

October 2024

Mt Atkinson, Melbourne

Market Potential Assessment

Prepared for Mount Atkinson Holdings Pty Ltd



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Introduction

This report presents an independent analysis of the supportability of retail floorspace and supporting non-retail uses at Mt Atkinson, in the western growth corridor of Melbourne, Victoria. The report has been prepared in accordance with instructions received from the Mt Atkinson MTC owners.

This report is structured and presented in **six (6) sections** as follows:

- **Section 1** reviews the location of the Mt Atkinson site and provides a summary of the master plan.
- **Section 2** provides a review of the relevant trade area likely to be served by prospective facilities at the site.
- **Section 3** outlines the existing and proposed competitive environment.
- **Section 4** reviews comparable developments which are similar to the ultimate plan for the Mt Atkinson MTC.
- **Section 5** details the forecast sales and rents across the three stages of development.
- **Section 6** outlines the potential for a cinema complex and entertainment facilities at the subject site as well as a high level review of other non-retail uses.

Executive Summary

The key points to note regarding the market potential for retail and non-retail uses at the Mt Atkinson MTC are as follows:

- i. Mt Atkinson is a designated growth area located in the western suburbs of Melbourne, some 23 km from the Melbourne CBD. Mt Atkinson is located within the suburb of Truganina which forms part of the rapidly growing City of Melton. The Melton municipality is projected to grow from 217,000 people in 2024 to 440,000 by 2051.
- ii. Stockland Mt Atkinson is a masterplanned community being developed by Stockland, located south of the Mt Atkinson Major Town Centre (MTC). First homes were constructed in late 2019 with around 4,400 lots ultimately planned.
- iii. The Mt Atkinson MTC owners are currently planning the development of the designated Mt Atkinson MTC, which is referred to as the Mt Atkinson MTC. A variety of uses will ultimately be integrated with a new train station to the north and significant large format retail lands to the east. In addition, there are employment lands comprising industrial uses to the south of the town centre. Overall, the Mt Atkinson broader precinct will include a high level of employment reflecting its strategic positioning near the train station but also major roads such as the Western Freeway.
- iv. The recent City of Melton Employment and Industrial Land Strategy supports the development of the Mt Atkinson MTC to ensure the timely delivery of employment land as a key short term priority. Another key short term direction is to encourage the establishment of new economic enterprise in the Mt Atkinson MTC that directly supports the technological, human resource and management needs of the precinct's major industries.
- v. The defined total trade area is centred along the Western Freeway and incorporates the growing suburbs of Truganina, Deanside, Fraser Rise, Bonnie Brook, Thornhill Park, Rockbank, and Cobblebank.
- vi. The total trade area population is currently estimated at 105,540, including 8,820 persons within the combined primary sector. The Total trade area population is predicted to grow rapidly, to almost 250,000 persons by 2041. Over the period to 2041, the total trade area population is projected to increase at an average annual rate of 5.2%.
- vii. The socio-economic profile of the total trade area population is generally consistent with those prevalent throughout Australian growth areas, including an ethnically diverse, young family market.
- viii. The total retail expenditure level is currently estimated at \$1.34 billion and is projected to increase at an average annual growth rate of 8.1% to \$5.02 billion by 2041 (inflated dollars and includes GST).
- ix. Pacific Werribee is the closest regional shopping centre (beyond the total trade area) to the subject site and spans 110,000 sq.m. The centre is anchored by Myer, Big W, Kmart, Target, Woolworths, Coles, and Aldi.
- x. CS Square is the only sub-regional shopping centre in the total trade area, 6.3 km to the east. The centre spans 25,000 sq.m and is anchored by Kmart, Woolworths, Coles, and Aldi. Combined supermarket sales at the centre are understood to total over \$100 million.

- xi. There are currently no supermarket-based centres provided within the combined primary sectors.
- xii. As is common for rapidly developing areas, a number of designated shopping centres are situated throughout the growth corridor. Coles and Woolworths are understood to be committed to nearby supermarket-based shopping centres Deanside Village and Deanside Central, respectively. The largest planned centre across the total trade area is Cobblebank Village, which currently accommodates a Coles based neighbourhood shopping centre. The Toolern Precinct Structure Plan (PSP) indicates that a total of 70,000 sq.m of retail floorspace is ultimately envisioned across some 88 hectares of town centre land.
- xiii. The total trade area supermarket provision is currently estimated at 293 sq.m per 1,000 persons, which is slightly lower than the relevant benchmarks. Over the period to 2041, the total trade area population is projected to increase to nearly 250,000, including 31,820 persons across the combined primary sectors. As such, there is strong potential for numerous additional full-line supermarkets.
- xiv. There are currently no cinema complexes provided within the total trade area, based on current population levels there is an undersupply of around 10 screens. Ultimately a cinema complex is supportable at the subject development. If a cinema operator could be secured, there is an opportunity to provide an integrated Entertainment and Leisure precinct (ELP), comprising an enhanced entertainment and food catering offer.
- xv. Sales forecasts for the single supermarket anchored shopping centre in 2027 are in the order of \$71.8 million, which comprises \$39.1 million in supermarket sales (refer Table 1). The addition of Kmart along with Coles and Aldi in the second stage of development in 2032 is forecast to achieve total centre sales in the order of \$211.3 million.
- xvi. The third stage of development comprises a Big W discount department store along with cinemas and entertainment floorspace. Additional mini-majors and specialty floorspace is also planned. Total forecast sales are \$455.6 million which comprises \$197.5 million in total major sales, mini-major sales of \$88.6 million and specialty shop sales of \$169.5 million.

TABLE 1. MT ATKINSON MTC – STAGES ONE – THREE, 2027 – 2038

Tenant/ Category	Stage One, FY2027						Stage Two, FY2032						Stage Three, FY2038					
	GLA (sq.m)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	GLA (sq.m)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	GLA (sq.m)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)
Majors																		
Kmart	0	0	0	0	0	0.0%	7,000	31,764	4,538	2,223	318	7.0%	7,000	35,165	5,024	2,286	327	6.5%
Big W	0	0	0	0	0	0.0%	0	0	0	0	0	0.0%	7,000	31,816	4,545	2,386	341	7.5%
Woolworths	3,600	39,064	10,851	1,758	488	4.5%	3,600	42,173	11,715	1,792	498	4.3%	3,600	56,767	15,769	2,413	670	4.3%
Coles	0	0	0	0	0	0.0%	3,600	35,387	9,830	1,592	442	4.5%	3,600	47,632	13,231	1,905	529	4.0%
Aldi	0	0	0	0	0	0.0%	1,600	19,390	12,119	776	485	4.0%	1,600	26,100	16,312	913	571	3.5%
Total Majors	3,600	39,064	10,851	1,758	488	4.5%	15,800	128,713	8,146	6,384	404	5.0%	22,800	197,480	8,661	9,903	434	5.0%
Mini-majors (> 400 sq.m)																		
Fresh Grocer	1,400	9,800	7,000	784	560	8.0%	1,400	11,087	7,920	776	554	7.0%	1,400	12,858	9,184	900	643	7.0%
Indian Grocer	700	3,392	4,846	407	582	12.0%	700	3,838	5,483	384	548	10.0%	700	4,451	6,358	445	636	10.0%
Pharmacy	500	4,308	8,615	538	1,077	12.5%	500	4,874	9,747	560	1,121	11.5%	500	5,652	11,304	650	1,300	11.5%
Cotton On	0	0	0	0	0	0.0%	700	3,841	5,487	538	768	14.0%	700	4,454	6,363	601	859	13.5%
The Reject Shop	0	0	0	0	0	0.0%	700	3,241	4,630	454	648	14.0%	700	3,759	5,370	507	725	13.5%
JB Hi-Fi	0	0	0	0	0	0.0%	0	0	0	0	0	0.0%	1,300	39,000	30,000	975	750	2.5%
Rebel Sport	0	0	0	0	0	0.0%	0	0	0	0	0	0.0%	1,500	11,250	7,500	1,013	675	9.0%
Best and Less	0	0	0	0	0	0.0%	0	0	0	0	0	0.0%	1,200	7,200	6,000	864	720	12.0%
Mini-majors	2,600	17,499	6,731	1,729	665	9.9%	4,000	26,881	6,720	2,712	678	10.1%	8,000	88,624	11,078	5,955	744	6.7%
Retail Specialties																		
Food & Liquor	330	4,442	13,461	400	1,212	9.0%	1,030	15,234	14,790	1,676	1,627	11.0%	1,530	25,076	16,389	3,034	1,983	12.1%
Food Catering	780	6,300	8,077	819	1,050	13.0%	1,580	13,700	8,671	2,137	1,353	15.6%	3,980	42,043	10,564	7,215	1,813	17.2%
Apparel	0	0	0	0	0	0.0%	800	5,574	6,967	892	1,115	16.0%	3,800	32,258	8,489	5,677	1,494	17.6%
Household Goods	0	0	0	0	0	0.0%	200	1,520	7,601	258	1,292	17.0%	1,050	9,768	9,303	1,827	1,740	18.7%
Leisure	50	377	7,538	45	905	12.0%	150	1,240	8,268	179	1,191	14.4%	900	9,507	10,563	1,506	1,673	15.8%
General Retail	25	256	10,230	29	1,177	11.5%	725	8,458	11,666	1,142	1,575	13.5%	1,975	27,156	13,750	4,033	2,042	14.9%
Retail Services	515	3,882	7,538	563	1,093	14.5%	1,215	9,926	8,169	1,727	1,421	17.4%	2,465	23,704	9,616	4,537	1,841	19.1%
Total Retail Spec.	1,700	15,257	8,975	1,856	1,092	12.2%	5,700	55,652	9,763	8,011	1,405	14.4%	15,700	169,512	10,797	27,828	1,773	16.4%
Total Retail	7,900	71,821	9,091	5,344	676	7.4%	25,500	211,246	8,284	17,106	671	8.1%	46,500	455,615	9,798	43,687	940	9.6%
Non-retail																		
Non-retail Floorspace	100	n.a.	n.a.	65	650	n.a.	600	n.a.	n.a.	510	850	n.a.	2,500	n.a.	n.a.	2,500	1,000	n.a.
Cinema/Entertainment	0	n.a.	n.a.	0	0	n.a.	0	n.a.	n.a.	0	0	n.a.	11,000	n.a.	n.a.	6,050	550	n.a.
Total Centre	8,000	71,821	8,978	5,409	676	n.a.	26,100	211,246	8,094	17,616	675	n.a.	60,000	455,615	7,594	52,237	871	n.a.

*Inflated dollars & including GST

1 Location & Performance

This section of the report reviews the regional and local context of the Mt Atkinson site, as well as the current masterplan.

1.1. Regional and Local Context

- i. Mt Atkinson is a designated growth area located in the western suburbs of Melbourne, some 23 km from the Melbourne Central Business District (CBD) (refer Map 1.1).
- ii. Mt Atkinson is located within the suburb of Truganina which forms part of the rapidly growing City of Melton. The Melton municipality is projected to grow from 217,000 people in 2024 to 440,000 by 2051. Ultimately, up to 200,000 jobs are also anticipated for the City of Melton.
- iii. The Melbourne West Growth Corridor (refer Figure 1.1) is the most substantial area of growth in Melbourne and forms part of the State Government's strategy to manage the population and economic growth of the Melbourne West Region.
- iv. The land between Caroline Springs and the Melton township is of greatest relevance to the designated Mt Atkinson and Tarneit Plains Precinct Structure Plan (PSP). Figure 1.2 illustrates the indicative layout of the Mt Atkinson and Tarneit Plains PSP with key features including:
 - Approximately 8,000 dwellings will accommodate some 22,400 residents
 - A state significant employment precinct will accommodate almost 19,000 jobs. As such, significant business, industrial, and mixed-use designations have been made.
 - A major activity centre which is the subject of this report
 - A train station is designated within the northern portion of the PSP, with timing uncertain at this stage.
 - The PSP is bounded to the west by the land set aside for the future Outer Metropolitan Ring Road.
 - Local convenience centres elsewhere in the PSP which may include small supermarkets
 - Several primary and secondary schools
 - A range of community facilities
 - Parkland, sporting fields, and open space
- v. Stockland Mt Atkinson is a masterplanned community being developed by Stockland, located south of the Mt Atkinson MTC. First homes were constructed in late 2019 with around 4,400 lots ultimately planned.

- vi. Map 1.2 illustrates the local context of the Mt Atkinson MTC, with key points to note including:
- The site is surrounded by emerging communities with residential development under construction to the south.
 - A provision of mixed-use zoned land adjoins the subject site.
 - A designated school is immediately west of the subject site.
 - North of Greigs Road there is designated town centre zoned land.
- vii. Overall, the Mt Atkinson and Tarneit Plains PSP is a developing precinct for residents and workers. In the future, the PSP will become a strategic location at the intersection of arterial roads as well as a public transport network.

