ACT Government | Suburban Land Agency

Commercial Analysis for Molonglo Town Centre

Prepared from SLA source reports: LocationIQ Retail Demand Assessment (2023), ACT Treasury Population data, Census data, MTC Hatch Economics Retail Needs Analysis (2025).

Background: *The LocationIQ Retail Demand Assessment (2023) established the original retail demand, floorspace and staging assumptions for the Molonglo Group Centre and provided the baseline evidence for subsequent commercial analysis. Since that time, the planning context has evolved significantly, including the transition from a Group Centre to a Town Centre, updated ACT Treasury population forecasts, additional economic analysis and further market testing. Consequently, the assumptions, staging and floorspace estimates contained in the 2023 assessment should be considered a foundational input rather than the basis of the current Master Plan. Where differences occur, the more recent analysis and Master Plan provisions represent the current planning position.*

Executive Summary

The commercial core proposed in the Molonglo Town Centre and Surrounds Master Plan has been informed by a comprehensive program of analysis and market testing to understand the long-term needs of the growing Molonglo community. This work draws on population forecasts, Census and demographic data, retail and commercial demand modelling, industry research and targeted market engagement.

The foundation of the analysis was the LocationIQ Retail Demand Assessment (2023), which established a baseline understanding of future retail and commercial demand across Molonglo Valley. This assessment was subsequently reviewed and updated using the latest ACT Treasury population forecasts (2025), together with updated Census and demographic information. These datasets provide a clearer understanding of how the district is expected to grow, as well as the characteristics and needs of current and future residents.

The analysis assessed likely demand for retail, hospitality, services, employment and commercial uses and compared this against existing and planned floorspace throughout Molonglo Valley. This ensured the role of Molonglo Town Centre was considered as part of the broader hierarchy of Local, Group and district centres rather than in isolation. The result is a commercial core that is appropriately scaled to serve the district while avoiding unnecessary duplication of services elsewhere in the district.

The current population of the Molonglo Valley is approximately 19,000 residents. The evidence confirms that Molonglo Valley currently experiences a shortage of many everyday retail and service offerings for these existing residents. While there is immediate demand for some retail and service offerings, current market conditions, particularly within the office sector, indicate that investment in employment and commercial floorspace will rely on future population growth over the coming years as the new suburbs are developed. The Town Centre should be delivered in a staged and flexible manner, allowing investment to respond to demonstrated market demand as the population grows and the new suburbs across Molonglo Valley are developed.

The findings were also tested against broader market conditions and the performance of surrounding centres, including Woden and Belconnen and Civic. Additional insights were obtained through targeted market sounding and industry engagement undertaken to inform potential land release and delivery approaches. This work indicates interest from a range of retailers, service providers and investors in establishing within Molonglo Town Centre.

Importantly, Molonglo Town Centre is intended to become the primary centre for the district. However, it is not intended to provide all services and employment opportunities from the outset. Instead, the centre is planned to grow progressively, beginning with the retail, health, hospitality, community and employment uses required in the near term while preserving opportunities for significant future expansion as the district matures.

The resulting commercial framework is evidence-based, market-tested and adaptable. It is designed to meet the needs of current residents, support employment and investment as the community grows, and provide the flexibility needed for the Town Centre to evolve over future decades.

Evidence question	**What the reports show**	**Implication for MTC approach**
How big is the ultimate market?	Molonglo is planned to grow to around 70,000 residents, with updated ACT Treasury forecasts showing growth towards that level by 2050–2055.	Plan for a centre with an ultimate district-serving role, while staging delivery to match population growth.
What is the current and future customer base?	The catchment is currently young, family-oriented, relatively affluent and ethnically diverse, with ageing expected as suburbs mature.	Prioritise everyday retail, childcare, medical, food, services and later health/lifestyle/downsizing services.
Is there unmet retail demand?	Current Molonglo retail supply is materially below estimated demand; early gaps include supermarkets, large format retail, takeaway food, services and service stations.	Deliver early anchors and convenience uses to meet current need and create activation.
What retail is supportable and when?	LocationIQ supports a staged retail core: around 6,550 sqm at Stage 1, 13,450 sqm at Stage 2 and 25,100 sqm ultimately.	Staged retail core growth around clear population thresholds rather than over-delivering specialty retail early for which there may not be demand.
What does the market say?	Market sounding confirmed initial interest in supermarkets, some large format retail, fuel/fast food and selected services, with other services and mini-major formats requiring higher population thresholds.	Reserve land and ensure flexibility for future higher-order uses but start with uses the market is able to realistically support.
How should the masterplan respond?	Retail consultants counselled against too much dispersed street-based retail and emphasised compactness, access, parking, visibility and anchor-led foot traffic.	Use a focused retail core and a separate large-format precinct, with staged intensification over time.

Why has the office provision changed?

The Master Plan continues to support the long-term vision of increasing local employment opportunities and reducing the need for residents to travel outside Molonglo Valley for work and services. However, the amount of office space planned in the early stages of development must also reflect current market conditions and realistic patterns of demand.

Updated ACT Treasury population forecasts and demographic analysis provide a clearer understanding of when employment demand is likely to emerge within Molonglo Valley. While the district is still expected to grow to around 70,000 residents, growth is forecast to occur over a longer timeframe than previously anticipated. Planning assumptions have also been refined to recognise the contribution that Local and Group centres across the district will make in accommodating employment and service functions.

Current market conditions further support a staged approach. Canberra's office market is experiencing elevated vacancy rates and changing workplace practices, including hybrid and remote working arrangements. Outside the Canberra CBD, major office developments are generally supported by significant government, institutional or corporate tenants. At present, there is limited evidence of demand for substantial speculative office development in Molonglo Valley in the short term.

For these reasons, the Master Plan identifies an initial office provision of approximately 10,000 sqm, representing a realistic and achievable starting point for the Town Centre. This provision supports early employment opportunities while allowing future growth to respond to demonstrated market demand.

Importantly, this does not represent a cap on future employment growth. The Master Plan has been consciously designed to retain flexibility for additional commercial and office development as the district matures. Subject to market conditions, tenant attraction and future investment opportunities, office floorspace could increase to approximately 30,000–50,000 sqm over time.

Future growth may be supported through:

- Attraction or aggregation of government and private-sector tenants, including opportunities in sectors such as defence, health, wellness and technology.
- Flexible zoning and development provisions within the Central Precinct, where office uses are already permissible across multiple zones, including Community Facility, CZ1 and CZ3.
- The ability for future developments to transition between retail, commercial and other employment-generating uses as demand evolves.
- The masterplan framework which allows office, retail and other employment-generating uses across several precincts, providing flexibility for future government, health, education, technology, defence or private-sector employers to establish in the Town Centre

This approach avoids sterilising valuable land for commercial development before demand exists, while ensuring sufficient flexibility to accommodate future employment growth as Molonglo Town Centre develops into the district's primary centre.

How will future retail space be accommodated?

While the LocationIQ Retail Demand Assessment (2023) remains an important foundational study, its staging and floorspace assumptions have since been reviewed and refined through updated population forecasts, additional economic analysis, market testing and the evolution of the project from a Group Centre to a Town Centre. Accordingly, the assessment should be regarded as a key input to the planning process rather than a statement of the current Master Plan provisions.

The assessment established the original evidence base for retail demand within Molonglo and identified a staged retail core that grows in line with population growth and demonstrated market demand. It identified demand for approximately 6,550 sqm of retail floorspace in Stage 1, increasing to 13,450 sqm in Stage 2 and approximately 25,100 sqm at full maturity.

The analysis also identified a logical sequence of development. Early stages are expected to support a full-line supermarket and complementary convenience retail and services. As the population grows, additional supermarkets, mini-major retailers and a broader range of specialty shops become viable. Higher-order retail uses, such as a discount department store and expanded specialty retail offerings, are expected to emerge only once the catchment reaches a sufficient size to support them.

This staged approach helps preserve land for the centre's long-term district-serving role while avoiding the risks associated with delivering retail floorspace ahead of demand. It supports business viability, centre activation and the gradual expansion of retail and service offerings as the community grows.

Accordingly, the Master Plan adopts a staged, compact and anchor-led retail framework, informed by the 2023 retail demand analysis but refined through subsequent demographic, economic and market testing. This approach provides flexibility for future expansion while focusing initial development on the retail and service uses most needed by Molonglo residents.

Stage	**Population / timing basis in reports**	**Retail core supported**	**Indicative role**
Stage 1	2023 retail demand analysis links Stage 1 to around 25,000 residents and FY2027/28 timing in its earlier forecast framework.	Around 6,550 sqm centre core, including one full-line supermarket, mini-major, specialties and non-retail shopfronts.	Convenience-led, daily needs, early activation.
Stage 2	2023 retail demand analysis links Stage 2 to around 36,000 residents and FY2032/33 in its staging framework.	Around 13,450 sqm centre core, including two supermarkets, additional mini-majors and expanded specialties.	Expanded district convenience and services.
Stage 3 / ultimate	2023 retail demand analysis identifies ultimate capacity around 70,000 residents.	Around 25,100 sqm retail core, with discount department store, majors, mini-majors and specialty retail.	Mature Town Centre / sub-regional function.

How does the updated non-residential GFA demand support future growth?

The Hatch Economics Non-Residential GFA Estimates (2025) provide an important cross-check on the scale and long-term role of Molonglo Town Centre. The analysis assesses the amount of non-residential floorspace likely to be required as the district grows and estimates that, by 2050, the Town Centre could support approximately 90,684 sqm of additional non-residential floorspace beyond forecast catchment supply. This comprises around 78,251 sqm of retail floorspace and 12,500 sqm of commercial and hospitality floorspace, including approximately 10,000 sqm of office space and 2,500 sqm of hospitality uses.

Importantly, the analysis confirms that Molonglo Town Centre is capable of performing a substantial district-serving role over the long term. The analysis focused on demand generated within the Molonglo Valley and the role of Molonglo Town Centre in meeting that demand. While it acknowledges that residents access services outside the Valley, including in Weston Creek, it was undertaken at a high level and concentrated on the district's own demand profile rather than detailed interactions with surrounding centres. It also highlights that future demand will be diverse and should not be viewed solely through the lens of traditional main street retail and will have synergies with neighbouring districts.

A successful Town Centre requires a range of complementary land uses, including specialty retail, supermarkets, large-format retail, hospitality, commercial space, community services and other employment-generating activities. The 2025 non-residential demand analysis reinforced the importance of providing a flexible planning framework capable of accommodating this mix of uses as demand emerges over time.

The findings also support the Master Plan's staged approach to development. While significant non-residential growth is expected as Molonglo matures, demand is likely to occur progressively and across different sectors of the economy. The Master Plan therefore provides capacity for long-term growth while allowing development to respond to changing market conditions and community needs.

In summary, the 2025 non-residential demand analysis confirms that the Town Centre has the potential to accommodate substantial future employment, retail and service activity, while supporting a flexible and commercially viable pattern of development.

2050 demand category	**Final non-residential GFA estimate**	**Implication**
Specialty retail	8,100 sqm MTC estimated demand in addition to forecast catchment supply.	Fine-grain retail should be focused and located where foot traffic is strongest.
Big box retail	23,200 sqm MTC estimated demand.	Supports supermarket, mini-major and larger retail anchors.
Big Box – Homemaker / Large Format	47,000 sqm MTC estimated demand.	Strongly supports prominent large format precinct.
Total retail floorspace	**78,300 sqm MTC estimated demand.**	**Confirms significant long-term retail role.**
Commercial	10,000 sqm MTC estimated demand.	Supports a commercial/employment component, but at a scale tested against market conditions.
Hospitality	2,500 sqm MTC estimated demand.	Supports activation, food and beverage and evening economy uses over time.

Total non-residential floorspace	**90,800 sqm MTC estimated demand.**	**Supports long-term mixed-use town centre role.**

A Framework for Long Term Growth

The commercial strategy for Molonglo Town Centre is founded on a simple principle: plan for the long term, deliver in response to demand.

The Master Plan preserves the opportunity for Molonglo Town Centre to evolve into the district's primary destination for employment, services, retail activity and community life as the population grows towards 70,000 residents. At the same time, it recognises that successful Town Centres develop progressively and must be supported by genuine market demand.

Accordingly, the Master Plan adopts a staged and flexible approach. It prioritises the shops, services, community facilities, housing and employment opportunities needed in the near term, while safeguarding capacity for substantial future growth. This ensures the Town Centre can establish itself as a vibrant and commercially viable destination today, while retaining the flexibility to accommodate the jobs, investment and services needed tomorrow.

The result is a Town Centre that is evidence-based, market-responsive and designed to grow with the community it serves.

What We've Heard About the Town Centre and Commercial Core through engagement in 2024-2025

The Master Plan has been informed not only by technical analysis and market testing, but also by the views and aspirations expressed through community and stakeholder engagement undertaken during 2024 and 2025. The full listening report outlining what we heard during this time can be found on YourSay (Community Vision for Molonglo Town Centre)

- **November - December 2024** – Yoursay visioning community engagement campaign (online surveys, pop-ups at local shops and schools, drop-in sessions at Coombs community centre, online information sessions and school incursions). This program reached 23,000 people, engaged 1,000 people, and we received 414 completed surveys.
- **February 2025 – First Nations visioning workshops** – 3x community info sessions held in Feb 2025.
- **March 2025 – Community Panel visioning workshop** – one in-person workshop session with the newly-established community reference group, made up of participants who expressed an interest to join the Panel during the Nov/Dec 2024 Yoursay campaign. Feedback from the broader community, First Nations participants and the Community Panel highlights a strong desire for a vibrant, welcoming town centre that serves as a meeting place for Molonglo Valley residents. Key themes include:
  - A vibrant destination with cafés, restaurants, markets, entertainment and active public spaces that encourage people to gather and connect.
  - A mix of shopping opportunities, with community views ranging from support for supermarkets and larger retail stores to affordable spaces for local and small businesses.
  - Community-focused places, including public gathering spaces, laneways, markets, open-air shopping areas and other "third spaces" that complement, rather than replace, open space.

    - Strong support for activation, including events, markets, outdoor dining, cultural activities and temporary commercial uses such as coffee carts.
    - Transport and accessibility improvements, including sufficient parking, reduced traffic congestion and better public transport connections.
    - Employment and economic opportunities, particularly through feedback from First Nations participants, who highlighted opportunities for local jobs, social enterprise, Indigenous-owned businesses, ranger programs and ongoing community involvement.
- Overall, feedback was focused more on creating vibrant shopping, dining and community experiences than on office development or employment precincts, while recognising the importance of a commercially viable Town Centre that meets the needs of a growing community.

Conclusion

The evidence, market testing and community engagement all support a staged and flexible approach to the development of Molonglo Town Centre. The analysis demonstrates strong long-term demand for retail, services, employment and community uses as Molonglo Valley grows towards 70,000 residents, while also confirming the need to align development with realistic market conditions.

The Master Plan balances these objectives by establishing the foundations of a district serving centre today while preserving capacity for future growth. This approach provides a commercially viable pathway for investment and delivery, ensuring the Town Centre can evolve over time into the economic, social and civic heart of Molonglo Valley.

Appendix Register

Appendix	Document	Description
Appendix A	Hatch Economics – MTC Retail Needs Analysis (2025)	Primary commercial analysis supporting the current Molonglo Town Centre and Surrounds Master Plan. Provides updated retail, commercial and non-residential demand estimates informed by the Town Centre uplift, updated ACT Treasury population forecasts and contemporary market analysis.
Appendix B	LocationIQ – Retail Demand Assessment (2023)	Foundational retail demand assessment prepared for the earlier Molonglo Group Centre concept. Established the original retail demand and staging assumptions, which have since been refined through updated analysis and the transition to a Town Centre.

Appendix A - Hatch Economics – MTC Retail Needs Analysis (2025)

Molonglo Town Centre

Retail Needs Analysis Update

07 November 2025

Document Control

Title:	Retail Needs Analysis Update
Prepared for:	Suburban Land Agency
Reference:	H374929
Status:	Draft
Date	15th July 2026
Prepared by:	Hatch and Fluent

Report Inputs:	
Economics:	Hatch
Commercial:	Fluent

The retail needs assessment was undertaken by Hatch through analysis of existing datasets, reports and agreed growth assumptions, including demographic analysis, housing needs assessment and retail gap analysis. Fluent's role included providing commercial perspectives and commentary on emerging findings, master planning outcomes and delivery considerations, informed by its development and feasibility experience. Neither Hatch nor Fluent undertook primary retail research, detailed market surveys, updated retail demand modelling, or new catchment retail analysis as part of this scope.

SLA and Consultant Team

Level 3, 50 Carrington Street, Sydney NSW 2000

HATCH FLUENT CREATE MOMENTUM

Contents

Executive Summary

The commercial core in the Molonglo Town Centre and Surrounds Master Plan has been developed using a range of evidence to understand what the growing Molonglo community will need over time. This included population forecasts, Census and demographic data, retail and commercial demand modelling, and industry input.

As a starting point, the LocationIQ Retail Demand Assessment, 2023 established a baseline understanding of future retail and commercial demand across Molonglo Valley. This analysis was later updated using the latest ACT Treasury population forecasts, which provided a revised picture of how the district is expected to grow over coming decades. Census and demographic data were also reviewed to understand the characteristics of current and future residents, including household types, family structures and changing community needs over time.

Using this information and assumptions, demand for shops, services, hospitality, employment and commercial uses was estimated and compared against existing and planned floorspace across Molonglo Valley. This ensured the town centre's role was considered alongside other local and group centres, rather than in isolation.

The outcome was a commercial core sized to meet the district's needs while avoiding unnecessary duplication of services elsewhere in the Valley.

The analysis confirmed that Molonglo Valley already experiences a shortfall in many everyday services and that demand will continue to grow as the population moves towards approximately 70,000 residents. At the same time, current market conditions, particularly in the office sector, indicate that employment and commercial space should be delivered in a staged and flexible way, allowing growth to respond to demonstrated demand over time.

The findings were also tested against real-world market conditions, including consideration of surrounding centres such as Woden and Belconnen and the broader Canberra centre network. Further insights have been derived from targeted market sounding related to release methodology, which has informed aspects of the MTC Master Plan. This market engagement confirmed interest from potential operators and investors in establishing within Molonglo Town Centre.

Importantly, Molonglo Town Centre is intended to be the district's main centre. However, it is not expected to provide everything from day one. Instead, the centre is planned to grow in stages, starting with the shops, services, supermarkets, health services, restaurants and employment spaces that are needed early, while preserving the ability to accommodate more jobs and commercial activity as the district matures.

The result is a commercial core that is evidence-based, market-tested and flexible. It is designed to meet the needs of today's residents, support jobs and services as the community grows, and allow the town centre to evolve over time without constraining future opportunities.

+ Purpose of This Document and Methodology

HATCH

Purpose of This Document

Provides an updated analysis on previous insights regarding the quantum and phasing of retail and commercial floorspace, which are required due to Molonglo's redesignation to a Town Centre and the associated population changes through increased population density.

This document summarises the key technical findings arising from the study. It is intended as a high-level summary and should not be considered a comprehensive technical report.

Introduction

The Molonglo Valley, located along the Molonglo River in Canberra's West is one of the last identified land release areas in the ACT urban area. In 2024, Molonglo was officially recognised as Canberra's 6th Town Centre under the National Capital Plan, having been previously designated as a Group Centre. This reclassification recognises the importance of the Molonglo Town Centre as the main commercial hub for the district.

Limitations

This review relies on the methodology, assumptions and floorspace benchmarks established in previous studies. The assessment did not include primary research or independent verification of floorspace demand assumptions and forecasts. Alternative scenarios were not included as part of the scope. Commercial feasibility was also excluded from the scope.

Methodology

In assessing the retail and commercial needs for Molonglo, the following approach has been taken:

- Define a catchment area for Molonglo (noting that much of Molonglo remains undeveloped) and draw upon the most up to date future population estimates for the area
- Define retail and commercial usages commonly located in Town Centres. For the purposes of this report, previous work completed by LocationIQ in 2023 estimates were adopted for floorspace usages.
- Based upon assumptions provided in the 2023 report, update the quantum of floorspace that will be demanded by the catchment population, that will guide the likely uses hosted in Molonglo Town Centre and phasing considerations.
- Testing and refining the updated floorspace estimates through a series of workshops and discussions with the Suburban Land Agency (SLA), involving the broader consultant team and relevant subconsultants.
- Correlate updated floorspace demand to siting requirements as understood based on Market Sounding and tenant requirements.
- Spatially allocate the siting requirements to the Master Plan to support the overarching Vision and Principles.
- Investigate mechanisms to safeguard the ability for Molonglo Town Centre to grow and intensify as it naturally matures and demand changes.
- The final adopted masterplan floorspace reflects the agreed approach to retail and commercial provision. Variations in the figures presented throughout this analysis reflect the different datasets, assumptions and scenarios tested during the assessment process.

Previous Studies

Previous Ultimate Potential Assessment report by LocationIQ (completed in September, 2023 and provided as an appendix to this document) provided an analysis of the quantum of retail supportable by a Group Centre located in the Molonglo region, based upon available population forecasts.

Given the Group Centre designation at the time, this 2023 analysis focused on retail services typically associated with shopping centres serving a local catchment.

High level summary of results by full development (post 2035):

- 2 major supermarkets and a discount department store as anchor tenants, alongside 3,000sqm of mini-major floorspace and 20,000sqm of large format retail
- Approximately 6,000sqm of specialty retail floorspace, comprising of 60 individual stores.
- Other services including medical centre (2), gyms, service station, multiple fast food outlets, a mid-sized tavern (500sqm) and cinema.
- In total, precinct floorspace of 51,250sqm is recommended by the report's analysis.

Retail Demand Assumptions

These assumptions underpin previous LocationIQ demand modelling and have been applied to updated modelling estimates using ACT Treasury 2025 – 2065 population forecasts.

Benchmarks and floorspace per store are informed by ACT and national performance.

LocationIQ benchmark assumptions for retail demand

Retail Type	Typical Tenants/Brands	Approximate Ratio Benchmark	Floorspace per Store
Supermarket	Woolworths; Coles	9,000 residents/store	3,500 - 4,000 sqm
Discount Dept. Store	Kmart; BigW	52,500 residents/store	6,500 sqm
Mini Major	Chemist Warehouse; Aldi	1-2 stores per supermarket	500 sqm
Specialty Retail	Food catering; liquor; apparel; retail services; leisure goods	15 – 20 stores per supermarket	100 sqm
Large format retail	Amart Furniture; Bunnings; Harvey Norman; JB Hi-Fi; Auto One	0.7 sqm per resident - ACT benchmark	2,000 – 18,000 sqm
Non-retail shopfronts	Real Estate Agent; Bank; Travel Agent; Australia Post	Included in specialty retail	100 sqm
Hospitality	Tavern; Pub; Bar	10,000 residents per store	300 – 2,000 sqm
Service Station	AMPOL, Shell	4,000 residents/store	250 sqm
Fast Food Outlets	McDonalds; KFC; Dominoes	3,200 residents/store	250 sqm

Other Use	Typical Tenants/Brands	Approximate Ratio Benchmark	Floorspace per Store
Gym	Small: Local gyms Large: Fitness First; Club Lime	Small: 10,000 res./gym Large: 60,000 res./gym	Small: 200 sqm Large: 1,000 sqm

Source: LocationIQ – Ultimate Retail Potential – Molonglo Group Centre, 2023

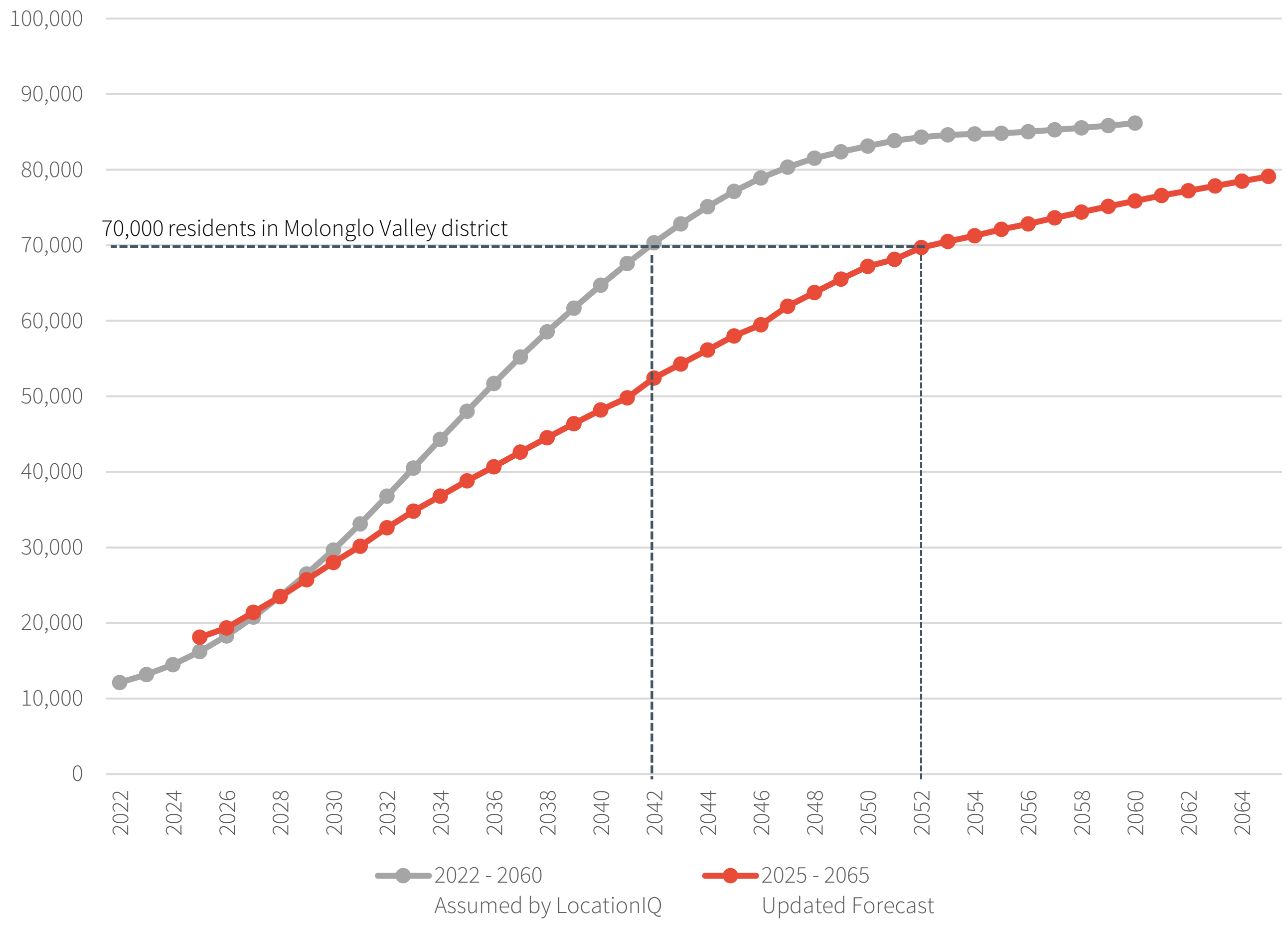
Population Projections

Comparisons – Methodologies and Forecasts

	LocationIQ Report, Sept 2023	Molonglo Valley Total Demand (Hatch, 2025)
Method	Based upon ACT and national benchmarks for floorspace and stores per capita	Based upon ACT and national benchmarks for floorspace and stores per capita, applied to wider Molongo Valley district.
Outputs	Recommendations for the quantum of retail within a precinct core, alongside large format retail and other uses	Provides high-level insights to the total retail and commercial demanded by residents living in the Molonglo Valley District
Population Forecasts	ACT Treasury Forecasts 2022 - 2060	ACT Treasury Forecasts 2025 - 2065

Molonglo Valley Population Projections

Latest ACT Treasury Forecasts for 2050 population is approximately 24% below previous estimates, when most recent estimates by LocationIQ for retail demand were made

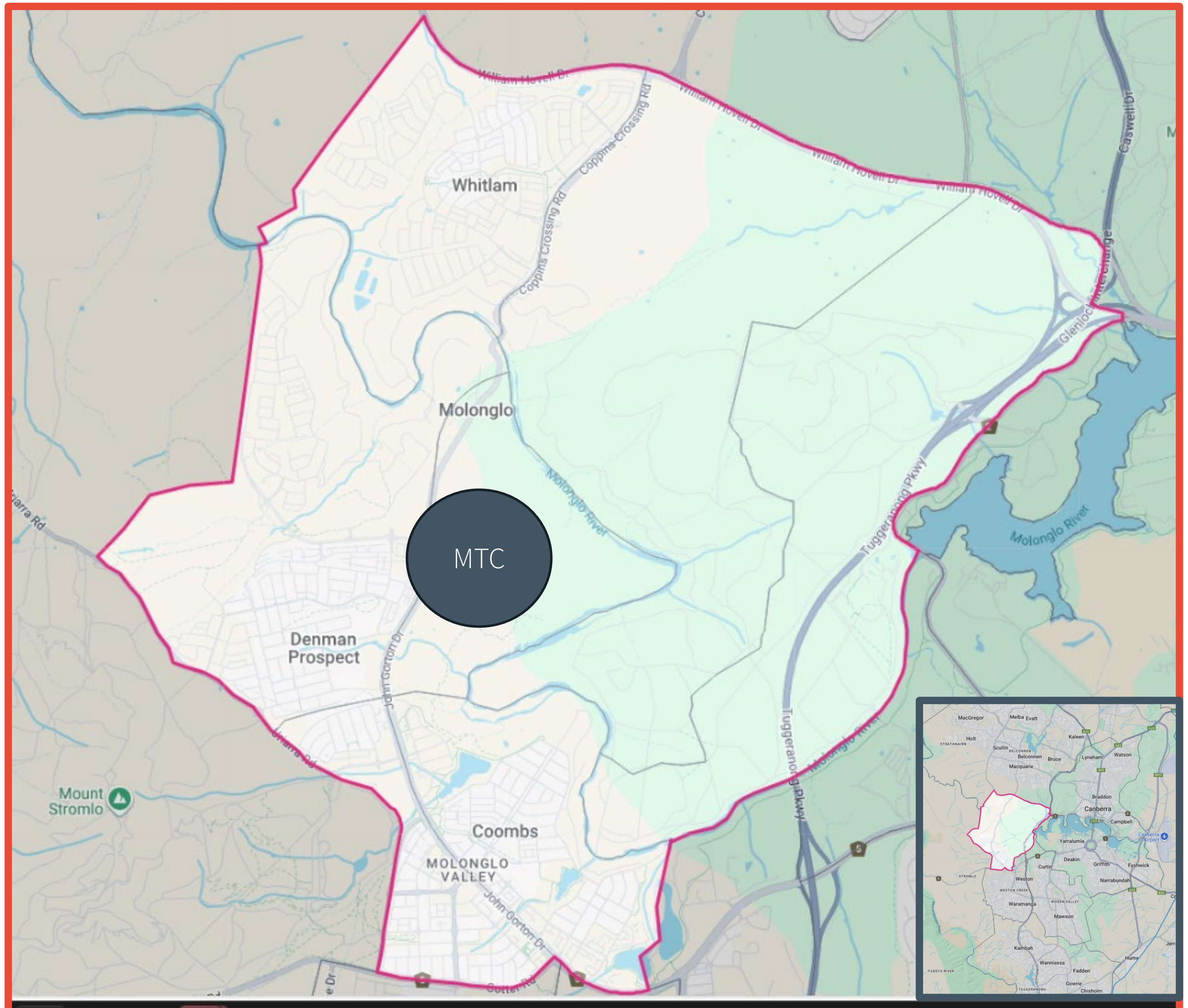


Pop. & demographic assumptions – Catchment Area

Population and demographic forecasts is reflective of the Molonglo Valley SA3 area

- Suburbs of Coombs, Denman Prospect, Whitlam, Molonglo, Wrights, Bandler and Sulman

- Molonglo Town Centre (MTC) is located within the suburb of Molonglo (see below)



Supply and Demand Analysis

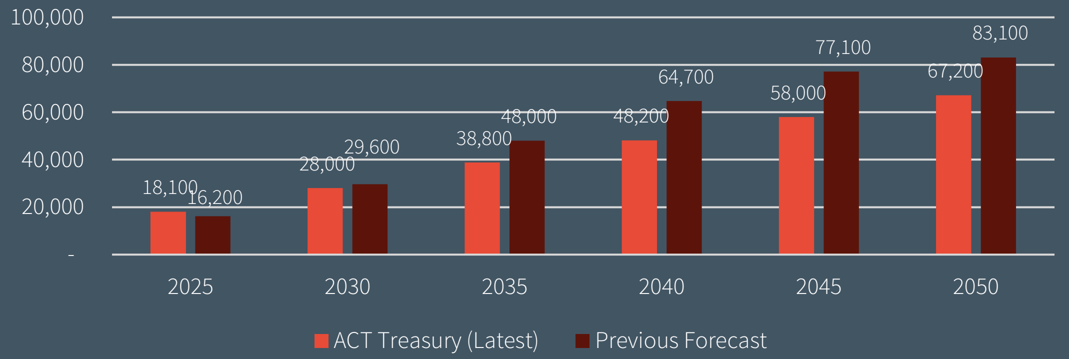
Retail Needs Analysis – Summary of Findings

Initial analysis by LocationIQ (September 2023) provided preliminary insights into the quantum of retail and commercial floorspace to be demanded of the Molonglo Town Centre, based upon available ACT population growth projections at the time.

