Downtown Oakville Economic Study

June 26, 2014
# Downtown Oakville Economic Study

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Executive Summary

J.C. Williams Group was retained by the Town of Oakville to conduct a retail oriented economic study of Downtown Oakville. The study is part of the process that feeds into the overall Downtown Plan including the Downtown Cultural Hub (DCH) study and the Downtown Transportation Study (DTS). It is noted that this is not a full service retail study for the Downtown but is intended to lay the foundation for how and why Downtown Oakville retail functions the way it does. There are three aims of the study:

1. To understand the consumer, retailer, and retail real estate trends affecting Downtown Oakville retailers.
2. To understand the current economic conditions of Downtown Oakville from a demand and supply perspective, and how they are changing.
3. To use the previous two assessments to gauge the future impact on Downtown from proposed scenarios and changes envisioned in the DCH and DTS.

Methodology

The process began in April 2014 with the study due in July 2014. The team engaged a wide variety of approaches with a range of stakeholders to understand the current and future demand and supply conditions. These approaches included the following:

- Attendance at key presentations
- Key person interviews with retailers and property owners
- Other stakeholder interviews
- Intercept and telephone consumer surveys
- An audit of existing retailers
- A survey of retailer rents and sales productivity factors
- Socio-economic changes
- An assessment of the retailer type changes from 1999 to 2014
- Retail trends

Note that information from retailers and landlords is presented in aggregate as confidentiality was ensured.
**Current Economic Health of Downtown Oakville**

**Consumer, Retailer and Retail Real Estate Trends**

- The sum of the trends point to increased pressure for Downtown Oakville retailers. A few years ago, there was significantly less competition, especially in the mid to high end price point categories. The changes in retail have begun to eliminate the middle players. Only luxury and value/discount categories are left vying for consumers’ share of wallet.

**Sales Productivity, Pedestrian Traffic, and Parking**

**Sales Productivity**

- For those retailers that shared sales growth/decline information, half of them stated sales had declined in the past two years.
- The inclement winter weather from December 2013 to March 2014 affected all retailers and, in particular, main street retailers. However, mall and power centre retailers were also affected as few people left their homes for additional trips.
- A handful of retailers indicated their sales were down significantly over the past two years.
- Most retailers were down -10% to -20% compared to two years ago.
- Fourteen per cent of the retailers said their sales were flat over the past two years.
- One-quarter indicated their sales were good or positive over the past two years.
- All retailers indicated pedestrian traffic was down significantly on the street.
- Half of the retailers said their conversion rates (percentage of sales for every visitor that comes in the store) were down, 25% said they had increased, and 25% said they were about the same.
- One-third said their average transaction size was higher, a further one-third said it had stayed constant, and the remaining third indicated that it had fallen.

**Pedestrian Traffic**

- From 2008 to 2012, pedestrian traffic had increased as measured at Thomas/Lakeshore and Dunn/Lakeshore.
- Assessing the parking metre revenue (adjusted for rate increases – constant index) for on-street parking space on Lakeshore and the north and side streets (excludes Water Street) shows that the opening of Lululemon in 2006 and the very good overall economic conditions led to a spike in parking metre revenue consistent with an increase in pedestrian traffic on the street. By 2013, revenue had declined slightly.
- Most retailers indicated that 2006 to 2008 were some of the highest sales volume years in Downtown Oakville.
The recession in 2008/2009 and changes at Sherway Gardens caused a decrease in traffic. However, consistent with the interviewees, Downtown Oakville retailers were able to rebuild their sales levels. The redevelopment of Mapleview Mall including the opening of Lululemon in August 2013, and the opening of Toronto Premium Outlets in the same month, caused traffic to decrease.

With the decline in sales came retail employment layoffs. Part of the pedestrian traffic decline is due to the fact that there are fewer workers in Downtown. Most interviewees indicated they had laid off 25% to 30% of their workers. This could easily account for over 1,000 fewer people in Downtown Oakville on a daily basis.

Parking

Many interviewees indicated there were both parking problems and a low pedestrian traffic problem. These two issues are inconsistent. Further probing revealed that the main issue is a lack of pedestrian traffic. Visitors still perceive Downtown Oakville to have a problem with parking but it is less of a concern for those who visit.

There was consistency related to parking issues including the following:

- Perceived aggressive enforcement and higher ticket fines (note that the Town has recently adjusted the enforcement and there appears to be fewer complaints). Enforcement should be used primarily to encourage turnover of vehicles (excludes those instances where cars are breaking the law by parking in front of fire hydrants or illegally taking accessible only parking spots, etc.). Long-term visitors need to be encouraged to park on lots and at garages.
- The price of parking is a concern for visitors doing errands and quick pickups. It is less of a concern for visitors from further away and those purchasing big ticket items.
- The availability of parking is always an issue in Downtowns where it appears the on-street parking is occupied.

Target Markets

J.C. Williams Group assessed each target market for its size, the type of potential Downtown visitor they are or could be, their expenditure, and their capture rate for Downtown Oakville. This includes the following:

Downtown, West Downtown, and S.E. Oakville Residents: It was noted that there is little growth except for West Downtown. This geographic area adjacent to Downtown has been extremely influential on Downtown Oakville’s retail sales. The shift to higher price points and a focus on the 40+ woman has served Downtown Oakville well. However, the aging baby boomer population is moving into retirement spending.
Retailers are having to adjust to appeal to the new socio-economic realities including the young adults who live west of Downtown, the moms/daughters segment, and men. **Regional Visitors and Big Ticket Items:** Regional visitors come to Downtown Oakville, but on an infrequent basis. Downtown Oakville is a top rated visited shopping location. Regional visitors tend to spend a high amount when they do shop. The regional visitation accounts for the largest volume of sales activity in Downtown Oakville.

