Development Opportunities

arising from

Activity Centres Policy

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- Urban Economist of 23 years experience
- Founder and Director of Pracsys Economics
- Research program economics of urban systems

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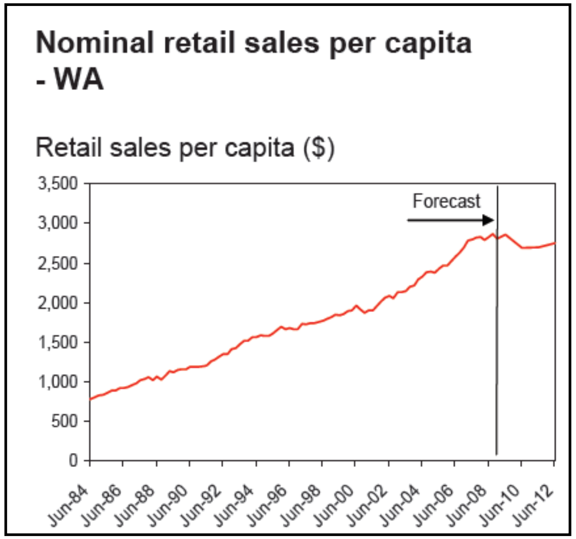
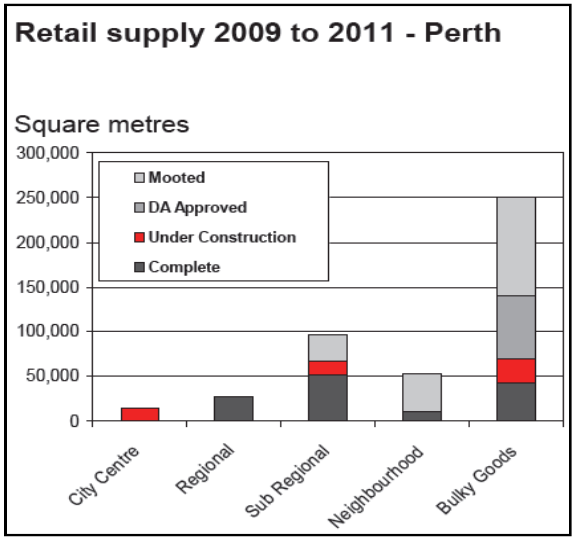
Retail Environment

- Government handouts stimulate retail sales however weakness to occur through to 2011

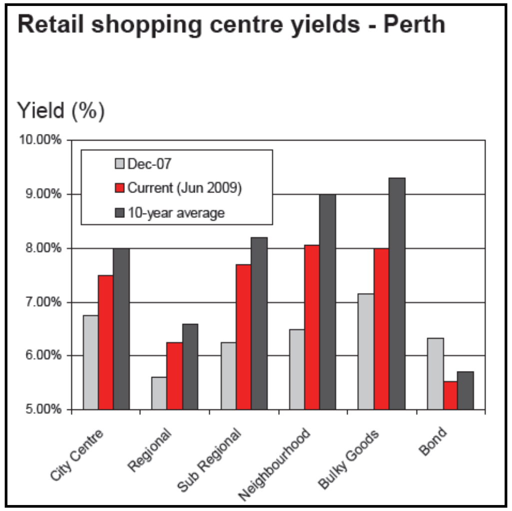


- Retail supply levels slow substantially as project defer plan until economic conditions improve

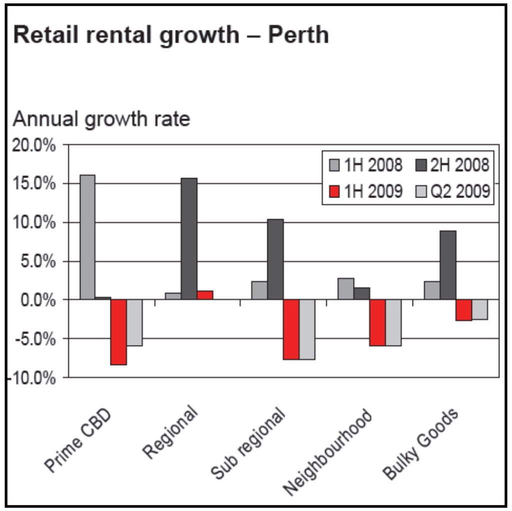


Retail Environment

- Retail rent weaker than anticipated, with declines accelerating in Q2 2009



- Yields likely to ease further, reverting closer to 10 year averages



Source: Westpac Property

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Retail Caps

How has the old 'caps' policy stifled retail development?

