URBIS

RESIDENTIAL AND RETAIL MARKET DEMAND ASSESSMENT

Planning Proposal:

Rowan Village – 7066 Holbrooke Road, Rowan

Sunnyside – 456 Plumpton Road, Rowan

Prepared for DevCore Property Group Pty Ltd

December 2023

COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION

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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.

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EXECUTIVE SUMMARY

PROJECT BACKGROUND

Rowan Village and Sunnyside (the subject site) are situated in the Wagga Wagga South Growth Area (SGA). The subject site is set to comprise ~2,950 dwellings, comprising ~61% of total SGA dwellings. DevCore and Sunnyside Ventures are looking to rezone the site as part of their planning proposal and requires a:

- Residential market assessment to understand the potential demand and take-up of the proposed development, and
- Retail market assessment to understand the potential demand, mix and scale of a village centre.

This assessment considers demand within the broader context of the Southern Growth Area.

SUBJECT SITE AND PROPOSED DEVELOPMENT

The subject site is positioned on the southern boundary of the Wagga Wagga urban area on predominantly cleared, flat land. The subject site is largely bounded by rural land, except for the large lifestyle residential lots to the north.

The subject site is somewhat removed from the township, located around 7.5 km south of Wagga Wagga Town Centre and 6.1 km south-east of Southcity Shopping Centre. However, most amenities and services are still within a 10-15 minute drive from the subject site and so, within a regional town where private vehicles are the main mode of transport, this is unlikely to be a significant disadvantage.

RESIDENTIAL MARKET ASSESSMENT

Wagga Wagga is a growing regional market in which the COVID-19 pandemic has catalysed the growth of remote working and, in turn, growth of people relocating to regional areas. Wagga Wagga is a relatively higher socio-economic area, relative to the regional NSW benchmark, which is reflected in the house and land market.

Key residential drivers, such as major shopping centres, hospitals, schools and employment precincts, have supported the local housing market. Overall, the region has averaged around 360 lot sales transactions per year, peaking at 515 lot sales in 2017. Lot sales volumes have since slowed due to a shortage in supply, evident in the significant price growth over this period, very low vacancy rates and rental growth.

The LSPS sets a long-term target to reach up to 100,000 residents, which requires an additional 14,000 homes. Whilst there is no firm target date to when Council will reach a population of 100,000, what is evident is that the registration of lots and the production of dwellings needs to significantly increase per annum.

To note, this population target is a growth vision that may extend beyond 2040. Supporting an eventual population of this magnitude requires the sufficient delivery of appropriate infrastructure and services and the planning for this must commence now. Underpinned by an infrastructure delivery framework, the subject site plays a catalytic role in contributing dwellings over the short-term that will enable the LGA to support its ultimate population target without compromising the medium to long term housing supply that will be provided within other growth areas.

Key findings and recommendations supporting residential lots at the subject site are as follows:

- Based on population targets and competition in the market, the SGA could achieve a market share of 60% in 2025, declining to 35% by 2040 as longer term supply comes online. This equates to potential demand for ~4, 810 dwellings within the SGA by 2040.
- Given the current lack of infrastructure delivery planning in Zones 2-4, it is unlikely that these zones will be able to deliver dwellings in the short-term.
- The subject site's ability to address this is underpinned by an infrastructure delivery framework that will enable it to achieve a 90% market share of SGA demand from 2025, declining to 65% by 2036, as future projects within the SGA come online.
- This results in demand at the subject site of ~250 lots per year over a 12-year delivery period.

EXECUTIVE SUMMARY

- **Mix:** We anticipate demand will be higher for smaller lots and therefore the majority of lots should be around 450 sq.m to 1,500 sq.m. There is limited historical take-up of lots more than 7,000 sq.m and affordability constraints may reduce the depth of the market for these lots.
- **Buyer Mix:** We anticipate most buyers would be first home buyers (particularly families), followed by downsizers and relocating Sydney residents.
- **Prices:** Indicative sales prices for various lot sizes in 2023 have been estimated based on recent sales in Wagga Wagga (see table below), which are an attractive alternative to buyers. Land prices have recorded strong growth in the market as a result of strong demand and constrained supply.

Lot Typology	Indicative Price Range (2022)
600 sq.m – 700 sq.m	$230,000 - $270,000
700 sq.m – 800 sq.m	$270,000 - $310,000
850 sq.m – 1,200 sq.m	$320,000 - $350,000
1,400 sq.m – 2,000 sq.m	$360,000 - $410,000

Source: Urbis

RETAIL ASSESSMENT

The trade area population is estimated to grow from ~15,610 residents in 2021 to ~30,000 residents by 2046. Retail spending is projected to grow from $290.3 million in 2025 to $721.6 million by 2045.

There is limited provision of retail floorspace within the trade area, indicating a potential gap in the market. Key competitive centres are predominantly situated to the north, including Southcity Shopping Centre, Sturt Mall and Wagga Wagga Marketplace. Southcity Shopping Centre has received development approval for a ~7,500 sq.m expansion, set to comprise a new Target, a mini major and ~1,679 sq.m of specialty stores.

An assessment of retail floorspace demand indicates that the trade area can generate demand for around 30,150 sq.m of retail floorspace in 2025, which is estimated to grow to 58,580 sq.m by 2045.

Based on a market share approach that considers the subject site's location, accessibility and competitive environment, the subject site could support approximately ~5,360 sq.m of retail floorspace by 2045. One consolidated retail centre, anchored by a supermarket, could be supported by a smaller, secondary cluster of neighbourhood shops.

Given the lack of retail within the trade area, the subject site is well placed to provide a strong specialty mix, creating a holistic offering for SGA residents to fulfill their convenience shopping needs.

	Supportable Floorspace (sq.m)	
	2025	2045
Supermarket	930	3,870
Liquor	40	190
Food Catering	140	490
Household Goods	120	400
Leisure/General	60	190
Retail Services	70	220
Total	**1,360**	**5,360**
Non-Retail	240	950
Grand Total	**1,600**	**6,310**

Source: Urbis

INTRODUCTION

INTRODUCTION

Introduction

Rowan Village (7066 Holbrook Road, Rowan) and Sunnyside (456 Plumpton Road, Rowan) are situated in the Wagga Wagga South Growth Area (SGA). Rowan Village is estimated to deliver around 2,270 residential lots while Sunnyside is proposed to deliver a further ~680 dwellings. DevCore and Sunnyside Ventures are looking to rezone the site as part of their planning proposal. Urbis have been engaged to assess the market potential for residential and retail land uses.

The residential assessment includes the following:

- Identifying and assessing key drivers of housing demand relevant to the subject site
- Analysis of demographic profile of the Study Area
- Assessment of historical supply and profiling of greenfield developments relevant to the subject site
- Reviewing historical take-up of lots and the potential market absorption of the subject site development within the context of the SGA and in conjunction with the forecast growth and planning strategies set by Wagga Wagga City Council
- Informed recommendations on lot size mix, achievable price ranges and achievable take-up rates, based on the market analysis.

The retail assessment includes the following:

- Analysis of the trade area population and spending growth
- Analysis of demographic profile of the trade area
- Assessment of key existing and proposed competitive centres relevant to the subject site development
- Analysis of the potential retail floorspace demand within the trade area
- Informed recommendations on the supportable retail floorspace and indicative mix, based on the market analysis.

Key Findings

The Wagga Wagga Local Strategic Planning Statement (LSPS) establishes a 20-year framework for the city's land use planning. The LSPS aims to ensure that as the population grows to 100,000 residents, new houses, transport networks, infrastructure and services are developed sustainably.

The LSPS estimates that in 2020, the LGA accommodated a population of around 68,562 residents. To reach the long-term target of up to 100,000 residents, the LSPS estimates that an additional 14,000 homes are required. Whilst there is no firm target date to when Council will reach a population of 100,000, what is evident is that the registration of lots and the production of dwellings needs to significantly increase per annum.

As outlined in Figure 1, overleaf, this is proposed to be achieved by focusing residential development in:

- **Infill and urban renewal areas:** 4,000 new homes in Tolland, Kooringal and Ashmont to the south of the CBD, where there is a concentration of public land ownership.
- **Current urban release areas:** 2,600 new dwellings in Lloyd, Estella, Boorooma and Gobbagombalin (~8 years of housing supply).
- **Greenfield development:** 6,080 new homes in the Northern Growth Area (NGA), leveraging off proximity to job opportunities in Wagga SAP and CSU campus.

However, based on reviews and analysis undertaken by the Proponent and Urbis, **the NGA and existing urban release areas are unlikely to contribute meaningfully, and with the necessary impact, to dwelling supply as originally envisaged in the LSPS by 2040.**

We understand that the NGA will not be in a position to have land available for purchase by the market for a 5-6 year period. The NGA consists of circa 20 landowners and the area is a council-led rezoning with no current developer funding planning proposals. Fragmented ownership in the NGA and existing urban release areas is likely to mean the timely provision of shovel-ready lot supply will be uncertain.

The Proponent is also aware that landowners have already reached high land value expectations, indicating that future supply is not guaranteed, and future prices will be high to cover the englobo land sale price expectations.

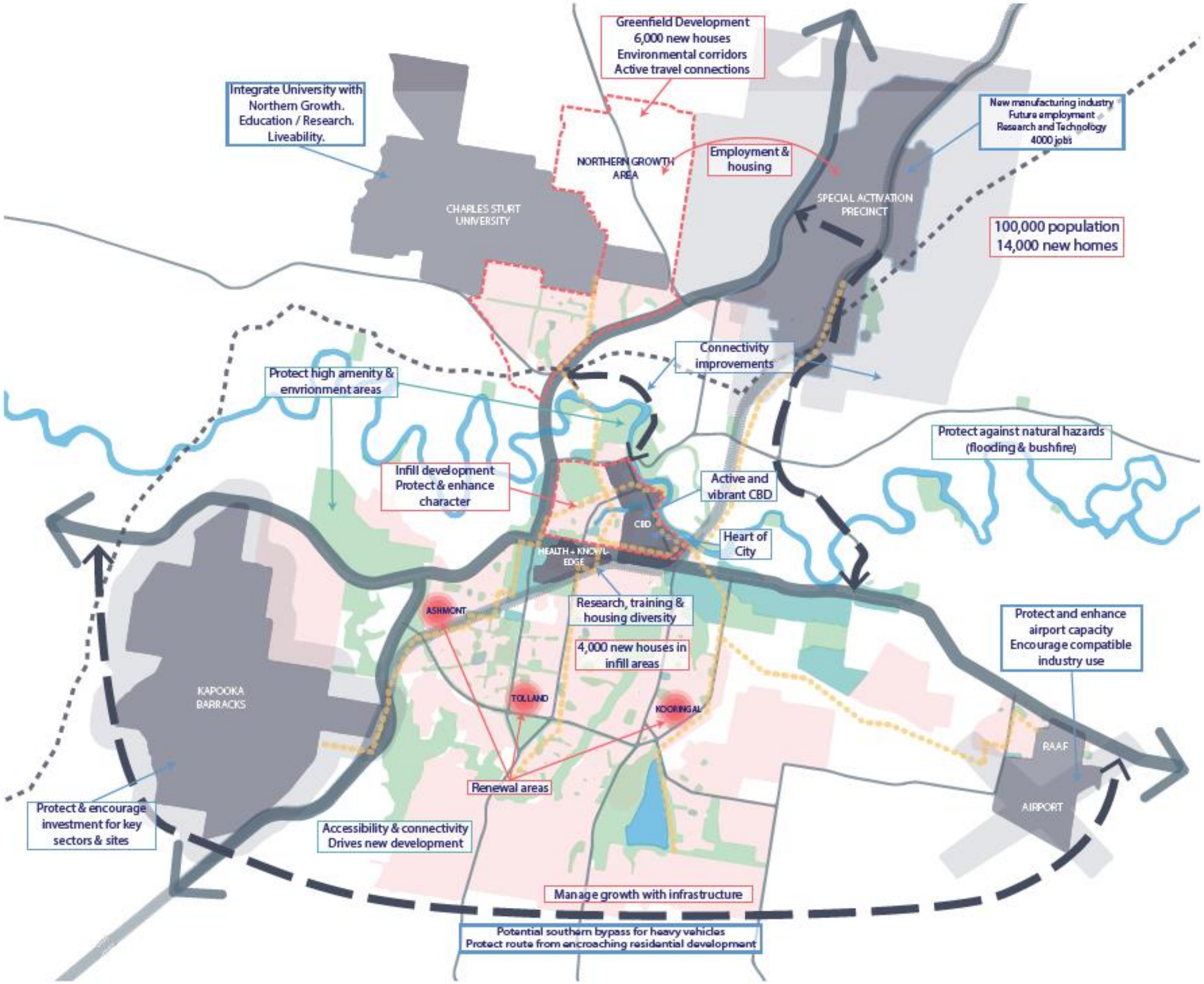
To note, the target population of 100,000 residents by 2040 is a **growth vision** that may extend beyond 2040. Supporting an eventual population of this magnitude requires the sufficient delivery of appropriate infrastructure and services and the planning for this must commence now. While the identified growth areas have the **capacity** to deliver ~12,680 additional dwellings, uncertainty around the availability of infrastructure-ready land will likely result in delays to the delivery of shovel-ready dwellings in these areas. This is highlighted in the actual number of dwellings that have been delivered in the three years since the LSPS was prepared. To make a meaningful contribution towards the ambition to become a city that could accommodate a population of 100,000, there is a need to unlock service-ready land (or land that has a commitment to infrastructure fundings and delivery), and that is not compromised by land fragmentation.

The subject site development is underpinned by an infrastructure delivery framework that solidifies the ability to deliver ~250 dwellings annually over the short-term. The subject site plays a catalytic role in contributing dwellings to Wagga Wagga that will enable the LGA to support the ultimate population target of 100,000 people, whilst not compromising the medium to long term housing supply that will be provided within the NGA.

The LSPS aims to develop a 15-minute city by developing new suburbs where 15-minute travel to the CBD is still achievable. The Southern Growth Area is located at the southern boundary of Wagga Wagga City Core and within the 15-minute city catchment. The subject site, situated within the SGA, is well placed to deliver much-needed additional housing to the LGA over the short-term, given its consolidated landholding. The SGA has the potential to deliver over 4,700 dwellings, of which the subject site accounts for ~2,950 dwellings, assisting Council to meet the existing undersupply of dwellings.

WAGGA WAGGA LSPS RESIDENTIAL GROWTH AREAS

Wagga Wagga LSPS Identified Residential Growth Areas Figure 1



WAGGA WAGGA SOUTHERN GROWTH AREA

Key Findings

As shown in Figure 2, the Wagga Wagga Southern Growth Area (SGA) is comprised of four zones, situated ~6km south of the Wagga Wagga Town Centre.

Zone 1 is comprised of the Rowan Village and Sunnyside sites, which is anticipated to be the first zone where development will occur.

Zones 2 and 3, known as Springvale, will likely comprise more fragmented infill development, given the larger number of landholders within the zones.

Zone 4 is known as the Gregadoo development parcel. Several development applications have been lodged in the area, although total quantum of lots to delivered will only account for 2.5% of total SGA yield.

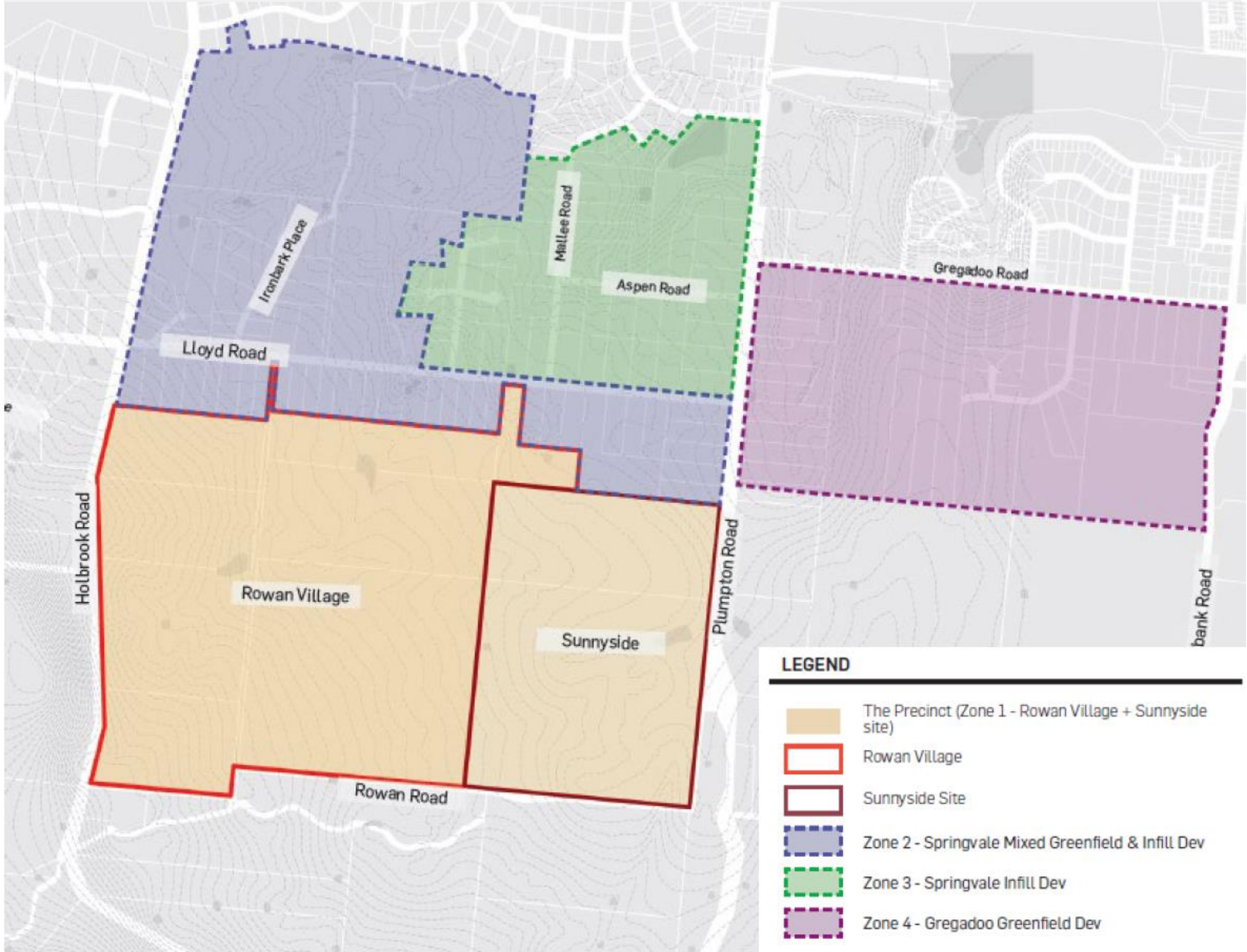
The anticipated yields for the SGA Zones are:

- **Zone 1:** 2,900 dwellings
- **Zone 2:** 1,000 dwellings at an average of 600 sq.m per lot
- **Zone 3:** 750 dwellings at an average of 600 sq.m per lot
- **Zone 4:** 120 dwellings as per existing development approvals.

