

URBIS

HIGH WYCOMBE SOUTH YIELDS ANALYSIS

Prepared for City of Kalamunda
29 March 2023

EXECUTIVE SUMMARY

The High Wycombe South Residential Precinct is a precinct within the Forrestfield North District Structure Plan. The area is expected to undergo a significant transformation by leveraging State Government investment in METRONET, with the new High Wycombe Station operational as of 2022.

Urbis has been engaged to prepare a dwelling and population forecast to inform the preparation of the High Wycombe South Development Contribution Plan (DCP). The precinct has undergone an extensive planning process, with previous yields analysis and scenario testing undertaken along the way. This contemporary yields analysis is intended to explain the forecasting process for this important input to the DCP.

Given the long-term nature of the forecasts, and the fact that the yields for the precinct have been developed with regard for the established visionary targets, it is important to consider the factors that will influence the density and timing of development. These factors include:

- Fragmented land ownership may increase development timeframes.
- Government investment is required to improve the connectivity and amenity of the area to support medium and high-density development.

- The currently relatively low median house prices in surrounding areas affects development viability.

Urbis employed three methodologies to forecast each of the three densities that are included in the adopted yield scenario for the precinct. The methodologies have regard to Greater Perth dwelling activity, resident dwelling preferences, corridor and precinct market shares, historical sales trends and other market factors. The results of the forecast show the precinct estimated to sell out by 2064. The results of Urbis' modelling over the thirty-year life of the DCP (to 2053) are presented to the right. Based on these forecasts, the precinct could be significantly sold and built out by 2053.

Given the results of the yield forecasts, Urbis recommends that a DCP lifespan of 30 years be adopted to ensure that it is appropriately aligned to the forecast period of development. The modelling shows that within 30 years the critical mass generated by the development will generate a need for infrastructure supported by a DCP. The DCP horizon recognises potential changes to development rates and market factors.

Urbis also recommends that a per square metre rate be applied to provide certainty of funding for the DCP and to costs for developers and incentivise the visionary density targets for the precinct.

By 2053, the Residential Precinct is forecast to accommodate:



938

Single lot dwellings



783

Medium density dwellings



150

Apartments

INTRODUCTION

REPORT BACKGROUND

Urbis was engaged by the City of Kalamunda (the City) to undertake an analysis of the High Wycombe South Local Structure Plan (LSP) area, with particular regard for the Residential Precinct. The key outputs of this report are dwelling and population forecasts, including consideration of the different dwellings types that may be viable in the area.

This work is one of the inputs to the High Wycombe South Development Contribution Plan (DCP) that the City is currently working to finalise for release for public comment. The dwelling and population forecasts inform traffic modelling and community infrastructure needs assessments that inform the DCP.

In line with State Planning Policy 3.6 Infrastructure Contributions (SPP 3.6), projected growth figures for new dwellings are an important input to the DCP.

As such, the City is undertaking to refine and confirm such inputs to ensure that the most up-to-date and reliable data and information is factored into the development of the DCP.

Therefore, Urbis has been engaged to update previous forecasts produced for the City throughout the planning process for the LSP area.

REPORT STRUCTURE

This report is structured with the following sections:

- **Project overview** outlining the planning context and work-to-date that has led to this reporting.
- **Local context** outlining the competitive context and demographic features of the area.
- **Dwelling yield forecasts** and population forecasts for the LSP area.
- **Monitoring and evaluation** considerations for the future use of the findings of this report.

Detailed assumptions and methodologies are appended to this report.

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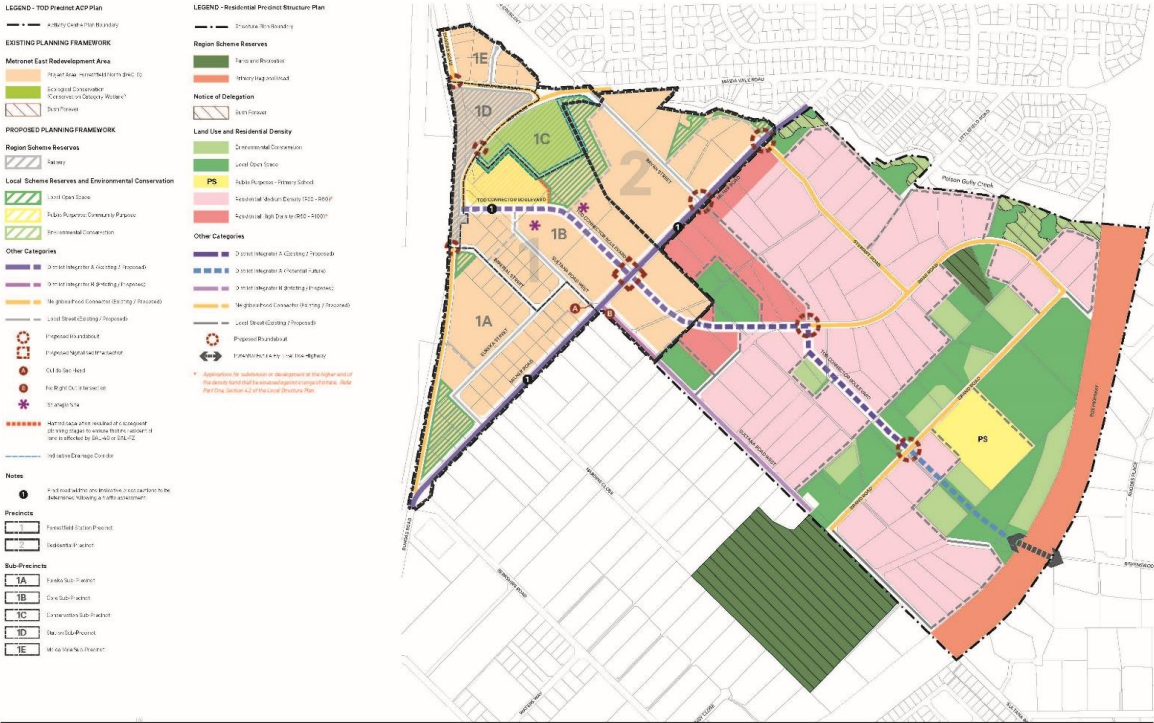
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PROJECT OVERVIEW

PROJECT OVERVIEW

High Wycombe South comprises two distinct precincts, the High Wycombe South Residential Precinct Local Structure Plan (HWS Residential Precinct LSP) are ('Residential Precinct') as well as the Transit Orientated Development Precinct area ('TOD Precinct') which also encompasses the Activity Centre Precinct as identified under the Forrestfield North District Structure Plan. This report has particular regard for the Residential Precinct. It is acknowledged that while the areas are under the control of different planning authorities (TOD by DevelopmentWA), the proximity, characteristics and likely timing of development mean that the TOD Precinct should be considered in the process of forecasting the Residential Precinct.



