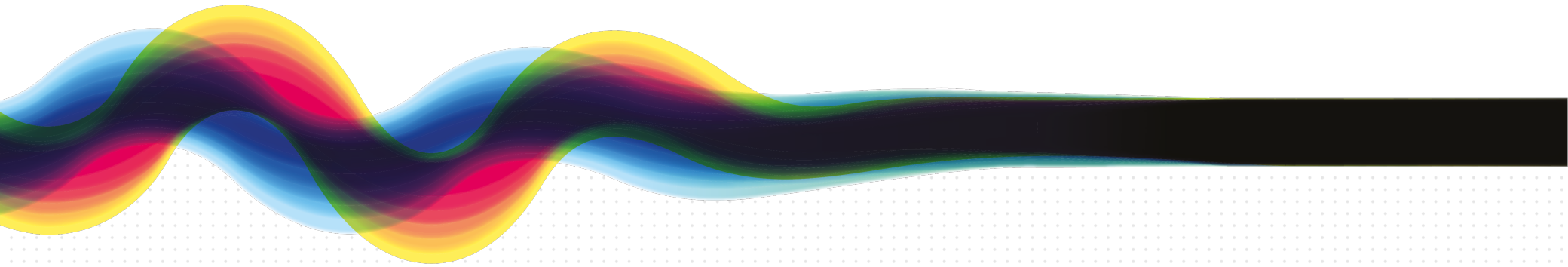


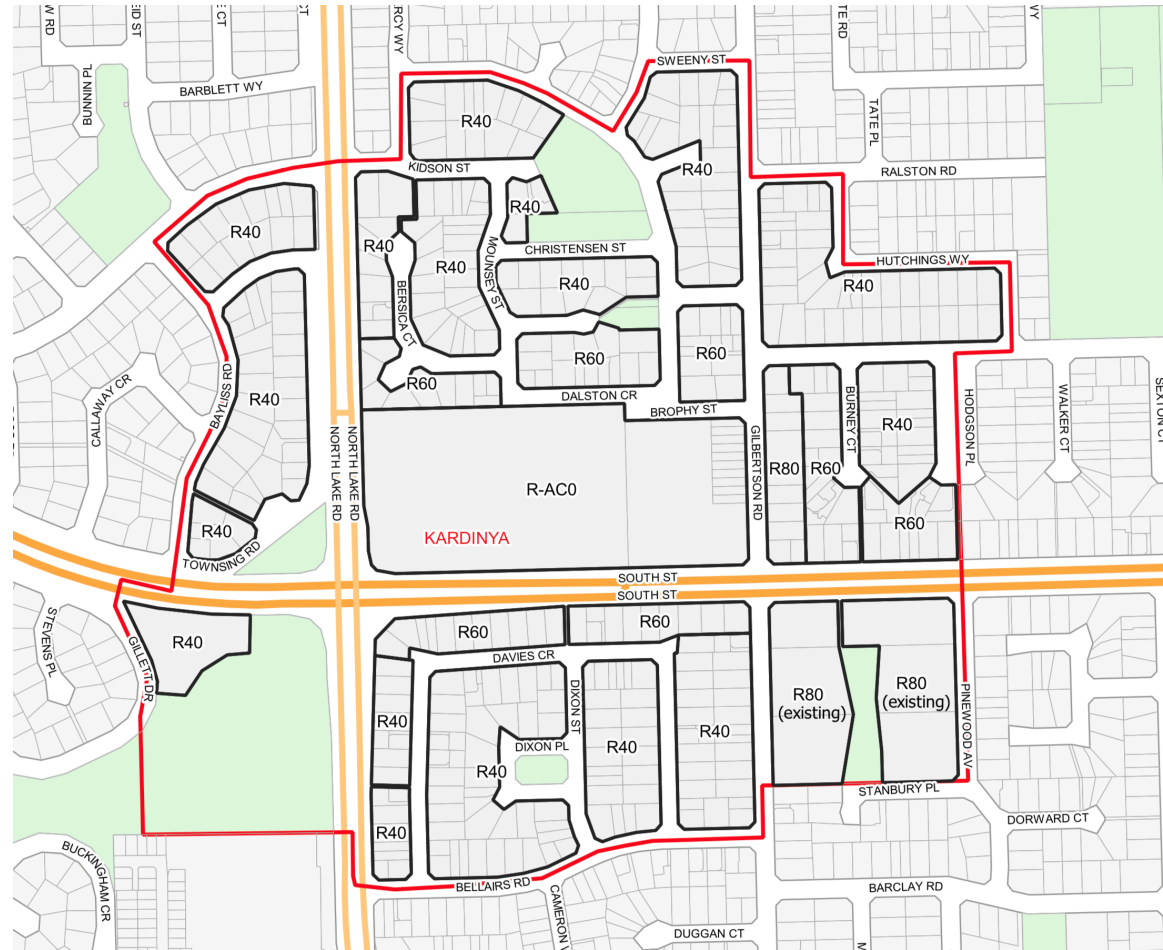
Kardinya Activity Centre Plan

03 November 2020



Introduction

- Generally supportive of the proposed modifications council officers have put forth for the boundary amendment. However the reduction in density is inconsistent with the Strategic Planning Framework.
- The reduction in density is considered substantial and not sufficient to result in the provision of actual density being provided.
- The lack thereof higher density codes has the potential to detrimentally impact the quality of development and furthermore the ability for the Centre to achieve its density targets.





Planning Framework Overview

- Kardinya is considered a District Centre under State Planning Policy 4.2 (SPP 4.2).
- District Centres are required to aim to achieve a desired **30 dwellings per hectare** within a 400 metre walkable radius from the Activity Centre.
- Kardinya District Centre is also subject to the Murdoch Specialised Activity Centre Plan which is a high-level strategic planning document. Kardinya District Centre and its surrounds were nominated building heights between 2-6 storeys.

