
Albany is a seasonal visitor market. 61% of visitor nights occurred in the March and December quarters between 2011 and 2021. The March quarter was the most popular period for travellers with an average of 481,687 visitor nights per annum over the previous decade.

Holiday as well as friends/relative visitations at highest between January and February at 37% and 34% respectively.

Meanwhile, visitation for business is heavily concentrated between October and December at 45% of overall business visitor nights.

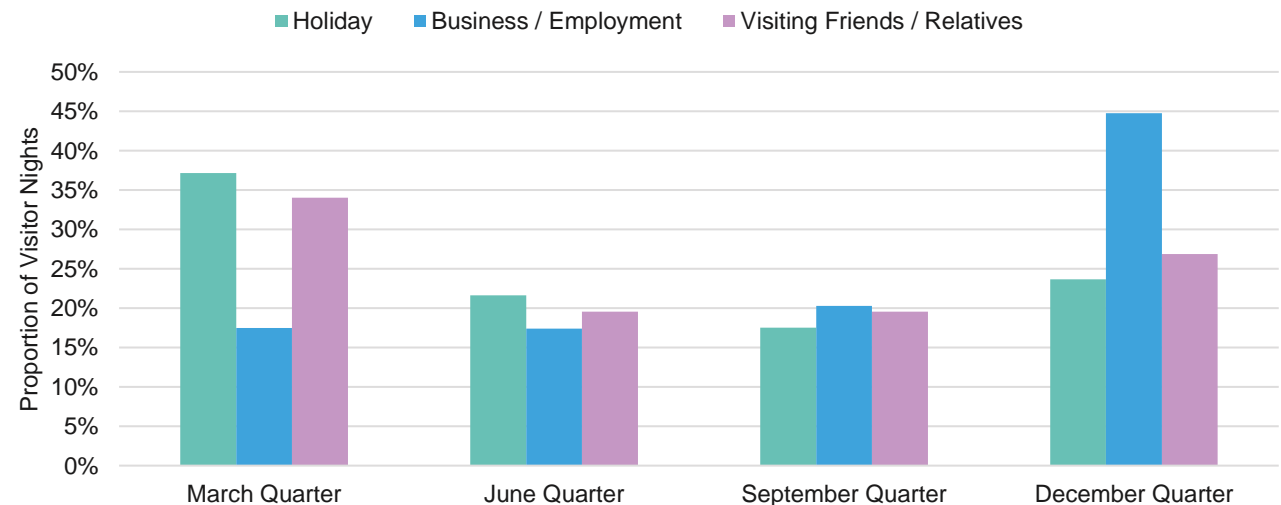
This seasonality has implications for the performance and viability of accommodation establishments and broader tourism and population services. For instance, many accommodation providers would operate on low occupancy levels during the winter months and have to downsize staff during this period to manage costs and overheads.

Visitor Nights by Quarter, Study Area, 2011-21 (Average)



Source: Tourism Research Australia

Visitor Nights by Quarter and Visitor Reason, Study Area, 2011-21 (Average)



Source: Tourism Research Australia

SHORT STAY | SHORT STAY DEMAND FORECASTS

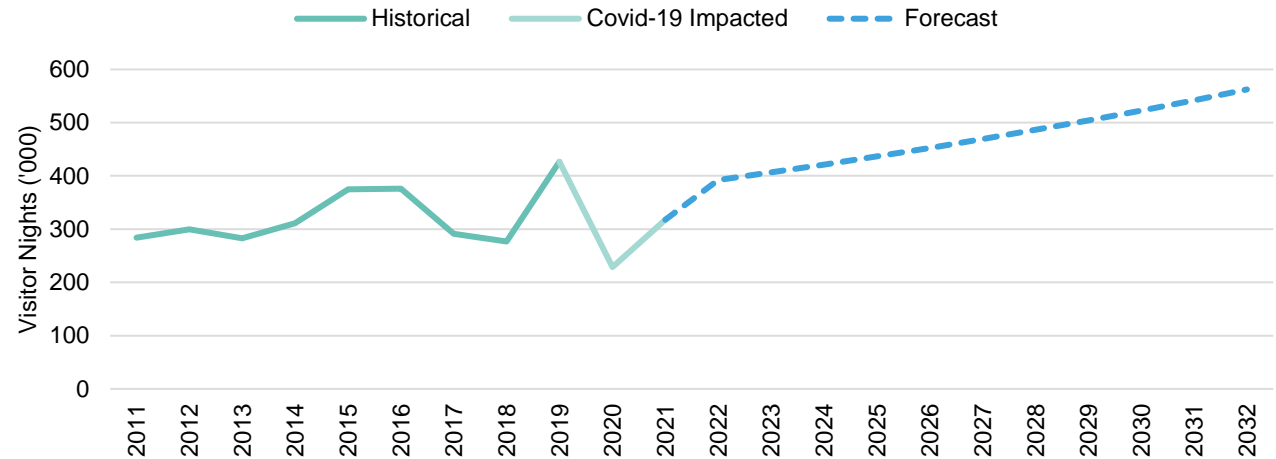
Key Findings

Based on the visitation analysis, this study estimated current and future room demand for Albany.

Based on the documented assumptions, room night demand is expected to increase over the next decade from approximately 318,000 nights in 2021 to 542,000 over the next decade. These forecasts are however based on the assumption that the region will continue to attract new visitor markets and build on its established profile. It is additionally premised on an appropriate mix of accommodation options.

Tourism Research Australia (TRA) forecasts that domestic visitation in Australia will return to an average pre-pandemic level by 2022-23. For Western Australia, TRA forecast the recovery to occur relatively more quickly. Visitation levels for those travelling for the purpose of holidays or visiting friends and relatives are forecast to see the highest levels of growth in the short-term, with travel for business expected to see stronger growth by 2023-24.

Forecast Short Stay Accommodation¹ Demand, Study Area



Source: Urbis, TRA

¹Note demand solely refers to visitors staying at "hotel/resort/motel or motor inn" and "backpacker or hostel" accommodation types as defined by TRA.