**Downtown Daytime Workers:** This includes office workers but also retail employment and others.
- Workers spend a significant amount while at work on eating and drinking, but the range of choices offered in Downtown Oakville is not suited to their wants/needs.
- The loss of both retail employment and other workers has impacted the existing restaurants who have noted decreased sales and a desire for increased office employment in Downtown.
- Additionally, workers are spending on food, pharmacy, apparel, and gift items, primarily on their commute home. Downtown Oakville retailers can merchandise to capture these sales but it also requires retailers to extend their hours and market to this target market more effectively.

**Performing Arts Visitors:** The theatre is well attended and drives sales for restaurants in close vicinity. Visitors tend to want a full Downtown Oakville experience when they visit for a performance and restaurants are a major component of that. Eighty per cent stated they go for something to eat either before or after a performance, which is high.

**Downtown Central Library:** The library attracts a high number of visitors. They tend to spend a small amount but the cumulative total of all visitors adds to retail sales potential for food services. However, the current configuration with the entrance on the lower level decreases the synergy with Downtown Oakville retailers. In addition, the demographics of the typical library visitor is not matched with the mid to higher income retailers in Downtown Oakville.

**Harbour:** The well-used harbour attracts families, friends, and visitors during the summer months. It is part of the complete Downtown Oakville experience. The 423 slips add traffic for Downtown retailers and restaurants.

**Festival and Events:** Although only a small percentage of the trade area population attend, many come multiple times. Similar to the library, there is often a disconnect in the alignment between event attendees and the types of goods and services offered in Downtown.
**Museum and Art Galleries**: Visitors attend the O2 Galleries, as well as other museums, and the art supply galleries that represent various artists. Those who come to buy or from further distances tend to spend higher amounts and will stop for something to eat and shop.

**Downtown Oakville Retail Supply**

- As pedestrian traffic has decreased, many businesses are surviving by catering to their core customers. The result is that many are becoming more destination-only businesses. The cross shopping and synergy that existed before is being eroded. This has several implications, some of which are negative:
  - The stronger retailers will continue to get stronger and the weaker ones will suffer. This is in part driving some of the calls for free parking.
  - The movement to more fashion retailers in Downtown is significant. This has been at the cost of fewer home furnishings, leisure retailers, specialty food retailers, restaurants, etc. The focus on “shopping only” has diminished the experiential aspects of what makes downtowns and main streets so special, and especially Downtown Oakville. It is becoming much more mall oriented rather than complete experience oriented. As the shift to an efficient “mall” type shopping environment continues, there is increased pressure to be competitive with other malls. This is why there are continued calls for more parking and free parking, among other changes, in order to compete with malls.
  - There is disagreement amongst the retailers and the consumers on whether more brand name stores are the answer or more independents.
- The shift to shopping over experience also means that many retailers and restaurants that are struggling have shifted product lines and prices so that they are converging. Typically, Downtown retailers perform better and there is more cross shopping when they are merchandised “narrow and deep.” Now retailers in Downtown Oakville are selling products and goods that other retailers carry and for many, converging on prices so that there is very little differentiation.
- Overwhelmingly the interviewees want Downtown Oakville to have a full, rich diversity of experiences that include shopping, residential, office, art, culture, sporting, harbour, library, events, etc. and not to be solely shopping oriented. The compatibility of these different uses has implications including the following:
  - Restaurants that want to offer live music and patios with live music are confronted with local residents and noise issues.
  - Employee parking requirements mean that retail customers will have difficulty finding parking.
  - Performing arts including outdoor amphitheatres may be confronted with nearby residential noise issues.
Design issues related to encouraging flow of different target markets through Downtown and not keeping them isolated within one building structure.

Visitors to Downtown Oakville that just want to walk around, enjoy the sights and sounds, visit the waterfront, and not shop may annoy retailers who want dedicated shoppers to come into their businesses.

- The current trajectory that is more shopping oriented has very serious negative long-term consequences, as vacancies will continue to rise.

**Future Outlook for Downtown**

Downtown Oakville should:

- Focus and appeal to consumers and target markets to develop solutions suited to their needs. For retailers this includes their merchandise mix, assortment, marketing, online sales opportunities, etc. For the Town and BIA this also includes retention and recruitment programs that include retail mix, marketing, parking solutions, etc.
- Encourage connectivity that assesses the complete experience of visiting Downtown from the gateway/entrance, how they find parking that is suited to their trip needs, easy movement along the street, places to rest, signage and sandwich boards that draw consumers in, and easy to locate parked car and exiting strategies.
- Develop design-oriented solutions that encourage flow into and through Downtown by creating a diverse Downtown Oakville experience that includes shopper and restaurant patrons but also residential, office, harbour, Oakville Club, performing arts, library visitors, museum and art gallery attendees, waterfront and parks visitors, visitors searching out recreation and fitness, tourism, etc.
- Build on and enhance the overall Oakville brand.
- Create leasable retail commercial spaces and provide a range of sizes and rents throughout Lakeshore and the side streets that allow for shopping, hospitality, and neighbourhood goods and services.
- Commit time and resources to the long-term vision and strategy in addition to the short-term issues that need to be addressed such as road and sidewalk work. The Downtown and Town must know what it is that they want to be post construction; otherwise, it will fall further behind.
**Downtown Transportation and Cultural Hub Considerations**

J.C. Williams Group addresses the recommendations from a consumer and retail perspective. The following presents the assessment on the Downtown Transportation Study and the Downtown Cultural Hub Study from that lens.