HIGH WYCOMBE SOUTH CONTEXT

Project Overview

The TOD Precinct is a 60 ha redevelopment area located directly east of the new High Wycombe Train Station, which commenced operation in October 2023 with the completion of the Forrestfield-Airport Link.

Current land uses in the TOD Precinct and Forrestfield North DSP area are comprised of light industrial and rural residential land uses. These uses are expected to be replaced by residential and retail / commercial land uses as development in this precinct progresses.

The Residential Precinct is to the east of the TOD precinct and comprises a total area of 123.1 ha (including the adjacent Roe Highway Reserve) with 47.5 ha of land designated for residential development.

Future residential land use in the precincts will remain dependent on the outlook for infrastructure and investment in the area that has been kick-started by the Forrestfield-Airport Link.

HWS Residential Precinct LSP Area and TOD Precinct (METRONET East Redevelopment Scheme)



DEVELOPMENT YIELDS

Key Insights

The long-term planning for residential land uses in the High Wycombe South LSP area, and at a larger scale the Forrestfield North District Structure Plan (DSP) area, was catalysed by the Forrestfield-Airport Link project. The DSP area is directly impacted with the new High Wycombe Station adjacent to the area, connecting it to the metropolitan rail network for the first time. This fundamental change to the amenity and connectivity of the area was recognised as having important implications for other land uses and a significant programme of planning was initiated.

The City of Kalamunda has been part of a collaborative process with DevelopmentWA through multiple stages of the planning process over the proceeding years. The process has occurred in line with the requirements of the relevant State Planning Policies and has led to the current focus of work by the City on the HWS DCP (as required under SPP 3.6).

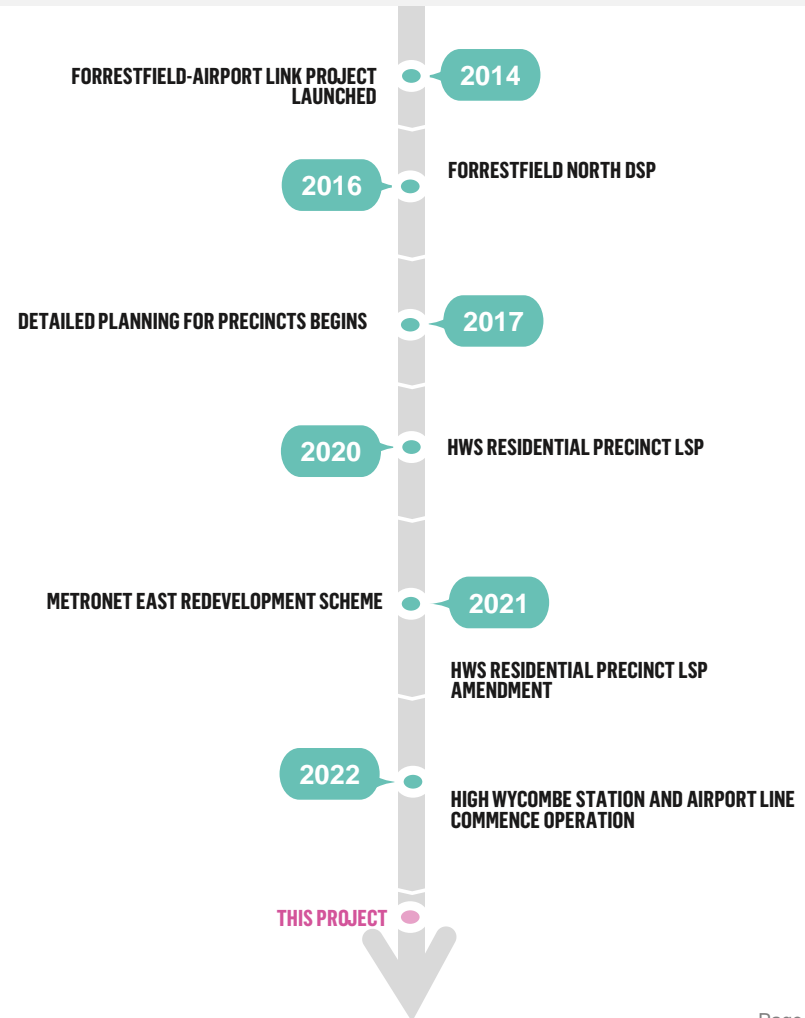
The diagram to the right highlights the work that has been done by DevelopmentWA and the City. The diagram identifies those pieces of work that are public documents, as well as the substantial amount of work that has occurred to refine the assumptions and outputs, in particular the land use and yield analysis, as the project has moved from inception through to more detailed planning stages.

Where appropriate, plans, reports or studies have been through various iterations to ensure that new information and data is relied on where relevant.

As the process for the DCP is at a more detailed level compared to the high-level work of, for example, the DSP, it is appropriate to assess new information that has become available.

Therefore, this report's aim is to take into account previous work carried out and reassess the development outlook for residential uses in the Residential Precinct and provide confidence in the current market setting that the most appropriate forecasts available are utilised.

The Journey



DEVELOPMENT YIELDS CONT.

Key Insights

The City of Kalamunda (with element) previously prepared yields for the Residential Precinct as part of the Forrestfield North Residential Precinct Local Structure Plan (FNRPLSP). The FNRPLSP has since been amended to the High Wycombe South Residential Precinct Local Structure Plan (referred to as such for the remainder of this report) to reflect the name of the station and neighbourhood (pending WAPC endorsement).

The original yields proposed were aligned to the visionary targets, and were adopted for a number of reasons. These include:

- The consideration of TOD Precinct yields available at the time; and
- A need to plan for a positive development outlook to maintain flexibility for infrastructure to be delivered at an appropriate scale.