The key motivation underpinning this scope of work related to an updated version of population forecasts as provided by ACT Treasury, whereby population growth in the Molonglo Valley had been downgraded due to other districts in the ACT now viewed as stronger drivers of the territory's short to medium term residential development program.

For the Molonglo Valley specifically, this meant a slower growth rate with the 70,000 resident population projected to be reached in the early 2050s, as opposed to previous forecasts used by LocationIQ which indicated a population of 70,000 would be reached a decade earlier (2040s).

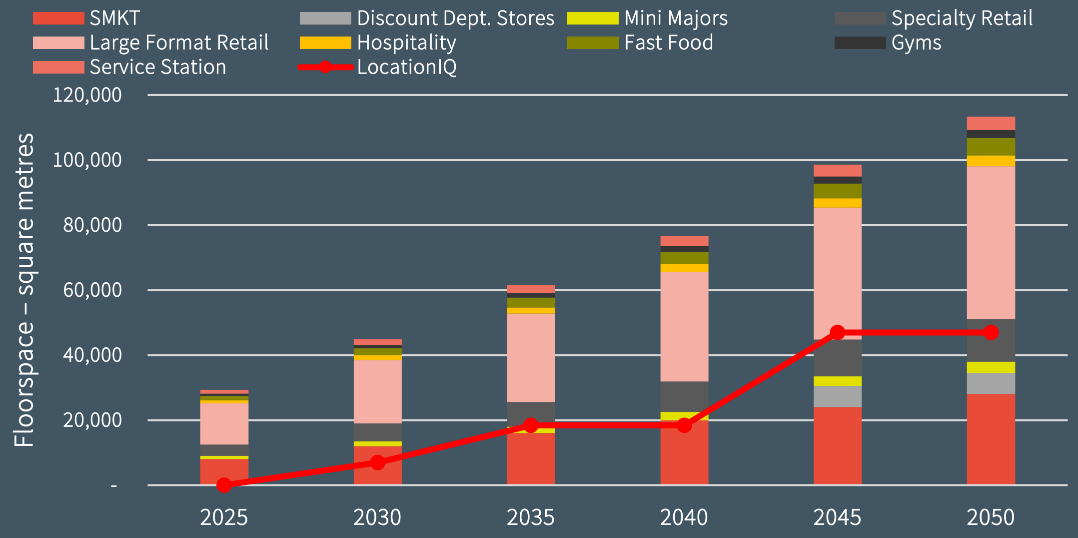
Comparison of Molonglo Valley Resident Population Forecasts – ACT Treasury



Updated modelling and a review of floorspace data of comparable Town Centres across the ACT found:

- Current retail uses in the Molonglo Valley are concentrated towards food-based offers, including small supermarkets, cafes and specialty food offerings
- Opportunities exist for early development of the Molonglo Town Centre to include mini-major retail, full-line supermarkets, retail services, takeaway food and service stations
- Significant floorspace demand for large format retail in the Molonglo Valley, raising queries regarding potential implications on the masterplan design and town centre vision
- On average, ACT Town Centres have 100,000sqm of retail floorspace (including large format retail) and 112,000sqm of office floorspace, as per Commercial and Industrial Floorspace Inventory (2024) data.

Molonglo Valley Retail Demand Forecasts (red line indicating LocationIQs forecast for Molonglo TC)



Additional analysis within this scope of work also explored the potential for non-retail uses at Molonglo Town Centre. Findings included:

- Strong demand exists for population-driven services, including childcare, medical services, education and fitness, with these activities also typically having a strong presence in other ACT town centres.
- The public sector is the predominant anchor office tenant in town centres outside of the Canberra CBD, raising discussion regarding the opportunity for Molonglo Valley to attract a major public agency and to what scale, particularly once transit infrastructure is developed.
- Broader regional trends will dictate the degree of potential for Molonglo Valley to host major strategic infrastructure and activities such as a tertiary education campus, hospital, entertainment venue or other institutional-based activity. Further work is required to establish clearly the opportunities for the ACT regional economy to pursue and whether Molonglo is seen as an optimal location for identified strategic industry activities.

Previous Work

Molonglo Valley Estimate Total Demand

- Provides an estimate of total future demand within the Molonglo Valley district. Can be viewed as the floorspace required for the MTC in combination with other centres within and outside Molonglo Valley.
- Preliminary estimates for office floorspace were based on the current ACT town centre benchmark of 1.1 sqm of office per sqm of non-large format retail. The resulting 57,725 sqm estimate for Molonglo Town Centres was viewed as unlikely to be supported by market demand.
- The public sector is the predominant anchor office tenant in town centres outside of the Canberra CBD. In the absence of government occupancy support there is minimal demand in the short to medium term. There are increasing levels of vacancies in office space across Canberra's centres (Civic ~13%, Belconnen ~14%; Tuggeranong ~9%, Woden ~18% as of Oct 2025.
- A similar scale provision of office space at MTC in the short to medium term would not be consistent with the direction of the market. Given current office trends (increased work from home arrangements; vacancy rates) an immediate allocation of 10,000 sqm in commercial office space is an appropriate amount but must be allocated in parallel with in-built flexibility mechanisms for growth.

LocationIQ Sept 2023 Report

- Is a recommendation for precinct uses based on demand modelling. It does not seek to fully satisfy all future demand in the Molonglo Valley district.
- Assumes 70,000 residents in the Molonglo Valley district by 2041/42, as per previous release of ACT Treasury forecasts for 2022 – 2060.
- LocationIQ report does not consider residential or office floorspace

Floorspace Demand @ 70,000 catchment residents

Floorspace (GFA, sqm)	Molonglo Valley Estimated Total Demand **(70,000 in 2050/51)**	LocationIQ Sept 2023 Report **(70,000 in 2041/42)**
Total Specialty (Street Based)	18,327	8,500
Big Box - Retail Core	38,000	17,100
Big Box - Homemaker/Large Format	47,047	20,000
Commercial (including office space)	57,725	2,000
Clubs + Hotel (Hospitality)	3,361	500
Theatre	0	0
Sports and Rec	2,464	1,100
Community	N/A	N/A
Total (Retail/Commercial Only)	**164,459**	**49,200**
Residential	N/A	N/A
Basement	N/A	N/A

Existing and Proposed Supply (LocationIQ, Sept 2023)

Centre	Supermarket	Other (including specialty)	Total	Operational
Denman Village Shops	1,000	1,500	2,500	Current
Coombs SC		2,500	2,500	2022/23
Koko Molonglo Stage 1	1,500	2,033	3,533	2023/24
Koko Molonglo Stage 2 (Aldi)	1,500		1,500	2024/25
Molonglo North (Bandler)	~ 4,000	6,000	10,000	Post 2033
Whitlam LC	1,500	1,500	3,000	Post 2026
Molonglo LC North (Sulman)	1,500	1,500	3,000	Post 2033
Molonglo LC South	1,500	1,500	3,000	Post 2033

Non-Residential GFA Demand Potential – 2050 Projection

Based upon current and proposed floorspace across the Molonglo District catchment,

- In the absence of a town centre, a total supply of 28,490 sqm of non-residential floorspace has been identified to exist by 2050

The estimated floorspace demand for the Molonglo Town Centre (MTC) in 2050 comprises of:

- 78,251 sqm of retail floorspace
- 12,433 sqm of commercial and hospitality floorspace
  - including an allowance for 10,000 sqm of office space
  - The Master Plan supports the long-term vision of creating local jobs and reducing the need for residents to travel outside Molonglo Valley for work and services. However, the amount of office space planned in the early stages must also respond to current market conditions.
  - Canberra's office market is currently experiencing elevated vacancy rates and evolving workplace practices, including hybrid and remote working arrangements. Outside the CBD, significant office developments are typically underpinned by major government, institutional or corporate tenants, and there is currently limited evidence of demand for substantial new office development in Molonglo in the short term.
  - For this reason, the Master Plan identifies an initial commercial office allocation of approximately 10,000 sqm, representing a realistic and achievable starting point. This provision is intended to be flexible and can increase over time as demand emerges. Depending on market conditions, tenant interest and development opportunities, office floorspace could grow to around 30,000–50,000 sqm through mechanisms such as:
    - Attraction or aggregation of government and private-sector tenants, including opportunities in defence, health, wellness and technology sectors.
    - Flexible zoning and building provisions within the Central Precinct, where office uses are already permitted across several zones, including Community Facility, CZ1 and CZ3, allowing future shifts between retail, commercial and other employment uses as market demand evolves.
  - This approach avoids reserving large amounts of land for office development before demand exists, while retaining the flexibility to accommodate future employment growth.

- A total of 90,684 sqm in floorspace for non-residential floorspace, across retail, commercial and hospitality uses.
- This MTC floorspace is in addition to the 28,490 sqm currently forecasted across the catchment.

Figures are based on ACT Treasury's population forecasts of approximately 70,000 residents by 2050 in the Molonglo Valley and assumes in other planned centres across the catchment meet

Non-residential floorspace GFA – Projected Molonglo District Supply and Molonglo Town Centre floorspace demand in 2050

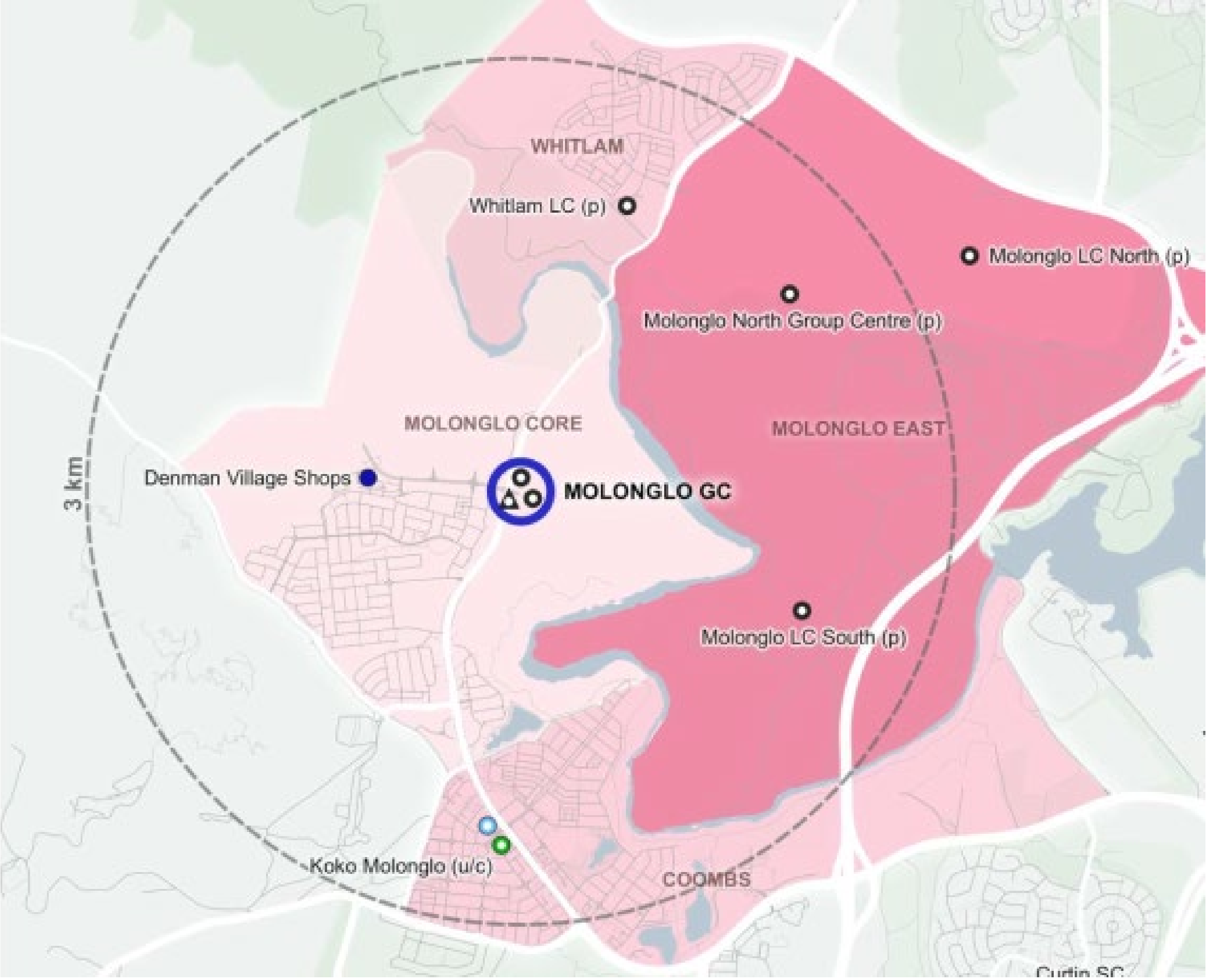
Floorspace Type	Definition/Examples	Forecast Catchment Supply, 2050	MTC Estimated Demand, 2050 (additional to forecasted supply)
Specialty Retail	Street-based retail	11,200 sqm	8,068 sqm
Bix Box Retail	Major supermarkets; mini-majors; DDS	11,330 sqm	23,183 sqm
Big Box – Homemaker / Large Format	Bunnings; Harvey Norman; Anaconda; automotive goods	-	47,000 sqm
Vacant Floorspace (Current)	Identified as largely specialty retail-type floorspace Assumed to be occupied in 2050	1,860 sqm	
Total Retail Floorspace		**24,390 sqm**	**78,251 sqm**
Commercial		4,100 sqm	10,000 sqm
Hospitality	Restaurant; Pubs & Bars	-	2,433 sqm
Total Non-Residential Floorspace		**28,490 sqm**	**90,684 sqm**

Sources: LocationIQ – Ultimate Retail Potential – Molonglo Group Centre, 2023; ACT Treasury Population Projections, 2025 – 2065; Ethos Urban - ACT Commercial and Industrial Floorspace Inventory 2024; Hatch, 2025.

Existing and Proposed Catchment Supply (excluding MTC)

Estimates as of September 2023 by LocationIQ

Centre	Supermarket	Other (including specialty)	Total	Operational
Denman Village Shops	1,000	1,500	2,500	Current
Coombs SC		2,500	2,500	2022/23
Koko Molonglo Stage 1	1,500	2,033	3,533	2023/24
Koko Molonglo Stage 2 (Aldi)	1,500		1,500	2024/25
Molonglo North	~ 4,000	6,000	10,000	Post 2033
Whitlam LC	1,500	1,500	3,000	Post 2026
Molonglo LC North	1,500	1,500	3,000	Post 2033
Molonglo LC South	1,500	1,500	3,000	Post 2033



Unmet Floorspace Demand – Molonglo Valley Catchment

	Molonglo Valley Suburbs						
Suburb	**Molonglo (MTC)**	**Molonglo East**	**Whitlam**	**Denman Prospect**	**Coombs**	**Wright**	**Molonglo Valley Total**
2050 Population Estimate	11,626	20,608	6,446	13,849	8,519	6,158	**67,206**
Current Population Estimate (2025)	0	3	1,450	6,149	6,002	4,478	**18,082**
Specialty (Street Based)							
Existing Supply	0	0	0	1,370	1,160	1,170	**3,700**
Proposed Supply	0	6,000	1,500	0	0	0	**7,500**
2050 Total Demand (Forecast estimate)	**3,170**	**5,619**	**1,758**	**3,776**	**2,323**	**1,679**	**18,326**
Big Box - Retail Core							
Existing Supply	0	0	0	530	0	2,300	**2,830**
Proposed Supply	0	7,000	1,500	0	0	0	**8,500**
2050 Total Demand (Forecast estimate)	**6,574**	**11,652**	**3,645**	**7,831**	**4,817**	**3,482**	**38,000**
Big Box – Homemaker/Large Format							
Existing Supply	0	0	0	0	0	0	**0**
Proposed Supply	0	0	0	0	0	0	**0**
2050 Total Demand (Forecast estimate)	**8,138**	**14,426**	**4,512**	**9,694**	**5,963**	**4,311**	**47,044**
Current vacancies & works underway (as of September 2024)				**0**	**1,130**	**730**	**1,860**
Total Retail (Specialty, Big Box, Large Format)							
Existing Supply	0	0	0	1,900	2,290	4,200	**8,390**
Proposed Supply	0	13,000	3,000	0	0	0	**16,000**
2050 Total Demand (Forecast estimate)	**17,882**	**31,697**	**9,915**	**21,301**	**13,103**	**9,472**	**103,370**
Commercial (office space)							
Existing Supply	0	0	0	1,020	0	80	**1,100**
Proposed Supply	0	3,000	0	0	0	0	**3,000**
2050 Total Demand (Forecast estimate)	**9,986**	**17,701**	**5,537**	**11,895**	**7,317**	**5,289**	**57,724**
Hospitality							
Existing Supply	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Proposed Supply	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2050 Total Demand (Forecast estimate)	**581**	**1,030**	**322**	**692**	**426**	**308**	**3,360**
Total (All floorspace categories)							
Existing Supply	0	0	0	2,920	2,290	4,280	**9,490**
Proposed Supply	0	16,000	3,000	0	0	0	**19,000**
2050 Total Demand (Forecast estimate)	**28,449**	**50,428**	**15,773**	**33,889**	**20,846**	**15,069**	**164,454**

Sources: LocationIQ – Ultimate Retail Potential – Molonglo Group Centre, 2023; ACT Treasury Population Projections, 2025 – 2065; Fluent, SLA; Hatch Workshop results.

Unmet Floorspace Demand – Molonglo Valley Catchment

- **Total of 78,980 sqm** of unmet retail floorspace across Molonglo Valley catchment by 2050, if no new floorspace is introduced outside of what is existing or currently proposed across suburbs
- Includes an undersupply of supermarket floorspace of approximately 16,700 sqm, equivalent to 3-4 full-line supermarkets.
- No mini-major / DDS or large format retail floorspace is currently proposed across Molonglo Valley catchment
- Similarly, no hospitality is currently proposed in the catchment
  - 500-800 sqm of hospitality floorspace is currently believed to exist in Coombs/Wright however available data includes it in within specialty retail classification
- Allowance for 10,000sqm of commercial space (highlighted) for the Molonglo Town Centre is included in this table, for completeness.

	Catchment Demand, 2050	Catchment Supply Forecast, 2050	Unmet Demand, 2050 (Potential MTC floorspace including office allocation)
Specialty (Street Based)			
Floorspace	18,326	11,200	7,126
Big Box - Retail Core - Supermarket			
Floorspace	28,000	11,330	16,670
Big Box - Retail Core - Mini Major / DDS			
Floorspace	10,000	0	10,000
Big Box - Homemaker/Large Format			
Floorspace	47,044	0	47,044
Current vacancies & works underway			
Floorspace	0	1,860	0
Total Retail (Specialty, Big Box, Large Format)			
Floorspace	**103,370**	**24,390**	**78,980**
Hospitality			
Floorspace	3,360	0	3,360
Total (Retail + Hospitality)			
Floorspace	**106,730**	**24,390**	**82,340**
Commercial office space allocation			10,000
Total (All Categories)			92,340

Sources: LocationIQ – Ultimate Retail Potential – Molonglo Group Centre, 2023; ACT Treasury Population Projections, 2025 – 2065; Fluent, SLA; Hatch Workshop results.

Unmet Floorspace Demand – Molonglo Valley Catchment

- Assumption that MTC is required to meet the unmet demands of Wright, Coombs, Molonglo, Denman Prospect and Whitlam across all retail types.
- *In addition, it is also assumed that the Town Centre will also be required to fully meet the demand for large format retail in the Molonglo Valley, equivalent to estimated 47,00sqm of floorspace
- Total of 76,524 sqm of unmet retail floorspace across Molonglo Valley catchment by 2050, if no new floorspace is introduced outside of what is existing or currently proposed across suburbs
- Allowance for 10,000sqm of commercial space (highlighted) for the Molonglo Town Centre is included in this table, for completeness.

	Catchment Demand, 2050	Molonglo East Demand, 2050	Residual Demand, 2050 (DP, Coombs, Wright, Whitlam, Molonglo)	Supply Forecast, 2050 (DP, Coombs, Wright, Whitlam, Molonglo)	Unmet Demand, 2050 (Potential MTC floorspace)
Specialty (Street Based)					
Floorspace	18,326	5,619	12,706	5,200	7,506
Big Box - Retail Core - Supermarket					
Floorspace	28,000	8,586	19,414	4,330	15,084
Big Box - Retail Core - Mini Major / DDS					
Floorspace	10,000	3,066	6,934		6,934
Big Box - Homemaker/Large Format					
Floorspace	47,044	14,426	32,619		47,000*
Current vacancies & works underway					
Floorspace				1,860	
Total Retail (Specialty, Big Box, Large Format)					
Floorspace	**103,370**	**31,697**	**71,673**	**11,390**	**76,524**
Hospitality					
Floorspace	3,360	1,030	2,330	0	2,330
Total (Retail + Hospitality)					
Floorspace	**106,730**	**32,728**	**74,003**	**11,390**	**78,854**
Commercial office space allocation					10,000
Total (All Categories)					88,854

Sources: LocationIQ – Ultimate Retail Potential – Molonglo Group Centre, 2023; ACT Treasury Population Projections, 2025 – 2065; Fluent, SLA; Hatch Workshop results.

Re-allocation of Demand – 10% of Molonglo East

- Assumption that MTC is required to meet the unmet demands of Wright, Coombs, Molonglo, Denman Prospect and Whitlam, plus 10% of Molonglo East.
- *In addition, it is also assumed that the Town Centre will also be required to fully meet the demand for large format retail in the Molonglo Valley, equivalent to estimated 47,00sqm of floorspace
- Total of 78,251 sqm of unmet retail floorspace across Molonglo Valley catchment by 2050, if no new floorspace is introduced outside of what is existing or currently proposed across suburbs
  - i.e. ~ 3,200 sqm capture from Molonglo East suburb

	Catchment Demand, 2050	90% of Molonglo East Demand, 2050	Residual Demand, 2050 (DP, Coombs, Wright, Whitlam, Molonglo, 10% ME)	Supply Forecast, 2050 (DP, Coombs, Wright, Whitlam, Molonglo)	Unmet Demand, 2050 (Potential MTC floorspace)
Specialty (Street Based)					
Floorspace	18,326	5,057	13,268	5,200	8,068
Big Box - Retail Core - Supermarket					
Floorspace	28,000	7,727	20,273	4,330	15,943
Big Box - Retail Core - Mini Major / DDS					
Floorspace	10,000	2,760	7,240	0	7,240
Big Box - Homemaker/Large Format					
Floorspace	47,044	12,983	34,061	0	47,000*
***Current vacancies & works underway**					
Floorspace	0	0		1,860	
Total Retail (Specialty, Big Box, Large Format)					
Floorspace	**103,370**	**28,528**	**74,842**	**11,390**	**78,251**
Hospitality					
Floorspace	3,360	927	2,433	0	2,433
Total (Retail + Hospitality)					
Floorspace	**106,730**	**29,455**	**77,275**	**11,390**	**80,684**
Commercial office space allocation					**10,000**
Total (All Categories)					**90,684**

Sources: LocationIQ – Ultimate Retail Potential – Molonglo Group Centre, 2023; ACT Treasury Population Projections, 2025 – 2065; Fluent, SLA; Hatch Workshop results.

Retail Needs Analysis – Summary of Findings

Following this review of previous LocationIQ work and updated demand projections, further work was undertaken to refine floorspace requirements of the future Molonglo Town Centre for the purpose of input into the masterplan design process.

These estimates included accounting for the level of existing and planned retail floorspace across the Molonglo Valley centre hierarchy, encompassing:

- A group centre development in the future suburb of Bandler of 10,000 sqm of retail consisting of 1-2 full-line supermarkets and 6,000sqm of specialty retail floorspace developed post-2033
- A number of local and neighbourhood centre developments across Denman Prospect, Coombs, Koko Molonglo, Whitlam and future suburb of Sulman, providing a mix of supermarket and specialty (street-based) retail.

Through this analysis, it was confirmed that in 2050 approximately 78,251 sqm of unmet retail floorspace demand across specialty, big box and large format retail would exist in the Molonglo Valley district, confirming a strong basis for a town centre development that includes a variety of retail offers.

In addition to retail, for the purpose of the masterplan design it was also confirmed that:

- **Approximately 2,400 sqm of hospitality floorspace could also be supported** within the town centre, noting that no dedicated hospitality uses are planned across the districts current and future centres.
- **An allocation of 10,000 sqm in commercial office space** is an appropriate amount, given current office trends (increased work from home arrangements; vacancy rates); however the masterplan provides flexibility to scale up if demand emerges.
- It is also noted that the most recent town centre developed in the ACT – Gungahlin, has struggled to attract a major public sector tenant to anchor the centre.

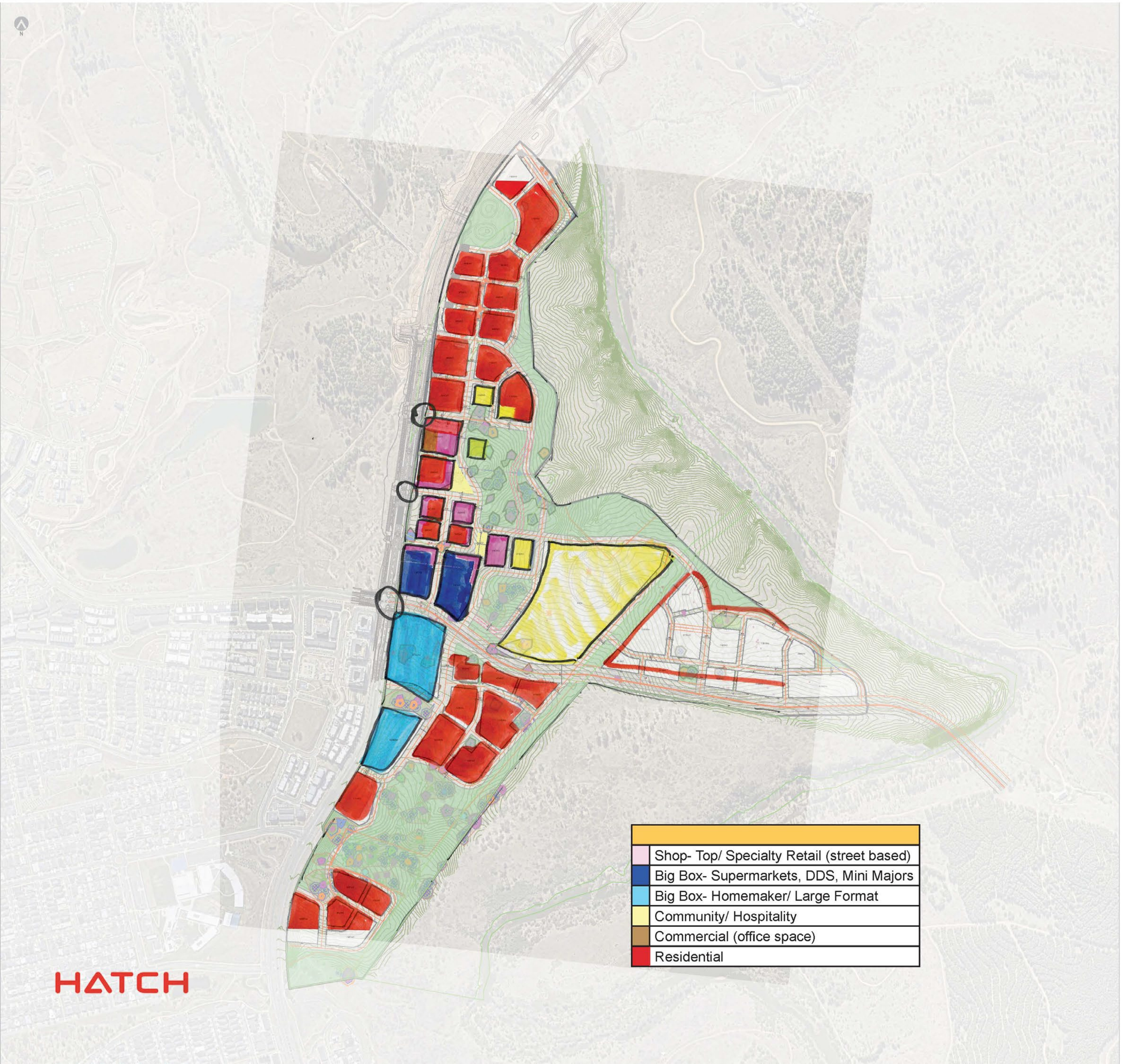
In summary, a view was formed by the project team that a town centre consisting of approximately 90,864 sqm across retail, commercial and hospitality was supportable by the Molonglo Valley resident population, in addition to the existing and planned activity centres across the district as the area's resident population grows.

Floorspace Projections in 2050, based upon retail needs analysis (square metres)

Use	Example Uses	Total Demand – Molonglo Valley, 2050	Demand Supply Gap – Molonglo Valley 2050
Specialty Retail (Street based)	Apparel; bakery; newsagency; liquor	18,326	8,068
Big-box retail core - Supermarket	Coles; Woolworths	28,000	15,943
Big-box retail core - mini majors	Kmart; Aldi; Chemist Warehouse	10,000	7,240
Big box - large format retail	Bunnings; Harvey Norman	47,044	47,000*
Total Retail		103,370	78,251
Hospitality	Tavern, pub, bar	3,360	2,433
Office Space		-	10,000
Total Floorspace		106,730	90,684

Molonglo Town Centre
Concept Plan Draft V4 251031

LOCATION IQ AND ZONED LAND



The image on the left illustrates the Location IQ 2023 Report floorspace requirements overlaid onto the current (Nov 2025) Master Plan in line with the existing Territory Plan zoning and illustrates a compact commercial core.

Subsequently, a range of Master Plan scenarios were investigated using the updated Molonglo Town Centre floorspace demand (75,885sqm) within the context of the broader Molonglo Town Centre Vision and Principles.

The spatial allocation and siting considerations continued to evolve using Market Sounding inputs aiming to accelerate investment, development to catalyse growth.

SIZE A1 1:5000

Market Sounding

Market Sounding

Market Sounding (initially desktop and followed on by tenant discussions) established early demand for the large format services and trade and that supermarkets, active retail and residential may take longer to develop.

Advice regarding location of the large format services and trades:

- Co-locating large format and homemaker retail creates a critical mass, strengthening destination appeal and encouraging cross-shopping between complementary bulky goods operators. Clustering these uses improves operational efficiency, including shared access points, consolidated servicing, integrated loading areas, and coordinated at-grade parking.

- Large format retail typically requires substantial GFA footprints and generous at-grade parking ratios, which are most efficiently delivered on flatter, contiguous sites. Site topography has been carefully considered, and therefore steeper, more constrained areas deemed unsuitable for large format development.

- These uses are car-based and rely on clear visibility and easy vehicular access via arterial roads.

- Separating large format retail across multiple dispersed sites risks diluting the precinct's identity, weakening tenant demand, and creating underperforming standalone assets.

- A consolidated homemaker precinct also provides long term flexibility, enabling staged expansion or intensification as demand grows without disrupting the broader retail core.

Molonglo Town Centre

Homemaker and Supermarket – Market Gaps

FLUENT
CREATE MOMENTUM

Desktop Market Sounding

Using the retail analysis demand data, the next step is understanding the gaps in the market and following up to confirm market interest.