With the potential to deliver over 4,750 dwellings, the SGA is well placed to assist Council meet its current housing supply shortage and achieve its 2040 population target.

Wagga Wagga Southern Growth Area

Figure 2



PROPOSED DEVELOPMENT

Key Findings

The subject site is on the southern boundary of the Wagga Wagga urban area, approximately 7.5 km south of the Wagga Wagga town centre and 5 km south-east of Southcity Shopping Centre.

Figure 2, overleaf, illustrates the proposed structure plan, which is set to feature residential lots, a village centre and seniors living, connected by a network of roads. The subject site is set to provide around 43.74 hectares of open space, particularly along the creek lines.

The subject site currently comprises cleared, flat land with a number of dams and creeks. It is bounded by:

- Land zoned R5 Large Lot Residential to the north, currently comprising of large, rural-living and lifestyle lots.
- RU1 Primary Production zoned land to the east, south and west, currently used as agricultural and rural-living land.

The proposed development will encompass the delivery of a diverse mix of low-density residential housing typologies, comprising:

- **Neighbourhood residential lots:** a range of suitable low density residential lots close to open space and riparian corridors.
- **Village residential lots:** these lots will leverage off proximity to the local centre and its associated amenities.
- **Rural transition residential lots:** located along the southern boundary of the site, these lots will be the largest residential lot typology.
- **Seniors living:** located adjacent to the collector road, the village centre and the local open space to take advantage of the high amenity and accessibility.

Subject Site Proposed Yields

Table 1

Housing Type	Area (ha)	Yield
Rowan Village		
Neighbourhood residential lots	56.83	947
Village residential lots	42.40	1,105
Rural transition residential lots	26.33	34
Seniors living	7.52	188
Total Rowan Village	**133.08**	**2,274**
Sunnyside		
Residential lots	**35.12**	680
Total Subject Site	**168.2**	**2,954**

Source: Urbis

INDICATIVE STRUCTURE PLAN

Precinct Indicative Structure Plan Figure 2

Source: Urbis

1. RESIDENTIAL ASSESSMENT

1.1. SITE CONTEXT AND RESIDENTIAL DEMAND DRIVERS

DRIVERS OF RESIDENTIAL DEMAND

Key Findings

There are five key drivers of residential housing demand relevant to the proposed development.

Table 1.1.1 provides a brief description of these drivers and the implications for the subject site. As shown in the table below, the subject site is in a quiet surrounding location, however is slightly removed from the main township.

Map 1.1.1 illustrates the location of the subject site within the local area and highlights the key surrounding land uses, services and amenity. Overall, Wagga Wagga provides a high level of amenity including schools, hospitals and retail which makes it an attractive place to live.

- Attractive Views and Surrounding
- Access to Amenities and Services
- Transport Accessibility and Infrastructure
- Employment Opportunities
- Availability of Choice/ Competing Supply

Key Demand Drivers for Residential Development

Table 1.1.1

Factors	Components	Implications for the Subject Site
1. Attractive Views and Surrounding		
A good outlook that includes views of the surrounding region, and northernly aspects that maximise light and climate benefits, increase demand and price point.	✓ Quiet Neighbourhood ✓ North Aspects ✓ Views	The subject site is in a fairly quiet location on the southern outskirts of Wagga Wagga, away from major roads, industrial precincts and residential areas. Relatively flat terrain with slight escarpment views to the north and rural surrounds.

DRIVERS OF RESIDENTIAL DEMAND

Key Demand Drivers for Residential Development Table 1.1.1

Factors	Components	Implications for the Subject Site
2. Amenities and Services		
Locations that have easy access to shops, public transport, parks, entertainment and dining options, medical facilities and school will be highly demanded as residential locations. These factors remain high on the priority lists of those looking to rent or buy.	✓ Shops, Cafes/ Restaurants ✓ Open Space/ Recreational Space ✓ Schools ✓ University/TAFE ✓ Health Services	• Southcity Shopping Centre in Glenfield Park is around 6km north of the subject site, which features Coles, The Reject Shop and 14 specialty retailers. • Wagga Wagga town centre is around 10km north of the subject site and is home to two shopping centres and Baylis Street retail strip. • Charles Sturt University, Wagga Wagga Campus is within a 15 minute drive of the site. • Schools feature prominently in Wagga Wagga with a mix of public and private schools including Lake Albert Public School, Lutheran School, Red Hill Public School, Mount Austin High School and Saint Mary Mackillop College Wagga Wagga. • Wagga Wagga Country Club, Wagga Wagga Boat Club, Jubilee Park and Wiradjuri Walking Track provide recreational amenity to the area. The City of Wagga Wagga Botanic Gardens is also located around 7km north of the subject site. • Wagga Wagga Showground is an 8 minute drive from the subject, which hosts numerous outdoor events including equestrian events (including the annual Wagga Show), stud sales, children's activities and home and leisure shows. • Wagga Wagga Base Hospital and Calvary Riverina Hospital are the two main hospitals that service the region. They are both within a 10 minute drive from the subject site.
3. Transport Accessibility		
Access to good public transport and road infrastructure are important to potential purchasers and renters. Particularly, linkages to local amenity. Future infrastructure projects can revitalise areas, improve connectivity and linkages, create new jobs and reshape the existing community.	✓ Main Roads x Train x Bus	• Travelling by car is the primary transport option for local residents. The subject site is around a 15 minute drive to Charles Sturt University at the northern boundary of Wagga Wagga. It is around a 12 minute drive from the east to west boundaries, along Sturt Highway. Other major roads in Wagga Wagga include Olympic Highway, Holbrook Road, Red Hill Road and Lake Albert Road. • Wagga Wagga Train Station and Bus Interchange are located 10.4km north of the subject site. The station provides regional train services to Sydney, via Goulburn, and Melbourne, via Albury and Wangaratta. The bus interchange provides regional bus services to Canberra and Queanbeyan via Cootamundra and Yass. The subject site's location is inferior to competing developments, which are generally located closer to the station. • Existing bus routes are available between Wagga Wagga Stations and: Lake Albert via Turvey Park, Glenfield Park via Ashmont, Forest Hill via Gumly Gumly and Charles Sturt University via Gobbagombalin.

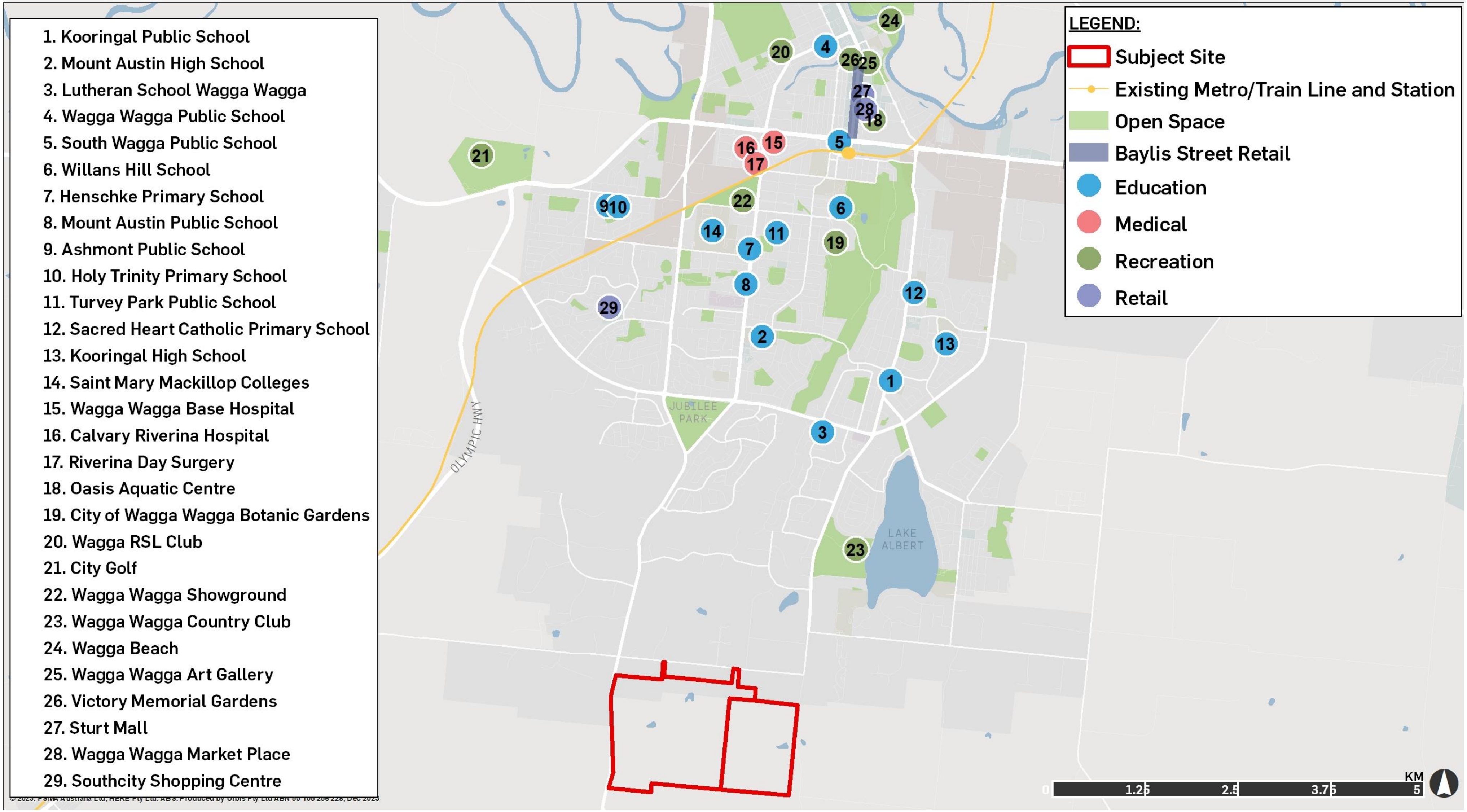
DRIVERS OF RESIDENTIAL DEMAND

Key Demand Drivers for Residential Development — Table 1.1.1

Factors	Components	Implications for the Subject Site
4. Employment Opportunities		
Residents often prefer to live close to work, enabling them to minimise travel times and improve work/life balance.	✓ Local jobs	• The $431 million **Wagga Wagga Base Hospital redevelopment** completed its third and final stage of construction in 2021, boosting jobs in health and social assistance, which accounted for 16.3% of jobs in the Wagga Wagga LGA in the 2016 Census. • The **Wagga Wagga Special Activation Precinct** (SAP) will be a high-value production and advanced manufacturing hub, focused around the Bomen Business Park. The SAP will leverage off the region's existing strengths in agriculture, transport and logistics to support economic growth and job opportunities through to 2060. • Strategically located between Sydney and Melbourne, the **Riverina Intermodal Freight and Logistics Hub** (RiFL) will be the largest inland port in Australia. The RiFL will be situated close to Bomen Business Park industrial area, supporting future industrial jobs. • The **Snowy Hydro 2.0** will involve linking two existing dams and the construction of an underground power station, to provide flexible, on-demand renewable energy by 2025. Snowy 2.0 is estimated to create around 4,000 jobs across the life of the project. • **EnergyConnect** will connect power grids across three Australian states and drive competition in the wholesale electricity market. The project will create 1,500 jobs, primarily across regional NSW, with construction anticipated to commence in early 2022.
5. Availability of Choice and Competing Supply		
Competing developments in the residential market provide an indication of market preferences in terms of price points, size, mix and scale of development. The quantum of competing supply, and the quality and location of other apartment developments in the area can influence demand at the Subject Site.	Limited Competing Supply in Market	• There are several competing residential lot developments in Wagga Wagga, particularly in Estella and Gobbagombalin on the north and western boundaries of the Wagga Core. These include The Dress Circle at Estella Rise, Lloyd Estate and Governors Hill, which are profiled in this report. However, the overall supply of land is relatively low with future releases including Sunnyside and Lake Albert Heights. • The subject site provides a unique point of difference to competing developments as it comprises a mix of lot typologies, including rural transition lots, neighbourhood residential lots and village residential lots. • The release of residential lots has been limited in recent years within the Wagga Wagga LGA and largely unable to keep up with demand. Wagga Wagga needs new residential lands to be released in order to keep up with demand and to be able to deliver on Council's growth strategy.

SITE CONTEXT

Locational Context Map 1.1.1



1.2 MIGRATION AND STUDY AREA

MIGRATION ANALYSIS

Key Findings

Map 1.2.1 shows the migration patterns of where current residents (in 2021) of the Wagga Wagga South Statistical Area 2 (SA2) resided in 2016. The map shows the percentage of residents that came from different locations (i.e. of the new residents who moved to a new address in the Wagga Wagga South SA2).

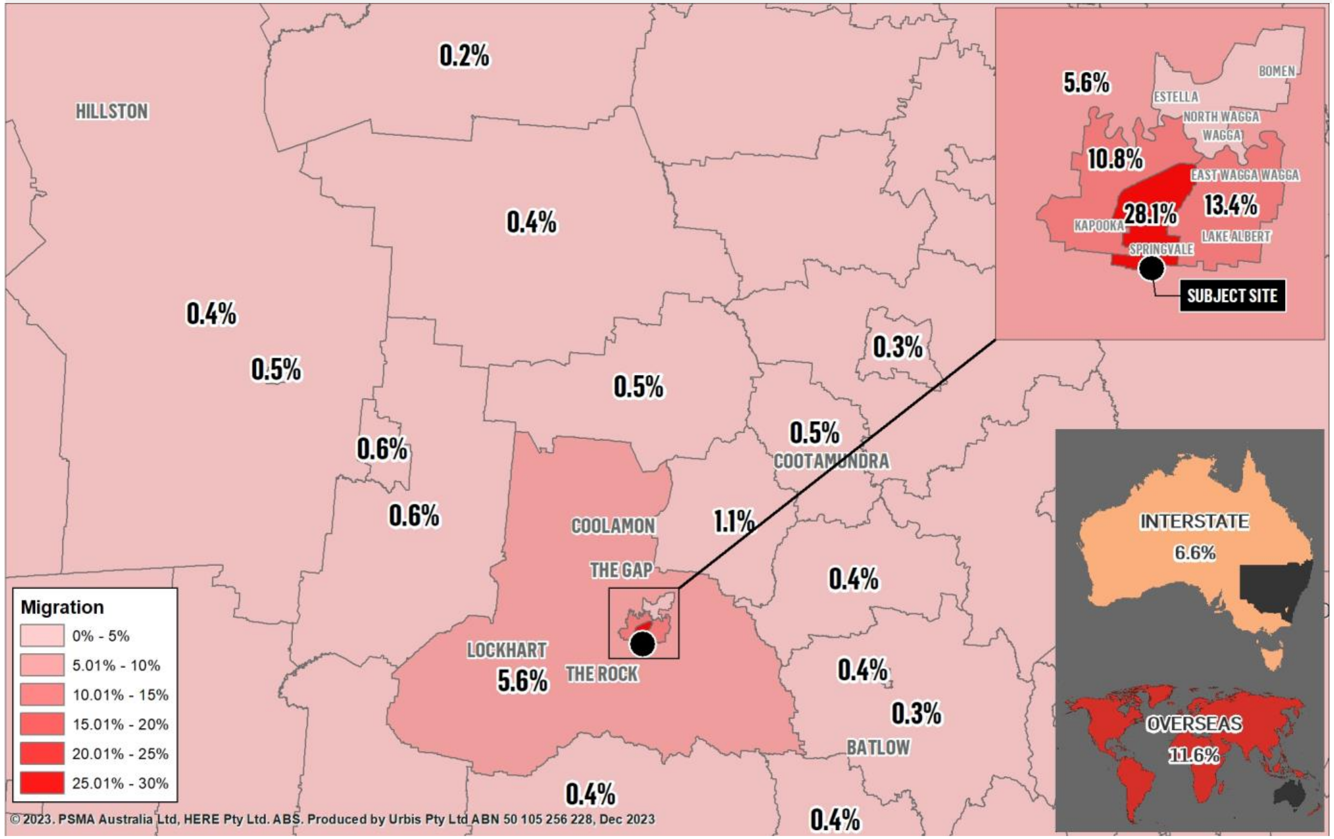
This analysis is used to inform the definition of a relevant Study Area by indicating where people have historically moved from and, therefore, the areas we can draw residential buyers from for Wagga Wagga South.

Key findings comprise:

- Approximately 28.1% of residents who moved to a new address in the Wagga Wagga – South SA2 in 2021 previously resided in another address within the SA2.
- A further 24.2% of residents previously resided in either Wagga Wagga – East or Wagga Wagga – West.
- Overseas migrants also comprise a significant share (11.6%) of new residents in the Wagga Wagga South SA2.
- Overall, residents changing address are typically from the Wagga Wagga area and surrounding regions in Lockhart and Coolamon Shire Councils, together accounting for around 60% of total migration. This indicates that local buyers have been the major driver of the market.

Migration to Wagga Wagga South SA2, 2016 – 2021

Map 1.2.1



STUDY AREA DEFINITION

Key Findings

Map 1.2.2 outlines the Study Area that has been adopted for this residential market assessment. This has been informed by the preceding migration analysis in addition to the buyer profile of recent residential projects in the local region.

Migration trends and buyer characteristics in local projects indicate that the area is attracting a large proportion of residents from within the Wagga Wagga city centre and, to a lesser extent, the Wagga Wagga regional surrounds.

