

# INDUSTRIAL OUTLOOK

AUTUMN 2009

GOOD PLANNING IS KEY TO SUCCESS 01 | FUTURE POSITIVE DESPITE MARKET SLOWDOWN 01 | WE PREPARE FOR GROWTH WHEN ECONOMY BOUNCES BACK 02 | LAND FOR SALE 02 | COCKBURN COMMERCIAL PARK A TOP INVESTMENT 02 | WANGARA POPULAR WITH NEW ENTERPRISE 03 | INDUSTRY HUB BUZZING WITH TRADE 03 | REGIONS STIR TRADEWIND CHANGE 04 | DID YOU KNOW 04

## GOOD PLANNING IS KEY TO SUCCESS

A major independent review of the Canning Vale Industrial Estate has identified the **benefits of diversity and flexibility** in planning major industrial areas.

The estate underwent a comprehensive review last year in order to highlight successes and gain valuable lessons for future enterprises.

The Review of Canning Vale Industrial Estate report, produced by research firm Syme Marmion & Co, examines the Canning Vale Industrial Estate's performance and development outcomes since its inception in 1956.

One of the major themes of the report has identified the need to maintain diversity and flexibility in planning and the importance of retaining Canning Vale Industrial Estate's original vision.

LandCorp Chief Executive Ross Holt said the detailed findings offered a look-back on the estate's development over the past four decades but also served as a blueprint for the successful development of similar industrial estates.

"Information from the report will prove to be extremely useful for us in that it

spans all aspects of the development – planning, development, sales, governance, administration and current market position," Mr Holt said.

"Flexibility during the planning stages was a key factor in the estate's success. Understanding the current and future needs of tenants enabled us to adapt to meet changing market demand."

Interestingly, while the 'concept' of sustainability did not exist when Canning Vale was conceived, the report identifies the estate's original plan reflected an understanding of the importance of developing and protecting a quality industrial environment with minimal environmental impact.

"Even back in the 1970s, the vision that was set for the estate talked about addressing future economic, environmental and community needs," Mr Holt said.

"Today, the Canning Vale vision is a reality and because of careful and considered planning, will remain viable for at least the next 50 years, effectively making it a 100-year project."

"Canning Vale is also a great example of successful private-public partnerships – with private enterprise making a massive investment in the estate over the years. And that's set to continue into the future.

Mr Holt said community protection had also been held in high regard by the original stakeholders, and every effort was taken to ensure sufficient employment growth to match population and demographic changes.

"We will take the study findings on board and use these to guide our industrial developments of the future," he said.



### CANNING VALE SNAPSHOT

- Third largest industrial estate in the metropolitan area.
- Provides 8.2 per cent of the city's industrial floor space.
- Contributes 14 per cent of the metro area's manufacturing output, and 17 per cent of its wholesale trade.
- Provides 18,300 jobs throughout the economy, with 8,400 of those directly within the estate.

### CANNING VALE REVIEW LEARNINGS

- Diversity is the key in estates – commercial, service, warehouse, manufacturing, office and industrial lots.
- Initial visions should be followed through.
- Flexibility is vital - selling methods, lot sizes, tenants.

## FUTURE POSITIVE DESPITE MARKET SLOWDOWN

Experts are calling on Western Australia's **business sector to stay optimistic** and plan for the **inevitable economic upturn**, which some predict could begin as early as late 2009.

Leading market commentators including the Chamber of Commerce and Industry (CCI) and National Australia Bank (NAB), agree that WA is capable of riding out the current economic storm and will be among the first economies to emerge from the global recession.

A recent NAB commerce survey showed forecasts implied a relatively mild Australian recession.

While the bank expected the Australian economy to shrink by a quarter of a per cent in 2009, a slow recovery could begin at the end of the year, resulting in a one per cent growth in 2010.

"The forecasts imply a relatively mild Australian recession, especially compared to falls in growth of around two per cent in the major industrialised economies," the bank said.

Chamber of Commerce and Industry Chief Economist John Nicolaou said he remained confident the WA economy was one of the best placed in the industrialised world to cope with the economic uncertainty.

"The underlying strengths of WA's economy mean that Western Australia will remain the economic engine room for the nation," he said.