MAP 1.1. MT ATKINSON REGIONAL CONTEXT

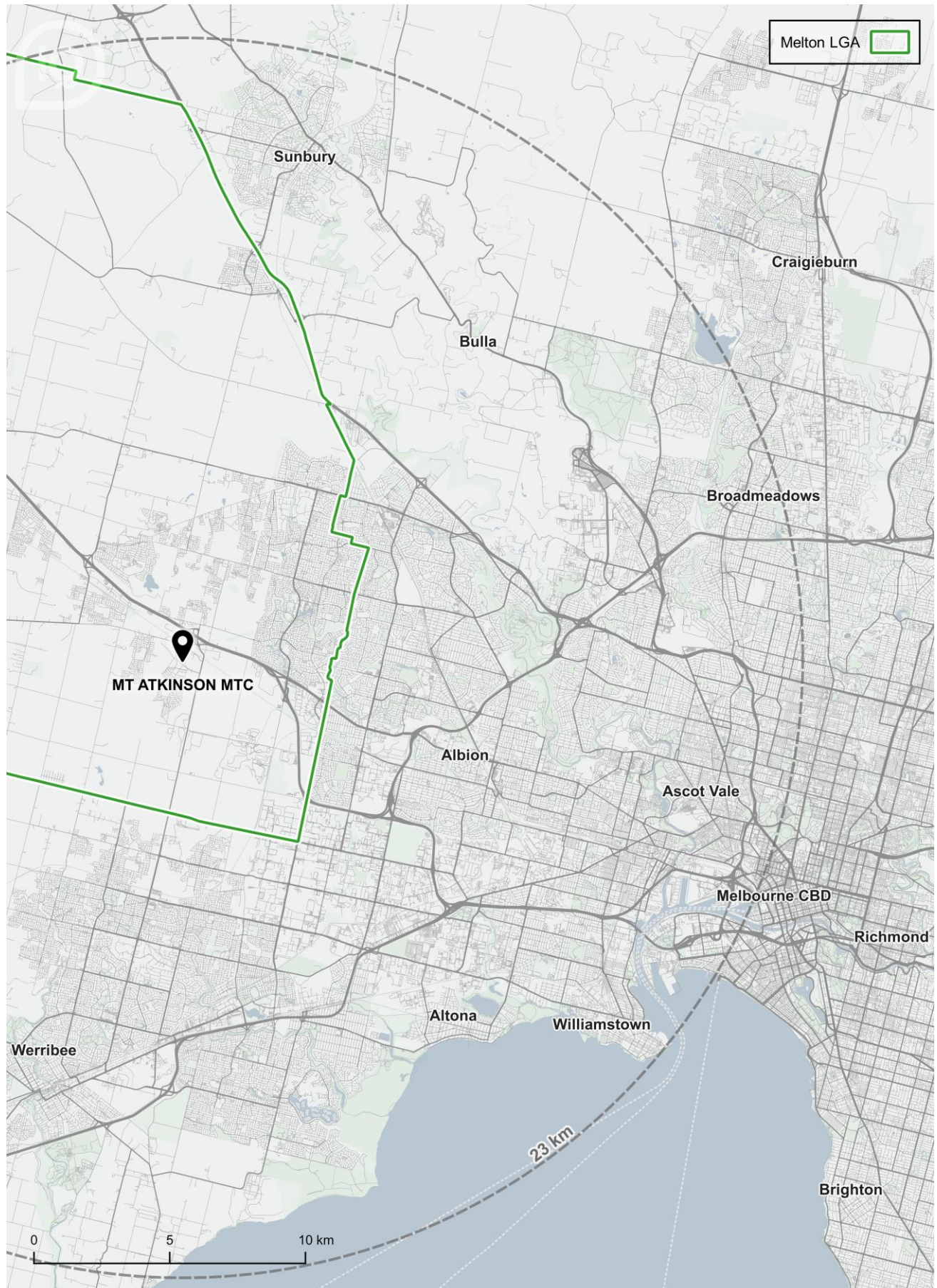


FIGURE 1.1. WEST GROWTH CORRIDOR PLAN

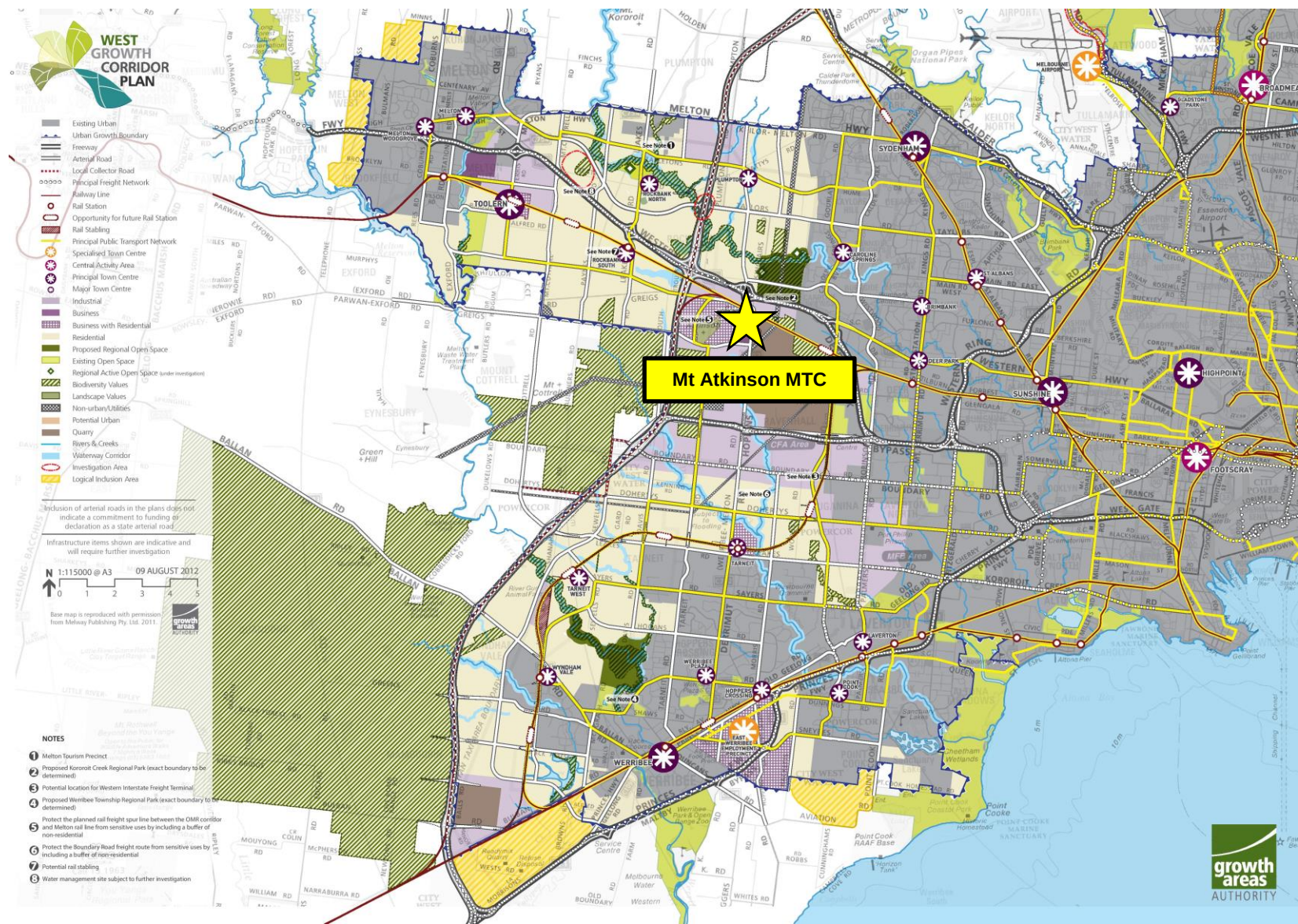
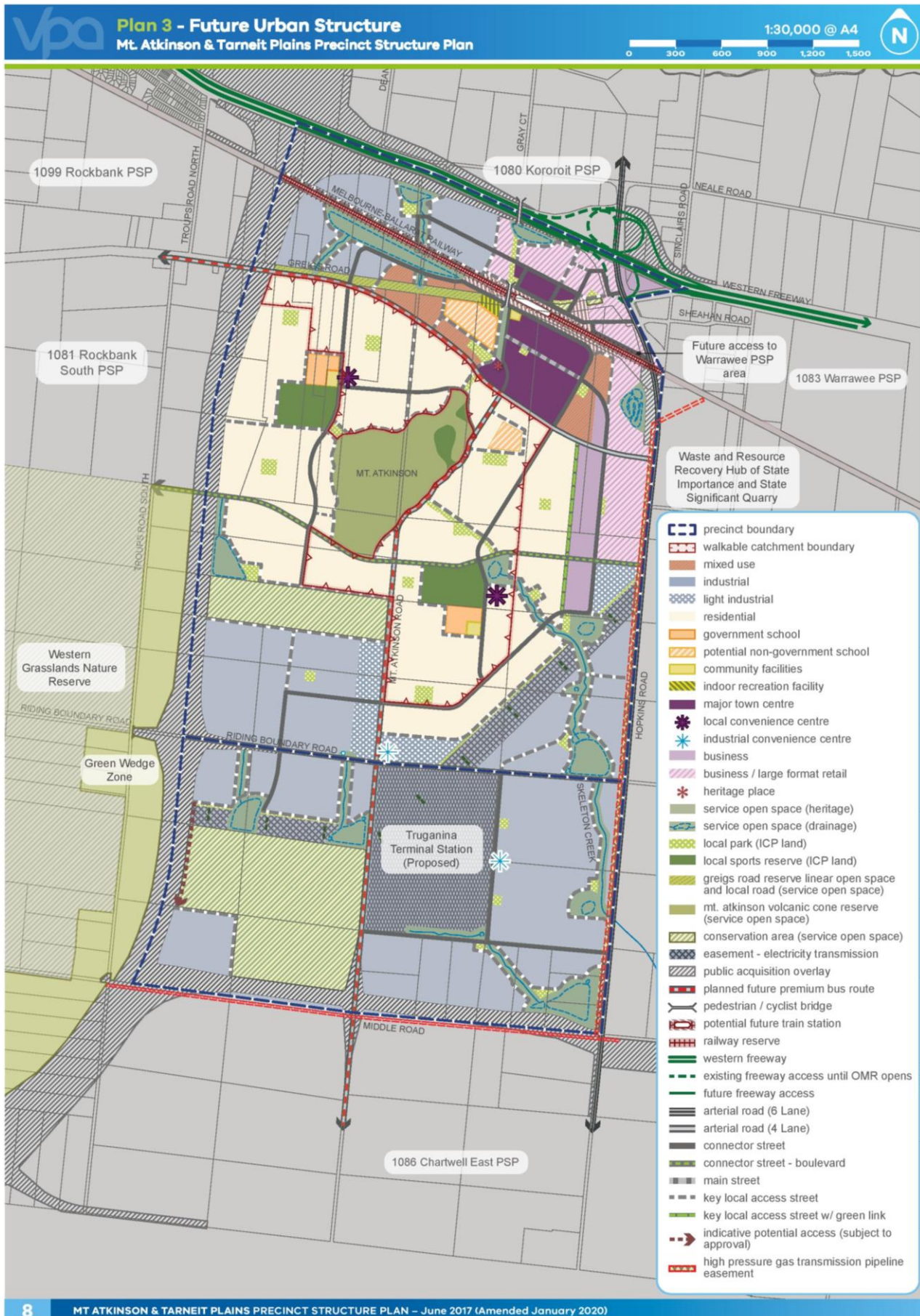
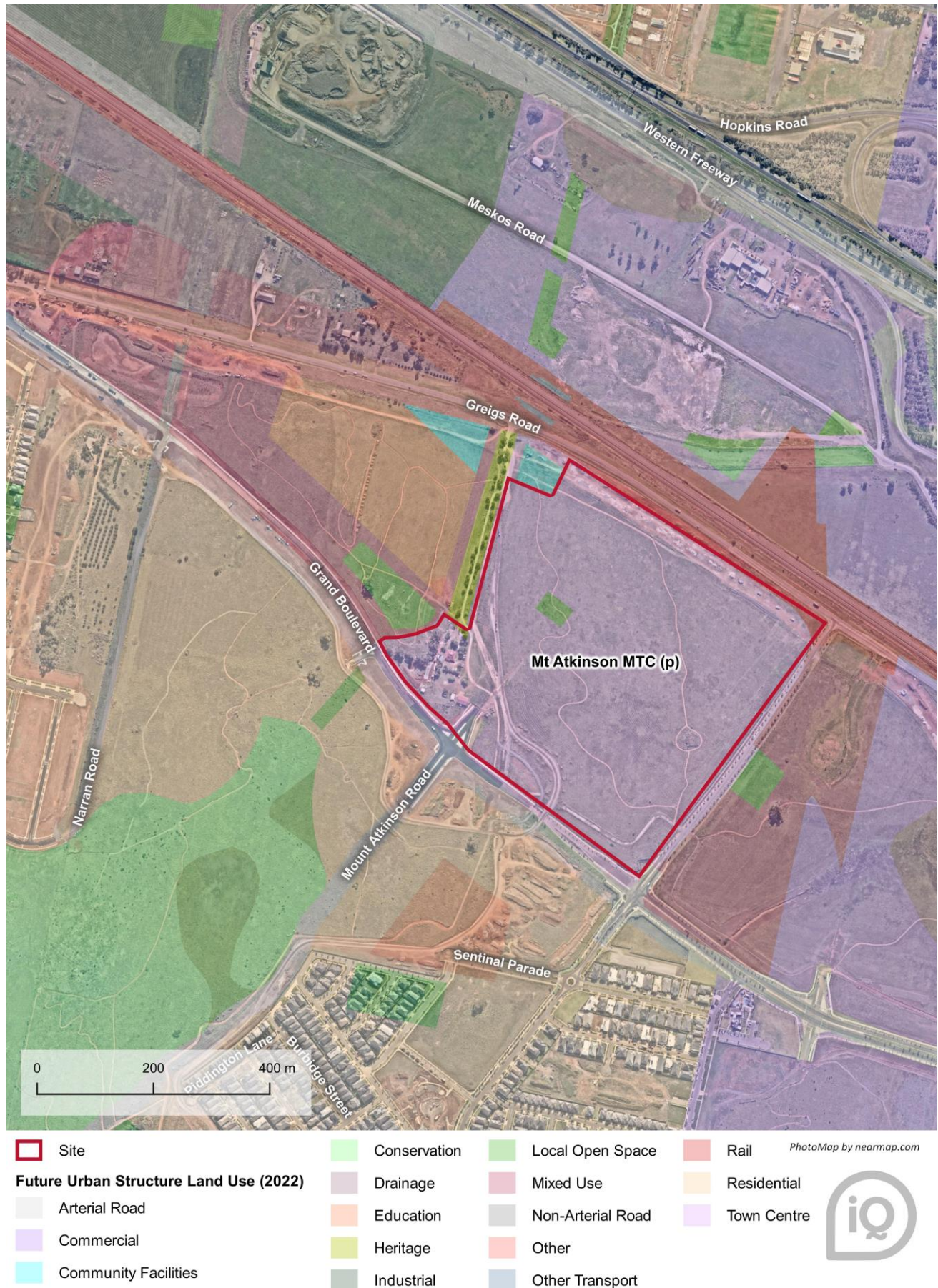


FIGURE 1.2. MT ATKINSON & TARNEIT PLAINS PSP – FUTURE URBAN STRUCTURE



MAP 1.2. MT ATKINSON LOCAL CONTEXT



1.2. Master Plan

- i. The owners of the Mt Atkinson MTC site are currently planning the development of the designated Town Centre. The designated centre will be referred to as the Mt Atkinson MTC throughout the remainder of this report.
- ii. Key components of the the Mt Atkinson MTC include:
 - **Stage One** will open in 2027 and provide 8,000 sq.m of total retail floorspace, the centre will be anchored by a full-line Woolworths supermarket.
 - **Stage Two** will account for the first major expansion of the shopping centre. The additional components will be a discount department store, and two new supermarkets. The centre will span 24,000 sq.m with 18,000 sq.m of total retail floorspace. The first expansion is anticipated by 2032.
 - **Stage Three** will open by 2038 and span across 60,000 sq.m with 46,500 sq.m of retail floorspace. Additional tenants will include a Big W discount department store, along with mini-major tenants and entertainment (cinemas).
- iii. Figure 1.3 illustrates the indicative plan for the Mt Atkinson MTC and surrounding town centre uses. As shown, a variety of uses will ultimately be integrated with a new train station to the north and significant large format retail lands to the east.

1.3. City of Melton Employment and Industrial Land Strategy

- i. Charter Keck Cramer (CKC) were engaged by the City of Melton in June 2024 to provide a long term plan for achieving a job rich, sustainable and inclusive local economy. The three overarching directions include:
 - **Direction 1:** Facilitate Industrial Growth and Diversification
 - **Direction 2:** Boost Local Employment Growth
 - **Direction 3:** Prepare for Change
- ii. The strategy sets the strategic vision, directions, and a framework to guide the long-term use and development of industrial and commercial land in the City of Melton. It also establishes employment precincts across the municipality to help guide future employment opportunities and land uses.
- iii. The Mt Atkinson MTC is referred to as being in the Southern Precinct in the CKC report. This comprises the large format industrial area that forms the western edge of the Western State Significant Industrial Precinct, and the future Major Activity Centre and its surrounding employment land.
- iv. Objective 7 of the CKC report is titled *Foster commercial investment in the City's Activity Centre Network* and is described as:

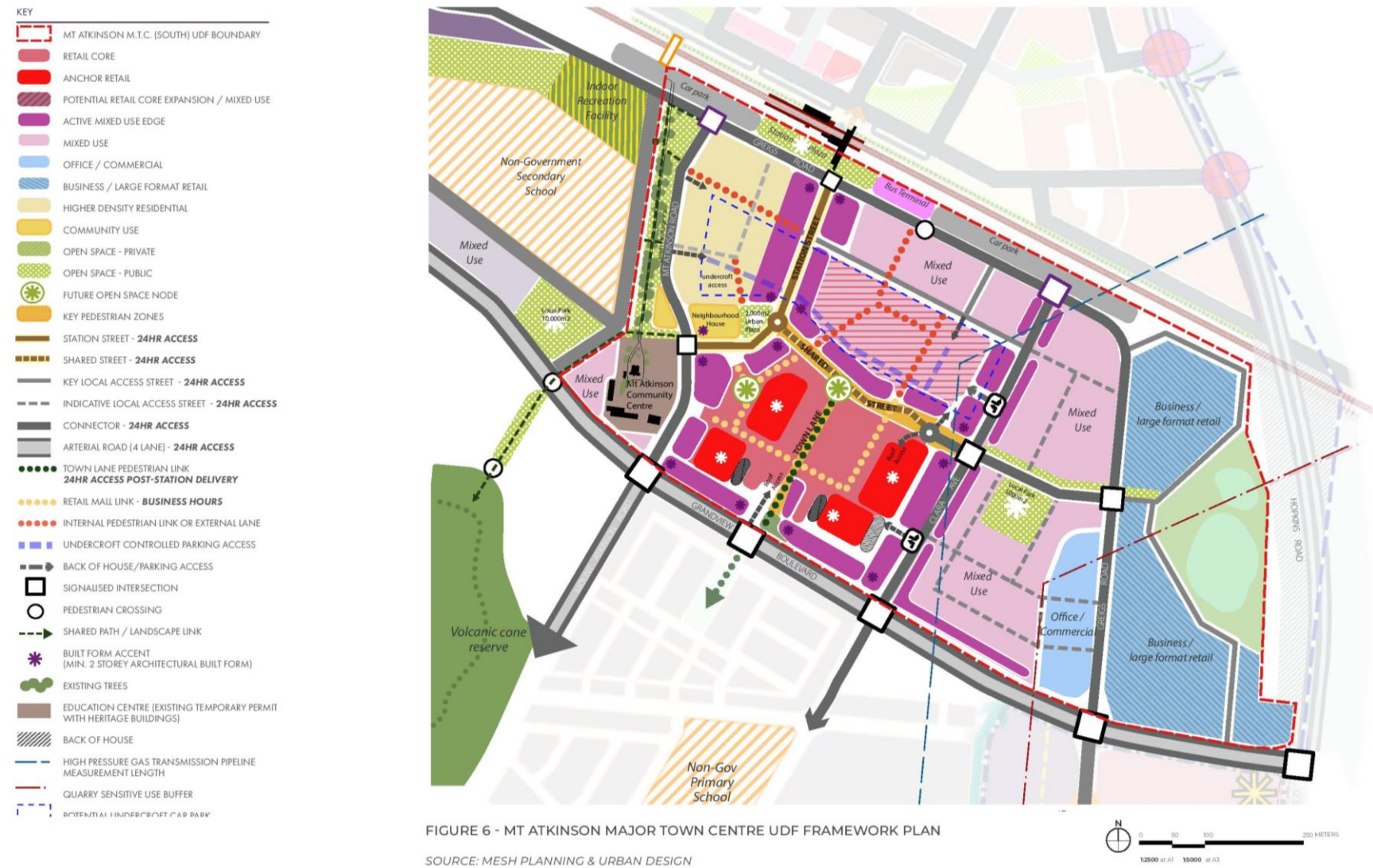
The growth and evolution of our activity centre network will support the growth and diversification of local employment, particularly employment that services population needs.

Activity centres are locations in which residential, commercial, social, transport and community uses overlap to create vibrant destinations that support commercial and social interaction.

- v. Mt Atkinson is designated as one of the future Major Activity Centres along with Rockbank and Fraser Rise. These suburban centres are described as providing access to a diversity of goods and services. These centres vary in size and focus but in general are preferred locations for services, employment, housing and public uses.
- vi. The recent CKC report supports the development of the Mt Atkinson MTC to ensure the timely delivery of employment land as a key short term priority. Another key short term direction is to encourage the establishment of new economic enterprise in the Mt Atkinson MTC that directly supports the technological, human resource and management needs of the precinct's major industries.

FIGURE 1.3. MT ATKINSON MTC LAYOUT – URBAN STRUCTURE

THE FRAMEWORK PLAN



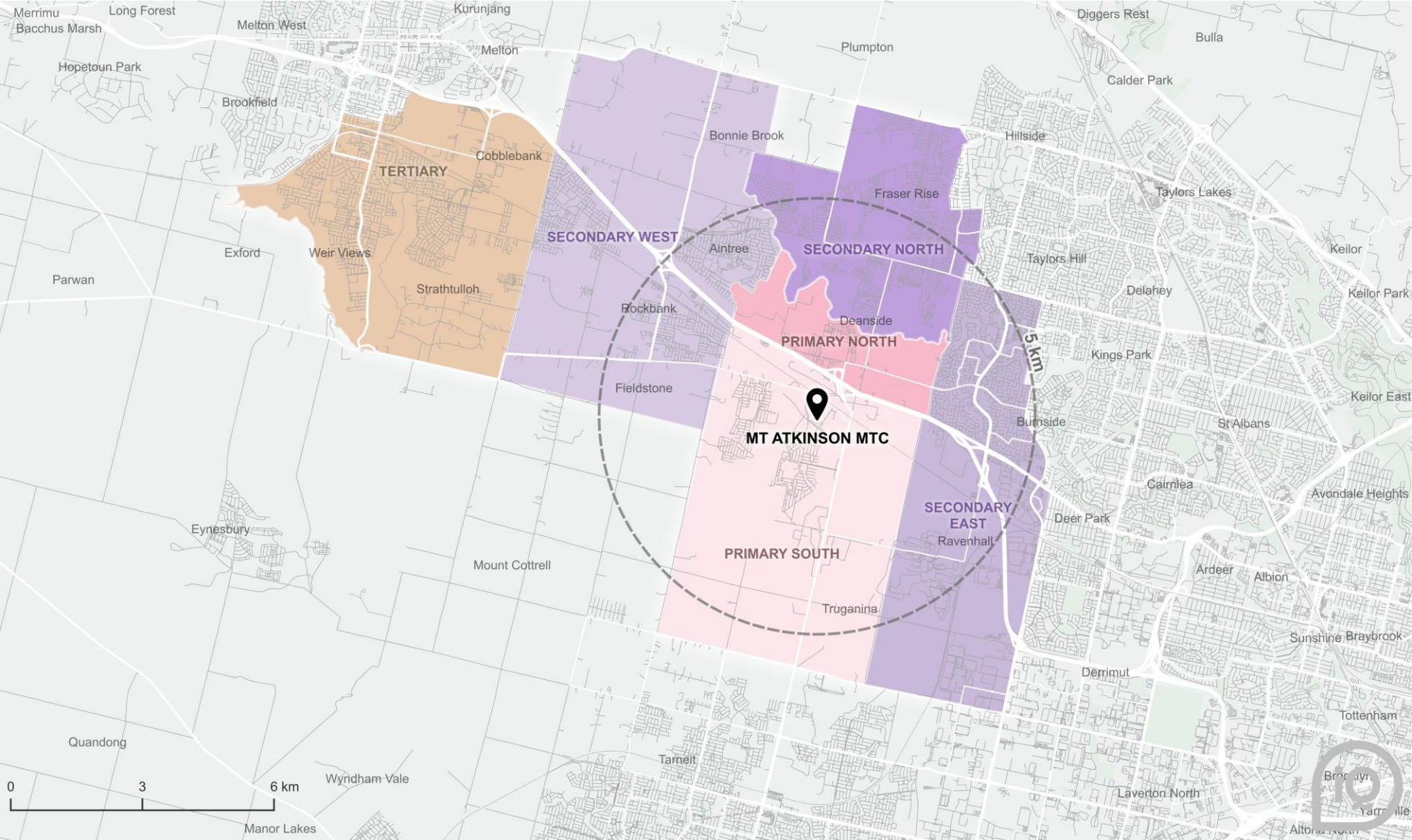
2 Trade Area Analysis

This section of the report outlines the trade area likely to be served by the planned Mt Atkinson MTC, including current and projected population and retail spending levels. The socio-economic profile of the trade area population is also reviewed.