- Overall supply is low (sqm per capita)
- Floorspace productivity is high ($7,238 vs $6,247)
- Lack of innovation in WA retail development
- Disperses retail uses out of retail zones
- Created an adversarial activity

Development Scenarios

What are some of the scenarios for new & redeveloped shopping centres after the new policy if implemented?

- Activity centres, not shopping centres
- Focus on activity diversity and intensity
- Priority development of accessible centres
- Concentration of employment @ centres
- Higher quality of employment

New Centre

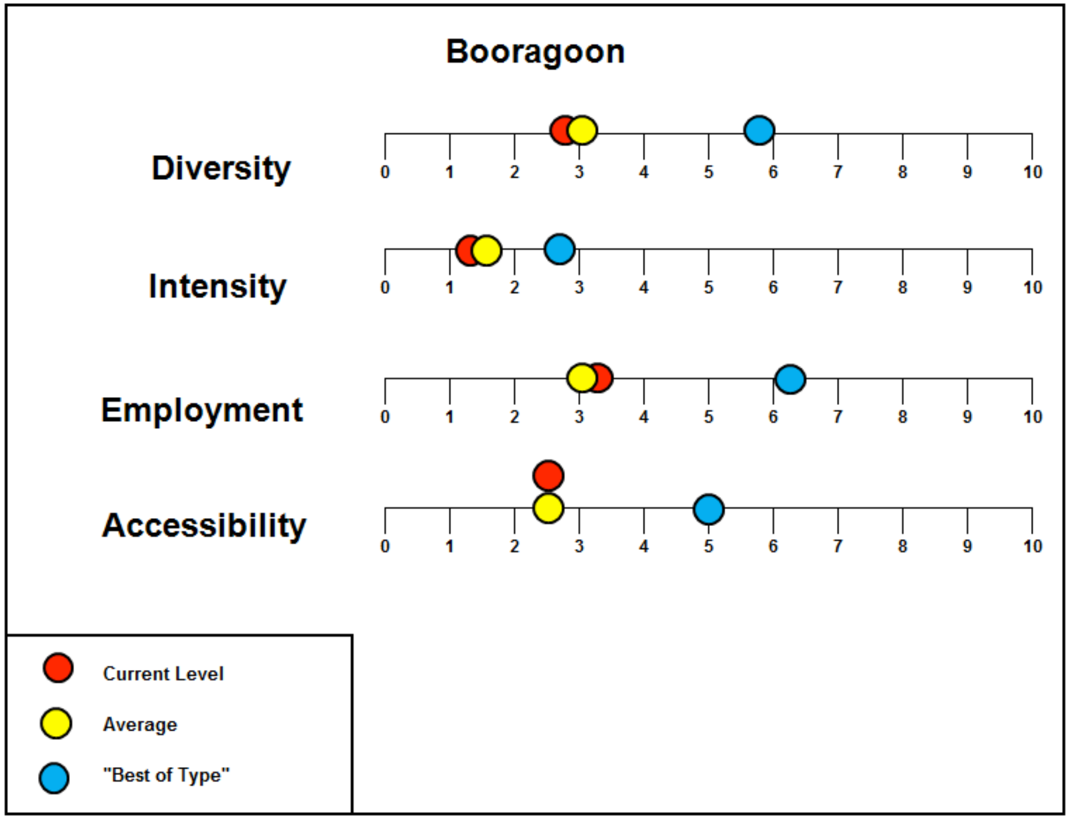
- Initial focus on transaction-driven retail and consumer services
- Long term plan for maturity to full retail offer, but also non-retail components
- Maturity recognises quality of amenity and employment as well as floorspace

Redeveloped Centre

- Age ≠ maturity
- Maturity requires quality of amenity
- Higher order centres need non-retail high quality employment
- Priority for centres with good accessibility

Existing Centre Implications

What are the implications for existing major centres like Karrinyup & Garden City?