Urbis previously prepared a dwelling and population forecast for the Residential Precinct in line with these yields. The Urbis work resulted in a process for a downward revision of density bandings and, by extension, the yield of the precinct (the amendment to the HWS Residential Precinct LSP). The considerations that led to this decision include the need for the Residential Precinct to develop in a complementary way to the TOD Precinct and the market depth for medium to high density product in the area being assessed as low. This has resulted in the moderation of the established vision for density in the area, which would be considered a positive outcome, but is seeming less likely in the current context.

Urbis has thus been engaged to provide a review of the dwelling and population growth based on the updated yields to assist with preparation for the DCP for the precinct.

The challenges to achieving higher order density in this area include the fragmented ownership of land in the precinct and the relatively low median house price in High Wycombe. The fact that these factors have not been mitigated since the previous yields analysis was undertaken form part of the basis for a new analysis that can increase the credibility with the inclusion of more up-to-date information and data.

Residential Precinct Yield Scenario for the DCP

DENSITY	TOTAL DWELLINGS AT FULL BUILD OUT
Single lot	938
Medium density	1,329
Apartments	150
Total dwellings	2,417

Source: City of Kalamunda, element

PRECINCT OVERVIEW

Key Insights

Based on previous work prepared by the City of Kalamunda, DevelopmentWA, element and Urbis, key expected development scale and timeframe outcomes identified are:

- Due to land tenure, planning and environmental constraints, the TOD Precinct is likely to see an extended development timeframe.
- The Residential Precinct has a significant yield and also allows for a significant proportion of medium density product that will be challenging to make commercially viable in the short to medium term and will be more financially viable in the medium to longer term.
- Based on the scenario analysed there is potential for around **2,417 new dwellings** within the Residential Precinct. This will be dependent on the density that the development takes place at and ultimate yield plan.
- The TOD Precinct is expected to have a greater focus on medium density product and in the longer term some higher density. This precinct has the potential for around **649 new dwellings and 1,570 new residents**.
- The residents in the TOD and Residential Precincts and surrounding areas will support a total of **11,310 sq.m of retail and commercial floorspace**, with 5,160 sq.m of this being in the form of shop retail, comprised of a supermarket and associated specialties. Although, located in the TOD precinct, this will become important in providing amenity to the Residential Precinct and provide local jobs.

RESIDENTIAL PRECINCT



+2,417 DWELLINGS

Potential for over 2,000 new dwellings to be developed with a focus on medium density product.



+5,923 NEW RESIDENTS

To live in the Residential Precinct at final build out.

TOD PRECINCT



+5,160 SQ.M OF SHOP RETAIL FLOORSPACE

Accommodated within a neighbourhood shopping centre within the TOD Precinct.



+6,150 SQ.M OF NON-RETAIL FLOORSPACE

Accommodated within the TOD Precinct.



+649 DWELLINGS

To be Built in High Wycombe TOD Precinct, with densities ranging from R30 to R80.



+1,570 NEW RESIDENTS

To live in the TOD Precinct.

Source: City of Kalamunda, DevelopmentWA, element, Urbis

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LOCAL CONTEXT



SURROUNDING DEVELOPMENT AREA ANALYSIS

Review of Surrounding Development Area Assessment

The City of Kalamunda has made assessments for the area surrounding the Forrestfield North DSP area, to assist with the planning process. These assessments are largely based on the assumption that these areas will develop in line with comparable areas.

We have commented on the overall yields and uptake rates provided by the City in their report in the table below.

The map on the following page illustrates the proximity and scale of the development areas with relation to the study area.

City of Kalamunda - Surrounding Area Analysis – New Dwelling Forecast

AREA	2031	2041	2050
Maida Vale South	817	1,905	2,722
Cell-9 Wattle Grove	339	339	339
Dual Density R20/40	554	1,058	1,511

Source: City of Kalamunda

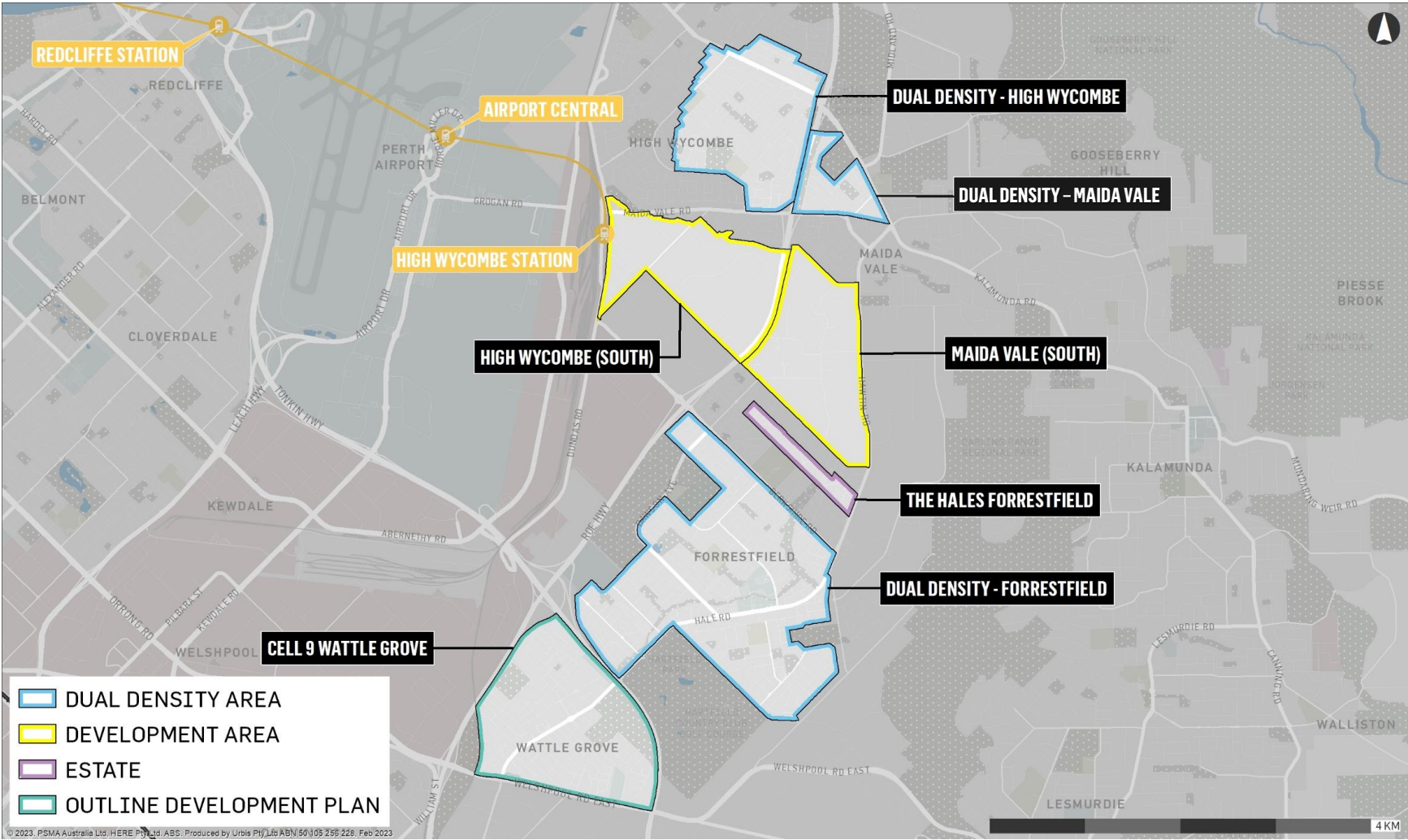
Note: this yield assessment was accurate as of 2021.

