



25 August, 2021

Att: Mr Jordan Shields

HB & B Property

Level 3, 75 O'Riordan Street,

Alexandria NSW 2015

via email: jshields@hbbproperty.com.au

Dear Jordan,

Operator Demand Analysis 120 place Long Day Care Centre at 34-36 Beenyup Road, Byford WA

Prior to committing to operating a Long Day Care (LDC) centre in any location, Genius Childcare Pty Ltd undertakes a detailed Demand Analysis in order to determine the long-term demand and viability of a successful long day care centre within that locality. As typical leases range 30-50 years terms, it is vital for the successful operation and profitability of the business to ensure that consideration is afforded to the existing demand and projected growth in each area for LDC Centres.

Following a review of the property at 34-36 Beenyup Road, Genius Childcare Pty Ltd deem the catchment area to be undersupplied as there is a **demand ratio of 1 : 4.5** within the catchment area. That is, 1 LDC place per 4.5 children aged between 0-5 years of age. This demand ratio is calculated by referencing SA2 data available from the data compiling mapping software, Gapmaps and Australian Bureau of Statistics (ABS) data. Generally, a demand ratio of 2.5 in any given location, deems the location to be undersupplied. Given the demand ratio in this specific catchment, Genius Childcare Pty Ltd believe **the catchment is undersupplied and suitable for a 120 place LDC Centre.**

The Location

- Within 3.5km of five (5) primary schools - Byford Primary, Beenyup Primary, Marri Grove Primary, West Byford Primary and Woodland Grove Primary.
- High exposure site on the corner of Beenyup Road and Amy Street, within an established residential area and in proximity to the Byford Town Centre.

The Existing Undersupply

With specific reference to the suburb of Byford, Gapmaps data indicates that:

- There current number of children aged between 0-5 years is 2,326 (+256 since 2016).
- There are 638 existing childcare places as at 2021.
- The suburb currently shows a demand ratio of 1:3.64, that is, 1 place per 3.64 children.
- The above statistics are based on the residential population only and would be more pronounced with an allowance for the working population and through-traffic in the area requiring childcare.



Projected Population Growth and Other Proposed Early Learning Facilities

There are two (2) unconstructed LDC Centres in the catchment:

- 2 Walter Road, Byford – 75 place LDCC approved in 2020. Construction has not commenced.
- 13/15 Beenyup Road, Byford – 100 place LDCC lodged with local council August 2021. Application not yet determined.

Should these facilities be approved and constructed, the number of childcare places available in Byford will increase to 813 LDC places. For the purpose of this analysis, we have assumed these will become operational within the next 5 years. On this assumption, we have undertaken a population growth analysis to determine the serviceable population within the Byford area in order to see the effects of these other facilities and demand for early learning services.

According to Gapmaps data:

- A further 353 children between 0-5 years of age are projected to be living in the Byford area within the next 5 years (to 2026); and
- A further 526 children between 0-5 years of age are projected to be living in the Byford area within the next 10 years (to 2031).

Should the 2 pending LDC Centres commence operating (assuming maximum capacity) along with the proposed development, the demand ratio will still remain within the undersupplied threshold at 1 place per 2.8 children.

The Operator

Genius Childcare is national childcare provider offering a premium and holistic education to Australian children. The Genius Group was initially a portfolio of two premium childcare centres in Melbourne and Brisbane and having spent the past three years developing the Genius Operating Model based on these premium centres, has implemented it throughout its acquired centres across Australia. Based on this work, the Genius Group is now rolling out the model to targeted centres around Australia to build a national footprint of high-quality centres to service their local communities.

Genius Childcare centres are carefully designed to create an open and inviting learning environment where children feel nurtured and inspired. Currently, Genius operates 29 centres across QLD, VIC, NSW, SA and WA.

Sincerely,

Elizabeth Phasey

Development Manager
Genius Childcare Pty Ltd