Key Assumptions

ASSUMPTION	HISTORIC (2011-2019 ²)	FORECAST (2022-2033)	COMMENTS
International Visitors – Growth (p.a.)	5.12%	5.12%	In line with historical growth
Domestic Visitors – Growth (p.a.)	5.75%	3.2%	In line with forecasts for WA (TRA)

Source: Urbis, TRA

²Note that while historical data is available for the period 2020-2021, it has not been included in the determination of forecast assumptions due to the effects of the Covid-19 pandemic.

SHORT STAY | SITE OPPORTUNITY

Key Findings

This positioning framework assess each short-term accommodation establishment type against **current market conditions** and the following criteria.

- **Locational attributes:** Different establishments require certain site attributes and proximity to certain complementary uses, amenity or markets. These attributes vary depending on the use, but includes things such as access to major roads, visibility and frontage, co-location with complementary uses, co-location with similar businesses or suppliers, separation from sensitive noise receptors, and views and surroundings.
- **Demand:** This aspect considers the demand for each establishment type based on the current visitation type/preferences (stopover, purpose for visit etc.)
- **Competition:** This criteria considers the current existing and planned short-term accommodation supply. This includes the quality (star rating) of establishment types and their proximity to the subject site.
- **Financial Viability:** This aspect considers the expected financial viability of each establishment type based on the current ADR and RevPar conditions of the region.

Based on above, the recommended opportunities for the site include a family-friendly low-rise accommodation offering (circa 80 rooms) and a serviced apartment / hotel style development fronting the waterfront (150+ rooms).

Positioning of Establishment Types for Consideration

TYPE	LOCATIONAL ATTRIBUTES	DEMAND	COMPETITION	FINANCIAL VIABILITY (LONG TERM)
Serviced apartments	Strong	Moderate	Low	Moderate
3-star motel	Weak	Moderate	Moderate	Moderate
4-star motel	Strong	Moderate	High	Moderate
4-star corporate hotel	Moderate	High	Moderate	High
4-star resort	Strong	High	Low	High
5-star resort	Strong	Moderate	Low	Moderate
Chalets / eco lodges	Moderate	Moderate	Low	Moderate

Source: Urbis

05



RETAIL / COMMERCIAL OPPORTUNITIES

RETAIL / COMMERCIAL | COMPETITIVE CONTEXT

Key Findings

The study area has been segmented into two trade area sectors to allow for more detailed analysis of the retail environment in Albany. The separation of the primary and secondary north trade area was drawn with regard to:

- The existing and future road network and its effect on access to the subject site;
- Existing retail competitors; and
- Distribution of the resident population and future urban growth.

The existing retail offering is largely clustered around Albany Highway in close proximity to the Town Centre.

The Albany City Centre is defined as the regional centre in the City's hierarchy of activity centres. The broader area is also supported by neighbourhood and local centres across the study LGA.

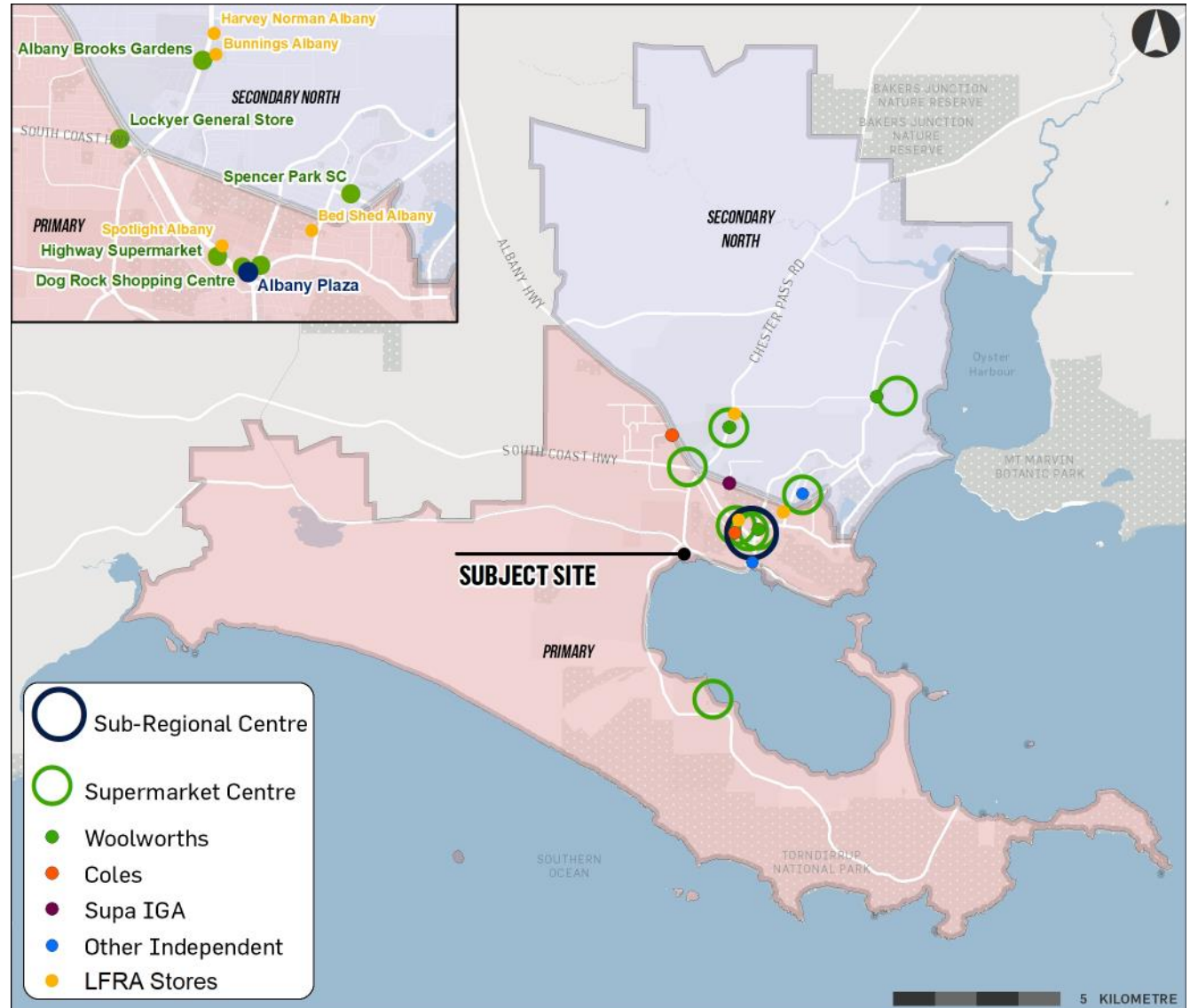
There are currently three Woolworths, two Coles, one ALDI and three IGA supermarkets within the trade area.

