

MARKET OUTLOOK

PIARA WATERS, WA

Piara Waters offers amenity and connectivity to education, retail, recreation and employment opportunities

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Prepared exclusively for

Stockland

August 2023

WESTERN AUSTRALIA OVERVIEW

Western Australia (WA) is the largest Australian state. WA offers a diverse climate and a wide variety of landscapes, making each region unique.

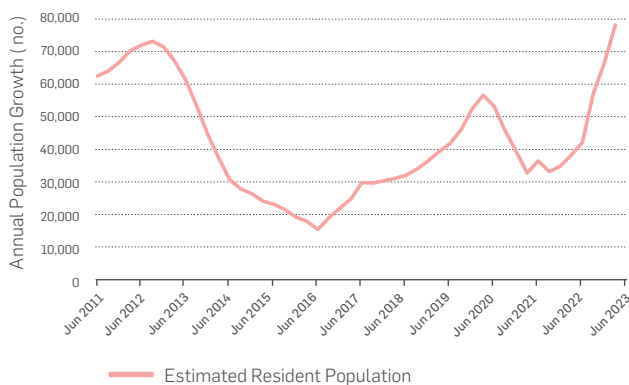
The capital city, Perth, lies on the west coast.

- The state's population, at 2.9 million in March 2023, accounted for 10.8% of the national population. Greater Perth accounts for almost 80% of the population of WA with 2.21 million people.
- WA has seen high levels of population growth over the past year and is likely to continue to see strong growth with the WA Planning Commission aiming to accommodate 3.5 million people in Perth by 2050.
- WA's Gross State Product (GSP) was \$377.3 billion as at June 2022. **GSP per capita was \$136,577** in the same period, making it higher than all other states in Australia.

Additionally, **this was 63% higher than the national equivalent of \$83,678** in the same period and accounted for 18% of the national GDP.

- WA's population growth has reached record highs, with a net increase of 78,342 in the twelve months to March 2023.

WA POPULATION GROWTH 2011-2023



Prepared by Urbis; Source: ABS

LIVEABILITY

The Economist Intelligence Unit (EIU) ranks the most livable cities in the world.

EIU scores cities on over 30 factors within five broad categories: stability, healthcare, culture, education and infrastructure. The 2022 EIU Global Livability Report saw Perth receive a score of 90.0 out of a possible 100.

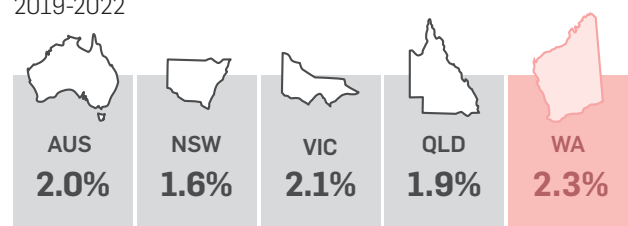
ECONOMIC GROWTH & STRENGTH

WA boasts a strong economy with a buoyant job market, significant pipeline of investment and strong economic growth.

The strong economic performance is underpinned by strong population growth, with the State Government forecasting population growth between 1.6% and 1.8% over the next four years (WA State Budget Paper No. 3 2023-24).

The State Government has introduced incentives to encourage skilled migration to the state. The "Build a Life in WA" campaign focuses on attracting migrants who can take advantage of WA's significant pipeline of work available, accelerating with major planned and underway infrastructure projects.

ECONOMIC GROWTH (GSP) BY STATE 3 YEAR GROWTH P.A 2019-2022



Prepared by Urbis; Source: ABS

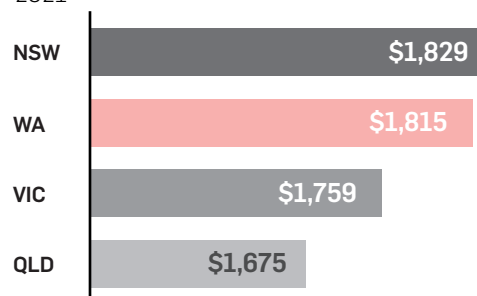
AFFORDABILITY

With high income levels and affordable housing comparative to the rest of Australia, WA is a relatively affordable state with many job opportunities. WA has a median weekly household income at \$1,815, higher than Victoria, South Australia and Queensland.