*Mixed-use developments will be encouraged in activity centres as per SPP 4.2 Activity Centres in Perth and Peel, with higher densities also proposed for the walkable catchments of specialised, secondary, **district** and neighbourhood centres.*

*The transport corridors of Canning Highway, Marmion Street, Leach Highway, **South Street**, and Riseley Street are good locations for more housing. Detailed investigations into the appropriate density codes should be conducted under the upcoming transport corridor study.*

*Age of housing stock is also an important consideration, as homes near the end of their economic lives (40-50 years) are more likely to be redeveloped. **Kardinya housing stock falls into this housing age bracket.***

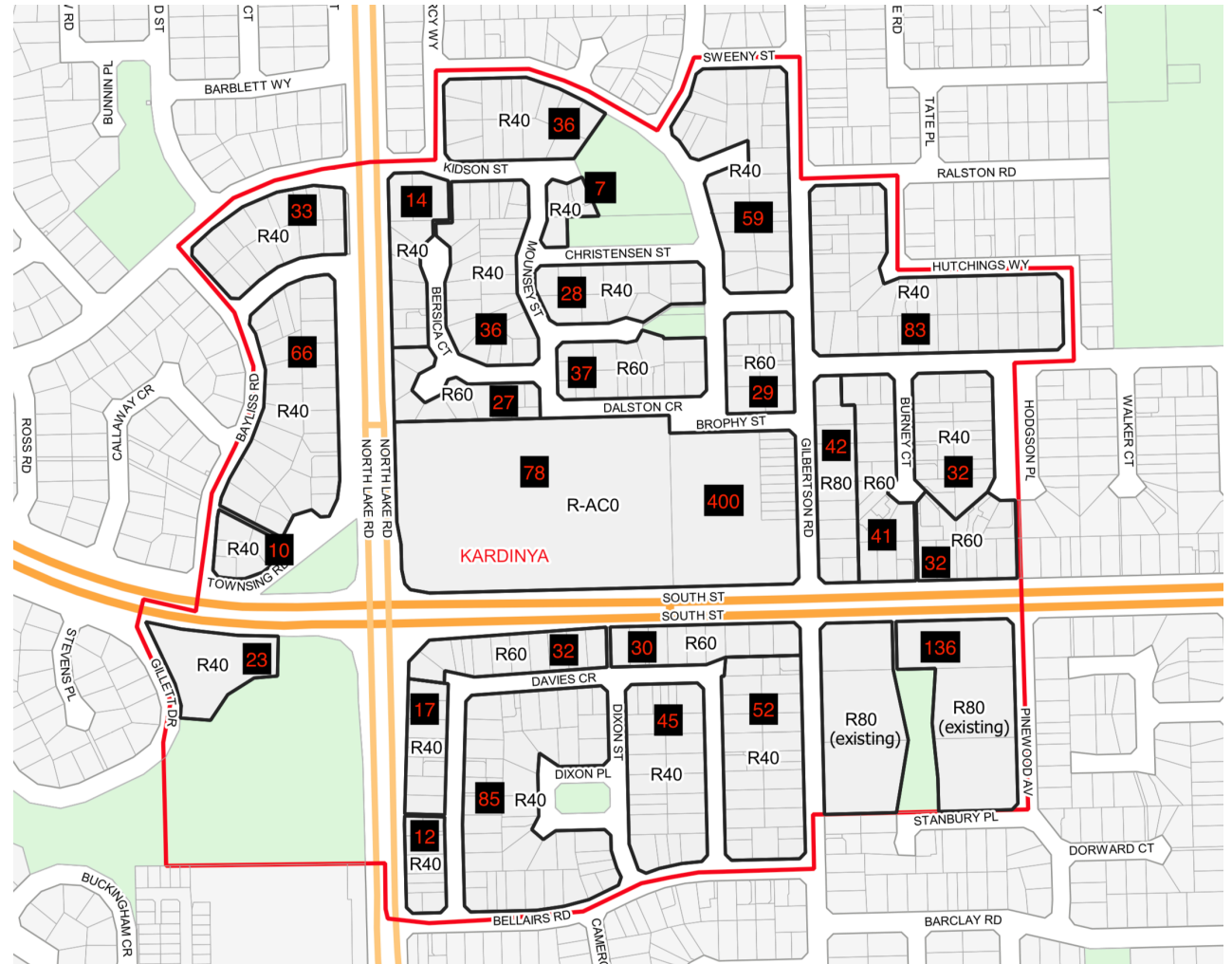
Current Residential Profile

- Residential profile is largely consumed by Single Detached Housing. This is reflective of the current 9.4 dwellings per hectare within a 400-metre radius.
- In 2016 the City has rezoned properties in close proximity to the Centre from R25 to R40.
- However this has led to some less than desired built-form outcomes which has formed part of aiming to increase density to encourage development that will deliver a more positive built form outcome.