BUNNINGS

Bunnings warehouse

Closest Stores:

Bunnings Belconnen – 9km
Store ~12,500m2
Parking ~14,000m2

Bunnings Tuggeranong, Gungahlin, Canberra Airport, Fyshwick >18km

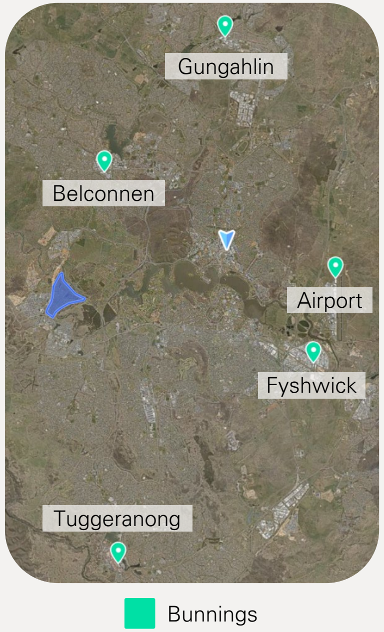
Considerations:

- Appears to be an existing gap in local Bunnings stores catering to the Molonglo Valley catchment

Market Interest:

- Further discussions to occur with market to confirm interest

Bunnings Stores | Canberra Wide



SUPERMARKETS

Closest Stores:

IGA SupaExpress Denman Prospect – <1km
Woolworths Metro Wright – 3km
Coles Jamison – 6km
Woolworths Weston Creek – 7km
Woolworths Metro Hawker – 7km
Coles Belconnen – 8km
Woolworths Belconnen – 8km
Coles Woden – 10km
Woolworths Woden – 10km
Woolworths Kippax – 10km
Coles Curtin – 10km

Considerations:

- Appears to be an existing gap in full line supermarkets catering to the Molonglo Valley catchment

Market Interest:

- Further discussions to occur with market to confirm interest

Nearby Supermarkets

Molonglo Town Centre

Rouse Hill - Case Study

FLUENT
CREATE MOMENTUM

Desktop Market Sounding

The Rouse Hill model whereby inclusion of residential sleeving zones embeds flexibility at the master planning phase.

These zones can be used as interim parking areas that can transition to higher intensity residential, retail or commercial uses as demand grows.

Over the longer term, as market demand strengthens, portions of at-grade parking or lower intensity bulky goods may be redeveloped or intensified.

Nearmap – Aerial Image 2009

- **Lendlease** – Master Developer of 123-hectare masterplanned neighborhood
- **GPT –** Developer of 14-hectare Town Centre Retail site
- Comprising over 230 specialty stores including Woolworths, Coles, Big W, Kmart and a cinema
- Completed in 2008

Nearmap – Aerial Image 2017

- Surrounding low density residential community (1,800+ homes) developed progressively by **Lendlease** over ~10-year period

Nearmap – Aerial Image 2017

Land set aside surrounding town centre for residential apartment sleeving (medium density).

Nearmap – Aerial Image 2018

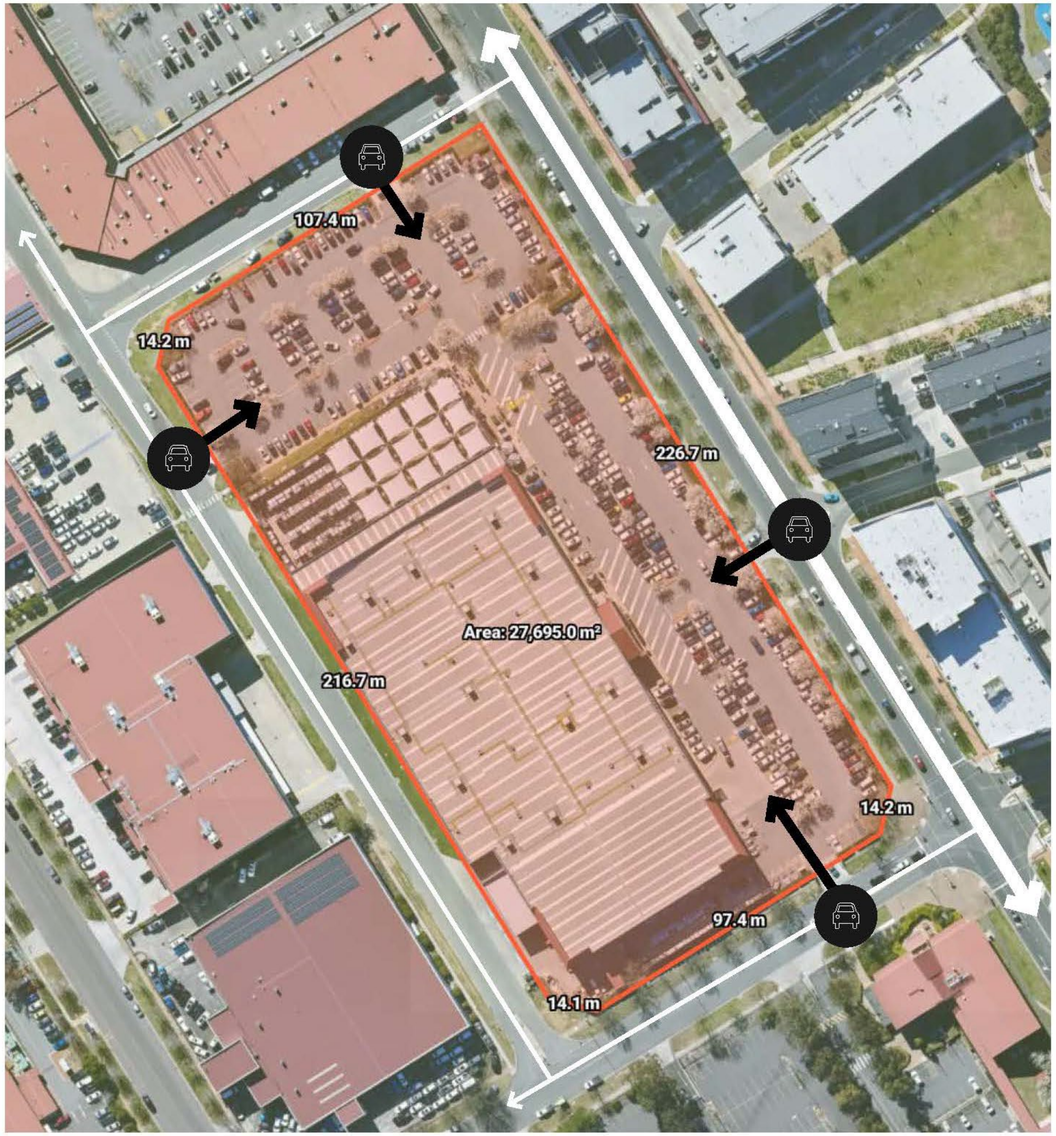
First infill apartment building completed 10 years after retail centre completion.

Nearmap – Aerial Image 2024

Remainer of infill apartment buildings completed 16 years after retail centre completion.

Site Aerial – Bunnings Tuggeranong, ACT

- Large, regular-form building located on an isolated lot with an associated surface car park
- Interfaces with surrounding high-density residential uses
- Building is set back from the site boundary to allow vehicular access to parking
- Setback limits opportunities for street activation and passive surveillance
- Site layout and design support the staged delivery of additional services and uses on the car park lot



Site Aerial


Street view from Anketell St


Site street view from Joseland St

Future Proofing for Growth and Success

HATCH

Planned Densification Modelling

Innovative Planning Controls

Commercial Feasibility and Market Sounding advice included planned densification modelling to communicate to the master planning team how intensification and growth of the non-residential areas could occur.

Evolution of land use allocations

The examples on the following pages are scenarios used for testing varying options for densification over time. These were originally based on a previous concept masterplan and were used to develop the current masterplan.

Establishing Super Lots

- Retaining the larger “super lots” in single ownership provides critical flexibility. It ensures retail can be actively curated rather than fragmented over time and allows the mix to evolve in response to changing market conditions.

- The uses developed on these lots in the first 10 years are unlikely to meet the full scale of the Master Plan and will evolve in a staged way to meet market demand and viability. Preserving flexibility from the outset to allow for the evolution of the town centre into its ultimate form is therefore essential to support long term adaptability.

- The super lot strategy enables retail to evolve organically, with increased intensity and diversification aligned to demonstrated market demand. While the initial approach supports consolidated ownership, over time these super lots may transition to more fragmented ownership as the centre matures.

- The James Street case study provides a real-world example of how fine grain retail can successfully evolve. Its transformation from an industrial precinct to a high-end mixed use and fine grain retail destination was facilitated by retained single ownership, which avoided early fragmentation and enabled strategic curation.

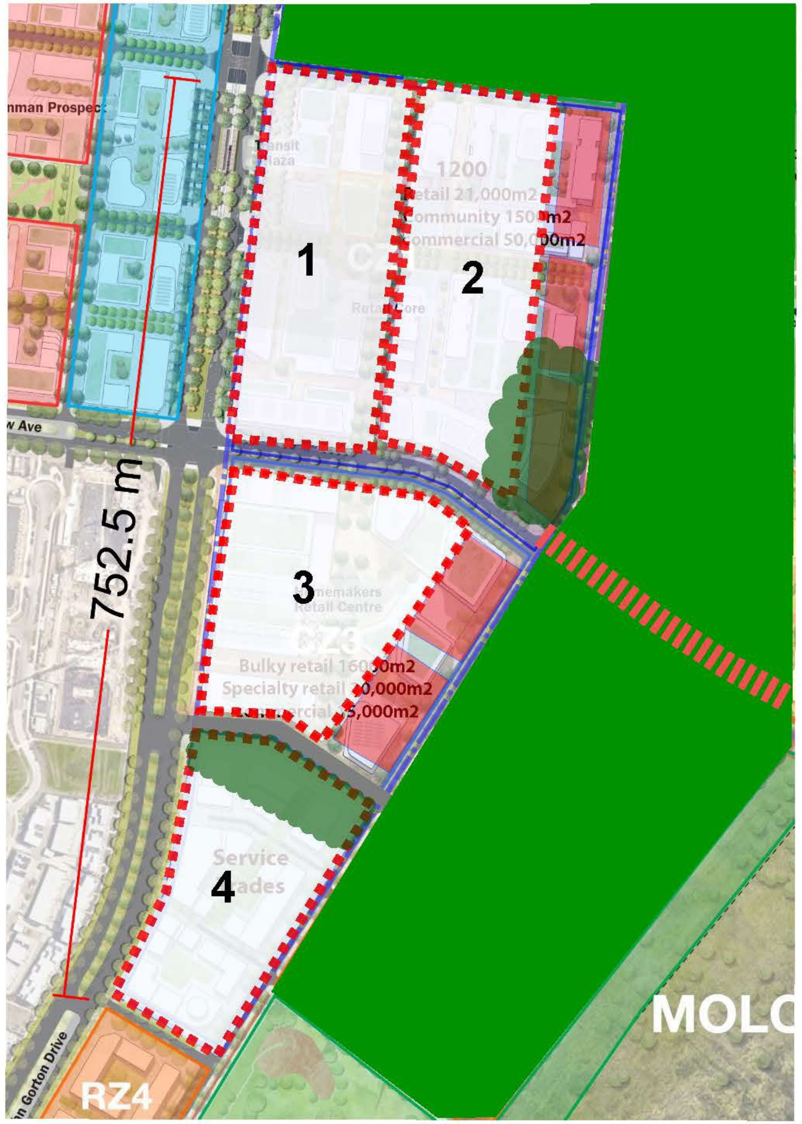


Image Credit: Fluent

Super Lots

1 **3.5ha site**
BB supermarket and speciality retail, for future sub regional expansion
- GFA delivery agreement options
- Insto target?

2 **2.8ha site**
Smaller super lot for finer grain retail, with opportunity for future expansion / densification opportunity
- Smaller JV ?

3 **3.1ha site**
BB large format homemaker / mini major / DDS, with opportunity for future expansion / densification expansion
- GFA delivery agreement options
- insto target?

4 **2.9ha site**
BB large format homemaker (Bunnings site), with opportunity for future expansion / densification opportunity
- insto target?
- Bunnings lease vs sale?

Early Stages

- Without the ability to allow for staged growth (e.g convenience retail with on-grade parking, that evolves into sub-regional or regional scale retail with basement cars) we risk the viability and possibility of achieving an end-state and delivering amenity over time.

- The accompanying slides illustrate, at a conceptual level, how retail within MTC may evolve from year 1 through to year 25. This evolution aligns with the estimated market demand modelling undertaken by Hatch, demonstrating how overall retail targets may be progressively achieved.

- The strategy recognises that population growth, and therefore retail demand (without which retailers will not arrive), will occur gradually over a 25-year horizon. As such, full retail delivery at day 1 is neither necessary nor viable.

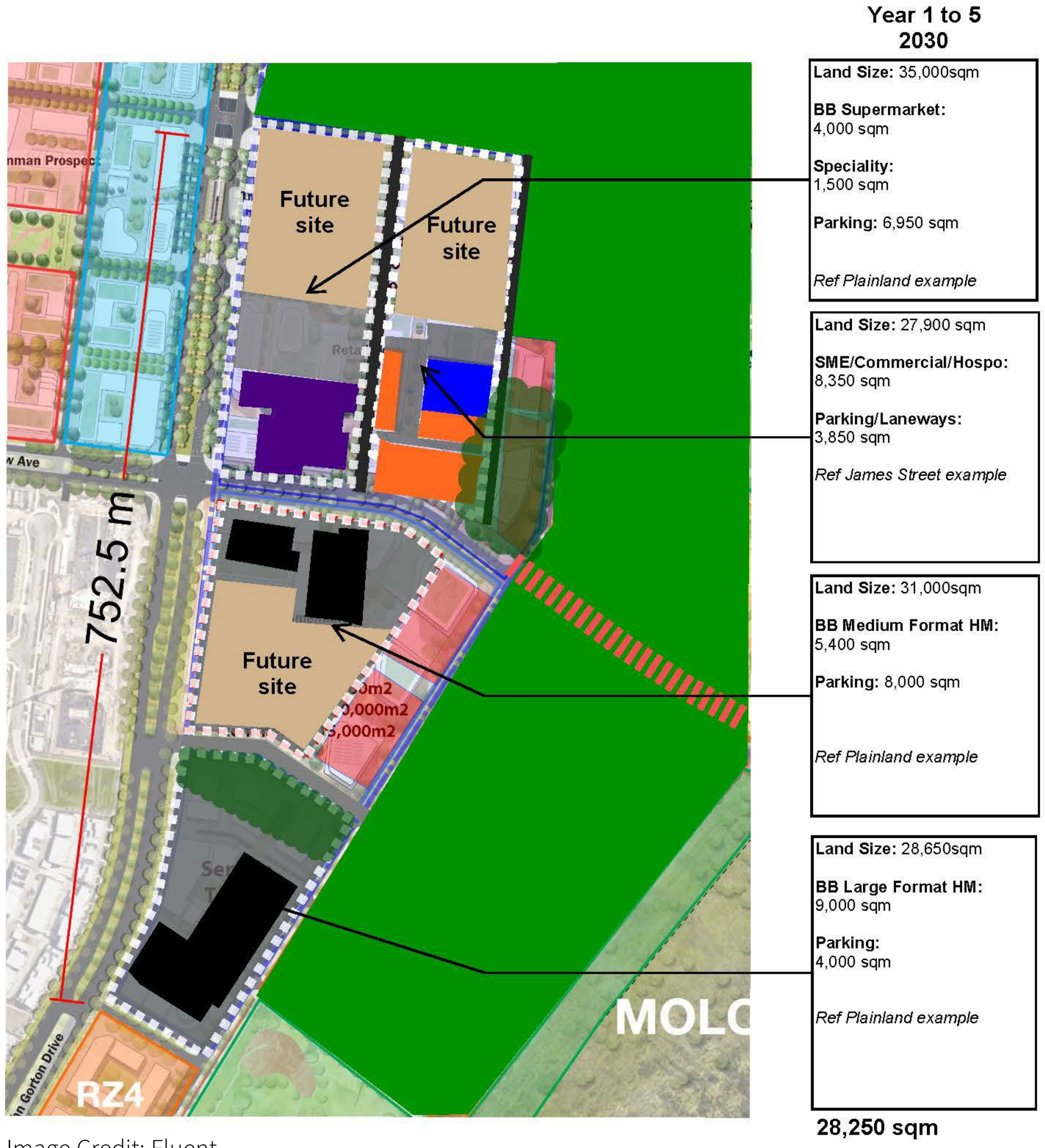


Image Credit: Fluent

Responding to Market Demand

- In the first 10 years, demand is likely to support a combination of large format retail, for example large homemaker retail, a supermarket, and a curated fine grain offering. Increasing population over time may support expansion of large format retail, growth in fine grain retail, and potentially an additional supermarket. From years 10 to 20, further densification of large format retail is anticipated, with the supermarket precinct potentially evolving into a sub regional style shopping centre.

- The critical principle underpinning this approach is responsiveness to market demand. Accordingly, a planning and delivery framework that preserves flexibility over time (especially in the context of starting small and growing to ultimate scale) is fundamental to long term success.

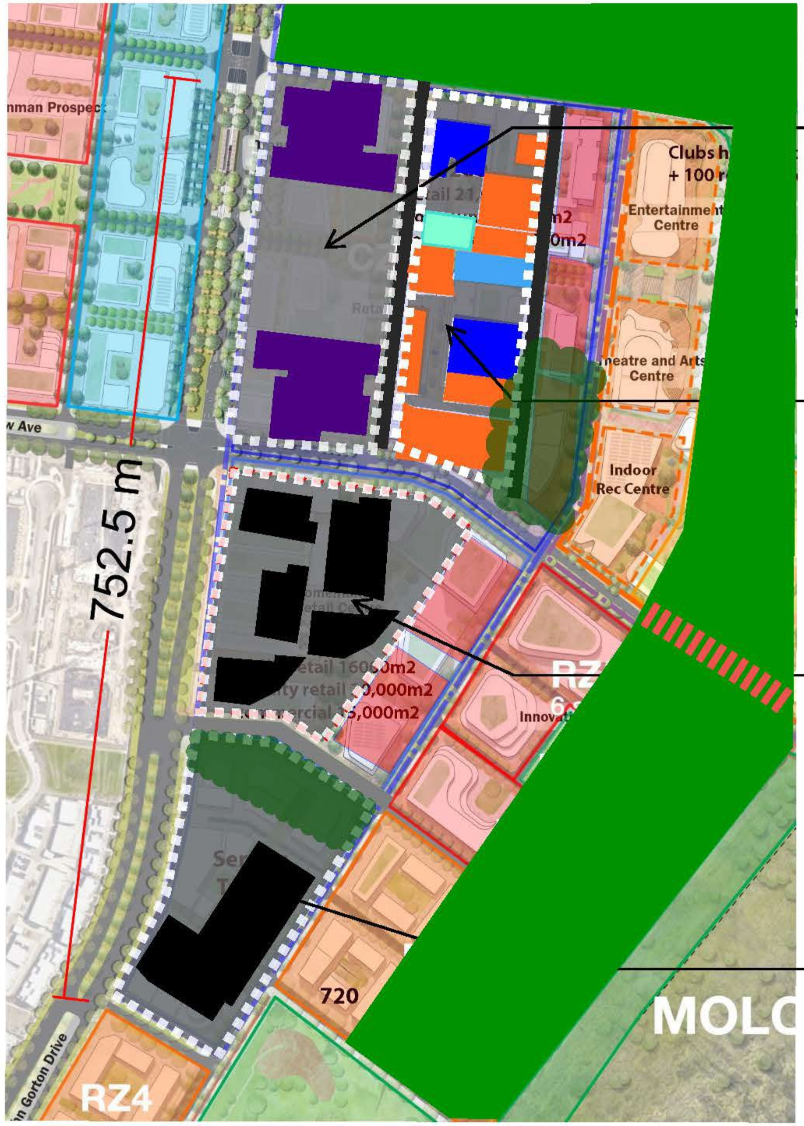


Image Credit: Fluent

Year 5 to 10
2035

Land Size: 35,000sqm

BB Supermarket: 8,000 sqm

Speciality: 3,000 sqm

Parking: 13,900 sqm

Ref Plainland example

Land Size: 27,900 sqm

SME/Commercial/Hospo: 16,700 sqm

Parking/Laneways: 7,700 sqm

Ref James Street example

Land Size: 31,000sqm

BB Medium Format HM: 12,000 sqm

Parking: 15,910 sqm

Ref Plainland example

Land Size: 28,650sqm

BB Large Format HM: 9,000 sqm

Parking: 4,000 sqm

Ref Plainland example

48,700 sqm (+20,450 sqm from Y1-Y5)

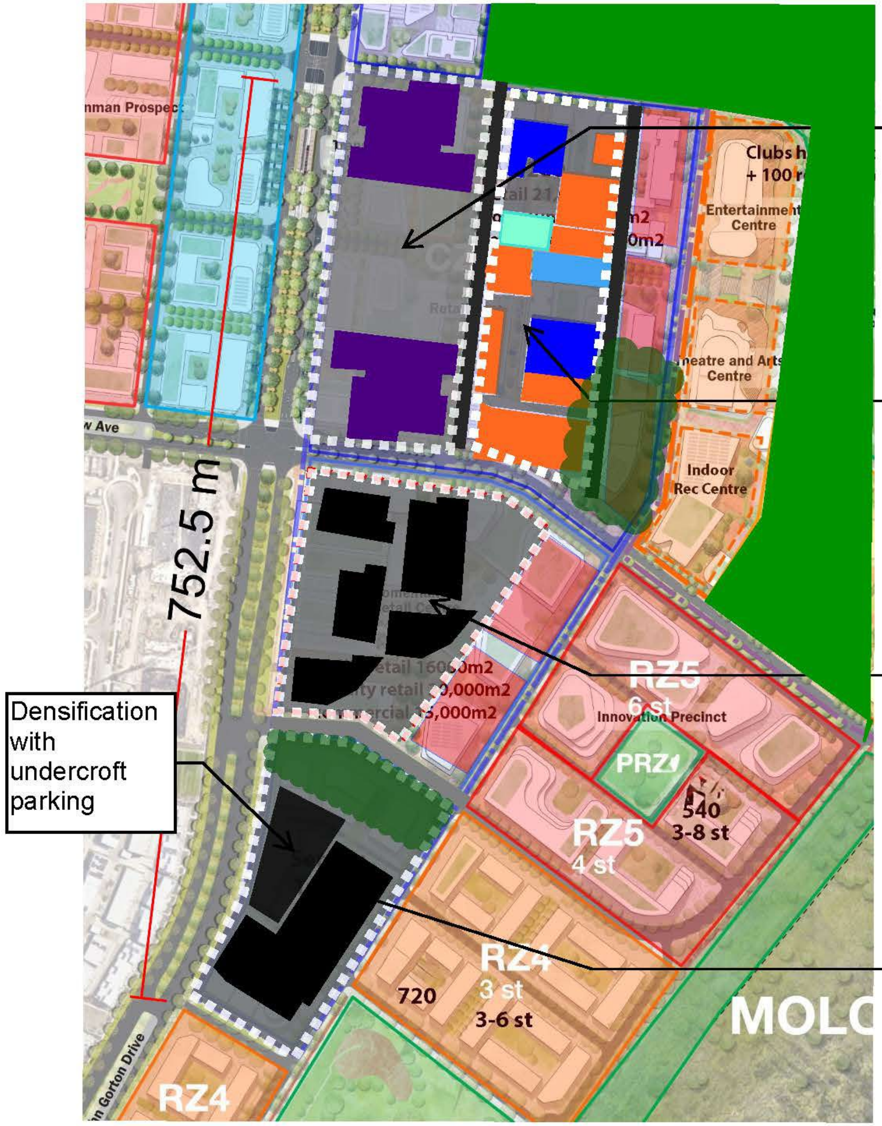
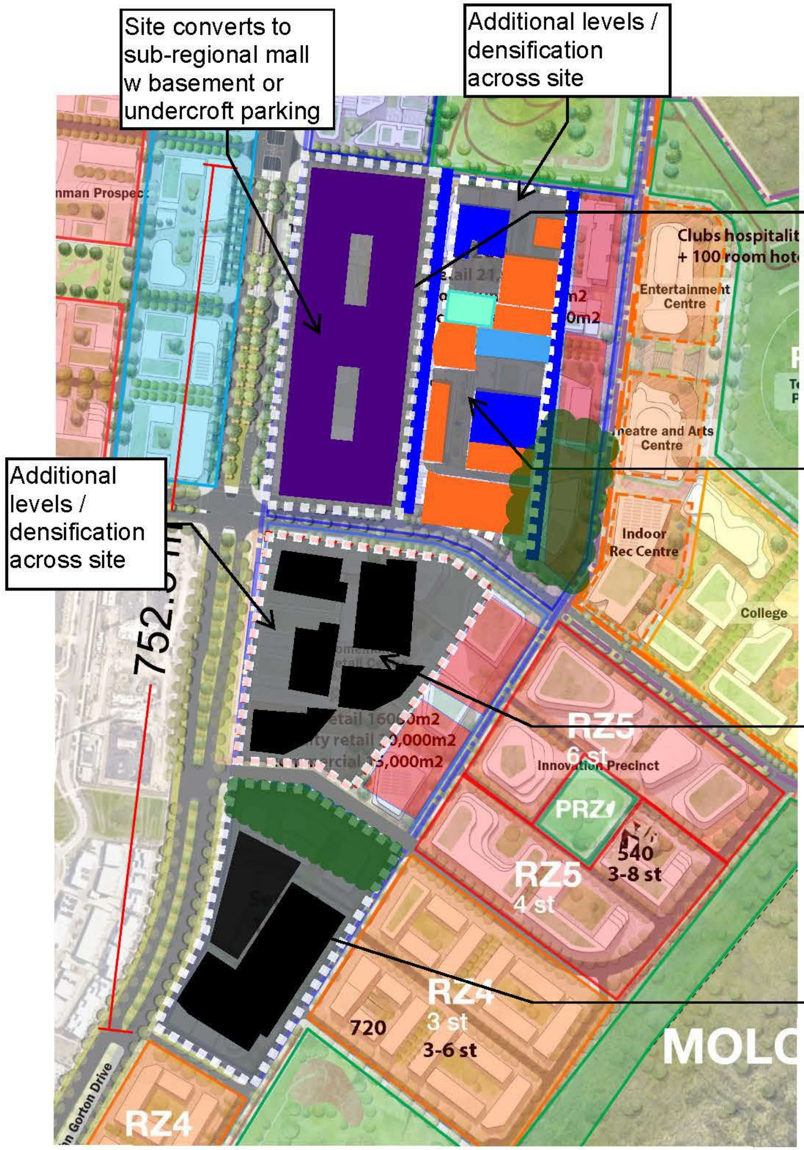


Image Credit: Fluent

Year 1 to 10 2035	Year 10 to 20 2040
Land Size: 35,000sqm **BB Supermarket:** 8,000 sqm **Speciality:** 3,000 sqm **Parking:** 13,900 sqm *Ref Plainland example*	No change
Land Size: 27,900 sqm **SME/Commercial/Hospo:** 16,700 sqm **Parking/Laneways:** 7,700 sqm *Ref James Street example*	No change
Land Size: 31,000sqm **BB Medium Format HM:** 12,000 sqm **Parking:** 15,910 sqm *Ref Plainland example*	No change
Land Size: 28,650sqm **BB Large Format HM:** 9,000 sqm **Parking:** 4,000 sqm *Ref Plainland example*	**BB Large Format HM expands:** +4,000 sqm
48,700 sqm	**52,700 sqm**



Year 1 to 10 2035	Year 10 to 20 2040	Year 20 to 25 2050
Land Size: 35,000sqm **BB Supermarket:** 8,000 sqm **Speciality:** 3,000 sqm **Parking:** 13,900 sqm *Ref Plainland example*	No change	**Expansion into sub-regional mall** **BB Supermarket:** +2,000 sqm **Speciality:** +2,000 sqm
Land Size: 27,900 sqm **SME/Commercial/Hospo:** 16,700 sqm **Parking/Laneways:** 7,700 sqm *Ref James Street example*	No change	**SME/Commercial/Hospo expands (additional height):** +16,700 sqm **Office delivered:** +10,000 sqm
Land Size: 31,000sqm **BB Medium Format HM:** 12,000 sqm **Parking:** 15,910 sqm *Ref Plainland example*	No change	**BB Medium Format HM expands:** +12,000 sqm
Land Size: 28,650sqm **BB Large Format HM:** 9,000 sqm **Parking:** 4,000 sqm *Ref Plainland example*	**BB Large Format HM expands:** +4,000 sqm	
48,700 sqm	**52,700 sqm**	**95,500 sqm**

Image Credit: Fluent

Future-Proofing Mechanisms

The Master Plan is a framework that must remain flexible and agile to respond to changing market demands over the long term to ensure that the ACT can get the best outcome and that the value returned is maximised.

Future Office Space

The base case provision of 10,000sqm of commercial office within the Master Plan could fluctuate up to 30-50,000sqm or down to <10,000sqm depending on market demand, market penetration and end-owner/developer agenda using the following mechanisms:

- Engagement regarding the recycling of ACT government footprint over time and/ or leveraging aggregation of private and government uses such as defence use aggregation, health and wellness or technology.
- Permissible land-use zoning and heights that can move between retail and office is reflected in the existing/ future Central Precinct Territory Plan intent whereby office use is permitted in Community Facility zone, CZ1 and CZ3.

The MTC Project team and SLA prioritise the ability for MTC residents to work or seek services within Molonglo Valley and acknowledge the economic and congestion benefits. The Master Plan endeavors to safeguard this potential whilst being practical about the immediate office floorspace demand balanced with the immediate need for housing.

Innovative Planning Controls

A sunset clause in land-use regulation is a legal mechanism that sets an expiry date on a planning approval, zoning change, or development right. If the required action (e.g., construction, subdivision registration, infrastructure delivery) does not occur by the sunset date, the entitlement lapses.

Sunset clauses that mandate a land use change are sometimes called "mandatory land-use conversion triggers," "temporal zoning," or "performance-based zoning sunsets." They are powerful tools for preventing underutilisation of land and ensuring that zoning evolves with growth.

Molonglo Town Centre could investigate a version of the sunset clauses that mandates a land use change after a certain time period has lapsed or coinciding with infrastructure delivery or population targets. An example would be mandatory change of residential floorspace to retail after 10 years.

This has direct applicability to MTC with regard to the following:

- Intent to transition the large floorplate services and trades zone into a mixed-use zone at MTC matures (enabling office space and potential residential with mixed use ground floors)
- Safeguarding the commercial core to enable retail expansion (particularly at ground floor) and office space as demand emerges or a government tenant shows interest.

Future- proofing the above is consistent with the Molonglo Town Centre Master Plan Vision for organic growth and intensification over time balanced with practical and successful short term market demand.

Appendix B - Location iQ – Retail Demand Assessment (2023)

- Note: Although the Location iQ Retail Demand Assessment (2023) refers to the MTC as a Group Centre, this is because the designation to a Town Centre had not yet been formalised. The report uses the ACT Treasury population forecasts of an ultimate population of 70,000 residents in the Molonglo Valley.

September 2023

Molonglo Group Centre, Canberra

Ultimate Potential Assessment

Prepared for Suburban Land Agency

locationiq.com.au

Contents

Introduction

This report presents an independent analysis of the ultimate market potential for the Molonglo Group Centre, a designated shopping centre in the growing western suburbs of Canberra.

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

- **Section 1** reviews the regional and local context of the Molonglo Group Centre site. A review of planned development throughout the region is also provided.
- **Section 2** details the trade area likely to be served by the Molonglo Group Centre, including current and projected population and retail spending levels over the period to 2041. The socio-economic profile of the catchment area population is also outlined.
- **Section 3** provides an audit of the current and future competitive retail environment within the surrounding region.
- **Section 4** outlines comparable recent developments which are considered similar to the Molonglo Group Centre.
- **Section 5** assesses the future market potential for Molonglo Group Centre by use type.
- **Section 6** outlines the potential for the Molonglo Group Centre, including recommended mix, and indicative sales and gross rents under a staged expansion scenario.