2.1. Total Trade Area Definition

- viii. Map 2.1 illustrates the defined total trade area for potential uses at the Mt Atkinson MTC site. The total trade area has been defined taking into account the following key considerations:
- The possible future uses at the site.
 - The existing supply of these uses throughout the region.
 - Regional and local accessibility.
 - The pattern of urban development.
 - Significant physical barriers.
- ix. The trade area is defined to include the sectors as follows
- The **primary south sector** extends north to the Western Freeway and south to Boundary Road, incorporating the growing suburbs of Fieldstone, Mount Cottrell, Truganina, Ravenhall, and Thornhill Park.
 - The **primary north sector** is limited to the north by Koroit Creek and extends south to the Western Freeway. The sector partially encompasses the suburbs of Deanside and Aintree.
 - The **secondary north sector** includes parts of Fraser Rise, Deanside, Plumpton, Bonnie Brook, and Calder Park.
 - The **secondary east sector** includes the suburbs of Caroline Springs, Ravenhall, and Burnside.
 - The **secondary west sector** includes the suburbs of Rockbank and Grangefield and partially encompasses the suburbs of Thornhill Par and Aintree.
- x. The combination of these five sectors is referred to as the Mt Atkinson main trade area which is centred along the Western Freeway. This is the region from which the site would attract most customers.
- xi. An additional tertiary sector has also been included which incorporates the growing areas of Strathtulloh, Weir Views, Cobblebank, Melton South, and Exford. The combination of these sectors are referred to as the Mt Atkinson total trade area throughout the remainder of this report.

MAP 2.1. TOTAL TRADE AREA DEFINITION



2.2. Total Trade Area Population

- i. Table 2.1 details the total trade area current and projected population levels by sector. This information is sourced from the following:
 - The 2011, 2016, and 2021 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS).
 - New dwelling approval statistics sourced from the ABS over the period from 2011/12 to 2022/23 (refer Chart 2.1) demonstrate a surge of new dwellings were approved on average across the total trade area over the 2016/17 to 2022/23 period. Since 2016/17, an average of 3,110 new dwellings have been approved across the total trade area.
 - Population projections prepared for the City of Melton by Forecast .id.
 - Investigations by this office into new residential developments in the region.
- ii. The total trade area population is currently estimated at 105,540, including 8,820 persons within the combined primary sector. The total trade area population is predicted to grow rapidly, to almost 250,000 persons by 2041. Over the period to 2041, the total trade area population is projected to increase at an average annual rate of 5.2%.
- iii. Relevantly, by 2041, the total primary and secondary north sectors are projected to be fully developed. The secondary west sector is projected to be the last sector to reach full development (assumed to be around 2050).
- iv. Population growth across the total trade area will primarily be driven by greenfield developments. Map 2.2 illustrates the designated residential Broadhectare land across the total trade area which indicates capacity for an additional 64,000 homes or approximately 192,000 persons (assuming three persons per dwelling).

CHART 2.1. MT ATKINSON TOTAL TRADE AREA NEW DWELLING APPROVALS, 2011 – 2023

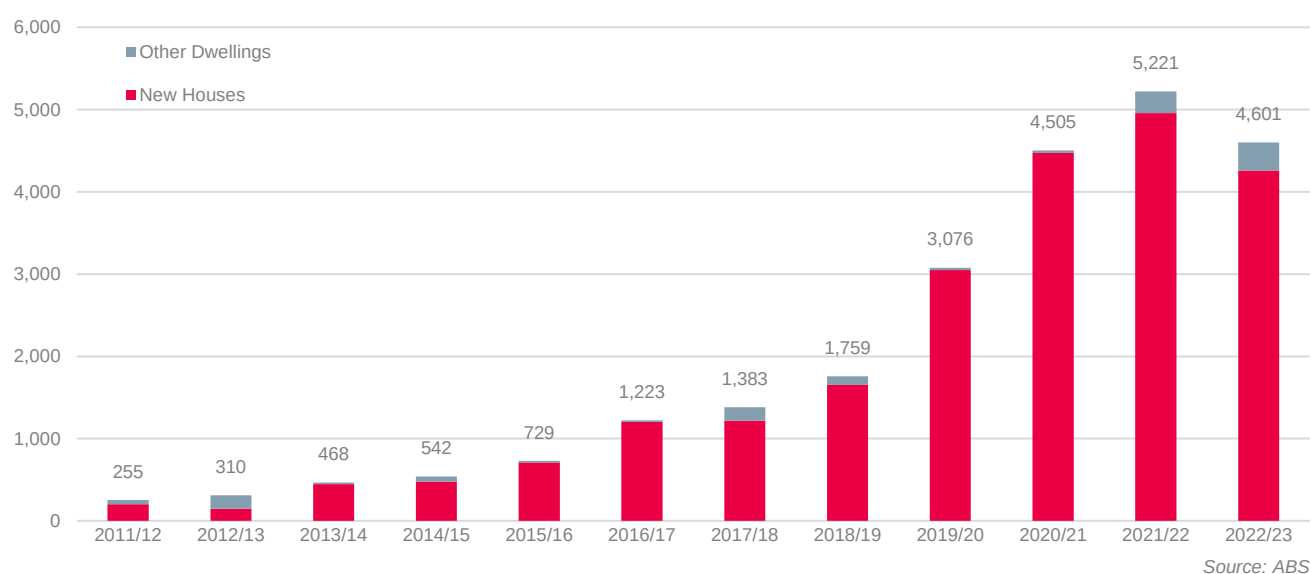


TABLE 2.1. MT ATKINSON TOTAL TRADE AREA POPULATION, 2011 - 2041

Population	Actual			Forecast					Change
	2011	2016	2021	2024	2026	2031	2036	2041	2024-41
Primary Sectors									
• North	90	120	70	2,020	3,820	6,320	8,570	9,320	7,300
• South	<u>410</u>	<u>400</u>	<u>1,400</u>	<u>6,800</u>	<u>10,000</u>	<u>15,000</u>	<u>20,000</u>	<u>22,500</u>	<u>15,700</u>
Total Primary	500	520	1,470	8,820	13,820	21,320	28,570	31,820	23,000
Secondary Sectors									
• East	21,210	25,170	25,850	26,000	26,040	26,040	26,040	26,040	40
• North	120	2,340	7,150	18,250	26,250	39,750	49,750	57,250	39,000
• West	<u>1,310</u>	<u>1,440</u>	<u>14,030</u>	<u>23,030</u>	<u>29,030</u>	<u>44,030</u>	<u>59,030</u>	<u>71,530</u>	<u>48,500</u>
Total Secondary	22,640	28,950	47,030	67,280	81,320	109,820	134,820	154,820	87,540
Main Trade Area	23,140	29,470	48,500	76,100	95,140	131,140	163,390	186,640	110,540
Tertiary Sector	5,880	8,700	20,440	29,440	35,440	47,940	57,940	62,940	33,500
Total Trade Area	29,020	38,170	68,940	105,540	130,580	179,080	221,330	249,580	144,040

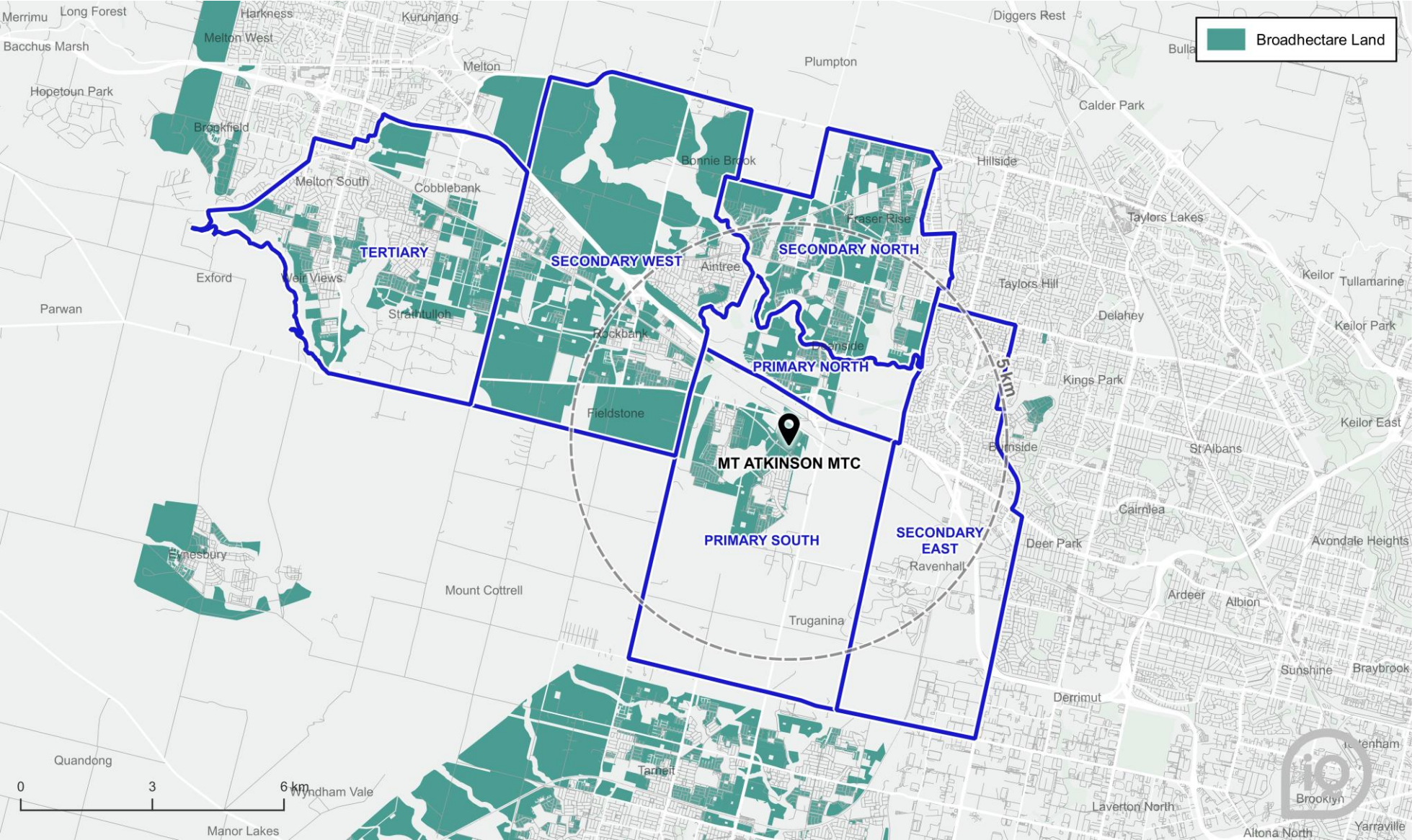
Average Annual Change (No.)	Actual		Forecast					Change	
	2011-16	2016-21	2021-24	2024-26	2026-31	2031-36	2036-41	2024-41	
Primary Sectors									
• North		6	-10	650	900	500	450	150	429
• South		<u>-2</u>	<u>200</u>	<u>1,800</u>	<u>1,600</u>	<u>1,000</u>	<u>1,000</u>	<u>500</u>	<u>924</u>
Total Primary		4	190	2,450	2,500	1,500	1,450	650	1,353
Secondary Sectors									
• East		792	136	50	20	0	0	0	2
• North		444	962	3,700	4,000	2,700	2,000	1,500	2,294
• West		<u>26</u>	<u>2,518</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>2,500</u>	<u>2,853</u>
Total Secondary		1,262	3,616	6,750	7,020	5,700	5,000	4,000	5,149
Main Trade Area		1,266	3,806	9,200	9,520	7,200	6,450	4,650	6,502
Tertiary Sector		564	2,348	3,000	3,000	2,500	2,000	1,000	1,971
Total Trade Area		1,830	6,154	12,200	12,520	9,700	8,450	5,650	8,473

Average Annual Change (%)	Actual		Forecast					Change	
	2011-16	2016-21	2021-24	2024-26	2026-31	2031-36	2036-41	2024-41	
Total Primary	0.8%	23.1%	81.7%	25.2%	9.1%	6.0%	2.2%	7.8%	
Total Secondary	5.0%	10.2%	12.7%	9.9%	6.2%	4.2%	2.8%	5.0%	
Main Trade Area	5.0%	10.5%	16.2%	11.8%	6.6%	4.5%	2.7%	5.4%	
Tertiary Sector	8.2%	18.6%	12.9%	9.7%	6.2%	3.9%	1.7%	4.6%	
Total Trade Area	5.6%	12.6%	15.3%	11.2%	6.5%	4.3%	2.4%	5.2%	
Greater Melbourne	2.5%	1.6%	0.0%	2.0%	1.7%	1.6%	1.5%	1.7%	
Australian Average	1.6%	1.2%	2.4%	1.6%	1.3%	1.2%	1.1%	1.3%	

All figures as at June and based on 2021 SA1 boundary definition.

Sources : ABS; forecast .id

MAP 2.2. BROADHECTARE LANDS 2021



2.3. Socio-economic Profile

- i. Table 2.2 summarises the socio-economic characteristics of the total trade area population by sector, compared with the Greater Melbourne and Australian benchmarks. This information is based on the latest 2021 Census of Population and Housing.
- ii. Key points to note are summarised as follows:
 - Total trade area average household income levels are in-line with the Greater Melbourne and Australian benchmarks.
 - The average age across the total trade area (31.7 years old) is significantly younger than the Greater Melbourne benchmark (38.4 years).
 - The total trade area comprises an ethnically diverse population, with almost half (44.1%) of the population were born overseas. Notably, Asian born residents comprise 26.2% of the total trade area.
 - The dominant family type across the total trade area is traditional families (i.e. couples with dependent children) which comprise 61.2% of all households. This is significantly higher than the Greater Melbourne benchmark (47.6%) and is similarly reflected in the large average household size (3.2).
- iii. The socio-economic profile of the total trade area population is generally consistent with those prevalent throughout Australian growth areas, including an ethnically diverse, young family market.
- iv. Table 2.3 outlines the key changes in the socio-economic profile of the main trade area population from the 2011 to the 2021 Census. Notably, the proportion of overseas-born residents and traditional family households grew strongly compared to the Greater Melbourne benchmark, reflecting the changing demographic towards a typical greenfield growth corridor.

TABLE 2.2. SOCIO-ECONOMIC PROFILE, 2021 CENSUS

Characteristic	Primary Sectors		Secondary Sectors			Main TA	Tertiary Sector	Total TA	Greater Melbourne Average	Australia Average
	North	South	East	North	West					
People										
Age Distribution (% of Pop'n)										
Aged 0-14	15.6%	24.3%	19.6%	28.0%	28.6%	23.6%	28.7%	25.1%	17.9%	18.0%
Aged 15-19	4.7%	2.2%	7.7%	6.0%	3.9%	6.2%	4.7%	5.7%	5.5%	5.7%
Aged 20-29	14.1%	21.8%	13.9%	13.8%	15.6%	14.6%	14.9%	14.7%	14.6%	13.3%
Aged 30-39	14.1%	26.1%	15.5%	23.4%	28.6%	20.7%	23.1%	21.4%	16.4%	14.6%
Aged 40-49	15.6%	10.3%	17.7%	15.0%	11.6%	15.3%	11.8%	14.3%	13.5%	13.0%
Aged 50-59	0.0%	5.9%	11.9%	6.9%	6.1%	9.3%	7.0%	8.6%	12.0%	12.5%
Aged 60+	35.9%	9.2%	13.8%	6.8%	5.6%	10.3%	9.8%	10.1%	20.1%	23.0%
Average Age	42.2	30.3	35.6	29.3	28.2	32.4	30.0	31.7	38.4	39.5
Birthplace (% of Pop'n)										
Australian	59.7%	47.7%	59.3%	55.3%	49.0%	55.4%	57.1%	55.9%	63.8%	72.0%
Overseas	40.3%	52.3%	40.7%	44.7%	51.0%	44.6%	42.9%	44.1%	36.2%	28.0%
• Asia	18.1%	34.0%	19.3%	26.0%	36.4%	25.6%	27.7%	26.2%	18.9%	12.1%
• Europe	22.2%	5.1%	7.2%	5.3%	2.9%	5.7%	2.9%	4.9%	7.9%	7.2%
• Other	0.0%	13.2%	14.1%	13.4%	11.8%	13.3%	12.3%	13.0%	9.4%	8.7%
Family										
Average Household Size	2.8	2.9	3.4	3.2	3.2	3.3	3.0	3.2	2.6	2.5
Family Type (% of Pop'n)										
Couple with dep't children	45.1%	55.4%	58.0%	66.5%	67.3%	62.1%	59.2%	61.2%	47.6%	44.2%
Couple with non-dep't child.	16.9%	5.0%	9.4%	4.3%	3.6%	6.7%	3.9%	5.9%	8.1%	7.7%
Couple without children	12.7%	22.5%	13.7%	13.0%	15.4%	14.4%	14.7%	14.5%	21.4%	23.8%
Single with dep't child.	5.6%	6.4%	9.2%	9.1%	6.6%	8.3%	11.8%	9.3%	7.6%	8.6%
Single with non-dep't child.	0.0%	2.3%	3.2%	2.6%	2.1%	2.7%	3.3%	2.9%	4.0%	4.0%
Other family	8.5%	1.9%	0.7%	0.5%	0.8%	0.8%	1.0%	0.8%	1.1%	1.0%
Lone person	11.3%	6.5%	5.7%	3.9%	4.2%	5.0%	6.0%	5.3%	10.2%	10.8%
Employment										
Income Levels										
Average Per Capita Income	\$32,413	\$53,713	\$50,149	\$53,455	\$52,940	\$51,522	\$44,511	\$49,518	\$56,845	\$55,301
Per Capita Income Variation	-43.0%	-5.5%	-11.8%	-6.0%	-6.9%	-9.4%	-21.7%	-12.9%	n.a.	n.a.
Average Household Income	\$98,564	\$116,319	\$119,413	\$125,153	\$122,165	\$120,982	\$96,255	\$113,420	\$115,794	\$109,594
Household Income Variation	-14.9%	0.5%	3.1%	8.1%	5.5%	4.5%	-16.9%	-2.0%	n.a.	n.a.
Housing										
Tenure Type (% of Dwellings)										
Owned	86.4%	77.0%	76.9%	81.7%	75.4%	77.2%	65.6%	73.7%	68.2%	67.4%
Rented	13.6%	23.0%	20.5%	16.9%	24.2%	21.1%	34.1%	25.1%	30.3%	30.8%
Other Tenure Type	0.0%	0.0%	2.5%	1.4%	0.4%	1.7%	0.3%	1.2%	1.5%	1.8%