"CCI encourages small, medium and large firms, key drivers in economic growth and prosperity, to not lose sight of their long term goals, and plan for the future so they are well placed for the inevitable upturn, while they navigate through more difficult short term conditions."

Mr Nicolaou said economic growth in WA was expected to slow over the next financial year – down from 6.25 per cent to 3.25 per cent – as the full effects of the global financial crisis hit home.

"However, growth of this magnitude in the current economic climate is still remarkable, and puts us out in front of other Australian states, and many developed international economies," he said.

"CCI remains confident that the current uncertainty will be short lived, predicting economic growth in WA will reach just over six per cent by early in the next decade, fuelled by a recovery in the domestic and global economies."

# WE PREPARE FOR GROWTH WHEN ECONOMY BOUNCES BACK

Planning for future demand is at the top of our agenda with the industrial team busy developing structure plans and seeking land approvals for prospective land releases.

The industrial land market in WA has stabilised after a remarkable growth spurt, providing new opportunities for us to better respond to market demand.

LandCorp Business Development Manager Industrial Bill Adlam said LandCorp's data showed a gradual slowing in demand in the industrial land sector over the past 12 months.

"What this softening of demand has done is to enable us to get more supply to the market," Mr Adlam said.

"One of the major objectives we are pursuing at the moment is to continue our structure planning and seek approvals of land so when the demand builds, as things improve, we'll be able to supply the

market with industrial land as required in a range of locations.

"Future industry requirements are at the top of the agenda for us as we work towards a more strategic approach to identifying and preparing industrial land for development."

Mr Adlam said among the positive stories emerging within the industry was the strength of the oil and gas sector, such as Chevron Australia committing to a major service hub deal at the Australian Marine Complex.

"We're starting to get sub-contractors now that will be feeding that industry wanting to contract on land in the relevant precinct so they can be part of servicing for Chevron and the Gorgon Project," he said.



## COCKBURN COMMERCIAL PARK A TOP INVESTMENT

Cockburn Commercial Park, recognised with a **"highly commended"** award in the **Industrial developments** category at the 2009 Western Australian Property Council's Innovation and Excellence Awards, is widely regarded as a **"next generation"** industrial estate.

It has achieved the world's best practice in land planning and environmental management and thanks are due to all of those who worked extremely hard on the planning and development of the estate.

LandCorp Business Manager Industrial John Hackett said that building guidelines ensured a high quality of buildings and landscaping throughout the estate, thereby encouraging sustainability and reducing water and energy usage while protecting the investment of landowners.

"Right from the beginning we were able to build on our sustainability concepts in industrial estates and that included provisions to encourage less water use on landscaping and installation of rainwater tanks through rebates and other initiatives," Mr Hackett said.

"It was very important for us to achieve high quality buildings with no effort being spared to conserve and regenerate a 22ha conservation area adjoining the estate at the edge of a string of wetlands that form the Beeliiar Regional Park," Mr Hackett said.

The recent opening of the Spearwood Avenue entry to Discovery Drive has added further convenience for local industry with an improved east-west link through the estate and the City of Cockburn.

Since the inception of Cockburn Commercial Park in 2005, some 118 lots of varying sizes have been sold, making it suitable for many different business types, including light industrial and commercial.

## LAND FOR SALE METROPOLITAN

INDUSTRIAL LAND IS AVAILABLE AT ENTERPRISE PARK WANGARA, MERIDIAN PARK NEERABUP, ROCKINGHAM INDUSTRY ZONE, COCKBURN COMMERCIAL PARK, FLINDERS PRECINCT (LATITUDE 32 INDUSTRY ZONE) AND AUSTRALIAN MARINE COMPLEX.

## REGIONAL

LIGHT INDUSTRIAL LAND IS AVAILABLE IN GREEN HEAD, COLLIE, LEEMAN, CERVANTES, KALBARRI AND KUNUNURRA.

FOR MORE INFORMATION VISIT [LANDCORP.COM.AU/COMMERCIAL](http://LANDCORP.COM.AU/COMMERCIAL)

# WANGARA POPULAR WITH NEW ENTERPRISE

Enterprise Park in Wangara is emerging as **prime real estate** for WA's business owners and developers.