WA's high median weekly income is supported by a strong job market. This is highlighted by the high number of internet job vacancies being recorded, at 31,800 in October 2022 (National Skills Commission) and a low unemployment rate of 3.4% (as of April 2023).

Housing affordability in WA is highlighted by a low median house price, demonstrated by prices in Sydney, Melbourne and Brisbane ranging from 42% to 140% higher than that of Perth.

MEDIAN WEEKLY HOUSEHOLD INCOME 2021



Prepared by Urbis; Source: ABS Census 2021

WESTERN AUSTRALIA OVERVIEW

KEY PROJECTS

There is a large state government pipeline of infrastructure investment in WA through 2023-2024*, with the WA government investing \$27.1 billion across 1,430 infrastructure projects. In addition to this, there is a large pipeline of private sector investment for resource projects in WA. Both the public and private sector in WA have a strong focus on clean energy investment and some of the major projects planned include:

*Source: WA Government Pipeline of Work

H2 PERTH, WOODSIDE +\$1 BILLION IN CAPITAL EXPENDITURE IN THE FIRST PHASE



H2 Perth will be a hydrogen and ammonia production facility located in the Kwinana strategic industrial area in Perth. The facility aligns with the state's hydrogen strategy and economic diversification framework.

WA'S BIGGEST BATTERY, SYNERGY \$155 MILLION



NHOA Australia will deliver WA's biggest lithium-ion battery. The battery installation commenced in August 2022 and is estimated to be operational in 2023. Together with renewable energy sources, the project will help stabilise energy supply in the future.

TRADE FRIENDLY TIME ZONE

Perth sits conveniently in a populous time zone. The GMT+8 time zone is shared by key trading partners in China and Indonesia. Perth is a gateway city connecting Australia to the Asia-Pacific region. WA's ports export the majority of Australia's sea freight, with China the largest trading partner (BITRE 2021).



TOURISM

The tourism industry in Western Australia has seen strong growth in 2022 with a large increase in interstate visitors, with Perth achieving the highest rate of visitor growth in comparison to the other Australian capital cities.



10 million visitors



48 million visitor nights



\$14 billion expenditure

Figures provided for year ending December 2022
 Source: Tourism Research Australia, 2022

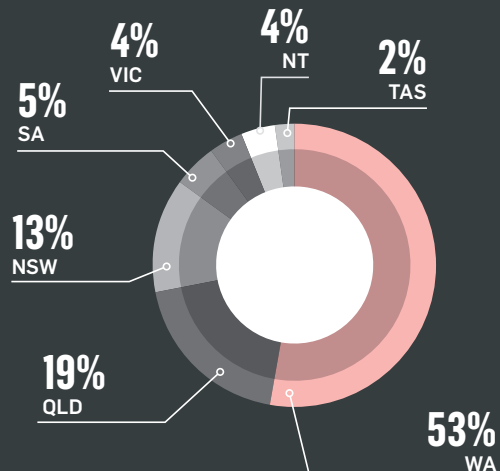
RESOURCES & ENERGY

Western Australia is an international hub for the global mining and resources sector. Major players Woodside and Fortescue are headquartered in Perth. BHP, Rio Tinto and Chevron also have major offices located in Perth.

According to the Office of the Chief Economist (2022), committed mining, oil and gas and infrastructure projects in WA have a combined project value of \$62.8 billion. WA is the world's largest producer of lithium (53% in 2021) and iron ore (34% in 2021), and the third largest producer of LNG (Department of Jobs, Tourism, Science & Innovation 2022).