Kalamunda Yield Analysis – Surrounding Development Area Yields

AREA	URBIS COMMENTS ON YIELD	URBIS COMMENTS ON TIMING
Maida Vale South	The medium yield scenario which excludes 30% of land for roads and POS and selects an average lot size of 450sq.m per lot, yielding a total of 2,722 lots at build-out is a reasonable scenario.	The City comments that there is a planning process ahead for the development area, which is an urban expansion area, that will need a planning scheme amendment. However, things are well progressed with land amalgamation and the planning process.
Cell-9 Wattle Grove	339 lots are estimated to be remaining, based on the Infrastructure Cost Sharing Arrangement (ICSA) This may be above the final realised number of lots, with the 2020/21 Urban Land Development Outlook (ULDO) for the region stating 150 lots remain in active and planned developments within the region. However, given the longer timeframe of this analysis, the ICSA yield assumption is a reasonable one.	This development timeframe is likely to be brought forward from 2031 completion, given historical sales data available since 2021.
Dual Density R20/40	The 2% annual take-up of subdivisions, based on historical take-up rates is reasonable.	As the yields are estimated based on historical take-up rates, the timeframes applied to yields are reasonable.

Source: Urbis

















SURROUNDING DEVELOPMENT AREAS



High Wycombe South Yields Analysis

DEMOGRAPHIC REVIEW

Demographic Profile, High Wycombe and Surrounding Areas, 2021

	HIGH WYCOMBE (SUBURB)	FORRESTFIELD (SUBURB)	CITY OF KALAMUNDA	GREATER PERTH
 Population	12,198	13,181	58,762	2,116,647
 Aged 15-24	12%	11%	12%	12%
 Aged 25-39	21%	22%	18%	22%
 Aged 55-64	12%	11%	12%	11%
 Retirees (65+)	16%	17%	19%	16%
 White Collar Workers	58%	57%	65%	69%
 Owned Outright	30%	29%	36%	29%
 Owned with a Mortgage	47%	48%	47%	43%
 Renting	23%	23%	17%	27%
 Live in Semi-Detached and Units	3%	9%	5%	13%
 Live in Apartments	0%	0%	0%	7%
 Born Overseas	25%	30%	30%	38%
 Average Household Income	\$111,200	\$104,700	\$122,800	\$125,900
 Family Households	73%	70%	76%	72%
 Couples with Children	30%	29%	35%	33%
 One Parent Family	14%	13%	11%	11%

Source: Based on ABS Census 2021
High Wycombe South Yields Analysis

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DEMOGRAPHIC REVIEW CONT.

The Residential Precinct is currently characterised by rural residential dwellings, with a small population base that is expected to change significantly over time as the precinct develops in line with the structure plan. As such, we have presented the demographic profile for the surroundings suburbs and the City of Kalamunda (study areas) to highlight potential future characteristics of the precinct. The previous page highlighted demographic characteristics as reported in the ABS Census 2021. The population of High Wycombe is categorised by a middle-aged, family-oriented demographic.

The **age** composition of the study areas is similar to Greater Perth with:

- Similar proportions of 15-24 year olds;
- Similar proportions of 55-64 year olds; but
- A higher proportion of retirees across the City of Kalamunda as a whole.

The study areas are home to relatively fewer white collar **workers** than the Greater Perth benchmark. Particularly across the High Wycombe and Forrestfield suburbs, residents are more likely to be working in blue collar occupations. With the new connection to Perth CBD and the greater metropolitan area unlocked with the new station, there is potential that this characteristic will change over time as the area develops.

In terms of **tenure**, the study areas vary from Greater Perth in the following ways:

- All of the study areas see fewer renters, proportionally; and
- Across the study areas, those who own their own home are more likely to do so with a mortgage.

If the area develops as expected, it is likely that these trends would continue.

A much smaller proportion of residents across the study areas live in **apartments and medium density dwellings** compared to Greater Perth. This is indicative of the lack of housing diversity in the area at present. It also highlights the substantial gap between the current residential landscape and the vision for the precinct that is underpinned by the transformational METRONET project.

The study area is broadly less **diverse** than the Greater Perth average, with proportionally less people born overseas. However, it is noted that there is a relatively larger Aboriginal and/or Torres Strait Islander population in the study area.

Where **income** is concerned, there is some variability across the study area, although overall household incomes are below the Greater Perth benchmark. This is another metric that is susceptible to change as the area develops given the new connectivity of the area.

The proportion of one parent **families** in High Wycombe is 14%, which is higher than the City of Kalamunda (11%) and Greater Perth (11%). 30% of the demographic in High Wycombe accounts for couples with children, which is more than neighbouring suburb Forrestfield at 29%.

Given that it is expected that the demographic characteristics of High Wycombe will change significantly as residential development occurs in line with the vision for the area, new data should be assessed as it becomes available (see section 4 for details).