Sources: ABS Census of Population and Housing 2021

TABLE 2.3. MAIN TRADE AREA SOCIO-ECONOMIC PROFILE, COMPARISION 2011 - 2021

Characteristic	Mt Atkinson MTC Main Trade Area			Change (%)			Greater Melbourne			Change (%)		
	2011	2016	2021	2011-16	2016-21	2011-21	2011	2016	2021	2011-16	2016-21	2011-21
People												
Average Age	31.8	33.1	32.4	0.8%	-0.4%	0.2%	37.3	37.7	38.4	0.2%	0.4%	0.3%
Birthplace (% of Pop'n)												
Australian	61.1%	61.0%	55.4%	0.0%	-5.6%	-5.6%	66.8%	65.0%	63.8%	-1.8%	-1.2%	-3.0%
Overseas	38.9%	39.0%	44.6%	0.0%	5.6%	5.6%	33.2%	35.0%	36.2%	1.8%	1.2%	3.0%
• Asia	16.0%	18.4%	25.6%	2.4%	7.2%	9.6%	12.2%	16.8%	18.9%	4.6%	2.1%	6.7%
• Europe	10.0%	8.3%	5.7%	-1.7%	-2.7%	-4.3%	11.3%	9.2%	7.9%	-2.0%	-1.3%	-3.3%
• Other	12.9%	12.2%	13.3%	-0.7%	1.1%	0.4%	9.8%	9.0%	9.4%	-0.8%	0.4%	-0.4%
Family												
Average Household Size	3.1	3.2	3.3	0.2%	0.7%	0.5%	2.6	2.6	2.6	-0.1%	-0.2%	-0.2%
Family Type (% of Pop'n)												
Couple with dep't children	59.3%	60.0%	62.1%	0.7%	2.1%	2.8%	47.4%	48.2%	47.6%	0.8%	-0.6%	0.2%
Couple with non-dep't child.	7.4%	6.9%	6.7%	-0.6%	-0.2%	-0.7%	8.7%	8.4%	8.1%	-0.3%	-0.3%	-0.6%
Couple without children	15.8%	14.9%	14.4%	-0.9%	-0.5%	-1.4%	21.0%	20.9%	21.4%	-0.2%	0.6%	0.4%
Single with dep't child.	9.3%	9.4%	8.3%	0.1%	-1.1%	-1.0%	8.2%	7.9%	7.6%	-0.3%	-0.2%	-0.6%
Single with non-dep't child.	2.3%	2.8%	2.7%	0.4%	0.0%	0.4%	3.8%	3.9%	4.0%	0.1%	0.1%	0.2%
Other family	0.6%	0.8%	0.8%	0.2%	0.0%	0.1%	1.3%	1.3%	1.1%	0.0%	-0.1%	-0.2%
Lone person	5.2%	5.2%	5.0%	0.0%	-0.2%	-0.2%	9.6%	9.5%	10.2%	0.0%	0.6%	0.6%
Employment												
Income Levels												
Average Per Capita Income	\$39,312	\$43,217	\$51,522	1.9%	3.6%	2.7%	\$40,082	\$46,615	\$56,845	3.1%	4.0%	3.6%
Per Capita Income Variation	-1.9%	-7.3%	-9.4%	-5.4%	-2.1%	-7.4%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average Household Income	\$87,210	\$100,135	\$120,982	2.8%	3.9%	3.3%	\$84,243	\$97,303	\$115,794	2.9%	3.5%	3.2%
Household Income Variation	3.5%	2.9%	4.5%	-0.6%	1.6%	1.0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: ABS Census of Population and Housing 2011, 2016 & 2021

higher | lower than benchmark

2.4. Total Trade Area Retail Expenditure Capacity

- i. Charts 2.2 and 2.3 illustrate the retail expenditure levels per person across the total trade area compared with the Greater Melbourne average. Chart 2.4 illustrates the retail expenditure per capita variation from the Greater Melbourne average.
- ii. Table 2.4 outlines the total retail expenditure levels generated by the total trade area population. The total retail expenditure level is currently estimated at \$1.34 billion and is projected to increase at an average annual growth rate of 8.1% to \$5.02 billion by 2041. All figures presented in this report are in inflated dollars and include GST.
- iii. The average annual spending growth rate of 8.1% reflects the following:
 - **Food category inflation** of 3.5% in 2025 and 2.5% in 2026. From 2027, food category inflation is assumed to stabilise at 2.0% per annum.
 - **Non-food category inflation** of 1.5% over the 2025 – 2026 period. From 2027, non-food category inflation is assumed to remain at 1.0% per annum
 - **Real growth** in retail spending per capita of 0.0% is assumed over the period to 2025/26. From 2026/27 real growth per capita is assumed at 0.5% annually for food retail and 1.0% for non-food retail over the period to 2041.
 - **Population Growth:** total trade area population growth is projected at 5.2% per annum.
- iv. Table 2.5 presents a breakdown of retail spending by key commodity group across the total trade area, indicating the largest spending market is supermarkets at \$332.4 million, representing 24.7% of the total retail spending market.

CHART 2.2. TOTAL TRADE AREA RETAIL EXPENDITURE PER CAPITA VS. BENCHMARK, 2023/24

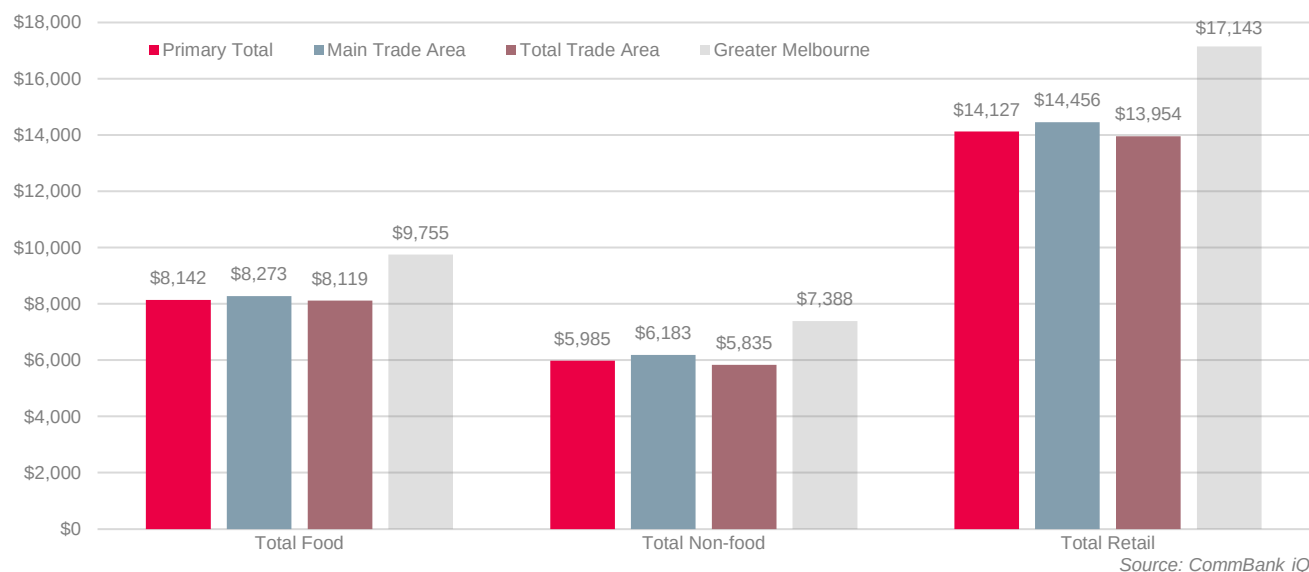


CHART 2.3. TTA PER CAPITA RETAIL EXPENDITURE BY KEY COMMODITY GROUP VS. BENCHMARK, 2023/24

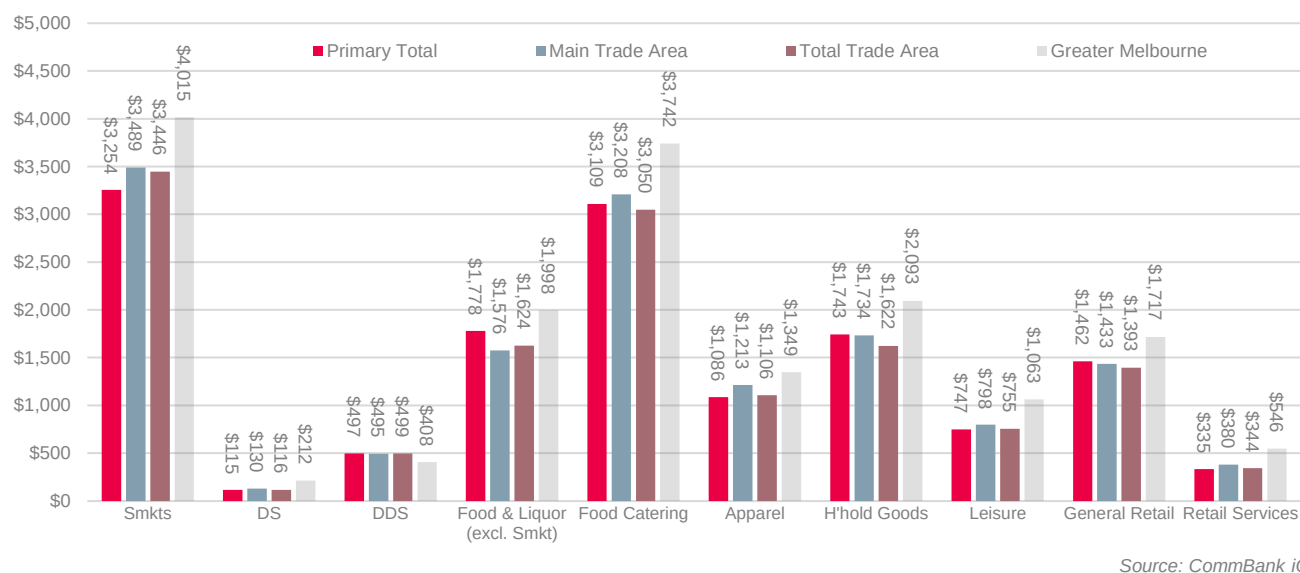


CHART 2.4. TOTAL TRADE AREA RETAIL EXPENDITURE PER CAPITA VS. BENCHMARK, 2023/24

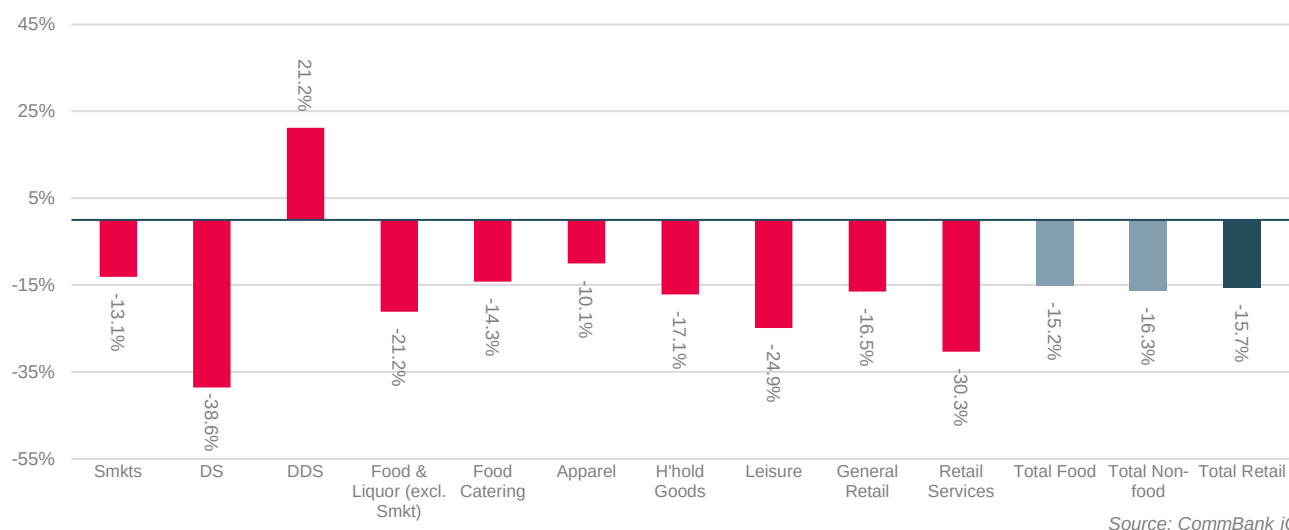


TABLE 2.4. TOTAL TRADE AREA RETAIL EXPENDITURE (\$M), 2024 – 2041

Y/E June	Primary Sectors		Secondary Sectors			Main TA	Tertiary Sector	Total TA
	North	South	East	North	West			
2024	19.1	72.0	411.7	200.1	291.5	994.4	352.2	1,346.5
2025	40.3	105.9	423.2	262.9	344.3	1,176.6	402.6	1,579.2
2026	56.5	131.0	432.3	321.9	394.6	1,336.4	451.1	1,787.5
2027	71.4	153.9	442.8	376.3	446.3	1,490.7	498.7	1,989.4
2028	80.8	170.9	453.4	418.6	496.7	1,620.4	542.5	2,163.0
2029	91.5	189.7	464.3	465.8	552.8	1,764.1	590.2	2,354.3
2030	103.7	210.7	475.4	518.2	615.2	1,923.2	642.0	2,565.2
2031	117.4	234.0	486.9	576.6	684.6	2,099.5	698.5	2,798.0
2032	130.4	256.8	498.6	629.4	752.6	2,267.8	751.3	3,019.1
2033	141.9	278.6	510.5	674.2	817.2	2,422.4	799.2	3,221.6
2034	154.4	302.1	522.8	722.1	887.4	2,588.9	850.1	3,439.0
2035	168.1	327.7	535.4	773.5	963.6	2,768.3	904.3	3,672.6
2036	183.0	355.5	548.3	828.5	1,046.4	2,961.7	961.9	3,923.6
2037	194.8	379.2	561.5	880.0	1,124.9	3,140.4	1,012.3	4,152.7
2038	202.9	397.6	575.1	927.0	1,197.1	3,299.6	1,054.2	4,353.7
2039	211.3	416.9	589.0	976.4	1,274.0	3,467.5	1,097.7	4,565.3
2040	220.1	437.1	603.2	1,028.5	1,355.8	3,644.7	1,143.1	4,787.9
2041	229.2	458.3	617.8	1,083.5	1,442.9	3,831.7	1,190.4	5,022.1
Expenditure Growth								
2024-26	37.4	59.1	20.6	121.8	103.1	342.0	99.0	441.0
2026-31	60.9	102.9	54.5	254.7	290.0	763.1	247.3	1,010.5
2031-36	65.5	121.5	61.5	251.9	361.7	862.2	263.4	1,125.6
2036-41	46.3	102.8	69.5	254.9	396.5	870.1	228.5	1,098.6
2024-41	210.1	386.4	206.1	883.4	1,151.4	2,837.4	838.2	3,675.6
Average Annual Growth Rate								
2024-26	72.0%	34.9%	2.5%	26.8%	16.3%	15.9%	13.2%	15.2%
2026-31	15.7%	12.3%	2.4%	12.4%	11.7%	9.5%	9.1%	9.4%
2031-36	9.3%	8.7%	2.4%	7.5%	8.9%	7.1%	6.6%	7.0%
2036-41	4.6%	5.2%	2.4%	5.5%	6.6%	5.3%	4.4%	5.1%
2024-41	15.7%	11.5%	2.4%	10.4%	9.9%	8.3%	7.4%	8.1%

*Inflated dollars & including GST

Source : CommBank iQ, Location iQ

TABLE 2.5. TOTAL TRADE AREA RETAIL EXPENDITURE (\$M) BY KEY COMMODITY GROUP, 2024 - 2041

Y/E June	Supermarket	Department Store	Discount Dept Store	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2024	332.4	11.2	48.2	156.8	294.5	106.5	156.5	72.7	134.5	33.2
2025	392.4	12.9	56.0	185.3	348.7	123.7	181.7	84.1	156.0	38.5
2026	445.6	14.5	63.2	210.5	396.7	139.3	204.5	94.4	175.5	43.3
2027	496.1	16.0	69.9	234.4	444.4	154.6	226.8	104.5	194.5	48.0
2028	539.8	17.2	75.5	255.2	486.3	167.6	245.7	113.1	210.6	52.0
2029	588.0	18.5	81.6	278.1	532.7	181.8	266.4	122.5	228.3	56.3
2030	641.1	20.0	88.3	303.3	584.1	197.5	289.2	132.9	247.8	61.1
2031	699.7	21.6	95.6	331.2	641.1	214.7	314.3	144.2	269.2	66.4
2032	755.4	23.1	102.3	357.7	696.1	231.0	337.9	154.9	289.3	71.4
2033	806.6	24.4	108.4	382.2	747.4	245.6	359.2	164.6	307.5	75.8
2034	861.6	25.8	114.7	408.4	802.7	261.3	382.1	174.9	326.9	80.6
2035	920.6	27.3	121.6	436.6	862.5	278.1	406.5	186.0	347.7	85.8
2036	984.1	28.9	128.8	466.9	927.1	296.1	432.7	197.8	369.9	91.2
2037	1,042.1	30.3	135.2	494.6	987.2	312.4	456.3	208.5	390.0	96.2
2038	1,093.3	31.5	140.6	518.8	1,041.3	326.4	476.6	217.7	407.1	100.5
2039	1,147.1	32.7	146.2	544.3	1,098.5	341.2	497.9	227.3	425.2	105.0
2040	1,203.7	34.0	152.0	571.1	1,159.0	356.7	520.2	237.4	444.0	109.7
2041	1,263.4	35.4	158.1	599.4	1,223.0	372.9	543.6	247.9	463.8	114.6
Expenditure Growth										
2024-26	113.1	3.3	15.1	53.7	102.1	32.8	48.0	21.7	40.9	10.1
2026-31	254.1	7.1	32.3	120.7	244.5	75.4	109.8	49.8	93.7	23.1
2031-36	284.4	7.3	33.3	135.7	286.0	81.4	118.4	53.6	100.8	24.8
2036-41	279.3	6.5	29.2	132.5	296.0	76.8	110.9	50.1	93.9	23.4
2024-41	930.9	24.2	109.9	442.6	928.5	266.4	387.1	175.3	329.3	81.5
Average Annual Growth Rate										
2024-26	15.8%	13.9%	14.6%	15.9%	16.1%	14.4%	14.3%	14.0%	14.2%	14.2%
2026-31	9.4%	8.3%	8.6%	9.5%	10.1%	9.0%	9.0%	8.8%	8.9%	8.9%
2031-36	7.1%	6.0%	6.2%	7.1%	7.7%	6.6%	6.6%	6.5%	6.6%	6.6%
2036-41	5.1%	4.1%	4.2%	5.1%	5.7%	4.7%	4.7%	4.6%	4.6%	4.7%
2024-41	8.2%	7.0%	7.2%	8.2%	8.7%	7.6%	7.6%	7.5%	7.6%	7.6%