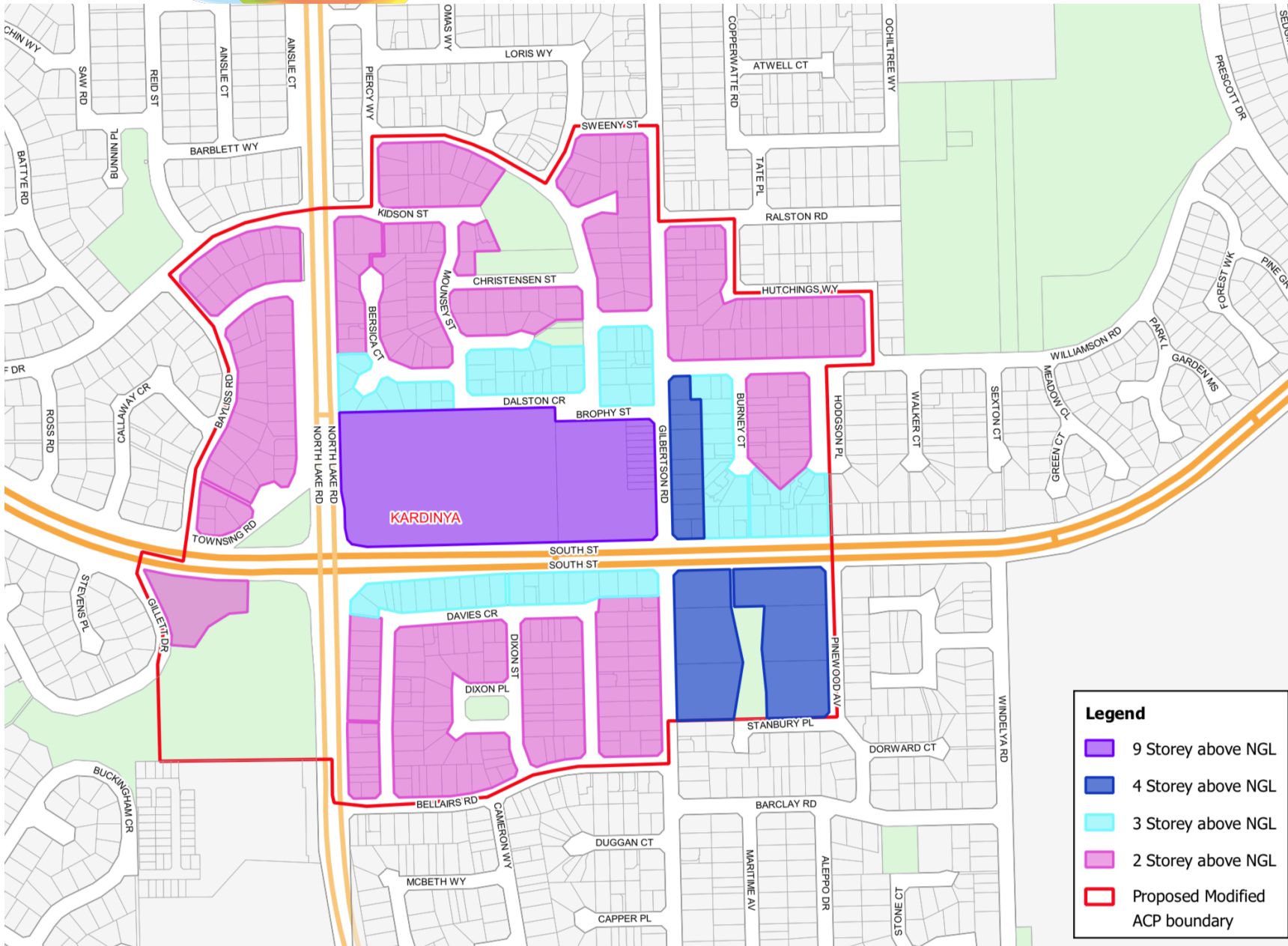
Overview

- Area Size: 53HA
- Based on a 50% density uptake of Multiple Dwellings the ACP is proposed to include 1,321 which equates to 24 dwellings per hectare.
- This is a significant reduction in dwelling yield, and furthermore, the key concern is the lack of density actually delivered.
- The 50% density uptake, is highly ambitious given particularly at the R40 density code, Apartments are unlikely to be built at this density code.
- Therefore the built-form outcomes are less than desired and offer very little development incentive to encourage redevelopment and further will fragment land parcels further impeding the future density catchment around Kardinya.



Draft 2020 State Planning Policy 4.2 Activity Centres

Classification	Main role and typical attributes	Residential density target - dwellings per gross urban zone hectare within the walkable catchment
Capital City	Perth Capital City is the largest of the activity centres, providing the most intensely concentrated development in the Perth, Peel and Bunbury regions. It has the greatest range of high order services and jobs, and the largest commercial component of any activity centre. It is generally comprised of the highest density residential and commercial buildings, has excellent multi-modal public transport connections and is the centre for cultural and entertainment facilities.	NA
Strategic Centres	Strategic centres are the main regional activity centres. They are multipurpose centres that provide a diversity of uses. These centres provide the full range of economic and community services necessary for the communities in their catchments. These centres are expected to service substantial populations, providing health, community and social services, be integrated with public transport and provide opportunities for business agglomeration. Access is a priority for these centres.	50+ (800m)
Secondary Centres	Secondary centres share similar characteristics with strategic centres but serve smaller catchments and offer a more limited range of services, facilities and employment opportunities. They perform an important role in the regional economy, and provide essential services to their catchments.	40+ (800m)
District Centres	District centres have a greater focus on servicing the daily and weekly needs of residents. Their relatively smaller scale catchment enables them to have a greater local community focus and provide services, facilities and job opportunities that reflect the needs of their catchments.	30+ (400m)
Specialised Centres	Specialised centres focus on regionally significant economic and institutional activities, such as logistics based businesses for airports or knowledge-based for health and tertiary education precincts. Planning for these centres should aim to protect the primary land use while improving the growth and clustering of business activity of State and regional significance, particularly in knowledge-based or logistics-based industries. These areas are to be developed as places with a concentration of linked businesses and institutions providing a major contribution to the economy, with excellent transport links and potential to accommodate significant future growth in jobs and in some instances housing.	NA
Neighbourhood Centres	Neighbourhood centres are important local focal points that provide for daily to weekly household shopping needs, community facilities and a small range of other convenience services. They are also a focus for medium density housing. These centres play an important role in providing walkable access to services and facilities for local communities.	25+ (200m)
Local Centres	Local centres provide for the day to day needs of local communities. These centres provide an important role in providing walkable access to services and facilities for local communities.	25+ (200m)



Legend

- 9 Storey above NGL
- 4 Storey above NGL
- 3 Storey above NGL
- 2 Storey above NGL
- Proposed Modified ACP boundary