**Downtown Transportation Study**

**Focus on the Target Customers**

As stated, Downtown Oakville should decide what type of consumer they are pursuing. This will affect the transportation and streetscape strategy.

The primary focus should be on women including families (moms and daughters), family members shopping together, and women shopping together. The traditional focus on older women (40 to 50+) is still a valuable market for Downtown Oakville retailers, but it is a shrinking market.

**Stakeholder Input**

- In terms of what visitors are most interested in to draw them to shop, the two most important factors were being able to walk around and overall appearance. These two factors impact the need to keep Downtown Oakville fresh, clean, vibrant, and fun, and the streetscape plan is one part of this.

- Throughout the surveys, respondents noted the need for more seating, benches, tables, and patios. They wanted to preserve the small town character and that included a strong emphasis on the parks, trails, waterfront access, harbour, and downtown connections. A high proportion of people come to Downtown Oakville for that specific purpose of being part of the natural elements in a Downtown setting. Connections and flow of pedestrians from different activity centres become critical to success including the waterfront, library, performing arts centre, galleries, retailers, restaurants, towne square, and parking.

- The retailers are supportive of expanded sidewalks so that they can do additional merchandising and/or patios. Approximately 50% of respondents currently use the sidewalk for merchandising and would continue to do so if the sidewalks were expanded. Of the other 50% that don’t currently use the sidewalks for merchandising, they stated they would consider using the sidewalks if they were wider (i.e., 75% would use the sidewalks for patios or merchandising or planters).

J.C. Williams Group is supportive of:
- Widening sidewalks on Lakeshore (as well as other side streets as appropriate),
- Curbless streets,
• Eliminating major portions of the centre lane.

Parking changes should take into consideration the desired shopping experiences of each target market, the desired parking experience, and determine what the implications are for Downtown Oakville.

Downtown Cultural Hub Study

Library
• J.C. Williams Group strongly believes that libraries are part of an overall Downtown experience and amenity offering. Libraries can add a significant volume of traffic to the street. The current visitation of 340,000 annual visitors creates activity to any downtown. Estimated expenditures of $2.50 to $3.00 per visitor translates into good sales opportunities for local cafes and coffee/tea places.
• Unfortunately, the current design of the Downtown Oakville library severely limits any pedestrian traffic. Most visitors enter from the lower level and do not use Navy Street at all.
• Many retailers stated that the present location of the library was not the best use of a prime spot in Downtown and the library should be located elsewhere.
• Consideration for the new space should include a focus on drawing daytime traffic including office workers and moms with children.
• Office workers (including those working from home) will drive food and beverage sales and could add new revenue to the facility.

Performing Arts Centre
• The Oakville Centre for Performing Arts has a significant impact on restaurants close to Navy Street (as far as George). Restaurants indicated that sales can double on a theatre night.
• The variety of events means that different restaurants benefit from casual concerts to more formal symphonies and galas.
• Clustering the two performance halls is the best situation for these restaurants and ensures a healthy restaurant activity throughout the year. While one venue is dark, the other can be hosting an event. Usually, most venues are only busy 25% to 30% of the year so it is conceivable that there could be an event at the PAC over 50% of the year. This helps during slower winter months. Clustering on the same site or within two blocks of one another is ideal.
• There is a need to extend beyond just the performing arts at the cultural hub to the greater Downtown cultural offerings that can include music in a restaurant, towne
square, art galleries (sales), and even beauty salons and shops that are required so that people look good when they attend a performance.

- As well, the creative technology office workers blend into the entire culture programming. Workers should be marketed better to encourage them to stay after work more often for events and activities.
- Many restaurants offer their own entertainment and this should be encouraged. Patios for music are key to this.
- There is always an issue with outdoor music and residents. Any program that combines residents with nearby restaurants or outdoor performing arts should take this into consideration.
- From both a noise standpoint and the fact that most restaurants want to increase their lunch business, adding office to the Cultural Hub site was a re-enforced message (office near the Cultural Hub ensures those restaurants have both a good daytime (worker lunch patrons) and a good night time (Cultural Hub attendees) to develop a good business plan for their restaurants.
- At present, many attendees park near Church Street, visit a restaurant and then go to the theatre. Changing the parking arrangement so that attendees park underground has the potential to disrupt food service opportunities in the Downtown. In the winter, attendees may come to the performing arts centre, park underground, and leave their winter coat in the car, as it may be bulky inside the theatre (they may have decided to buy dinner elsewhere on the way). The result is that they would not venture out of the centre for eating/drinking whereas previously if they parked on Church Street they may have been more inclined to eat Downtown.
- Similar to the library design comments – visitors must be encouraged to go to Downtown through the design of the parking garage, etc., so that they are not cocooned in the cultural hub (don’t leave).
- The restaurants should continue to be part of the Cultural Hub study.
- The restaurants would like right of first refusal on any RFP process if a restaurant were to be included in the Cultural Hub. However, this should be assessed further.