MOVERS REVIEW

Key Findings

The suburb of High Wycombe has experienced movement from nearby Statistical Areas 2s (SA2s*) in the last five years. There have been some movers from the outer urban areas of Greater Perth but the majority of movers are from nearby areas. There is limited movement to High Wycombe from inner city locations or the Peel region.

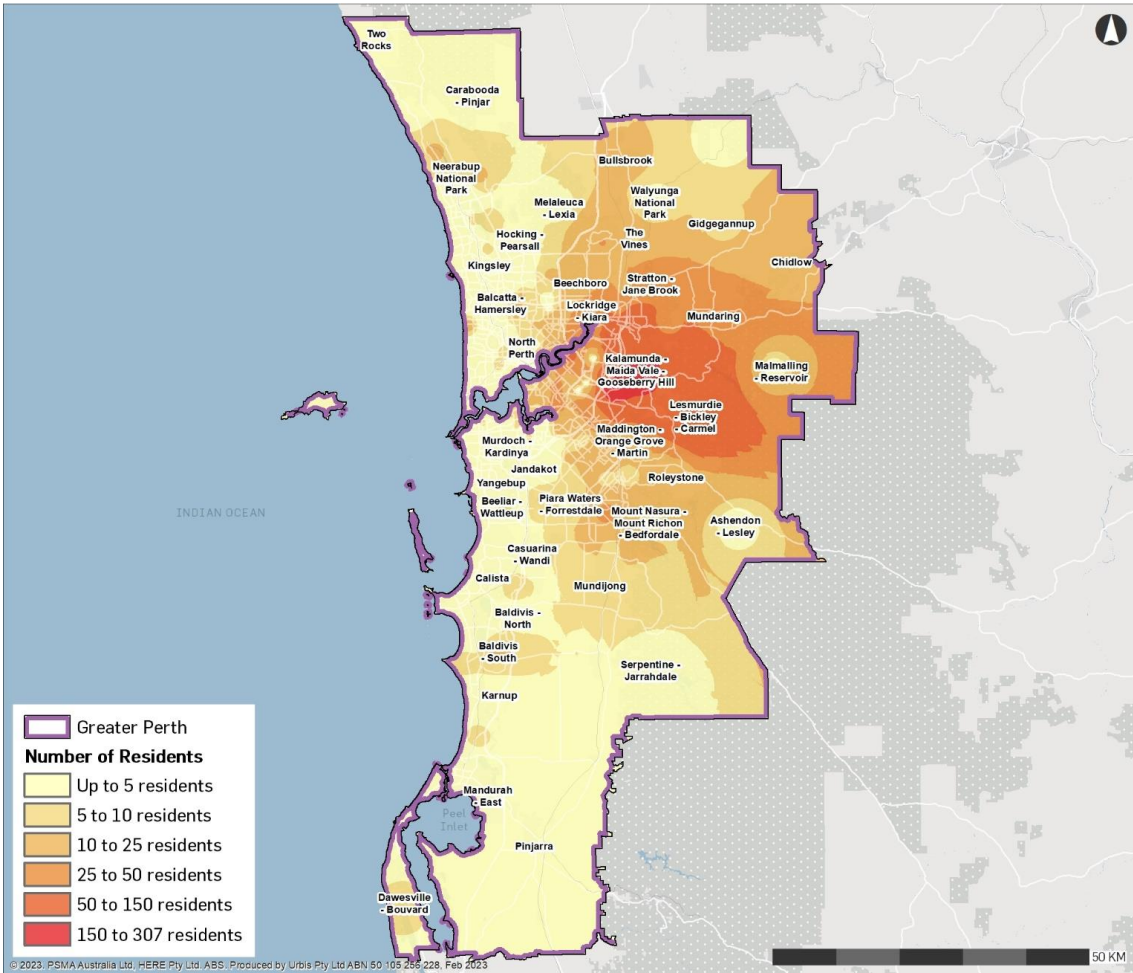
There have been 307 movers from the Kalamunda – Maida Vale – Gooseberry Hill SA2 to High Wycombe in the last five years. Similarly, 265 movers have been recorded from Forrestfield – Wattle Grove. These areas are the only two SA2s in the 105-307 residents range that are moving to High Wycombe. 78 residents moved from Lesmurdie – Bickley – Carmel to High Wycombe, which is also nearby.

There were 67 movers from Belmont – Ascot – Redcliff and 66 movers from Swan View – Greenmount – Midvale. These areas are further from High Wycombe but represent a smaller amount of residents compared to the top three movers areas. It is indicative that the main movers to the suburb of High Wycombe are from nearby areas.

Place of Residence 2016 (SA2)	No.
Kalamunda – Maida Vale – Gooseberry Hill	307
Forrestfield – Wattle Grove	265
Lesmurdie – Bickley - Carmel	78
Belmont – Ascot - Redcliffe	67
Swan View – Greenmount - Midvale	66

**Note: Statistical Areas are geographical areas defined by the ABS.*

Place of Residence Five Years Ago for High Wycombe (suburb) Residents, 2021



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DWELLING YIELD FORECASTS



YIELD ASSUMPTIONS

Yield Assumptions

Dwelling yield scenarios have previously been developed and tested for the TOD and Residential Precincts.

Three dwelling yield scenarios were tested for the TOD Precinct (Low Yield, Medium Yield and High Yield).

The 'Medium' yield scenario was adopted and formed the basis for population projections.

Analysis of market viability previously carried out by Urbis indicated that in the short and medium term low and medium density development was most likely to be financially viable in the High Wycombe South area and the yields adopted reflected this.

Yields for the Residential Precinct have been based on work carried out by element for the City of Kalamunda in the preparation of the HWS Residential Precinct LSP amendment.

The medium yield scenario has been adopted, with an allowance for apartment development included to recognise the need for alignment with the established vision for the area.

TOD Precinct Yield Assumptions

DENSITY	SINGLE LOT / MEDIUM DENSITY	APARTMENTS	TOTAL
Medium yield scenario	531	118	649

Source: Urbis, DevelopmentWA, 'High Wycombe Station METRONET Precinct Precinct Implementation Plan'

Residential Precinct Yield Assumptions

DENSITY	SINGLE LOT	MEDIUM DENSITY	APARTMENTS	TOTAL
Medium yield scenario	938	1,329	150	2,417

Source: Urbis, City of Kalamunda (element)

INDICATIVE DEVELOPMENT TIMEFRAMES

Staging Considerations

Staging considerations have been guided by the following:

- Observed staging in similar other developed TOD Precincts in Perth, such as Clarkson and Atwell, and;
- Fundamental market factors, such as the median house price, that will influence the viability of different types of dwelling typologies.