The recent \$7million extension of the latest stage of Ocean Reef Road has improved traffic flows into the estate, offering great opportunities for businesses seeking a high profile location within the estate.

LandCorp Business Manager Industrial John Hackett said the four lane extension would improve the transport route's connection with other key metropolitan industrial and commercial hubs such as Malaga and Joondalup via the Mitchell Freeway and Marmion Avenue.

"Existing companies in Enterprise Park will benefit as the road extension makes it easier for businesses and visitors to access the estate," Mr Hackett said.

Sherwood Overseas Co. Pty Ltd Managing Director Terry Jackson said his group of companies had invested heavily in Enterprise Park. Since 1995, the Sherwood Group had acquired, developed and retained its investments in almost nine hectares of the estate.

The group's tenants, Fielders, recently moved its roofing and heavy fabrication division from Osborne Park to spectacular new premises at Enterprise Park because of

the estate's convenient location, planning and high standard of amenities.

Mr Jackson said the new development had allowed him to design premises to very high specifications, incorporating eco-friendly and cost effective features that would greatly increase productivity.

"Our new Fielders Buildings have numerous high-spec features that make them iconic," Mr Jackson said.

"LandCorp has delivered on its promises to make Enterprise Park highly appealing to the heavy and light industrial sector. This has allowed us to design and construct one of Perth's most impressive complexes."

As part of our current Stage 10B release at Enterprise Park, we are offering prime industrial land with 13 lots next to the new road extension for sale by private treaty.

Stage 10B lots, which range in size from 1,971sqm to 4,994sqm, are designed to suit small to medium-sized businesses and are fully serviced with underground power, water, gas and sewerage, with a convenient separate access road to the new Ocean Reef Road extension.



Artist impression of Enterprise Park alongside the new Ocean Reef Road extension.

Civil works, including roads and infrastructure, are complete and ready for businesses to start up or relocate.

The second stage of the project, which is expected to be completed by the City of Wanneroo over coming years, will extend Ocean Reef Road from Prestige Parade to Alexander Drive.

**WHEN COMPLETE, THE ESTATE IS EXPECTED TO GENERATE 13,000 JOBS WITH A TOTAL ECONOMIC IMPACT OF \$37.2BILLION.**

# INDUSTRY HUB BUZZING WITH TRADE



Major **developments are keeping the local economy buzzing** along the Western Trade Coast. The Australian Marine Complex (AMC) has recently announced a **major service deal with Chevron Australia** while **land sales have begun at Perth's newest industrial estate, Flinders Precinct**, located within the Latitude 32 Industry Zone.

Business Manager Western Trade Coast Luke Willcock said that by mid 2010 the AMC would be home to the new \$35million service and supply base, which would support one of WA's most lucrative regional developments.

Chevron Australia signed on as the first user of the base to support operations for its Gorgon Project, about 150kms off the State's North West coast.

"The AMC service and supply base includes the development of a \$35million service wharf to accommodate roll-on, roll-off vessels along with a 4.4ha trailer staging area, located within the AMC Common User Facility," Mr Willcock said.

"Nearby, our forward-thinking and innovative Flinders Precinct is an industrial estate unlike anything ever before available in WA."

Located close to major roads, rail and the nearby bulk cargo port, Flinders Precinct is the first release of the visionary 1,400ha Latitude 32 Industry Zone and will incorporate the highest standard in sustainable practices, including cleaner technologies, recycling and design.

Living up to its green credentials, one of the precinct's design requirements is the implementation of a water tank for every business. An innovative calculator on [www.flindersprecinct.com.au](http://www.flindersprecinct.com.au) can help businesses easily determine their water tank needs.

Stages 1A and 1B have been tailored for general and transport industries with wide roads, large roundabouts and flow-through layouts for easy entry and exit.

There are nine lots for sale, ranging from 8,388sqm to 4.0886ha with planned amenities such as banks, cafes and lunch bars and public open spaces that will make it a nice environment in which to work.

Land is still available at the AMC within the Support Industry, Shipbuilding and Fabrication Precincts and at the Superlot, located at the Common User Facility, which provides waterfront access.