**Waterfront Park**

A clear driver of Downtown Oakville is the diversity of experiences and that includes the waterfront and parks. Just under 30% of trade area visitors go to the waterfront or park area in Downtown Oakville. This achieved the highest visitation level of all activities and it is clear that Downtown Oakville and the waterfront/harbour are interlinked. As it is one of the biggest drivers for visitation, investment in the waterfront park of the cultural hub is critical to the continued success of Downtown and maintaining its appeal.
In addition, J.C. Williams Group believes there should be a park on the east end of Downtown.

**Towne Square**

- Divided opinions. We asked people if they thought it should be more private sector patio or less. Most thought less, to keep it open for the public.
- Most retailers outside of Towne Square were not affected by it. Many thought it should not be a spending priority.
- The retailers want to maintain their patios. Several restaurants serve alcohol and need a patio area. Patio licensing is administered through Parks and Recreation, which is separate from other restaurants’ patio licensing.
- The parking garage is not well used but it is one of the least expensive places to park.
1.0 Introduction

J.C. Williams Group was retained by the Town of Oakville to conduct a retail oriented economic study of Downtown Oakville. The study is part of the process that feeds into the overall Downtown Plan including the Downtown Cultural Hub (DCH) study and the Downtown Transportation Study (DTS). It is noted that this is not a full service retail study for the Downtown but is intended to lay the foundation for how and why Downtown Oakville retail functions the way it does. There are three aims of the study:

1. Understand the consumer, retailer, and retail real estate trends affecting Downtown Oakville retailers.
2. Understand the current economic conditions of Downtown Oakville from a demand and supply perspective and how that is changing.
3. Use the previous two assessments to gauge the future impact on Downtown from proposed scenarios and changes envisioned in the DCH and DTS.

The study was conducted from April 2014 to July 2014 and while it includes historical data as a means of understanding the economic retail health of Downtown Oakville, the primary research reflects that point and time.

1.1 Methodology

The process began in April 2014 with the study due in July 2014. The team engaged a wide variety of approaches with a range of stakeholders to understand the current and future demand and supply conditions. These included the following:

- Attending key presentations by the DCH and DTS with the public/stakeholders to listen and hear the issues, concerns, options, and opportunities for Downtown Oakville’s proposed changes.
- Key person interviews with retailers and property owners. Sixty-nine interviews were conducted with retailers and landlords. Interviews were conducted via face-to-face, telephone, or online survey. They included retailers who rent, retailers who own their own building, retailers who run a business and rent out other retail units elsewhere in Downtown, and landlord or property managers.
- Other stakeholder interviews including Town staff, Downtown Oakville BIA, Oakville Chamber of Commerce Downtown Taskforce, brokers, local citizens, two Downtown residents’ associations, Oakville Club, Oakville Powerboat Club, Oakville Yacht Squadron, and consultants and staff associated with the two studies.
- Intercept and telephone surveys were conducted to understand expenditure and capture rates for a wide range of target market groups including performing arts attendees, free event attendees, library visitors, downtown employees, local and regional residents, harbour users, etc.
• An audit of existing retailers was conducted including an assessment of retailer type, size estimates, and competitive positioning by income and lifestyle.
• A survey of retailer rents and sales productivity factors (sales growth/decline and possible reasons associated with indicated shifts).
• Socio-economic changes were analyzed based on estimates of 2011 Census for 2013 and various smaller trade areas located in close proximity to Downtown.
• An assessment of the retailer type changes from 1999 to 2014 was completed based on Lakeshore only retailers.
• Retail trends were analyzed from a consumer, retailer, and retail real estate perspective that could potentially impact Downtown Oakville.
• Note that information from retailers and landlords is assessed from the total sample of respondents and in aggregate as confidentiality was ensured.

For all these data gathering approaches, the team was looking for commonalities to assess the following:
• Who are the main target markets; what is the value of each to Downtown Oakville retail businesses; how are they changing?
• What is the retail supply competitive positioning; how is it supported; what would be the optimal mix of retail in the future?
• How are these affected by proposed scenarios in the DCH and DTS programs?
2.0 Trends

Appendix A: Consumer, Retailer, and Retail Real Estate Trends assesses a full list of trends that did or could have an impact on Downtown Oakville. These include:

- Lack of real growth (measured in constant dollars) in disposable income for Ontario families. Families had to search out more value-oriented retail. In addition, there was a decline in real disposable income for the highest income families in Ontario, which would affect Oakville and Downtown Oakville shopping opportunities as household budgets were squeezed.

- Population growth that is primarily only coming from increased immigration and a focus on ethnicity as a growth vehicle for the GTA. Within ethnicity there are two major groups depending on whether the children were born in Canada or born overseas (the two groups shop differently; the latter being more focused on family relations). The changing socio-economics have affected Downtown Oakville, which has previously relied heavily upon mid to high-income Caucasian residents.

- A continued shift to more individualization in product offerings. This also carries over in terms of shopping, which includes shopping more often in smaller amounts (e.g., supermarket shopping). In addition, there are more males in charge of the household shopping decisions. The increased shopping pattern is good for some retailers as it increased traffic and sales overall but also it means that residents are more cost conscious when it comes to paying for parking for quick errands. For high-density urban areas, this is not an issue as increasingly residents walk to buy goods/services. However, for vehicular dependent Downtowns this is more of a concern.