The potential development stage timing has been staggered to provide a guide as to potential ultimate build-out timing. However, ultimately build-out will be determined by market forces and there is potential that a shorter ultimate build-out timeframe in advance of this scenario could take place.

It is likely that single lot dwellings would commence first in the Residential Precinct, with terrace and townhouse product commencing after this. Apartment dwellings are unlikely to be viable in the area in the short- to medium-term and have been forecast to be commence in the long-term. As previously noted, the viability of the higher density product will be dependent on investment to improve the connectivity and amenity of the area.

While the TOD precinct is not the focus of this report, it is important to note that the two precincts while be developing concurrently and therefore will be influenced by each other.

Development Timeframe, Residential Precinct

STAGES	COMMENCES	2021-2026	2026-2031	2031-2036	2036-2041	2041-2046	2046+
Single Lot Detached Homes	2026						
Terrace/ Townhouse	2029						
Apartments	2042						

Source: Urbis

LOT SALES FORECAST

Forecast Insights

The medium yield scenario for the Residential Precinct has been reviewed to look at expected sales rates for each product type. The review is based on looking at the market share that the broader area could achieve of all Perth sales, as well as of sales that the Residential Precinct will get compared to surrounding competition.

The modelling carried out is based on looking at historical and forecast lot sales across all of Perth and based on historical trends and future supply. Then forecasting market shares for the corridor, local area and the Residential Precinct and taking current and future supply into account. Whilst COVID-19 and the subsequent building grant incentives have had a significant impact on the market over the last three years, the market shares and demand forecasts have taken these influences into account and also considered longer term historical trends.

This modelling indicated that the Residential Precinct would be sold out by 2064. It is important to note that long term forecasting for when the project will sell out by is dependent on many factors including; overall economic conditions and Perth population growth, take up rates for single dwellings and medium density, the proportion of medium density vs other housing types sold in Perth in the future, the market share that this area gets of the overall Perth new dwelling sales and the developers involved and their marketing strategies. All of these factors are subject to change and can vary greatly over a 30 year time frame and the selling period is an indication only based on the modelling carried out and assumptions made and could and probably will vary from this as the project develops over the next 30 years.

In the adopted scenario the dwelling types in the Residential Precinct will be focused on single residential lots and medium density terrace/townhouse product. Apartment development is expected to be difficult to make financially viable in the Residential Precinct in the short to medium term. The modelling shows that within 30 years the critical mass generated by the development will generate a need for infrastructure supported by a DCP.

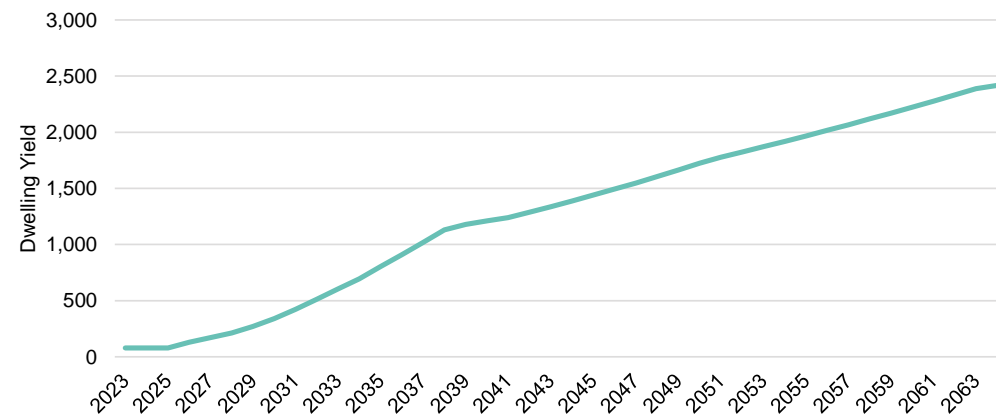
High Wycombe South Yields Analysis

Residential Precinct Dwelling Forecast by Density, 2028-64

DWELLING TYPE	2028	2033	2043	2053	2064
Single lot	175	516	938	938	938
Medium density	-	87	368	783	1,329
Apartment	-	-	31	150	150
Total	175	604	1,337	1,871	2,417

Source: Urbis

Dwelling Forecast Chart, Residential Precinct, 2023-64



Source: Urbis

POPULATION FORECAST

Forecast Insights

In addition to reviewing dwelling forecasts for the medium scenario, the population outlook for the Residential Precinct has been reviewed.

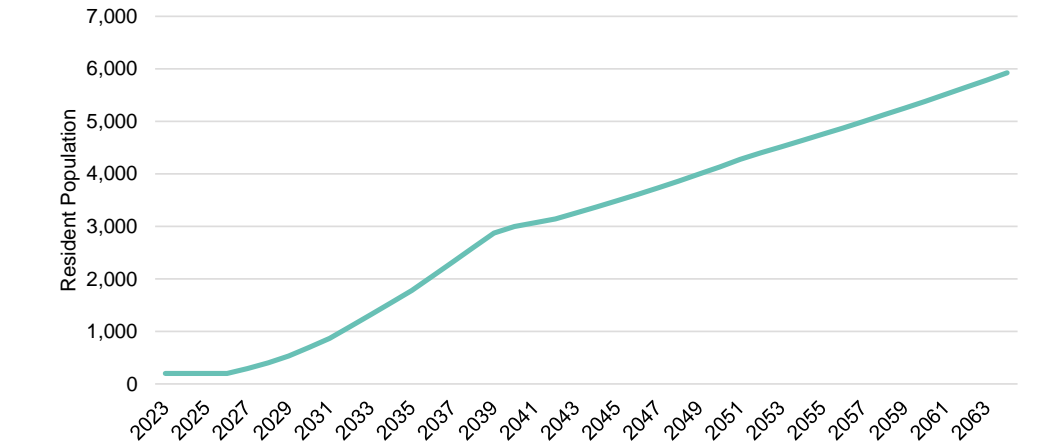
The Residential Precinct population is anticipated to increase from the existing rural residential base of approximately 200 residents, to 5,923 at build out.