In addition to this, there has also been substantial investment in renewable hydrogen in the state, valued at \$7.7 billion (Office of the Chief Economist 2022). Renewable hydrogen is a major emerging industry in Western Australia that is the focus of significant planning and investment in both the public and private sector.

PROPORTION OF COMMITTED PROJECTS BY STATE 2022



Prepared by Urbis; Source: Office of the Chief Economist 2022

CONNECTIVITY & ACCESSIBILITY

PIARA WATERS IS A FAST-GROWING SUBURB LOCATED 25 KM SOUTH-EAST OF THE PERTH CBD. THE AREA IS SURROUNDED BY NATURE AND OFFERS RESIDENTS A CONVENIENT LIFESTYLE WITH NEARBY AMENITIES THAT APPEAL TO YOUNG AND GROWING FAMILIES.

PUBLIC TRANSPORT AND MAIN ROADS

Piara Waters has public transport connections with both train and bus options. This includes being a 10-minute drive to Cockburn Central Train Station, which provides access to Perth CBD with an 18-minute train ride. Bus routes provide access to the surrounding suburbs and key employment nodes of Cockburn, Murdoch, Gosnells and Armadale. Major arterial roads in the area include Armadale Road and Nicholson Road which provide access to Canning Vale.

The area is also close to Tonkin Highway and Mitchell Freeway. Such roads provide convenient access to areas including the Forrestdale Business Park and Kwinana Industrial Area.

RECREATION

Piara Waters residents are surrounded by a wealth of lifestyle and recreation amenities. There are several parks and reserves in the area including Piara Nature Reserve, Forrest Lake Nature Reserve and Rose Shanks Reserve. A variety of parks such as Peregrine Park, Mason Green Park, Piara Waters Park, Burtonia Gardens and many more.

There are plenty of outdoor recreational and sporting clubs that residents can enjoy including the Piara Waters Pavilion, Rossiter Pavilion and Cockburn ARC. In addition to this, there is the \$100 million proposed Perth Wave Park in Jandakot, which is set to be the largest in the southern hemisphere.

RETAIL

Retail options in and around Piara Waters include the Stockland Harrisdale Shopping Centre, Cockburn Gateway Shopping Centre (11 mins away by car), Armadale Shopping City, Armadale Central Shopping Centre (18 mins away) and Westfield Carousel (20 mins away).

Retail options are set to expand within Piara Waters with a new local neighbourhood shopping centre approved in the suburb.



HEALTH

Piara Waters residents are surrounded by a large variety of health care services. This includes the Piara Waters Medical Centre, Harrisdale Medical Centre, Haynes Medical Centre, Dale Medical Centre, Forrest Road GP, Wungong Child Health Centre, Armadale Medical Specialist Centre, St John GP, Church Avenue Medical Centre, 360 Health Medical Centre, and the Armadale Community Health & Development Centre. There is also Fiona Stanley Hospital and St John of God Murdoch Hospital located 10 kms from Piara Waters.



RETAIL, ENTERTAINMENT & TRANSPORT

- 01. Stargate Shopping Centre
- 02. Cockburn Gateway
- 03. Armadale Road
- 04. Cockburn Central Train Station
- 05. South Central Business Park
- 06. Kwinana Freeway
- 07. Jandakot Airport and Business Park
- 08. Jandakot Road
- 09. Future Piara Village Shopping Centre

PARKS & RECREATION

- 10. Retained Bushland
- 11. Future Park & Destination Playground
- 12. Coogee Beach
- 13. Beeliar Regional Park
- 14. Cockburn ARC
- 15. Emma Treeby Reserve
- 16. Trampoline Park
- 17. Calleya Dog Park
- 18. Treeby Community and Sports Centre
- 19. BMX Park