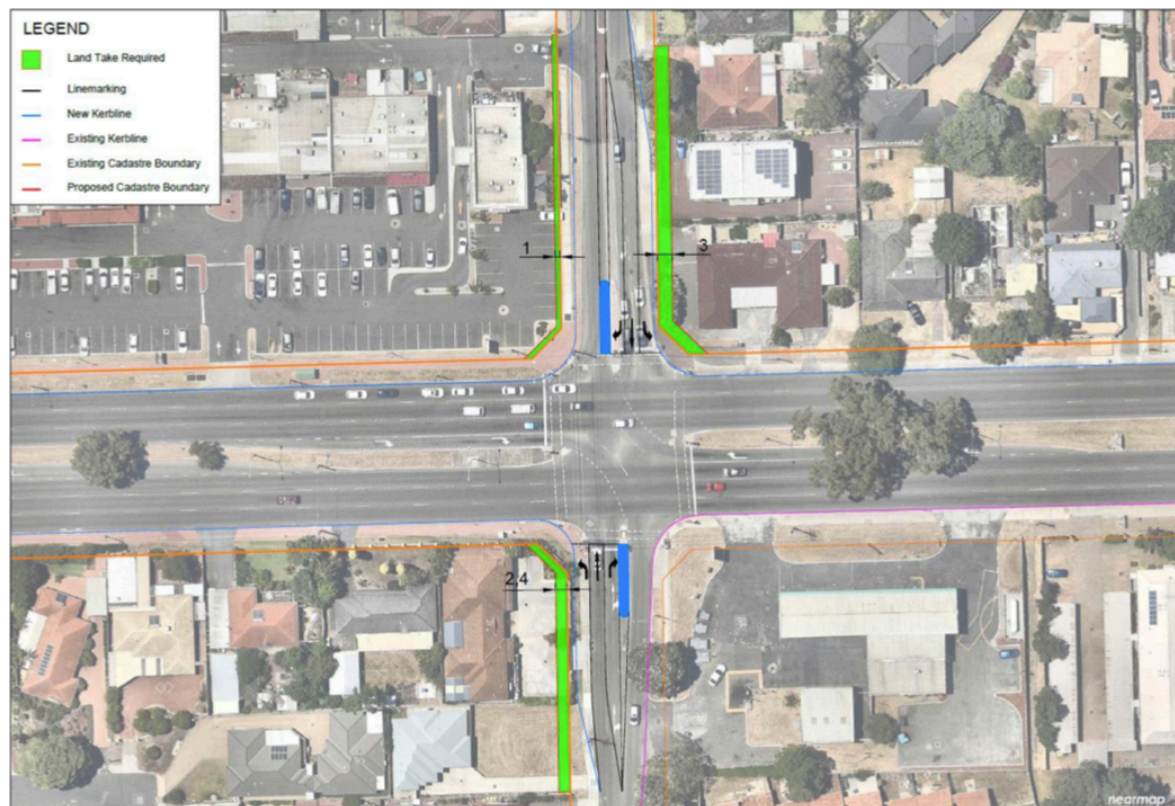
R40 Density

- In 2016 the City underwent some minor upcoding of properties within the immediate vicinity of Kardinya which went from R25 to R40.
- The quality of developments are considered to be underwhelming for a District Centre and can be seen as examples of what will occur to the immediate surrounds of Kardinya in the event the proposed coding is adopted.
- R40 makes up 72% of the total ACP Area proposed by the City.
- These developments have resulted in a loss of tree canopy, minimum landscaping, exposed driveways and hardstand areas and large extent of roof coverage. This is not considered to promote development outcomes that reassemble long-lasting and efficient infill development, which is what the density imposed will generate for the catchment of Kardinya.
- Some recent infill development outcomes have been provided.



Gilbertson Road Widening

- Within the advertised ACP, it was proposed that road widening was necessary to be undertaken to improve the traffic flow onto South Street.
- The Traffic Impact Assessment had determined the intersection will deteriorate, and the perform below a satisfactory standard with only minimal density growth within the precinct occurring.
- Within the advertised ACP a portion of land is proposed to be ceded from the shown lots and be compensated by adding further building height of 2 storeys.
- It is imperative that this road widening occurs, given the performance of the intersection is deteriorating, and should be captured prior to any further development occurring and land becoming further fragmented.
- It is unclear, the reasoning behind why this has not been supported by the City, as in the best interest of Gilbertson Road, this land should be relinquished for the future performance of the intersection.




ACP Overview (as advertised)

Item	Data
Activity Centre Plan Area	58ha (gross urban hectares)
Total Estimated Lot Yield	32 dwellings per gross hectare
Estimated number of dwellings by 2050	Approximately: 629 Proposed Total: 1,875 (based on a 50% density uptake) Net additional: 1,246
Estimated population by 2050	3,375 (based on 1.8 people per dwelling)
Number of high schools	Not applicable
Number of primary schools	Not applicable
Estimated commercial floorspace	<p>Estimated total non-residential floorspace 2020: 3,000m² (6,692m² proposed within DA) 2030: 15,692m²</p> <p>Estimated total shop/retail floorspace: 2020: 15,053m² (8,913m² proposed within DA) 2030: 26,701m²</p>
Estimated area and percentage of public open space	<p>Public Open Space 36,000m² (Alan Edwards Park) 11,646m² (Laurie Withers Reserve) 1,581m² (Jack O'Keefe Reserve) 2,768.2m² + 36,120m² (Morris Buzacott Reserve) 4,877m² (Harry Patterson Park) Total: 92,992.2m² (9.2ha) - 15.8%</p>

*Density calculations are based on a 50% uptake.