Executive Summary

This report presents an independent analysis of the ultimate market potential for the Molonglo Group Centre, a future shopping centre in the growing western suburbs of Canberra.

i. Molonglo Valley is one of the last identified release areas in the Canberra urban area. It is located to the west of the existing urban area, directly west of Tuggeranong Parkway. At capacity, the precinct is planned to include ~70,000 residents.

ii. The Molonglo Group Centre will be the major retail and commercial centre serving residents of the Molonglo Valley. The centre will be located 9 km from Woden and Belconnen and 13 km from Canberra Civic. The Molonglo Group Centre (also known as the Molonglo Commercial Centre) is situated on the eastern side of John Gorton Drive.

iii. The defined trade area likely to be served by the Molonglo Group Centre includes four sectors. In combination, the main trade area is limited to the north by retail facilities in the Belconnen Town Centre, to the east by retail facilities at Canberra Civic and to the south by Cooleman Court and Westfield Woden.

iv. The main trade area population is currently estimated at 15,150, including 5,240 persons in the Molonglo Core sector. Over the period to 2041, the main trade area population is projected to increase to ~70,000.

v. As at 2021, the main trade area predominately reflected an affluent, young, more ethnically diverse traditional family population.

vi. The total retail expenditure level is currently estimated at $353 million and is projected to increase at an average rate of 12.4% to reach $2.89 billion by 2041. The largest spending category is on supermarkets at $81.7 million (2023), or 23.9% of the total retail spending market.

vii. Retail facilities within the main trade area are currently limited and include Denman Village (anchored by a Supabarn Express) and Coombs Shopping Centre. Both facilities are convenience focused.

viii. Koko Molonglo is currently in the final stages of construction. Stage 1 of the mixed-use development is planned to incorporate a Woolworths Metro (1,500 sq.m) and specialty shops (2,033 sq.m) and is due to open in late 2023. Aldi (1,500 sq.m in size) is planned as part of Stage 2, assumed to open in 2024.

ix. Table 1 outlines the recommended floorspace supportable within the Molonglo Group Centre over the forecast period. In total, around 8,000 sq.m of floorspace would be supportable in a first stage of development. This includes a retail component of around 6,000 sq.m and a non-retail component of some 2,000 sq.m.

x. Table 2 outlines projected sales and gross rents for the Stage 1 development in 2027/28. Based on the recommended development scheme, projected retail sales for the centre are $70.3 million, including $48.0 million in supermarket sales, $4.5 million in mini-major sales (assuming a pharmacy is provided at the centre) and $17.8 million in retail specialty sales. Total gross rent for Stage 1 of the Molonglo Group Centre is $4.0 million, including $1,025 per sq.m in retail specialty rent.

xi. Table 2 also outlines projected sales and gross rents for the Stage 2 development in 2032/33. Again, assuming the recommended development scheme, projected retail sales for the centre are $167.8 million, including $115.6 million in supermarket sales, $12.0 million in mini-major sales and $40.2 million in retail specialty sales. Total gross rent for Stage 2 of the Molonglo Group Centre is $9.9 million, including $1,275 per sq.m in retail specialty rent.

xii. In the longer term, a single discount department store based centre totalling around 23,700 sq.m, including 22,200 sq.m of retail floorspace, would be supportable. Some 20,650 sq.m of other uses would also be supportable throughout the precinct.

TABLE 1. MOLONGLO GROUP CENTRE FLOORSPACE RECOMMENDATIONS

Tenant/ Category	**Stage 1** 2027/28	**Stage 2** 2032/33	**Stage 3** 2035/36	**Ultimate**
Majors				
Discount Department Store	0	0	6,500	6,500
Coles	3,800	3,800	3,800	3,800
Woolworths	0	3,800	3,800	3,800
Total Majors	3,800	7,600	14,100	14,100
Mini-majors (> 400 sq.m)				
Mini-majors	500	1,500	2,500	3,000
Retail Specialties				
Food & Liquor	300	700	900	900
Food Catering	700	1,400	1,800	2,000
Apparel	0	0	300	500
Household Goods	0	0	150	150
Leisure	150	350	550	550
General Retail	300	500	900	900
Retail Services	400	700	1,000	1,000
Total Retail Spec.	1,850	3,650	5,600	6,000
Non-retail*				
Non-retail Shopfronts	400	700	1,500	2,000
Total Centre Core	**6,550**	**13,450**	**23,700**	**25,100**
Other Precinct Uses				
Large Format Retail	0	3,500	15,500	20,000
Medical Centre	250	500	1,000	2,000
Gym	200	200	600	600
Swim School	0	500	500	500
Childcare Centre	800	800	1,800	1,800
Service Stations	0	250	250	250
Fast Food	250	500	500	500
Tavern	0	500	500	500
Total Other Uses	1,500	6,750	20,650	26,150
Total Precinct	**8,050**	**20,200**	**44,350**	**51,250**

** Comprising real estate agency, banks, travel agent & post office*

TABLE 2. STAGE ONE AND TWO MOLONGLO GROUP CENTRE PROJECT SALES AND GROSS RENTS

Tenant/ Category	Stage One, FY2028						Stage Two, FY2033					
	GLA	Forecast Sales		Gross Rents**		Occ. Cost	GLA	Forecast Sales		Gross Rents**		Occ. Cost
	(sq.m)	($'000)	($/sq.m)	($'000)	($/sq.m)	(%)	(sq.m)	($'000)	($/sq.m)	($'000)	($/sq.m)	(%)
Majors												
Coles	3,800	48,011	12,635	1,680	442	3.5%	3,800	58,391	15,366	2,044	538	3.5%
Woolworths	0	0	0	0	0	0.0%	3,800	57,235	15,062	2,003	527	3.5%
Total Majors	3,800	48,011	12,635	1,680	442	3.5%	7,600	115,626	15,214	4,047	532	3.5%
Mini-majors (> 400 sq.m)												
Pharmacy	500	4,526	9,051	453	905	10.0%	500	5,376	10,753	538	1,075	10.0%
Discount Variety	0	0	0	0	0	0.0%	500	3,072	6,144	461	922	15.0%
Asian Grocer	0	0	0	0	0	0.0%	500	3,520	7,040	246	493	7.0%
Mini-majors	500	4,526	9,051	453	905	10.0%	1,500	11,969	7,979	1,245	830	10.4%
Retail Specialties												
Food & Liquor	300	3,408	11,359	256	852	7.5%	700	9,496	13,566	807	1,153	8.5%
Food Catering	700	5,986	8,551	748	1,069	12.5%	1,400	13,625	9,732	1,839	1,314	13.5%
Apparel	0	0	0	0	0	0.0%	0	0	0	0	0	0.0%
Household Goods	0	0	0	0	0	0.0%	0	0	0	0	0	0.0%
Leisure	150	1,340	8,934	141	938	10.5%	350	3,621	10,344	434	1,241	12.0%
General Retail	300	3,752	12,508	338	1,126	9.0%	500	6,945	13,890	729	1,458	10.5%
Retail Services	400	3,318	8,296	415	1,037	12.5%	700	6,495	9,278	844	1,206	13.0%
Total Retail Spec.	1,850	17,804	9,624	1,897	1,025	10.7%	3,650	40,182	11,009	4,655	1,275	11.6%
Total Retail	**6,150**	**70,341**	**11,438**	**4,030**	**655**	**5.7%**	**12,750**	**167,777**	**13,159**	**9,946**	**780**	**5.9%**

**Inflated dollars & including GST* **Excluding GST*

1 Location & Proposal

This section provides an overview of the regional and local context of the Molonglo Group Centre, including an overview of the Molonglo Valley release area.

1.1. Regional Context

i. The Molonglo Group Centre will be the major retail and commercial centre serving residents of the Molonglo Valley. The centre will be located 9 km from Woden and Belconnen and 13 km from Canberra Civic (refer Map 1.1).

ii. Molonglo Valley is one of the last identified release areas in the Canberra urban area. It is located to the west of the existing urban area, directly west of Tuggeranong Parkway. At capacity, the precinct is planned to include ~70,000 residents over a 20 year timeframe.

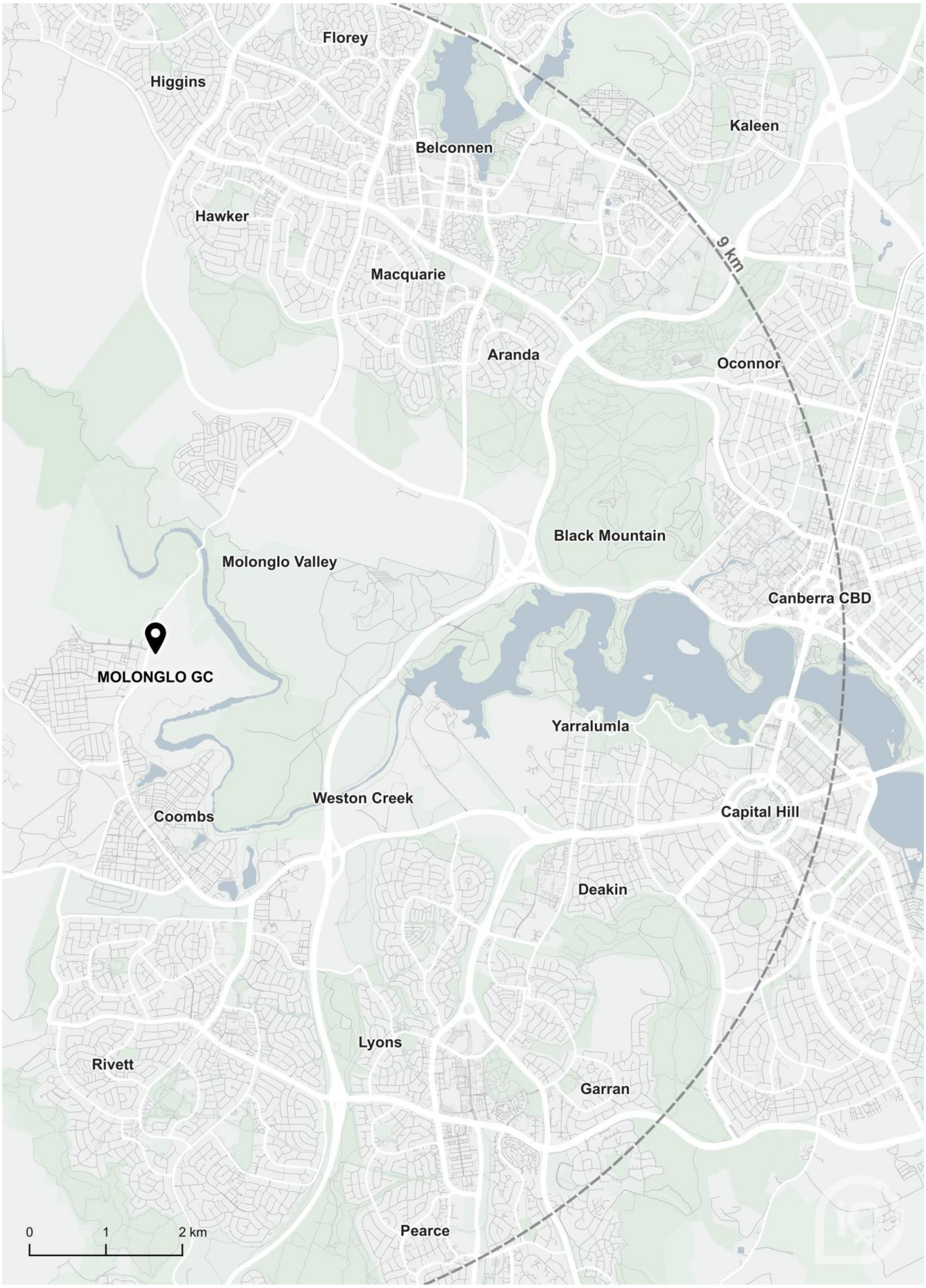
iii. Map 1.2 illustrates the designated land zones throughout the Molonglo Valley. The subject site is zoned as Core Zone (Group Centre). It is one of only two parcels of land with this zoning in the Molonglo Valley. The other Group Centre is smaller (in land area terms) and is likely to be developed in the longer term.

iv. John Gorton Drive will be the major arterial road throughout the Molonglo Valley. Significant works have and are being undertaken to improve the road network. The ACT Government is planning roads and infrastructure upgrades to improve access in and around the Molonglo Valley, including the Molonglo bridge over the Molonglo River. Works on the bridge and approaching roads are expected to commence shortly.

v. Additionally, there is the possibility that the light rail network connecting Gungahlin in the north through to Canberra Civic in the south (which commenced operating in 2019), will be extended to connect Molonglo and Weston to Woden and Canberra Civic (see Figure 1.1).

vi. The nearest major retail facilities serving current and future Molonglo Valley residents are Westfield Belconnen for those residents in the northern portion of the release area and Westfield Woden for those residents to the south. Both centres are major regional shopping destinations that include non-food majors (i.e. department stores and discount department stores), in addition to a range of mini-major and specialty tenants. These centres, as well as Canberra Centre to the east, are likely to be major non-food shopping destinations for the future residents of the Molonglo Valley.

MAP 1.1. MOLONGLO GROUP CENTRE REGIONAL CONTEXT



MAP 1.2. MOLONGLO VALLEY LAND ZONING

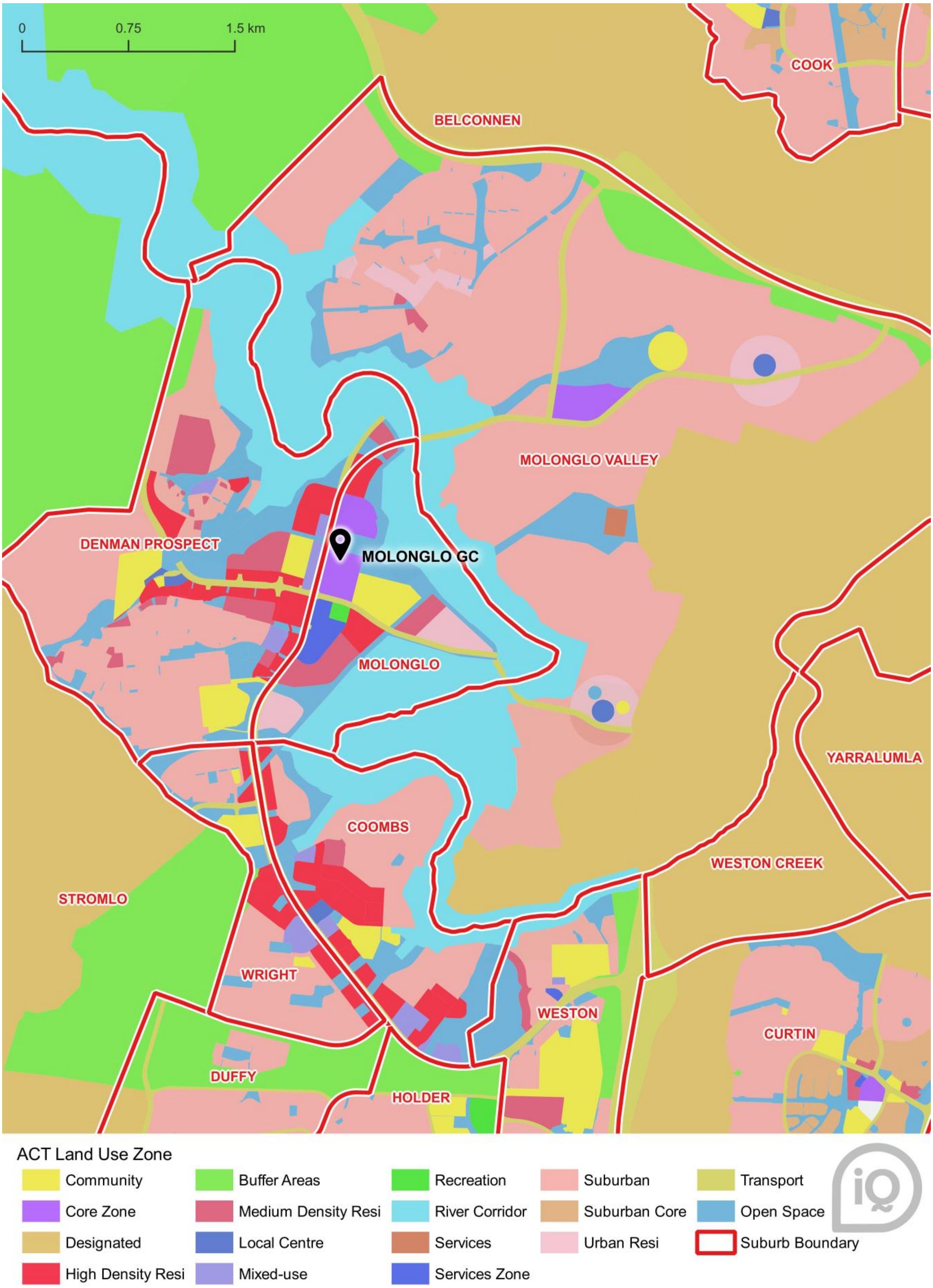
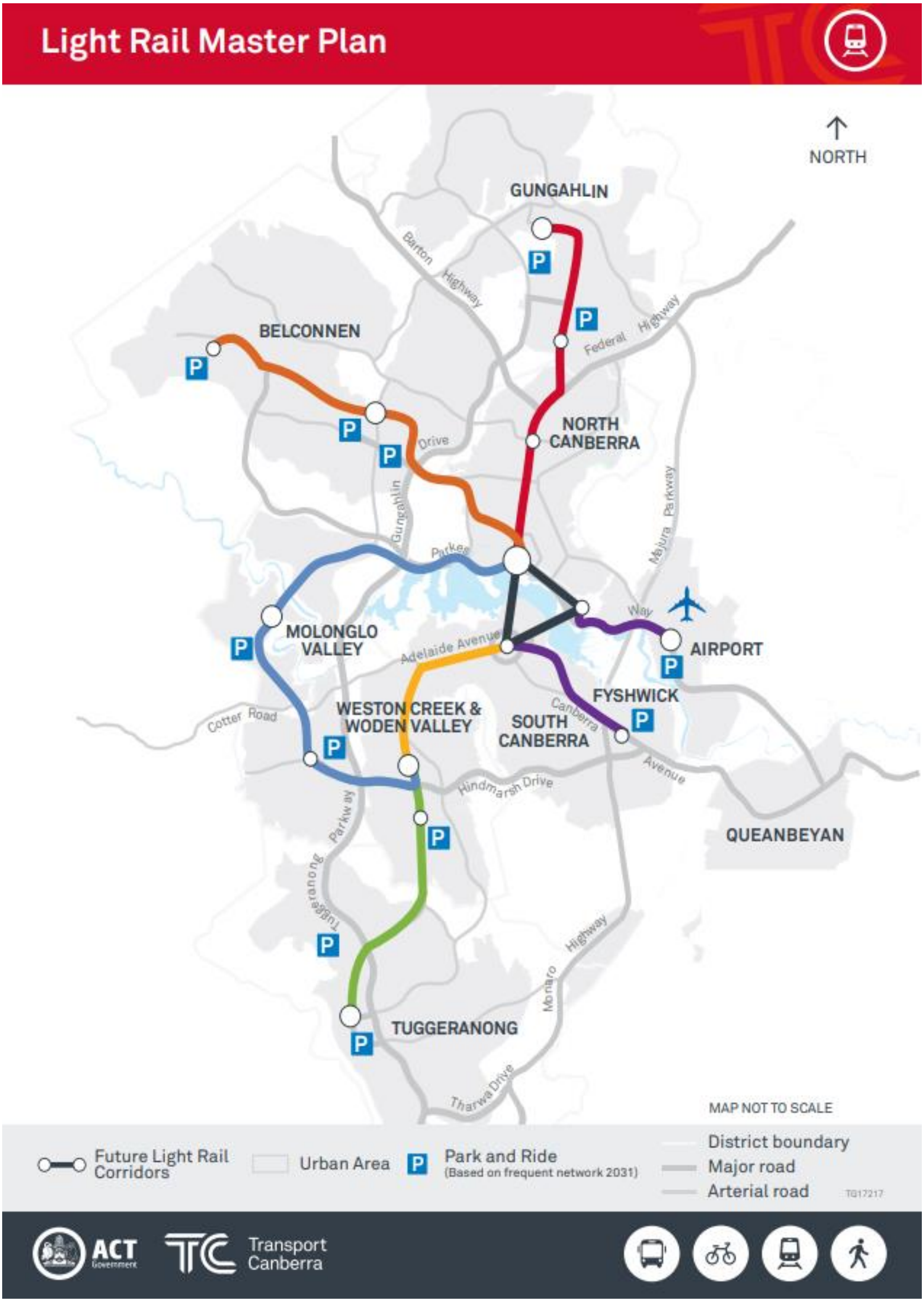


FIGURE 1.1. LIGHT RAIL CORRIDORS DRAFT NETWORK



1.2. Molonglo Group Centre

i. The Molonglo Group Centre (also known as the Molonglo Commercial Centre) is situated on the eastern side of John Gorton Drive. The centre will be the major retail and commercial destination for residents of the Molonglo Valley. A smaller secondary centre (i.e. likely to be anchored by a major full-line supermarket) is also planned to the north-east of the subject site, with two smaller local centres planned on the eastern portion of the Molonglo Valley.

ii. A mix of land uses are planned to be provided within the Molonglo Group Centre, including residential, employment, retail and commercial. This will include a range of housing options (refer Figure 1.2), with the precinct ultimately expected to accommodate around 7,000 – 9,000 people.

iii. As shown in Figure 1.2, open space and community uses are planned to the east with commercial land zoned to the west (over John Gorton Drive). Higher density residential is generally planned on the fringe of the Molonglo Group Centre.

iv. Early masterplans have been provided to this office (refer Figures 1.3 and 1.4). Key points to note include:

- A town centre style of development is indicated.
- Minimal enclosed shopping centre floorspace is planned with this primarily to be provided around two of the major tenants.
- Four quadrants of core centre retail space are planned. Three of the four quadrants are indicted to be anchored by a major tenant. The north-west quadrant is located nearest to the future light rail station but does not include a major tenant.
- A homemaker precinct is planned for the southern portion of the group centre.

v. Commentary in relation to this plan is provided at the end of the report.

vi. The remainder of this report assesses the range of uses that could be provided at the future Molonglo Group Centre, including the optimal level of retail and supporting non-retail floorspace.

FIGURE 1.2. MOLONGLO GROUP CENTRE LAND USES

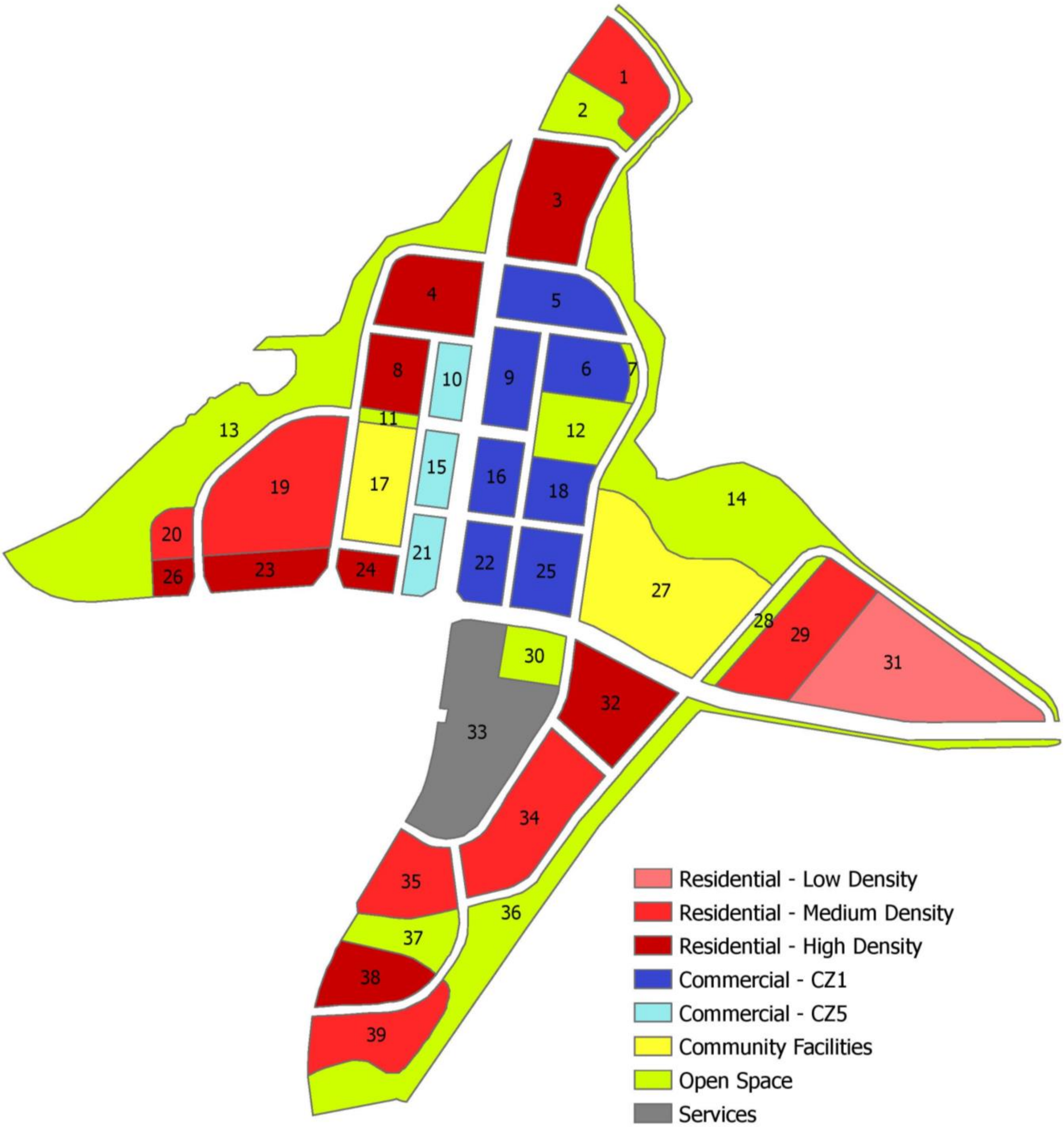


FIGURE 1.3. MOLONGLO GROUP CENTRE INDICATIVE LAYOUT - GROUND LEVEL

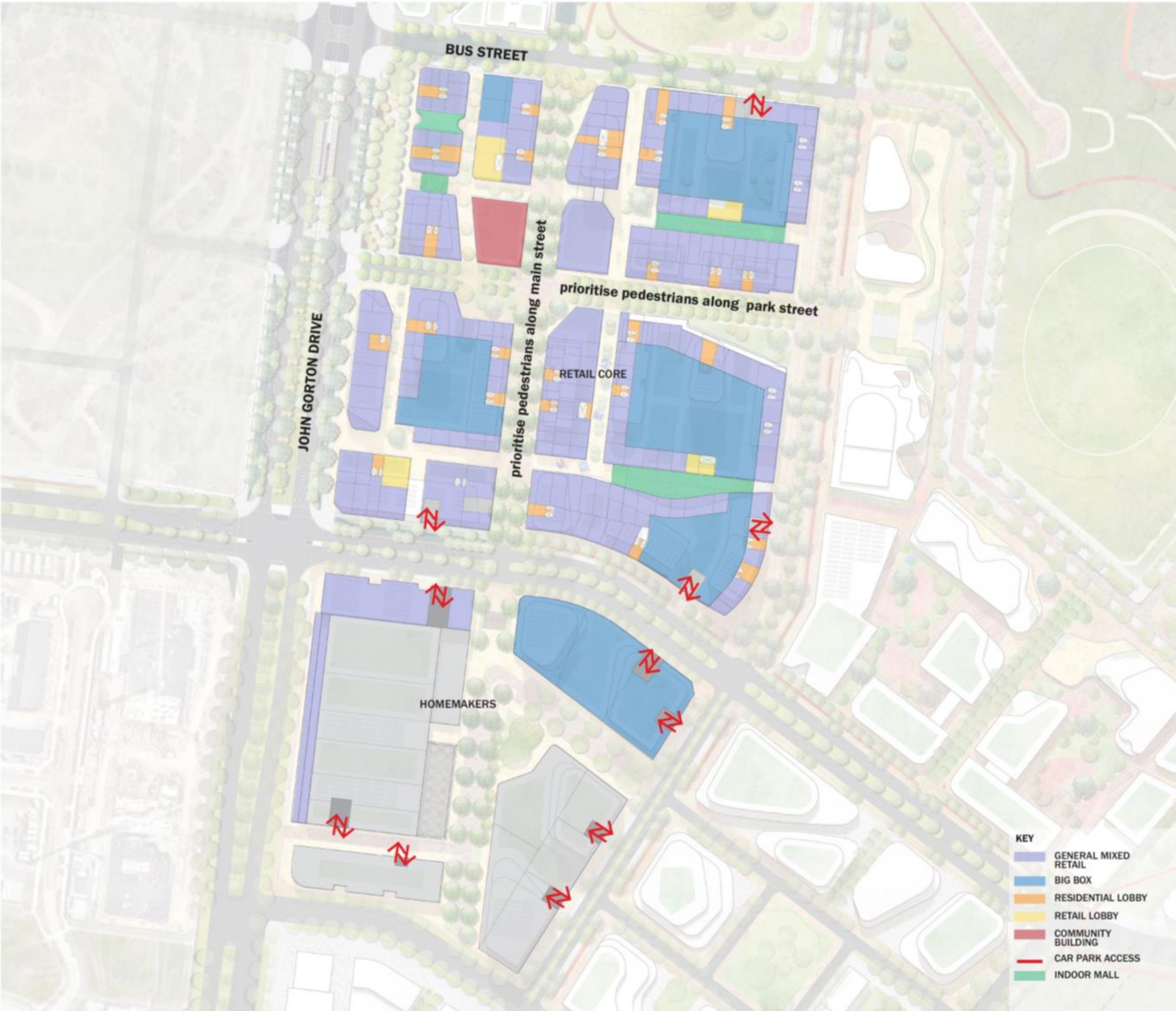


FIGURE 1.4. MOLONGLO GROUP CENTRE INDICATIVE LAYOUT – LEVEL ONE

2 Trade Area Analysis

This section of the report provides a review of the trade area likely to be served by Molonglo Group Centre in the future, including current and projected population and retail spending levels over the period to 2041. A review of the socio-economic profile of the trade area population is also provided.

2.1. Trade Area Definition

i. The trade area for the planned Molonglo Group Centre has been defined taking into consideration the following key factors:

- The designation of the Molonglo Group Centre within the overall Molonglo Valley retail hierarchy, with the centre planned to be the major retail and commercial facility serving future residents.
- The planned releases within the Molonglo Valley and the locations of the other designated retail centres.
- The provision of competitive retail facilities throughout the surrounding area.
- Regional and local accessibility.
- The pattern of urban development throughout the region.
- Significant physical barriers.

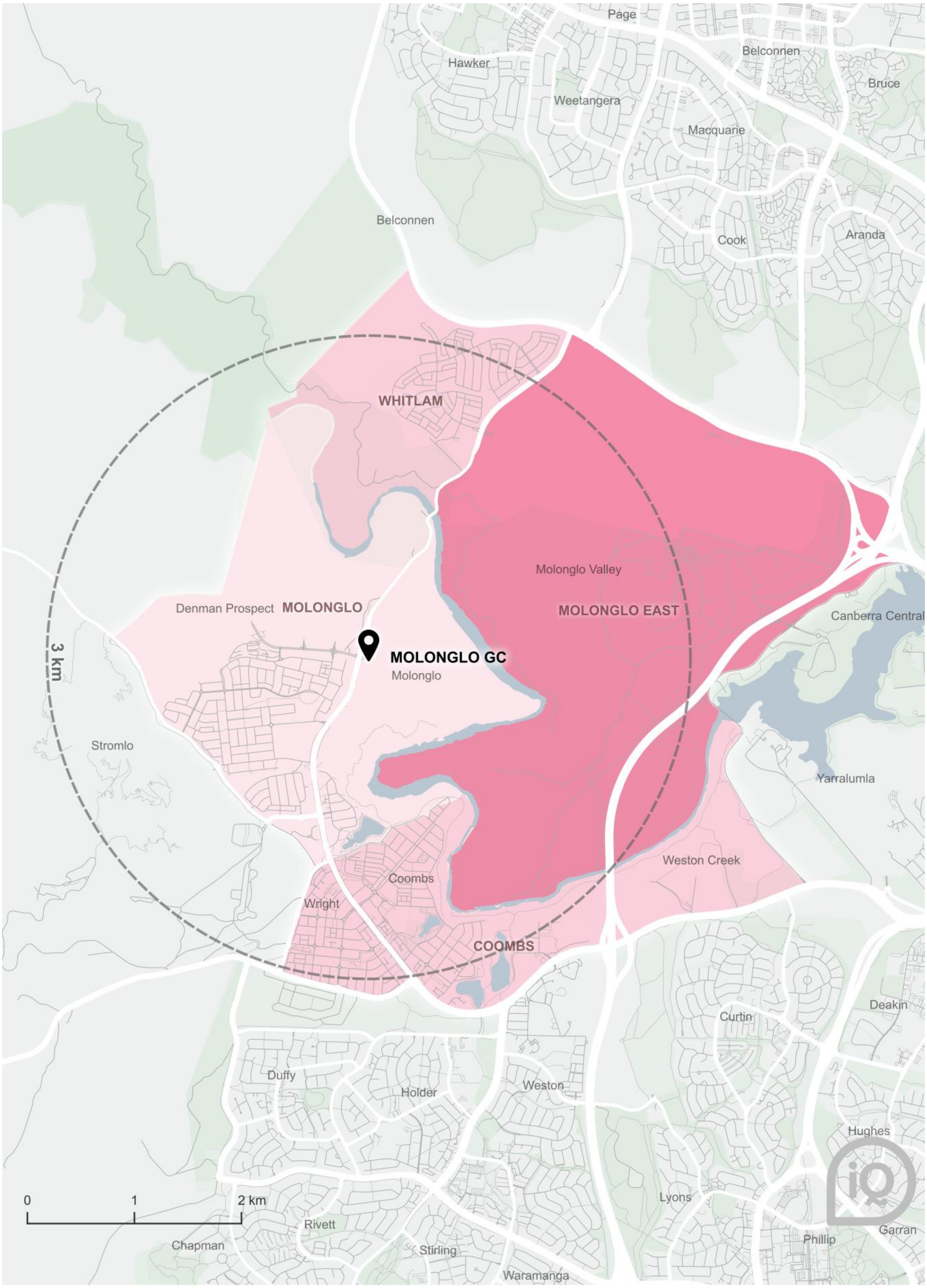
ii. Map 2.1 illustrates the defined trade area likely to be served by the Molonglo Group Centre. The trade area has been defined to include four sectors as follows:

- The Molonglo Core sector encompasses the central portion of the Molonglo Valley, including the Molonglo Group Centre itself.
- The Coombs sector containing the primary release of the Molonglo Valley, including of the suburbs of Coombs and Wright.
- The Molonglo East sector incorporating the eastern portion of the Molonglo Valley. This area is most likely to be developed last.
- The Whitlam sector containing the north-western portion of the planned Molonglo Valley.

vii. The combination of these sectors is referred to as the Molonglo Group Centre main trade area throughout the remainder of this report. Given the status of the Molonglo Group Centre as the major retail and commercial destination for Molonglo Valley residents, the Molonglo main trade area encompasses the entire Molonglo Valley. The main trade area is limited to the north by retail facilities in the Belconnen Town Centre, to the east by retail facilities at Canberra Civic and to the south by Cooleman Court and Westfield Woden.

viii. Supermarkets and convenience based facilities at the site would primarily serve residents of the Molonglo Central sector. The higher order retail facilities at the site, such as a possible major non-food tenant and large format retail tenants, are likely to serve residents of the entire Molonglo Valley area.