The Primary Study Area captures the established urban areas surrounding the Wagga CBD. It comprises of the following Statistical Area 2's (SA2s):

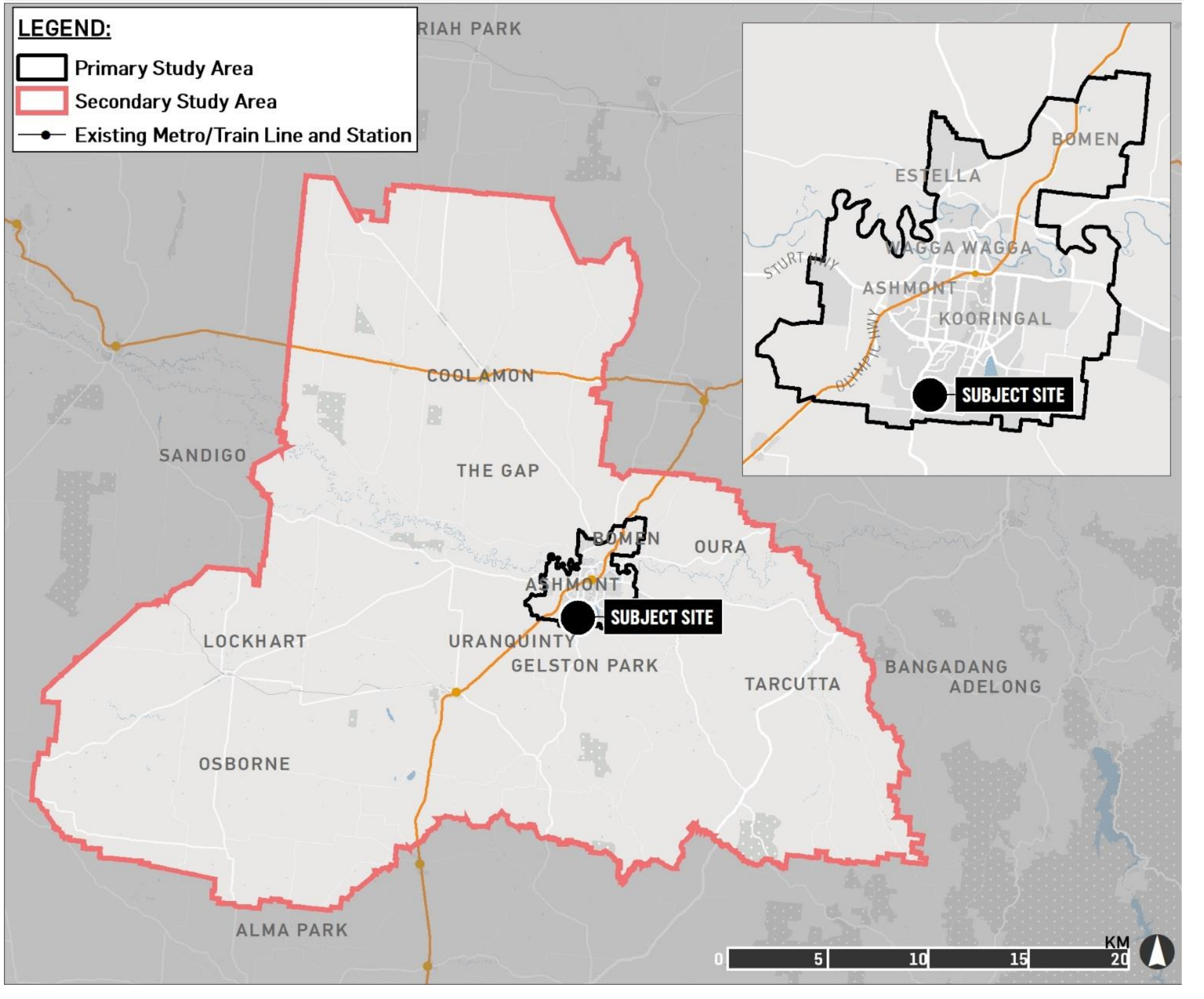
- Wagga Wagga – North
- Wagga Wagga – East
- Wagga Wagga – South
- Wagga Wagga - West

The Secondary Study Area comprises the Wagga Wagga – Surrounds SA2, which captures the remainder of the Wagga LGA, as well as Coolamon LGA and Lockhart LGA.

For the purposes of this report, the "Study Area" refers to the Primary and Secondary Study Areas combined.

Locational Context

Map 1.2.2



1.3 STUDY AREA POPULATION AND DEMOGRAPHICS

HISTORICAL POPULATION GROWTH

Key Findings

Chart 1.3.1 shows that the population in the Study Area has grown from 69,240 in 2013 to 73,430 in 2023 at an average growth rate of 0.6% per annum.

Over the decade to 2023, the Primary Study Area grew by approximately 2,351 residents, equating to an average growth rate of 0.4% per annum. Over the same period, the Secondary Study Area has grown at a faster rate, averaging 1.2% annually. This has largely been attributed to the growth areas of Estella and Gobbagombalin

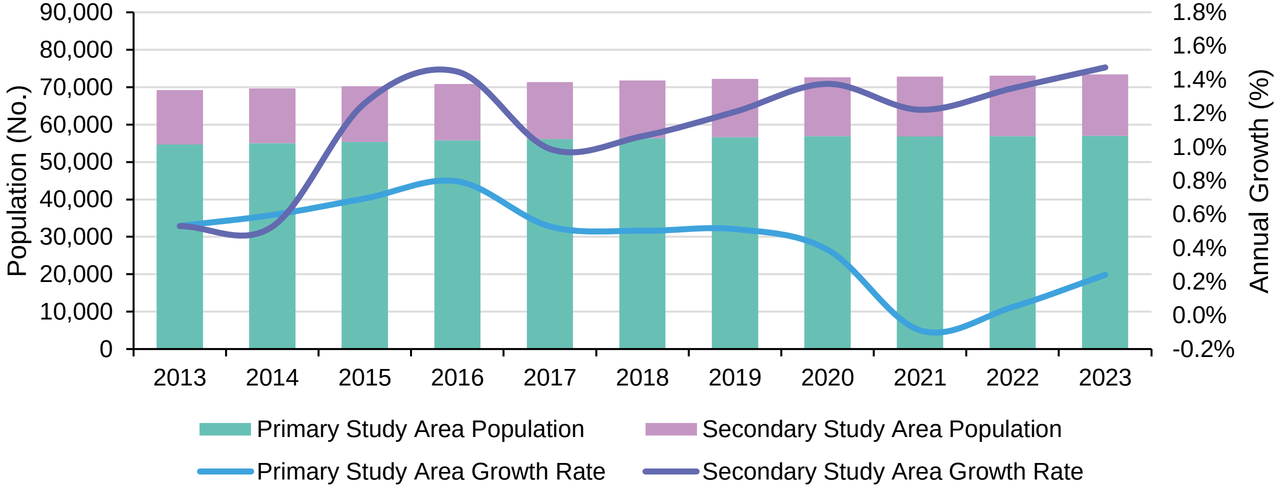
Table 1.3.1 shows the components of population growth within the Study Area. Natural increase accounted for majority of population growth in the Study Area, reflecting the attractiveness of the area to younger families establishing families in Wagga.

Internal migration has been a constraint on population growth, with the Study Area recorded a significant number of residents moving away. The LGA must focus on job creation to retain existing residents.

Prior to 2021, net overseas migration also contributed to a significant proportion of population growth, with migrants typically looking to purchase an affordable home, live in a smaller community and pursue employment opportunities.

With COVID-19 resulting international borders closures, net overseas migration has since declined. However, this is likely to return to pre-COVID levels, with the increase of Metropolitan Sydney residents moving to regional towns looking to purchase more affordable homes and improve quality of life, as remote working trends increase.

Study Area Historic Population Growth, 2013 – 2023 Chart 1.3.1



Source: ABS; Urbis

Study Area Population by Growth Component Table 1.3.1

Year	Natural Increase	Net Internal Migration	Net Overseas Migration	Total
2017	354	-314	404	444
2018	433	-345	356	444
2019	494	-357	338	475
2020	496	-288	227	435
2021	413	-259	-12	142
2022	379	-139	4	244
Average	**428**	**-284**	**220**	**364**

Source: ABS; Urbis

PROJECTED POPULATION GROWTH

Key Findings

The rate and extent of future population growth in the Study Area will have a substantial bearing on future demand for residential dwellings.

Chart 1.3.3 illustrates the historical and forecast population growth within the Study Area. Urbis has compared official DPE population projections for the Wagga Wagga LGA to population targets outlined within the Wagga Wagga LSPS.

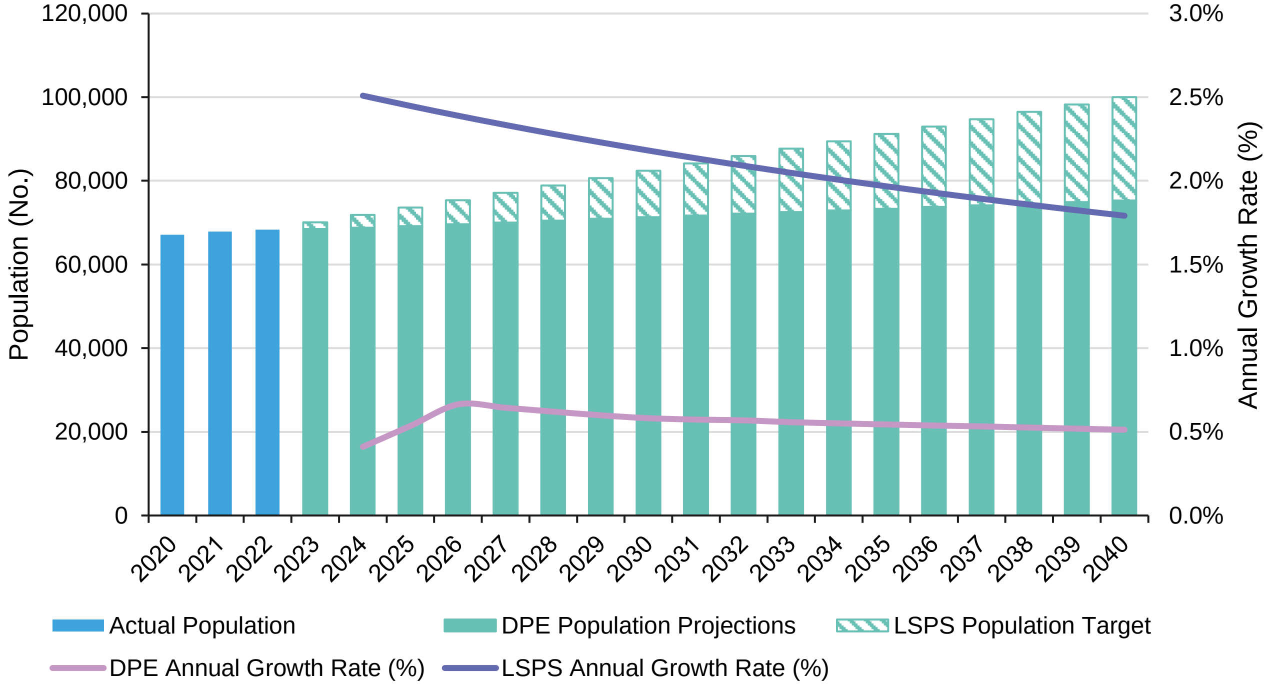
According to official DPE projections, the LGA is estimated to experience slow population growth between 2022 and 2040, averaging 0.5% per annum. This equates to an additional ~7,000 residents during this period.

Between 2022 and 2040, to impactfully contribute towards becoming a City that can accommodate 100,000 residents, the LGA must position itself so that it can support a potentially larger average growth rate, which is anticipated given the investment in employment opportunities within the LGA and broader region. With an increased growth rate, comes the need for additional dwellings. If there are servicing blockages in planned growth areas, alternative ‘contingency areas’ need to be appropriately considered.

To support stronger population growth and achieve Council’s target, a significant release of new land is required. The subject site and the broader SGA are well placed to help accommodate some of this demand and assist Council to reach its growth target.

Wagga Wagga has the potential to follow a similar growth trajectory as the Albury-Wodonga region, which has grown at an average 1.5% per annum since 2012 to 100,360 people in 2022. The region’s ongoing campaign, Invest Albury Wodonga, highlights the strength and maturity of the region to attract investment and support business relocation into the region, helping attract employees and residents.

Wagga Wagga LGA Population Comparison, 2020 – 2040 Chart 1.3.2



Source: ABS; DPE; Wagga Wagga Council; Urbis

PROJECTED POPULATION GROWTH BY AGE

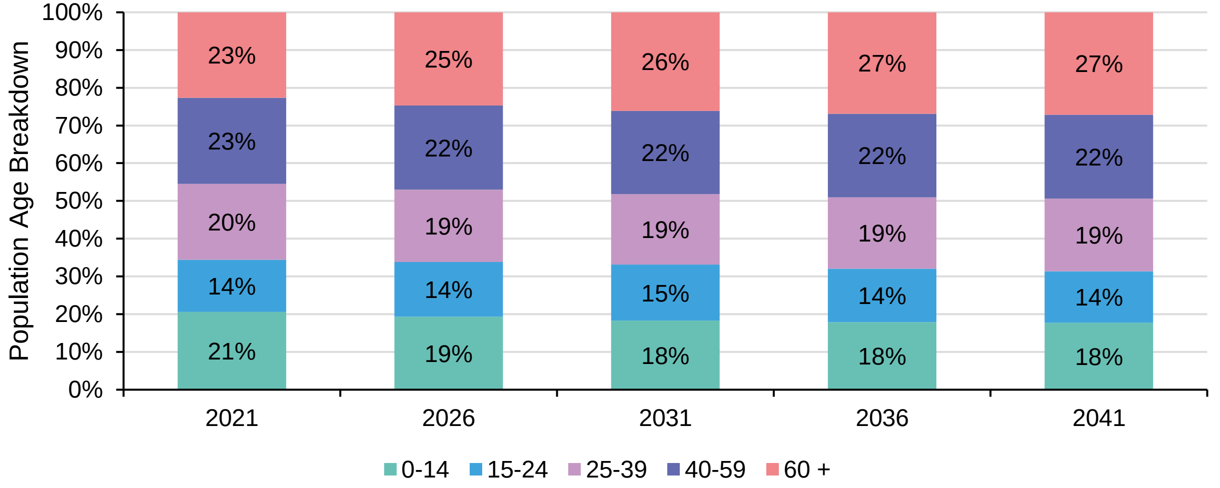
Key Findings

Chart 1.3.3 shows the projected age distribution within the Study Area from 2021 to 2041. The proportion of residents aged 60 and above is forecast to increase from 22% in 2021 to 27% by 2041, while the proportion of all other age groups are anticipated to remain the same or decline.

This highlights the potential for Rowan Village to provide seniors living dwellings to cater for retirees and downsizers.

Study Area Population Growth by Age, 2021 – 2041

Chart 1.3.3



Source: ABS; Urbis

HOUSEHOLD GROWTH

Key Findings

The proportion of couple families with children in the Study Area is projected to decline from 32% to 30% between 2021 to 2041. Single parent families are projected to remain constant at 9%.

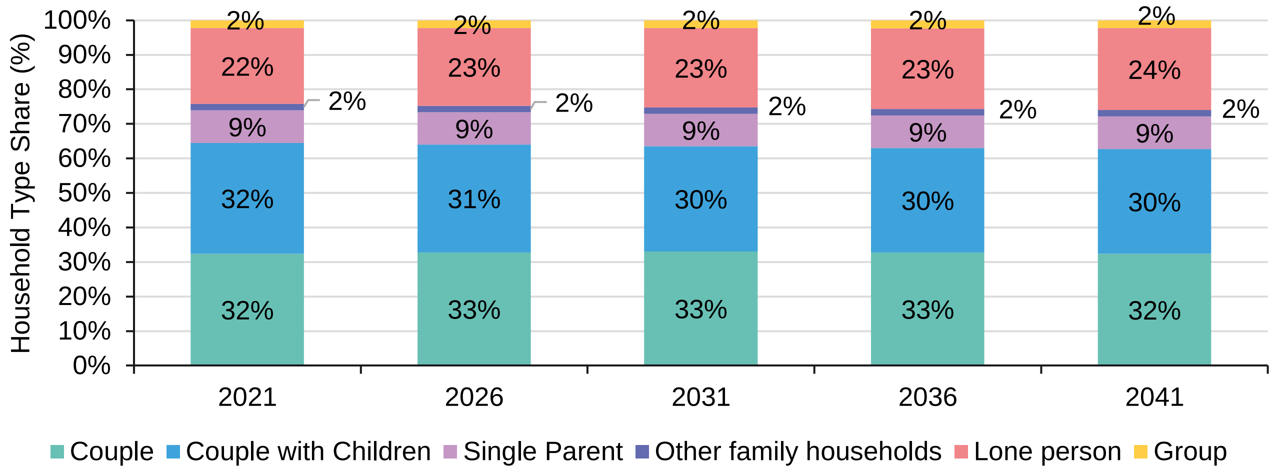
There is projected to be an increase in the proportion of lone person households from 22% to 24%, likely reflecting the ageing population in Wagga Wagga. This will increase the demand for smaller households as residents look to downsize.

The proportion of couples is expected to remain strong at 32%, contributing to demand for new houses as they look to purchase their first home.

The average household size within all three LGAs that comprise the Total Study Area are projected to decline between 2021 and 2041. This includes a fall from 2.40 to 2.37 in Wagga Wagga LGA, which largely comprises the Primary Study Area. The decline reflects the ageing population and indicates there is potential for some smaller product to meet the needs of downsizers and smaller households.

Household Projections, 2016 – 2036

Chart 1.3.4



Source: NSW Department of Planning, Industry and Environment; Urbis

Household Size Projections, 2021 – 2041

Table 1.3.2

LGA	2021	2026	2031	2036	2041
Wagga Wagga	2.40	2.39	2.37	2.37	2.37
Lockhart Shire Council	2.49	2.52	2.52	2.50	2.49
Junee Shire Council	2.45	2.40	2.36	2.32	2.30

Source: NSW Department of Planning, Industry and Environment; Urbis

DEMOGRAPHIC CHARACTERISTICS

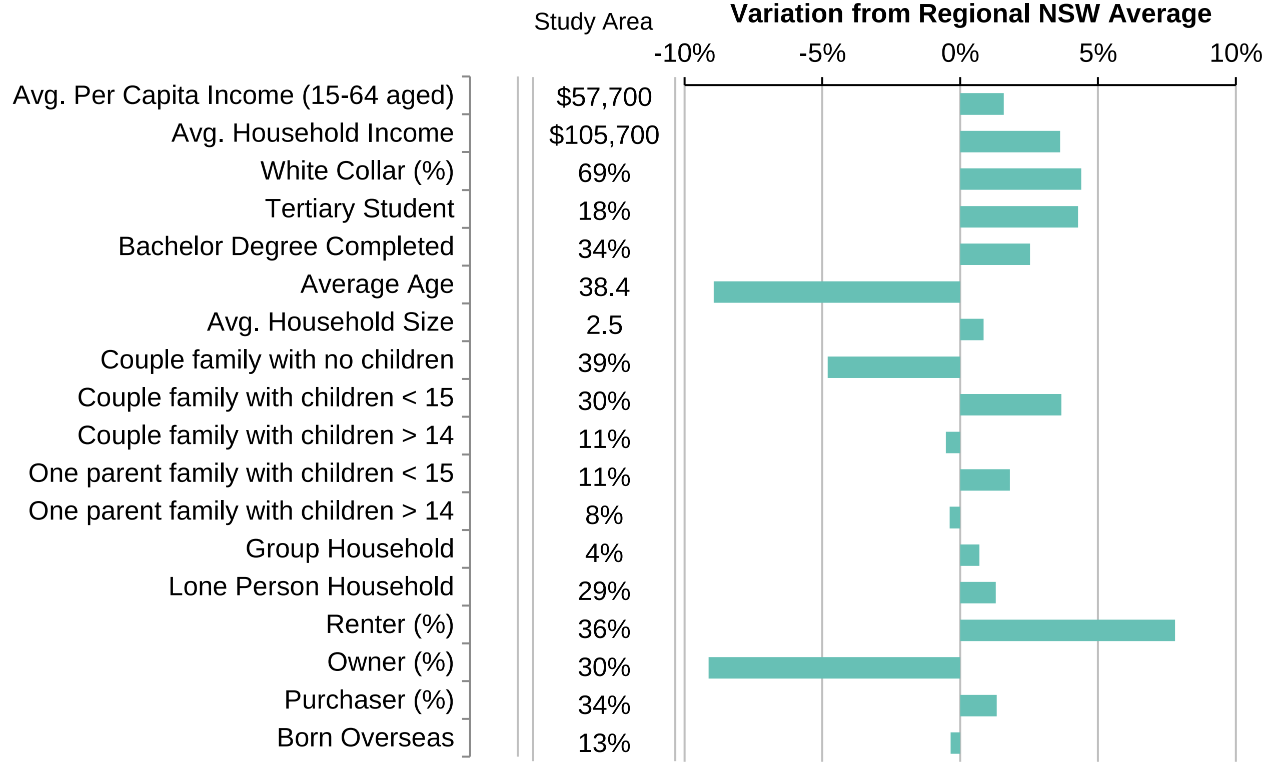
Key Findings

Chart 1.3.5 provides a summary of the key demographic characteristics of the Primary Study Area population compared to the Regional NSW average. This is based on 2021 Census data and illustrates the differing characteristics of residents.