*Inflated dollars & including GST

Source : CommBank iQ, Location iQ

3 Competition

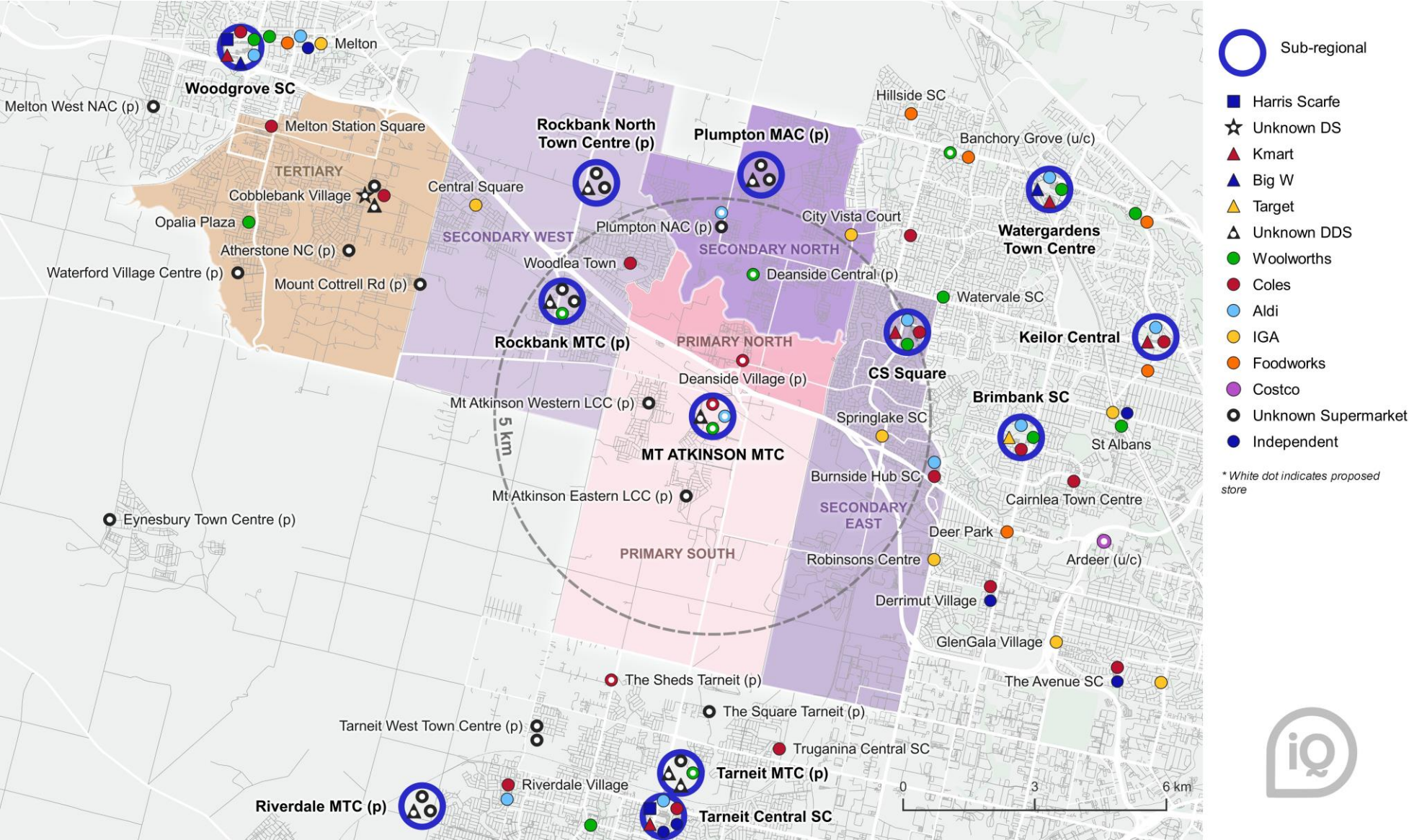
This section of the report provides a summary of the existing competitive developments of relevance within the region. Table 3.1 provides a summary of the composition of existing facilities within the surrounding region. Map 3.1 also illustrates the competitive environment of the total trade area.

TABLE 3.1. CURRENT COMPETITIVE ENVIRONMENT

Centre	Shopfront GLA (sq.m)	Anchor Tenants	Dist. From Site (km)
Regional Shopping Centres			
Pacific Werribee	110,000	Myer (12,500), Big W (7,600), Kmart (7,100), Target (6,500) Woolworths (4,000), Coles (4,000), Aldi (1,700)	15.0
Sub-regional Shopping Centres			
CS Square	25,000	Kmart (5,400), Woolworths (4,000), Coles (3,700), Aldi (1,540)	6.3
Woodgrove SC	54,200	Big W (7,450), Kmart (6,100), Woolworths (4,200), Coles (3,900), Aldi (1,700)	15.9
Supermarket Based Shopping Centres			
Springlake SC	2,700	IGA (920)	6.2
Burnside Hub SC	7,500	Coles (2,600), Aldi (1,600)	7.7
Woodlea Town	8,500	Coles (3,450)	8.8
Central Square	1,500	IGA (900)	9.2
Cobblebank Village	7,000	Coles (3,700)	13.5

Source: Location IQ Database

MAP 3.1. TOTAL TRADE AREA AND COMPETITION



3.1. Existing Competition

- v. Retail facilities within the surrounding area form a typical retail hierarchy, including:
- Regional shopping centres some distance away, namely Pacific Werribee (15 km south) and Highpoint Shopping Centre (22 km east)
 - Sub-regional shopping centres (CS Square, Woodgrove Shopping Centre, Tarneit Central Shopping Centre, Brimbank Shopping Centre, Watergardens Town Centre, and Keilor Central).
 - A range of supermarket based centres to serve the local population.

3.1.1. Within the Total Trade Area

- i. CS Square (secondary east sector) is the only sub-regional shopping centre in the total trade area, 6.3 km to the east. The centre spans 25,000 sq.m and is anchored by Kmart, Woolworths, Coles, and Aldi. Combined supermarket sales at the centre are understood to total over \$100 million.
- ii. There are currently no supermarket-based centres provided within the combined primary sectors. Supermarket-based centres in the secondary sectors include:
- Woodlea Town (secondary west sector), 8.8 km to the north, is anchored by a Coles supermarket of 3,450 sq.m. The centre opened in early 2021 along with some 20 specialty shops in the
 - Springlake Shopping Centre (secondary east sector), 6.2 km to the east, opened in 2021 and is anchored by an IGA (920 sq.m) supermarket.
 - Burnside Hub Shopping Centre (secondary east sector) is based on a Coles (2,530 sq.m) and Aldi (1,600 sq.m) supermarkets, 7.7 km to the east.
 - Central Square (secondary west sector) is anchored by an IGA supermarket (900 sq.m), which opened earlier this year. The shopping centre is 9.2 km to the north-west.
- iii. In the tertiary sector, full-line Coles and Woolworths supermarkets are provided in Cobblebank Village (7,000 sq.m) and Opalia Plaza (11,000 sq.m), respectively. These centres are more than 13 km (by road) from the site and are of little competitive relevance.

3.1.2. Beyond the Total Trade Area

- i. Pacific Werribee is the closest regional shopping centre to the subject development (15 km to the south) and is anchored by Myer, Big W, Kmart, Target, Woolworths, Coles, and Aldi. The centre spans 110,000 sq.m and according to Shopping Centre News' *Big Guns* 2023 publication achieved a Moving Annual Turnover (MAT) of \$718 million.

- ii. Sub-regional shopping centres of relevance beyond the total trade area include:
- Woodgrove Shopping Centre is the major sub-regional centre serving Melton as part of a broader Town Centre. The shopping centre is provided across 54,200 sq.m and includes Big W and Kmart discount department stores as well as Woolworths, Coles and Aldi supermarkets. The centre also accommodates six mini-majors and 134 specialty shops. Other facilities are provided in the broader Melton Town Centre.
 - Tarneit Central Shopping Centre (21,200 sq.m) is along Derrimut Road, 9.4 km to the south. The centre is anchored by Harris Scarfe, Kmart, Coles, and Aldi, as well as an Asian supermarket and Indian supermarket.
- iii. Supermarket-based shopping centres beyond the total trade area are of limited competitive relevance to the Mt Atkinson MTC.

3.2. Proposed Retail Developments

- i. As is common for rapidly developing areas, a number of designated shopping centres are planned throughout the growth corridor.
- ii. Table 3.2 outlines the designated retail sites across the region, as sourced from various PSPs. Future developments of relevance across the total trade area are as follows:
- Two small local centres are indicated in the Western and Eastern portion of the Mt Atkinson Estate. These are unlikely to compete with higher order facilities at the Mt Atkinson MTC.
 - The only designated full-line supermarket site within the combined primary sectors is Deanside Village, 3.2 km to the north. It is understood that Coles have purchased this site with ultimate plans to develop a full-line store and a small provision of specialty shops. A development application is yet to be submitted for the site.
 - The Rockbank MTC is designated to ultimately accommodate around 30,000 sq.m of retail floorspace including multiple anchor tenants. It is understood that Woolworths have committed to a site in the Rockbank MTC (western portion). It is important to note that the sites development potential is yet to be confirmed.
 - The Rockbank North Town Centre is planned to be a major non-food retail facility. Approximately 37,000 sq.m of retail floorspace is indicated. This is unlikely to be developed for some time given the concentration of residential development is focused elsewhere in the region.
 - Cobblebank Village (also known as the Toolern Metropolitan Activity Centre) is situated to the south of the Cobblebank Station (13.5 km to the west) in the tertiary sector and currently accommodates a Coles based neighbourhood shopping centre. The Toolern PSP indicates that a total of 70,000 sq.m of retail floorspace is ultimately envisioned across some 88 hectares of town centre land.

TABLE 3.2. DESIGNATED TOWN CENTRE

Name	Indicative Components	Dist. From Site (km)
Mt Atkinson MTC	DDS, Smkts & shops	-
Rockbank MTC	DDS, Smkts & shops	6.3
Rockbank North TC	DDS, Smkts & shops	9.4
Plumpton MAC	DDS, Smkts & shops	9.4
Deanside Village	Full-line Smkt & shops	2.9
Deanside Central	Woolworths & shops	6.0
Plumpton NAC	Full-line Smkt & shops	8.0
Woodlea Town^	Coles & shops	8.8
Mount Cottrell Rd NAC	Full-line Smkt & shops	10.9

Source: Precinct Structure Plans

Note: Distance from site likely to change over time as road infrastructure develops.

3.3. Supermarket Floorspace Provision

- i. Typically, one full-line supermarket is provided for every 8,000 – 10,000 persons across Australia. There are currently no full-line supermarkets in the combined primary sectors which currently include 8,820 persons.
- ii. The total trade area population of ~105,000 persons indicate potential for at least ten full-line supermarkets, noting that there are currently six full-line supermarkets across the total trade area, including three within the tertiary sector.
- iii. Table 3.3 outlines the supermarket floorspace provision by trade area sector across the total trade area. The total trade area supermarket provision is currently estimated at 293 sq.m per 1,000 persons, which is slightly lower than the relevant benchmarks.
- iv. Over the period to 2041, the total trade area population is projected to increase to nearly 250,000, including 31,820 persons across the combined primary sectors. As such, there is strong potential for numerous additional full-line supermarkets over the forecast period.

TABLE 3.3. TOTAL TRADE AREA SUPERMARKET FLOORSPACE PROVISION, 2023/24

Trade Area Sector	No. of Supermarkets*	GLA (sq.m)	2024 Population	GLA per 1,000 persons
Primary Sectors				
• North	0	0	2,020	0
• South	0	0	6,800	0
Total Primary	0	0	8,820	0
Secondary Sectors				
• East	6	14,303	26,000	550
• North	1	1,100	18,250	60
• West	1	3,690	23,030	160
Total Secondary	8	19,093	67,280	284
Main Trade Area	8	19,093	76,100	251
Tertiary Sector	3	11,800	29,440	401
Total Trade Area	11	30,893	105,540	293
<i>Greater Melbourne</i>				325
<i>Australian Average</i>				356

* Defined as 500 sq.m or larger

3.4. Summary

- i. Typically, one full-line supermarket is provided for every 8,000 – 10,000 persons across Australia. There are currently no full-line supermarkets provided within the combined primary sectors. CS Square is the only sub-regional shopping centre in the total trade area.
- ii. As is common for rapidly developing areas, a number of designated shopping centres are situated throughout the growth corridor. Coles and Woolworths are understood to be committed to nearby supermarket-based shopping centres Deanside Village and Deanside Central, respectively. The largest planned centre across the total trade area is Cobblebank Village, which currently accommodates a Coles based neighbourhood shopping centre. The Toolern PSP indicates that a total of 70,000 sq.m of retail floorspace is ultimately envisioned across some 88 hectares of town centre land.
- iii. The total trade area supermarket provision is currently estimated at 293 sq.m per 1,000 persons, which is slightly lower than the relevant benchmarks. Over the period to 2041, the total trade area population is projected to increase to nearly 250,000, including 31,820 persons across the combined primary sectors. As such, there is strong potential for numerous additional full-line supermarkets.

4 Comparable Developments

4.1. Mixed-Use Town Centres in Growth Areas

The following section provides an overview of the composition and key success factors of larger Town Centre style developments in outer-metropolitan growth areas in Australia — similar to the Mt Atkinson development.

4.1.1. Centre Sample

i. The Town Centre developments reviewed include:

- Caroline Springs (VIC)
- Stockland Point Cook (VIC)
- Gungahlin (ACT)
- Rouse Hill Town Centre (NSW)
- Orion Springfield (QLD)
- North Lakes (QLD)

4.1.2. Composition

Traditional Retail

i. Each of these precincts is anchored by a major retail centre, including:

- **CS Square** is over 25,000 sq.m in size anchored by a Target discount department store and Coles, Woolworths, and Aldi supermarkets. In addition, there is an extensive retail strip outside the main retail centre.
- **Stockland Point Cook** is 44,000 sq.m in size and orientated around the intersection of two main streets. The quadrant design of the shopping centre is based on a major tenant anchoring each separate component with Target, Coles, Woolworths, and Aldi being the major traders. The area surrounding the centre is largely developed, however, no significant free-standing retail floorspace is provided outside the centre.
- **Gungahlin Marketplace** is within Gungahlin Town Centre in Canberra. The shopping centre totals around 32,500 sq.m and contains Kmart, Big W, and Woolworths as the major tenants. Also provided in the Town Centre are Coles and Aldi supermarkets. The Town Centre is also orientated around a quadrant design however, each centre is under separate ownership.
- **Rouse Hill Town Centre** totals almost 70,000 sq.m and includes Target and Big W discount department stores, as well as Woolworths and Coles supermarkets. The centre also includes a significant cinema and entertainment offer across a modern, quadrant design. Minimal freestanding retail floorspace is provided beyond the shopping centre.

- **Orion Springfield** is approximately 70,000 sq.m and is based around Big W and Target discount department stores as well as Woolworths, Coles, and Aldi supermarkets. The centre also includes an Event Cinema complex.
- **Westfield North Lakes** in the North Lakes Town Centre. The shopping centre contains 115,000 sq.m of floorspace and is anchored by a Myer department store, Kmart, Big W, Target, Woolworths, Coles, and Aldi. The regional shopping centre is designed as a dog bone layout, and largely represents an enclosed shopping centre.

Large Format Retail & Complementary Non-Retail Uses

- Maps 4.1 – 4.6 illustrate the location and the types of uses that have developed over time across the six examples, with Table 4.1 providing a high-level overview of the composition of uses within the respective examples.
- Key points to note with regards to the large format retail and complementary non-retail uses provided within each of precincts include:
 - **Large format retail** floorspace provided throughout the precincts is generally limited to free-standing large format hardware stores, such as Bunnings Warehouse. Westfield North Lakes underwent a significant expansion in 2016, which included IKEA.
 - All five Town Centres include a **library** or similar community facility.
 - Each of the precincts include at least one primary and secondary education **school** (except Rouse Hill Town Centre).
 - **Retirement villages** are provided on the edge of the North Lakes, Orion Springfield, and Caroline Springs Town Centres.
 - **Commercial floorspace/offices** are often provided on the edge of the Town Centres.
 - A **health precinct**, that will include a hospital, is provided in the North Lakes Town Centre. A GP super clinic is located at Caroline Springs Town Centre.
 - **Childcare** facilities are provided in several Town Centres.
 - **Service stations, fast food, gyms, and taverns** are also generally provided.
 - **Accommodation** facilities are provided in Caroline Springs Town Centre (Mercure Hotel and Quest Apartments), Gungahlin Town Centre (Abode Gungahlin), and Orion Springfield (Quest Apartments).
 - Westfield North Lakes includes the most comprehensive **entertainment facilities**. Cinema complexes are common features of recent Town Centre developments.

Critical Success Factors

- Based on a review of the comparable sites throughout Australia, key success factors are as follows:

Traditional Retail

- Critical success factors for traditional retail floorspace within master planned precincts and communities include:
 - **Location:** excellent local and regional accessibility based on location along or near to major arterial routes.
 - **Convenience:** retail precincts should be designed with convenience in mind, particularly in early stages when a single supermarket is developed. As the centre expands, convenience should be retained to generate regular visitation/shopping from the catchment.
 - **Development:** staged development under consolidated ownership or planning is preferred, ensuring the entire development maintains amenity and connection between the various components. Staging allows the precinct to adapt and expand with population growth across the catchment.
 - **Population:** a large and growing residential population within proximity.
 - **Lack of Competition:** generally, only small Local Centres should be provided in the immediate area which protect the attraction of the Town Centre (i.e., do not compete).

Large Format Retail

- Large master planned communities often include large format retail floorspace near the traditional retail core. These are typically free-standing big box retailers, rather than a major managed large format retail centre.
- Excellent regional accessibility is crucial for large format retail tenants, either along major arterial routes or with links to freeways, highways etc. The Moreton Park Industrial Estate is a logical location for such users.
- Successful large format retail precincts are anchored by large hardware operators, specifically Bunnings Warehouse. If a large tenant such as Bunnings can be secured early, the large format retail component of the precinct can expand over time through smaller operators and trades supplies.

Other Non-retail

- Successful Town Centres within master planned communities generally include, or are near the following non-retail uses:
 - **Community Facilities** (libraries, recreation centres, aquatic centres etc.)
 - **Gyms**, with 24-hour gyms generally preferred.
 - **Childcare facilities.** Proximity to schools or commercial precincts is often preferred.
 - **Retirement Living** communities are often provided within the residential estate, while **Aged Care** is less common.
 - **Medium density housing** is provided throughout most successful town centres.
 - At least one **Primary School** and one **High School** are included nearby.