As highlighted in the inset map, the majority of the major retail uses are concentrated in and around Albany Highway and the town centre.

Large format retail uses are similarly clustered on Albany Highway and Chester Pass Road.

Likewise, the fast food offering in Albany is almost exclusively located in the town centre and on Albany Highway which is the main entry way to the city.

Existing Shopping Centres, Trade Area



Source: Urbis
n.b. LFRA is Large Format Retail Association.

RETAIL / COMMERCIAL | SPENDING MARKET

Key Findings

The main trade area is estimated to generate approximately \$999 million in retail expenditure (incl. GST and inflation) by 2037. This equates to growth of an average 3.6% per annum, or 70.4% aggregate growth.

The forecast growth in retail expenditure by trade area residents incorporates the following:

- Forecast population growth outlined above;
- Retail spend per capita growth; and
- The forecasts include retail price inflation and GST.

The strongest growth in expenditure across all categories is expected to occur from 2022 to 2027 as a result of strong population growth.

Strong growth is expected across the 15-year forecast period in all retail categories, and in particular food and groceries (F&G) and food catering (F&B). F&G is expected to see growth of 74.4% across the period, and F&B 81.6% growth.

Forecast Retail Expenditure, Trade Area (\$million, incl. GST, incl. inflation), 2022-37

	F&G	LIQUOR	F&B	GENERAL	TOTAL RETAIL	ANNUAL GROWTH	=	Pop Growth	+ Real Per Capita Growth	+ Retail Price Inflation
PRIMARY TRADE AREA:										
2022	\$ 131	\$ 17	\$ 32	\$ 23	\$ 310					
2027	\$ 165	\$ 20	\$ 40	\$ 27	\$ 382	4.3%		1.6%	0.3%	2.3%
2032	\$ 200	\$ 24	\$ 50	\$ 32	\$ 461	3.8%		1.1%	1.2%	1.5%
2037	\$ 228	\$ 27	\$ 59	\$ 36	\$ 528	2.8%		0.0%	1.2%	1.5%
SECONDARY TRADE AREA:										
2022	\$ 117	\$ 14	\$ 28	\$ 21	\$ 276					
2027	\$ 148	\$ 17	\$ 34	\$ 26	\$ 340	4.3%		1.6%	0.3%	2.3%
2032	\$ 178	\$ 21	\$ 43	\$ 30	\$ 411	3.8%		1.1%	1.2%	1.5%
2037	\$ 204	\$ 23	\$ 50	\$ 34	\$ 471	2.8%		0.0%	1.2%	1.5%
MAIN TRADE AREA:										
2022	\$ 248	\$ 31	\$ 60	\$ 44	\$ 586					
2027	\$ 313	\$ 38	\$ 74	\$ 53	\$ 722	4.3%		1.6%	0.3%	2.3%
2032	\$ 378	\$ 45	\$ 92	\$ 62	\$ 872	3.8%		1.1%	1.2%	1.5%
2037	\$ 432	\$ 51	\$ 109	\$ 70	\$ 999	2.8%		0.0%	1.2%	1.5%

1. Data provided for the year ending June including GST and including inflation.
Source: MarketInfo; Australian Bureau of Statistics (ABS); Urbis

RETAIL / COMMERCIAL | SUPERMARKET DEMAND

Key Findings

This assessment estimated the need for supermarket floorspace within the study area.

The analysis shows that there is currently a surplus of supermarket floorspace, given the spending market available and an assumed supportable turnover level at \$11,000, growing to \$11,110 in real terms to 2032.

The turnover attributed to residents from beyond the trade area catchment includes provision for residents of the surrounding region (i.e. outside the City of Albany) as well as visitors.

With the existing supply of supermarkets in the trade area, the trade area is currently overprovisioned against the supportable turnover level. The analysis shows that there could be additional floorspace supported in the market by 2027. However, it is noted that there are other limitations to the opportunity for a supermarket to be delivered on the subject site due to accessibility and connectivity.

Supermarket Capacity Assessment, Trade Area (\$2022)

	UNIT	CURRENT (2022)	2027	2032
Food & Grocery Spending by Residents	\$M			
- Primary	\$M	131	144	156
- Secondary North	\$M	117	128	139
F&G Captured by all Supermarkets	%	80%	80%	80%
Sub-Total	\$M	198	217	236
Supermarket F&G Captured by Supermarkets in Catchment	%	85%	85%	85%
Plus F&G Turnover from Beyond Catchment	%	30%	30%	30%
	\$M	72.3	79.2	86.0
Plus Non-F&G Turnover	%	7%	7%	7%
	\$M	18	20	22
Total Available Supermarket Turnover	\$M	259	284	308
Supportable Turnover Level	\$	11,000	11,055	11,110
Supportable Supermarket Floorspace	sq.m	23,545	25,668	27,756
Floorspace for Designated Centres	sq.m	24,305	24,305	24,305
Gap (+ Surplus/ - Shortage)	sq.m	760	-1,363	-3,451

1. Data provided for the year ending June including GST and excluding inflation.
Source: Urbis

RETAIL / COMMERCIAL | LARGE FORMAT RETAIL DEMAND

Over the next 15 years, retail spending by study area residents on large format retail categories is expected to increase from \$107 million in 2022 to \$175 million as of 2037. This represents growth of 64% over the period.

The strongest growth is expected to occur in 2027-2032, driven by strong per capita spending growth

of 2.7%, as well as continued population growth. The product groups that are expected to see the largest growth by value are hardware, furniture / flooring and electronics / communication. The product groups where the largest proportional growth in expenditure is expected are furniture / flooring, large appliances and hardware.

These results show that the spending market available to large format retail within the catchment is expected to grow significantly over the next 15 years. The following page provides an analysis of this trade area demand for large format retail in relation to the supply.