The Primary Study Area population in 2021 was characterised by:

- Personal and household incomes are around 3% above the Regional NSW average, indicating higher disposable income levels for individuals to purchase land.
- A relatively higher proportion of white collar workers (+3% above the Regional NSW average)
- A relatively higher proportion of single parent and couple families with children under 15, indicating demand to purchase a first family home or upsize.
- Around 36% of households are renters, 8% above the Regional NSW average, indicating demand from investors.

Key Demographic Characteristics, Primary Study Area (2021) Chart 1.3.5



Source: ABS, Urbis

1.4 RESIDENTIAL SUPPLY ANALYSIS

EXISTING RESIDENTIAL SUPPLY

Key Findings

This section provides an assessment of the existing and proposed supply of residential dwellings in the Study Area.

As illustrated in Chart 1.4.1, new dwelling approvals in the Study Area have historically been dominated by detached house developments, accounting for an average 85% of total approvals.

The Study Area has sustained moderate levels of dwelling approval activity since FY14. Approvals have generally remained above the 10-year average of 365 approvals per year. Separate houses have accounted for an average of ~310 approvals per year over the 10-year period.

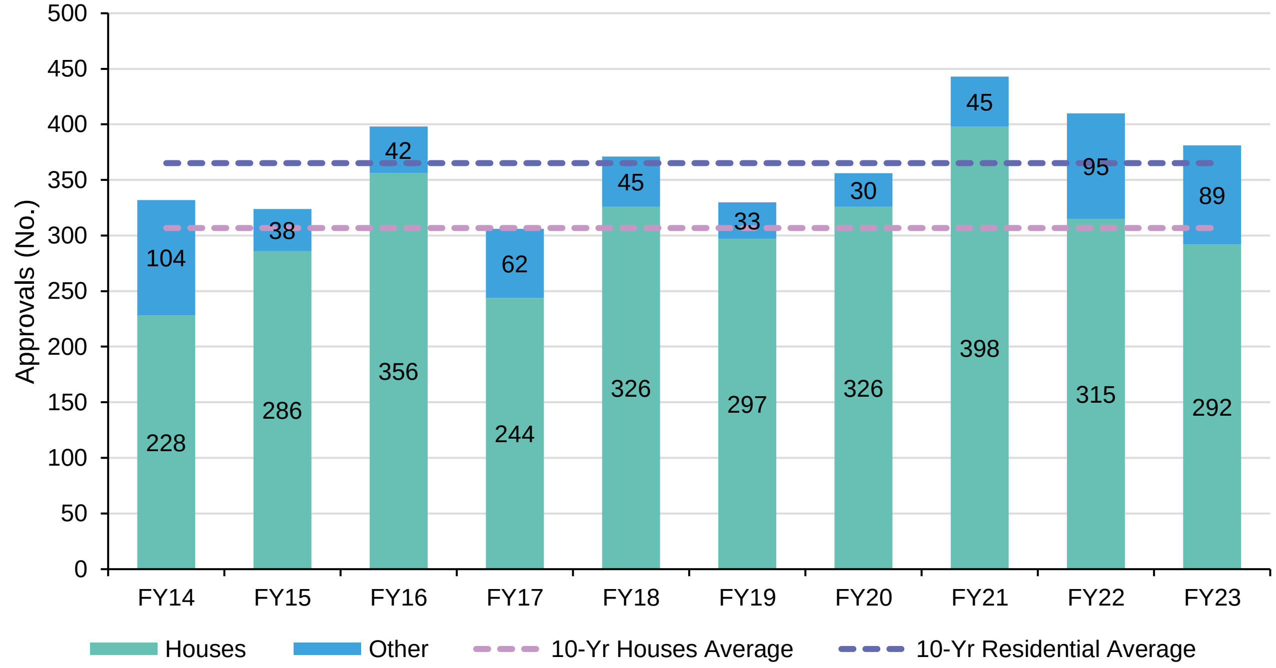
New dwelling approvals peaked in FY21 with 443 approvals, well above the 10-year average. Approvals have remained above the average, indicating that the market has been resilient in the face of COVID-19. This is a likely consequence of the flight-to-suburbia trend seen across Australia.

Between FY13 and FY23, the Primary Study Area generally accounted for a diminishing proportion of approvals within the Total Study Area, from 82% to 51%. This indicates that development is increasingly occurring in the Wagga Surrounds, driven primarily by approvals in the Gobbagombalin Urban Release Area.

The subject site provides an infrastructure-funded and ready opportunity to deliver around 250 homes per year and contribute ~33% of the homes towards the target of ~750 new homes per year.

New Dwelling Approvals, FY13 – FY23

Chart 1.4.1



Note: Data is in financial years to capture the effects of COVID-19 in 2020.
Source: ABS; Urbis

FUTURE RESIDENTIAL SUPPLY

Future Residential Supply

Urbis have undertaken a review of the future residential development supply pipeline based on proposed development data, sourced from Cordell Connect.

This data relates to actual projects (development application through to construction) and provides a sound indication of the number of dwellings to be delivered over the short-medium term.

This data is summarised in Table 1.4.2, overleaf. Key findings include:

- There are currently 23 known projects in the development pipeline, which are anticipated to deliver a total of 1,680 dwellings by 2031.
- There are 112 dwellings across five projects that are anticipated for completion in 2023 (according to the latest Nearmap aerial imagery, as at August 2023).
- A further seven projects (380 dwellings) have received development approval, three projects (19 dwellings) have submitted a development application, six projects (657 dwellings) have received subdivision approval, four projects (331 dwellings) have submitted a subdivision application.
- Between 2024 and 2026, there is potential for an average of 245 dwellings to be completed annually. Between 2027 and 2031, this declines to an average of ~167 dwellings annually. However, it is noted that a number of these projects do not currently have infrastructure services. Therefore, it is likely that the delivery of new dwellings as part of these projects will occur later than has been identified in the table.
- Considering there were approvals for an average of 365 residential dwellings between FY13 and FY23, the future pipeline of residential lots is well below the historical trend.

The SGA is well placed to help address this shortage of supply in the market that will likely result in pent-up demand.

FUTURE RESIDENTIAL SUPPLY

Future Residential Supply Pipeline

Table 1.4.2

Project	Suburb	Stage	Indicative Number of Dwellings Proposed By Year									*Total No. of Dwellings Proposed*		
Project	**Suburb**	**Stage**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	***2023-25***	***2026-31***	***2023-31***
198 Old Narranderra Road	Gobbagombalin	Development Approval		24	30	26	31	25	28	23	17	*54*	*150*	*204*
49 Vincent Road	Lake Albert	Subdivision Approval				22						*0*	*22*	*22*
Former Leagues Club Redevelopment - 231 Gurwood Street	Wagga Wagga	Development Approval			28	28	28	28	28			*28*	*112*	*140*
Lot 10 and 11 Harris Road	Gobbagombalin	Subdivision Approval	52	35	49	20	58					*136*	*78*	*214*
Brunslea Park (Wakefield) - 119 Elizabeth Avenue	Forest Hill	Subdivision Approval			56	20	51	46	22			*56*	*139*	*195*
Lloyd West Stage 1 - 80 Lingiari Drive	Lloyd	Subdivision Complete	50									*50*	*0*	*50*
Lloyd West Stage 2 - 80 Lingiari Drive	Lloyd	Subdivision Approval				67						*0*	*67*	*67*
Lloyd West Stage 3 - 80 Lingiari Drive	Lloyd	Subdivision Application					74					*0*	*74*	*74*
Lloyd West Stage 4 - 80 Lingiari Drive	Lloyd	Subdivision Application						49				*0*	*49*	*49*
20 Hely Avenue	Turvey Park	Subdivision Application				23	22	22	22			*0*	*89*	*89*
52 Plumpton Road	Tatton	Construction	37									*37*	*0*	*37*
2-6 Manoora Avenue	Mount Austin	Development Approval			11							*11*	*0*	*11*
309 Lake Albert Road	Kooringal	Construction	5									*5*	*0*	*5*
208A Fernleigh Road	Ashmont	Development Approval			8							*8*	*0*	*8*
1 Birch Road	Lake Albert	Subdivision Approval				36	37	27	31			*0*	*131*	*131*
97 Grove Street	Kooringal	Development Approval			3							*3*	*0*	*3*
2 Lampe Avenue	Wagga Wagga	Construction	3									*3*	*0*	*3*
26 Edney Street	Kooringal	Development Application		4								*4*	*0*	*4*
Residue Indigo Drive	Springvale	Subdivision Approval	46	46	46	46	46					*138*	*92*	*230*
71 Jumbuck Drive	Gobbagombalin	Subdivision Application				47	43	29				*0*	*119*	*119*
67-69 Crampton Street Townhouses	Wagga Wagga	Development Approval				10						*0*	*10*	*10*
251 Edward Street Dwellings	Wagga Wagga	Development Application				10						*0*	*10*	*10*
115 Fitzmaurice Street Dwellings	Wagga Wagga	Development Application			5							*5*	*0*	*5*
Total			**193**	**109**	**236**	**355**	**390**	**226**	**131**	**23**	**17**	***538***	***1,142***	***1,680***

Source: Cordell Connect; Urbis

LONG-TERM RESIDENTIAL SUPPLY

Key Findings

In addition to reviewing the pipeline of residential development in the short-medium term, we have also analysed the longer-term potential of the LGA to meet the implied dwelling demand required to achieve an ultimate population target of 100,000 persons.

Chart 1.4.2 compares implied annual dwelling demand between 2023 and 2040 against annual dwelling supply over the same period.

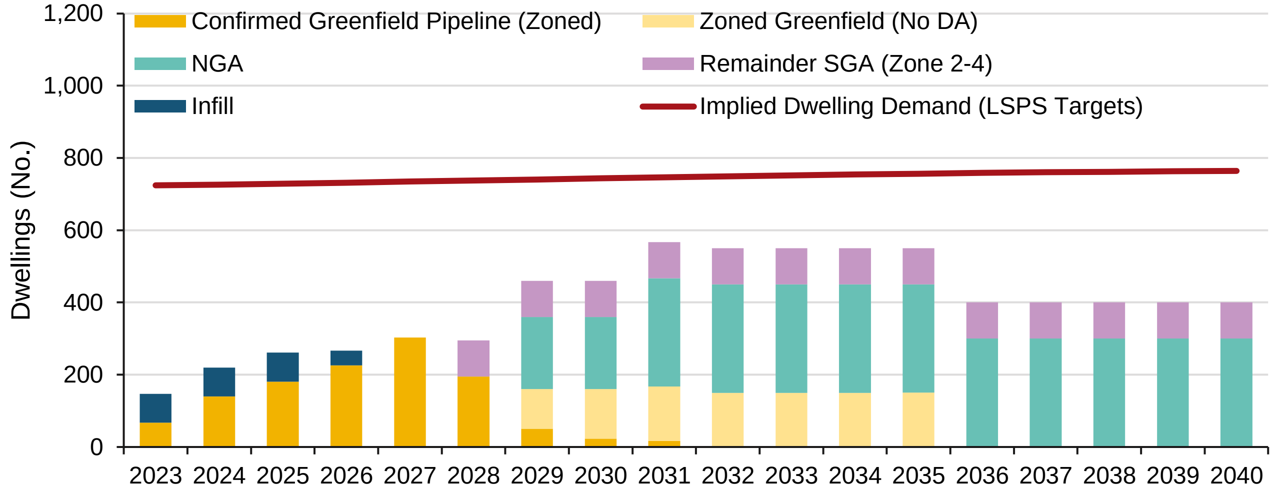
The future dwelling supply is based on the pipeline of proposed greenfield developments over the short-term, shown previously in Table 1.4.2. This is supplemented with dwellings likely to be delivered in other appropriately zoned and infill locations, and dwellings likely to be delivered in greenfield growth areas, including the SGA and NGA..

Assumptions regarding the annual dwelling delivery rate for each location have been derived from a variety of sources, including the Wagga Wagga LSPS, Cordell, ABS and the Proponent, based on their local knowledge as a greenfield residential developer currently delivering residential projects in the LGA.

Chart 1.4.2 shows that without Rowan and Sunnyside, the LGA is projected to consistently fall short of an annual theoretical dwelling target of 700-750 dwellings per annum between 2023 and 2040. The annual shortfalls are expected to vary in severity from ~280 dwellings (2031) up to ~580 dwellings (2023).

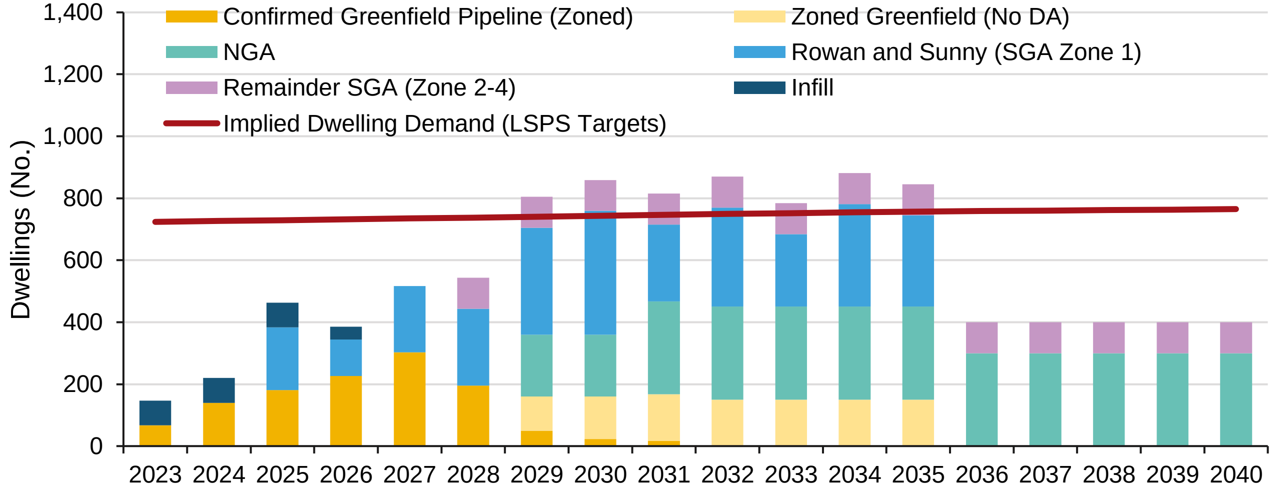
In contrast, Chart 1.4.3 demonstrates that unlocking additional dwelling supply in Rowan and Sunnyside has the potential to substantially minimise the annual dwelling shortfall, and even exceed annual dwelling targets, over the medium term.

Implied Annual Dwelling Demand Without Rowan and Sunny — Chart 1.4.2



Source: Wagga Wagga Council; Cordell; ABS; DevCore; Urbis

Implied Annual Dwelling Demand With Rowan and Sunny — Chart 1.4.3



Source: Wagga Wagga Council; Cordell; ABS; DevCore; Urbis

LONG-TERM RESIDENTIAL SUPPLY

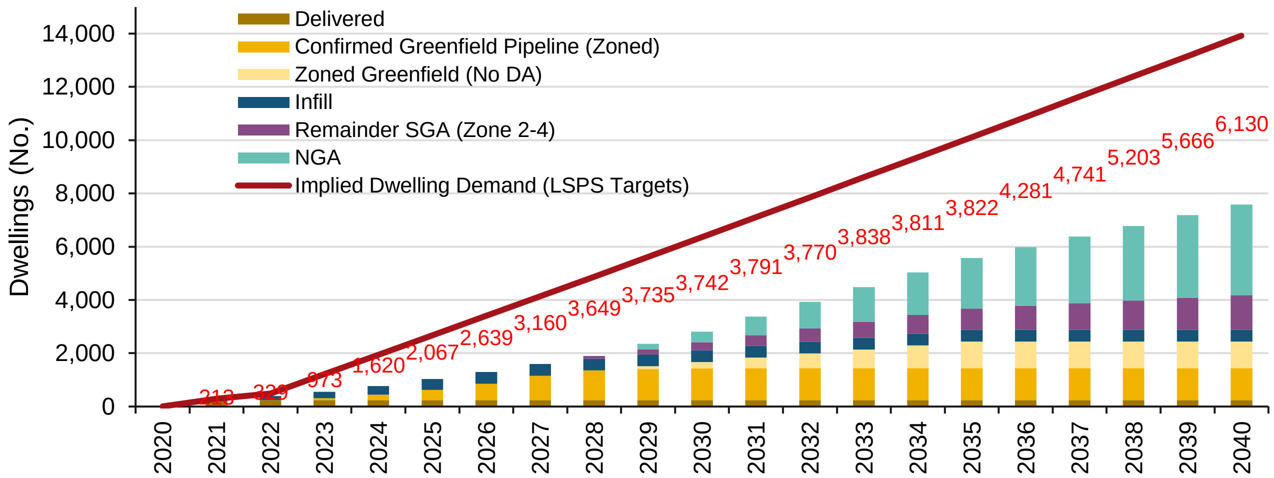
Key Findings

Charts 1.4.4 and 1.4.5 compares implied dwelling demand between 2020 and 2040 against cumulative additional dwelling supply over the same period.

Chart 1.4.4 shows that without Rowan and Sunnyside, the LGA is projected to experience a sustained and increasing shortfall in dwelling supply. This cumulative shortfall is anticipated to grow from ~3,790 dwellings in 2030 to a shortfall of ~6,130 by 2040..