MAP 2.1. MOLONGLO GROUP CENTRE MAIN TRADE AREA & SUBURBS



2.2. Main Trade Area Population

i. Table 2.1 details the Molonglo Group Centre main trade area current and projected population levels by sector. This information is sourced from the following:

- The 2011, 2016 and 2021 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS).
- New dwelling approvals statistics from the ABS from 2011/12 to 2021/22 (refer Chart 2.1), which indicate an average of 392 new dwellings were approved for the main trade area annually over this timeframe.
- Information provided by Suburban Land Agency into the likely number of dwellings over time and by SA2 (suburb level).
- Investigations by this office into new residential developments in the region.

ii. Table 2.1 outlines the historical and projected population growth within the main trade area over the 2011 - 2041 period. Population growth has been strong over the ten year period to 2021. As shown, an increase of 11,410 people was recorded to 2021, with the majority of this growth occurring in the Coombs, Wright, and Denman Prospect.

iii. As shown, the main trade area population is currently estimated at 15,150, including 5,240 persons in the Molonglo Core sector. Over the period to 2041, the main trade area population is projected to increase to 70,000. This reflects an average annual growth rate of ~3,050 persons (or 8.9%) across the main trade area.

iv. Map 2.2 illustrates the latest Territory Plan for the Molonglo Valley which highlights residential focused land uses. Key points to note include:

- Suburban land makes up the majority of the future urban area.
- Medium and high density uses are generally provided along John Gorton Drive.
- Mixed-use and centre lands are likely to also accommodate residential uses in the future.

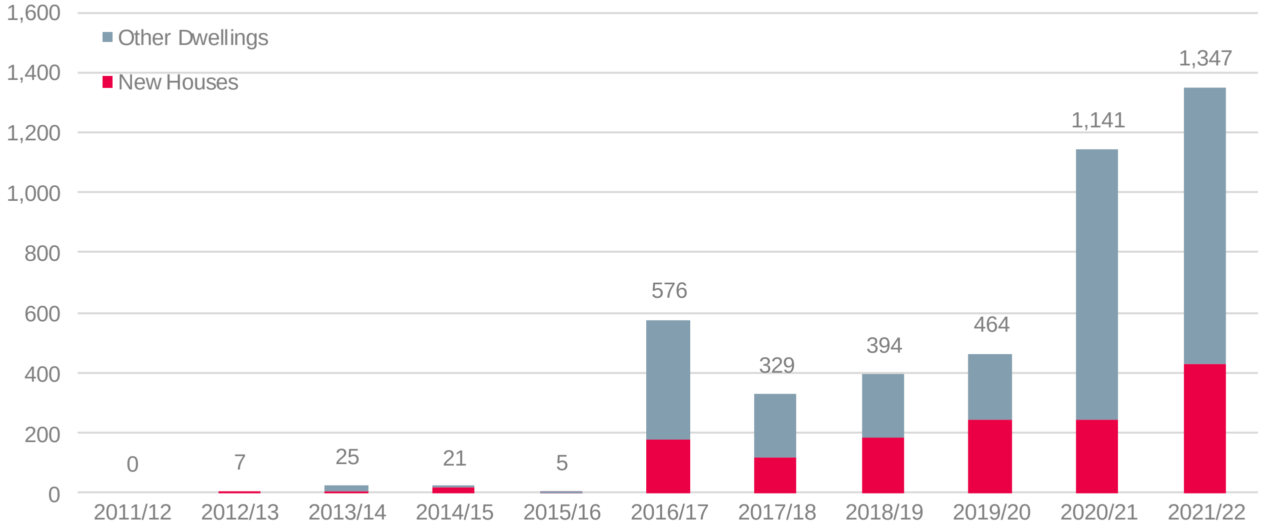
TABLE 2.1. MAIN TRADE AREA POPULATION, 2011 – 2041

Population	Actual			Forecast				
	2011	2016	2021	2023	2026	2031	2036	2041
• Coombs	40	4,580	7,880	9,280	10,630	11,130	11,130	11,130
• Molonglo Core	0	0	3,540	5,240	9,590	19,590	27,090	34,590
• Molonglo East	0	10	20	20	20	3,020	11,020	22,070
• Whitlam	0	0	10	610	1,510	2,210	2,210	2,210
Main Trade Area	**40**	**4,590**	**11,450**	**15,150**	**21,750**	**35,950**	**51,450**	**70,000**
Average Annual Change (No.)		**Actual**		**Forecast**				
		2011-16	**2016-21**	**2021-23**	**2023-26**	**2026-31**	**2031-36**	**2036-41**
• Coombs		908	660	700	450	100	0	0
• Molonglo Core		0	708	850	1,450	2,000	1,500	1,500
• Molonglo East		2	2	0	0	600	1,600	2,210
• Whitlam		0	2	300	300	140	0	0
Main Trade Area		**910**	**1,372**	**1,850**	**2,200**	**2,840**	**3,100**	**3,710**
Average Annual Change (%)		**Actual**		**Forecast**				
		2011-16	**2016-21**	**2021-23**	**2023-26**	**2026-31**	**2031-36**	**2036-41**
• Coombs		158.1%	11.5%	8.5%	4.6%	0.9%	0.0%	0.0%
• Molonglo Core		0.0%	0.0%	21.7%	22.3%	15.4%	6.7%	5.0%
• Molonglo East		0.0%	14.9%	0.0%	0.0%	0.0%	29.5%	14.9%
• Whitlam		0.0%	0.0%	681.0%	35.3%	7.9%	0.0%	0.0%
Main Trade Area		**158.2%**	**20.1%**	**15.0%**	**12.8%**	**10.6%**	**7.4%**	**6.4%**
Australian Average		*1.6%*	*1.2%*	*0.3%*	*1.3%*	*1.3%*	*1.2%*	*1.1%*

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

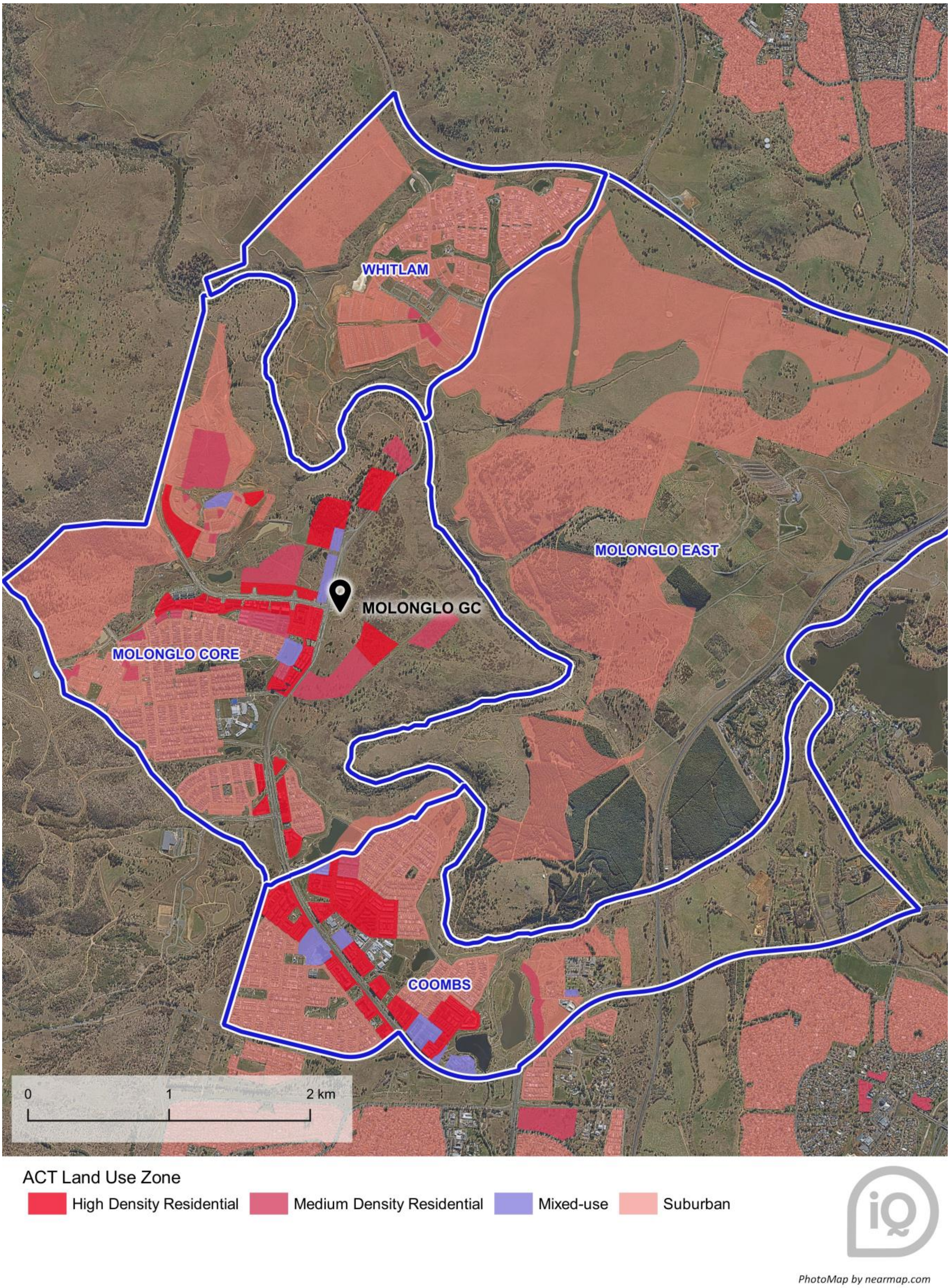
Sources : ABS; ACT Government

CHART 2.1. MAIN TRADE AREA NEW DWELLING APPROVALS, 2011/12 – 2021/22



Source: ABS

MAP 2.2. MOLONGLO VALLEY RESIDENTIAL LAND ZONES



2.3. Socio-economic Profile

i. Table 2.2 summarises the socio-economic characteristics of the Molonglo Group Centre main trade area population by sector, compared with the ACT and Australian benchmarks. This information is based on the 2021 Census of Population and Housing. Key points to note, however, include:

- **Incomes**: Average household income levels at $156,111 per annum, are higher than the ACT benchmark of $140,614 per annum. Across the main trade area, average household income levels are 11% higher than the benchmark.
- **Average Age**: The average age of main trade area residents at 30.2 years is significantly younger than the benchmark of 37.3 years.
- **Average Household Size**: Average household size at 2.6 persons per household is slightly larger than the benchmark.
- **Ethnicity**: The trade area population is ethnically diverse, with the proportion of Australian born residents in the main trade area lower than the benchmark (58.9% vs 71.6%). There is a higher proportion of residents born overseas, particularly from Asia.
- **Home Ownership**: The majority of residents moving into the area are homeowners, with less than 26% of households renting.
- **Household Structure**: The area is attracting a large traditional family market, with 57.0% of residents living within a couple household with dependent children, which is 9.9% higher than the benchmark of 47.1%.

ii. Overall, the trade area population predominately reflects an affluent, young, more ethnically diverse traditional family population.

iii. Table 2.3 outlines the key changes within the main trade area between the 2011 and 2021 Census periods. As shown, per capita incomes across the main trade area increased at a faster rate than the ACT benchmark (5.5% vs 2.4%).

TABLE 2.2. MAIN TRADE AREA SOCIO-ECONOMIC PROFILE, 2021 CENSUS

Characteristic	Main TA	ACT Average	Australia Average
People			
Age Distribution (% of Pop'n)			
Aged 0-14	23.3%	18.0%	18.0%
Aged 15-19	4.1%	5.7%	5.7%
Aged 20-29	19.0%	16.2%	13.3%
Aged 30-39	25.7%	16.8%	14.6%
Aged 40-49	15.0%	13.6%	13.0%
Aged 50-59	7.2%	11.3%	12.5%
Aged 60+	5.7%	18.3%	23.0%
Average Age	30.2	37.3	39.5
Birthplace (% of Pop'n)			
Australian	58.9%	71.6%	72.0%
Overseas	41.1%	28.4%	28.0%
• Asia	29.3%	14.9%	12.1%
• Europe	3.2%	5.6%	7.2%
• Other	8.6%	7.9%	8.7%
Family			
Average Household Size	2.6	2.5	2.5
Family Type (% of Pop'n)			
Couple with dep't children	57.0%	47.1%	44.2%
Couple with non-dep't child.	2.3%	6.1%	7.7%
Couple without children	21.5%	24.2%	23.8%
Single with dep't child.	7.4%	7.4%	8.6%
Single with non-dep't child.	2.0%	3.1%	4.0%
Other family	0.8%	1.0%	1.0%
Lone person	9.0%	11.1%	10.8%
Employment			
Income Levels			
Average Per Capita Income	$80,896	$71,643	$55,301
Per Capita Income Variation	12.9%	n.a.	n.a.
Average Household Income	$156,111	$140,614	$109,594
Household Income Variation	11.0%	n.a.	n.a.
Housing			
Tenure Type (% of Dwellings)			
Owned	73.7%	67.9%	67.4%
Rented	25.9%	30.6%	30.8%
Other Tenure Type	0.5%	1.4%	1.8%

Sources: ABS Census of Population and Housing 2021

TABLE 2.3. MAIN TRADE AREA SOCIO-ECONOMIC PROFILE COMPARISON (2011 – 2021)

Characteristic	Molonglo TC Main Trade Area 2011	2016	2021	Change (%) 2011-16	2016-21	2011-21	ACT 2011	2016	2021	Change (%) 2011-16	2016-21	2011-21
People												
Average Age	41.0	30.0	30.2	-6.1%	0.1%	-3.0%	36.0	36.7	37.3	0.4%	0.3%	0.3%
Birthplace (% of Pop'n)												
Australian	90.0%	68.2%	58.9%	-22%	-9.2%	-31.1%	74.7%	73.7%	71.6%	-1.0%	-2.1%	-3.1%
Overseas	10.0%	31.8%	41.1%	21.8%	9.2%	31.1%	25.3%	26.3%	28.4%	1.0%	2.1%	3.1%
• Asia	5.0%	20.2%	29.3%	15.2%	9.1%	24.3%	8.6%	12.4%	14.9%	3.8%	2.5%	6.4%
• Europe	5.0%	4.6%	3.2%	-0.4%	-1.3%	-1.8%	8.1%	6.5%	5.6%	-1.6%	-0.9%	-2.5%
• Other	0.0%	7.1%	8.6%	7.1%	1.5%	8.6%	8.6%	7.4%	7.9%	-1.2%	0.5%	-0.8%
Family												
Average Household Size	1.3	2.5	2.6	14.5%	1.3%	7.7%	2.5	2.5	2.5	0.0%	-0.6%	-0.3%
Family Type (% of Pop'n)												
Couple with dep't children	61.5%	52.7%	57.0%	-8.8%	4.3%	-4.5%	47.8%	48.7%	47.1%	0.9%	-1.6%	-0.7%
Couple with non-dep't child.	0.0%	2.7%	2.3%	2.7%	-0.4%	2.3%	6.8%	6.2%	6.1%	-0.6%	-0.1%	-0.7%
Couple without children	23.1%	24.6%	21.5%	1.5%	-3.1%	-1.6%	23.0%	22.9%	24.2%	-0.1%	1.3%	1.2%
Single with dep't child.	7.7%	6.4%	7.4%	-1.3%	1.1%	-0.3%	8.3%	7.6%	7.4%	-0.7%	-0.2%	-0.9%
Single with non-dep't child.	0.0%	1.4%	2.0%	1.4%	0.6%	2.0%	3.1%	3.1%	3.1%	0.0%	0.1%	0.1%
Other family	0.0%	1.3%	0.8%	1.3%	-0.5%	0.8%	1.0%	0.9%	1.0%	-0.1%	0.0%	-0.1%
Lone person	7.7%	11.0%	9.0%	3.3%	-1.9%	1.3%	10.1%	10.7%	11.1%	0.6%	0.4%	1.0%
Employment												
Income Levels												
Average Per Capita Income	$44,246	$71,839	$80,896	10.2%	2.4%	6.2%	$53,461	$60,576	$71,643	2.5%	3.4%	3.0%
Per Capita Income Variation	-17.2%	18.6%	12.9%	35.8%	-5.7%	30.2%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average Household Income	$91,250	$133,652	$156,111	7.9%	3.2%	5.5%	$110,709	$121,690	$140,614	1.9%	2.9%	2.4%
Household Income Variation	-17.6%	9.8%	11.0%	27.4%	1.2%	28.6%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

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

higher | lower than benchmark

2.4. Main Trade Area Retail Expenditure

i. The estimated retail expenditure capacity of the Molonglo Group Centre main trade area population is based on information sourced from CommBank iQ Retail Spend Insights.

ii. CommBank iQ Retail Spend Insights is a new dataset that was first released in April 2023 (Calendar Year 2022) and is to be released for each Financial Year and Calendar Year going forwards (i.e. released every six months). The dataset has initially been adopted by the four leading economic property consultants in Australia.

iii. Retail Spend Insights is a modelled view of retail spend per capita across Australia. It is provided at the granularity of SA1 allowing for the creation of bespoke catchments to facilitate a view on resident spend by category for the area. The dataset is based on de-identified, privacy treated retail banking transactions, normalised to be representative of the Australian population. Transactions may include purchases and refunds from credit card, debit card, EFTPOS cards, BPay and direct debit.

iv. Chart 2.2 illustrates the retail spending levels by retail category, per person across the main trade area, compared with the ACT averages in 2022/23.

v. Chart 2.3 illustrates the variation of spending levels per person across the main trade area as compared with the ACT averages in 2022/23. Retail expenditure across the main trade area exceeds the ACT benchmark for all categories except for fresh food and liquor.

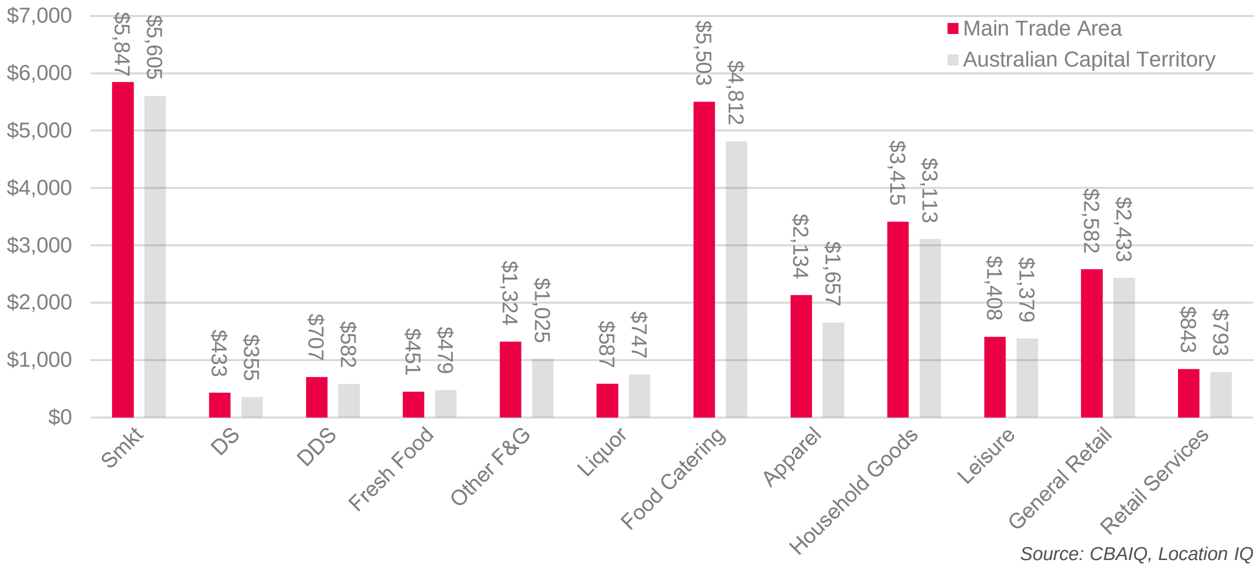
vi. Table 2.4 outlines the total retail expenditure levels generated by the main trade area population. The total retail expenditure level is currently estimated at $353 million and is projected to increase at an average rate of 12.4% to reach $2.89 billion by 2041. All figures presented in this report are in inflated dollars and include GST.

vii. The projected growth rate in retail spending for the main trade area considers the following:

- **Inflation**:
  - Food category inflation of 3.5% in 2024 and 2.5% in 2025. From 2026, food category inflation is assumed to increase to 2.0% per annum.
  - Non-food category inflation of 1.5% over the 2024 – 2025 period. From 2026, non-food category inflation is assumed to increase to 1.0% per annum.
- **Real growth** in retail spending per capita of 0.0% is assumed over the period to 2025. From 2026 real growth per capita is assumed at 0.5% annually for food retail and 1.0% for non-food retail over the period to 2041.
- **Population Growth**: Main trade area population growth is projected at 8.7% per annum over the 2023 - 2041 period.

viii. Table 2.5 details the total trade area retail expenditure generated by key commodity group. The largest spending category is on supermarkets at $81.7 million (2023), or 23.1% of the total retail spending market.

CHART 2.2. MAIN TRADE AREA RETAIL EXPENDITURE PER CAPITA, 2022/23



Source: CBAIQ, Location IQ

CHART 2.3. RETAIL EXPENDITURE PER CAPITA - MTA VARIATION FROM ACT AVG, 2022/23

Source: CBAIQ, Location IQ

TABLE 2.4. MAIN TRADE AREA RETAIL EXPENDITURE, 2023 – 2041

Y/E		**Catchment Sectors**			**Main**
June	Coombs	Molonglo Core	Molonglo East	Whitlam	**TA**
2023	193.9	151.4	0.5	7.2	353.0
2024	212.1	189.4	0.5	24.0	425.9
2025	226.5	236.4	0.5	33.1	496.4
2026	242.6	295.9	0.5	45.8	584.9
2027	255.2	359.8	0.5	56.7	672.3
2028	263.8	424.9	0.5	62.6	751.9
2029	272.6	501.8	0.6	69.2	844.1
2030	281.6	592.6	0.6	76.4	951.3
2031	291.1	699.8	0.6	84.4	1,075.9
2032	299.4	794.8	103.7	89.8	1,287.7
2033	306.6	868.2	137.6	91.9	1,404.3
2034	313.9	948.4	182.6	94.1	1,539.0
2035	321.5	1,036.0	242.2	96.4	1,696.0
2036	329.2	1,131.7	321.4	98.7	1,880.9
2037	337.1	1,226.4	401.6	101.0	2,066.1
2038	345.2	1,318.6	472.5	103.4	2,239.8
2039	353.5	1,417.7	556.1	105.9	2,433.2
2040	362.1	1,524.3	654.4	108.4	2,649.2
2041	370.8	1,638.9	770.2	111.0	2,890.9
Expenditure Growth					
2023-26	48.7	144.5	0.0	38.6	231.9
2026-31	48.5	403.9	0.1	38.6	491.0
2031-36	38.1	431.9	320.8	14.2	805.0
2036-41	41.6	507.2	448.8	12.3	1,010.0
2023-41	176.9	1,487.5	769.7	103.8	2,537.9
Average Annual Growth Rate					
2023-26	7.7%	25.0%	2.4%	85.4%	18.3%
2026-31	3.7%	18.8%	2.4%	13.0%	13.0%
2031-36	2.5%	10.1%	0.0%	3.2%	11.8%
2036-41	2.4%	7.7%	19.1%	2.4%	9.0%
2023-41	3.7%	14.1%	0.0%	16.4%	12.4%

Inflated dollars & including GST *Source : CBA IQ, Location IQ*

TABLE 2.5. MAIN TRADE AREA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2023 – 2041

Y/E June	Smkt	Dept Store	Discount Dept Store	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2023	81.7	6.1	9.9	33.0	76.9	29.9	48.0	19.7	36.1	11.8
2024	99.0	7.3	11.8	39.8	93.5	35.8	57.9	23.5	43.1	14.1
2025	115.5	8.5	13.6	46.3	109.4	41.7	67.7	27.2	50.0	16.4
2026	135.8	10.1	15.9	54.3	129.6	49.1	80.2	31.9	58.8	19.3
2027	155.9	11.5	18.0	62.2	149.8	56.4	92.5	36.5	67.3	22.2
2028	174.1	12.8	20.0	69.4	168.4	63.0	103.7	40.7	75.0	24.8
2029	195.3	14.4	22.2	77.7	190.2	70.6	116.6	45.5	84.0	27.8
2030	219.9	16.1	24.8	87.3	215.5	79.4	131.6	51.0	94.3	31.2
2031	248.5	18.2	27.8	98.5	245.1	89.7	149.1	57.5	106.3	35.3
2032	296.3	21.4	32.9	118.6	298.0	107.3	175.9	68.6	127.0	41.9
2033	323.0	23.1	35.5	129.4	327.6	116.8	190.8	74.5	138.1	45.5
2034	353.8	25.0	38.5	142.1	362.0	127.6	208.0	81.4	150.9	49.7
2035	389.6	27.3	42.1	156.9	402.5	140.3	227.7	89.4	165.8	54.5
2036	431.8	29.9	46.2	174.4	450.5	155.2	250.7	98.8	183.3	60.1
2037	474.0	32.5	50.3	192.0	499.2	170.1	273.5	108.1	200.7	65.7
2038	513.8	34.9	54.0	208.5	545.4	183.8	294.7	116.8	216.9	70.9
2039	558.2	37.5	58.1	227.0	597.3	199.1	318.2	126.4	234.8	76.7
2040	607.6	40.4	62.7	247.6	655.5	216.1	344.2	137.1	254.8	83.1
2041	662.9	43.6	67.7	270.8	721.2	235.1	373.1	149.1	277.2	90.2
Expenditure Growth										
2023-26	54.1	4.0	6.0	21.4	52.6	19.2	32.2	12.2	22.6	7.5
2026-31	112.7	8.1	11.9	44.2	115.6	40.6	68.9	25.6	47.5	15.9
2031-36	183.2	11.8	18.4	75.9	205.3	65.6	101.6	41.3	77.0	24.8
2036-41	231.1	13.7	21.5	96.4	270.7	79.9	122.4	50.3	93.8	30.1
2023-41	581.2	37.5	57.8	237.8	644.2	205.2	325.1	129.4	241.0	78.4
Average Annual Growth Rate										
2023-26	18.5%	18.3%	17.1%	18.1%	19.0%	18.0%	18.7%	17.4%	17.6%	17.9%
2026-31	12.8%	12.6%	11.9%	12.6%	13.6%	12.8%	13.2%	12.5%	12.6%	12.8%
2031-36	11.7%	10.5%	10.7%	12.1%	12.9%	11.6%	11.0%	11.4%	11.5%	11.2%
2036-41	9.0%	7.8%	8.0%	9.2%	9.9%	8.7%	8.3%	8.6%	8.6%	8.5%
2023-41	12.3%	11.6%	11.3%	12.4%	13.2%	12.1%	12.1%	11.9%	12.0%	12.0%

**Inflated dollars & including GST* *Source : CBA IQ, Location IQ*

3 Competitive Environment

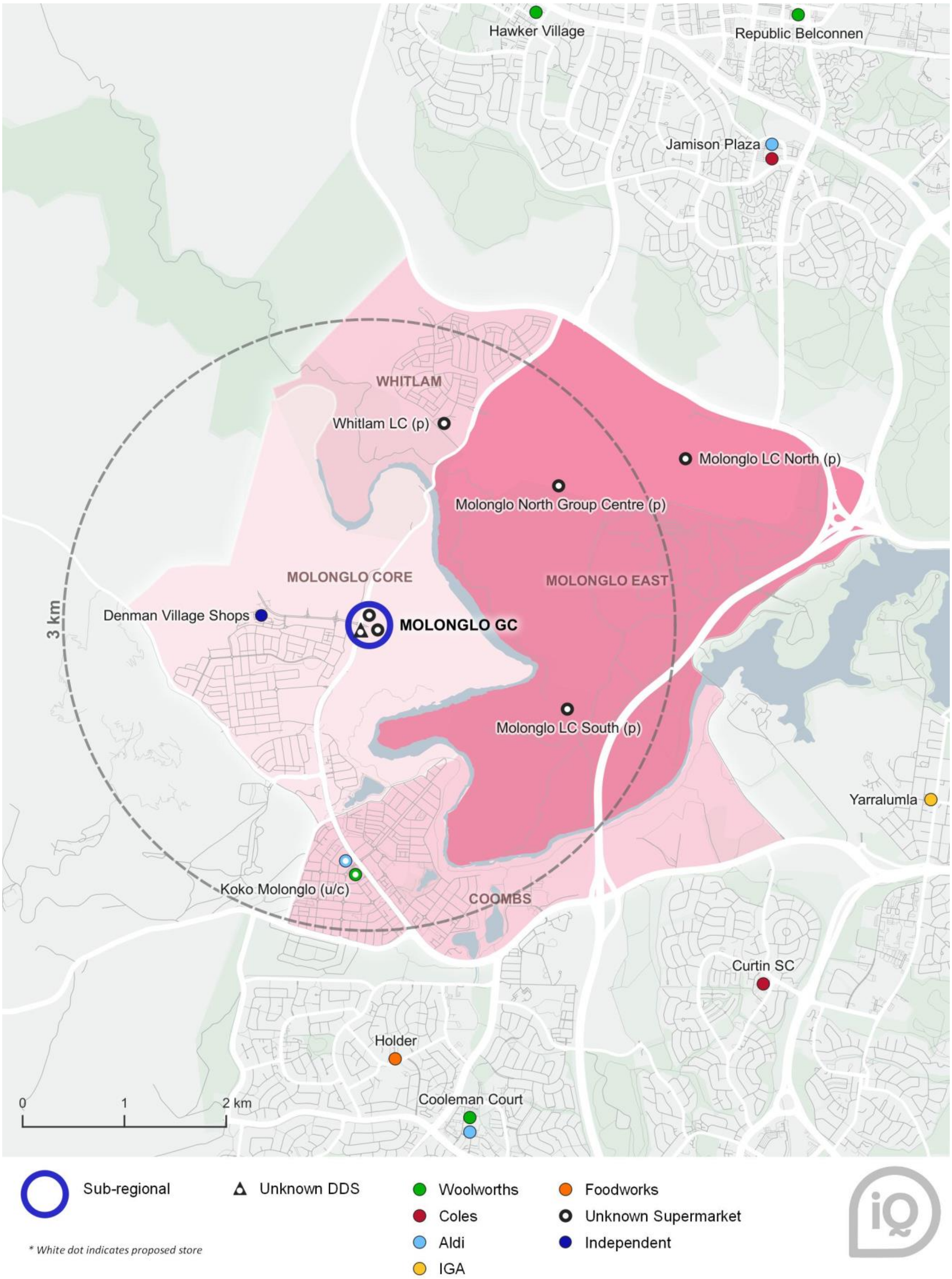
This section of the report provides a summary of the existing and future retail facilities within the region. Map 3.1 illustrates the major competitive retail facilities currently provided within the region, with details of these centres summarised in Table 3.1.