- 20. Treeby Reserve

- 21. Jandakot Regional Park
- 22. Mason Green Park

EDUCATION & HOSPITALS

- 23. Future Childcare Centre
- 24. Murdoch University
- 25. Fiona Stanley Hospital & St John of God Murdoch Hospital
- 26. Piara Waters Senior High School
- 27. Proposed Future Primary School
- 28. Piara Waters Primary School

POPULATION, DEMOGRAPHICS & EMPLOYMENT

DEMOGRAPHICS

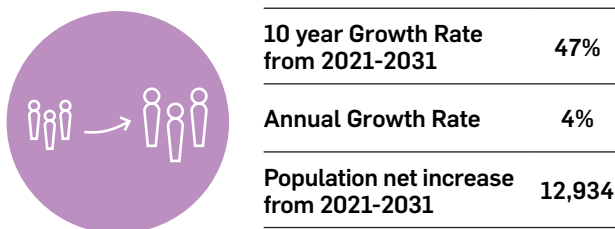
The resident population in Piara Waters is characterised primarily by young family households. The proportion of family households in the suburb is 87%, which is higher than the City of Armadale at 76% and Greater Perth at 72%. Consequently, there is demand for larger houses. The area has a younger demographic with the average age of 29, substantially lower than the median age of Greater Perth at 39.

Piara Waters households have recorded high average household incomes compared to the City of Armadale and Greater Perth. Piara Waters households achieved an average household income of \$151,500 compared to the City of Armadale at \$113,300 and Greater Perth at \$125,900.

The area has a large purchaser market with 76% of dwellings being owned with a mortgage. This is higher than the Greater Perth benchmark of 43%. While the area has a large purchaser market the rental market is low with only 16% of dwellings being rentals. The Greater Perth benchmark sits higher at 27%, indicating a gap for rental dwellings in Piara Waters.

POPULATION

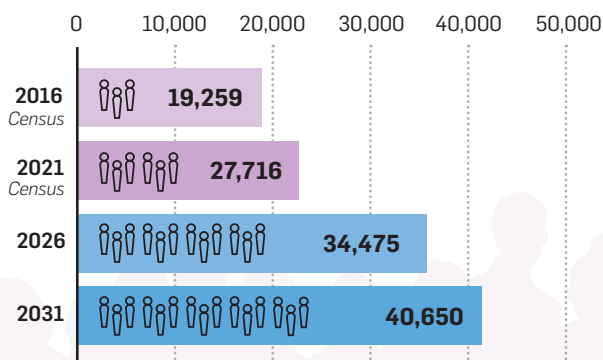
Piara Waters is a growth area and has experienced rapid population growth and is expected to continue to see a growing population.



Prepared by Urbis; Source: WA Tomorrow Population Projections Band C, ABS

TOTAL PROJECTED POPULATION GROWTH

2016 – 2031 Forrestdale – Harrisdale – Piara Waters SA2*



Prepared by Urbis; Source: WA Tomorrow Population Projections Band C, ABS
* SA2 is defined by the Statistical Area Division 2 by the ABS.

WHO LIVES IN THE PIARA WATERS?

	Piara Waters	City of Armadale	Greater Perth
Population	15,029	94,184	2,116,647
Avg Household Income	\$151,500	\$113,300	\$125,900
Average Age	29	35	39
Aged 25-39	34%	24%	22%
Owned Outright	8%	22%	29%
Purchaser-Owned with a mortgage	76%	55%	43%
Renter	16%	23%	27%
Family Households	87%	76%	72%
Lone Person Households	11%	21%	25%