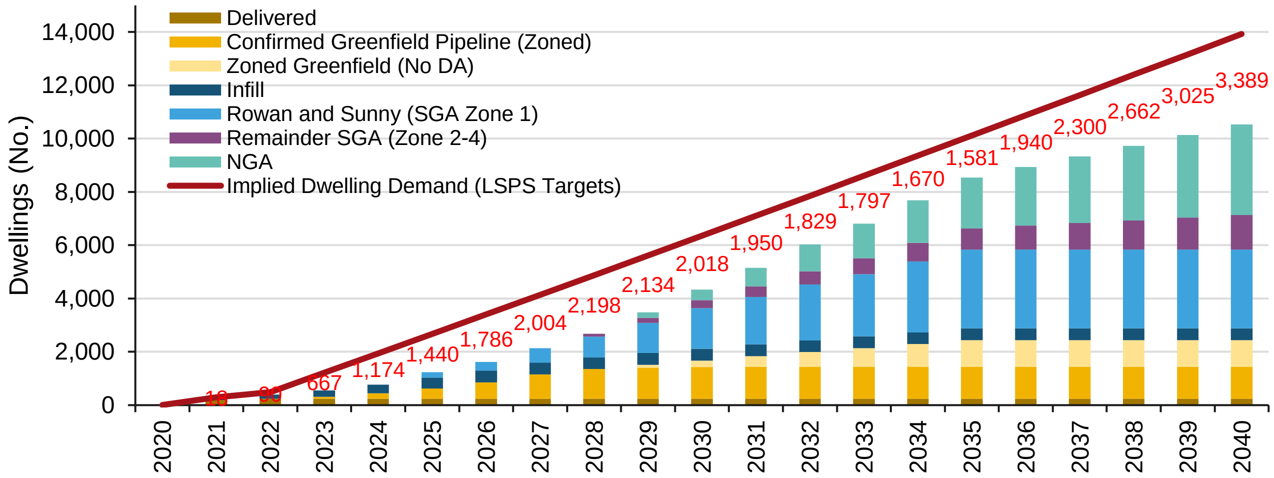
Chart 1.4.5 shows how unlocking additional dwelling supply in Rowan and Sunnyside has the potential to significantly reduce the cumulative shortfall of dwellings in the medium-long term. Under this scenario, the LGA is projected to experience a lower cumulative shortfall in dwelling supply in the medium term of ~1,950 dwellings by 2030, compared to ~3,790 dwellings under the first scenario. However, even under this scenario, additional dwelling supply beyond Rowan and Sunnyside will need to be identified to enable the LGA to reach its population target, which is likely to extend beyond 2040.

Implied Cumulative Dwelling Demand Without Rowan and Sunny — Chart 1.4.4



Source: Wagga Wagga Council; Cordell; ABS; DevCore; Urbis

Implied Cumulative Dwelling Demand With Rowan and Sunny — Chart 1.4.5



1.5 RESIDENTIAL COMPETITOR ANALYSIS

COMPETITION SUMMARY

Key Competing Locations

- Competing locations are those which are competing directly for potential buyers with the subject site.
- Developments in Wagga Wagga North and in Lloyd, to the west of the subject site, are key competitive markets for young families, downsizers and prospective buyers looking to relocate from Sydney.
- Relative to the subject site, these locations are slightly superior in terms of proximity to amenities such as retail, schools and employment.
- Lifestyle lots in estates such as Governors Hill, to the east of the Wagga Wagga Town Centre, will also compete with the subject site's larger lot offering. Governors Hill is fairly removed from the township, but slightly closer to the Town Centre than the subject site.

Lot Mix

- Most projects in the Study Area have comprised a high proportion of 500-1,000 sq.m lots sizes. This mix is reflective of developers trying to maximise lots in a development and buyers preferring a more affordable option. Of the profiled projects the average mix was:
  - 500 sq.m – 999 sq.m: 72%
  - 1,000 sq.m – 1,499 sq.m: 5%
  - 1,500 sq.m – 1,999 sq.m: 0%
  - 2,000 – 3,999 sq.m: 0%
  - 4,000 sq.m – 5,999 sq.m: 17%
  - 6,000 sq.m – 20,000 sq.m: 6%
- Historical sale trends show that lot sizes in the 500 sq.m – 999 sq.m account for around 71% of lot sales in the Study Area, in line with the profiled projects. Historical sales in the 1,000 sq.m – 1,499 sq.m size range accounted for around 9% of sales, also in line with the profiled mix.
- A similar pattern was seen in historical house sales trends, whereby houses on lots between 500 – 999 sq.m accounted for almost 72% of house sales, while lots between 1,000 – 1,499 sq.m accounted for 10% of sales.
- Larger size lots between 1,500 sq.m – 20,000 sq.m only account for around 14% of lot sales and 9% of house sales.

Pricing

- The pricing across the projects differs considerably with prices having risen significantly in the last 24 months.
- Lloyd Heights (Stages 8 and 9) sold out by February 2022. In 2022, the stages achieved prices of around $185,000 to $250,000 for lots between 730 sq.m to 900 sq.m.
- Lloyd Heights (Stage 10) is currently selling and is achieving stronger prices of around $290,000 to $350,000 for lots between 600 to 850 sq.m.
- Lloyd Estate is located southwest of the Wagga Town Centre and, given its closer proximity, is likely to achieve a premium to the subject site.

BRUNSLEA PARK

Developers	Wakefield Ashurst Developments
Location	Lacebark Drive, Forest Hill
Council Area	Wagga Wagga
Location Characteristics	• 10 minute drive to Wagga Wagga Town Centre • 14 minute drive to Charles Sturt University • 13 minute drive to Wagga Wagga Base Hospital
Completion	~2024
Project Launch	2021
Status	Construction
Total Lots	250
Lot Sizes	600 – 1,250 sq.m

Lot Sizes	**Mix[1] (no.)**	**Price Range[2]**	**Price per sq.m**
600 – 699 sq.m	38	$219,000 - $249,000	$351 - $392
700 – 850 sq.m	16	$219,000 - $279,000	$258 - $384
1,250 sq.m	1	Not Advised by agent	
Take-up Rates	Stage 1 launched around late 2021 and has sold out of the initial 55 lots.		
Buyer Profile	Not provided by agent		

[1]Mix of lots in stage 1. [2]Refers to all settled sales in 2022 and 2023.
Source: Agent Discussion; Pricefinder

ESTELLA RISE

Developers	Combined Development Group
Location	Harris Road, Estella
Council Area	Wagga Wagga
Location Characteristics	• 9 minute drive to Wagga Wagga Town Centre • 3 minute drive to Charles Sturt University • 8 minute drive to Wagga Wagga Base Hospital
Completion	~2024
Project Launch	June 2013
Status	Construction of Stage 7
Total Lots	Stage 1-6: ~398 lots (Complete) Stage 7: 58 lots (Under Construction) Stage 8: 95 lots (Launching in September 2024) Future Stages: ~554 lots **Total: ~1,105 lots**
Lot Sizes	600 – 1,200 sq.m

Estate Description	Located in Estella, north-west of the Wagga Town Centre. A scenic extension of Estella Rise featuring elevated lots and panoramic, semi-rural views from The Rock to Wagga Wagga Airport. Lots are also designed to overlook a centrally located park.			
Lot Sizes	**Mix[1] (no.)**	**Price Range[2]**	**Price per sq.m**	
500 – 999 sq.m	53	$185,000 - $265,000	$213 - $323	
1,000 sq.m or more	5	No achieved sales		
Take-up Rates	Stage 1 launched around June 2013 and achieved an average take-up of 2.7 lots per month during its initial year. Momentum slowed to an average take-up of around 2.2 lots through to 2016 but picked up again to 2.7 lots between 2017 and 2018. Agent discussions revealed that all lots in Stages 1 to 7 have now sold. Stage 7, also known as The Dress Circle, was launched in August 2019 and agent discussions revealed that all 58 lots sold within 15 minutes of launching. The most popular lots have been between 800 – 1,000 sq.m.			
Buyer Profile	Agent discussions revealed that buyers comprise a mix of families, downsizers and couples. Buyers are predominantly from the local area.			

[1]Mix of lots in stage 7. [2]Refers to all settled sales in 2022 and 2023.
Source: Agent Discussion; Pricefinder; forecast.id

LLOYD ESTATE

Developers	Trustees of the Roman Catholic Church for the Diocese of Wagga Wagga
Location	Red Hill Road, Lloyd
Council Area	Wagga Wagga
Location Characteristics	• Adjacent to Jubilee Sporting Grounds • 5 minute drive to Southcity Shopping Centre • 3 minute drive to Wagga Wagga City Golf Club • 8 minute drive to Wagga Wagga Town Centre
Completion	~2024
Project Launch	June 2014
Status	Construction of Stages 8-9. Stage 10 is currently selling.
Total Lots	~1,416 lots
Lot Sizes	490 – 1,300 sq.m

Estate Description	Bounded by Red Hill Road to the north and Holbrook Road to the east. Elevated blocks allowing views to the north, east and west.		
Lot Sizes	**Mix[1] (no.)**	**Price Range[2]**	**Price per sq.m**
499 sq.m or less	1	No achieved sales	
500 – 999 sq.m	121	$175,000 - $260,000	$233 - $302
1,000 – 2,100 sq.m	6	$240,000 - $300,000	$142 - $230
1,000 – 1,499 sq.m	6	No achieved sales	
Take-up Rates	Stage 1 launched in 2014, achieving a slow take-up that averaged 0.5 lots per month over the initial year. The estate picked up momentum during the release of later stages, reaching an average take-up rate of around 1.2 lot per month in 2018 and 2019. Discussions with agents reveal that all lots in Stages 1 to 7 have sold. Stages 8-9, known as Lloyd Heights, launched around May 2020. By January 2022, 84 of the 88 lots in Lloyd Heights had sold, and by February 2022, the remaining 4 lots had sold. This indicates a take-up of around 4 lots per month. Agent discussions indicated that the most popular lots were those between 700 – 800 sq.m. Stage 10, also known as Lloyd Heights, launched in September 2023. By December 2023, 20 of the 41 lots had sold. This indicates an average take-up of around 6.7 lots per month. Stage 10 lots are between 654 – 1,011 sq.m. Agent discussions indicated that the most popular lots were those between 700 – 750 sq.m.		
Buyer Profile	Agent discussions indicated that the buyers comprised a mix of families, downsizers and couples, most of which are first homeowners. Buyers are mostly from the local area.		

[1]Mix of lots in stages 8 to 10. [2]Refers to all settled sales in 2022 and 2023.
Source: Agent Discussion; Pricefinder; forecast.id

GOVERNORS HILL ESTATE

Developers	Atalato Bros
Location	Sirius Way, Gumly Gumly
Council Area	Wagga Wagga
Location Characteristics	• 15 min drive to Wagga Wagga Town Centre • 15 min drive to Wagga Wagga Base Hospital • 9 min drive to Lake Albert
Completion	~2024
Project Launch	May 2012
Status	Construction of Stage 5
Total Lots	Stages 1-4: ~56 lots (Complete) Stage 5: 36 lots (Under Construction) Future Stages: ~39 lots **Total lots: 131 lots**
Lot Sizes	4,000 – 12,000 sq.m

Estate Description	A semi-rural estate featuring large, lifestyle lots overlooking farmland. The large lots cater to families looking for space and privacy.		
Lot Sizes	**Mix[1] (no.)**	**Price Range***	**Price per sq.m**
4,000 – 4,999 sq.m	33	$317,000 - $343,000	$72 - $78
5,000 – 5,999 sq.m	7	$327,000 - $348,000	$62 - $68
6,000 – 6,999 sq.m	6	$348,000 - $360,000	$54 - $55
7,000 sq.m or more	9	No achieved sales	
Take-up Rates	Stage 1 launched around May 2012. Pricefinder sales data shows slow take-up during the initial project launch, with just 2 sales in 2012. Sales slowly picked up to reach an average take-up of 1.7 lots per month by 2017, which has steadied to around 1.3 lots in 2021. As of December 2023, 34 lots in Stage 5 have now sold and the remaining 2 lots have taken deposits.		
Buyer Profile	The estate caters towards families and second-home buyers looking for a semi-rural lifestyle.		

[1]Mix of lots in stages 3 to 5.
[2]Refers to all settled sales in 2022 and 2023.
Source: Agent Discussion; Pricefinder; forecast.id

SUMMARY OF RESIDENTIAL DEVELOPMENTS

Summary of Unit Mix and Sales Rates Table 1.5.1

Project	Suburb	Status	Yield	Lot Sizes (sq.m)	Mix (no.)	Average Lot Size (sq.m)	Sales Prices*	Indicative Average Price per sq.m	Commentary
Brunslea Park	Forest Hill	Under Construction	55	600 - 699	38	824	$219,000 - $249,000	$351 - $392	Strong take-up in sales for Stage 1. Site located on the eastern outskirts of the city.
				700 – 850	16	1,216	$219,000 - $279,000	$258 - $384	
				1,250	1		No achieved sales	No achieved sales	
Estella Rise	Estella	Under Construction	58	500 - 999	53	824	$185,000 - $265,000	$213 - $323	Prices lower than Lloyd Estate, reflecting the estate's geographical separation from the Wagga CBD, due to the Murrumbidgee River.
				1,000 - 1,499	5	1,216	No achieved sales	No achieved sales	
Lloyd Estate	Lloyd	Under Construction	129	0 - 499	2	482	No achieved sales	No achieved sales	Slightly higher price range than Estella Rise, due to proximity to retail amenities in Glenfield Park and Tolland.
				500 - 999	121	795	$175,000 - $260,000	$233 - $302	
				1,000 - 1,499	6	1,095	$240,000 - $300,000	$142 - $230	
Governors Hill Estate	Gumly Gumly	Under Construction	36	4,000 – 4,999	33	4,415	$317,000 - $343,000	$68 - $83	Low price range reflects the large lot sizes. Superior location relative to the subject site (only 8km east of the Wagga Wagga town centre). Elevated position allows for rural outlooks while still being connected to the town.
				5,000 – 5,999	7	5,337	$327,000 - $348,000	$68	
				6,0000 – 6,999	6	6,617	$348,000 - $360,000	$55	
				7,000 – 12,000	9	8,468	No achieved sales	No achieved sales	

**Refers to all settled sales in 2021,2022 and 2023*
Source: Agent Discussion; Pricefinder; forecast.id

SUMMARY OF STUDY AREA RESIDENTIAL LOT SALES

Key Findings

Table 1.5.2 provides a summary of the historical take-up rates in the Study Area for different lot size ranges. Overall lot sales peaked at 440 sales in FY21 although has dropped significantly to ~100 sales by FY23.

Lot sizes ranging from 500 – 999 sq.m have the highest take-up rate at an average of ~180 lots per year, representing 71% of total lot sales. It is also evident that a minimum lot size of 500 sq.m is preferred by buyers as lots less than 500 sq.m have a much lower average take-up of 16 per year.

Sales in larger lot sizes has been more limited, particularly for lots over 3,000 sq.m. Most lot size ranges recorded fewer than 5 sales annually, except for lots between 4,000 and 5,999 sq.m, which saw a higher average take-up of 9 lots annually.

Despite a downturn in take-up rates in recent years, particularly in larger lot sizes, this has been the result of limited land releases occurring, rather than a demand-driven slow down. Strong buyer interest is evident in the sales prices that have been achieved for lots, in both the primary and Secondary Study Areas, which have seen significant growth.

The subject site and broader SGA are well placed to deliver additional dwellings over the short-term to meet pent-up and future lot demand.

Study Area Residential Lot Sales by Lot Size

Table 1.5.2

Lot Size Range (sq.m)	Study Area	FY19	FY20	FY21	FY22	FY23	Average	Average Total Study Area	Share of Average Sales
0-499	Primary	7	13	30	5	10	13	**16**	**6.3%**
	Secondary	1	2	10	1	2	3		
500-999	Primary	96	113	94	24	16	69	**183**	**71.2%**
	Secondary	153	89	198	83	48	114		
1,000-1,499	Primary	21	16	18	1	2	12	**22**	**8.6%**
	Secondary	9	10	26	3	4	10		
1,500 – 1,999	Primary	2	14	3	5	1	5	**7**	**2.9%**
	Secondary	2	3	7	0	0	2		
2,000 – 2,999	Primary	6	8	9	3	2	6	**11**	**4.1%**
	Secondary	8	4	10	1	2	5		
3,000 – 3,999	Primary	1	4	1	2	2	2	**3**	**1.0%**
	Secondary	0	1	2	0	0	1		
4,000 – 5,999	Primary	2	2	16	0	3	5	**9**	**3.3%**
	Secondary	3	9	5	1	2	4		
6,000 – 7,999	Primary	4	0	2	1	0	1	**3**	**1.1%**
	Secondary	0	1	3	0	3	1		
8,000 – 9,999	Primary	1	2	0	0	1	1	**2**	**0.6%**
	Secondary	2	0	2	0	0	1		
10,000 – 20,000	Primary	1	2	2	2	0	1	**2**	**0.9%**
	Secondary	1	1	2	0	0	1		
Total		**320**	**294**	**440**	**132**	**98**			**100%**

Source: Pricefinder; Urbis

SUMMARY OF STUDY AREA RESIDENTIAL HOUSE SALES

Key Findings

Table 1.5.3 provides a summary of the historical take-up rates in the Study Area for houses by lot size ranges since FY19.

House sales saw year-on-year increases between FY19 and FY21. This reflects the popularity of Wagga as a destination during the pandemic. Compared to lot sales, which decreased during this period, house sales trends likely reflect homebuyer preference for ready-built homes to move into immediately.

The decline in house sales between FY21 and FY23 likely reflects the limited availability of homes for sale.

It is evident that buyers prefer houses on lots less than 1,500 sq.m in size, which have accounted for an average 92% of total house sales. However, houses built on lot sizes ranging from 500 – 999 sq.m have historically had the highest take-up rate of all lot ranges, averaging 985 sales per year. This represents an average 72% of total house sales since FY19.

Sales of houses on larger lot sizes have been more limited. Houses on lots between 1,500 – 3,999 sq.m have accounted for around 5% of total house sales. Properties within this lot range recorded higher take-up within the Secondary Study Area, relative to the Primary Study Area, likely attributed to the lack of availability of larger lots closer to the Wagga CBD.

Houses on lots 4,000 sq.m or greater have accounted for just 3% of total house sales. Houses on these larger lot size ranges have shown an average take-up of 46 sales per year across the total Study Area.

Study Area Residential House Sales by Lot Size (FY19 – FY23) Table 1.5.3

Lot Size Range (sq.m)	Study Area	FY19	FY20	FY21	FY22	FY23	Average	Average Total Study Area	Share of Average Sales
0 – 499	Primary	87	105	136	132	105	113	**129**	**9.4%**
	Secondary	16	12	30	6	16	16		
500 – 999	Primary	701	752	1,093	887	771	841	**985**	**72.0%**
	Secondary	140	139	173	157	114	145		
1,000 – 1,499	Primary	67	86	103	91	80	85	**138**	**10.1%**
	Secondary	51	53	82	55	20	52		
1,500 – 1,999	Primary	5	14	8	9	6	8	**24**	**1.7%**
	Secondary	20	14	25	15	2	15		
2,000 – 2,999	Primary	9	3	13	14	9	10	**42**	**3.0%**
	Secondary	33	42	50	27	8	32		
3,000 – 3,999	Primary	2	3	2	4	2	3	**4**	**0.3%**
	Secondary	3	0	4	0	1	2		
4,000 – 5,999	Primary	8	8	11	9	5	8	**17**	**1.2%**
	Secondary	8	9	11	9	5	8		
6,000 – 7,999	Primary	7	8	11	10	10	9	**11**	**0.8%**
	Secondary	1	3	5	1	1	2		
8,000 – 9,999	Primary	8	2	5	2	4	4	**6**	**0.4%**
	Secondary	1	2	3	2	1	2		
10,000 – 20,000	Primary	8	11	9	8	11	9	**12**	**0.9%**
	Secondary	5	3	5	2	0	3		
Total		**1,180**	**1,269**	**1,779**	**1,440**	**1,171**			**100%**

Source: PriceFinder; Urbis

1.6 RESIDENTIAL DEMAND ANALYSIS

MEDIAN LOT PRICES AND SALES

Key Findings

Median lot sales prices in the Study Area grew steadily pre-COVID but saw significantly saw significant growth post-COVID.