TABLE 3.1. EXISTING COMPETITION

Centre	Shopfront GLA (sq.m)	Anchor Tenants	Dist. From Site (km)
Regional Shopping Centres			
Westfield Woden	72,900	David Jones (13,600), Big W (8,500), Woolworths (4,100) Coles (3,400)	9.5
Belconnen	170,000		9.6
• Westfield Belconnen	94,900	Myer (12,000), Kmart (7,700), Target (6,800), Woolworths (4,800), Coles (4,200), Aldi (1,500)	
• Republic Belconnen	3,000	Woolworths Metro (900)	
• Capital Food Market Belconnen*	5,100		
• Other	67,000		
Canberra Centre	96,300	Myer (13,500), David Jones (12,200), Big W (6,500), Coles (3,700), Aldi (1,350)	15.5
Sub-regional Shopping Centres			
South.Point Tuggeranong	72,000	Kmart (8,400), Big W (8,050), Target (7,000), Harris Scarfe (4,000), Woolworths (4,800), Coles (3,850)	19.3
Majura	99,300		19.4
• Majura Park SC	37,000	Big W (8,000), Woolworths (4,000), Aldi (1,500), Bunnings (11,000)	
• Other	62,300	Costco (13,500), IKEA (26,000)	
Gungahlin	75,100		19.8
• Gungahlin Marketplace	35,000	Big W (7,890), Kmart (5,500), Woolworths (4,550), Aldi (1,700)	
• Gungahlin Village	15,500	Coles (6,880)	
• Gungahlin Square	9,600	Aldi (1,350)	
• Other	15,000		
Supermarket Based Shopping Centres			
Denman Village Shops	2,500	Supabarn Express (1,000)	1.1
Coombs Shopping Centre	2,500		2.3
Cooleman Court	10,400	Woolworths (3,000), Aldi (1,550)	7.0
Holder	700	FoodWorks (300)	7.0
Duffy	700	Independent (300)	7.2
Cook	560	Friendly Grocer (560)	7.6
Jamison Plaza	9,600	Coles (4,000), Aldi (1,400)	7.9
Rivett Shops	1,200	Spar (400)	8.1
Lyons Shopping Village	1,300	Friendly Grocer (300)	8.1
Chapman IGA	1,400	IGA (400)	9.0
Curtin SC	3,600	Coles (2,100)	9.5

Source: Location IQ Database ** Currently undergoing redevelopment*

MAP 3.1. MAIN TRADE AREA AND COMPETITION



3.1. Regional Shopping Centres

i. Regional shopping centres include one or more department stores and are higher order non-food retail facilities that have a wide customer draw.

ii. There are three regional shopping centre facilities provided throughout the Canberra urban area, including Westfield Woden (located 9.5 km to the south), Westfield Belconnen (situated 9.6 km to the north) and Canberra Centre (provided 15.5 km to the west). Notables points regarding the composition and performance of these centres includes:

- Westfield Woden is the major non-food shopping destination for residents in the southern portion of the Canberra urban area. The centre includes over 72,000 sq.m of floorspace and is anchored by a David Jones department store, Big W discount department store and full-line Woolworths and Coles supermarkets. Also provided at the centre are nine mini-major tenants and 225 specialty shops, as well as a Hoyts cinema complex. According to Big Guns 2023 (Shopping Centre News), the shopping centre achieves sales in the order of $381 million.

- Westfield Belconnen is the major regional shopping centre serving residents in the northern portion of the Canberra urban area. The centre encompasses 94,900 sq.m of floorspace and is anchored by a Myer department store, Kmart and Target discount department stores and Woolworths, Coles and Aldi supermarkets. The shopping centre also provides around 244 specialty stores, as well as 19 mini-major traders and a Hoyts Cinema complex. According to Big Guns 2023 (Shopping Centre News), Westfield Belconnen achieved sales in the order of $577 million.

- Canberra Centre is the major retail component of Canberra Civic, totaling 96,300 sq.m. The centre includes Myer and David Jones department stores, Big W discount department store and Coles and Aldi supermarkets, as well as 11 mini-majors and 192 specialty shops. According to Big Guns 2023, the shopping centre achieves sales in the order of $622 million.

iii. These three regional centres are likely to remain major non-food shopping destinations for the future residents of the Molonglo Valley, particularly over the short term when major non-food floorspace is unlikely to be supportable at the Molonglo Group Centre. Additionally, each of these centres forms part of major Town Centres that include a range of commercial, multi-residential and community uses.

3.2. Sub-regional Shopping Centres

i. A sub-regional shopping centre is anchored by at least one discount department store and typically also includes at least one supermarket.

ii. There are three sub-regional shopping centres located within the Canberra urban area, including:

- South.Point Tuggeranong (former Hyperdome Shopping Centre), located around 19 km to the south of the site and containing Kmart, Big W, Target and Harris Scarfe non-food majors and Woolworths and Coles supermarkets.

- Majura Park Shopping Centre is near the Canberra airport (around 19 km to the east of the site). The centre includes Bunnings, Big W, Woolworths and Aldi major tenants and is located next to a Costco warehouse and within close proximity to IKEA.

- The Gungahlin Town Centre is situated nearly 20 km to the north-east of the site. The largest component of the Gungahlin Town Centre is Gungahlin Marketplace which is provided on both sides of Hibberson Street and includes around 35,000 sq.m of floorspace. The shopping centre includes Kmart and Big W discount department stores and a Woolworths supermarket. Aldi and an Asian supermarket has recently been added to the sub-regional shopping centre on an upper level.

iii. Each of these sub-regional shopping facilities are located 19 – 20 km from the Molonglo Group Centre and as such are unlikely to be of significant competitive relevance to retail floorspace at the planned centre.

3.3. Within the Main Trade Area

i. Notable retail facilities within the main trade area include:

- Denman Village is a local centre situated in the Molonglo Core sector. The facility is anchored by a Supabarn Express of approximately 1,000 sq.m. Five specialty shops are provided along with non-retail uses which include general medical, dental, and a gym (Club Lime).

- The Coombs Shopping Centre is located off John Gorton Drive in the Coombs sector. This small retail development accommodates six specialty shops. No major supermarket operator is provided, however, minimal food and grocery goods are provided at the Canberra Grocery Store and Ajijo (Indian supermarket). Relevantly, these shops are not large enough to accommodate the weekly food and grocery needs of the surrounding population. These facilities instead provide for the convenience retail needs of the immediate population.

ii. Other retail facilities within the main trade area are very limited, such as, McDonalds and Oporto along Cotter Road.

3.4. Proposed Retail Developments

i. Retail facilities planned or under construction within the Molonglo main trade area are illustrated on Map 3.2 and Table 3.2. Key points to note include:

- Koko Molonglo is currently in the final stages of construction. Stage 1 of the mixed-use development is planned to incorporate a Woolworths Metro (1,500 sq.m) and specialty shops (2,033 sq.m) and is due to open in late 2023. Aldi (1,500 sq.m in size) is planned as part of Stage 2, assumed to open in 2024.

- A secondary group centre is planned within the Molonglo Valley which is referred to as the Molonglo North Group Centre (Molonglo East sector). The ultimate composition of the centre is likely to be dependent on the retail floorspace provision at the subject site. It is likely that the centre will be anchored by at least one major full-line supermarket. An indication of the level of retail floorspace that should be provided at the secondary group centre is discussed in later sections of this report.

- In addition, two local centres are designated within the Molonglo East sector. These sites are assumed to only accommodate small supermarkets (similar to Koko Molonglo).

- Based on information provided to this office, a supermarket of 1,500 sq.m is nearing an approval being granted in the Whitlam sector. The site is around 1.6 ha in size, however, significant retail floorspace is not assumed given the relatively small size of the supermarket anchor.

ii. Developments planned beyond the main trade area are of lesser competitive relevance, these include:

- It is understood that Woolworths are planning for an expansion of their store at Hawker to the north of the main trade area. This is most likely to result in a full-line supermarket and a small amount of additional specialty shops.

- The Belconnen Markets is currently being partially redeveloped and expanded with additional retail floorspace in the order of 3,400 sq.m. The project is reported to be completed by November 2023 and will be renamed to Capital Food Market.

MAP 3.2. MOLONGLO VALLEY DESIGNATED RETAIL ZONES

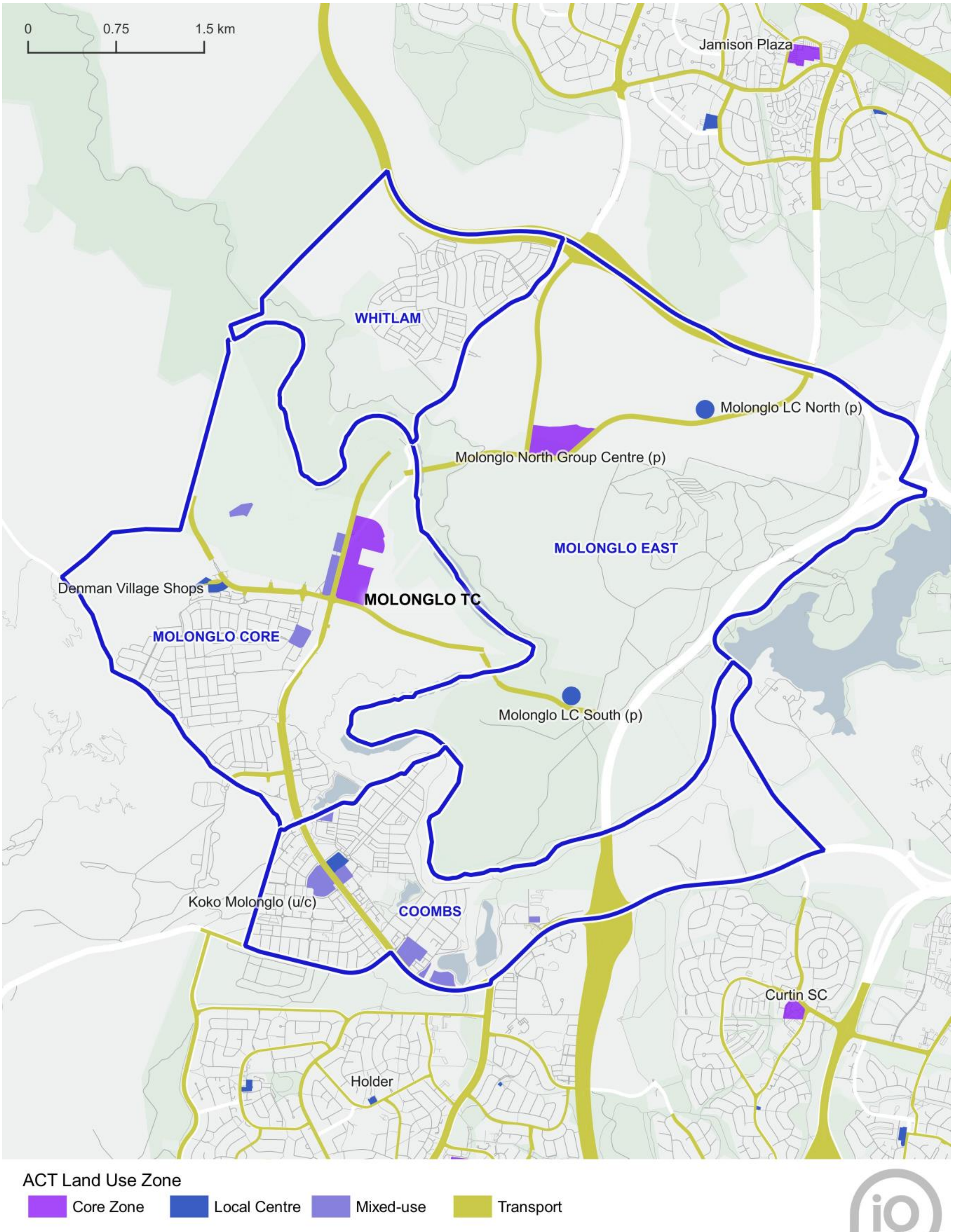


TABLE 3.2. PROPOSED COMPETITION

Name	Centre Type	Additional Retail GLA (sq.m)	Components	Status	First Full Year	Distance from Site (km)
Within Main Trade Area						
Coombs SC	Local Centre	2,500	Spec. shops	Completed	2022/23	2.9
Koko Molonglo	Local Centre	5,033				2.9
• Stage 1		3,533	Woolworths Metro (1,500 sq.m) & spec. shops (2,033 sq.m)	Construction	2023/24	
• Stage 2		1,500	Aldi (1,500 sq.m)	Construction	2024/25	
Molonglo North Centre	Neighbourhood Centre	10,000*	Smkt & Spec.	Planning	Post 2033	13.0
Whitlam LC	Neighbourhood Centre	3,000*	Supermarket (1,500 sq.m) & spec. shops	Planning	Post 2026	2.4
Molonglo LC North	Neighbourhood Centre	3,000*	Supermarket (1,500 sq.m) & spec. shops	Planning	Post 2033	7.1
Molonglo LC South	Neighbourhood Centre	3,000*	Supermarket (1,500 sq.m) & spec. shops	Planning	Post 2033	7.4
Beyond the Main Trade Area						
Hawker Village	Neighbourhood Centre	2,000	Woolworths expansion & spec. shops	Planning	2026/27	8.0
Capital Food Market Belconnen	Market	3,392	New markets and food catering	Construction	2024/25	9.6

Source: Location IQ Database **Estimated*

4 Comparable Centres

This section provides a high-level overview of key comparable shopping centres in terms of their size, composition, and key tenants.

4.1. Competing & Comparable Centres

i. The Molonglo Group Centre is planned to be developed as a range of uses, such as retail, entertainment, community, education and residential.

ii. Town centre developments are becoming increasingly popular in modern developments and are generally favoured by Government bodies. Some of the best examples of town centre developments in the Australian market are reviewed in this section and include:

- Rouse Hill Town Centre in North West Sydney (Map 4.1)
- Orion Springfield in South West Brisbane (Map 4.2)
- North Lakes Town Centre in Northern Brisbane (Map 4.3)
- Gungahlin Town Centre in northern Canberra (Map 4.4.)
- Point Cook in Outer Western Melbourne (Map 4.5)
- Caroline Springs in Outer North West Melbourne (Map 4.6)

iii. Each of these precincts is anchored by a major retail centre, as follows:

Rouse Hill Town Centre

i. Rouse Hill Town Centre totals 70,200 sq.m and is anchored by Big W and Kmart discount department stores and Woolworths and Coles supermarkets. A range of large format retail and smaller convenience and medical based retail uses are provided beyond the main centre, primarily along Windsor Road.

ii. The centre is provided across four quadrants, with a major anchoring each quadrant. A large provision of retail floorspace is external, street fronting, providing visitors with a mix of enclosed centre and high street shopping. The internal streets within the centre are open to traffic, with on-street parking available. The majority of car parking for the centre is provided under ground.

Orion Springfield

i. Orion Springfield contains 71,800 sq.m of floorspace, including Big W and Target discount department stores and Woolworths, Coles and Aldi supermarkets. Some large format retail uses are provided on the fringe of the town centre.

ii. Similar to Rouse Hill Town Centre, Orion Springfield is provided across four quadrants, with a major tenant anchoring each quadrant. Again, a large provision of retail specialty shops are external, street facing. Vehicle access is provided east-west through the centre, with vehicle access more limited than at Rouse Hill Town Centre. The majority of car parking is at-grade on sites surrounding the centre.

North Lakes Town Centre

i. Westfield North Lakes is the major retail component of the North Lakes Town Centre. The regional centre totals 115,000 sq.m and includes a Myer department store, Big W, Kmart and Target discount department stores and Woolworths, Coles and Aldi supermarkets. IKEA is also part of the centre. A range of other retail uses are provided in the area surrounding the Westfield centre, including large format retail. Additionally, a second Aldi supermarket is provided along North Lakes Drive.

ii. Westfield North Lakes is primarily an enclosed centre, with the centre providing limited connection to the surrounding uses. Car parking for the centre is primarily at-grade, which reduces the connectivity to the wider precinct.

Gungahlin Town Centre

i. Gungahlin Marketplace is the largest centre within the Gungahlin Town Centre. The centre totals 32,400 sq.m and contains Big W and Kmart discount department stores and a Woolworths supermarket. Aldi along with further mini-majors and specialty shops have recently been added to the upper level of Gungahlin Marketplace. Also provided in the Town Centre are Coles and Aldi supermarkets.

ii. The Gungahlin Town Centre is focused along Hibberson Street, with Gungahlin Marketplace provided on both sides of the street. At-grade car parking is provided along Hibberson Street, with underground car parking located below Gungahlin Marketplace. The Light Rail Station provides a connection to North Canberra and the City Centre. Large format retail and other peripheral retailing (such as car repairs) are located at the western end of the town centre.

Point Cook Town Centre

i. Stockland Point Cook is the largest retail centre serving the Point Cook Town Centre. In total, 44,200 sq.m of floorspace is provided at the centre, which is based on a Target discount department store and Woolworths, Coles and Aldi supermarkets. The design of the centre is similar to Rouse Hill Town Centre and provided across four quadrants, with a major tenant anchoring each quadrant.

ii. The internal streets within Stockland Point Cook are open to traffic but the streets are wider than those provided at Rouse Hill Town Centre. On-street parking along the internal streets is available, along with at-grade parking around the centre and undercover parking beneath Woolworths, Coles and Target. Unlike other town centre examples, limited retail is provided outside the main centre.

Caroline Springs Town Centre

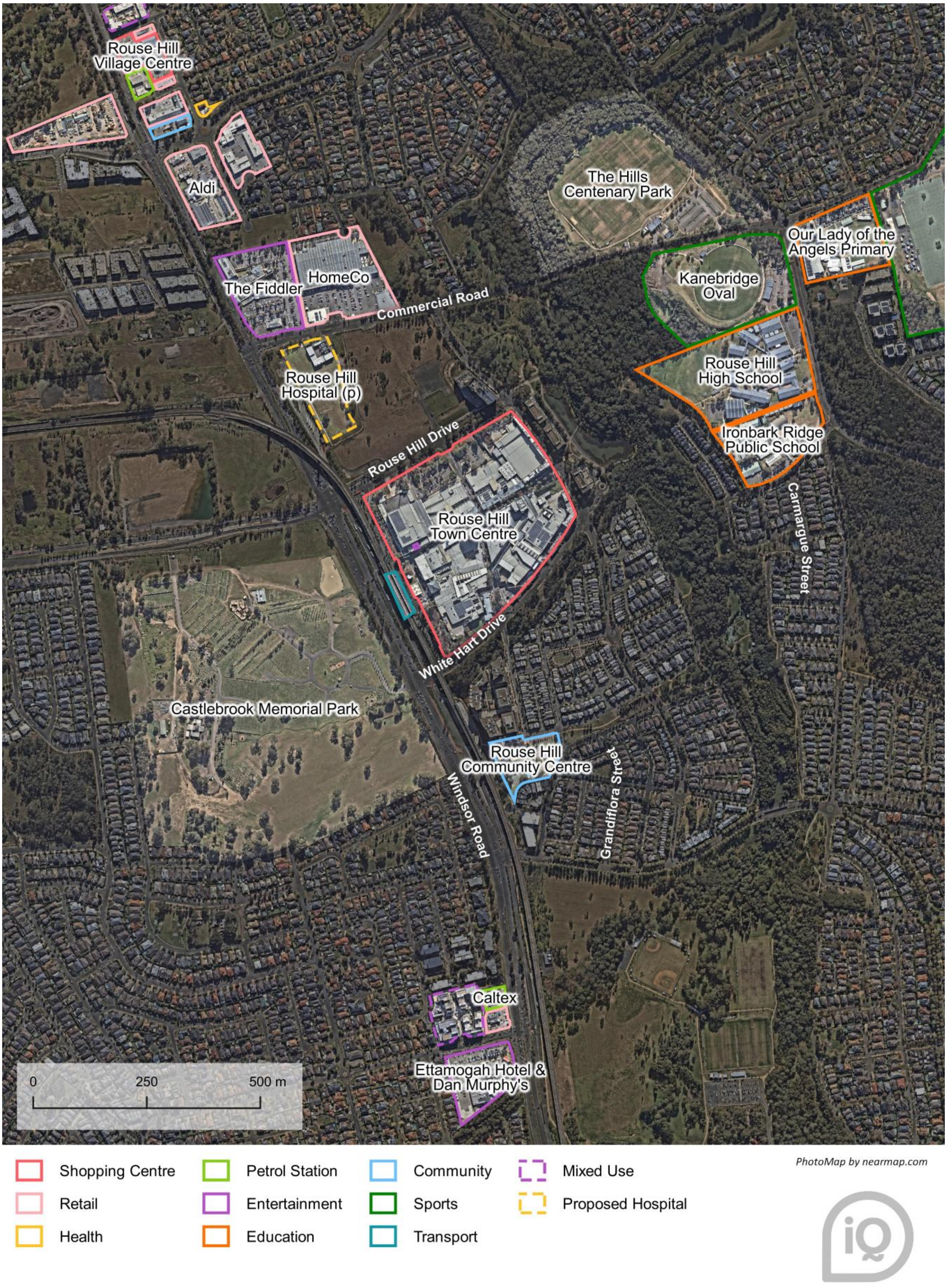
i. CS Square is the major component of the Caroline Springs Town Centre and includes some 25,000 sq.m of floorspace. The centre is anchored by a Kmart discount department store along with Woolworth, Coles, and Aldi supermarkets. Retailing in the centre is primarily enclosed, with external strip based retailing provided along Caroline Springs Boulevard.

ii. At-grade car parking is located to the east of the centre, with street based car parking also provided along Caroline Springs Boulevard. Other land uses outside the main centre include two hotels and medical facilities.

iii. In addition to providing a well-designed retail centre, successful town centre developments also have a range of other uses provided in the area surrounding the main centre. For the town centre examples, each of these uses are illustrated on Maps 4.1 – 4.6 and include:

- Large format retail and other peripheral retail uses, such as car parts and repairs.
- Community facilities, possibly including a library, community centre and/or leisure or aquatic centre.
- Education facilities which include local schools and/or tertiary education, such as campuses for universities and/or colleges.
- Higher density housing, like townhouses and/or apartments. If a university campus is provided student accommodation can also considered.
- Retirement villages and/or aged care facilities.
- Sporting fields or sporting arenas
- Health uses, possibly including a hospital, day surgery and/or a super medical clinic that include 10 or more doctors and a range of allied health specialists.
- Commercial floorspace, often provided on the edge of town centres or in upper levels of the retail centre. At Rouse Hill Town Centre, a shared working space is provided (Space & Co), where workers can rent a desk or an office for a day or a prolonged period.
- Childcare centres.
- Emergency services.
- Ancillary retail uses, such as service stations, fast food outlets with drive-thru, taverns/bars and gyms.
- Entertainment floorspace, possibly including cinemas, bowling, arcade gaming and/or laser tag.
- Accommodation facilities.

MAP 4.1. ROUSE HILL TOWN CENTRE



MAP 4.2. ORION SPRINGFIELD

Shopping Centre
Retail
Health
Education
Community
Accommodation
Sports
Transport
Commercial
Office

PhotoMap by nearmap.com

MAP 4.3. NORTH LAKES TOWN CENTRE

MAP 4.4. GUNGAHLIN TOWN CENTRE

MAP 4.5. POINT COOK TOWN CENTRE

Shopping Centre
Education
Sports
Health
Community

PhotoMap by nearmap.com

MAP 4.6. CAROLINE SPRINGS TOWN CENTRE

Shopping Centre
Retail
Health
Education
Community
Accommodation
Sports
Car Dealership
Mixed Use

PhotoMap by nearmap.com

5 Future Market Potential

This section of the report details the potential for a range of typical town centre uses.

5.1. Department Store Potential

i. The major department store chains in the Australian market include David Jones and Myer. The nearest provision of department store floorspace is provided at Westfield Woden (i.e. David Jones) 9.5 km to the south and Westfield Belconnen (i.e. Myer) 9.6 km to the north.

ii. Typically, one department store is provided for every 200,000 – 250,000 persons in metropolitan areas.

iii. Based on this benchmark and the ultimate main trade area population, a department store is considered unlikely to be supportable (refer Table 5.1). Furthermore, the future of department stores is uncertain, with department store floorspace provision and store numbers declining in recent years.

iv. It is noted that a department store within the main trade area would also serve areas to the north and south beyond the defined catchment.

5.2. Discount Department Store Potential

i. Typically, one discount department store is provided for every 50,000 – 55,000 persons in metropolitan areas. Over the last decade, most new discount department stores have been Kmart branded, however, Big W is also now seeking new sites in key growth areas and/or at strong trading, large shopping centres.

ii. Across the ACT, discount department store floorspace of 176 sq.m is typically provided for 1,000 persons. Based on this benchmark, the main trade area would support one discount department store by 2031 - 2036. Ultimately, two discount department stores may be supportable, however, this is considered unlikely.

iii. Based on current market conditions, a discount department store would be supportable at the Molonglo Group Centre once the area is largely developed (i.e. once the population reaches 50,000 persons). This indicates a discount department store would not be supportable at the site for some time, most likely by 2036.

iv. Although a discount department store is not supportable in the short term, planning for the centre should be made to allow for this in the longer term. Ultimately, providing a discount department store will depend on operator interest.

v. It is important to note that only one non-food major would be supportable within the Molonglo Valley by 2036. The best location for this tenant would be the Molonglo Group Centre given the status of the centre is the major retail and commercial destination for Molonglo Valley residents. As such, a non-food major is not recommended at the Molonglo North Group Centre site or any other centre planned within the Molonglo Valley area.

5.3. Supermarket Floorspace Potential

i. Generally, one full-line supermarket of 3,400 sq.m and larger is supportable for every 8,000 – 10,000 persons in metropolitan areas. With only Supabarn Express of 1,000 sq.m at Denman Village, the existing provision represents a material undersupply in the current environment.

ii. Across the ACT, supermarket floorspace of 337 sq.m is typically provided for every 1,000 persons. Based on this benchmark, the main trade area would currently support one or two supermarkets, with this figure ultimately growing to six.

iii. In terms of future competition, Woolworths Metro and Aldi (both of 1,500 sq.m) are currently under construction as part of Koko Molonglo. It is considered most likely that Coles or Woolworths at the subject site will be the sequential full-line supermarket to be developed in the main trade area.

iv. For the designated group centres, supermarkets are key anchor tenants to provide as part of a first stage of development.

v. There are currently two sites within the Molonglo Valley which allow for full-line supermarkets to be provided, namely the Molonglo Group Centre (subject of this report) and the Molonglo North Group Centre. It is highly unlikely the required six full-line supermarkets would be provided across these two sites only.

vi. Two full-line supermarkets would ultimately be supported at the Molonglo Group Centre. An Aldi supermarket is currently provided for every 20,000 persons indicating at least two Aldi supermarkets would be supportable in the Molonglo Valley over the longer term. Given that Aldi is already planned for at the Koko Molonglo development, a second store at the subject site may be too close and Aldi may ultimately preference the Molonglo North Group Centre site.

vii. The remaining supermarket floorspace demand in the broader area is likely to be filled by the smaller supermarkets provided at the three future Local Centre sites (two in the Molonglo East sector and one in the Whitlam sector).

viii. In terms of timing, a full-line supermarket is likely to be the major component of the Stage 1 development of the Molonglo Group Centre. Assuming the two planned smaller supermarkets (Woolworths Metro and Aldi) at the Koko Molonglo development, a full-line supermarket would be supportable at the Molonglo Group Centre when the population within the Molonglo Valley reaches approximately 25,000 persons. Based on population projections detailed previously in Table 2.1, this is projected to occur in around 2027/28.

ix. For the subject site, the earliest year that a supermarket could likely be delivered subject to design, approvals, and construction would be by FY2028.

x. A second full-line supermarket is likely to be supportable at the site when the population within the Molonglo Valley reaches 35,000 – 40,000 persons (i.e. Stage 2 of development), assuming a full-line supermarket does not proceed at the Molonglo North Group Centre site by this time. Based on current population projections, this is projected to occur in around 2031.

XI. A supermarket at the Molonglo North Group Centre site is unlikely to be supportable until the population within the Molonglo East sector reaches at least 10,000 persons. This is projected to occur around 2036.

TABLE 5.1. MAJOR TENANT FLOORSPACE DEMAND, 2023 – 2041

Metric	Benchmark	Existing 2023	Projected 2023	2026	2031	2036	2041
Population							
Main Trade Area			15,150	21,750	35,950	51,450	70,000
Supportable DS Floorspace		*Existing*					
Main Trade Area	111 sq.m per 1,000 persons	0	1,682	2,414	3,990	5,711	7,770
Indicative Stores	12,000 sq.m store	0	0.1	0.2	0.3	0.5	0.6
Supportable DDS Floorspace		*Existing*					
Main Trade Area	176 sq.m per 1,000 persons	0	2,666	3,828	6,327	9,055	12,320
Indicative Stores	6,500 sq.m store	0	0.4	0.6	1.0	1.4	1.9
Supportable Smkt* Floorspace		*Existing*					
Main Trade Area	337 sq.m per 1,000 persons	1,000	5,106	7,330	12,115	17,339	23,590
Indicative Stores	4,000 sq.m store		1.3	1.8	3.0	4.3	5.9

**Supermarkets > 500 sq.m*

5.4. Mini-major Floorspace Potential

i. Mini-majors are retail tenants with a floor area of 400 sq.m or greater. The provision of mini-major tenants provided at shopping centres in Australia has increased over the past decade, reflecting new tenants in the category, changing consumer preferences and shopping centre owners looking to provide these types of tenants to increase customer flows. Mini-major traders, similar to major traders, act as key customer attractors with specialty shops feeding off customer flows generated by these tenants.

ii. Mini-major floorspace that is typically provided in a Stage 1 development of a town centre anchored by a major full-line supermarket (i.e. 3,200 sq.m or greater) include:

- A large format pharmacy, such as Priceline or Chemist Warehouse
- A large format fresh produce trader
- An Asian or Indian grocer (when located in an ethnically diverse area)
- A discount variety trader, such as The Reject Shop

iii. The average provision of mini-major tenants in supermarket based shopping centres in Australia is around one store of approximately 400 - 500 sq.m. Mini-majors typically provided in neighbourhood shopping centres in new growth areas generally include a pharmacy or discount variety store. Those located in more ethnic markets can also include an Indian/Asian grocer. As such, one mini-major tenant is recommended in a Stage 1 development of the Molonglo Group Centre.

iv. Further mini-major floorspace could be incorporated at the Molonglo Group Centre as further major tenants are added. This could include:

- 2 - 3 further mini-majors or 800 - 1,200 sq.m of floorspace in Stage 2, or when a second full-line supermarket is added to the centre.

- An ultimate mini-major provision of around 2,500 – 3,000 sq.m of floorspace in the final stage of development (Stage 3) when a major non-food tenant is assumed to be added to the centre.

5.5. Specialty Floorspace Potential

i. The provision of retail specialty floorspace that is supportable at any retail centre is typically determined by the amount of floorspace and total sales of major and mini-major tenant floorspace. These major tenants act as the key customer generators to a centre, with the specialty floorspace drawing business from the customer flows.

ii. Initially, assuming a full-line supermarket and mini-major tenant proceeds in the Stage 1 development of the Molonglo Group Centre, around 1,500 – 2,000 sq.m of retail floorspace, or 15 – 20 shops, would be supportable. This could include a range of food retail, food catering, leisure, general retail and retail service based tenants. The centre should include limited apparel and household goods floorspace in the early stages of development.

iii. By Stage 2, assuming a second full-line supermarket is provided at the centre, a larger provision of retail specialty floorspace of around 3,500 – 4,000 sq.m would be supportable. This would primarily include the addition of further food catering and convenience based tenants surrounding the new supermarket.

iv. Ultimately, around 6,000 sq.m of retail specialty floorspace would be supportable at the Molonglo Group Centre site. This provision assumes the addition a non-food major tenant, as well as a number of mini-major tenants (i.e. Stage 3).

v. In addition, the Molonglo Group Centre site could also include a number of non-retail tenants, such as Australia Post, real estate agents and/or travel agent. Around 400 sq.m of non-retail floorspace could be provided in Stage 1, with around 700 sq.m provided in Stage 2 and ultimately 1,000 – 2,000 sq.m.