- Stalled women’s fashion sales growth, in part due to deflationary pressures, has affected the entire clothing category. At the same time fashionable men’s clothing and footwear has had resurgence in sales growth.

- Food experience is becoming more of a dominant fixture in people’s daily lives. As stated, households are shopping for grocery items more often as the “just-in-time” consumer trend continues to take hold. Households are eating out more, brunch is a major decision on weekends, and specialty food and fresh fruit, vegetables, fish, etc. are experiencing exceptional growth. In addition, prepared, take away meals from the grocery have witnessed accelerated growth. Retail shopping that includes more food options is a factor as Oakville Place Mall just added an Oliver and Bonacini restaurant and have plans for a Pusateri’s grocery store. The addition of Whole Foods and Longos at Cornwall has changed the traffic patterns in mid Oakville.
Online sales have grown and will continue to grow. They have taken a significant piece of the retail entertainment and leisure categories including music stores, book stores, audio video, and home entertainment equipment. As well, office supplies are affected. There are smaller inroads for online fashion and grocery food but less for furniture and home furnishings. However, the success of online sales is due to the “omni-channel” factor. Those retailers that have witnessed faster growth embrace both bricks and mortar stores and online transactional websites. Retail real estate is still a very important part of the overall success formula for retailer growth. The difficulty is that the total sales from a single physical store may not truly represent the value of the real estate to the total sales of the company. What is not clear is how many people visit a store to view the merchandise, which influences them to buy the same product online. Downtown Oakville retailers that have embraced online transactional sales have witnessed success and are appealing to new target markets that were not part of the pedestrian traffic (extending their overall appeal).

With the pressure from online sales activity focused on entertainment and leisure categories, the power centre retailers will feel the increased changing consumption patterns first. Store closures of retailers such as Best Buy, Future Shop, Indigo, Chapters, and Staples will be felt at power centres. At the same time, there is a consolidation of shopping power at the major malls in Southern Ontario. Most malls have or are undergoing significant redevelopment and investment. For Downtown Oakville the investment in Mapleview, Sherway Gardens, and Square One creates greater competitors. However, Yorkdale and Toronto Eaton Centre are also major factors, especially in the luxury categories and first-to-market retailers. In addition, Toronto Premium Outlets is attracting the off-price luxury customer and the visible minority customer who wants discounted high-end brands.

Other factors include cross-border shopping. There is a clear correlation between a higher Canadian dollar and more single day trips to the U.S.
2.1 Implications for Downtown Oakville

- The sum of the trends point to increased pressure for Downtown Oakville retailers. A few years ago, there was significantly less competition, especially in the mid to high end price point categories. The changes in retail have begun to eliminate the middle players. Only luxury and value/discount categories are left vying for consumers’ share of wallet. Downtown Oakville retailers must continue to invest in their businesses and search out unique and exclusive products and services that appeal to the changing target market’s needs.

- Downtown Oakville must invest in a similar manner as other major malls and main streets to maintain market share and place of mind. Otherwise, as consumers continue to become less loyal and more fickle, they will easily switch to the newest and latest shopping area. However, while many are focused on the shopping and mall type experience, it is important to realize that Downtown Oakville offers more than any mall could ever deliver. While malls can have heat and air conditioning and the latest beautiful stores, they cannot replicate the diversity of experiences that Downtowns offer. On a beautiful spring day, nothing can compete with a great downtown environment for shopping and strolling.
3.0 Sales Productivity, Pedestrian Traffic, and Parking

3.1 Sales Productivity

- For those retailers that shared sales growth/decline information, half of them stated sales had declined in the past two years.
- The inclement winter weather from December 2013 to March 2014 affected all retailers in particular main street retailers. However, mall and power centre retailers were also affected as few people left their homes for additional trips.
- A handful of retailers indicated their sales were down significantly over the past two years.
- Most retailers were down -10% to -20% compared to two years ago.
- Fourteen per cent of the retailers said their sales were flat over the past two years.
- One-quarter indicated their sales were good or positive over the past two years.
- All retailers indicated pedestrian traffic was down significantly on the street.
- Half of the retailers said their conversion rates (percentage of sales for every visitor that comes in the store) were down, 25% said they had increased, and 25% said they were about the same.
- One-third said their average transaction size was higher, a further one-third said it had stayed constant, and the remaining third indicated that it had fallen.

3.2 Pedestrian Traffic

Appendix B: Downtown Oakville Background Report illustrates pedestrian traffic at the major intersections in Downtown Oakville. As George/Lakeshore is only a three-way intersection, it has less traffic than Dunn/Lakeshore but J.C. Williams Group estimates that George/Lakeshore has the highest pedestrian volumes. In addition, Dunn/Lakeshore has a high pedestrian volume.

- Most pedestrian counts were done in the Spring or Fall of 2012.
- From 2008 to 2012, pedestrian traffic has increased as measured at Thomas/Lakeshore and Dunn/Lakeshore.
- The highest number of children along Lakeshore were recorded at Dunn/Lakeshore, George/Lakeshore, and Navy/Lakeshore. The proximity to Towne Square, the library, Melonheads, and the toy store factor into these higher counts.
- Assessing the parking metre revenue (adjusted for rate increases – constant index) for on-street parking space on Lakeshore and the north and side streets (excludes Water Street) helps to illustrate the pedestrian traffic in Downtown Oakville. The opening of Lululemon in 2006 and the very good overall economic conditions led to
a spike in parking metre revenue consistent with an increase in pedestrian traffic on the street.