The Kwinana Industrial Area also has land available as does the Rockingham Industry Zone which is suitable for a variety of industries.

# REGIONS STIR TRADEWIND CHANGE



**Strong growth in regional WA** is prompting many small business and tradespeople to leave the concrete jungle for **lucrative opportunities** outside the metropolitan area.

The so-called “tradewind change” follows on the back of the sea and tree change phenomena which have led to a surge in demand for goods and services throughout regional WA.

City of Geraldton-Greenough Chief Executive Tony Brun said a quality lifestyle and high level of services and infrastructure were drawing people to the Mid West in particular.

“The city’s population has been increasing by about 2,000 people per year, which is fairly rapid, and has been a trend for a few years now,” Mr Brun said.

“There has been a lot of investment in the region and a diverse range of activities such as the new foreshore, construction of the Geraldton southern transport corridor, the CSIRO Square Kilometre Array demonstrator project and a new hospital.

“The Oakajee deepwater port and industry park will potentially enable Geraldton to become a nationally important logistics and transport hub.

“Notwithstanding the global economic situation, there is still a lot of optimism here and huge opportunities for growth.”

The last two months of 2008 saw a raft of our small industrial land releases in towns such as Kalbarri and Green Head to cater for the growth potential in the number of small businesses servicing the area’s fishing industry, mining and marine operations.

LandCorp Business Manager Regional South Dale Page said several towns were also looking to expand their light industrial areas due to growing demand from local and out-of-town businesses catering for the region.

“Our regional light industrial land estates cater for businesses of all sizes, from sole proprietors to small to medium businesses and corporate enterprises,” Ms Page said.

**“LANDCORP HAS BEEN HELPING COASTAL TOWNS INCLUDING CERVANTES, GREEN HEAD AND LEEMAN PREPARE FOR GROWTH AHEAD OF THE SCHEDULED COMPLETION OF THE INDIAN OCEAN DRIVE LINK BETWEEN LANCELIN AND CERVANTES.”**

“We are developing a new industrial estate to assist in the continued growth of Kalbarri as part of our regional program to provide key land developments where they are most needed,” Ms Page said.

In the North West, interest in industrial land servicing heavier industries, including construction and oil and gas sectors, has remained strong.

LandCorp’s Business Manager Regional North Peter McNally said the recent light industrial land release in Kununurra indicated demand was still high in the region.

“We have released Stage 1 of our 20 lot light industrial estate in Kununurra and a broad cross section of industries including warehousing, transport, machinery, builders, developers, earthmovers and industrial trades have registered interest in the release,” Mr McNally said.

And in Port Hedland’s Wedgefield light industrial estate, work is progressing on Stage 2 in which 19 lots are being created with built-in flexibility to amalgamate lots to create larger parcels of land.

## DID YOU KNOW?

**SOME OF THE BIGGEST PROJECTS FUELLING WA’S ECONOMY ARE BASED AT STRATEGIC HEAVY INDUSTRIAL ESTATES THROUGHOUT THE STATE.**

We play a significant role in delivering these specialised facilities. They are often unique in their nature as these examples show:

- A new 250ha heavy industrial park being developed in Collie will include a \$3.5billion coal gas to urea plant. The Shotts Industrial Park will be the home of Perdaman Chemicals and Fertilisers which will use about 140ha for its proposed project with more than 100ha available for other coal related industries.
- Key heavy industry sites such as Kwinana Industrial Area are leased, not sold, to ensure the State retains control of strategic locations throughout WA.
- The Burrup Industrial Estate is located in the Pilbara and is one of several strategic industrial estates planned to support the growth of downstream processing among the State’s resource industries.
- The Western Trade Coast is WA’s major integrated trade centre that takes in some of the State’s biggest industrial and strategic assets. The area stretches over 3,900ha between Munster and Rockingham and includes the Australian Marine Complex at Henderson, the new 1,400ha Latitude 32 Industry Zone, the Kwinana Industrial Area and the Rockingham Industry Zone.
- Mirambeena Industrial Estate in Albany provides land for specialist industries associated with the processing of local resources including fish, timber, farm produce and viticulture.