Food Retail

- The food retail category includes shops that trade in the fresh food and grocery floorspace. Many tenants in this category typically co locate with supermarkets, benefitting from cross shopping and the overall appeal of fresh food precincts.

- These types of precincts typically include traders such as a providore, bakery, butcher, chicken shop, fishmonger, or similar. Each would be a key trader in a convenience and supermarket-based shopping centre.

Food Catering

- A key focus of many shopping centres is food catering facilities, including takeaway food traders and potentially casual dining. These facilities help activate the site, as well as serving both workers and residents.

- Food catering tenants typically work off the highest pedestrian flows, and therefore creating opportunities in and around the supermarkets or discount department store with higher trading mini-majors would be key opportunities for a critical mass of tenants. Dining tenants are typically common on the activation of external edges of a centre.

Apparel and Household Goods

- Apparel and household goods floorspace should only be considered when a discount department store is added to the Molonglo Group Centre (Stage Three). Notable apparel floorspace could be considered if apparel category mini-majors are provided or if strong tenant demand is experienced.

- Recent developments of Kmart based sub-regional shopping centres include Yamanto Central and Manor Lakes Central. These sub-regional shopping centres in new growth areas could now be described as convenience facilities with a limited non-food offering and a focus on everyday convenience needs for the surrounding population.

- Recent sub-regional shopping centre developments generally comprise around 20,000 sq.m of floorspace and moderate levels of specialty shop provisions. These shops are typically focused within the food and liquor and food catering categories. Minimal household goods and apparel shops are observed in recent sub-regional shopping centre developments.

- Overall, minimal apparel and household goods floorspace is recommended to be added under Stage Two.

Leisure & General Retail

- A pharmacy and discount variety store are the key tenants in the general retail category, if not provided at the site as mini-major offers. Other examples include giftware, cosmetics, florists, pets, as well as phone and mobile communications.

- Common tenants in the leisure category include news agencies, sporting goods, book shops, music/video/games. This floorspace is more common when a discount department store is present within a shopping centre.

Retail Services

- This category includes traders such as a drycleaner, key cutter, shoe repairer, hairdresser, beauty salon/day spa and the like.

- Retail service tenants are recommended in stage one as well as future stages.

Non-retail Shopfronts

- Non-retail tenants add to the overall appeal of the centre and reinforce the location for the local and surrounding population. Comparable centres typically incorporate a range of non-retail shopfronts, with key tenants including:

  – **Lottery**: typically provided as standalone kiosks, or within newsagents.

  – **Real Estate Agent**: typically provided as small ground level office.

– **Bank**: have become less common in recent shopping centre developments.

– **Travel Agent:** such as Flight Centre or Helloworld Travel.

– **Post Office**: Australia Post should ultimately be.

- A range of larger non-retail uses are considered hereafter.

5.6. Large Format Retail

i. Large format retailing has evolved in recent years in Australia and incorporates bulky goods and retail showroom uses. Large format retailing includes a range of categories, but generally covers items of a bulky nature that require a large area for handling, display or storage, or direct vehicle access for loading.

ii. Large format retail centres typically serve broad geographic trade areas due to infrequent purchase habits. In recent times, the tenants looking to locate in bulky goods/large format areas has expanded, given that retail tenants such as sporting goods, toy stores, camping equipment, etc. trade in a similar manner, attracting low market shares across broad regions. Consequently, 'retail showroom' tenants are suited to locations similar to bulky goods centres, requiring frontage to a major road with easy access.

iii. Large format retail/bulky goods centres/precincts are typically located in extremely high profile, main road locations and, therefore, receive excellent exposure to passing traffic and are easily accessible from both a local and regional perspective.

iv. The co-location of facilities in a single centre/precinct generally results in a benefit to the consumer as well, with customers preferring to cross-shop, in order to compare prices and products more easily. This has been an increasing trend within the Australian retail environment.

v. Table 5.2 details the current large format retail floorspace demanded by main trade area residents and the likely growth in this demand over the period to 2041. As shown, the demand for large format retail floorspace at 0.7 sq.m per person is around 10,600 sq.m currently and is projected to increase overtime to around 49,000 sq.m by 2041.

vi. It is important to note that not all of this large format retail floorspace will be accommodated within the main trade area.

vii. Map 5.1 illustrates the location of surrounding large format retailers provided throughout Canberra. Key precincts include:

- At Belconnen, Bunnings Warehouse is the key trader.
- Gungahlin and Tuggeranong accommodate a moderate range of large format retail traders.
- A significant volume of large format retail floorspace is provided at Majura and Fyshwick. These precincts typically accommodate the many of the brands with one store in Canberra (such as Ikea, Domayne, Forty Winks, and Amart Furniture).

viii. Most large format retail/bulky goods centres are anchored by major tenants who act as the attractor for smaller tenancies to co-locate with the anchor tenant. Key tenants include:

- **Auto:** a smaller auto store such as Auto One or Auto Pro.
- **Electrical, Sound & Computers:** large operators such as The Good Guys, Harvey Norman or JB Hi-Fi Home. Smaller stores such as Betta Home Living or Leading Appliances could be considered.
- **Florists, Pets, Toys & Miscellaneous:** Clark Rubber and Pet Barn are key tenants to consider within this category and can operate well in free-standing locations.
- **Furniture & Hardware:** hardware brands generally require large, freestanding sites, while furniture brands typically occupy large format retail precincts in order to benefit from cross-shopping.

  General hardware traders carry a large variety of hardware and gardening products and include large format stores (typically greater than 2,000 sq.m and up to 18,000 sq.m) that serve both retail and trade customers, as well as small format stores (typically 3,000 sq.m or less), which primarily serve the retail or trade customer.
- **Homewares:** again, these types of tenants typically operate in large format retail precincts or non-food anchored regional/sub-regional shopping centres.
- **Sporting Goods:** a large outdoor/sporting goods stores such as Anaconda could be considered for the site but would be unlikely in the short term.

TABLE 5.2. MOLONGLO VALLEY LARGE FORMAT RETAIL FLOORSPACE DEMAND, 2023 - 2041

Metric	Existing 2023	Projected 2026	2031	2036	2041
Population					
Main Trade Area	15,150	21,750	35,950	51,450	70,000
Total Retail Floorspace Demand	2.3 sq.m per person				
Main Trade Area	34,845	50,025	82,685	118,335	161,000
Supportable Large Format Retail Floorspace	0.7 sq.m per person				
Main Trade Area	10,605	15,225	25,165	36,015	49,000

MAP 5.1. ACT LARGE FORMAT RETAIL

5.7. Gyms

i. There are many different sizes and forms of gyms provided throughout Australia as follows:

- The well-known brands and health clubs (such as Fitness First and Virgin Active) typically operate large sized gyms of around 1,000 sq.m and serve a catchment of approximately 50,000 – 70,000 persons.
- Local gyms are typically around 200 sq.m in size and serve a catchment of around 10,000 persons.
- The proliferation of ancillary fitness facilities in recent years has seen a rise in group fitness, classes, cross-fit, yoga, Pilates, and the like. These types of tenants are often positioned in larger warehouse-style facilities rather than in a more formal gym facility.

ii. Memberships generally account for around half of a gym's total revenue stream. A recent survey conducted by Fitness Australia indicates that ~60% of gyms had less than 1,000 members, while the largest gyms (with over 5,000 memberships) comprised just 6% of the market.

iii. Health and wellness uses are emerging as a popular and important component of mixed-use precincts. The range of health and wellness-type uses incorporated in such developments is extensive and can generally be categorised as follows:

- **Health:** including day surgeries, as well as other medical and allied health services.
- **Wellness:** while these uses vary significantly, key uses within the category include gyms, day spas, clubs, massage, nail bars, yoga, Pilates, personal training, mothers' groups, and the like.

vi. The concept of wellness, therefore, brings together not just physical aspects of wellness, but a range of complimentary uses such as health professionals (physiotherapy, psychology, nutritionists, dietician, preventative medicine, chiropractor, and the like) as well as more emotional and spiritual forms of wellness.

vii. These two types of uses are complementary to one another, with co-location reinforcing a precinct as a destination for repeat visitation. As wellness facilities expand and incorporate more uses, so too do their floorspace requirements, and it can be increasingly difficult to accommodate such facilities within traditional centre precincts.

viii. Chart 5.1 illustrates gym, sports, and health expenditure per capita within the main trade area compared to the ACT benchmark in 2022/23. As shown, gym, sports and health expenditure are higher than the benchmark, with main trade area residents spending $537 per annum, or $43 more than the ACT benchmark.

ix. There is a high proportion of residents aged 18 – 34 years, who would associate strongly with gym and fitness related facilities near to their homes. Persons aged between 18 – 34 are the largest users of gym, fitness, sport, and leisure centre facilities, and over 33.9% of residents are within these age categories.

x. Map 5.2 illustrates the existing gym facilities in the area. Key points to note are as follows:

- Club Lime is located at Denman Village Shops, ~1.1 km west of the subject site.
- Club Lime is also located at Coombs, as part of the Molonglo Health Hub, ~ 3 km south.

iv. According to the IBISWorld publication titled: *"Gyms and Fitness Centres in Australia",* there are currently 8,236 gyms and fitness studios in Australia in 2023. This equates to 3,245 people per gym in Australia.

v. Based on this national benchmark, the provision of gyms in the main trade area (which provides two National branded gyms to serve an existing population of ~15,000 persons, increasing to ~70,000 persons by 2041) is undersupplied.

xi. Key brands to consider for the subject site include Anytime Fitness, F45 Training, Jetts Fitness, Plus Fitness, Snap Fitness, or other strong independent operators.

xii. Ancillary fitness facilities such as group fitness, classes, cross-fit, yoga, Pilates and the like will continue to explore new opportunities, that often include larger or more adaptable floorspace requirements, regional accessibility, and the facilitation of after-hours trading. The Molonglo Group Centre has the potential to satiate each of these requirements and would be in keeping with many comparable developments around Australia. In addition, gym and fitness uses could look to be integrated with medical and other ancillary facilities to establish a health and wellness precinct.

xiii. Dependent on tenant interest, a modern, high quality operator could be targeted at the Molonglo Group Centre, which has the potential to add to the overall appeal of the Group Centre. Main trade area residents also spend more on gyms and sports relative to the ACT benchmark.

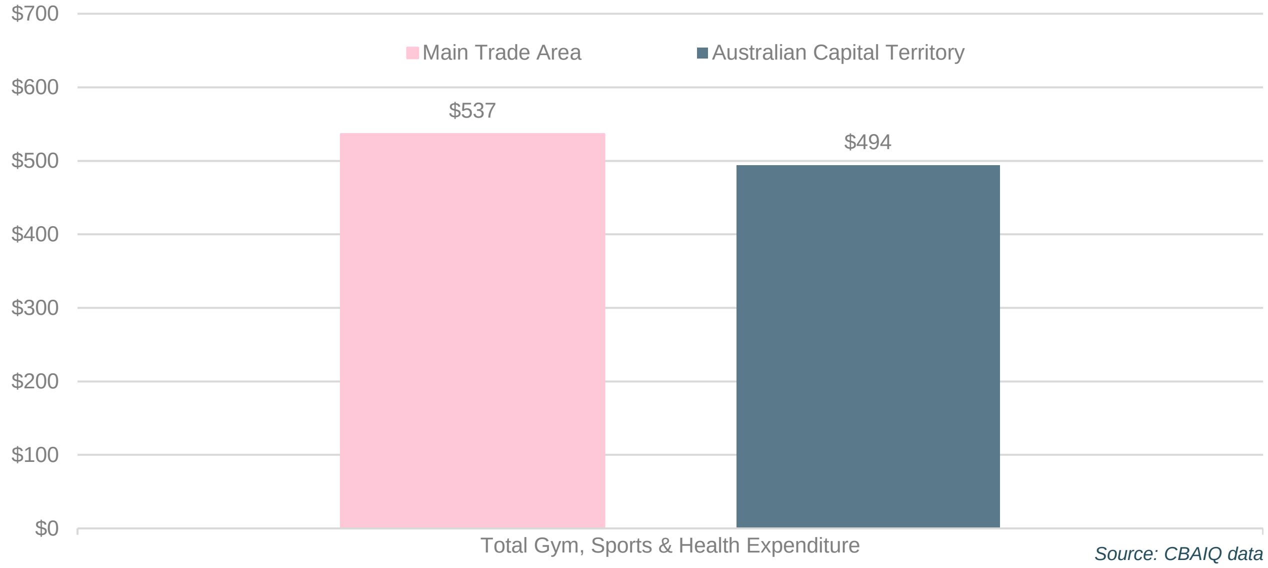
Swim Schools

i. Swim centres are often co-located with shopping centres as they help to generate overall appeal. They vary in size, though are generally between 300 sq.m – 600 sq.m.

ii. There are currently two swim schools provided beyond the main trade area, namely Stromlo Leisure Centre (opened in August 2020), which is ~2.3 km south of the subject site and Kingswim Deakin ~10 km south-east (refer Map 5.2).

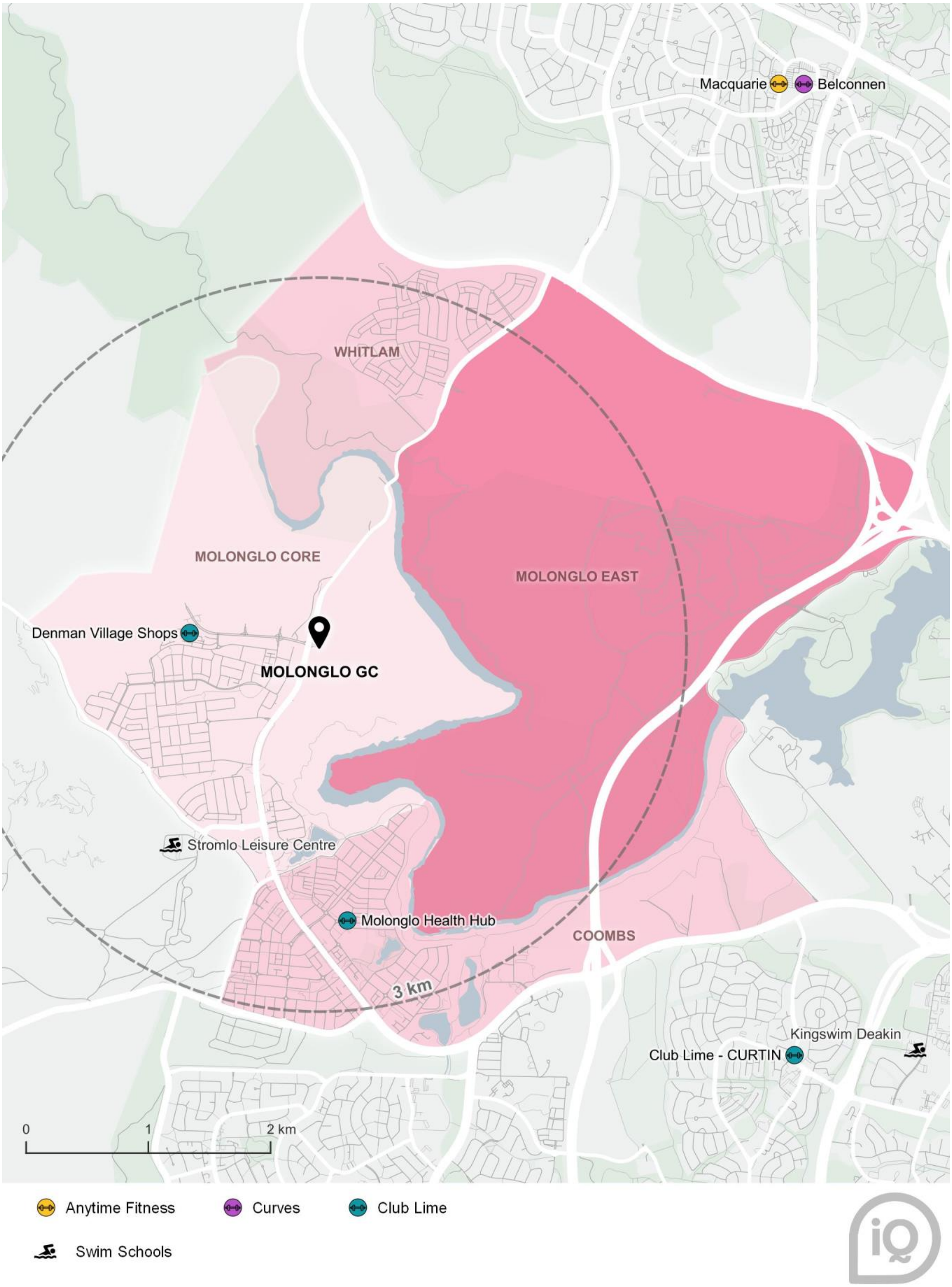
iii. According to Swim Australia, there is a network of approximately 1,000 swim schools across the country. This equates to an approximate provision of around one swim school per 25,000 persons. A swim school should be considered for the Molonglo Group Centre site in the longer term.

CHART 5.1. GYM, SPORTS & HEALTH EXPENDITURE PER CAPITA, 2022/23



Source: CBAIQ data

MAP 5.2. GYMS AND SWIM SCHOOLS



5.8. Medical

Medical Centre

i. Medical centre' is a term used for a collection of medical services provided at the same site, typically including General Practitioners (GPs) and other services such as a pharmacist, pathology, and the like.

ii. Typically, successful medical centres are situated within high profile locations, either along main roads or within proximity to a retail/commercial centre or transport node. Thereby facilities receive maximum exposure to passing traffic, but more importantly, are easily recognisable and accessible for the surrounding population.

iii. Strong medical precincts and clinics typically provide a comprehensive range of facilities, including key tenants such as a doctor, dentist, chemist, and physiotherapist, enabling a one-stop medical destination and serving a wide region with suitable facilities.

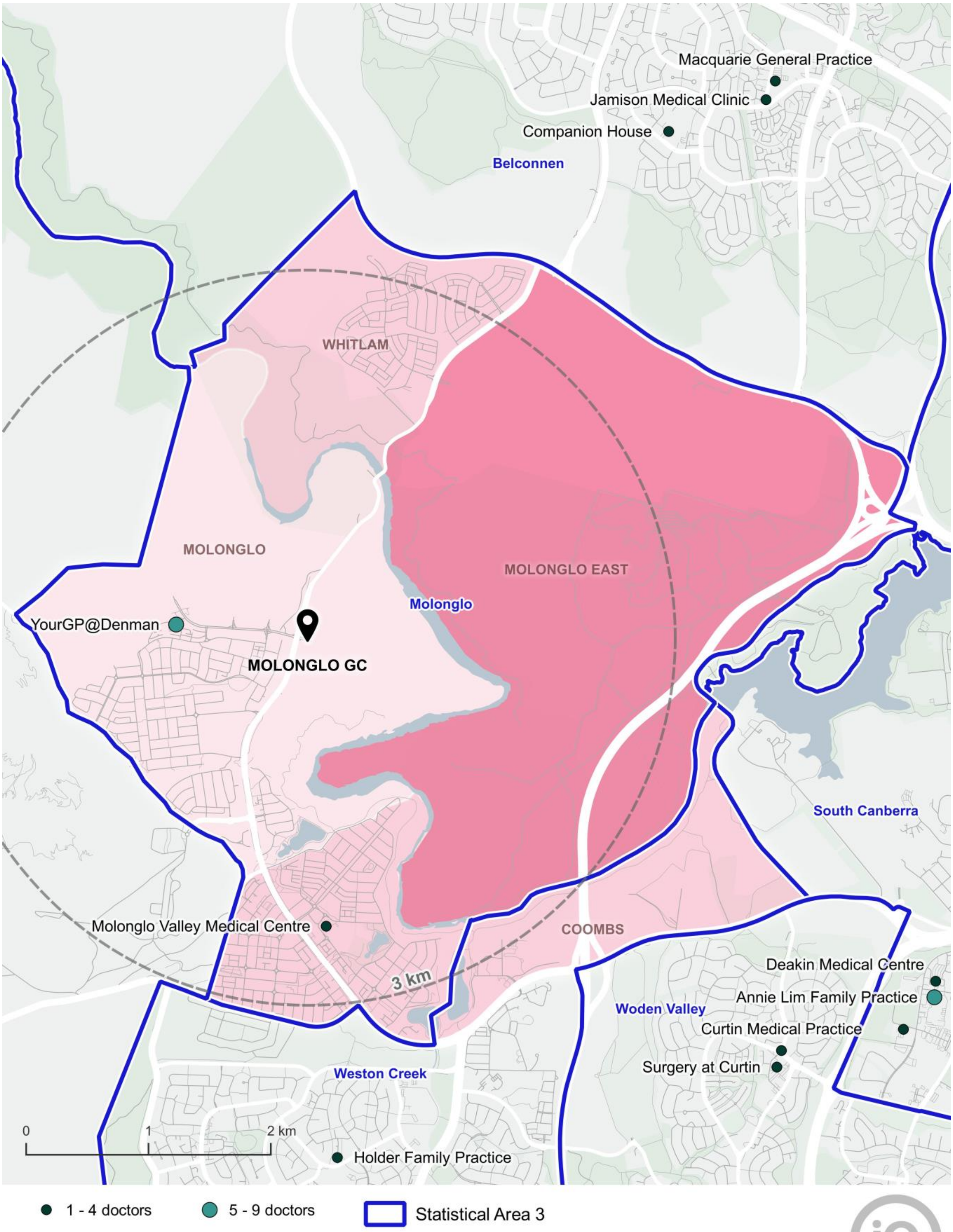
iv. Medical centres can range in size from 250 sq.m – 1,000 sq.m (depending on the number of doctors and services offered) and often co-locate with complementary wellbeing or community facilities.

v. Map 5.3 illustrates the location and size of surrounding medical centres within the immediate area. Key points to note are as follows:

- YourGP@Denman is the largest medical centre within the main trade area and includes seven GPs.
- Molonglo Valley Medical Centre is the only other general practice facility within the main trade area. The offer accommodates four doctors as part of a medical precinct which also include a Vet, Club Lime, and Coombs Early Learning.

vi. In Australia, 13 GPs are provided for every 10,000 persons. On this basis, the main trade area population could support 20 GPs currently, increasing to 91 GPS by 2041. There are currently 11 GPs provided across the main trade area, indicating an undersupply.

MAP 5.3. MEDICAL CENTRES (GP-BASED)



Ancillary Medical Uses

i. Specialist and ancillary medical uses include a range of professions and services, such as:

- Chiropractor
- Chiropodist
- Dentist
- Nutritionist
- Physiotherapist
- Dermatologist
- Paediatrician
- Psychiatrist
- Psychologist
- Pathology clinic
- Gynaecologist
- Cosmetic Surgery
- Cryotherapy
- Naturopath/Herbalist
- Speech therapy
- Medical equipment suppliers

ii. Table 5.3 provides a snapshot of the number of Australian Institute of Health and Welfare (AIHW) workers across the relevant Statistical Area 3 (SA3), with a focus on medical and ancillary-related professions. Molonglo Group Centre is located within the Molonglo SA3, which also incorporates the main trade area.

iii. As shown, the Molonglo SA3 is under provided for all ancillary health professionals, given that the area is in the early stages of development and no major facilities (i.e. hospitals) are provided.

iv. The listed professions represent those that typically form part of medical centres/precincts. Medical facilities at Molonglo Group Centre would predominantly serve the main trade area population, and consequently, the indicative demand for health professionals generated by these residents is shown in Table 5.4 based on the national benchmark.

TABLE 5.3. MEDICAL PROFESSIONALS SUPPLY, 2021

Practitioners	Health Prof. in SA3 (Employed no.)	Health Prof. per 10,000 persons Molonglo	AUS
ATSI Health Practitioners	0	**0.0**	0.2
Chiropractors	3	**3.0**	2.0
Dental Practitioners	4	**4.0**	8.6
GP's	5	**5.0**	13.0
Nurses and Midwives	40	**40.3**	142.4
Occupational Therapists	5	**5.0**	9.1
Optometrists	3	**3.0**	2.2
Pharmacists	9	**9.1**	10.8
Physiotherapists	7	**7.1**	12.6
Podiatrists	0	**0.0**	2.0
Psychologists	5	**5.0**	12.2

SA3: Molonglo **2021 Headcount of Practitioners*

Source: AIHW

Undersupply

Oversupply

TABLE 5.4. INDICATIVE DEMAND FOR HEALTH PROFESSIONALS, 2023 - 2041

	Health Professionals per 10,000 persons*	Estimated	Forecast				Diff.
		2023	2026	2031	2036	2041	2023-41
Main Trade Area		15,150	21,750	35,950	51,450	70,000	54,850
Practitioners							
ATSI Health Practitioners	0.2	0	1	1	1	2	1
Chiropractors	2.0	3	4	7	10	14	11
Dental Practitioners	8.6	13	19	31	44	60	47
GP's	13.0	20	28	47	67	91	71
Nurses and Midwives	142.4	216	310	512	733	997	781
Occupational Therapists	9.1	14	20	33	47	63	50
Optometrists	2.2	3	5	8	11	15	12
Pharmacists	10.8	16	23	39	55	76	59
Physiotherapists	12.6	19	27	45	65	88	69
Podiatrists	2.0	3	4	7	10	14	11
Psychologists	12.2	18	27	44	63	85	67
Total	**215**	**325**	**467**	**772**	**1,105**	**1,504**	**1,178**

Source: AIHW **Assuming National Average of Health Professionals in 2021*

5.9. Childcare Centre

i. Childcare centres are common tenants within large, diversified retail precincts, that benefit from excellent local and regional accessibility and/or proximity to a significant workforce. There are a range of early childhood education and care services available to Australian children, including childcare centres (long day care), family day care, outside school hours care and occasional care. Childcare centres are the largest component of the childhood education & care services market, making up 58%.

ii. Childcare centres provide care for children under school age (up to 6 years of age) within facilities built (or adapted) for early childhood education and care services. Childcare centres can offer all-day or part-time care and can be operated by private operators, community, and non-profit organisations.

iii. Childcare centres are large floorspace users, requiring a minimum of 3.25 sq.m of unencumbered indoor space and 7 sq.m of unencumbered outdoor space per child. While facilities can vary in size, they are often in-excess of 1,000 sq.m (including play area and excluding car parking).

iv. Childcare centres serve varying catchments that can range from 20,000 – 100,000 persons, depending on a range of factors. Given the high profile nature of the site which of the main trade area residents are likely to pass frequently, the overall main trade area is considered the most relevant for prospective childcare uses at the Molonglo Group Centre site.

v. Map 5.4 illustrates the existing and proposed childcare facilities in the area. Key points to note are as follows:

- There are currently two childcare centres operating within the main trade area. This includes Coombs Early Learning (128 places) and Denman Village Early Learning Centre (96 places).
- There are three childcare proposals within the main trade area which are reported to support a total of 309 places.

vi. Table 5.5 outlines that there is currently estimated demand for around 457 childcare places across the main trade area, with 224 places supplied. This represents an undersupply, which is projected to remain over the period to 2026. This is despite the three proposals present throughout the main trade area.

vii. Demand for childcare across the main trade area is projected to more-than-double over the period to 2031. This is based on the rapid population growth projected as well as the high proportion of young families.

viii. The Molonglo Group Centre is highly recommended to accommodate a childcare centre. Overall, the Molonglo Group Centre has several attributes that indicate that a childcare facility would be supportable at the site. This includes being located within close proximity to education and community facilities, and significant greenfield residential development that will continue to attract young families.

MAP 5.4. MOLONGLO VALLEY CHILDCARE FACILITIES

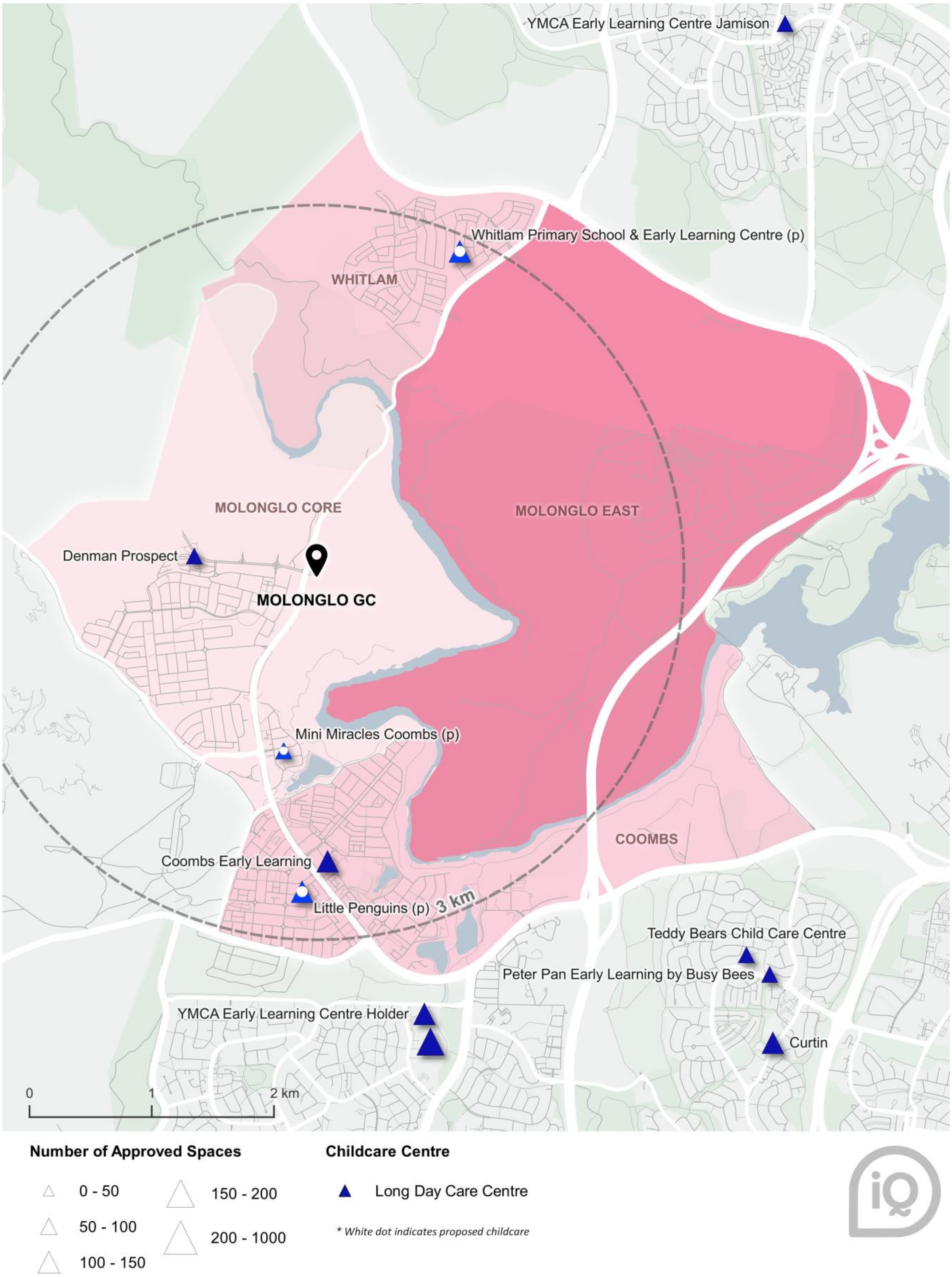


TABLE 5.5. MAIN TRADE AREA CHILDCARE SUPPLY & DEMAND, 2023 - 2041

	Projected Over/Under Supply				
	2023	2026	2031	2036	2041
Population					
Catchment Area Population	15,150	21,750	35,950	51,450	70,000
Catchment Area Proportion of 0 - 5 Years	10.1%	9.6%	9.2%	9.0%	8.6%
Catchment Area Children Aged 0 - 5 Years	1,524	2,086	3,292	4,619	6,040
Demand for Childcare Places					
Children Aged 0 - 5 Years in Childcare*	50.0%	50.0%	50.0%	50.0%	50.0%
Average Days Per Week*	3	3	3	3	3
FTE Demand (Children Aged 0 - 5 Years)	457	626	988	1,386	1,812
Supply of Child Care Places (All)					
Existing	224	224	533	533	533
Proposed	0	309	0	0	0
Total Supply	224	533	533	533	533
Occupancy Ratio @ 80%	80.0%	80.0%	80.0%	80.0%	80.0%
Adjusted Supply at 80%	179	426	426	426	426
Indicative Over/Under Supply	**-278**	**-200**	**-561**	**-959**	**-1,385**
Occupancy Ratio @ 70%	70.0%	70.0%	70.0%	70.0%	70.0%
Adjusted Supply at 70%	157	373	373	373	373
Indicative Over/Under Supply	**-301**	**-253**	**-614**	**-1,013**	**-1,439**

**Source: ABS: Childhood Education & Care, 2017*
**Source: Department of Education and Training, Early Childhood and Childcare in Summary*

5.10. Service Stations

i. Map 5.5 illustrates the location of service stations in the surrounding area, noting the distribution of service stations in Australia is typically characterised as one or more of the following:

- Located on heavily trafficked roads and deriving business primarily from passing traffic.
- Located with a village/urban community and primarily serving residents and businesses.
- Associated with a supermarket, although not necessarily co-located.

ii. There is currently one service station provided within the main trade area, namely Ampol Weston Creek (Coombs sector).

iii. Research by Location IQ indicates that there are approximately 7,400 service stations in Australia, representing one store for every 3,400 persons. The provision of service stations varies significantly by geography, with a higher provision generally exhibited throughout non-metropolitan areas where driving longer distances is required for employment, retail, and general travel use.