Large Format Retail Expenditure, Trade Area, 2022-2037 (\$M by product Group)

	FURN / FLOORING	LARGE APPLIANCES	ELECT / COMMS	HOMEWARES	HARDWARE	OUTDOOR	AUTO ACCESSORIES	TOTAL LARGE FORMAT	ANNUAL GROWTH	=	Pop Growth	+ Per Cap Spend Growth	+ Retail Price Inflation
PRIMARY TRADE AREA:													
2022	\$ 12	\$ 6	\$ 12	\$ 7	\$ 14	\$ 3	\$ 2	\$ 56					
2027	\$ 14	\$ 7	\$ 14	\$ 8	\$ 17	\$ 4	\$ 2	\$ 66	3.5%		1.6%	2.0%	0.0%
2032	\$ 17	\$ 9	\$ 17	\$ 10	\$ 20	\$ 5	\$ 2	\$ 80	3.8%		1.1%	2.7%	0.0%
2037	\$ 20	\$ 10	\$ 20	\$ 10	\$ 24	\$ 6	\$ 2	\$ 92	2.7%		0.0%	2.7%	0.0%
SECONDARY NORTH:													
2022	\$ 10	\$ 5	\$ 11	\$ 7	\$ 14	\$ 3	\$ 1	\$ 51					
2027	\$ 12	\$ 7	\$ 13	\$ 7	\$ 17	\$ 3	\$ 1	\$ 61	3.6%		1.6%	2.0%	0.0%
2032	\$ 15	\$ 8	\$ 15	\$ 8	\$ 20	\$ 4	\$ 2	\$ 73	3.8%		1.1%	2.7%	0.0%
2037	\$ 18	\$ 9	\$ 17	\$ 9	\$ 24	\$ 5	\$ 2	\$ 84	2.7%		0.0%	2.7%	0.0%
TOTAL TRADE AREA:													
2022	\$ 22	\$ 11	\$ 23	\$ 14	\$ 28	\$ 6	\$ 3	\$ 107					
2027	\$ 26	\$ 14	\$ 27	\$ 16	\$ 33	\$ 7	\$ 3	\$ 127	3.6%		1.6%	2.0%	0.0%
2032	\$ 32	\$ 17	\$ 33	\$ 18	\$ 41	\$ 9	\$ 4	\$ 153	3.8%		1.1%	2.7%	0.0%
2037	\$ 38	\$ 20	\$ 37	\$ 19	\$ 48	\$ 10	\$ 4	\$ 175	2.7%		0.0%	2.7%	0.0%

1. Data provided for the year ending June including GST and including inflation.
Source: MarketInfo; Australian Bureau of Statistics (ABS); Urbis

RETAIL / COMMERCIAL | LARGE FORMAT RETAIL DEMAND (CONT.)

Key Findings

This study applied sales densities to each bulky goods category to estimate how the retail spending of residents in the catchment translates into demand for large format retail floorspace need. Sales densities are the dollar sales per square metre of GLA required to sustainably operate floorspace.

As an average, bulky goods retail trades sustainably at a minimum of \$3,000 per square metre. While some bulky goods formats can sustain higher or lower floorspace 'sales densities', we applied this lower rate to estimate the level of floorspace below which supply is no longer sustainable.

In addition to above, this study applied a factor to spending to recognise that centre-based stores capture a degree of spending in these categories.

Based on the above approach, there was estimated to be demand for approximately 46,212 sq.m of large format retail floorspace in the study area as of 2022, increasing to 75,900 sq.m by 2035.

Urbis examined the current and future expected market gap within the trade area in order to understand any potential market surplus or need.

The analysis shows that there is a current oversupply of large format retail in the trade area. This suggests that existing retailers are trading at a level below the sustainable benchmark.

Additional demand is expected to increase to a level where there is a market need for large format retail in 2027, and continue to grow until at least 2037.

Estimated Large Format Retail Floorspace Demand, Trade Area, 2022-37 (sq.m)

	FURN / FLOORING	LARGE APPLIANCES	ELECT / COMMS	HOMEWARES	HARDWARE	OUTDOOR	AUTO ACCESSORIES	TOTAL BULKY GOODS
PRIMARY TRADE AREA:								
2022	3,850	1,949	4,023	2,488	4,586	1,132	575	18,603
2027	4,662	2,360	4,787	2,806	5,554	1,352	621	22,143
2032	5,728	2,900	5,766	3,180	6,824	1,630	655	26,683
2037	6,668	3,376	6,583	3,417	7,944	1,864	655	30,506
SECONDARY NORTH:								
2022	3,416	1,817	3,542	2,186	4,591	938	453	16,945
2027	4,137	2,201	4,215	2,466	5,561	1,121	490	20,190
2032	5,083	2,704	5,077	2,794	6,832	1,352	516	24,357
2037	5,917	3,148	5,796	3,002	7,953	1,545	516	27,878
TOTAL TRADE AREA + REGIONAL CATCHMENT:								
2022	9,445	4,896	9,835	6,077	11,931	2,691	1,337	46,212
2027	11,440	5,930	11,702	6,854	14,450	3,214	1,445	55,034
2032	14,054	7,285	14,097	7,765	17,752	3,877	1,523	66,352
2037	16,361	8,481	16,093	8,345	20,666	4,431	1,523	75,900

1. Data provided for the year ending June.

Source: MarketInfo; Australian Bureau of Statistics (ABS); Urbis

n.B The regional catchment includes uplift of 30% on total trade area, accounting for the role of Albany as a regional centre and aligned with the population of the Lower Great Southern region.

Large Format Retail Market Gap, Trade Area, 2022-37 (sq.m)

	2022	2027	2032	2037
Supply	53,160	53,160	53,160	53,160
Demand	46,212	55,034	66,352	75,900
Market Gap - Surplus (+) / Need (-)	6,948	-1,874	-13,192	-22,740





Source: DPLH LUES, Urbis

RETAIL / COMMERCIAL | SITE OPPORTUNITIES

Key Findings

A review of potential retail opportunities highlighted the following findings.