- Most retailers indicated that 2006 to 2008 were some of the high sales volume years in Downtown Oakville.
- The recession in 2008/2009 and changes at Sherway Gardens caused a decrease in traffic. However, consistent with the interviewees, Downtown Oakville retailers were able to rebuild their sales levels. The redevelopment of Mapleview Mall including the opening of Lululemon in August 2013, and the opening of Toronto Premium Outlets in the same month caused traffic to decrease substantially.
- With the decline in sales came retail employment layoffs. Part of the pedestrian traffic decline is due to the fact that there are fewer workers in Downtown. Most interviewees indicated they had laid off 25% to 30% of their workers. This could easily account for over 1,000 fewer people in Downtown Oakville on a daily basis.
3.3 Parking

- Many interviewees indicated there were both parking problems and a low pedestrian traffic problem. These two issues are inconsistent. Further probing revealed that the main issue is a lack of pedestrian traffic. Visitors still perceive Downtown Oakville to have a problem with parking but it is less a concern for those who visit.
- There was consistency related to parking issues including:
  - Aggressive enforcement and higher ticket fines (note that the Town has recently adjusted the enforcement and there appears to be fewer complaints). Enforcement should be used primarily to encourage turnover of vehicles (excludes those instances where cars are breaking the law by parking in front of fire hydrants or illegally taking accessible only parking spots, etc.). Long-term visitors need to be encouraged to park on lots and at garages.
  - The price of parking is a concern for visitors doing errands and quick pickups. It is less of a concern for visitors from further away and those purchasing big ticket items. The following map illustrates those who live close to Downtown has a concern with the price of parking as well as a mixed results from North QEW residents. Visitors from Burlington and Mississauga have less of a concern with the cost of parking.
  - The availability of parking is always an issue in Downtowns where it appears the on-street parking is occupied. The map on page 20 illustrates that nearby residents have less an issue with ease of finding parking. Those who live North QEW and in particular north of Upper Middle Road stated they have more difficulty finding parking.
Rating of Downtown Oakville on Factor: Cost of Parking on a Scale of 1 to 10 (10 being extremely satisfied)
Rating of Downtown Oakville on Factor: Ease of Parking on a Scale of 1 to 10 (10 being extremely satisfied)
4.0 Target Markets

The target markets for Downtown Oakville are varied and unique.

4.1 Local Residents

The geographic location of Downtown Oakville on Lake Ontario and surrounded on two sides by Sixteen Mile Creek means that the area is more isolated and cut-off from residential areas. There are only a handful of entrance points into Downtown. The small population in Downtown Oakville is not projected to increase significantly. There are a few projects under construction, but many are 20 to 35 units each.

The Downtown residential market attracts a very high income family. Often they are Oakville residents who are retiring and need to downsize from their current home to a condo or townhouse. The average selling price can be over $1,100/sq. ft., and many units sell for approximately $2 million. The type of consumer is older/retired, high income, and has multiple homes in places such as Florida, Muskoka, and elsewhere.

### Downtown, West and East Socio-economic Characteristics 2013

<table>
<thead>
<tr>
<th></th>
<th>Downtown</th>
<th>West Downtown</th>
<th>East Downtown</th>
<th>Total Downtown</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population 2013</strong></td>
<td>1,603</td>
<td>8,782</td>
<td>4,062</td>
<td>14,447</td>
</tr>
<tr>
<td><strong>Households 2013</strong></td>
<td>791</td>
<td>4,281</td>
<td>1,508</td>
<td>6,580</td>
</tr>
<tr>
<td><strong>Household Size</strong></td>
<td>1.82</td>
<td>2.02</td>
<td>2.47</td>
<td>2.10</td>
</tr>
<tr>
<td><strong>Age Profile</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 to 9</td>
<td>3.6%</td>
<td>7.9%</td>
<td>7.9%</td>
<td>7.4%</td>
</tr>
<tr>
<td>10 to 19</td>
<td>7.0%</td>
<td>9.3%</td>
<td>13.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>20 to 29</td>
<td>9.0%</td>
<td>13.3%</td>
<td>11.3%</td>
<td>12.3%</td>
</tr>
<tr>
<td>30 to 39</td>
<td>9.5%</td>
<td>13.5%</td>
<td>7.6%</td>
<td>10.2%</td>
</tr>
<tr>
<td>40 to 49</td>
<td>12.2%</td>
<td>14.9%</td>
<td>14.2%</td>
<td>14.4%</td>
</tr>
<tr>
<td>50 to 59</td>
<td>14.9%</td>
<td>14.0%</td>
<td>17.1%</td>
<td>15.0%</td>
</tr>
<tr>
<td>60 to 69</td>
<td>15.9%</td>
<td>11.3%</td>
<td>11.9%</td>
<td>12.0%</td>
</tr>
<tr>
<td>70 to 79</td>
<td>13.8%</td>
<td>9.4%</td>
<td>7.8%</td>
<td>9.4%</td>
</tr>
<tr>
<td>80+</td>
<td>15.0%</td>
<td>6.6%</td>
<td>9.2%</td>
<td>8.2%</td>
</tr>
<tr>
<td><strong>Median Age</strong></td>
<td>56.2</td>
<td>44.2</td>
<td>47.5</td>
<td>46.5</td>
</tr>
<tr>
<td><strong>Average Household Income</strong></td>
<td>$179,413</td>
<td>$80,481</td>
<td>$261,267</td>
<td>$133,803</td>
</tr>
<tr>
<td><strong>Male/Female</strong></td>
<td>43.9/56.1</td>
<td>46.6/53.4</td>
<td>47.1/52.9</td>
<td>46.4/53.6</td>
</tr>
</tbody>
</table>

*Source: Statistics Canada, Environics*
Projects such as Randall Residence will add 36 units and The Chelsea will add 24 units.