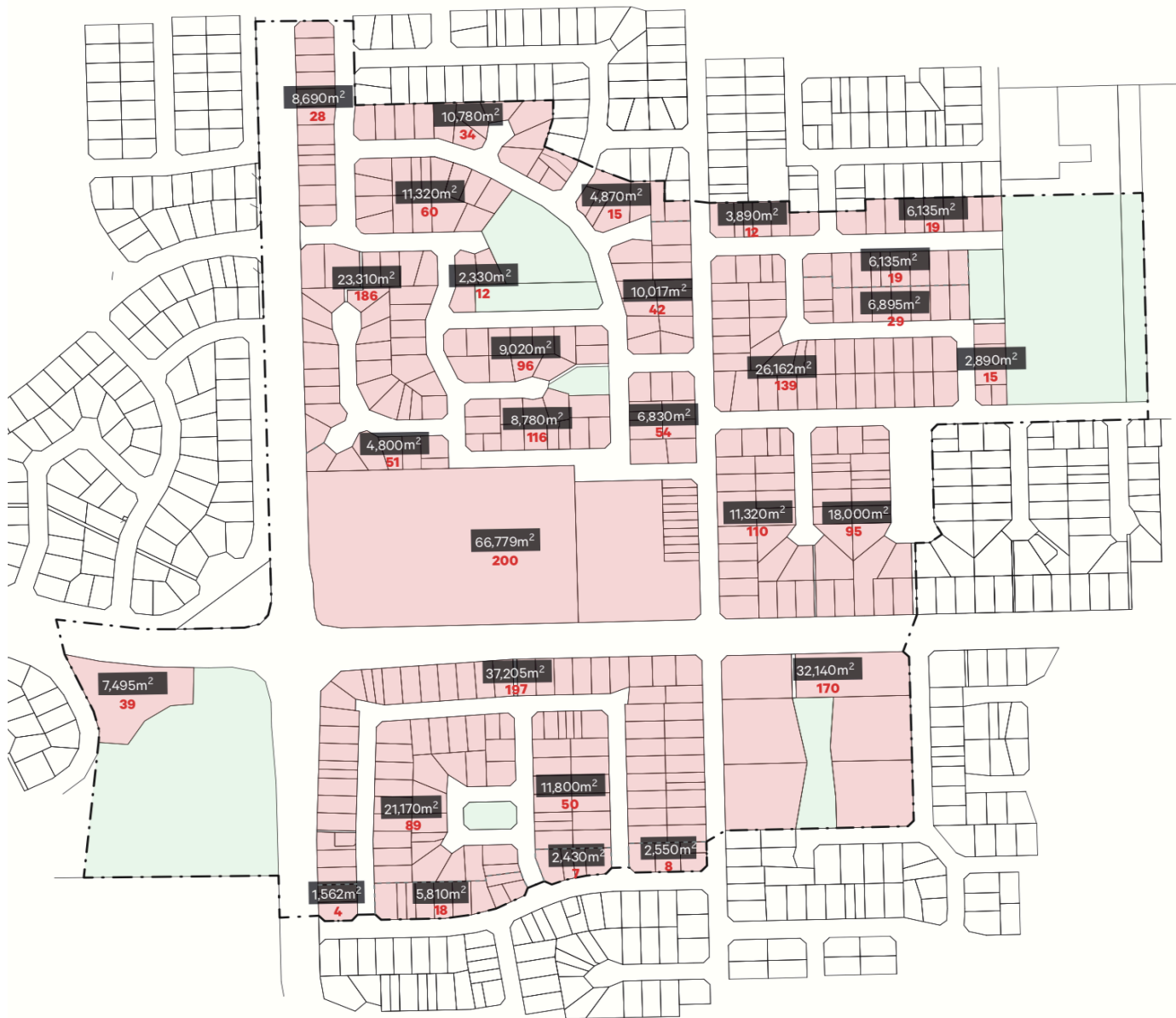
ACP Overview (as advertised)

LEGEND

-  ACP Boundary
-  Passive Frontage
-  Landscape Frontage
-  High Speed Frontage
-  Active Frontage
-  Existing Pedestrian connection
-  Proposed Pedestrian Connection (1.5m)
-  Key Pedestrian Link
-  Future Easement In-gross
-  Vehicle Access
-  Strategic Signage
-  Key Public Space
-  Landmark



ACP Overview (as advertised)





Key Principles of the Advertised ACP

- The wider residential area, has been applied with the approach with intensifying development in close proximity to the Centre (R160) and gradually reduce building height as the distance from the Centre increases.
- The density codes have been targeted at aiming to achieve 30 dwellings per hectare, based on a 50% uptake of the maximum density code.
- To support a greater density uptake split density codes are proposed (R80/R160) to aim to encourage land amalgamation to promote improved development outcomes (minimum site area of 1200m² or greater).
- R60 and R80 has been used commonly around areas of POS to provide surveillance and optimise the outlook to parklands.
- R40 has been used to assimilate with R20 properties and aim to create consistent traditional streetscape outcomes.
- The ACP provides a cross-section of density types to provide a range of development outcomes.



Benefits of ACP Density (as advertised)

- Higher quality built-form outcomes are created. There is a greater level of investment into higher density development which improves the liveability and level of investment into the Kardinya area.
- Apartment developments and the supporting State Planning Framework (R-Codes Vol.2) encourages greater deep soil areas and retaining tree canopy. Furthermore, the long-term sustainability of tree canopy and landscaping is more likely to be sustained given it is managed by strata as opposed to grouped dwelling developments where there is generally a lack of maintenance shared between owners.
- Prescribing higher densities, encourages a greater incentive for landowners to assemble larger land parcels which ultimately improve the development outcome. Providing greater building separation distances, reduces conflicts of visual privacy, greater opportunity for landscaping between buildings, access to natural light and cross ventilation and a reduction to the impacts of overshadowing.
- Encouraging higher density will also encourage improved public transport services, in particular the opportunity for light rail within South Street.



Our Ref: V515691

12 August 2020

Mr Keith Somers
B&S Consulting / Dato Holdings Pty Ltd
Level 18, 191 St Georges Terrace
PERTH WA 6000
C/O Dato Holdings Pty Ltd

Dear Keith,

RE: Consultancy Advice – Activity Centre and Structure Plan Analysis

Kardinya Park Shopping Centre Redevelopment, Western Australia

1 Introduction

1.1 Preamble and Purpose

We have received instructions from Mr Keith Somers, B&S Consulting, dated 12th August 2020, to prepare sales analysis resulting from Activity Centre and Structure Plans that have been adopted within nearby areas to assist in understanding market movements for the Activity Centre Plan which is progressing, pertaining to an approximate 400 metre radius from the proposed Kardinya Park Shopping Centre redevelopment.

This consultancy report is not, and cannot, be construed as a valuation. The advice outlined herein is limited to market observations and has been prepared for the purpose of providing the requesting party an indication as to the potential market appetite for sites within a broad 400 metre radius of the proposed Kardinya Park Shopping Centre Redevelopment.

The Colliers International (WA) scope of works and basis of appointment was confirmed and agreed by you on 12th August 2020 and for completeness is outlined below.

Subject Property	Kardinya Park Shopping Centre – No's 1-15 South Street, Kardinya
Purpose of Assessment	Contributing document for the preparation of community engagement to progress the development of an Activity Centre Plan surrounding the Kardinya Park Shopping Centre.
Reliant Party	B&S Consulting / Dato Holdings Pty Ltd

Our assessment has been prepared in accordance with the B&S Consulting / Dato Holdings Pty Ltd instruction.