The second half of 2013 saw a median lot sales price of $135,000 and reached ~$260,000 by June 2023 across the Total Study Area. This represents a strong average growth rate of 6.9% per annum.

Median sales prices in the last 10 years grew stronger in the Primary Study Area (9.2%) compared to the Secondary Study Area (8.0%). This reflects increasing buyer interest within the Wagga Core in recent years.

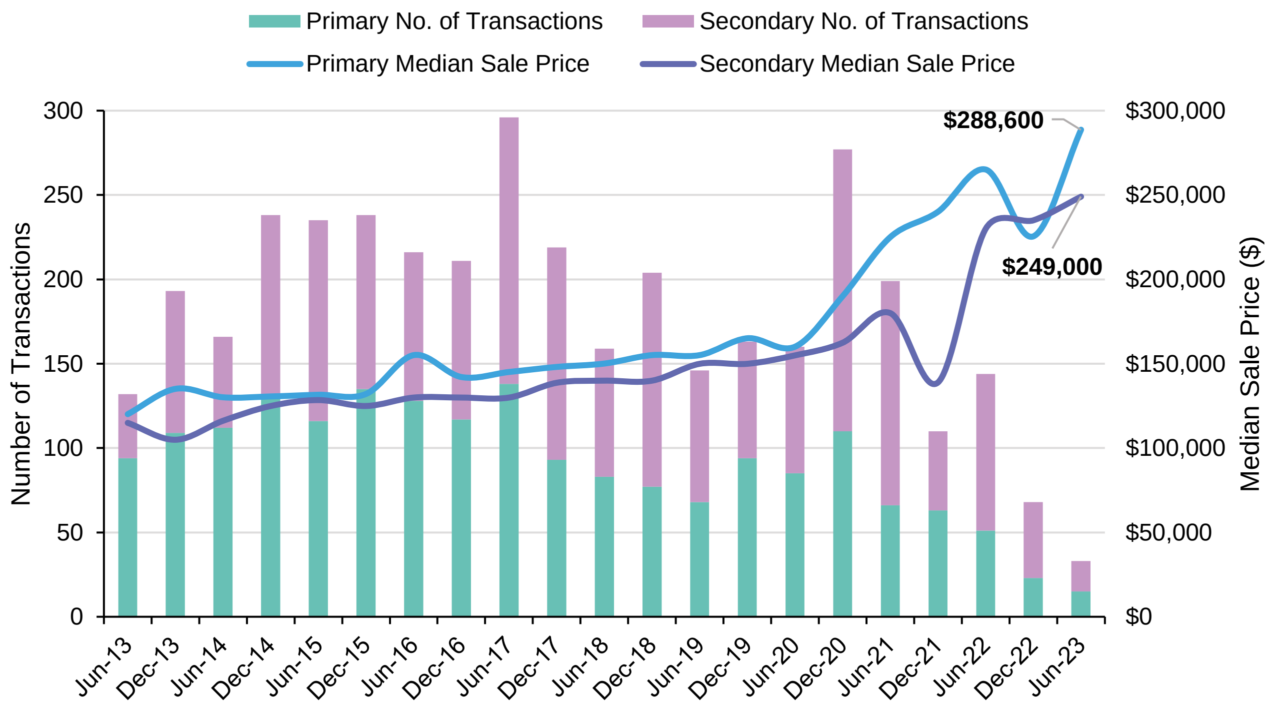
The Primary Study Area has been resilient to the impacts of COVID-19. Over the last four years, sales prices within the Primary Study Area have grown at a significant 16.8% per annum. This highlights the regional relocation trend seen across Australia that has been catalysed by the pandemic. Buyers are increasingly taking advantage of remote working opportunities and purchasing more affordable homes in regional locations such as Wagga Wagga.

The Secondary Study Area also saw lot prices decline by the second half of 2021. However, prices have since rebounded strongly to reach almost $250,000 in the first half of 2023. This represents an average growth rate of 13.5% since June 2019.

Over the past decade, the Study Area recorded an average of 360 lot sales transactions per year. Lot sales peaked at 515 sales in 2017 before slowing to just 210 sales in 2023. The falling number of sales, coupled with the increasing median sales prices to record high levels over the past four years reflects a shortage in the supply of residential lots.

Historical Residential Lot Price Sales, June 2013 – June 2023

Chart 1.6.1



Source: Pricefinder; Urbis

The shortage of new land supply in Wagga Wagga has resulted in prices climbing significantly, which is creating affordability challenges in the area. The price growth is placing downward pressure on lot sizes to try and manage affordability constraints. The subject site and broader SGA has the potential to provide much-needed supply to the market, which will increase competition and offer a mix of product type/sizes and reach the broad spectrum of buyers in the market.

MEDIAN HOUSE PRICES AND SALES

Key Findings

Median house sales prices in the Study Area have also grown significantly in the last 10 years.

The Primary Study Area saw a median house sales price of $309,000 in June 2013 and reached $555,000 by June 2023. This represents an average growth rate of 6.0% per annum.

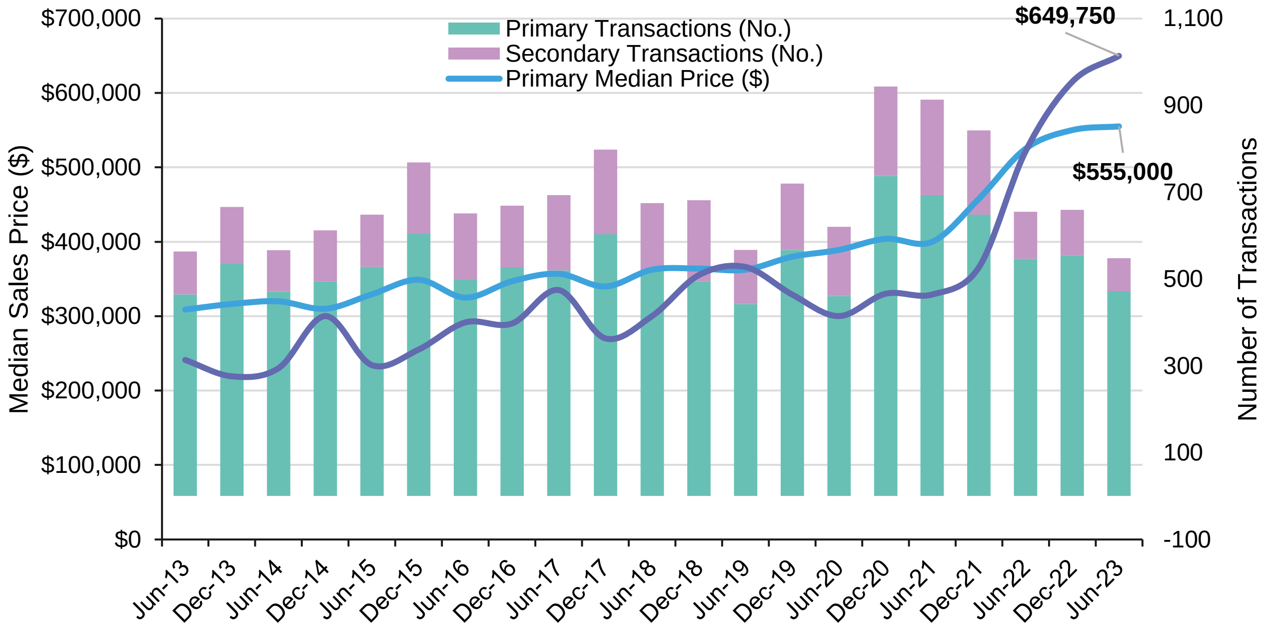
The Secondary Study Area saw a median house sales price of $241,000 in June 2013, reaching almost $650,000 in June 2023. This represents an average growth rate of 10.4% per annum, indicating stronger growth than the Primary Trade Area.

Over the last four years, house sales prices within the Primary Study Area have grown at 12.6%, slower than that of houses during this period. The Secondary Study Area has also experienced strong growth of 15.4% over the same period. This indicates strong interest in regional relocation due to the pandemic. The greater growth in the housing market relative to the residential lot market reiterates the shortage in supply of residential lots in the Primary Study Area, resulting in buyers having to seek an alternative.

Over the past 10 years, the Study Area recorded an average of 1,380 house sales transactions per year. The number of house sales has trended upwards during this period and recorded a sharp increase in 2020 (1,560 sales) and 2021 (1,755 sales). Relative to the falling number of lot sales during this period, this reflects the shortage in the supply of residential lots, with buyers purchasing ready-built houses as an alternative. The development of Rowan Sunnyside will help alleviate the shortage of housing across the whole market.

Historical House Price Sales, June 2013 – June 2023

Chart 1.6.2



Source: Pricefinder; Urbis

GOVERNMENT GRANTS AND SCHEMES

Key Findings

Government grants and schemes can impact demand for vacant lots within the Study Area.

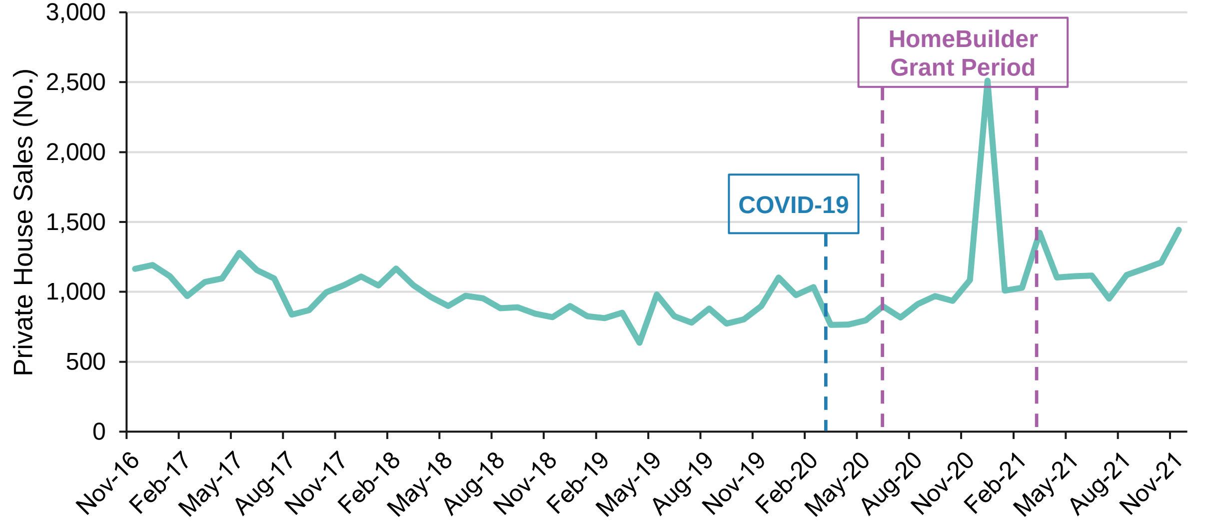
Chart 1.6.3 illustrates the number of monthly detached house sales that have occurred in NSW since 2016, as reported by the Housing Industry Association. Following the onset of COVID-19, the Federal Government introduced the HomeBuilder scheme in June 2020 to help drive residential construction activity and support jobs. The $25,000 grant was eligible to owner occupiers looking to build or buy a new home or substantially renovate an existing home, where the total value of the land and home is $750,000 or less (income caps apply).

The Homebuilder program boosted private house sales by around 17% from pre-COVID trends. Regional towns are more positively impacted as they are more likely to meet the eligibility requirements of the scheme with lower land values.

New home sales have remained strong since the end of the HomeBuilder scheme, likely spurred by other grants available to potential buyers of vacant lands:

- **First Home Owner Grant (New Homes):** a $10,000 grant for first home buyers who are buying or building a new home. To be eligible when purchasing vacant lots to build a new home, the total price of the vacant land and construction of the new home must be less than $750,000.
- **First Home Buyer Assistance Scheme:** entitles first home buyers to an exemption or concessional rate on transfer (stamp) duty. From 1 August 2021, vacant land valued at less than $350,000 or new homes valued at less than $650,000 are eligible for a full exemption. Vacant land up to $450,000 and new homes up to $800,000 are eligible for a concessional rate.

New Detached Private House Sales in NSW, Nov 2016 – Nov 2021 Chart 1.6.3



Source: Housing Industry Association; Urbis

RENTAL MARKET

Key Insights

The rental market provides a good indication of the current state of the residential market, with rents and vacancy rates responding quickly to changes in supply and demand dynamics.

Between October 2013 and January 2018, the Wagga Wagga rental market recorded relatively high levels of vacancy rates, generally above 3.0%. Since then, vacancy rates have rapidly tightened and have remained below 2.0% since May 2020.

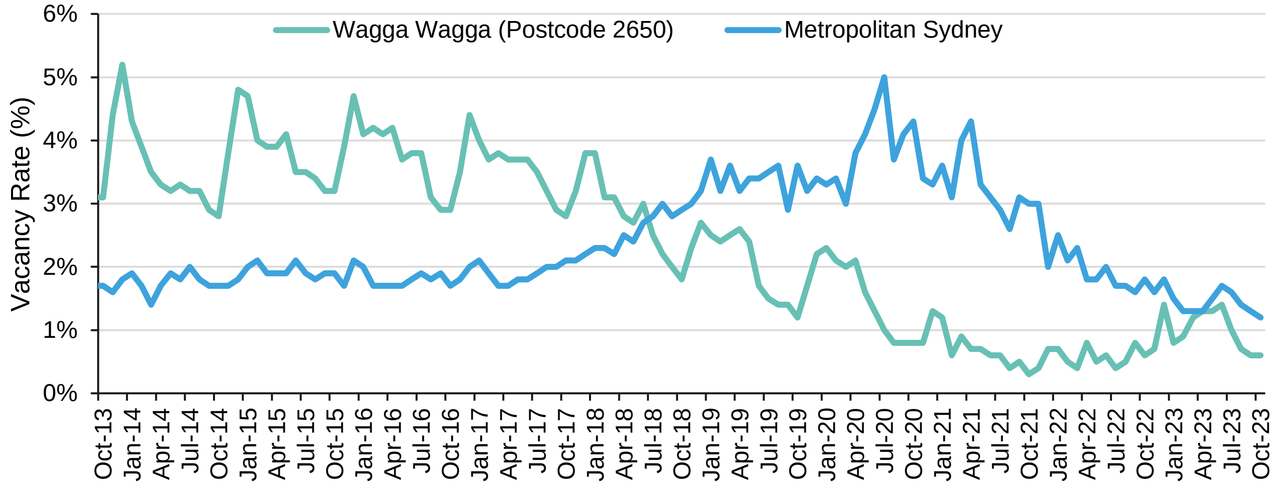
The rental market in Wagga Wagga has historically had an inverse relationship with Metropolitan Sydney, most evident in the responsiveness of each rental market to COVID-19. Vacancies in Wagga Wagga tightened significantly from 2.0% in March 2020 to a 10-year record-low of 0.3% in October 2021. This is in contrast to the spike experienced in Metropolitan Sydney, reflecting the regional relocation trend enabled by remote working opportunities. Sydneysiders have likely been vacating rental properties to look for more affordable options in regional locations such as Wagga Wagga.

Chart 1.6.5 depicts median rents in Wagga Wagga (Postcode 2650) for houses in the last six years. Since September 2017, rents for 2-bedroom houses have grown strongly, at an average growth rate of 5.0% per annum. Rents for 3-bedroom houses have grown at a faster rate of 7.2%, indicating higher demand for this product.

Significant rental escalation since 2017, coupled with vacancy rates below what is considered sustainable (i.e. 2.5% - 3.5%) reflect current housing supply constraints in Wagga Wagga.

All Dwellings Rental Vacancy Rate, Oct 2013 – Oct 2023

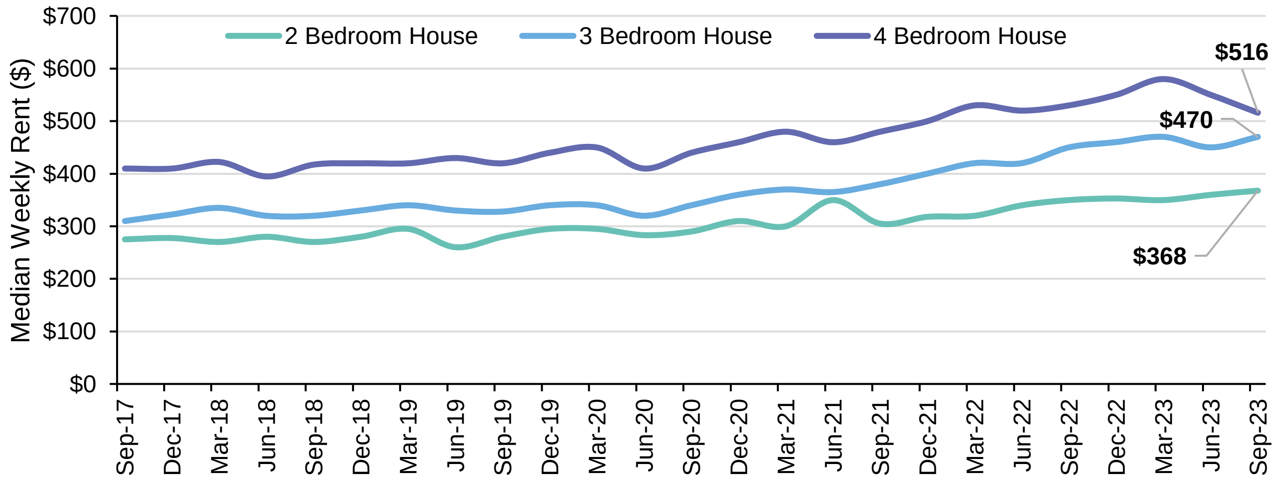
Chart 1.6.4



Source: SQM Research; Urbis

House Rental Growth in Wagga Wagga (Postcode 2560), Sep 2017 – Sep 2023

Chart 1.6.5



Source: NSW Housing; Urbis

LOTS TAKE-UP RATES

Key Findings

Table 1.6.1 highlights the take-up of lots of the profiled land developments in Wagga Wagga.

The Estella Rise (The Dress Circle – Stage 7) subdivision had the most successful release, selling all 58 lots at launch. The Estate enjoys rural views and its location to the north of Wagga CBD is close to Charles Sturt University and the future Special Activation Precinct.

Lloyd Estate (Lloyd Heights – Stage 10) is the most recent launch, which has achieved a high take-up rate in its initial launch period of 6.7 lots per month.

Lloyd Estate (Lloyd Heights – Stages 8-9) achieved a high take-up rate of 4.0 lots per month. Its strong take-up reflects its elevated blocks with expansive rural outlooks and proximity to Southcity Shopping Centre. Estella Rise and Lloyd Estate also share similar lot sizes with the majority of lots between 500 – 999 sq.m, which have been popular in the market.