- Convenience (incl. supermarket):** There is limited opportunity for convenience retail on the subject site given the competitive environment and constraints on site accessibility and catchment. In the longer term, convenience retail could become viable once there is a larger resident population within the subject site area for whom the accessibility impediments do not apply.
- Large format retail:** There is limited opportunity for large format retail on the site in the short term, however this use could be accommodated as a medium term opportunity to leverage exposure from the bypass.
- Food and beverage (F&B):** There is opportunity for F&B uses at the subject site, with the success of this use being highly tenant driven. The location, while outside of the town centre of Albany, offers waterfrontage and views over the harbour that would suit a destination F&B operator. This use could be supported by growing demand for F&B from both locals over time, but also importantly from tourists. A premium F&B offering could complement the other tourism uses.
- Fast food:** This use could be incorporated at the subject site on the commercial lot with exposure to Woolstores Place. The opportunity for this use is dependent on the eventual outcome of the Albany Ring Road project. A challenge in the short-term is the location of the site on the edge of the existing urban area.

TYPE	MARKET DEMAND	COMPETITION	SITE SUITABILITY
 Convenience (incl. supermarket)	Forecast to increase 74.4% over next 15 years	Current oversupply of existing supermarket floorspace based on supportable turnover amount	Location outside of town centre and road and rail barriers limit ease of access required for significant population for convenience type retail
Rating:			
 Large format retail	Forecast to increase 64% over the next 15 years	Current oversupply of existing floorspace relative to supply at supportable turnover level	Large format retail is less likely to be affected by the challenges of facing the high traffic road and rail
Rating:			
 F&B	Forecast to see strongest growth across product groups at 81.6% over the next 15 years	An appropriate operator could create differentiation from existing F&B offering in town centre and other waterfront locations	Unique opportunity to develop consolidated hospitality / F&B offer on a developable stretch of waterfront
Rating:			
 Fast food	While the spending market for food is forecast to increase significantly, resident population is concentrated north west of the site, with the current supply a barrier to the subject site	Competition is concentrated on Albany Highway, capturing the traffic entering and exiting Albany	The ring road may increase the site's exposure to a portion of the market that is favourable to fast food, with drivers diverted away from Albany Hwy where the current offer is consolidated.
Rating:			

RETAIL / COMMERCIAL | MIXED-USE OPPORTUNITIES

The opportunity for retail uses within mixed-use lots is dependent on the realisation of residential and short-stay outcomes. Future retail uses could be supported by a resident or visitor population that is enabled by development of residential and short-stay uses.





Given the locational attributes and market conditions highlighted previously in this section, food and beverage uses are expected to be the most appropriate retail use on the mixed-use sites.

The table below summarises the potential for different types of food and beverage operators across the mixed use lots. This review highlights the following opportunities.

- **Take away** – small take away shop/s could be accommodated within the second tier accommodation, with both suited to families and couple travellers;
- **Café** – café concepts could be accommodated across any of the mixed-use sites, supported by the F&B spending of residents as well as tourists;
- **Microbrewery / bar** – a microbrewery or similar (e.g. family-friendly tavern) could be accommodated in the hotel site (with a suitable operator able to draw market share from beyond the precinct) and a small bar concept; and

- **Up-scale restaurant** – a restaurant would be best suited within Lot 9 where an up-scale operator could leverage the destination appeal of the waterfront and synergies with the hotel.

The staging of development of retail will rely on having a resident / visitor population to support it. The opportunity for the microbrewery and up-scale restaurant, in particular, will be tenant driven.

LOCATION ATTRIBUTE	LOT 6			LOT 7/8		LOT 9
	Medium-density residential Second tier accommodation			Waterfrontage High-density residential		Waterfrontage Hotel
 Take away Family-friendly, affordable offering such as fish and chips		150 sq.m GLA				
 Café Non-licensed café offering dine-in and takeaway with day time opening hours		100 sq.m GLA				60 sq.m
 Microbrewery / Bar Boutique operator positioned for local residents and tourists, with options for various budgets				150 sq.m GLA		400 sq.m
 Up-scale restaurant Up-scale operator with destination appeal, particularly for tourists						240 sq.m

06

RECOMMENDATIONS



RECOMMENDATIONS | SITE OPPORTUNITIES

Key Findings

The previous analysis identified considerable growth and competition within a range of uses which will influence the degree of opportunity for the subject site to accommodate these uses. Furthermore, the attributes of the subject site will influence the degree to which uses would be attracted to the site.

In order to provide direction to the master planning work, this study summarised the key opportunities.

Overall, the site is considered a strong candidate for a multi-use tourism and residential development given its positive attributes, growing catchment and competitive context. In particular, the site should afford focus to low to medium density residential uses and short stay accommodation. Complementary retail services should also form part of the mix and development strategy – both within the mixed use sites and as showroom typology at northern end of site.

A portion of the forecast retail development in lot 2 could be developed in the first ten years of development, once a small population base has been established. This initial retail is likely to be a destinational food and beverage oriented use that would additionally benefit the residential development. This early-stage development is expected to be a distinct use from the later-stage development of food and beverage uses which will be larger in scale and co-located with short-stay and in closer proximity to the coastline.

Whilst it is recognised that the subject site is not currently identified as an activity centre, the proposed long-term shop retail provision is consistent with a local / neighbourhood level activity centre. However, the proposed tenant types are expected to have destinational pull and fulfil a different role to other activity centres that service more local needs. As such, the proposed retail uses are not expected to impact the sustainability of other centres in the activity centre hierarchy. Given the long term nature of the proposed retail development, a retail needs assessment should accompany any relevant future development applications to address retail hierarchy considerations.

Site Opportunity Assessment Findings

USE	LOT #	SITE POTENTIAL	TENANT TYPE OPPORTUNITIES
Residential (Low and Medium Density)	Lots 3-8	215-330 Dwellings	-
Retail	Showroom	Lot 2	15,000 to 20,000 sq.m GLA
			<ul style="list-style-type: none"> ▪ Bulky goods ▪ Leisure / entertainment ▪ Self storage ▪ Food catering / fast food
Food Catering	Lots 6-9	1,100 sq.m GLA	<ul style="list-style-type: none"> ▪ Micro-brewery / restaurant ▪ Café ▪ Take-away food
Short Stay Accommodation	Lots 6 & 9	80-room low rise & 150+ room hotel	<ul style="list-style-type: none"> ▪ Family-friendly resort / serviced apartments ▪ 4-star hotel

Source: Urbis

* Indicative yield opportunity for 20-25 year assessment period

APPENDIX A



LONG LIST ASSESSMENT



LONG LIST ASSESSMENT | APPROACH

Approach Overview

A high-level assessment of potential land uses was undertaken and tested with the project team. The following factors were considered.