We have assumed that the instructions and subsequent information supplied contain a full and frank disclosure of all information that is relevant. Furthermore, we have prepared our assessment in accordance with our standard Terms of Business as previously provided to you and as appended at **Attachment A**.

A copy of the Letter of Instruction is attached at **Attachment B**.



This assessment is provided by Colliers International (WA) Pty Ltd and not by any other company in the Colliers International Group. **The assessment has been prepared for the parties and purposes only as detailed balance, and should not be relied upon for any other purpose or by any other party.**

Colliers International (WA) Pty Ltd accepts no responsibility for any statements in this report other than for the stated purpose. This report is issued on the basis that no liability attaches to the companies in the Colliers International Group other than Colliers International (WA) Pty Ltd in relation to any statements contained in this consultancy.

Colliers International does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. The opinions, estimates and information given herein or otherwise in relation hereto are made by Colliers International (WA) in their best judgement, in good faith and as far as possible based on data or sources which are believed to be reliable. Colliers International will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

A copy of our Key Assumptions and Important Comments are located at **Attachment C** to this letter.



1.2 Executive Summary

- The proposed redevelopment and expansion of the Kardinya Park Shopping Centre will provide a significant uplift in amenity to the area.
- The presence of an entertainment precinct centred around a new cinema complex, food and beverage offering, medical precinct, additional supermarket and specialty retail tenancies will provide an additional attraction to the catchment area.
- The benefit from completion of the centre redevelopment proximity and the resultant increase in amenity is expected to positively affect values to the immediate surrounding area.
- The Activity Centre Plan, as provided, generally affords an increased densification from the existing zoning which will also assist to accommodate the sector of the market that values co-location and proximity to the revitalised and expanded centre.
- The analysed Activity Plan and Structure Plan areas comprising the Riseley Centre Structure Plan, Melville District Activity Centre and Melville City Centre Structure Plan, have predominately reflected increases in property values over the period from initial public notification to final endorsement by the Western Australian Planning Commission.
- The value outcomes for properties within these areas varied, dependant on the previous zoning and the final approved zoning, the highest and best use of the site and the ability to offer contiguous allotments to 'unlock' a suitable development outcome.
- Strata titled residential properties showed value uplifts of up to 20%, with single residences, located on green titled allotments and having development potential, showed value uplifts of up to 60%.

(NOTE: All data provided in this summary is wholly reliant on and must be read in conjunction with the information provided in this letter and associated attachments. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation.)

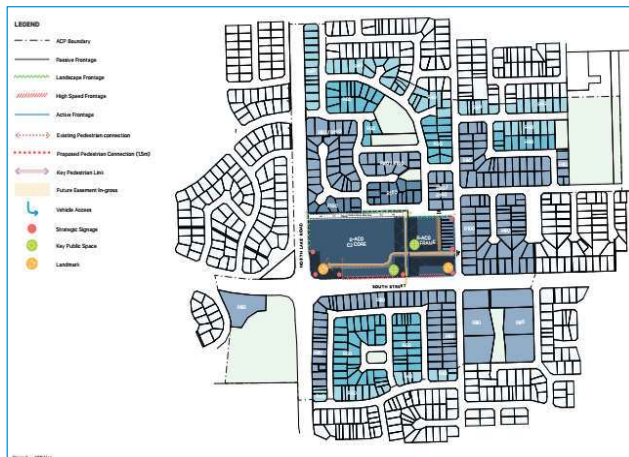
2 Brief Description

2.1 Precinct Overview

Situated approximately 13 kilometres south west of the Perth Central Business District, the Kardinya Park Shopping Centre redevelopment is proposed to incorporate an additional 7,468m² of additional retail space, 78 apartments, together with additional land uses of a swimming pool, cinemas, extensive food and beverage offering and a medical centre.

The estimated development cost is \$100 million and has recently had Development Approval granted by the Metro Central Joint Development Assessment Panel (JDAP).

An Activity Centre Plan (ACP) has been lodged and is currently being advertised. We have been provided with a draft copy of the ACP that outlines prospective zoning classifications for an approximate 400 metre radius of the centre of the complex (save the area west of North Lake Road). The following image of the ACP, depicts the location, positioning and proposed density/uses immediately surrounding the centre as part of the redevelopment. The adjacent image shows a perspective of the area outlined in relation to the existing improvements.



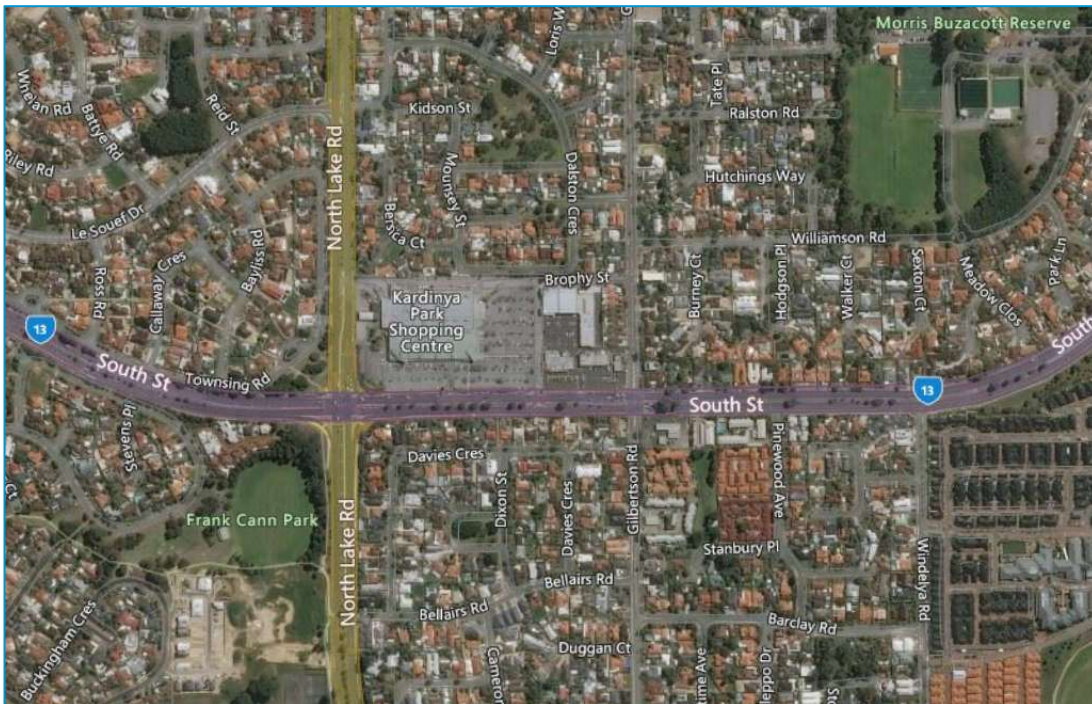
Kardinya District Centre - Activity Centre Plan Source: Element



Existing Centre Source: RP Data



Approved Centre Source: element Development Approval – 8 June 2020



Location Map Source: Nationalmap

2.2 Draft Density Plan

Following the approval of the Development Application an ACP has been prepared as illustrated below.