Relative to the above developments, Governors Hill Estate has had a fairly moderate take-up of 2.3 lots per month. However, the development has been on the market for the shortest period and comprises only large, lifestyle lots between 4,000 – 12,000 sq.m. This indicates that there is also significant demand for larger lots, albeit at lower rates than smaller lots.

Overall, the developments have had an average take-up rate of 5.2 lots per month. However, it is noted that the take-up rates have been impacted by the shortage of available supply.

Lots Sales Rates for Projects

Table 1.6.1

Development	Suburb	Launch	Total Lots	Take-up	Months*	Take-up per Month
Estella Rise (The Dress Circle – Stage 7)	Estella	Sep-19	58	58	1	58
Lloyd Estate (Lloyd Heights – Stages 8-9)	Lloyd	May-20	88	88	22	4.0
Governors Hill Estate (Stage 5)	Gumly Gumly	Nov-20	36	21	9	2.3
Lloyd Estate (Lloyd Heights – Stage 10)	Lloyd	Sep-23	41	20	3	6.7

**Months is date of launch to last known sale*
Source: Marketing Agents; Pricefinder; Urbis

MARKET NEED

Need

The population of the Wagga Wagga LGA was estimated by the ABS to be ~68,340 in 2022. To reach a target population of 100,000 by 2040, the LGA population needs to increase by 33,600 at an average of 1,760 residents per year. Based on the average household size adopted by the LSPS of 2.5 persons, this equates to the need for an additional ~12,860 dwellings from 2022, at an average of ~705 per year.

To achieve these targets, Council and the State/Federal Government must focus on business, investment attraction, job creation and infrastructure investment, to attract and retain residents within the LGA. This growth is achievable, although will require successful catalyst projects to make Wagga Wagga a larger inland city.

To determine demand for vacant land/new houses, we assumed that demand for vacant land/new houses in the LGA will account for 90% of future dwelling demand, based on historical approval trends. This equates to the need for around 700 new lots per year. Due to the supply constraints, Wagga Wagga is only generating around 365 new lots per year with a relatively low level of active supply. As such, if this supply rate continues in the short term, **there could be an additional pent-up demand of ~1,000 lots within the next three years**. This will mean that new projects (such as Rowan and Sunnyside) will need to be brought to market even sooner to get the supply back on track to meet Council targets.

Market Share

The proposed estate could begin development within the next two years, based on anticipated planning and construction timeframes, with lots brought to market in 2025.

The location of the subject site (~7.5 kilometres south of the Wagga Wagga town centre) is relatively disconnected from the town compared to competing developments. However, the subject site is still within a 15-minute drive of the town centre and, within a regional town where private vehicles are the main mode of transport, this is unlikely to be a significant disadvantage.

Based on an assessment of the quantum, location and characteristics of proposed competitive supply in the LGA, the SGA could achieve a market share of 60% in 2025, declining to 35% by 2040, as long-term supply comes online. The higher initial market share reflects the lack of shovel-ready supply over the short-term and potential of the large masterplanned community that is not impacted by fragmented ownership.

This equates to demand for an average of 300 lots per annum or cumulative demand for ~4,800 lots within the SGA by 2040.

Given the current lack of infrastructure delivery planning in Zones 2-4, it is unlikely that these zones will be able to deliver dwellings over the short-term.

The subject site's ability to deliver dwellings over the short-term is underpinned by an infrastructure delivery framework. We have assumed that the subject site will be able to achieve a market share 90% of SGA demand in 2025, declining to 65% by 2036, as future projects within the broader SGA come online. Under these assumptions, there is anticipated to be demand for an average ~250 lots per annum, or ~21 lots per month.

Assuming the subject site has the capacity to deliver 2,954 dwellings, we expect the subject site will take ~12 years to be sold out and reach build-out. Beyond 2036, the remainder of the SGA will play an important role in contributing dwellings to the SGA and broader Wagga, towards its population target of 100,000.

MARKET NEED

Potential Take-up at the Subject Site to Achieve Council Targets

Table 1.6.3

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Study Area Dwelling Projections																
LSPS Population Target	73,614	75,373	77,132	78,891	80,650	82,409	84,169	85,928	87,687	89,446	91,205	92,964	94,723	96,482	98,241	100,000
Average Household Size Assumption	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Total Dwellings required	**29,446**	**30,149**	**30,853**	**31,557**	**32,260**	**32,964**	**33,667**	**34,371**	**35,075**	**35,778**	**36,482**	**37,186**	**37,889**	**38,593**	**39,296**	**40,000**
Additional Dwellings Required	704	704	704	704	704	704	704	704	704	704	704	704	704	704	704	704
Proportion that are House/Land	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
New Lot Projections	**633**	**633**	**633**	**633**	**633**	**633**	**633**	**633**	**633**	**633**	**633**	**633**	**633**	**633**	**633**	**633**
Wagga Wagga SGA Demand																
SGA Market Share of LGA Lots	60%	58%	57%	55%	53%	52%	50%	48%	47%	45%	43%	42%	40%	38%	37%	35%
Annual SGA Demand	380	369	359	348	338	327	317	306	296	285	274	264	253	243	232	222
Cumulative SGA Demand	**380**	**749**	**1,108**	**1,456**	**1,794**	**2,121**	**2,438**	**2,744**	**3,040**	**3,325**	**3,599**	**3,863**	**4,116**	**4,359**	**4,591**	**4,813**
Subject Site Demand																
Subject Site Market Share of SGA (%)	90%	88%	85%	83%	81%	79%	76%	74%	72%	70%	67%	65%	0%	0%	0%	0%
Annual Subject Site Demand	342	324	307	290	273	257	242	227	212	198	185	172	0	0	0	0
Cumulative Subject Site Demand	**342**	**666**	**973**	**1,262**	**1,536**	**1,793**	**2,035**	**2,262**	**2,474**	**2,672**	**2,857**	**3,028**	**3,028**	**3,028**	**3,028**	**3,028**

Source: Urbis

1.7 RECOMMENDATIONS

RECOMMENDATIONS

Recommendations

The following outlines the recommended mix and indicative pricing (2023) for the subject site.

Mix:

We anticipate demand to be higher for smaller lots and therefore we recommend that most lots be around 450 to 1,500 sq.m. There is limited historical take-up of subdivided lots of more than 7,000 sq.m, with lot sales of around this size in the Study Area mainly in Governors Hill Estate or large parcels of undeveloped land disconnected from the town. Affordability constraints within the study will reduce the depth of market for these larger lots.

Prices:

Indicative sales prices for various lot sizes in 2023 have been estimated based on recent sales activity and profiled developments, as follows:

- 600 sq.m – 700 sq.m: $230,000 - $270,000
- 700 sq.m – 800 sq.m: $270,000 - $310,000
- 850 sq.m – 1,200 sq.m: $320,000 - $350,000
- 1,400 sq.m – 2,000 sq.m: $360,000 - $410,000

Take-up:

Based on the Wagga Wagga LGA achieving a population of 100,000 by 2040, the subject site could achieve a sales rate of ~250 lots per year between 2025 and 2036.

2. RETAIL ASSESSMENT

2.1 TRADE AREA POPULATION, DEMOGRAPHICS AND SPENDING

TRADE AREA DEFINITION

Key Findings

The trade area for the proposed centre has been defined based on:

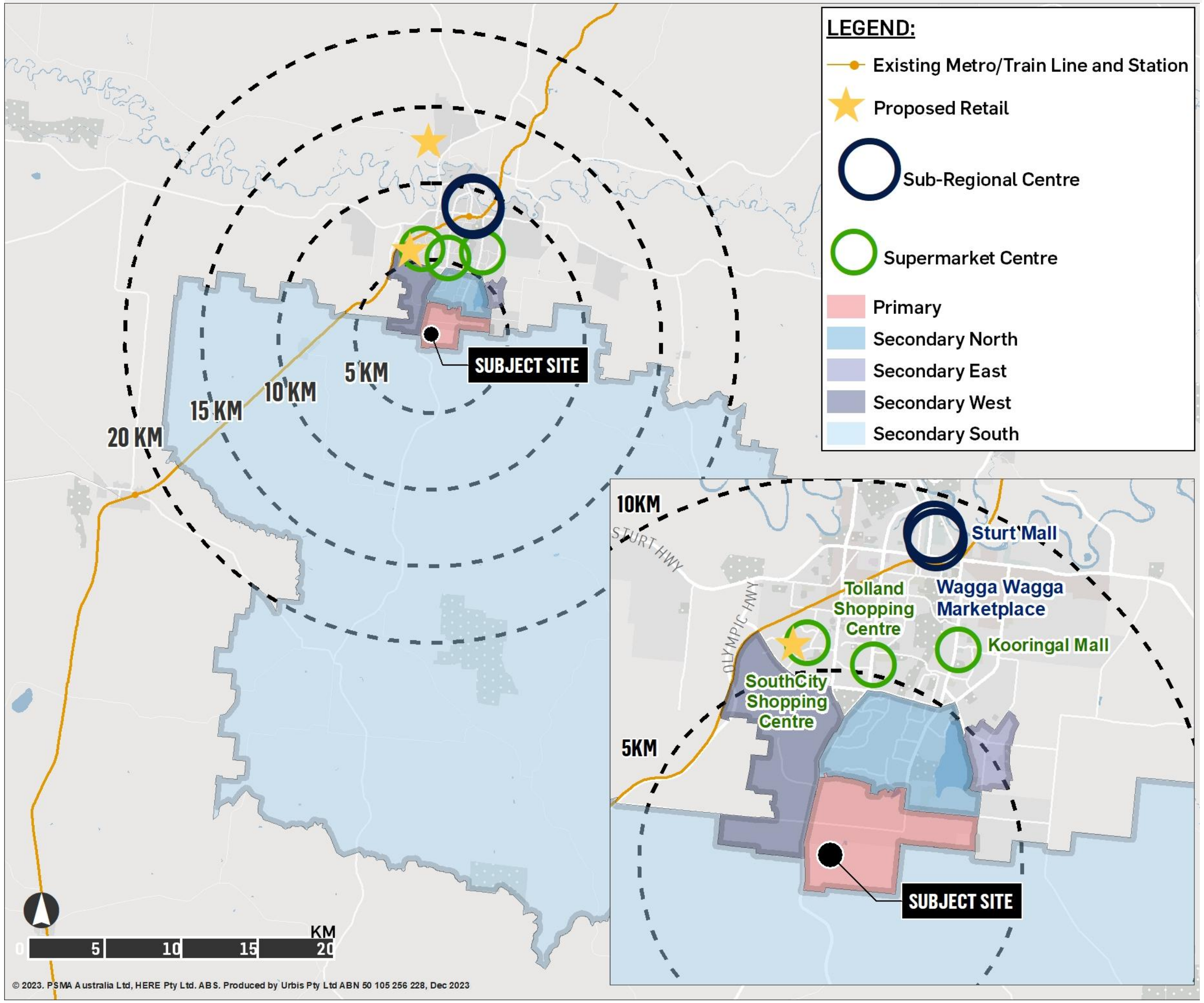
- The existing road alignments and accessibility of the Subject Site
- Significant physical and geographic boundaries, such as the railway line, lakes etc.
- The proposed location of residential development in the surrounding area
- The provision of existing retail facilities throughout the area.

The defined trade area aligns with the Zoning Plan for Wagga Wagga SGA and ABS SA1 statistical areas:

- **Primary trade area –** captures the entire SGA, which extends to Featherwood Road in the north, Rowan Road in the south and Redback Road in the east.
- **Secondary north trade area** – bounded by the Red Hill Road to the north, Holbrook Road to the west, and extends east to Lake Albert.
- **Secondary east trade area –** bounded by Vincent Road to the north, Mitchell Road to the east, and rural land to the south.
- **Secondary west trade area** – bounded by Red Hill Road to the north, the rail line to the west, and rural land to the south.
- **Secondary south trade area** – extends to the edge of Wagga Wagga Council in the south and west, and Book Book and Gregadoo suburbs in the east.

In combination, the primary and secondary trade areas are referred to as the **main trade area**.

Wagga Wagga South Trade Area Map 2.1.1



TRADE AREA POPULATION

Key Findings

Chart 2.1.2 presents population forecasts for the trade areas. Forecasts for the primary trade area are based on indicative staging and yields outlined within the *Draft Rowan Village & Sunnyside Infrastructure Services Delivery Plan (ISDP)*, released by Infrastructure & Development Consulting in November 2023. Forecasts for the secondary trade

Key assumptions include:

- A total of 4,800 dwellings to be delivered within the SGA, as per the SGA Zoning Plan
- An average household size of 3.0, in line with 2021 Census data for new development areas in Wagga Wagga (e.g. Gobbagombalin, Booroma and Lloyd)
- Zone 1 dwellings to be delivered from 2025, as per forecast yield and staging in the Draft ISDP.
- Zone 2-4 dwellings to be delivered from 2028, at 100 dwellings per annum until it reaches capacity.

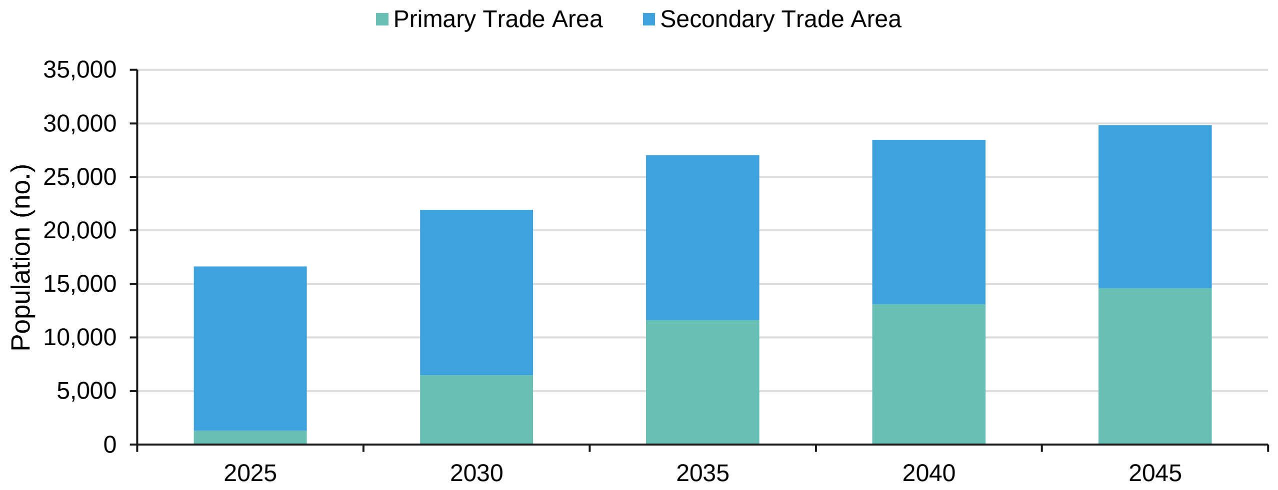
Population projections for the secondary trade area are based on ABS Estimated Resident Population data and official Transport for NSW population projections.

In 2021, the main trade area is estimated to accommodate ~15,610 residents. With the delivery of dwellings in SGA, the population is estimated to reach ~16,640 by 2025 and ~29,840 by 2045. This represents an average rate of 3.0% per annum between 2025 and 2045.

Over the short-medium term, growth will predominantly be supported by the Rowan Village development. Over the medium-long term, population growth will be facilitated by the development of zones 2-4 within the SGA.

Population Forecast (2025 – 2045)

Chart 2.1.2



Source: ABS; TfNSW; Urbis

TRADE AREA DEMOGRAPHICS

Key Findings

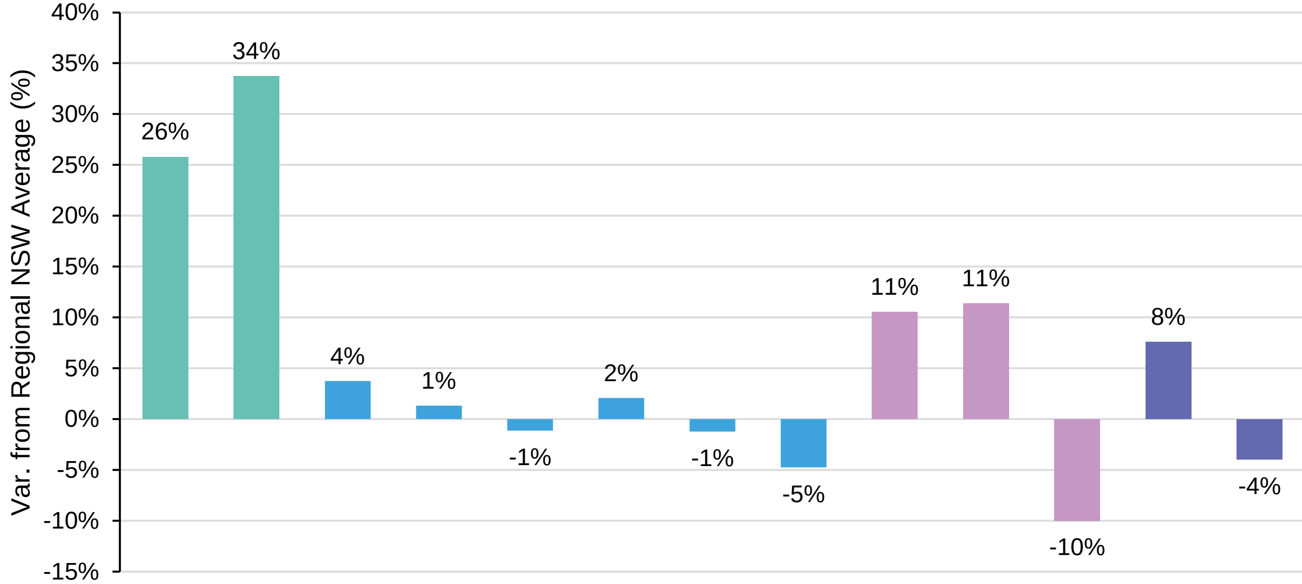
The key socio-economic characteristics of the Wagga South main trade area, as sourced from the 2021 ABS Census, are highlighted below:

- The main trade area is significantly more affluent, recording average per capita incomes and household income of 26% and 34% higher than the Regional NSW averages, respectively.
- The age distribution within the trade area is slightly skewed toward the younger age bracket, with the proportion of residents aged 65+ around 5% lower than the Regional NSW average.
- Families comprise almost 80% of household types within the trade area, which is 11% above the Regional NSW average.
- The proportion of households with mortgages is higher than the Regional NSW average, while the proportion of renters is 10% lower.
- White collar workers account for an above average proportion of the population, at 8% above the Regional NSW average. This has been bolstered by the rise of remote working in more recent years, enabling professionals to relocate to attractive regional areas.
- The main trade area has a below-average proportion of residents born overseas, at 4% below the Regional NSW average.

Overall, the main trade area is characterised by a large proportion of increasingly affluent families. The high proportion of households with mortgages and lower proportion of renters signifies higher disposable income for retail.