- **PAD sites** typically enjoy frontage to the major arterial routes. These include fast food and petrol stations.
- **Commercial floorspace** can be difficult to execute/lease in the early stages of development.
- **Entertainment** uses such as cinemas, bowling and children's soft play enhance the overall appeal of the precinct.
- **Accommodation** such as hotels are rarely provided without a significant commercial component or proximity to the CBD.

MAP 4.1. CS SQUARE (VIC)



- | | | | | |
|--|---|---|---|--|
| Shopping Centre | Health | Community | Sports | Mixed Use |
| Retail | Education | Accommodation | Retirement Living | |



PhotoMap by nearmap.com

MAP 4.2. STOCKLAND POINT COOK (VIC)



MAP 4.3. GUNGAHLIN TOWN CENTRE (ACT)



MAP 4.4. ROUSE HILL TOWN CENTRE (NSW)



- | | | | | |
|---|--|--|--|---|
| Shopping Centre | Petrol Station | Education | Sports | Mixed Use |
| Retail | Entertainment | Community | Transport | |

PhotoMap by nearmap.com



MAP 4.5. ORION SPRINGFIELD CENTRAL (QLD)



PhotoMap by nearmap.com

- | | | | |
|--|---|--|--|
| Shopping Centre | Education | Sports | Office |
| Retail | Community | Transport | |
| Health | Accommodation | Commercial | |



MAP 4.6. NORTH LAKES TOWN CENTRE (QLD)



TABLE 4.1. OTHER USES - TOWN CENTRE COMPARISON

Metric	Caroline Springs TC	Stockland Point Cook	Gungahlin TC	Rouse Hill TC	Orion Springfield TC	North Lakes TC
State	VIC	VIC	ACT	NSW	QLD	QLD
Dist. From CBD (km)	30	20	15	32	26	29
<u>Public Transport</u>						
• Train Station	X	X	X	✓	✓	✓
• Bus Services	✓	✓	✓	✓	✓	✓
Uses Within Broader Precinct						
<u>Large Format Retail</u>	X	X	✓	X	✓	✓
Community Facilities (Library, Rec Centre etc.)	✓	✓	✓	✓	✓	✓
Gyms	✓	✓	✓	✓	✓	✓
Childcare	✓	✓	✓	✓	✓	✓
Medical Centre	✓	✓	✓	✓	✓	✓
Aged Care	✓	X	X	X	X	✓
Retirement Living	✓	X	X	X	✓	✓
<u>Education</u>						
• Primary School	✓	✓	✓	X	✓	✓
• High School	✓	✓	✓	X	✓	✓
<u>PAD Sites</u>						
• Fast Food	✓	✓	✓	X	✓	✓
• Petrol Station	✓	X	✓	X	✓	✓
Medium Density Residential	✓	X	✓	✓	X	✓
Commercial/Office Floorspace	✓	✓	✓	✓	✓	✓
Entertainment (Cinema/Bowling etc.)	X	X	✓	✓	✓	✓
Tavern	✓	X	✓	✓	✓	✓
Accommodation	✓	X	✓	X	✓	X

5 Forecast Sales and Rents

This section of the report details the forecast sales and gross rents for the three stages currently planned at the Mt Atkinson MTC (refer Table 5.1 while Tables 5.2 – 5.4 provide a year-on-year breakdown). Table 5.5 details the centre composition across each stage of development compared to the Urbis Averages for 2022/23.

5.1. Competition Assumptions

- i. Competitive developments of relevance to the Mt Atkinson MTC include:
 - Either Woolworths or Coles at Deanside by 2026/27. A second full-line supermarket is assumed to be developed at Deanside in 2029/30.
 - A full-line Woolworths at Rockbank MTC by 2026/27. A second full-line supermarket at Rockbank MTC is assumed by 2035/36.
 - Supermarkets elsewhere in the secondary north sector, which are of limited relevance to Mt Atkinson.
 - A discount department store is assumed at Cobblebank Village (tertiary sector) in 2034/35.
- ii. Ultimately, the level of specialty shops and the types of mini-majors secured at the sites elsewhere in the total trade area will be relevant for the sales achieved by similar brands at the Mt Atkinson MTC.

5.2. Mt Atkinson MTC Stage 1

- i. Table 5.2 details forecast sales for the single supermarket anchored shopping centre over the 2027 to 2031 period. Total sales are \$71.8 million which comprises \$39.1 million in supermarket sales, mini-major sales of \$17.5 million and specialty shop sales of \$15.3 million in 2027.
- ii. Gross rents are in the order of \$1,092 per sq.m across the 1,700 sq.m of specialty floorspace.
- iii. The first stage of development is almost 1,000 sq.m larger than the Urbis Averages overall. This is mostly attributed to a larger provision of mini-major floorspace at Mt Atkinson (2,600 sq.m) compared to benchmark level of 375 sq.m. Stage 1 of development also assumes a lower provision of non-retail uses (100 sq.m) compared to Urbis Averages at 1,555 sq.m.
- iv. Overall, the Stage 1 development of the centre is supportable and the earlier a development can occur, to delay any other potential developments (such as Deanside), the better opportunity for the centre.

5.3. Mt Atkinson MTC Stage 2

- i. Table 5.3 details forecast sales for the first major expansion at the Mt Atkinson MTC which includes a discount department store and additional two supermarkets in 2032. Total sales are \$211.3 million which comprises \$128.7 million in total major sales, mini-major sales of \$26.9 million and specialty shop sales of \$55.6 million. The addition of Kmart is forecast to achieve \$31.8 million in the first full year of trading.
- ii. Gross rents are in the order of \$1,405 per sq.m across the 5,700 sq.m of specialty floorspace in 2032.
- iii. Mt Atkinson total floorspace at 25,070 sq.m is slightly smaller than the sub-regional shopping centre benchmark at 27,271 sq.m. While Mt Atkinson has a higher provision of total centre retail floorspace at 24,470 sq.m compared to the benchmark level (21,970 sq.m), there is a significantly lower provision of non-retail uses compared to the Urbis Averages.
- iv. The stage 2 development of the centre is supportable by 2032, albeit with supermarket sales slightly low for the Coles store (assumed second full-line store) assuming the development of Coles at Deanside in the primary north sector by that time. If Coles could be attracted to Mt Atkinson prior to Deanside, this will increase sales for supermarkets at Mt Atkinson by that time.

5.4. Mt Atkinson MTC Stage 3

- i. Table 5.4 details forecast sales for the third stage of development as a double discount department store anchored shopping centre in 2038. Total forecast sales are \$455.6 million which comprises \$197.5 million in total major sales, mini-major sales of \$86.6 million and specialty shop sales of \$169.5 million.
- ii. The addition of a second discount department store (Big W) supports further specialty and mini-major floorspace. By this time, Mt Atkinson MTC will be a major non-food destination.
- iii. Gross rents are in the order of \$1,773 per sq.m across the 15,700 sq.m of specialty floorspace in 2038.
- iv. The final stage of development will see Mt Atkinson become a major non-food destination for the outer western suburbs. Total retail floorspace at 46,500 sq.m is 7,678 sq.m larger than the Urbis Average for major sub-regional centres (i.e. double DDS centres). This is driven by a higher provision of mini-majors and specialty floorspace. Specifically, the level of specialty shop floorspace is 5,270 larger than the benchmark level. While this may be supportable, a lower sales and gross rental level is likely as a result of the additional 10,000 sq.m of specialty shops in stage three.
- v. In our view, a level of specialty shop space at closer to 20,000 sq.m would not be sustainable at that time. This level of space is more comparable with regional shopping centres.

TABLE 5.1. MT ATKINSON MTC – STAGES ONE – THREE, 2027 - 2038

Tenant/ Category	Stage One, FY2027						Stage Two, FY2032						Stage Three, FY2038					
	GLA (sq.m)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	GLA (sq.m)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	GLA (sq.m)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)
Majors																		
Kmart	0	0	0	0	0	0.0%	7,000	31,764	4,538	2,223	318	7.0%	7,000	35,165	5,024	2,286	327	6.5%
Big W	0	0	0	0	0	0.0%	0	0	0	0	0	0.0%	7,000	31,816	4,545	2,386	341	7.5%
Woolworths	3,600	39,064	10,851	1,758	488	4.5%	3,600	42,173	11,715	1,792	498	4.3%	3,600	56,767	15,769	2,413	670	4.3%
Coles	0	0	0	0	0	0.0%	3,600	35,387	9,830	1,592	442	4.5%	3,600	47,632	13,231	1,905	529	4.0%
Aldi	0	0	0	0	0	0.0%	1,600	19,390	12,119	776	485	4.0%	1,600	26,100	16,312	913	571	3.5%
Total Majors	3,600	39,064	10,851	1,758	488	4.5%	15,800	128,713	8,146	6,384	404	5.0%	22,800	197,480	8,661	9,903	434	5.0%
Mini-majors (> 400 sq.m)																		
Fresh Grocer	1,400	9,800	7,000	784	560	8.0%	1,400	11,087	7,920	776	554	7.0%	1,400	12,858	9,184	900	643	7.0%
Indian Grocer	700	3,392	4,846	407	582	12.0%	700	3,838	5,483	384	548	10.0%	700	4,451	6,358	445	636	10.0%
Pharmacy	500	4,308	8,615	538	1,077	12.5%	500	4,874	9,747	560	1,121	11.5%	500	5,652	11,304	650	1,300	11.5%
Cotton On	0	0	0	0	0	0.0%	700	3,841	5,487	538	768	14.0%	700	4,454	6,363	601	859	13.5%
The Reject Shop	0	0	0	0	0	0.0%	700	3,241	4,630	454	648	14.0%	700	3,759	5,370	507	725	13.5%
JB Hi-Fi	0	0	0	0	0	0.0%	0	0	0	0	0	0.0%	1,300	39,000	30,000	975	750	2.5%
Rebel Sport	0	0	0	0	0	0.0%	0	0	0	0	0	0.0%	1,500	11,250	7,500	1,013	675	9.0%
Best and Less	0	0	0	0	0	0.0%	0	0	0	0	0	0.0%	1,200	7,200	6,000	864	720	12.0%
Mini-majors	2,600	17,499	6,731	1,729	665	9.9%	4,000	26,881	6,720	2,712	678	10.1%	8,000	88,624	11,078	5,955	744	6.7%
Retail Specialties																		
Food & Liquor	330	4,442	13,461	400	1,212	9.0%	1,030	15,234	14,790	1,676	1,627	11.0%	1,530	25,076	16,389	3,034	1,983	12.1%
Food Catering	780	6,300	8,077	819	1,050	13.0%	1,580	13,700	8,671	2,137	1,353	15.6%	3,980	42,043	10,564	7,215	1,813	17.2%
Apparel	0	0	0	0	0	0.0%	800	5,574	6,967	892	1,115	16.0%	3,800	32,258	8,489	5,677	1,494	17.6%
Household Goods	0	0	0	0	0	0.0%	200	1,520	7,601	258	1,292	17.0%	1,050	9,768	9,303	1,827	1,740	18.7%
Leisure	50	377	7,538	45	905	12.0%	150	1,240	8,268	179	1,191	14.4%	900	9,507	10,563	1,506	1,673	15.8%
General Retail	25	256	10,230	29	1,177	11.5%	725	8,458	11,666	1,142	1,575	13.5%	1,975	27,156	13,750	4,033	2,042	14.9%
Retail Services	515	3,882	7,538	563	1,093	14.5%	1,215	9,926	8,169	1,727	1,421	17.4%	2,465	23,704	9,616	4,537	1,841	19.1%
Total Retail Spec.	1,700	15,257	8,975	1,856	1,092	12.2%	5,700	55,652	9,763	8,011	1,405	14.4%	15,700	169,512	10,797	27,828	1,773	16.4%
Total Retail	7,900	71,821	9,091	5,344	676	7.4%	25,500	211,246	8,284	17,106	671	8.1%	46,500	455,615	9,798	43,687	940	9.6%
Non-retail																		
Non-retail Floorspace	100	n.a.	n.a.	65	650	n.a.	600	n.a.	n.a.	510	850	n.a.	2,500	n.a.	n.a.	2,500	1,000	n.a.
Cinema/Entertainment	0	n.a.	n.a.	0	0	n.a.	0	n.a.	n.a.	0	0	n.a.	11,000	n.a.	n.a.	6,050	550	n.a.
Total Centre	8,000	71,821	8,978	5,409	676	n.a.	26,100	211,246	8,094	17,616	675	n.a.	60,000	455,615	7,594	52,237	871	n.a.

*Inflated dollars & including GST

TABLE 5.2. MT ATKINSON MTC – STAGE ONE, 2027 - 2031

Tenant/ Category	2027						2028						2029						2030						2031					
	GLA (sq.m)	Forecast Sales* (\$'000) (\$/sq.m)		Gross Rents (\$'000) (\$/sq.m)		Occ. Cost (%)	Forecast Sales* (\$'000) (\$/sq.m)		Gross Rents (\$'000) (\$/sq.m)		Occ. Cost (%)	Forecast Sales* (\$'000) (\$/sq.m)		Gross Rents (\$'000) (\$/sq.m)		Occ. Cost (%)	Forecast Sales* (\$'000) (\$/sq.m)		Gross Rents (\$'000) (\$/sq.m)		Occ. Cost (%)	Forecast Sales* (\$'000) (\$/sq.m)		Gross Rents (\$'000) (\$/sq.m)		Occ. Cost (%)				
Majors																														
Kmart	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%				
Big W	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%				
Woolworths	3,600	39,064	10,851	1,758	488	4.5%	43,350	12,042	1,924	534	4.4%	48,124	13,368	2,105	585	4.4%	47,096	13,082	2,031	564	4.3%	52,263	14,518	2,221	617	4.3%				
Coles	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%				
Aldi	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%				
Total Majors	3,600	39,064	10,851	1,758	488	4.5%	43,350	12,042	1,924	534	4.4%	48,124	13,368	2,105	4,312	4.4%	47,096	13,082	2,031	1,056	4.3%	52,263	14,518	2,221	1,055	4.3%				
Mini-majors (> 400 sq.m)																														
Fresh Grocer	1,400	9,800	7,000	784	560	8.0%	10,219	7,299	792	566	7.8%	10,656	7,612	826	590	7.8%	11,112	7,937	861	615	7.8%	11,587	8,277	811	579	7.0%				
Indian Grocer	700	3,392	4,846	407	582	12.0%	3,537	5,053	416	594	11.8%	3,689	5,270	433	619	11.8%	3,846	5,495	452	646	11.8%	4,011	5,730	441	630	11.0%				
Pharmacy	500	4,308	8,615	538	1,077	12.5%	4,492	8,984	550	1,101	12.3%	4,684	9,368	574	1,148	12.3%	4,884	9,769	598	1,197	12.3%	5,093	10,187	586	1,171	11.5%				
Cotton On	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%				
The Reject Shop	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%				
JB Hi-Fi	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%				
Rebel Sport	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%				
Best and Less	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%				
Mini-majors	2,600	17,499	6,731	1,729	665	9.9%	18,248	7,019	1,758	676	9.6%	19,029	28,607	1,833	2,756	9.6%	19,843	11,288	1,911	1,087	9.6%	20,692	11,288	1,838	1,003	8.9%				
Retail Specialties																														
Food & Liquor	330	4,442	13,461	400	1,212	9.0%	4,709	14,269	418	1,266	8.9%	4,991	15,125	443	1,342	8.9%	5,291	16,032	470	1,423	8.9%	5,608	16,994	477	1,445	8.5%				
Food Catering	780	6,300	8,077	819	1,050	13.0%	6,678	8,561	868	1,113	13.0%	7,078	9,075	920	1,180	13.0%	7,503	9,619	975	1,251	13.0%	7,953	10,197	1,034	1,326	13.0%				
Apparel	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%				
Household Goods	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%				
Leisure	50	377	7,538	45	905	12.0%	400	7,991	47	949	11.9%	423	8,470	50	1,006	11.9%	449	8,978	53	1,066	11.9%	476	9,517	55	1,094	11.5%				
General Retail	25	256	10,230	29	1,177	11.5%	271	10,844	31	1,234	11.4%	287	11,495	33	1,308	11.4%	305	12,185	35	1,386	11.4%	323	12,916	36	1,421	11.0%				
Retail Services	515	3,882	7,538	563	1,093	14.5%	4,115	7,991	597	1,159	14.5%	4,362	8,470	632	1,228	14.5%	4,624	8,978	670	1,302	14.5%	4,901	9,517	711	1,380	14.5%				
Total Retail Spec.	1,700	15,257	8,975	1,856	1,092	12.2%	16,172	9,513	1,961	1,154	12.1%	17,143	10,084	2,079	1,223	12.1%	18,171	10,689	2,203	1,296	12.1%	19,261	11,330	2,312	1,360	12.0%				
Total Retail	7,900	71,821	9,091	5,344	676	7.4%	77,770	9,844	5,642	714	7.3%	84,296	10,670	6,017	762	7.1%	85,110	10,773	6,146	778	7.2%	92,217	11,673	6,371	806	6.9%				
Non-retail																														
Non-retail Floorspace	100	n.a.	n.a.	65	650	n.a.	n.a.	n.a.	69	687	n.a.	n.a.	n.a.	73	728	n.a.	n.a.	n.a.	77	772	n.a.	n.a.	n.a.	81	809	n.a.				
Cinema/Entertainment	0	n.a.	n.a.	0	0	n.a.	n.a.	n.a.	0	0	n.a.	n.a.	n.a.	0	0	n.a.	n.a.	n.a.	0	0	n.a.	n.a.	n.a.	0	0	n.a.				
Total Centre	8,000	71,821	8,978	5,409	676	n.a.	77,770	9,721	5,711	714	7.3%	84,296	10,537	6,090	761	7.2%	85,110	10,639	6,223	778	7.3%	92,217	11,527	6,452	806	7.0%				