Kardinya District Centre Activity Centre Plan Source: Element

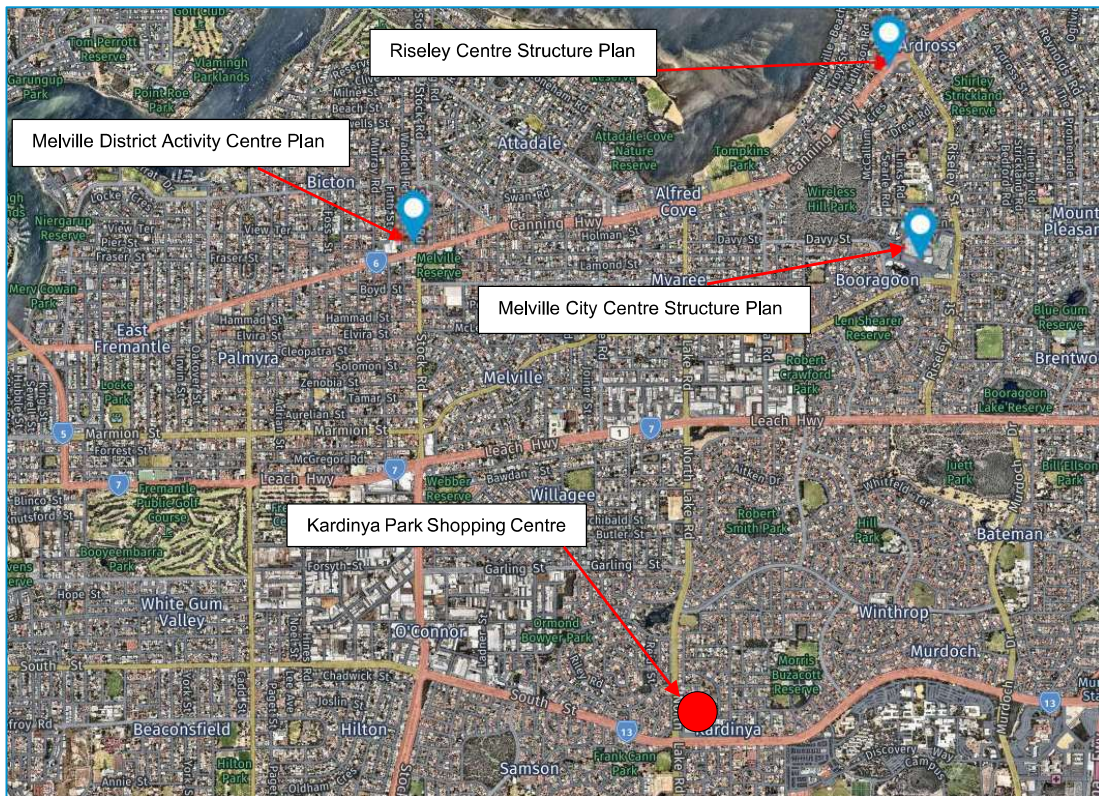
The ACP is currently at the stage of community consultation to be followed by formal consideration and assessment by the City of Melville and WAPC.

3 Activity Centre and Structure Plan Analysis

3.1 Overview

Principal analysis has occurred within the City of Melville's boundaries with the recent creation of the Riseley Centre Structure Plan, Melville District Activity Centre and Melville City Centre Structure Plan.

The following image illustrates the location of each of the aforementioned areas in relation to Kardinya Park Shopping Centre.



Source: Nearmap

Our analysis has centred around the performance of property prices from these areas prior to the time which each proposal was notified to landowners or the first public forum was held. This has been adopted as the broad timing in which the marketplace would be aware of the prospective densification/land use changes, enabling buyers and sellers to set prices on the expectation of the proposal being adopted.

Analysis has been undertaken on freestanding green titled residential property, and strata titled dwellings. Suitable properties have been assessed on the value uplift over the intervening periods and percentage uplifts in values assessed.

The relevant and operative dates for each area analysed are outlined within the table overleaf;



Activity/Structure Plan	Progression of Plan	WAPC Endorsement
Riseley Centre Structure Plan	November 2011 - First Public Forum, June 2014 - Adopted by Council	Apr-16
Melville District Activity Centre	September 2013 - Letters to Landholders, November 2016 - Adopted by Council	Aug-17
Melville City Centre Structure Plan	January 2013 - Letters to Landholders, December 2013 - Adopted by Council	Apr-14

Each of these areas contained zoning amendments that included a densification of parts of the region to enable a gentrification of the area through the delivery modern, concentrated development.

Our sales analysis for the above areas commenced prior to the initial progression date to obtain base line prices prior to awareness of the general market, through to the final adoption of the Activity Centre or Structure Plan.

3.2 General Market Performance Characteristics

Initially, as expectations of a Plan for the areas are considered, some purchasers are attracted to a potential uplift in values and this speculation drives property prices.

As the Plan progresses, interest is found by investors and developers alike. Investors look to assemble parcels based on a prospective land use to 'landbank' and on-sell to a developer at a suitable time. Similarly, developers will conduct preliminary analysis to determine viability of the project region prior to deploying capital to the area.