- **Market Need / Demand** – current and future demand within the study area.
- **Market Competition** – the extent of current and future supply of comparable land uses.
- **Subject Site Suitability** – how suitable the site is for the land use based on the site’s attributes.
- **Commercial Return / Profitability** – comparative potential to generate financial returns.

Scoring was undertaken for each of these land uses on a 1 (very low) to 5 (very high) point scale in order to identify preferred uses for further analysis.

Long List of Uses Considered

LAND USE	EXAMPLE TENANT TYPES	KEY COMPETITION
Large format retail	Bulky goods	Albany Central, Chester Pass Mall
Retail and entertainment	Supermarket, cinema, dining	Albany Plaza, Dog Rock Boulevarde, Albany Waterfront
Commercial	Real estate, insurance, legal, bank, child care	Town centre
Short-stay accommodation	Hotel	Hilton Garden Inn, Middleton Beach
Residential	Apartments, aged care, retirement living, BTR, terrace / townhouse	Duettes (Middleton Beach)
Storage	Long term storage	Hercules Secure Storage
Health / seniors	GP, specialist, dentist, allied health, health care centre	Town centre

Source: Urbis

LONG LIST ASSESSMENT | APPROACH (CONT.)

Assessment Scoring				
SCORE	MARKET NEED (/5)	MARKET COMPETITION (/5)	SITE SUITABILITY (/5)	COMMERCIAL RETURN / PROFITABILITY (/5)
0	No market demand	Market entirely catered	Site not able to physically cater to use	Nil
1	Limited market demand	Limited market gap	Site has some limited potential to cater to use	Limited lease / sale revenue
2	Some market demand	Some market gap	Site has some potential to cater to use	Some lease / sale revenue
3	Moderate market demand	Moderate market gap	Site could support use	Moderate lease / sale revenue
4	Strong market demand	Strong market gap	Site attributes strongly aligned with use requirements	Strong comparative lease / sale revenue
5	Very strong market demand	Very strong market gap	Site attributes very strongly aligned with use requirements	Very strong comparative lease / sale revenue

Source: Urbis

LONG LIST ASSESSMENT | COMPETITION ANALYSIS

LAND USE	EXISTING COMPETITION	FUTURE COMPETITION	COMMENTS	COMPETITION RATING
Retail and Entertainment <ul style="list-style-type: none"> ▪ Convenience ▪ Destinal non-food ▪ Destinal F&B ▪ Entertainment ▪ Fast food 	<ul style="list-style-type: none"> ▪ Dog Rock Boulevarde ▪ Albany Plaza ▪ Spencer Park Shopping Centre ▪ North Road Shopping Centre ▪ Chester Pass Mall ▪ Bayonet Head Shopping Centre ▪ Orana Cinemas ▪ York Street and Stirling Terrace bar, restaurant and pub cluster ▪ Due South (waterfront bar and grill) ▪ Limeburners Distillery ▪ Wilson Brewing Company ▪ Albany Ten Pin Bowling ▪ Albany Mini Golf ▪ Albany Wacky Golf ▪ Laserscape (outdoor laser tag) 	<ul style="list-style-type: none"> ▪ Albany Motorsport Park 	<ul style="list-style-type: none"> ▪ Only one cinema in Albany area ▪ Many bars / pubs in and around main street ▪ No supermarkets in Mount Elphinstone or Robinson 	Moderate
Large Format Retail	<ul style="list-style-type: none"> ▪ Harvey Norman Albany ▪ Forty Winks Albany ▪ Furniture Barn ▪ Living Emporium Albany ▪ Retravisio Albany ▪ Bunnings Albany ▪ Officeworks Albany ▪ Reece Plumbing 			High
Storage Facilities	<ul style="list-style-type: none"> ▪ Lock n Store Self Storage Albany ▪ Storage Solutions WA ▪ Hercules Secure Storage 			Low - Moderate
Commercial <ul style="list-style-type: none"> ▪ Shop front offices ▪ Corporate offices ▪ Education / training 	<ul style="list-style-type: none"> • York Street and surrounds commercial office cluster • 63 Serpentine Road, Albany 	<ul style="list-style-type: none"> ▪ Spencer Park Renewal Mixed-use Precinct ▪ Albany Depot ▪ Duettes (lot 1 commercial tenant) 	<ul style="list-style-type: none"> ▪ 31 offices for lease in Albany area (as advertised in June on Commercial Real Estate) 	Moderate

LONG LIST ASSESSMENT | COMPETITION ANALYSIS CONT.

LAND USE	EXISTING COMPETITION	FUTURE COMPETITION	COMMENTS	COMPETITION RATING
Short-stay Accommodation <ul style="list-style-type: none"> ▪ Resort ▪ Serviced apartments ▪ Caravan park 	<ul style="list-style-type: none"> ▪ Hilton Garden Inn ▪ Harbourside Motel ▪ Albany Bali Style Accommodation ▪ Lilacs Waterfront villas & cottages ▪ Hanover Bay Apartments Albany ▪ Middleton Beach hotel cluster (BIG4 Holiday Park, Saltair and four others) 	<ul style="list-style-type: none"> ▪ Seashells Hotel Middleton Beach (TBC) ▪ Frenchman Bay site (<i>speculation</i>) 	<ul style="list-style-type: none"> ▪ 108-room 4-star Hilton major new competition with approx. 152 rooms in early planning for second stage ▪ 66 4-star+ hotel at Middleton Beach expected to open in 2024 – could provide future waterside competition however in distant suburb 	Moderate
Residential <ul style="list-style-type: none"> ▪ House and Land ▪ Apartments ▪ BTR ▪ Townhouses ▪ Aged Care ▪ Retirement Living 	<ul style="list-style-type: none"> ▪ – 	<ul style="list-style-type: none"> ▪ Duettes (Middleton Beach) ▪ Spencer Park renewal houses 	<ul style="list-style-type: none"> ▪ Five residential lots (approx. 170 sq.m each) ▪ Architecturally-designed 	Low
Health / Seniors <ul style="list-style-type: none"> ▪ Medical centre ▪ Allied health ▪ Day hospital 	<ul style="list-style-type: none"> ▪ Pioneer Health Albany ▪ Great Southern Specialist Centre ▪ Albany Health Campus ▪ Albany Day Hospital ▪ Middleton Road medical clinic cluster 	<ul style="list-style-type: none"> ▪ Albany General Dental Clinic 	<ul style="list-style-type: none"> ▪ No medical/aged care facilities in immediate proximity ▪ Aged care mostly located in outer suburbs of Centennial Park, Lockyer and Spencer Park 	Low

LONG LIST ASSESSMENT | FINDINGS

Key Findings

Overall, the assessment identified the subject sites as suitable for the following land uses.