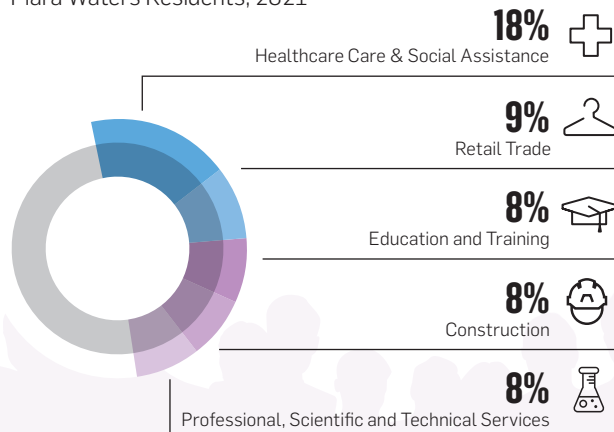
Prepared by Urbis; Source: ABS Census 2021

EMPLOYMENT

The main industry of employment for residents in Piara Waters is healthcare and social assistance at 18%. Other key industries of employment include retail trade, education & training, construction, and professional scientific & technical services. The area is well connected to key employment nodes including the Forrestdale Business Park, Kwinana Industrial Area, Cockburn Central, Canning Vale and public transport connections to Perth's CBD.

MAIN INDUSTRIES OF EMPLOYMENT

Piara Waters Residents, 2021



Prepared by Urbis; Source: ABS Census 2021

INFRASTRUCTURE & EDUCATION

INFRASTRUCTURE



PERTH SURF PARK \$100 Million

The proposed wave park is set to be the largest in the southern hemisphere and includes a surfing lagoon, a surf hotel, a health and wellness centre, a beach club and restaurants. The project is expected to commence construction in 2023, pending approval, with an anticipated opening date in late 2025.

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COCKBURN ARC EXPANSION \$11.24 Million

Cockburn ARC is an aquatic recreation, education and elite-athlete training facility. It opened in 2017 after a

\$110 million build and was delivered in partnership with Fremantle Dockers Football Club. The new expansion project is currently under construction with expected completion in late 2023. This project includes expanding the gym floorspace, increasing studio floorspace, new upgraded amenities, a spectator terrace and a new multipurpose education/meeting space.



ARMADALE ROAD UPGRADE \$259 Million

This project, completed in 2021, included a new bridge over Kwinana Freeway that connects North Lake Road to

Armadale Road. This project alleviates congestion in the area, improves road safety, supports growth and enables development in Perth's southern suburbs whilst improving public transport connectivity with access to Cockburn Central Train Station.



WESTPORT

Westport is a new port and road/rail network planned for Kwinana. The project is currently in the planning phase. Westport aims to create an efficient and

sustainable trade network that will support new jobs, grow the WA economy, and protect the environment through mitigation strategies and a carbon neutral supply chain.

SUSTAINABLE HOUSING DEMAND

Perth is seeing a growing demand for sustainable housing. The Urbis / UDIA Home Purchaser Sentiment Survey provides evidence that market demand for energy saving features is strong. This is particularly the case for younger first home buyers who are likely to be a key buyer group within Piara Waters.



91%

OF THE PERTH MARKET SURVEYED HAD SOME INTEREST IN ENERGY EFFICIENT FEATURES.



95%

OF FIRST HOME BUYERS WERE INTERESTED IN THE ADDITION OF ENERGY SAVING FEATURES.



25-35

WAS THE AGE GROUP MOST INTERESTED IN THE ADDITION OF ENERGY SAVING FEATURES.

Prepared by Urbis; Source: Urbis / UDIA Home Purchaser Sentiment Survey

EDUCATION

The area is home to a variety of childcare, primary school and secondary school options that provide both educational and employment opportunities. This includes the newly opened Piara Waters Senior High School and a proposed future primary school and childcare centre.

LOCAL SCHOOLS & CHILDCARE CENTRES



	School	Drive Distance
Primary School	Aspiri Primary School	3 min
	Piara Waters Primary School	4 min
	Riva Primary School	5 min
	Treeby Primary School	8 min
Primary and Secondary School	Carey Baptist College Forrestdale	6 min
	St John Bosco College	7 min
	Carey Baptist College Harrisdale	8 min
Secondary School	Piara Waters Senior High School (Opened 2023)	4 min
Childcare	Green Leaves Early Learning Piara Waters	1 min
	Marcycare Early Learning Centre Piara Waters	4 min
	YMCA Riva Outside School Hours Care	5 min

Prepared by Urbis; Note: Drive Distance figures are estimates only and are measured from the intersection Warton Road and Armadale Road.