*Inflated dollars & including GST

TABLE 5.3. MT ATKINSON MTC – STAGE TWO, 2032 - 2037

Tenant/ Category	GLA (sq.m)	2032					2033					2034					2035					2036					2037				
		Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)
Majors																															
Kmart	7,000	31,764	4,538	2,223	318	7.0%	33,783	4,826	2,297	328	6.8%	35,940	5,134	2,372	339	6.6%	33,811	4,830	2,164	309	6.4%	35,974	5,139	2,230	319	6.2%	37,911	5,416	2,275	325	6.0%
Big W	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%
Woolworths	3,600	42,173	11,715	1,792	498	4.3%	45,719	12,700	1,897	527	4.2%	49,567	13,769	2,007	558	4.1%	49,241	13,678	1,945	540	4.0%	50,528	14,036	1,945	540	3.9%	53,958	14,988	2,023	562	3.8%
Coles	3,600	35,387	9,830	1,592	442	4.5%	38,362	10,656	1,688	469	4.4%	41,591	11,553	1,788	497	4.3%	41,317	11,477	1,735	482	4.2%	42,397	11,777	1,738	483	4.1%	45,275	12,576	1,811	503	4.0%
Aldi	1,600	19,390	12,119	776	485	4.0%	21,020	13,138	830	519	4.0%	22,789	14,243	889	555	3.9%	22,640	14,150	872	545	3.9%	23,231	14,520	883	552	3.8%	24,808	15,505	930	581	3.8%
Total Majors	15,800	128,713	8,146	6,384	404	5.0%	138,884	8,790	6,713	425	4.8%	149,888	9,487	7,057	447	4.7%	147,008	9,304	6,716	425	4.6%	152,130	9,628	6,797	430	4.5%	161,953	10,250	7,039	446	4.3%
Mini-majors (> 400 sq.m)																															
Fresh Grocer	1,400	11,087	7,920	776	554	7.0%	11,512	8,223	806	576	7.0%	11,954	8,538	837	598	7.0%	12,412	8,866	869	621	7.0%	12,888	9,205	902	644	7.0%	13,382	9,558	937	669	7.0%
Indian Grocer	700	3,838	5,483	384	548	10.0%	3,985	5,693	399	569	10.0%	4,138	5,911	414	591	10.0%	4,296	6,138	430	614	10.0%	4,461	6,373	446	637	10.0%	4,632	6,617	463	662	10.0%
Pharmacy	500	4,874	9,747	560	1,121	11.5%	5,060	10,121	582	1,164	11.5%	5,254	10,509	604	1,209	11.5%	5,456	10,912	627	1,255	11.5%	5,665	11,330	651	1,303	11.5%	5,882	11,764	676	1,353	11.5%
Cotton On	700	3,841	5,487	538	768	14.0%	3,988	5,697	550	786	13.8%	4,141	5,915	563	804	13.6%	4,299	6,142	576	823	13.4%	4,464	6,377	589	842	13.2%	4,635	6,622	603	861	13.0%
The Reject Shop	700	3,241	4,630	454	648	14.0%	3,365	4,808	464	663	13.8%	3,494	4,992	475	679	13.6%	3,628	5,183	486	695	13.4%	3,767	5,382	497	710	13.2%	3,912	5,588	509	726	13.0%
JB Hi-Fi	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%
Rebel Sport	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%
Best and Less	0	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0	0	0.0%
Mini-majors	4,000	26,881	6,720	2,712	678	10.1%	27,911	6,978	2,801	700	10.0%	28,981	7,245	2,893	4,267	10.0%	30,092	7,523	2,988	1,067	9.9%	31,245	7,811	3,086	1,067	9.9%	32,443	10,857	3,187	1,067	9.8%
Retail Specialties																															
Food & Liquor	1,030	15,234	14,790	1,676	1,627	11.0%	16,148	15,678	1,760	1,709	10.9%	17,117	16,619	1,849	1,795	10.8%	18,144	17,616	1,941	1,885	10.7%	19,233	18,673	2,039	1,979	10.6%	20,387	19,793	2,141	2,078	10.5%
Food Catering	1,580	13,700	8,671	2,137	1,353	15.6%	14,522	9,191	2,248	1,423	15.5%	15,393	9,743	2,364	1,496	15.4%	16,317	10,327	2,487	1,574	15.2%	17,296	10,947	2,615	1,655	15.1%	18,334	11,604	2,750	1,741	15.0%
Apparel	800	5,574	6,967	892	1,115	16.0%	5,908	7,385	939	1,174	15.9%	6,263	7,828	990	1,237	15.8%	6,638	8,298	1,042	1,303	15.7%	7,037	8,796	1,098	1,372	15.6%	7,459	9,324	1,156	1,445	15.5%
Household Goods	200	1,520	7,601	258	1,292	17.0%	1,611	8,057	271	1,354	16.8%	1,708	8,540	284	1,418	16.6%	1,810	9,052	297	1,485	16.4%	1,919	9,596	311	1,554	16.2%	2,034	10,171	325	1,627	16.0%
Leisure	150	1,240	8,268	179	1,191	14.4%	1,315	8,765	187	1,246	14.2%	1,394	9,290	196	1,304	14.0%	1,477	9,848	205	1,365	13.9%	1,566	10,439	214	1,428	13.7%	1,660	11,065	224	1,494	13.5%
General Retail	725	8,458	11,666	1,142	1,575	13.5%	8,965	12,366	1,201	1,657	13.4%	9,503	13,108	1,264	1,743	13.3%	10,073	13,894	1,330	1,834	13.2%	10,678	14,728	1,399	1,929	13.1%	11,318	15,611	1,471	2,029	13.0%
Retail Services	1,215	9,926	8,169	1,727	1,421	17.4%	10,521	8,659	1,812	1,491	17.2%	11,153	9,179	1,900	1,564	17.0%	11,822	9,730	1,993	1,640	16.9%	12,531	10,314	2,090	1,720	16.7%	13,283	10,932	2,192	1,804	16.5%
Total Retail Spec.	5,700	55,652	9,763	8,011	1,405	14.4%	58,991	10,349	8,418	1,477	14.3%	62,530	10,970	8,846	1,552	14.1%	66,282	11,628	9,295	1,631	14.0%	70,259	12,326	9,766	1,713	13.9%	74,475	13,066	10,259	1,800	13.8%
Total Retail	25,500	211,246	8,284	17,106	671	8.1%	225,786	8,854	17,932	703	7.9%	241,399	9,467	18,796	737	7.8%	243,382	9,544	18,999	745	7.8%	253,635	9,946	19,649	771	7.7%	268,871	10,544	20,486	803	7.6%
Non-retail																															
Non-retail Floorspace	600	n.a.	n.a.	510	850	n.a.	n.a.	n.a.	536	893	n.a.	n.a.	n.a.	563	939	n.a.	n.a.	n.a.	592	986	n.a.	n.a.	n.a.	622	1,036	n.a.	n.a.	n.a.	653	1,089	n.a.
Cinema/Entertainment	0	n.a.	n.a.	0	0	n.a.	n.a.	n.a.	0	0	n.a.	n.a.	n.a.	0	0	n.a.	n.a.	n.a.	0	0	n.a.	n.a.	n.a.	0	0	n.a.	n.a.	n.a.	0	0	n.a.
Total Centre	26,100	211,246	8,094	17,616	675	n.a.	225,786	8,651	18,468	708	8.2%	241,399	9,249	19,359	742	8.0%	243,382	9,325	19,591	751	8.0%	253,635	9,718	20,270	777	8.0%	268,871	10,302	21,140	810	7.9%

*Inflated dollars & including GST

TABLE 5.4. MT ATKINSON MTC – STAGE THREE, 2038 - 2041

Tenant/ Category	2038						2039						2040						2041					
	GLA (sq.m)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	Forecast Sales* (\$'000)	(\$/sq.m)	Gross Rents (\$'000)	(\$/sq.m)	Occ. Cost (%)	Forecast Sales* (\$'000)	(\$/sq.m)	Occ. Cost (%)
Majors																								
Kmart	7,000	35,165	5,024	2,286	327	6.5%	36,658	5,237	2,322	332	6.3%	38,222	5,460	2,357	337	6.2%	39,861	5,694	2,392	342	6.0%			
Big W	7,000	31,816	4,545	2,386	341	7.5%	33,166	4,738	2,377	340	7.2%	34,582	4,940	2,363	338	6.8%	36,064	5,152	2,344	335	6.5%			
Woolworths	3,600	56,767	15,769	2,413	670	4.3%	59,729	16,591	2,439	677	4.1%	62,851	17,458	2,462	684	3.9%	66,142	18,373	2,480	689	3.8%			
Coles	3,600	47,632	13,231	1,905	529	4.0%	50,117	13,921	1,963	545	3.9%	52,737	14,649	2,022	562	3.8%	55,499	15,416	2,081	578	3.8%			
Aldi	<u>1,600</u>	<u>26,100</u>	<u>16,312</u>	<u>913</u>	<u>571</u>	<u>3.5%</u>	<u>27,461</u>	<u>17,163</u>	<u>961</u>	<u>601</u>	<u>3.5%</u>	<u>28,897</u>	<u>18,061</u>	<u>1,011</u>	<u>632</u>	<u>3.5%</u>	<u>30,410</u>	<u>19,006</u>	<u>1,064</u>	<u>665</u>	<u>3.5%</u>			
Total Majors	22,800	197,480	8,661	9,903	434	5.0%	207,131	9,085	10,062	441	4.9%	217,287	9,530	10,215	448	4.7%	227,976	9,999	10,362	454	4.5%			
Mini-majors (> 400 sq.m)																								
Fresh Grocer	1,400	12,858	9,184	900	643	7.0%	13,351	9,536	935	668	7.0%	13,863	9,902	970	693	7.0%	14,394	10,281	1,008	720	7.0%			
Indian Grocer	700	4,451	6,358	445	636	10.0%	4,621	6,602	462	660	10.0%	4,799	6,855	480	686	10.0%	4,983	7,118	498	712	10.0%			
Pharmacy	500	5,652	11,304	650	1,300	11.5%	5,869	11,737	675	1,350	11.5%	6,093	12,187	701	1,401	11.5%	6,327	12,654	728	1,455	11.5%			
Cotton On	700	4,454	6,363	601	859	13.5%	4,625	6,607	624	892	13.5%	4,802	6,860	648	926	13.5%	4,986	7,123	673	962	13.5%			
The Reject Shop	700	3,759	5,370	507	725	13.5%	3,903	5,576	527	753	13.5%	4,052	5,789	547	782	13.5%	4,208	6,011	568	812	13.5%			
JB Hi-Fi	1,300	39,000	30,000	975	750	2.5%	40,495	31,150	1,012	779	2.5%	42,047	32,344	1,051	809	2.5%	43,659	33,584	1,091	840	2.5%			
Rebel Sport	1,500	11,250	7,500	1,013	675	9.0%	11,681	7,787	1,012	675	8.7%	12,129	8,086	1,011	674	8.3%	12,594	8,396	1,008	672	8.0%			
Best and Less	<u>1,200</u>	<u>7,200</u>	<u>6,000</u>	<u>864</u>	<u>720</u>	<u>12.0%</u>	<u>7,476</u>	<u>6,230</u>	<u>872</u>	<u>727</u>	<u>11.7%</u>	<u>7,763</u>	<u>6,469</u>	<u>880</u>	<u>733</u>	<u>11.3%</u>	<u>8,060</u>	<u>6,717</u>	<u>887</u>	<u>739</u>	<u>11.0%</u>			
Mini-majors	8,000	88,624	11,078	5,955	744	6.7%	92,020	11,503	6,120	765	6.7%	95,548	11,943	6,288	786	6.6%	99,210	16,211	6,460	808	6.5%			
Retail Specialties																								
Food & Liquor	1,530	25,076	16,389	3,034	1,983	12.1%	26,580	17,373	3,207	2,096	12.1%	28,175	18,415	3,390	2,216	12.0%	29,865	19,520	3,584	2,342	12.0%			
Food Catering	3,980	42,043	10,564	7,215	1,813	17.2%	44,566	11,197	7,475	1,878	16.8%	47,240	11,869	7,741	1,945	16.4%	50,074	12,581	8,012	2,013	16.0%			
Apparel	3,800	32,258	8,489	5,677	1,494	17.6%	34,194	8,998	5,950	1,566	17.4%	36,245	9,538	6,234	1,641	17.2%	38,420	10,111	6,531	1,719	17.0%			
Household Goods	1,050	9,768	9,303	1,827	1,740	18.7%	10,354	9,861	1,912	1,821	18.5%	10,975	10,453	2,001	1,906	18.2%	11,634	11,080	2,094	1,994	18.0%			
Leisure	900	9,507	10,563	1,506	1,673	15.8%	10,077	11,197	1,551	1,724	15.4%	10,682	11,869	1,597	1,774	14.9%	11,323	12,581	1,642	1,824	14.5%			
General Retail	1,975	27,156	13,750	4,033	2,042	14.9%	28,786	14,575	4,241	2,147	14.7%	30,513	15,449	4,460	2,258	14.6%	32,343	16,376	4,690	2,375	14.5%			
Retail Services	<u>2,465</u>	<u>23,704</u>	<u>9,616</u>	<u>4,537</u>	<u>1,841</u>	<u>19.1%</u>	<u>25,126</u>	<u>10,193</u>	<u>4,672</u>	<u>1,895</u>	<u>18.6%</u>	<u>26,633</u>	<u>10,805</u>	<u>4,806</u>	<u>1,950</u>	<u>18.0%</u>	<u>28,231</u>	<u>11,453</u>	<u>4,940</u>	<u>2,004</u>	<u>17.5%</u>			
Total Retail Spec.	15,700	169,512	10,797	27,828	1,773	16.4%	179,682	11,445	29,008	1,848	16.1%	190,463	12,131	30,230	1,925	15.9%	201,891	12,859	31,493	2,006	15.6%			
Total Retail	46,500	455,615	9,798	43,687	940	9.6%	478,834	10,298	45,190	972	9.4%	503,298	10,824	46,732	1,005	9.3%	529,077	11,378	48,315	1,039	9.1%			
Non-retail																								
Non-retail Floorspace	2,500	n.a.	n.a.	2,500	1,000	n.a.	n.a.	n.a.	2,606	1,042	n.a.	n.a.	n.a.	2,716	1,086	n.a.	n.a.	n.a.	2,829	1,132	n.a.			
Cinema/Entertainment	11,000	n.a.	n.a.	6,050	550	n.a.	n.a.	n.a.	6,307	573	n.a.	n.a.	n.a.	6,572	597	n.a.	n.a.	n.a.	6,847	622	n.a.			
Total Centre	60,000	455,615	7,594	52,237	871	n.a.	478,834	7,981	54,102	902	11.3%	503,298	8,388	56,020	934	11.1%	529,077	8,818	57,991	967	11.0%			

*Inflated dollars & including GST

TABLE 5.5.MT ATKINSON COMPOSITION STAGE ONE – THREE VS URBIS AVERAGES

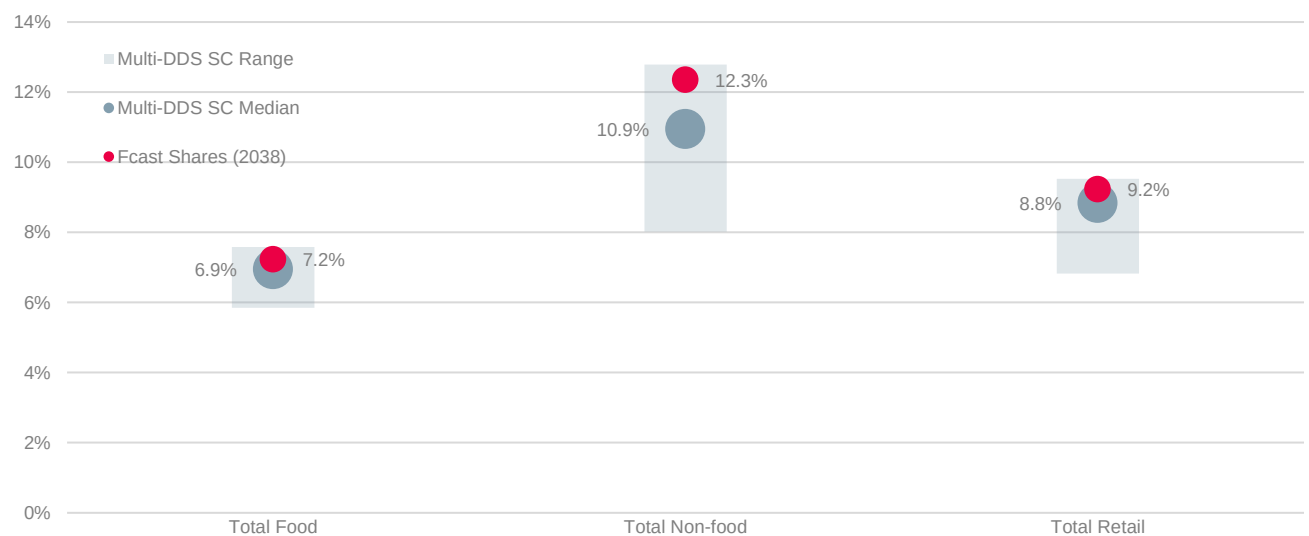
Category	Stage One		Urbis Single Smkt SC			Stage Two		Urbis Sub-Regional SC			Stage Three		Urbis Major Sub-Regional Centres		
	GLA (sq.m)	% of Retail	GLA (sq.m)	% of Retail	Variation (sq.m)	GLA (sq.m)	% of Retail	GLA (sq.m)	% of Retail	Variation (sq.m)	GLA (sq.m)	% of Retail	GLA (sq.m)	% of Retail	Variation (sq.m)
Majors															
Department Store	0	0.0%	0	0.0%	0	0	0.0%	334	1.5%	-334	0	0.0%	1,443	3.7%	-1,443
DDS	0	0.0%	31	0.6%	-31	7,000	0.6%	7,493	34.1%	-493	14,000	0.6%	11,924	30.7%	2,076
Supermarket	<u>3,600</u>	<u>45.6%</u>	<u>3,622</u>	<u>67.5%</u>	<u>-22</u>	<u>8,800</u>	<u>67.5%</u>	<u>6,039</u>	<u>27.5%</u>	<u>2,761</u>	<u>8,800</u>	<u>67.5%</u>	<u>8,462</u>	<u>21.8%</u>	<u>338</u>
Total Majors	3,600	45.6%	3,652	68.0%	-52	15,800	68.0%	13,866	63.1%	1,934	22,800	68.0%	21,828	56.2%	972
Mini-majors	2,600	32.9%	375	7.0%	2,225	4,000	7.0%	2,595	11.8%	1,405	8,000	7.0%	6,563	16.9%	1,437
Retail Specialties															
Food & Liquor	330	4.2%	215	4.0%	115		4.0%	504	2.3%	-504	1,530	4.0%	718	1.9%	812
Food Catering	780	9.9%	412	7.7%	368	1,580	7.7%	972	4.4%	608	3,980	7.7%	1,718	4.4%	2,262
Apparel	0	0.0%	141	2.6%	-141	800	2.6%	1,708	7.8%	-908	3,800	2.6%	3,865	10.0%	-65
Household Goods	0	0.0%	32	0.6%	-32	200	0.6%	254	1.2%	-54	1,050	0.6%	564	1.5%	486
Leisure	50	0.6%	58	1.1%	-8	150	1.1%	340	1.5%	-190	900	1.1%	614	1.6%	286
General Retail	25	0.3%	266	5.0%	-241	725	5.0%	768	3.5%	-43	1,975	5.0%	1,172	3.0%	803
Retail Services	<u>515</u>	<u>6.5%</u>	<u>217</u>	<u>4.0%</u>	<u>298</u>	<u>1,215</u>	<u>4.0%</u>	<u>963</u>	<u>4.4%</u>	<u>252</u>	<u>2,465</u>	<u>4.0%</u>	<u>1,778</u>	<u>4.6%</u>	<u>687</u>
Total Retail Spec.	1,700	21.5%	1,341	25.0%	359	4,670	25.0%	5,509	25.1%	-839	15,700	25.0%	10,430	26.9%	5,270
Total Centre - Retail	7,900	100%	5,368	100%	2,532	24,470	100%	21,970	100%	2,500	46,500	100%	38,822	100%	7,678
Non-retail															
Cinemas/Entertainment	0		113		-113	0		861		-861	11,000		2,254		8,746
Non-retail	100		1,555		-1,455	600		4,440		-3,840	2,500		8,617		-6,117
Total Property	8,000		7,036		964	25,070		27,271		-2,201	60,000		49,692		10,308