- Retail and entertainment,
- Bulky goods,
- Short-stay accommodation, and
- Residential.

It is noted that within each of these broad categories, more specific uses received varied ratings.

Whilst higher density residential was considered less of an opportunity for the subject site, it was considered prudent to assess this in more detail to understand potential opportunities to integrate this use or support a more significant redevelopment of the site.

The remainder of the uses were not considered appropriate on the site due to factors such as limited market viability, competition, limited benefit to the surrounding residents and commercial catchment.

Long List Land Use Scoring Findings

		OVERALL SCORE (/20)	MARKET NEED (/5)	MARKET COMPETITION (/5)	SUBJECT SITE SUITABILITY (/5)	COMMERCIAL RETURN / PROFITABILITY (/5)
Retail & Entertainment	Convenience	11	3	2	2	4
	Destinational F&B	17	4	4	5	4
	Destinational (Other)	15	3	4	4	4
	Entertainment	14	3	4	3	4
	Fast Food	12	2	4	3	3
Bulky Goods	All Bulky Goods	12	3	4	2	3
Storage Facilities	All Storage Facilities	14	4	3	4	3
Commercial	Shop Front Office	7	1	3	1	2
	Corporate Office	8	1	4	1	2
	Education / Training	8	2	3	1	2
Short-stay Accommodation	Apartment / Self Contained	14	4	2	4	4
	Bed & Breakfast	12	4	2	2	4
	Caravan, Camping & Chalets	10	3	2	2	3
	Hotel / Motel	15	4	2	4	5
Residential	Apartments	12	2	5	3	2
	House and Land	13	4	3	3	3
	BTR	8	1	5	0	2
	Townhouses	15	3	5	4	3
	Aged Care	11	3	3	2	3
	Retirement Living	12	3	3	3	3
Health	Medical Centre	12	4	2	2	4
	Allied Health	13	3	3	3	4
	Day Hospital	9	3	3	1	2

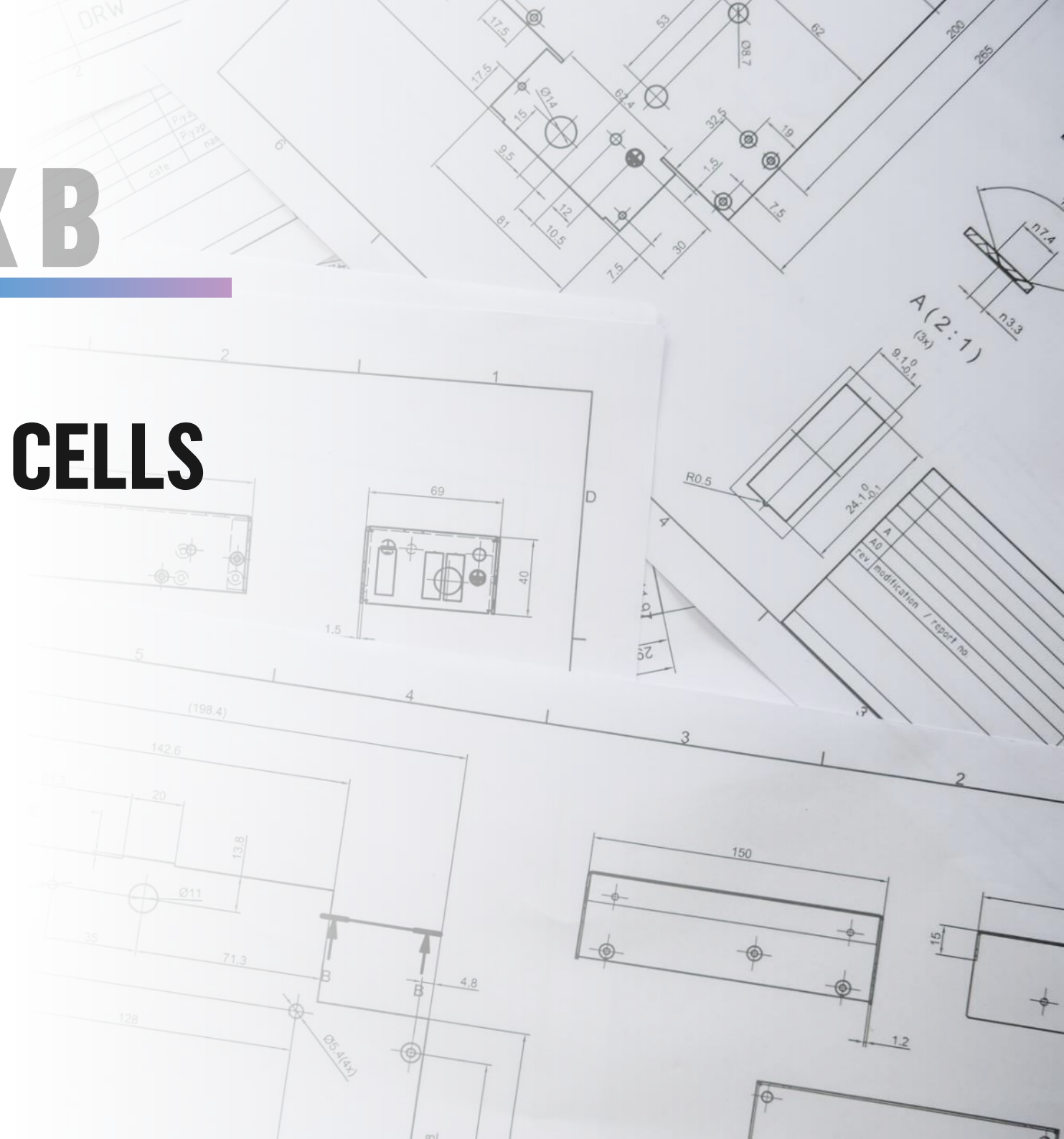
Source: Urbis

n.b. some uses suitable for co-location or integration with other uses.