Finally, upon adoption of the plan, further certainty is provided to enable analysis of development options, that commonly utilise the highest and best return for the area being considered. Higher density development options generally require the assemblage of contiguous lots that 'unlock' the full potential development yield having regard to each schemes building height, setback requirements and other necessary prerequisites determined by the Plan in accordance with zoning and general planning and building requirements. It is not uncommon for assemblage values being higher than individual values on a rate per square metre based upon the increased viability of a larger development.

3.3 Proposed Redevelopment and Activity Centre Plan Observations

The proposed redevelopment and expansion of the Kardinya Park Shopping Centre will provide a significant uplift in amenity to the area.

The presence of an entertainment precinct centred around a new cinema complex and food and beverage offering, medical precinct, additional supermarket and specialty retail tenancies will provide an additional attraction to the catchment area.

The benefit from completion of the centre redevelopment proximity and the resultant increase in amenity is expected to positively affect values to the immediate surrounding area.

The Draft Density Plan aligned to the Activity Centre Plan, generally provides an increased densification from the existing zoning which will also assist to accommodate the sector of the market that values co-location and proximity to the revitalised and expanded centre.



3.4 Analysis

We note that any potential value uplift following the adoption of an increase in density within the proposed Activity Centre Plan at Kardinya would be based on a case by case or individual property basis, being subject to a number of variables, including but not limited to;

- Current market performance
- Development construction costs
- Availability of capital/funding for developments
- Land assembly of contiguous lots to maximise development potential
- Single residential dwelling or within strata titled development
- Lot size and shape
- Improvement orientation
- Added value of existing improvements
- Locational attributes (i.e. opposite park etc)

4 Summary and Conclusion

The analysed Activity Plan and Structure Plan areas comprising the Riseley Centre Structure Plan, Melville District Activity Centre and Melville City Centre Structure Plan, have predominately reflected increases in property values over the period from initial public notification to final endorsement by the Western Australian Planning Commission.

The value outcomes for properties within these areas varied, dependant on the previous zoning and the final approved zoning, the highest and best use of the site and the ability to offer contiguous allotments to 'unlock' a suitable development outcome.

Strata titled residential properties showed value uplifts of up to 20%, with single residences, located on green titled allotments and having development potential, showed value uplifts of up to 60%.



4.1 Close

Finally, and in accordance with our normal practice, we confirm that this report is issued to **B&S Consulting / Dato Holdings Pty Ltd for the preparation of community engagement to progress the development of an Activity Centre Plan surrounding the Kardinya Park Shopping Centre.** No responsibility is accepted to any third party and neither the whole of the report or any part or reference thereto may be published in any document, statement or circular nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

Colliers International (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read "Richard Eddy AAPI".

Richard Eddy AAPI
Associate Director | Valuation & Advisory Services
Certified Practising Valuer
Licensed Valuer No 38228
For the State of Western Australia

ATTACHMENTS

- A. CIWA Terms of Business
- B. Letter of Instruction
- C. Key Assumptions & Important Comments

Thank you and we will be happy to respond to any questions

R20

- For single and grouped dwellings the minimum site area is 350m² and the average site area is 450m², per dwelling.
- As an example, this equates to 2 dwellings on a 900m² lot.
- Multiple dwellings are based on a minimum site area of 450m².
- Buildings heights for all dwellings are 6m wall height and 9m top of pitched roof height.



Rochdale Rd, Mt Claremont

R40

- For single and grouped dwellings, the minimum site area is 180m² and the average site area is 220m², per dwelling.
- As an example, this equates to approximately 4 dwellings on a 1000m² lot
- Single and grouped dwelling heights are assessed as per the R-Codes Vol.1 unless varied by a local planning policy.
- Multiple dwellings are assessed in accordance with the R-Codes Vol.2 and are based on a 'Plot Ratio' rather than a site area.
- The Plot Ratio for R40 is 0.6. For example on a 1000m² lot this equates to 600m² of plot ratio apartment area.
- The building height for multiple dwellings is 2 storeys.



Image: Dale Alcock



Image: SKAI Visuals, Queensland

R60

- For single and grouped dwellings, the minimum site area is 120m² and the average site area is 150m², per dwelling.
- As an example, this equates to approximately 6 grouped dwellings on a 1000m² lot.
- Single and grouped dwelling heights are assessed as per the R-Codes Vol.1 unless varied by a local planning policy.
- Multiple dwellings are assessed in accordance with the R-Codes Vol. 2 and are based on a 'Plot Ratio' rather than a site area.
- The Plot Ratio for R60 is 0.8 For example on a 1000m² lot this equates to 800m² of plot ratio apartment area.
- The building height for multiple dwellings is 3 storeys.



Stirling, Perth WA



Image: Nightingale Fremantle

R80

- For single and grouped dwellings, the minimum site area is 100m² and average site area is 120m², per dwelling.
- As an example, this equates to 8 grouped dwellings on a 1000m² lot.
- Single and grouped dwelling heights are assessed as per the R-Codes Vol.1 unless varied by a local planning policy.
- Multiple dwellings are assessed in accordance with the R-Codes Vol. 2 and are based on a 'Plot Ratio' rather than a site area.
- The Plot Ratio for R80 is 1.0. For example, on a 1000m² this equates to 1000m² of plot ratio apartment area.
- The building height for multiple dwellings is 4 storeys.



South Perth Esplanade, South Perth

R160

- Multiple dwellings are assessed in accordance with the R-Codes Vol. 2 and are based on a 'Plot Ratio' rather than a site area.
- The Plot Ratio for R160 is 2.0. For example, on a 1000m² this equates to 2000m² of plot ratio apartment area.
- The building height for multiple dwellings is 5 storeys.



Image: MRA

R100

- For single and grouped dwellings, the minimum site area is 100m² and the average site area is 120m², per dwelling.
- As an example, this equates to approximately 8 grouped dwellings on a 1000m² lot.
- Single and grouped dwelling heights are assessed as per the R-Codes Vol.1 unless varied by a local planning policy.
- Multiple dwellings are assessed in accordance with the R-Codes Vol. 2 and are based on a 'Plot Ratio' rather than a site area.
- The Plot Ratio for R100 is 1.3. For example on a 1000m² lot this equates to 1300m² of plot ratio apartment area.
- The building height for multiple dwellings is 4 storeys.



South Perth Esplanade, South Perth



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