Main Trade Area Socio-Demographic Profile, 2021

Chart 2.1.4



	Income		Age Profile						Household			Other	
	Per Capita Income	Avg. H'hld Income	0-14	15-24	25-39	40-54	55-64	65+	Families	Purchaser	Renter	White Collar Workers	Overseas Born
	($)	($)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)	(% pts)
Main Trade Area	$58,500	$136,400	22%	12%	16%	20%	12%	17%	79%	44%	18%	75%	9%
Regional NSW	*$46,500*	*$102,000*	*18%*	*11%*	*17%*	*18%*	*13%*	*22%*	*69%*	*32%*	*28%*	*67%*	*13%*

Source: ABS; Urbis

TRADE AREA SPENDING

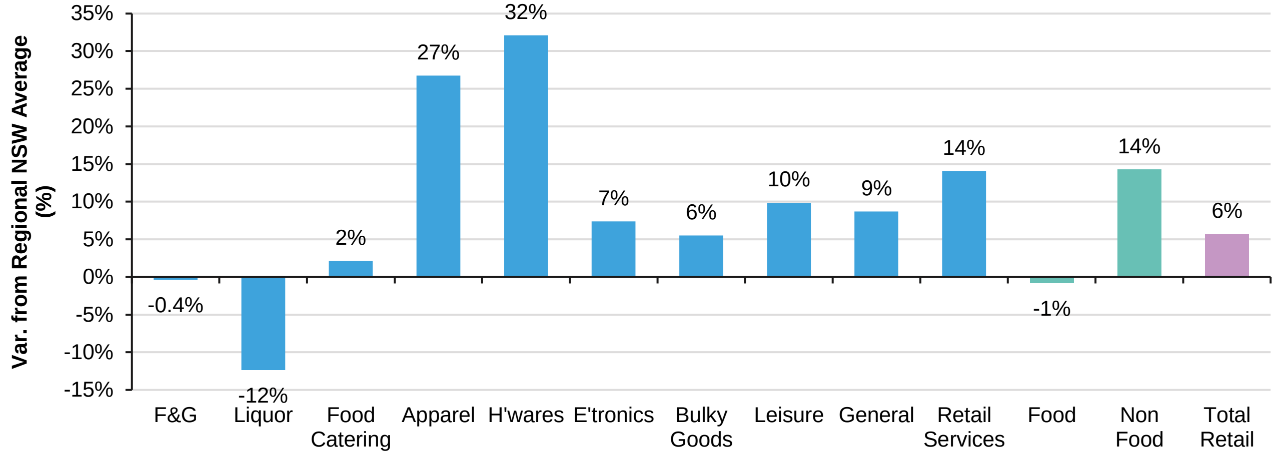
As shown in the chart, average per capita spending levels across the trade area are 6% above the average for Regional NSW, although the variation differs across product groups.

Per capita spending on food and groceries is 0.4% below the regional NSW average, while liquor is 12% below the average. The remaining sectors are between 2% - 32% above the average.

The total retail expenditure capacity of the main trade area population is estimated to grow from $276 million in 2023 to $618 million by 2038 (real $2023, including GST), reflecting an average annual growth of 5.5%.

Food spending accounts for the largest proportion of retail expenditure, at 54% ($149 million) in the trade area in 2025.

Per Capita Spending Variation from Regional NSW Average Chart 2.1.5



Source : ABS; CommbankIQ; Urbis

Spending Forecast (Real $2023, incl. GST) Table 2.1.1

	Food & Groceries	Liquor	Food Catering	Apparel	H'wares	E'tronics	Bulky Goods	Leisure	General	Retail Services	**Total Retail**	Annual Growth	=	Pop Growth	+	Spend Per Capita Growth
Total Primary:																
2023	2	0	1	1	0	0	1	0	0	0	**6**					
2028	30	3	10	11	2	4	8	5	6	3	**83**	68.3%		67.0%		0.8%
2033	73	7	27	29	6	13	22	12	14	8	**212**	20.5%		18.6%		1.6%
2038	93	9	37	41	8	19	31	18	19	11	**287**	6.3%		4.6%		1.6%
Secondary Trade Area:																
2023	101	11	34	35	8	14	26	15	18	10	**270**					
2028	103	10	35	37	8	15	28	16	19	10	**282**	0.9%		0.1%		0.8%
2033	105	11	39	42	9	18	32	18	21	12	**306**	1.6%		0.1%		1.6%
2038	107	11	43	48	9	22	36	21	22	13	**331**	1.6%		-0.1%		1.6%
Main Trade Area:																
2023	104	11	34	35	8	14	26	15	18	10	**276**					
2028	134	14	45	48	11	20	36	20	24	13	**366**	5.8%		4.5%		0.8%
2033	178	18	66	72	15	31	54	31	35	19	**518**	7.2%		5.7%		1.6%
2038	200	20	80	89	18	41	66	39	42	24	**618**	3.6%		2.1%		1.6%

Source : ABS; CommbankIQ; Urbis

2.2 RETAIL COMPETITOR ANALYSIS

COMPETITIVE CONTEXT

Key Findings

Map 2.2.1 illustrates the locations of existing and proposed retail facilities that are likely to compete with retail at the subject site.

There are no competitive facilities in the primary trade area. The secondary east trade area features Lake Albert Shopping Centre, which includes a 620 sq.m Foodworks store.

Beyond the main trade area, key competitive centres of relevance include:

- **Wagga Wagga Marketplace** (10.7 km) – Woolworths (5,011 sqm)
- **Sturt Mall** (9.7 km) – Coles (3,694 sq.m)
- **Riverina Plaza** (7.9 km) – Aldi (1,200 sq.m)
- **Southcity Shopping Centre** (6.1 km) – Coles (3,800 sq.m)
- **Kooringal Mall** (6.9 km) – Woolworths (1,950 sq.m)
- **Tolland Shopping Centre** (5.2 km) – IGA (1,100 sq.m)
- **Standalone stores** – Aldi Glenfield Park (1,450 sq.m)

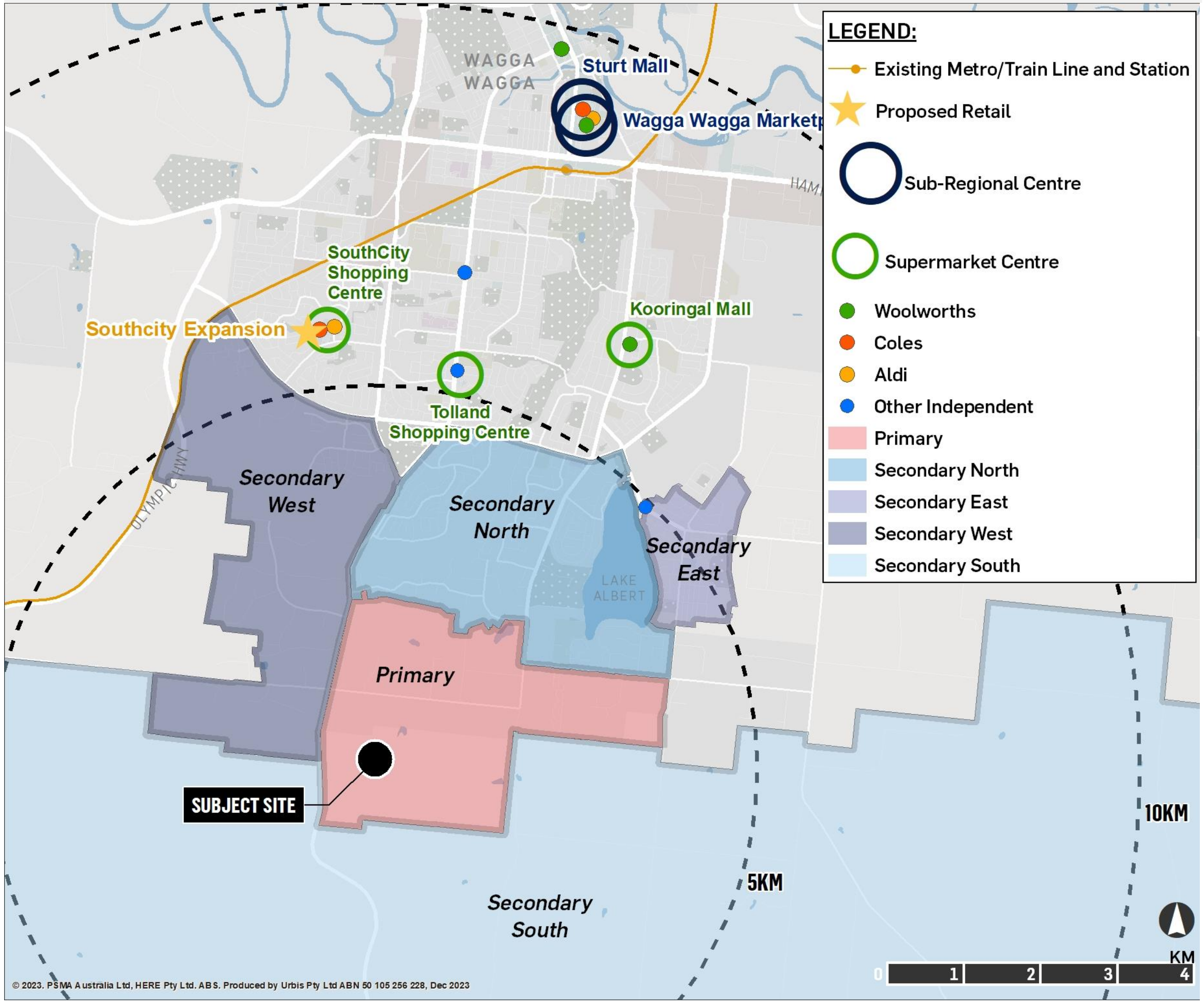
There are currently no supermarkets within a 3 km radius of the subject site, indicating a potential gap in the market.

Within the main trade area, Southcity Shopping Centre has received development approval for a ~7,500 sq.m expansion, to comprise of a new Target, a mini major and an additional 1,679 sq.m of specialty stores.

Kooringal Mall, Southcity and Tolland Shopping Centres will be the main competitors for market share of the secondary north, east and west trade areas.

Competition Map

Map 2.2.1



HIGHER ORDER CENTRES

STURT MALL

Centre Class:	Total GLA:
Sub-regional	15,250 sq.m
Distance:	**Majors:**
9.7 km	Coles, Kmart

Comment:

Sturt Mall features two major tenants and over 45 specialty stores, with a strong mix of local and national retailers. The centre's offer is largely targeted towards the mid-market and is underpinned by its Kmart anchor.

In 2014, Sturt Mall received development approval for approximately 6,000 sq.m of additional GLA. The expansion is set to feature a new, relocated Coles supermarket (4,200 sq.m) and provide for approximately 24 additional tenancies.

WAGGA WAGGA MARKETPLACE

Centre Class:	Total GLA:
Sub-regional	24,828 sq.m
Distance:	**Majors:**
10.7 km	Woolworths, Big W

Comment:

Wagga Wagga Marketplace is the largest sub-regional centre in the LGA, featuring two majors and 59 specialty retailers. The centre underwent a $30 million expansion in 2016 that resulted in an additional 3,200 sq.m of GLA and upgraded amenities.

The centre's offer is largely targeted towards the mid-market and a younger demographic, with its wide array of national brand tenants.

REMAINDER WAGGA WAGGA CORE

Comment:

The Wagga Wagga Core features three supermarket centres that service the needs of residents in the immediate community.

Southcity Shopping Centre in Glenfield Park features a Coles supermarket, a Reject Shop and 14 specialty retailers across 6,800 sq.m of GLA. In 2013, the Centre received development approval for ~7,500 sq.m expansion to comprise a Target, a mini major and 503 sq.m of specialty stores.

Kooringal Mall comprises ~5,800 sq.m of retail floorspace. The Mall features a Woolworths and 25 specialty retailers.

Tolland Shopping Centre features an IGA and seven tenancies across ~2,900 sq.m of GLA.

2.3 RETAIL DEMAND ANALYSIS

FLOORSPACE DEMAND ASSESSMENT

Key Findings

Table 2.3.1 illustrates the assessment of supportable floorspace demand for the trade area. The adopted methodology is as follows:

- Firstly, the current and future spending capacity of the trade area is assessed.
- Total floorspace demand is then calculated by dividing the total resident spend market by an appropriate average trading level (sales productivity) for each retail category.
- Market shares are then adopted, reflecting the reasonable share that the subject site could potentially achieve from the resident catchment, having regard to location, accessibility and the surrounding competitive environment.
- A share of demand has also been allocated for trade that will be generated from beyond the total trade area (5%), e.g. from local workers that live beyond the trade area and visitors.

Given that the subject site development is still in the early planning phase, it has been assumed that any retail development is not likely to occur prior to 2025.

Based on the above methodology, total resident spend is projected to grow from $290.3 million in 2025 to $721.6 million by 2045. The resulting total floorspace demand generated by the total trade area is estimated to grow from around 30,150 sq.m in 2025 to 58,580 sq.m by 2045.

Based on estimated market shares that the subject site could achieve, the subject site could support 1,370 sq.m of total retail floorspace by 2025, growing to ~5,360 sq.m by 2045.

Estimated Supportable Floorspace Demand

Table 2.3.1

Year	Food Retail	Food Catering	Apparel	Household Goods	Bulky Goods	Leisure/ General	Retail Services	Total Retail
Total Resident Spend ($M)								
2025	$121.6	$35.3	$37.2	$23.2	$28.0	$34.5	$10.5	**$290.3**
2030	$163.0	$51.8	$55.8	$35.4	$41.9	$51.1	$15.4	**$414.4**
2035	$204.6	$71.0	$77.8	$50.3	$58.2	$70.8	$21.0	**$553.6**
2040	$218.9	$82.9	$92.4	$61.1	$68.9	$83.6	$24.5	**$632.3**
2045	$233.5	$96.5	$109.3	$74.1	$81.3	$98.4	$28.4	**$721.6**
Average Trading Level								
2025	$11,590	$9,864	$11,803	$11,229	$4,628	$11,274	$6,022	**$9,630**
2030	$11,803	$10,845	$12,966	$12,665	$5,112	$12,448	$6,719	**$10,289**
2035	$12,013	$11,826	$14,105	$14,135	$5,591	$13,606	$7,411	**$10,952**
2040	$12,222	$12,807	$15,245	$15,672	$6,070	$14,761	$8,104	**$11,627**
2045	$12,432	$13,787	$16,384	$17,282	$6,549	$15,913	$8,797	**$12,318**
Total Floorspace Demand (sq.m)								
2025	10,489	3,582	3,150	2,069	6,055	3,057	1,748	**30,150**
2030	13,806	4,778	4,307	2,797	8,196	4,108	2,287	**40,279**
2035	17,028	6,001	5,515	3,559	10,409	5,202	2,834	**50,548**
2040	17,913	6,472	6,060	3,896	11,355	5,663	3,021	**54,381**
2045	18,784	6,997	6,672	4,286	12,421	6,187	3,233	**58,580**
Estimated Market Share of Total Trade Area (%)								
2025	8.8%	3.8%	0.0%	5.6%	0.0%	1.8%	3.8%	**4.3%**
2030	15.0%	5.3%	0.0%	7.2%	0.0%	2.5%	5.3%	**6.8%**
2035	18.8%	6.2%	0.0%	8.3%	0.0%	2.9%	6.2%	**8.3%**
2040	19.7%	6.4%	0.0%	8.6%	0.0%	2.9%	6.4%	**8.5%**
2045	20.5%	6.6%	0.0%	8.8%	0.0%	3.0%	6.6%	**8.7%**
Supportable Floorspace Demand* (sq.m)								
2025	975	145	0	121	0	58	71	**1,370**
2030	2,185	266	0	213	0	107	128	**2,899**
2035	3,374	391	0	310	0	157	185	**4,416**
2040	3,718	436	0	351	0	174	204	**4,883**
2045	4,062	486	0	399	0	193	225	**5,364**

**Includes 5% of demand drawn from beyond the trade area*
Source: ABS; CommbankIQ; Urbis

FLOORSPACE COMPOSITION AND MIX

Key Findings

Table 2.3.2 outlines the indicative composition and mix of retail floorspace that could be supported at the subject site.

By 2045, the subject site could support ~5,360 sq.m of retail floorspace, comprising:

- A full line supermarket and liquor store, comprising ~4,060 sq.m of floorspace
- 490 sq.m of food catering floorspace (e.g. ~6-7 take-away / cafes / restaurants);
- 400 sq.m of household goods (e.g. ~3 technology / homeware store)
- 190 sq.m of leisure / general floorspace (e.g. 2 -4 pharmacy / giftware / newsagency / tobacconist); and
- 220 sq.m of retail services floorspace (e.g. ~2 hairdresser, beauty salons, massage, optometrist).

In addition to the 5,360 sq.m of retail floorspace, we recommend a further 950 sq.m (15%) of non-retail floorspace. This could accommodate uses such as a medical centre, gym and local professional services (accountants, real estate agents).

It is recommended that the provision of retail is clustered, rather than dispersed, in a highly visible area that will attract passing traffic (pedestrian or vehicular). It is also recommended that alfresco dining options are integrated with nearby open space to activate the retail space.

Indicative Composition and Mix of Retail Floorspace

Table 2.3.2

	Supportable Floorspace (sq.m)				
	2025	2030	2035	2040	2045
Supermarket	930	2,080	3,220	3,550	3,870
Liquor	40	100	160	170	190
Food Catering	140	270	390	440	490
Household Goods	120	210	310	350	400
Leisure / General	60	110	160	170	190
Retail Services	70	130	180	200	220
Total Retail	**1,360**	**2,900**	**4,420**	**4,880**	**5,360**
Non-Retail	240	510	780	860	950
Grand Total	**1,600**	**3,410**	**5,200**	**5,740**	**6,310**

Source: ABS; CommbankIQ; Urbis

2.4
RECOMMENDATIONS

RECOMMENDATIONS

Recommendations

By 2025, the subject site could potentially support a ~1,000 sq.m supermarket and liquor store and ~360 sq.m of specialty tenants. This would coincide with the first lot of residents at the subject site and support the daily convenience needs of existing residents in the surrounding area.

Over the longer term, growth in trade area resident spending could support around 5,360 sqm of total retail floorspace by 2045, comprising ~4,060 sq.m of food retail and around ~1,300 sq.m of specialty tenants.

Given the surrounding density, accessibility and exposure, this would predominantly comprise a consolidated retail centre, anchored by a supermarket and liquor store. This could be supported by a smaller, secondary cluster of 'neighbourhood-shop' style retail, comprising a small-scale food retail (e.g. a grocer, bakery and café) and non-food retail (e.g. a barber or nail salon).

If developed over the short term, the retail performance is expected to be relatively soft, until the retail centre is established and the residential population within the primary trade area densifies.

Given moderate competition from supermarkets in Glenfield Park, Tolland, Kooringal to the north, securing the strongest available supermarket anchor (e.g. a national brand retailer such as Aldi or IGA) will help to create a compelling offer for customers to visit.

Given the lack of retailers within the trade area, the subject site is well placed to provide a strong specialty mix that will create a holistic offer for residents to fulfill their shopping needs. The subject site should leverage off its high exposure to major roads (such as Holbrook Road) to maximise its convenience to passing traffic.

URBIS