APPENDIX B



FLEXIBLE DEVELOPMENT CELLS



APPENDIX B | FLEXIBLE DEVELOPMENT CELLS

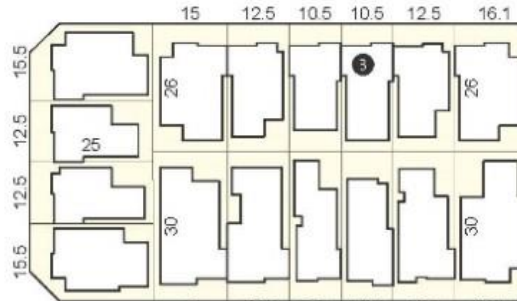
TYPICAL DEVELOPMENT CELL



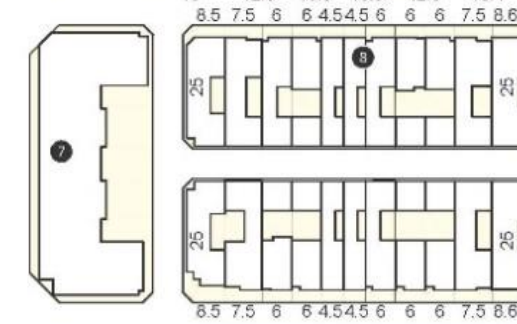
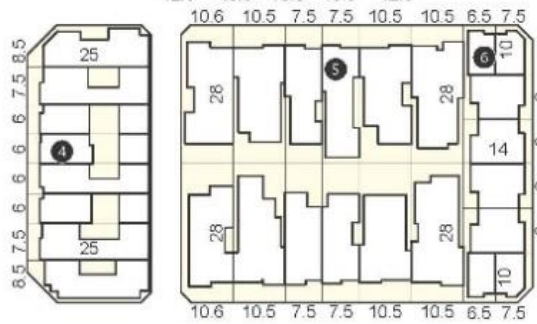
STREET BLOCK CELLS:

The information in this section illustrates how the standard street block cells of the concept plan can be subdivided and developed in a variety of ways to achieve various densities and change over time

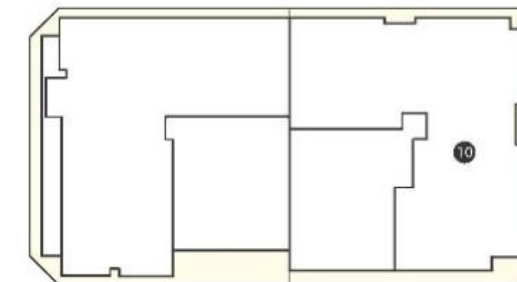
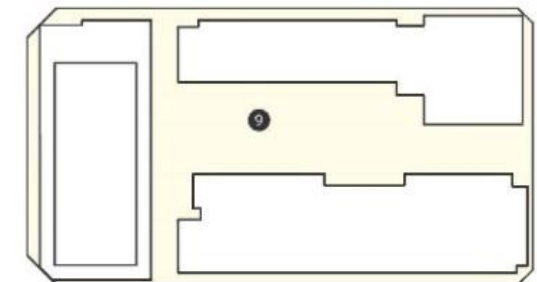
LOW DENSITY DEVELOPMENT
R20-R30 (Yield: 16-18 dwellings)



MEDIUM DENSITY DEVELOPMENT
R30-R80 (Yield: 28-34 dwellings)



HIGH DENSITY DEVELOPMENT
R80-R160 (Yield: 90-140 dwellings)



COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION

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 (COVID-19), which the World Health Organisation declared a global health emergency in January 2020 and pandemic on 11 March 2020, has and continues to cause considerable business uncertainty which in turn materially impacts market conditions and the Australian and world economies more broadly.

The uncertainty has and is continuing to impact the Australian real estate market and business operations. The full extent of the impact on the real estate market and more broadly on the Australian economy and how long that impact will last is not known and it is not possible to accurately and definitively predict. Some business sectors, such as the retail, hotel and tourism sectors, have reported material impacts on trading performance. 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 data and information that informs and supports the Report Content is current as at the date of this report and (unless otherwise specifically stated in the Report) does not necessarily reflect the full impact of the COVID-19 Outbreak on the Australian economy,

the asset(s) and any associated business operations to which the report relates. It is not possible to ascertain with certainty at this time how the market and the Australian economy more broadly will respond to this unprecedented event and the various programs and initiatives governments have adopted in attempting to address its impact. 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 has been, and may be further, materially impacted by the COVID-19 Outbreak within a short space of time and that it will have a longer lasting impact than we have assumed. Clearly, the COVID-19 Outbreak is an important risk factor you must carefully consider when relying on the report and the Report Content.

Where we have sought to address the impact of the COVID-19 Outbreak in the Report, we have had to make estimates, assumptions, conclusions and judgements that (unless otherwise specifically stated in the Report) are not directly supported by available and reliable data and information. Any Report Content addressing the impact of the COVID-19 Outbreak on the asset(s) and any associated business operations to which the report relates or the Australian economy more broadly is (unless otherwise specifically stated in the Report) unsupported by specific and reliable data and information and must not be relied on.

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This report is dated **July 2023** and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (Urbis) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of **Mainbeam Holdings Pty Ltd** (Instructing Party) for the purpose of **Market Advice** (Purpose) and not for any other purpose or use. Urbis expressly disclaims any liability to the Instructing Party who relies or purports to rely on this report for any purpose other than the Purpose and to any party other than the Instructing Party who relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

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Urbis has made all reasonable inquiries that it believes is necessary in preparing this report but it cannot be certain that all information material to the preparation of this report has been provided to it as there may be information that is not publicly available at the time of its inquiry.

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Urbis acknowledges the important contribution that Aboriginal and Torres Strait Islander people make in creating a strong and vibrant Australian society.

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

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