Residential Precinct Population Forecast by Density, 2028-64

DWELLING TYPE	2028	2033	2043	2053	2064
Single lot	401	1,147	2,372	2,345	2,345
Medium density	-	167	846	1,841	3,248
Apartment	-	-	35	330	330
Total	401	1,314	3,252	4,516	5,923

Source: Urbis

Population Forecast Chart, Residential Precinct, 2023-64



Source: Urbis

04

RECOMMENDATIONS

DCP CONSIDERATIONS

Given the intent of this report is to provide information as an input to the High Wycombe South DCP, Urbis has provided additional recommendations below. These recommendations relate to aspects of the DCP that are impacted by the timing of development, and are therefore relevant to the content of this report. In particular, the considerations outlined below pertain to the previously discussed uncertainties surrounding development in the HWS DCP area. These uncertainties and what they mean for the development timeframe will ultimately impact the ability of the HWS DCP to fulfil its intended purpose to support the development of critical infrastructure for the precinct.

CONSIDERATION	URBIS RECOMMENDATION
DCP timeframe	<p>Urbis recommends that a lifespan of 30 years is appropriate for the HWS DCP. The reasons for our support of a timeframe beyond the 10 years suggested by SPP3.6 are outlined below.</p> <p>SPP3.6 states that 'the lifespan of a DCP should be linked to competition of development or subdivision, and generally a maximum lifespan of 10 years applies'.</p> <p>The dwelling yields forecast provided in this report clearly highlight that in the case of the Residential Precinct, the expected development lifespan is expected to be well in excess of 10 years. Urbis' forecasts indicate that only 25% of dwellings will be developed by 2033. The timeframe of the development in the residential precinct is influenced by several factors:</p> <ul style="list-style-type: none"> ▪ Scale of the precinct – there is a total of 1,871 dwelling that could be developed across the precinct with only 50% of these being single residential lots. This is far more supply than could be created or sold out in 10 years and it will take a number of years before any lots are initially created. ▪ Fragmented landownership – development will take a period of time to begin while developers contend with fragmented ownership and try to amalgamate a large enough land parcel to be viable. The rate of future development will be somewhat dependent on the ability of developers to be able to amalgamate viable developable land parcels. ▪ Viability of medium and high density typologies – as indicated in Urbis' forecasts (Section 3), current market conditions are less conducive to medium and high density dwellings in this precinct in the short term, as discussed further in the example below. ▪ State Government and private sector investment – the nature of the High Wycombe area as a focus for State Government investment may result in more favourable market conditions for development as new amenity is brought to the area. <p>As an example, the Cell 9 ICSA has a total lot yield of approximately 1,800 dwellings. This development area is similar to the Residential Precinct, with fragmented ownership meaning that development has occurred slowly. Cell 9 has been active since 2001 and as of 2021 had an estimated 339 dwellings remaining. Based on our forecasts Cell 9 will be fully developed over a 23 year period.</p> <p>Importantly, Cell 9 differs from the Residential Precinct in that all development has been planned and delivered in the form of single lot dwellings. The timeline of development in the Residential Precinct is likely to occur over a longer timeframe than that of Cell 9. In summary, development in a comparable area such as Cell 9 with a similar total dwelling yield and a typology that is more aligned with Urbis' analysis regarding market viability in current market conditions than the vision for the Residential Precinct, has taken well over the 10 year timeframe that is recommended in SPP3.6. Urbis' forecasts, estimate sell out of the Residential Precinct in 2063 (40 years). However, market conditions are likely to change over the long-term span of these forecasts. Therefore, a 30 year DCP lifespan is recommended, with a requirement to review actual dwelling up-take carefully over time (refer to Monitoring & Evaluation on p. 24). Ultimately, number of lots and the vision for medium and high density dwellings in the Residential Precinct mean that this is a long term project and a 10-year DCP lifespan would not be suitable for this precinct.</p>

DCP CONSIDERATIONS CONT.

CONSIDERATION	URBIS RECOMMENDATION
DCP rate	<p>Having regard to the analysis presented in this report, Urbis recommends that a per square metre DCP rate should be adopted in the HWS DCP.</p> <p>Key reasons why we believe that a square meter rate would be more appropriate for this precinct than a per dwelling rate are:</p> <ul style="list-style-type: none"> ▪ A per square metre rate provides certainty to the HWS DCP. The LSP has been well researched and the developable area is a known quantum with certainty. The targets for density and split between single residential and medium/higher density residential have been deliberately set at an aspirational level. However, there is a lot of uncertainty as to what the final dwelling yield will be and this will be determined market conditions at the time that the various parcels of land are being developed. ▪ A square meter rate will mean that a lower rate per dwelling can be achieved by developing more density which is seen as desirable in this precinct. This will act as a form of incentive for more density, where as a per dwelling rate could act to disincentivise density. ▪ A per square metre rate provides certainty for developers as to the DCP amounts that they will be charged. Providing certainty for developers is particularly important in this development scenario where fragmented ownership of the land already presents an additional challenge to development. It will be important to incentivise developers to move into the area and not disincentivise the density targets that are the vision for the Residential Precinct. <p>Finding ways that incentivise density in this precinct is considered important as it maximises the opportunity to leverage from the very significant amount of State Government investment into the area and the long-term plan for the Residential Precinct as it relates to the High Wycombe Station.</p>

MONITORING & EVALUATION

Overview

A systematic approach to monitoring and evaluation of the results of this report is crucial given the long-term nature of the forecasts and the number of market and non-market factors that will influence the outcomes.

The forecasts provided in section 3 of this report are based on the most up-to-date data and information available. However, given that these forecasts have a timeframe of over 30 years, there is every likelihood that factors and influences that are not currently known will impact the actual timing and take up of lots in the area. Some of the variables that will effect the yield and timing include:

- Fragmented land ownership;
- Government investment;
- Private sector investment timing; and
- Other market factors.

To ensure confidence in the forecasts over time as they relate to the DCP, it will be critical to review relevant data and information that has fed into the forecasts as they become available. This could result in the need to adjust the adopted forecasts.

A recommended plan to maintain confidence in the forecasts over time, including allowing for revisions, is proposed to the right.