RESIDENTIAL MARKET ANALYSIS

Perth has offered a more competitive price point than the other major capital cities around Australia in recent times, with a median house price of \$540,000 and median vacant land price of \$245,000 during the 12 months to February 2023.

The median house price in Perth has consistently been below that of its Eastern states' counterparts. Sydney, Melbourne and Brisbane have median prices between 41% and 137% higher than that of Perth. Similar trends are present for median vacant land prices, with Eastern states' capitals median prices being up to 156% higher than that of Perth, highlighting Perth's affordability and growing attractiveness for buyers.

Piara Waters recorded a median house price of \$620,000 in the 12 months to February 2023. The suburb also recorded a sales volume of 267 houses over the past year, much higher than the sales volumes recorded for the surrounding area which highlights Piara Waters as a high demand area.

Piara Waters recorded a higher median house price than the surrounding suburbs Treeby, Harrisdale, Success and Atwell which reflects the premium of Piara Waters. The Piara Waters house price offers an affordable alternative to the areas of Forrestdale (\$640,000) and Canning Vale (\$675,000).

Piara Waters has experienced substantially higher than the norm price growth in the past 12 months to February 2023, especially for vacant land. The growth rate for vacant land recorded was 24% (from 1 year to February 2023) and 31% (for the 3 year per annum growth). This is substantially higher than the City of Armadale and Greater Perth, which recorded a decline in prices for vacant land.

PRICE GROWTH COMPARISON

12 months to February 2023

	HOUSE		VACANT LAND	
	1 YEAR GROWTH (%)	3 YEAR PER ANNUM GROWTH (%)	1 YEAR GROWTH (%)	3 YEAR PER ANNUM GROWTH (%)
Piara Waters	12%	9%	24%	31%
Treeby	7%	9%	3%	9%
Harrisdale	8%	7%	-14%	-7%
Forrestdale	29%	22%	10%	25%
Canning Vale	9%	8%	1%	6%
Success	6%	7%	14%	0%
Atwell	6%	7%	-	-
City of Armadale	0%	7%	-11%	-12%
Greater Perth	3%	5%	-6%	-2%

Prepared by Urbis; Source: Pricefinder

AFFORDABILITY – MEDIAN HOUSE AND VACANT LAND PRICES IN GREATER CAPITAL CITIES

12 months to February 2023

	MEDIAN HOUSE PRICE	HOUSE PRICE DIFFERENTIAL	MEDIAN VACANT LAND PRICE	VACANT LAND PRICE DIFFERENTIAL
Perth	\$540,000	-	\$245,000	-
Sydney	\$1,298,000	137%	\$627,000	156%
Melbourne	\$900,000	65%	\$402,000	64%
Brisbane	\$765,000	41%	\$300,000	22%

Prepared by Urbis; Source: Pricefinder

Note: Price differential as percentage of Perth median house and vacant land price

MEDIAN PRICES AND SALES VOLUME COMPARISON

12 months to February 2023

	MEDIAN HOUSE PRICE	HOUSE SALES VOLUME	MEDIAN VACANT LAND PRICE	VACANT LAND SALES VOLUME
Piara Waters	\$620,000	267	\$345,000	57
Treeby	\$619,000	81	\$327,000	154
Harrisdale	\$590,000	208	\$260,000	35
Forrestdale	\$640,000	17	\$279,000	55
Canning Vale	\$675,000	502	\$329,000	16
Success	\$580,000	230	\$265,000	17
Atwell	\$600,000	145	-	1

Prepared by Urbis; Source: Pricefinder

RENTAL MARKET ANALYSIS

Perth has overall experienced a strong rental market with a steep decline in the rental vacancy rate over the past five years, from a peak of 7.3% in June 2017 to be consistently around and often below 1% since December 2020.