The population of Downtown Oakville will not change substantially based on modest infill projects on select sites (primarily north of Lakeshore).

The west Downtown Oakville area is growing and there are a number of higher density residential projects including Rain. The local demographics skew to younger adults (20 to 39 years of age) and moderate household incomes.

It is the east and the S.E. Oakville population that is the core target market for many retailers and service providers in Downtown Oakville.

**S.E. Oakville Primary Trade Area**

South of Lakeshore and east of Downtown is considered East Lakeshore and has the highest income and most affluent component of Oakville. Within this district, there are approximately 18,000 residents. The age is skewed to older adults and teenagers (moms and daughters). However, there is very little population growth within this demographic and the age profile will continue to shift to 60+ and the 40 to 59 year olds will begin to fall.

**S. E. Oakville Absolute Age Change 2008 to 2013**

![Age Change Chart](image)

*Source: Statistics Canada, Environics*
Lakeshore Effect
Even within the S.E. Oakville trade area there are differences. The households along the lake push up the overall household income profile.

S.E. Oakville Lakeshore Socio-economic Characteristics 2013

<table>
<thead>
<tr>
<th></th>
<th>Lakeshore Only</th>
<th>Other East Oakville</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2013</td>
<td>4,525</td>
<td>13,452</td>
<td>17,977</td>
</tr>
<tr>
<td>Average Household Income</td>
<td>$307,969</td>
<td>$258,507</td>
<td>$272,570</td>
</tr>
<tr>
<td>% of Population 50+</td>
<td>48.3%</td>
<td>41.3%</td>
<td>43.0%</td>
</tr>
<tr>
<td>% of Population 30 to 49</td>
<td>19.6%</td>
<td>21.7%</td>
<td>21.3%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, Environics

Implications for Downtown Oakville
This geographic area adjacent to Downtown has been extremely influential on Downtown Oakville’s retail sales. The shift to higher price points and a focus on the 40+ woman has served Downtown Oakville well. However, the aging baby boomer population is moving into retirement spending. Retailers are adjusting to appeal to the new socio-economic realities including the young adults who live west of Downtown, the moms/daughters segment, and men.
Downtown Trade Area

Background information related to the socio-economic characteristics of the Downtown Oakville trade area and the visitation survey are located in Appendix B: Downtown Oakville Background Report and Appendix C: Downtown Oakville Telephone Survey Results.

Salient findings:
• The trade area was defined as the major FSAs located primarily between Guelph Line to Mississauga Road and from Highway 407 to Lake Ontario.

• While Downtown Oakville households and S.E. Oakville households are more fashion and home focused, the regional residents are more focused on their families and children.
• There is low population growth and an aging population in S.E. Oakville.
• West of Downtown Oakville is a growing community of young adults with moderate household incomes.
• Seventy-six per cent of residents had visited in the summer and 65% in the winter. Fifty-five per cent had visited on a frequent basis.
• Downtown Oakville ranks well in comparison to the major malls in the region as a favourite shopping destination, but visitation tends to be infrequent.
• Residents come for a wide range of activities beyond eating and shopping. This lends to the diversity of Downtown. One of the major reasons/factors is the park areas, waterfront, and harbour access. However, employment, library, events, and performing arts are all activities that drive visitation.
• Eating and drinking is the most popular activity but shopping and browsing is a major activity as well.
• Visitors are grouped into three segments: (1) over one-third of visitors do not spend anything on non-food items (i.e., nothing except eating and drinking) on their visit to Downtown Oakville, (2) many buy small ticket items and run errands, and (3) the final group is there to do major shopping and spend relatively higher amounts at one time (regional visitors).
• Visitors want a comfortable, beautiful, and easy to walk around environment. Parking is a concern in terms of both availability and cost but not for all visitors. It is primarily a concern for the local residents that want to run errands and do quick shopping. Parking availability is rated more of a concern than the cost.
• There is a well noted disconnect between the price points of many of the retailers and the demographics of some of the visitors. This is noted in the criticism related to the selection of stores.
• The quality of stores, however, is a concern for visitors and should be addressed.
• Visitors have mixed messages when it comes to independent stores versus chains and the convenience associated with plazas and malls. Overwhelmingly visitors say they like small independents and the small charm of main streets but at the same time they state they will pay more for convenience above all else.
• Downtown Oakville captures 6.5% of eating and drinking expenditure and 5.5% of the clothing, footwear, and accessories expenditure. To support the current apparel, footwear, and jewellery square footage the capture rates need to be 6% to 7%.
• Further analysis of the eating and drinking expenditure reveals that Downtown Oakville could capture significantly more from residents and workers. At present there are good capture rates for performing arts attendees.
4.2  *Daytime Worker Population Including Office Workers*