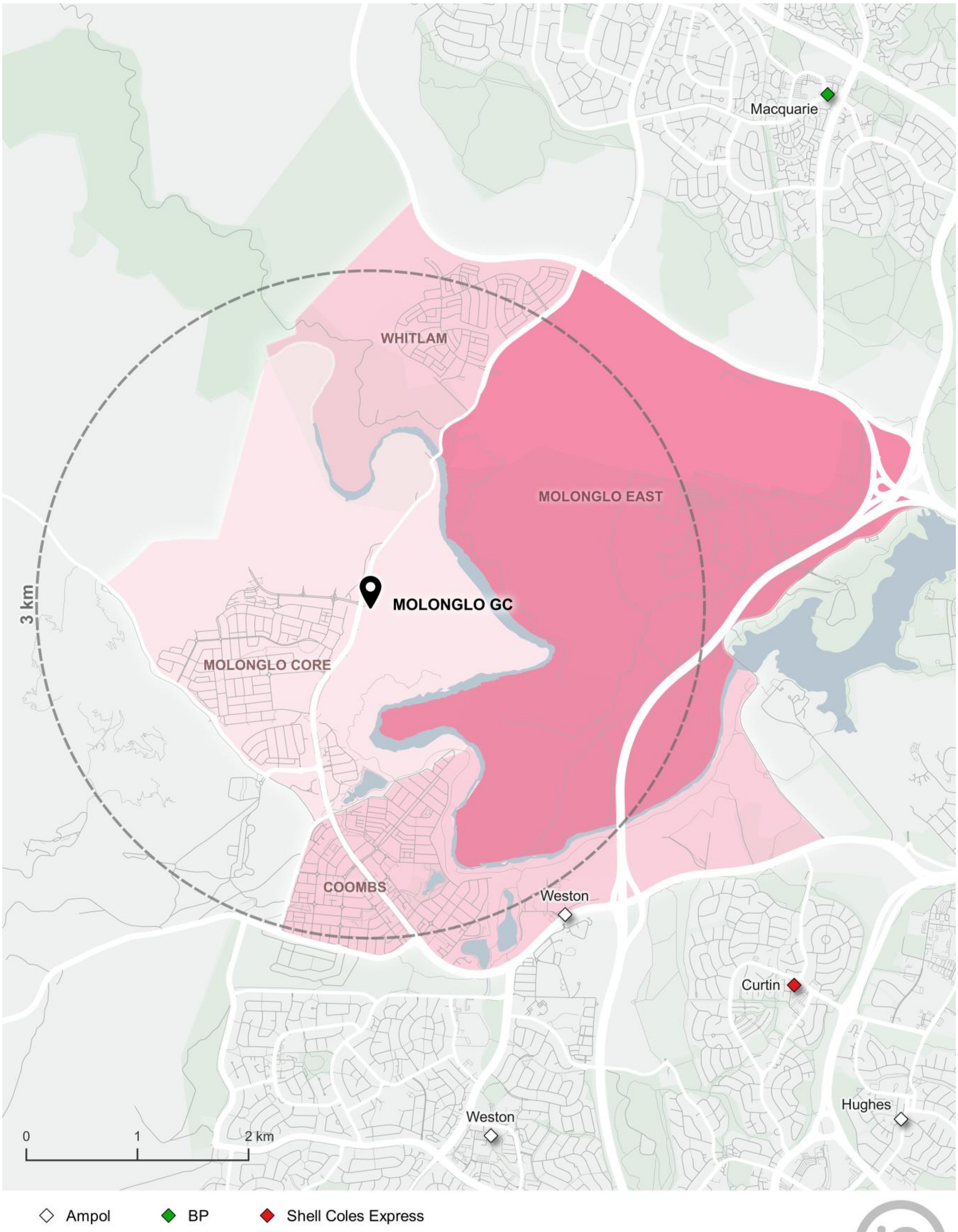
iv. The Molonglo Valley is currently in the process of transitioning from a rural locality to a more densely populated area, and as such, the benchmark of one service station per 4,000 persons is employed for the analysis outlined in Table 5.6.

v. As shown, population growth alone throughout the main trade area is likely to generate demand for ~17 service stations over the period to 2041.

TABLE 5.6. SERVICE STATION PROVISION, 2023 - 2041

	Existing	**Projected**			
	2023	2026	2031	2036	2041
Population	15,150	21,750	35,950	51,450	70,000
Benchmark Service Station Provision	4,000	4,000	4,000	4,000	4,000
Service Station Supply	1	1	1	1	1
MTA Provision (Pers. Per Service Station)	15,150	21,750	35,950	51,450	70,000
Total Service Stations Demanded	**3.8**	**5.4**	**9.0**	**12.9**	**17.5**
Over/Under Supply (No. of Service Stations)	**2.8**	**4.4**	**8.0**	**11.9**	**16.5**

MAP 5.5. SERVICE STATIONS



5.11. Fast Food Outlets

i. On average in Australia, one nationally branded fast food restaurant is provided for approximately every 3,200 persons, indicating that the Molonglo main trade area will be able to support around 5 national brand fast food restaurants currently.

ii. Map 5.6 illustrates the location of fast-food outlets throughout the main trade area. There are currently four fast-food outlets provided within the main trade area, including Domino's Pizza at Denman Prospect (Molonglo Core sector) and McDonald's, Oporto and Boost Juice, all located in Weston (Coombs sector).

iii. Table 5.7 outlines the provision of the top-performing national-brand fast-food outlets across the ACT. Considering the 2041 population of the main trade area at 70,000 persons, 22 of the top-performing national-brand fast-food outlets could be supported.

TABLE 5.7. MAIN TRADE AREA FAST FOOD OUTLETS, 2023

Brand	Ave. GLA (sq.m)	Drive Thru Format	Co-located With DT	ACT Pers. Per Store	Store Within Main Trade Area
Subway	75		●	16,625	
McDonald's	432	●		23,276	●
Domino's Pizza	100		●	31,034	●
KFC	243	●		46,551	
Oporto	180	●		42,319	●
Boost Juice	25		●	58,189	●
Gloria Jean's Coffee	60			n.a.	
Pizza Hut	85		●	155,170	
Hungry Jacks	266	●		116,378	
Soul Origin	50			77,585	
Crust	90		●	58,189	
Guzman y Gomez	175	●		155,170	
Red Rooster	348	●		232,755	
Mad Mex	110			465,510	
The Coffee Club	120			58,189	
Nando's	165			465,510	
Rashays	330			n.a.	
Grill'd	220			93,102	
Roll'd	60			93,102	
Zambrero	100	●		33,251	
El Jannah	175	●		n.a.	
Schnitz	60			n.a.	
Baskin Robbins	65			n.a.	
Frango	175	●		n.a.	
Shingle Inn	65			n.a.	
Hogs Breath Cafe	350			n.a.	
Salsa's Fresh Mex Grill	55			n.a.	
Taco Bell	300	●		n.a.	
Carl's Jnr	301	●		n.a.	
Zaraffa's	25	●		n.a.	
Chicken Treat	220	●		n.a.	
The Groove Train	380			n.a.	
Pizza Capers	85		●	n.a.	

Source: Location IQ Database

MAP 5.6. FAST FOOD OUTLETS

5.12. Tavern

i. Taverns are often located adjacent or nearby large retail hubs and vary in size from around 300 sq.m to larger taverns of around 2,000 sq.m. Taverns typically require a residential population of around 10,000 persons to be supportable, or a significant worker and/or tourist population.

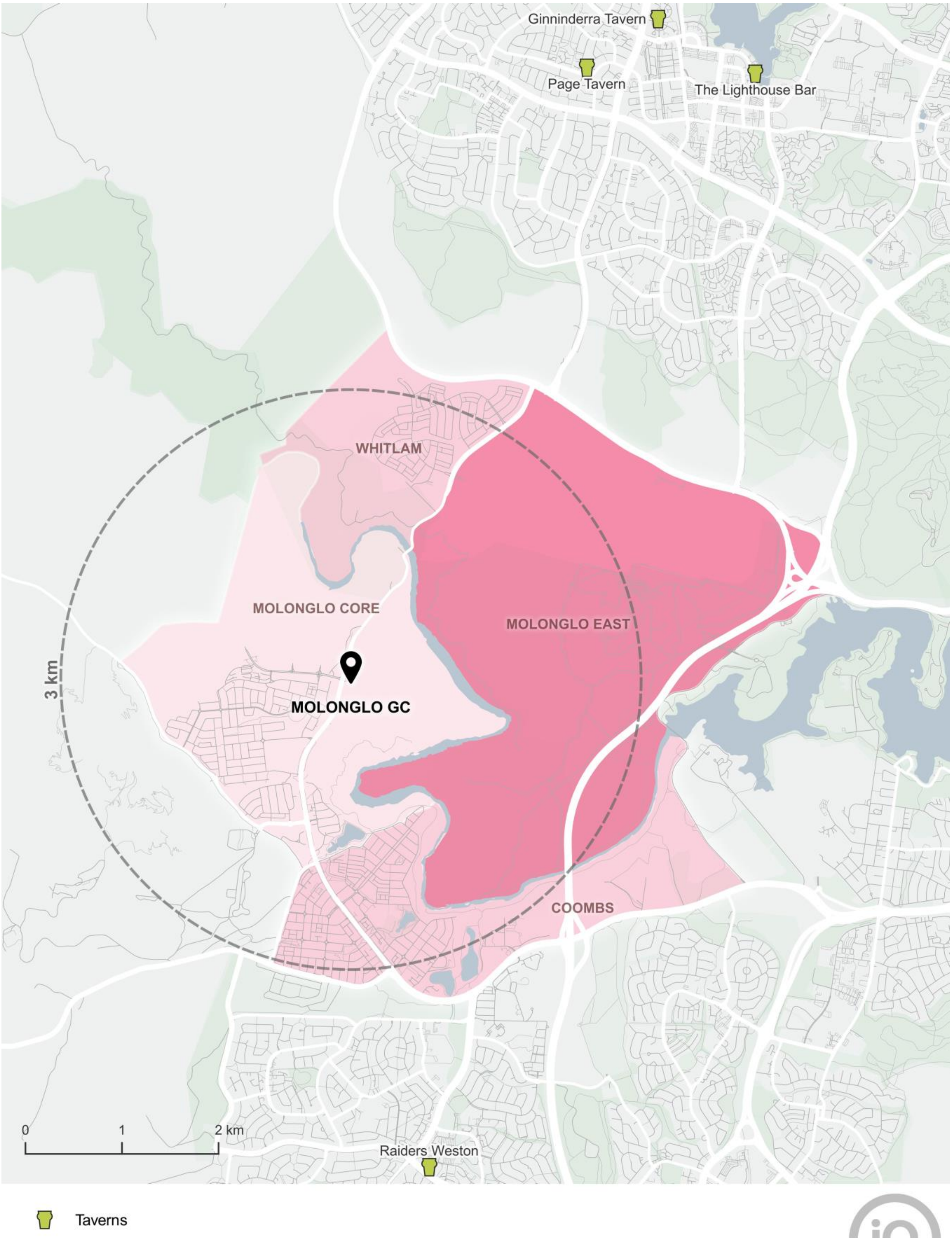
ii. Map 5.7 illustrates the taverns throughout the region. As shown, there are no taverns within the main trade area currently. The nearest taverns are provided at Weston (Raiders) and Belconnen (Page Tavern, Ginninderra Tavern, and Lighthouse Pub).

iii. A tavern could be provided with frontage to John Gorton Drive or alternatively, on the eastern portion of the Group Centre site which could potentially enjoy views over the Molonglo River.

iv. Key success factors for this type of use within shopping centres include:

- **Accessibility and visibility**: A tavern should be provided externally to maximise pedestrian visibility and access.
- **Serving multiple customer segments**: The most successful taverns generate visitation from the worker market along with the resident market.
- **Built design and fitout:** A contemporary, high-level of quality in terms of the built design and fit out ensures that patrons already have a strong affinity with the site.
- Larger format taverns and bars typically average around 500 – 750 sq.m in size and would be subject to a liquor licensing application.

MAP 5.7. TAVERNS



5.13. Cinema & Entertainment Facilities

i. Cinemas and entertainment facilities typically located in higher-order shopping centres (i.e. sub-regional or regional shopping centres) as they help to generate overall appeal and encourage cross-shopping between other uses.

ii. Across both NSW and ACT there are approximately 704 cinema screens across 162 theatres, equating to a provision of 8.1 screens per 100,000 persons (refer Table 5.8).

iii. Map 5.8 illustrates the existing entertainment facilities in the region. As shown, the nearest facilities include the Stromlo Leisure Centre (opened in 2020) and the Stromlo Forest Park which accommodates mountain bike riding.

iv. Entertainment facilities which could be considered for the Molonglo Group Centre are generally categorised as follows:

- **Traditional Shopping Centre Entertainment:** uses such as ten pin bowling, laser tag, games arcades and more tend to collocate with cinema complexes, restaurants and the like within shopping centre entertainment precincts. The nearest example for Molonglo Group Centre is Belconnen which provides Zone Bowling as well as a Hoyts cinema complex (featuring 10 screens) and iPlay at Westfield Belconnen.

- **Large Format Entertainment:** across Australia, entertainment-type operators are increasingly common within large format or light-industrial precincts given these types of tenants generally operate from larger floor plates, pay low rents and require good parking and access. Examples of these type of entertainment include ice skating rinks, rock climbing gyms, trampoline parks, mini golf, and the like.

v. Entertainment offerings are generally targeted at young families and young adults.

vi. The average requirement of 100,000 persons to support a cinema complex of around eight screens suggests that the Molonglo Group Centre is unlikely to provide such a facility. A smaller complex of 4 – 6 screens may ultimately be supportable, however, this is not considered likely before 2041.

vii. Other key categories which are considerable entertainment facilities include:

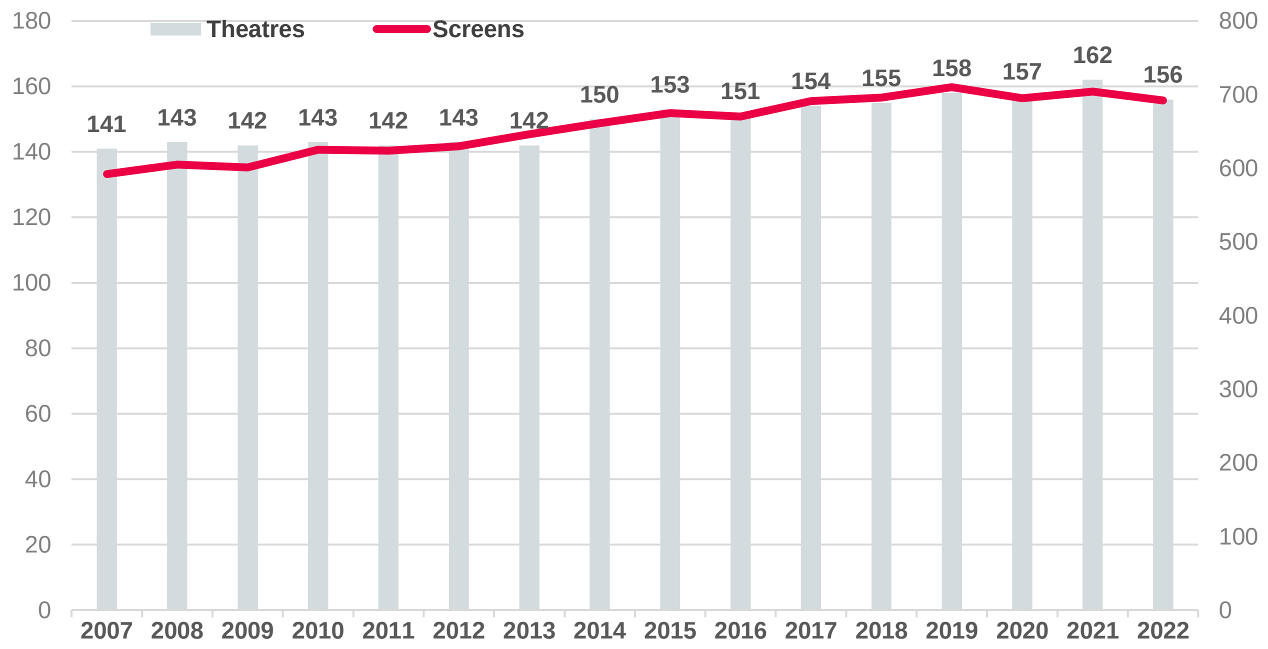
- Arcade/Laser Tag/Karaoke/Escape Room/Bowling: e.g., Strike, FunLab, Archie Bros, iPlay, Timezone.
- Children’s Play Centres e.g., Lollipop Playland,
- Edutainment: e.g., Lego Store, Kidzania and Dreamcity.
- Flight/VR Simulation/E-Sports Lounge: e.g., Zero Latency.

viii. In a similar vein to a cinema complex, these facilities are unlikely to be supportable at the Molonglo Group Centre prior to 2041.

TABLE 5.8. NSW/ACT CINEMA BENCHMARK INFORMATION, 2022

Metric	New South Wales/ACT	Australia
Cinema Provision		
Cinema Theatres	162	501
Screens	704	2,290
Average Screens per Theatre	4.3	4.6
Theatre Capacity (seats)	111,709	366,859
Average Capacity per Screen	159	160
Screens per 100,000 Persons	8.1	8.8

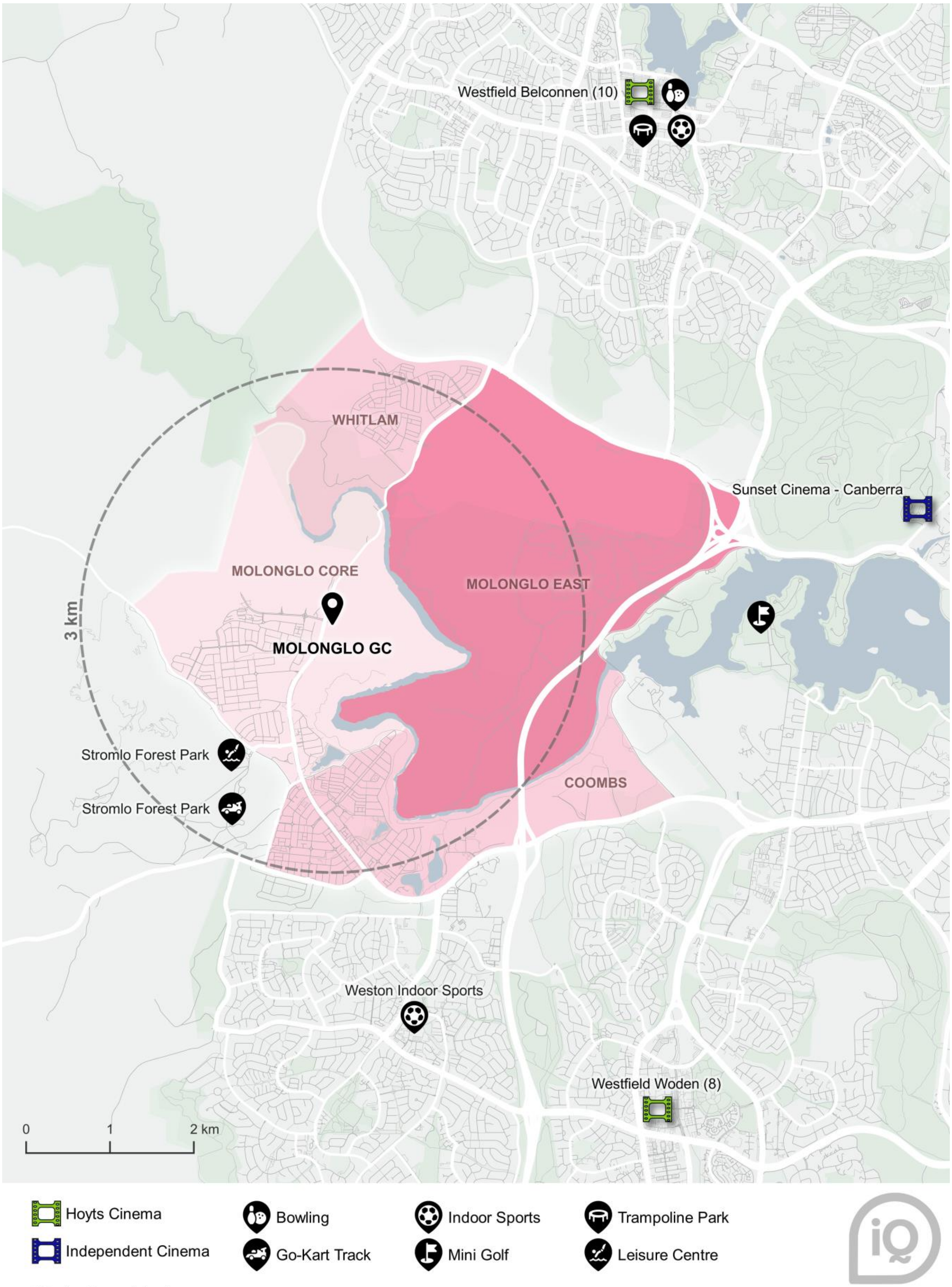
Cinema Timeline New South Wales/ACT



Top 5 Cinema Operators New South Wales/ACT	Theatres	Total Screens
1. Event	24	194
2. Hoyts	19	160
3. Palace	6	44
4. Reading	6	43
5. Dendy	2	19
Independents	97	222

Souce: Screen Australia 2022

MAP 5.8. CINEMA AND ENTERTAINMENT



** Number of screens in brackets*

6 Recommendations

This section of the report summarises the key recommendations in relation to the ultimate market potential for Molonglo Group Centre.

6.1. Recommendations

i. Molonglo Group Centre is the largest designated activity centre for the Molonglo Growth Corridor.

ii. As outlined above, the key opportunity for the centre will be to create a large convenience-based destination. Recommendations regarding the future potential for the Molonglo Group Centre are summarised as follows:

- The facility should ultimately provide the higher order retail and non-retail floorspace as the designated larger centre for the broader region.
- Medium density residential should be provided within the Molonglo Group Centre. Significant medium density has already been developed along John Gorton Drive and Holborrow Avenue.
- If the Molonglo Group Centre cannot secure key major and tenants as assumed in this report, the composition, supportable retail specialty floorspace and projected sales/rents would vary significantly from those presented in this report.
- Ultimately, over the longer term, a non-food anchor tenant should be targeted, however this would depend on the future of discount department stores. Regardless, a shopping centre of around 25,000 sq.m should be planned for, with worst case being a shopping centre of around 20,000 sq.m.
- The distance from car parking to the main supermarket is of significant importance, with the most successful town centres including under croft or basement car parking, such as at Rouse Hill and Orion Springfield.
- In relation to at grade car parking, as the town centre is developed over time and greater density is supported, at grade car parking sites become more valuable as higher density development than car parking. The success of retail, however, is dependent on this car parking, and therefore under croft or basement car parking is often recommended if possible in a town centre area.
- The Molonglo Group Centre should be as compact as possible, particularly in the first stage in order to ensure customer flows between the major tenants, retail specialty floorspace and car parking.
- The majority of retail facilities should be focused around two main streets, with supporting non-retail uses being on the outer periphery of the town centre.

6.2. Masterplan Review

i. A masterplan for the Molonglo Group Centre has been provided to this office (refer Figures 1.3 and 1.4 previously). A review of this plan as well as the indicative spaces has been undertaken with key points to note including:

- The provision of 'Big Box - Retail Centre' and 'Big Box – Homemakers' is generally consistent with the ultimate recommendations of this office. The design should accommodate for two full-line supermarkets (up to 4,000 sq.m each) and a discount department store (around 6,000 sq.m)

- 'Street-based Retail' is materially larger when compared with the floorspace which is considered viable by this office.

- The location of this street-based retail which fully encompasses the major tenants is not considered viable given the concentration of foot traffic around the entrance to the big box tenants. Furthermore, loading access requirements for major and mini-major tenants is likely to mean that service areas are required from some frontages.

- The supportability of street-based retail on the fringe of the precinct is only possible with strong foot traffic generators provided immediately outside the retail core. A theatre, sports centre, college as well as entertainment and clubs are unlikely to support significant fringe retail on the eastern portion of the retail core.

- Significant street-based retail is also not considered possible along John Gorton Drive with the exception of the spaces in close proximity to the future light rail station. The spaces along John Gorton Drive (near the station) are unlikely to be supportable until the light rail route is fully operational.

ii. Overall, ground level retail specialty and non-retail shopfronts of up to 8,000 - 10,000 sq.m is considered supportable at the Molonglo Group Centre, together with tavern, medical, childcare, gym and the like (some of which can sit on upper levels). This is significantly less than the 34,000 – 38,000 sq.m of street based retail which has been indicated in the masterplan.

iii. In particular, there are too many specialty malls and precincts on the plan. The specialty provision should be concentrated on the two main north-south and east-west main street locations. Further internal malls and cross streets will not support strong trading retail space.

6.3. Total Floorspace Potential

i. Table 6.1 outlines the recommended floorspace supportable within the Molonglo Group Centre over the forecast period.

ii. Based on current population projections (i.e. Table 2.1), Stage 1 of the Molonglo Group Centre is likely to be supportable in 2027/28. This could include:

- A major full-line supermarket (in the order of 3,800 sq.m).

- A mini-major tenant of 500 sq.m (either a pharmacy or Asian grocer).

- Around 1,850 sq.m of retail specialty shops and 400 sq.m of non-retail specialty shops. This includes a mix of convenience orientated tenants, such as liquor store, fresh food (i.e. bakery, butcher etc.), newsagent, pharmacy and retail services (i.e. hairdresser, beautician etc.).

- A medical centre, childcare centre and gym.

- A fast food outlet along John Gorton Drive, within close proximity to the Molonglo Group Centre.

iii. In total, around 8,000 sq.m of floorspace would be supportable in a first stage of development. This includes a retail component of around 6,000 sq.m and a non-retail component of some 2,000 sq.m.

iv. Table 6.2 outlines projected sales and gross rents for the Stage 1 development in 2027/28. Assuming the development scheme outlined above, projected retail sales for the centre are $70.3 million, including $48.0 million in supermarket sales, $4.5 million in mini-major sales (assuming a pharmacy is provided at the centre) and $17.8 million in retail specialty sales. Total gross rent for Stage 1 of the Molonglo Group Centre is $4.0 million, including $1,025 per sq.m in retail specialty rent.

v. By Stage 2, assumed to proceed in 2032/33, the following additional uses would be supportable:

- A second major full-line supermarket (i.e. 3,800 sq.m or greater).

- A further 1,000 sq.m of mini-major floorspace.

- An additional 2,000 sq.m of retail specialty floorspace and 300 sq.m of additional non-retail floorspace.

- Large format retail floorspace of 3,500 sq.m.

- A second (or expanded) medical centre and fast food PAD site.

- A family orientated tavern along with a service station and swim school.

vi. It is important to note that the forecast sales for the supermarkets at the Molonglo Group Centre do not assume that another full-line supermarket is developed elsewhere in the main trade area.

vii. Overall, a further 10,000 - 15,000 sq.m of floorspace would be supportable in a second stage of development, where a major full-line supermarket is added. A total of 20,000 sq.m of floorspace would be supportable by Stage 2.

viii. Table 6.2 also outlines projected sales and gross rents for the Stage 2 development in 2032/33. Assuming the development scheme outlined above, projected retail sales for the centre are $167.8 million, including $115.6 million in supermarket sales, $12.0 million in mini-major sales and $40.2 million in retail specialty sales. Total gross rent for Stage 2 of the Molonglo Group Centre are $9.9 million, including $1,275 per sq.m in retail specialty rent.

ix. In the longer term, a single discount department store based centre totalling around 23,700 sq.m, including 22,200 sq.m of retail floorspace, would be supportable. Some 20,650 sq.m of other uses would also be supportable throughout the precinct.

TABLE 6.1. MOLONGLO GROUP CENTRE FLOORSPACE RECOMMENDATIONS

Tenant/ Category	**Stage 1** 2027/28	**Stage 2** 2032/33	**Stage 3** 2035/36
Majors			
Discount Department Store	0	0	6,500
Coles	3,800	3,800	3,800
Woolworths	0	3,800	3,800
Total Majors	3,800	7,600	14,100
Mini-majors (> 400 sq.m)			
Mini-majors	500	1,500	2,500
Retail Specialties			
Food & Liquor	300	700	900
Food Catering	700	1,400	1,800
Apparel	0	0	300
Household Goods	0	0	150
Leisure	150	350	550
General Retail	300	500	900
Retail Services	400	700	1,000
Total Retail Spec.	1,850	3,650	5,600
Non-retail*			
Non-retail Shopfronts	400	700	1,500
Total Centre Core	**6,550**	**13,450**	**23,700**
Other Precinct Uses			
Large Format Retail	0	3,500	15,500
Medical Centre	250	500	1,000
Gym	200	200	600
Swim School	0	500	500
Childcare Centre	800	800	1,800
Service Stations	0	250	250
Fast Food	250	500	500
Tavern	0	500	500
Total Other Uses	1,500	6,750	20,650
Total Precinct	**8,050**	**20,200**	**44,350**

** Comprising real estate agency, banks, travel agent & post office*

TABLE 6.2. STAGE ONE AND TWO MOLONGLO GROUP CENTRE PROJECT SALES AND GROSS RENTS

Tenant/ Category	Stage One, FY2028						Stage Two, FY2033					
	GLA	Forecast Sales		Gross Rents**		Occ. Cost	GLA	Forecast Sales		Gross Rents**		Occ. Cost
	(sq.m)	($'000)	($/sq.m)	($'000)	($/sq.m)	(%)	(sq.m)	($'000)	($/sq.m)	($'000)	($/sq.m)	(%)
Majors												
Coles	3,800	48,011	12,635	1,680	442	3.5%	3,800	58,391	15,366	2,044	538	3.5%
Woolworths	0	0	0	0	0	0.0%	3,800	57,235	15,062	2,003	527	3.5%
Total Majors	3,800	48,011	12,635	1,680	442	3.5%	7,600	115,626	15,214	4,047	532	3.5%
Mini-majors (> 400 sq.m)												
Pharmacy	500	4,526	9,051	453	905	10.0%	500	5,376	10,753	538	1,075	10.0%
Discount Variety	0	0	0	0	0	0.0%	500	3,072	6,144	461	922	15.0%
Asian Grocer	0	0	0	0	0	0.0%	500	3,520	7,040	246	493	7.0%
Mini-majors	500	4,526	9,051	453	905	10.0%	1,500	11,969	7,979	1,245	830	10.4%
Retail Specialties												
Food & Liquor	300	3,408	11,359	256	852	7.5%	700	9,496	13,566	807	1,153	8.5%
Food Catering	700	5,986	8,551	748	1,069	12.5%	1,400	13,625	9,732	1,839	1,314	13.5%
Apparel	0	0	0	0	0	0.0%	0	0	0	0	0	0.0%
Household Goods	0	0	0	0	0	0.0%	0	0	0	0	0	0.0%
Leisure	150	1,340	8,934	141	938	10.5%	350	3,621	10,344	434	1,241	12.0%
General Retail	300	3,752	12,508	338	1,126	9.0%	500	6,945	13,890	729	1,458	10.5%
Retail Services	400	3,318	8,296	415	1,037	12.5%	700	6,495	9,278	844	1,206	13.0%
Total Retail Spec.	1,850	17,804	9,624	1,897	1,025	10.7%	3,650	40,182	11,009	4,655	1,275	11.6%
Total Retail	**6,150**	**70,341**	**11,438**	**4,030**	**655**	**5.7%**	**12,750**	**167,777**	**13,159**	**9,946**	**780**	**5.9%**

*Inflated dollars & including GST

*Excluding GST

Contact Us
(02) 8248 0100
Level 27 | 25 Martin Place
Sydney NSW 2000
locationiq.com.au