This monitoring and evaluation plan relates to this report's yield analysis findings only. It is separate to the annual status report required under SPP 3.6 that reviews the delivery of infrastructure under the DCP (6.10.18).

Key Milestones

MILESTONE	KEY CONSIDERATIONS	TIMEFRAME
Monitoring	Continuous monitoring of the many variables that may effect yield and timing that could trigger the need for additional evaluation include: <ul style="list-style-type: none"> ▪ Major government intervention ▪ Significant consolidation of tenure by a private developer ▪ Sub-division of lot ▪ Planning approvals for built form 	Ongoing
Check	<ul style="list-style-type: none"> ▪ Assessment of any shifts in variables that are likely to impact the yield outcomes ▪ If any potential impacts are identified, a more formal review should be undertaken 	2.5 years
Full review	<ul style="list-style-type: none"> ▪ Analysis of new ABS Census data and possible implications for demographic and housing preference changes ▪ Formal review of dwelling and population forecasts ▪ When development in the area has commenced, this task will include assessment of actual lot sales and population against forecast 	5 year

APPENDIX A

METHODOLOGY & ASSUMPTIONS

METHODOLOGY

Overview

Urbis has adopted different methodologies for forecasting each of the densities that are expected to develop in High Wycombe South. This approach was taken to account for the different factors of influence for each density.

These methodologies are broadly consistent with previous forecasting completed for the City of Kalamunda by Urbis.

Methodologies

DENSITY TYPE	METHODOLOGY	KEY INPUTS AND SOURCES
Single lot forecasts	The single lot forecasts draw on Urbis' internal growth corridor forecasts and apply a market share approach to apportion growth at a corridor and sub-corridor level. The methodology takes into account historical sales rates from existing estates in the area to project future growth rates.	Landgate sales records Urbis Perth growth corridor lot forecasts UDIA Urban Development Index
Medium density	The medium density forecasting approach also adopts a market share methodology. This approach utilises dwelling forecasts from HIFG for the short-term horizon, and a long-term growth rate for total new dwellings in Greater Perth aligned to Perth and Peel@3.5. Historical market shares at a corridor and sub-corridor level for medium density dwellings as a share of total dwellings are used to inform future growth rates. An increase in the preference for higher density dwellings is assumed based on household characteristics of areas that have developed in a similar trajectory to that forecast for the study area.	ABS Building Approvals Perth and Peel@3.5million Housing Industry Forecasting Group ABS Census
Apartments	The apartment forecast methodology employs an average sales rate for comparable projects based on data from Urbis Apartment Essentials.	Urbis Apartment Essentials

KEY ASSUMPTIONS FOR POPULATION CONVERSION

Assumption Discussion

Key assumptions that have been made to convert the dwelling forecast into population forecast are listed in the table on the right.

Key Assumptions for Population Forecasting

ASSUMPTION	DESCRIPTION
People Per Household	Based on the historical trends within the City of Kalamunda, we have assumed an initial persons per household ratio of 2.6, that trends downwards to 2.5 over the study period for single lot and medium density dwellings. This is in line with informed decision's (.id) assumptions. .id developed forecasts for residential development for the City of Kalamunda in 2021, which were considered in previous work. For apartments, we have assumed a static ratio of 2.2 persons per household, which is aligned with the rate for apartments across Perth, adjusted upwards for the demographics of the region (higher proportions of couples with children).
Lag Between Dwelling Approval/Sale and Population	We have assumed a 12 month gap between dwelling approval or sale, and the resident occupying the home to account for build time.
Existing Population within Development Area	We have assumed the existing resident population figure based on 2021 ABS Census data at a Statistical Area 1 level, in conjunction with a review of aerial imagery from Nearmaps. The existing resident number will decline as lots are consolidated and these residents move elsewhere, and this will occur prior to residential development.

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

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events including wars, civil unrest, economic disruption, financial market disruption, business cycles, industrial disputes, labour difficulties, political action and changes of government or law, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or made in relation to or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

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

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

High Wycombe South Yields Analysis

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

In preparing this report, Urbis may rely on or refer to documents in a language other than English which Urbis will procure the translation of into English. Urbis is not responsible for the accuracy or completeness of such translations and to the extent that the inaccurate or incomplete translation of any document results in any statement or opinion made in this report being inaccurate or incomplete, Urbis expressly disclaims any liability for that inaccuracy or incompleteness.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading bearing in mind the necessary limitations noted in the previous paragraphs. Further, no responsibility is accepted by Urbis or any of its officers or employees for any errors, including errors in data which is either supplied by the Instructing Party, supplied by a third party to Urbis, or which Urbis is required to estimate, or omissions howsoever arising in the preparation of this report, provided that this will not absolve Urbis from liability arising from an opinion expressed recklessly or in bad faith.

Urbis staff responsible for this report were:

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Project code	P0044933
Report number	Final (v4)

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COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION

High Wycombe South Yields Analysis

The data and information that informs and supports our opinions, estimates, surveys, forecasts, projections, conclusion, judgments, assumptions and recommendations contained in this report (Report Content) are predominantly generated over long periods, and is reflective of the circumstances applying in the past. Significant economic, health and other local and world events can, however, take a period of time for the market to absorb and to be reflected in such data and information. In many instances a change in market thinking and actual market conditions as at the date of this report may not be reflected in the data and information used to support the Report Content.

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

The uncertainty has and is continuing to impact the Australian real estate market and business operations. The full extent of the impact on the real estate market and more broadly on the Australian economy and how long that impact will last is not known and it is not possible to accurately and definitively predict. Some business sectors, such as the retail, hotel and tourism sectors, have reported material impacts on trading performance. For example, Shopping Centre operators are reporting material reductions in foot traffic numbers, particularly in centres that ordinarily experience a high proportion of international visitors.

The data and information that informs and supports the Report Content is current as at the date of this report and (unless otherwise specifically stated in the Report) does not necessarily reflect the full impact of the COVID-19 Outbreak on the Australian economy,

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

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

To the maximum extent permitted by law, Urbis (its officers, employees and agents) expressly disclaim all liability and responsibility, whether direct or indirect, to any person (including the Instructing Party) in respect of any loss suffered or incurred as a result of the COVID-19 Outbreak materially impacting the Report Content, but only to the extent that such impact is not reflected in the data and information used to support the Report Content.

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