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8 March 2023

Mitchell Brooks
A/Manager Strategic Planning
City of Kalamunda

Dear Mitchell,

RE: AMENDMENT 109 - 88 HALE ROAD - RESPONSE TO SUBMISSIONS

Thank you for the opportunity to review and respond to submissions received for the aforementioned scheme amendment. This letter provides responses to any areas of concern raised in these submissions of relevance to retail / urban economics issues.

The two relevant submissions were by Element on behalf of Hyde Park Management (owner of Hawaiian's Forrestfield shopping centre) and Perron Group (owner of Belmont Forum shopping centre). The submission on behalf of Hawaiian is more detailed and re-iterates the points mentioned in the submission on behalf of Perron. As such, the submission responses have been combined.

It is recognised that the submissions do not raise any concerns with the approach, assumptions and conclusions within Urbis' Land Use Assessment (July 2021) report which informed and was appended to the scheme amendment documentation. The key concerns primarily relate to the potential for the amendment to facilitate a larger retail development than envisaged.

As noted in the responses and amendment documentation, the Land Use Assessment undertook a highest and best use analysis and recommended the proposed land use mix of:

- Community: 2,950 sq.m;
- Health: 1,000 sq.m;
- Showroom: 2,450 sq.m; and
- Shop Retail: 500 sq.m.

Of relevance, the site is largely expected to accommodate the community service needs of the area within a modern and integrated community hub. This community hub is expected to require approximately two-thirds of the 18,000 sq.m site and the amendment facilitates complementary uses (e.g. medical, café, pharmacy etc.). The 6,000 sq.m component of the site fronting Hale Road is an edge of centre location with high levels of exposure and, as such, is envisaged to accommodate a relatively limited amount of showroom retail.

Whilst the land use mix is indicative and a guide for further investigations by the City, it is the current expectation for the site and was the adopted land use mix for the impact test presented in the Land

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Use Assessment. It would be inappropriate to explore the potential impact of all possible development outcomes on the activity centre hierarchy and such an approach would be inconsistent with comparable scheme and structure planning amendments within Western Australia.

The two submissions contain concerns and assertions regarding the inconsistency of the proposed amendment with the City's Activity Centres Strategy and SPP 4.2, with these assertions largely premised on the potential rather than expected development outcomes for the subject site. Responses are appended to this letter to help to inform decision making.

Overall, it is our view that the submissions' concerns do not influence the assessment findings and conclusions which demonstrate that proposed amendment is expected to deliver a significant range of direct and demonstrable benefits for the community whilst maintaining a sustainable existing and planned activity centre hierarchy.

We would be happy to expand on any of the comments contained in this response and thank you again for the ability to prepare this letter.

Kind regards,

A handwritten signature in blue ink, appearing to read "Tim Connoley".

Tim Connoley
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APPENDIX A: SUBMISSION RESPONSES

LAND USE MIX CERTAINTY

Submission Comments

- Element suggests that '...the immediate concern with SA109 is that there is no certainty provided that Option A will proceed. The land parcel has a significant developable area and despite the concept plan, could easily accommodate a development which exceeds the areas stipulated as part of the Land Use Assessment' (p.2 – Hawaiian).
- The submissions further note that the impact test should have considered all four development scenarios noted within the Land Use Assessment (p.2 – Hawaiian).

Urbis Response

- A key driver of the Land Use Assessment was the need to accommodate approximately 2,950 sq.m of community use space. To support the success of this community space, the land use assessment explored what uses could best be co-located and Integrated with these community uses and provide a strong return on investment, enhance community benefit and represent the highest and best use of the land.
- Based on a detailed review of site development opportunities with the City, a development mix consisting of an integrated health / community hub and separate showroom development fronting Hale Road was identified as the most optimal development outcome from the perspectives of market demand, tenant attraction, competition, financial return and site suitability.
- Whilst the recommended land use mix (Option A) is indicative and a guide for further investigations by the City, it is the current expectation for the site. As such, it was the adopted land use mix for the impact test presented in the Land Use Assessment.
- The alternative options noted in the Land Use Assessment were not recommended given 'the relatively lower market viability expectations and potential impacts on stakeholders' (p.40).
- It would be inappropriate to explore the potential impact of all development options noted in the Land Use Assessment report (and other outcomes not considered) on the activity centre hierarchy. This approach would be inconsistent with comparable scheme and structure planning amendments within Western Australia. It would additionally set a precedent that would require proponents to explore (in detail) a large range of outcomes that are not intended nor expected to be developed.
- Furthermore, as noted by Element, '...a Development Application would still need to justify an increase in commercial space...' (p.2). As such, there are subsequent opportunities to understand impact on the activity centre hierarchy if the land use mix departs significantly from the proposed mix of an integrated community / health hub and showroom retail (to a mix that is considered to have a more significant and direct influence on the sustainability of the hierarchy).

ACTIVITY CENTRE STRATEGY CONSIDERATIONS

Submission Comments

- Element note that the City's Activity Centre Strategy (ACS) predicts a 2036 timeframe to achieve 17,000 to 20,000 sq.m of retail floorspace (compared to 12,956 sq.m currently).



- Element assert that this ‘...retail cap is already considered to be restricted given the extent of the District Centre zone’ (p. 2 – Hawaiian).
- The submission on behalf of Hyde Park Management notes that the ACS did not anticipate nor suggest expansion of the District Centre zone to accommodate the floorspace growth suggested for the centre. As such, Element assert that the amendment is inconsistent with the ACS (p.2. – Hawaiian).
- The submission on behalf of Perron Group notes that the amendment and land use mix recommended for the site (Option A) ‘...will enable a rapid expansion of the activity centre to at least 19,856m²...much earlier than anticipated or planned for’ (p.2 – Perron).

Urbis Response

- The City’s ACS projects potential retail floorspace rather than applies a cap for the district centre. As such, it should not be viewed as an upper bound for retail floorspace within the activity centre.
- Nonetheless, the current and projected floorspace estimates noted by the submissions and the ACS are ‘Shop Retail’ and do not include bulky goods retail and non-retail floorspace. As such, the indicative land use mix is anticipated to only increase Shop Retail uses by 500 sq.m – compared to the assertion of 6,900 sq.m within the submission prepared for Perron Group.
- As such, the amendment is expected to facilitate a minor increase in Shop Retail uses compared to the growth anticipated and facilitated by the ACS.

SPP 4.2 CONSIDERATIONS

Submission Comments

- The submissions note that the preferred land use option ‘...doesn’t meet the major development threshold...’ as defined by the draft SPP 4.2 Activity Centres Policy (p.5 – Hawaiian). Both submissions however assert that – given the potential development opportunities for the subject site – it should be assessed as a major development.

Urbis Response

- As noted above, it would set a potentially prohibitive precedent to require consideration of the range of development outcomes that could be facilitated by the rezoning – especially given the development application stage provides another opportunity to consider the activity centre hierarchy impacts (if a subsequent development application is defined as a major development then this may trigger the need for precinct planning as per the draft SPP 4.2).