Existing Centre Implications

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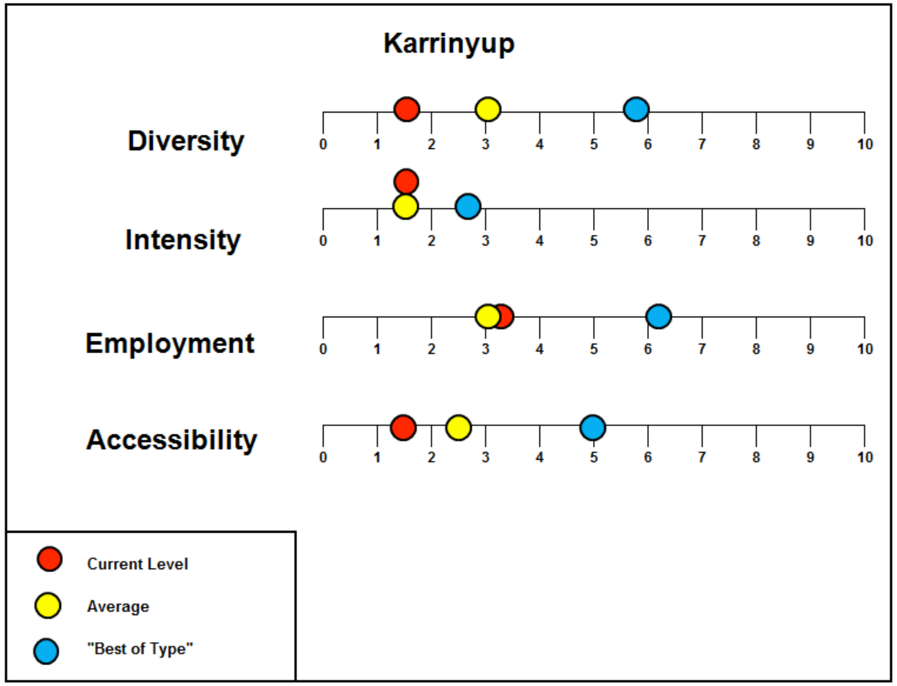
- Unique strategy for each centre
- Booragoon needs more diversity and intensity
- Karrinyup needs more diversity and accessibility



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“Mixed Use”

How can shopping centre developers take advantage of the new mixed-use development requirements for centre?

- Shopping should become more localised
- More (and more variety of) users
- Longer, multi-purpose trips (consolidate trips)
- More diversity of activity
- Developer alliances for delivery

Residential in Activity Centres

Does the new policy mean shopping centre developers have to build apartments too?

- NO!

but

- They should scope out appropriate sites nearby
- As the main property owners they may need to take responsibility for getting them built
- Form alliances that can deliver

Main Street

What does Main St developments really mean and what are scenarios?

- Planning response to the mall ‘phenomenon’
- Main St should be interpreted as list of outcomes, not a prescribed design:
  - integrated amenities with catchment and transport
  - diverse activity and users
  - long trading hours
  - perception of high amenity

Department Store Wars

- David Jones – 4 new stores planned
- Myer – expansion response?
  - Less travel distance
  - Greater comparison goods diversity
  - Centre anchors

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Trading Hours

- Support for extended weeknight trading to 8pm
  - 64% in favour (Westpoll Oct ‘09)
  - Enable multi-purpose trips (eg. shopping, dining, entertainment)
  - true ‘activity’ centres

Activity Centre Performance Assessment

- Please feel free to approach any of our consultants here this morning for more information.