*Urbis Retail Averages 2022/23

5.5. Market Shares

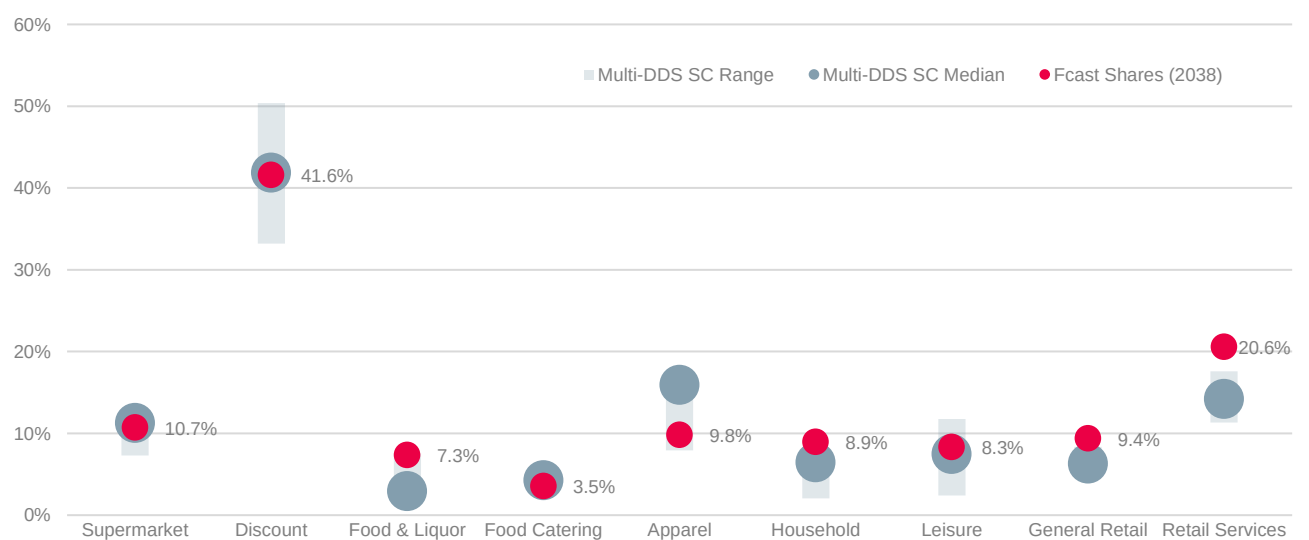
- i. Charts 5.1 and 5.2 detail the market shares for Mt Atkinson (stage three) in 2038 as compared with multi-dds centres. As shown, the total food and total non-food shares are higher than the median for the Location iQ sample of multiple discount department store shopping centres.
- ii. A key conclusion is that these projected market shares are above average, however, given the limited amount of competitive sub-regional shopping centre floorspace and assuming that the Mt Atkinson MTC owners can deliver a mix of tenants that is of very high quality as compared with competitors, that this is achievable. If a major sub-regional shopping centre was developed, these market shares are unlikely to be achievable.

CHART 5.1. MT ATKINSON STAGE 3 MARKET SHARES VS. MULTI-DDS SC BENCHMARK



Source: Location iQ Database

CHART 5.2. MT ATKINSON STAGE 3 MARKET SHARES VS. MULTI-DDS SC BENCHMARK BY CATEGORY



Source: Location iQ Database

6 Non-retail uses

This section provides a summary of the indicative demand for non-retail uses such as Cinema and Entertainment facilities at the subject site.

6.1. Cinema Complex

- i. There are currently no cinema complexes provided within the total trade area. Across Victoria, there are approximately 630 cinema screens across 112 theatres, equating to a provision of 9.2 screens per 100,000 persons (refer Table 6.1).
- ii. Cinema complexes beyond the total trade area include:
 - The nearest cinema complex is Watergardens Town Centre (14.6 km to the north-east) which provides a Hoyts Cinema complex with a total of eight screens.
 - Sunshine Marketplace provides a Village Cinema complex with 20 screens (14.7 km to the east).
 - Residents to the west are also serviced by a Reading Cinema complex at Woodgrove shopping centre with five screens. Provided 15.9 km north-west of the subject site.
- iii. Assuming the Victorian benchmark level, the total trade area population could indicatively support a 12 screen cinema complex by 2031 (refer Table 6.2).
- iv. Chart 6.1 provides an illustration of estimated per capita cinema expenditure across the total trade area, which indicates that resident per capita spending is slightly below the Greater Melbourne benchmark.
- v. Total trade area cinema expenditure is currently estimated at \$5.7 million (refer Table 6.3), cinema expenditure is projected to grow strongly to \$11.4 million by 2031. Which indicates potential for a cinema complex over the medium term.
- vi. Benchmark sales for successful, larger national cinema complexes are typically around \$1 million per screen, with an average cinema understood to be able to achieve visitation of 50,000 persons per screen per annum.
- vii. Attracting a quality operator would be crucial to the success of the cinema complex at the site. Ideally, a cinema complex would be integrated with dining and other entertainment uses.
- viii. Cinema complexes range in size from around 1,500 sq.m to in-excess of 5,000 sq.m. Across a range of comparable cinema complexes throughout Melbourne, typical occupancy costs are around 12.5% - 25%, with newer cinemas generally at the lower end of this range.

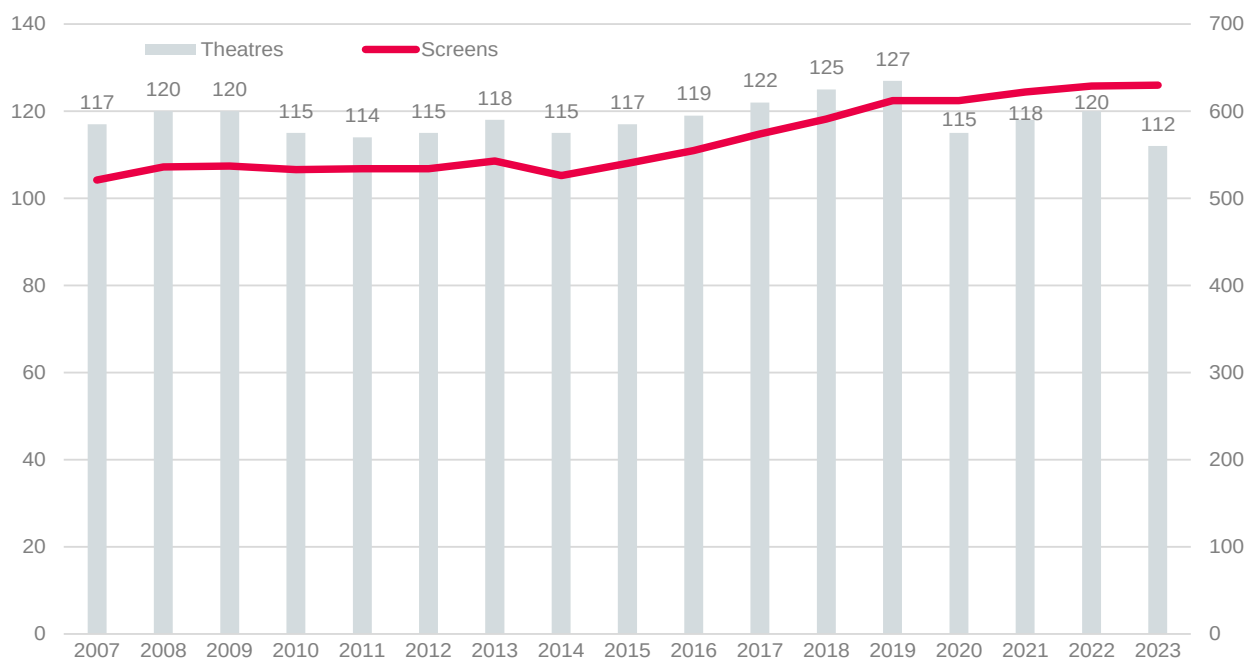
Recommendation

- ix. **Cinema Potential:** there will be solid potential for a cinema complex of around 8 - 10 screens at Mt Atkinson from 2038.
- x. If a cinema operator could be secured, there is an opportunity to provide an integrated Entertainment and Leisure precinct (ELP), comprising a large entertainment and food catering offer.

TABLE 6.1. CINEMA BENCHMARKS – VICTORIA

Metric	Victoria	Australia
Cinema Provision		
Cinema Theatres	112	460
Screens	630	2,272
Average Screens per Theatre	5.6	4.9
Theatre Capacity (seats)	92,008	372,759
Average Capacity per Screen	146	164
Screens per 100,000 Persons	9.2	8.5

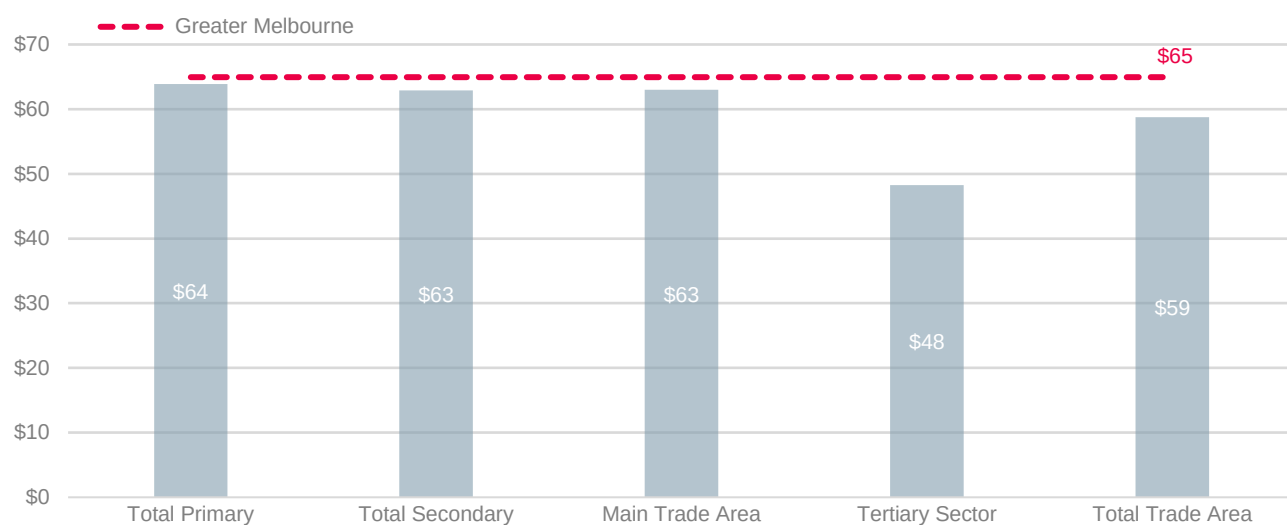
Cinema Timeline Victoria



Top 5 Cinema Operators Victoria	Theatres	Total Screens
1. Village	20	201
2. Hoyts	12	127
3. Reading	9	60
4. Palace	9	65
5. Wallis Theatres	1	4
Independents	60	172

Source: Screen Australia 2023

CHART 6.1. ANNUAL CINEMA SPEND PER CAPITA, 2023/24



Source: CommBank iQ, Location iQ

TABLE 6.2. MT ATKINSON TOTAL TRADE AREA CINEMA PROVISION, 2024 - 2041

Component	Estimated	Projected			
	2024	2026	2031	2036	2041
Population					
Main Trade Area	76,100	95,140	131,140	163,390	189,140
Total Trade Area	105,540	105,540	130,580	179,080	221,330
Cinema Supply (Total Screens)					
Main Trade Area	0	0	0	0	0
Total Trade Area	0	0	0	0	0
Cinema Provision (Screens per 100,000 persons)					
Main Trade Area	0	0	0	0	0
Total Trade Area	0	0	0	0	0
Victoria	9.2				
Over / Under Provision (No. Screens)		@ Victoria Benchmark			
Main Trade Area	-7.0	-8.8	-12.1	-15.1	-17.5
Total Trade Area	-9.8	-9.8	-12.1	-16.6	-20.5

TABLE 6.3. TOTAL TRADE AREA CINEMA EXPENDITURE, 2024 – 2041

Y/E June	Primary Sectors		Secondary Sectors			Main TA	Tertiary Sector	Total TA
	North	South	East	North	West			
2024	0.1	0.3	1.7	0.8	1.4	4.3	1.3	5.7
2025	0.2	0.5	1.8	1.0	1.6	5.1	1.5	6.6
2026	0.2	0.6	1.8	1.3	1.8	5.7	1.7	7.4
2027	0.3	0.7	1.8	1.5	2.0	6.3	1.9	8.2
2028	0.3	0.8	1.9	1.6	2.3	6.9	2.0	8.9
2029	0.4	0.8	1.9	1.8	2.5	7.5	2.2	9.6
2030	0.4	0.9	1.9	2.0	2.8	8.1	2.4	10.5
2031	0.5	1.0	2.0	2.2	3.1	8.8	2.6	11.4
2032	0.5	1.1	2.0	2.4	3.4	9.5	2.7	12.2
2033	0.6	1.2	2.1	2.6	3.7	10.1	2.9	13.0
2034	0.6	1.3	2.1	2.8	4.0	10.8	3.1	13.8
2035	0.7	1.4	2.2	2.9	4.3	11.5	3.3	14.7
2036	0.7	1.5	2.2	3.1	4.6	12.2	3.4	15.7
2037	0.8	1.6	2.2	3.3	5.0	13.0	3.6	16.6
2038	0.8	1.7	2.3	3.5	5.3	13.6	3.7	17.4
2039	0.8	1.8	2.3	3.7	5.7	14.3	3.9	18.2
2040	0.9	1.9	2.4	3.8	6.1	15.0	4.0	19.0
2041	0.9	2.0	2.4	4.0	6.5	15.8	4.2	19.9
Expenditure Growth								
2024-2026	0.2	0.3	0.1	0.5	0.5	1.4	0.3	1.7
2026-2031	0.2	0.4	0.2	1.0	1.3	3.1	0.9	4.0
2031-2036	0.2	0.5	0.2	0.9	1.5	3.4	0.9	4.3
2036-2041	0.2	0.4	0.2	0.9	1.8	3.5	0.7	4.3
2024-2041	0.8	1.6	0.7	3.2	5.1	11.4	2.8	14.3
Average Annual Growth Rate								
2024-2026	70.6%	33.8%	1.6%	25.8%	15.4%	15.0%	12.2%	14.3%
2026-2031	15.3%	11.9%	2.0%	11.9%	11.2%	9.1%	8.7%	9.0%
2031-2036	8.4%	8.1%	2.0%	6.7%	8.2%	6.6%	5.9%	6.4%
2036-2041	7.8%	7.6%	2.0%	6.5%	8.0%	6.4%	5.7%	6.2%
2024-2041	15.2%	11.0%	2.0%	10.0%	9.6%	7.9%	6.9%	7.7%

Source : CommBank iQ, Location iQ

*Inflated dollars & including GST

6.2. Entertainment Facilities

- i. Cinema complexes are often co-located with a significant food catering offer, with at least one larger restaurant also operating. Other entertainment tenants such as laser tag and games arcades are also common within these precincts.
- ii. Providing an integrated cinema, entertainment and food catering offer could enable the prospective cinema complex to attract additional sales from the beyond the total trade area. This would also reinforce the role of the Mt Atkinson MTC as a major destination shopping centre.
- iii. There are entertainment facilities are spread throughout the region and surrounds and are generally categorised as follows:
 - **Traditional Shopping Centre Entertainment:** uses such as ten pin bowling, laser tag, games arcades and more tend to collocate with cinema complexes, restaurants and the like within shopping centre entertainment precincts. The nearest example for the subject site is at Watergardens Shopping Centre, which comprises a Hoyts cinema complex as well as Timezone.
 - **Large Format Entertainment:** across Australia, entertainment-type operators are increasingly common within large format or light-industrial precincts given these types of tenants generally operate from larger floor plates, pay low rents and require good parking and access. Examples of these types of entertainment include ice skating rinks, rock climbing gyms, trampoline parks, mini golf, and the like.
- iv. Key entertainment uses that could be considered include:
 - **Children's Soft Play:** major brands in Australia include Chipmunks Playland & Café and Lollipops Playland. The closest locations include is Chipmunks at Ravenhall and Lollipops at Sunshine North.
 - **Edutainment:** Legoland has a discovery centre store in Chadstone, while Kidzania is an interactive city made for children that is growing in popularity around the world.
 - **Indoor Sky Diving:** iFLY
 - **Mini Golf:** Holey Moley (Melbourne CBD, Point Cook).
 - **Escape Room:** generally independent operators.
 - **Flight Simulation:** within the Melbourne CBD.
 - **Indoor Ice Skating or Roller-Skating Rink:** roller skating centre at sunshine and ice skating at Docklands.
- v. These types of facilities are generally targeted towards young families, young adults and tourists. They are most popular on weekends and generally have significant size requirements of up to 1,500 sq.m.
- vi. Providing a point of difference to the other shopping centres, these types of facilities would also expand the hours of operation of the Mt Atkinson MTC. Overall, it would be crucial that a cinema operator was secured for the subject site to support a significant provision of entertainment uses. Without a cinema complex or major commercial hub, the opportunity for a significant entertainment offer would be limited.

- vii. A possible alternative would be for community and recreation facilities, which are commonly provided on the periphery of town centre precincts and help residents to identify strongly with a locality and bring regular visitation to the area. Often, these types of facilities are funded by Council and include uses such as libraries, aquatic and/or leisure centres, community centres and other recreation facilities such as a large-scale children's playground.

Recommendation

- **ELP:** as above, if a cinema operator could be secured, there is an opportunity to provide an integrated Entertainment and Leisure Precinct (ELP), comprising a large entertainment and food catering offer.
- **Family Entertainment Tenants:** family-based entertainment likely to complement a cinema complex. Types of uses to attract include iPlay, Strike Bowling, and a trampoline centre.

6.3. Other Non-Retail Uses

- i. Table 6.4 summarises the indicative timing and supportability for a range of uses assessed. These are based on various factors including site attributes, surrounding socio-economic profile, and the typical population required to support the uses.
- ii. Many of the uses outlined in Table 6.4 rely on pre-commitments from quality operators to be successful. This is especially the case for a tavern and swim centre.

TABLE 6.4. MT ATKINSON NON-RETAIL USES

Metric	Indicative Size Per Tenant (sq.m)	Gross Rents Current (\$/sq.m)	Floorspace		
			2027	2032	2038
Non Retail Shopfronts	150 - 250	500 - 1,000	100	500	1,500
Cinemas-Entertainment	500 - 3,000	400 - 500	-	500	8,500
Gym/Ancillary Fitness Facility	150 - 250	350 - 600	300	600	1,000
Childcare	250 - 1,000	350 - 500	1,000	2,000	2,000
Medical	1,000	450 - 750	500	1,000	2,000
Tavern	500 - 750	500 - 1,000	-	750	1,250
Swim Centre	300 - 600	250 - 500	-	500	500
Total			1,900	5,850	16,750



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