Greater Perth's rental yield from February 2023 was at 5.0%, substantially higher than that of the two largest cities, Sydney and Melbourne at 2.6% and 2.8% respectively. The more comparably-sized Brisbane market also trails Perth's yield, with indicative yields of 3.8%.

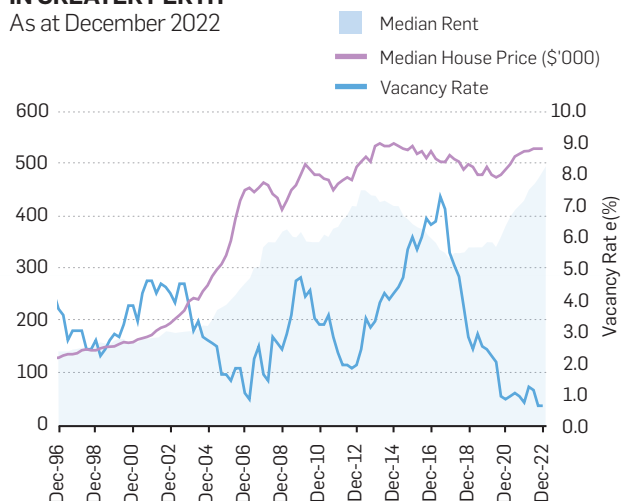
The strength of the Perth rental market, with minimal vacancy rates and high yields comparative to other capital cities, has made it an attractive market for investors.

Piara Waters achieves similar rental yields to the relatively high rate of Greater Perth, at an attractive rate for investors of 4.6%.

The median weekly rent for Piara Waters of \$550 is largely in line with that of Greater Perth (\$520), and higher than the City of Armadale at \$475. The suburb has experienced high rental growth with the 1-year median growth rate at 10%, providing healthy growth for investors.

MEDIAN RENT AND VACANCY RATES IN GREATER PERTH

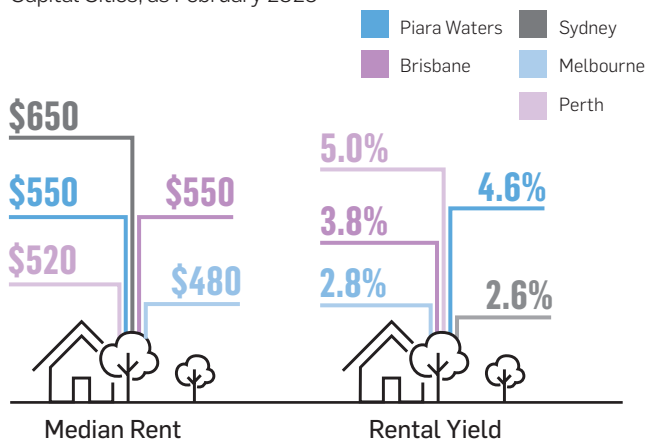
As at December 2022



Prepared by Urbis; Source: REIA

MEDIAN RENT AND INDICATIVE GROSS RENTAL YIELDS - HOUSES

Capital Cities, as February 2023



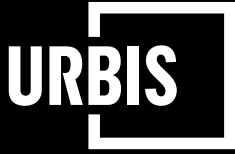
Prepared by Urbis; Source: Pricefinder

MEDIAN WEEKLY RENT PRICE AND GROWTH COMPARISON

As at February 2023

	MEDIAN RENT	1 YEAR MEDIAN RENT GROWTH (%)
Piara Waters	\$550	10%
Treeby	\$580	7%
Harrisdale	\$550	15%
Forrestdale	\$500	5%
Canning Vale	\$580	14%
City of Armadale	\$475	13%

Prepared by Urbis; Source: Pricefinder



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