**Who They Are**
Downtown Oakville has a diverse mix of retail and office workers.

**Daytime Workers 2013 Estimate**

<table>
<thead>
<tr>
<th></th>
<th>Downtown</th>
<th>West Side</th>
<th>East Side</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daytime Worker Population</td>
<td>11,580</td>
<td>5,994</td>
<td>6,144</td>
<td>23,718</td>
</tr>
</tbody>
</table>

*Source: Statistics Canada, Environics*

- The 11,580 daytime worker population includes:
  - Office workers such as doctors, lawyers, accountants, mortgage brokers, investment professionals, insurance professionals, other business professionals.
  - Retail workers.
  - Town staff such as at libraries, performing arts centre, etc. as well as those associated with the harbour.
  - Self employed residents.
- The daytime worker population is significantly affected by retail workers. Downtown Oakville is different than many other main street areas in non-Downtown Toronto areas. Others main street retailers would typically have the owner working along a few family members or limited staff. Downtown Oakville retailers have a higher number of employees working different hours. Some small retailers can have two or three additional full-time equivalent staff and some small retailers have 15 to 20 full-time equivalent staff.
- J.C. Williams Group estimates that the number of retail workers has been reduced significantly since 2013. During the interviews, retailers indicated that if they had five full-time equivalent employees in 2008 then in 2014 that would be reduced to three. Some retailers had employed a substantial number of workers in the past. In addition, many offices in Downtown Oakville, including the banks, have reduced staffing levels.
- The expenditure by workers in Downtown Oakville is significant. The findings from the intercept survey reveal food service related expenditures.
The average employee spends $972 annually on coffee, tea, and snacks and $1,320 on lunch. This is similar to expenditure levels for other Downtown office worker studies conducted by J.C. Williams Group and for the International Council of Shopping Centres assessing North American downtown employee spending. In addition, they spend $780 on breakfast before work and $2,232 on dinner after work. However, the capture rates for Downtown on these two specific categories are very low (e.g., workers are buying their morning coffee/muffin on their way to work but not necessarily in Downtown Oakville).

The Downtown Oakville capture rate (percentage of a customer’s total spend on a product or service that is spent directly in Downtown Oakville) for coffee, tea, snacks in Downtown Oakville is 57% and for lunch it is 47%. These are relatively low capture rates, as many leave Downtown for reasons related to increased quality, selection, price, and healthy options.

It was also stated that 29% of workers have increased their expenditure in Downtown Oakville for eating and drinking.

There is very little spend by workers on household items immediately before or during work. However, they do tend to spend approximately $4,000 annually on goods and services (non-food services) immediately after work and typically closer to home. Few retailers are able to capture this sales potential at present (partially due to store hours).

Thirty-eight per cent of Downtown workers stay after work in Downtown for arts and cultural activities and on average they attend 0.7 events per month (8.4 events per year).

Desired Experience

Compared to other suburban office business parks, Downtown Oakville offers a greater range of goods and services for employees. The range of choices in an attractive setting of Downtown Oakville would be perceived as a perk.

The difficulty for Downtown office recruitment is the lack of parking and the backlog on parking permits. Many workers are only interested in getting to/from work efficiently.

While workers do eat, shop, and stay after for cultural events, the capture rates and attendance is relatively low.

Downtown is suited to smaller boutique firms especially related to finance, real estate, insurance (FIRE), consulting, and creative-type industries who are looking for employee space beyond four walls and ample parking that includes a greater experiential aspect.
Implications for Downtown Oakville

- Clearly workers spend a significant amount while at work on food and beverages but the range of choices offered in Downtown Oakville is not suited to their wants/needs. More quick casual food services would recapture lost sales of workers.
- The loss of both retail employment and other workers has impacted the existing restaurants who have noted decreased sales and a desire for increased office employment in Downtown.
- Additionally, workers are spending on food, pharmacy, apparel, and gift items, primarily on their commute home. Downtown Oakville retailers can merchandise to capture these sales but it also requires retailers to extend their hours and market to this target market more effectively.
- A strategy for attracting more office workers to Downtown would have an impact on Downtown Oakville retail and food services. An increase of 1,000 employees could increase food service sales from $1,788,000 + and up to $4,000,000 for retail goods and services.
4.3 Performing Arts

Who They Are

- Of all the arts and culture related activities, the greatest economic impact for Downtown Oakville is through performing arts.
- Performing arts primarily includes the Oakville Centre for Performing Arts as well as smaller venues such as performances at houses of worship and bands at local bars and restaurants, among other events.
- The performing arts centre is a well visited venue that attracts on average 4,000 to 5,000 attendees monthly. There are few performances in the summer.
- Attendees include a broad range from traditional/formal occasions such as a symphony to a casual performance such as a concert, broadway show, or comedy show.
- It is clear the restaurants have established themselves in close proximity of the centre to take advantage of this additional traffic and sales opportunity.
- The restaurants near Navy Street (only as far away as Thomas/George) indicate that business is very reliant upon the performing arts attendee target market. As stated, the diversity of attendance from symphony, to broadway shows, to comedy, to mainstream concerts attracts a full range of visitors. The impact means that on one night a higher end restaurant would benefit and the other night a casual restaurant would benefit. This supports a diversity of restaurants that can benefit from the traffic.
- The statistics would indicate that there would be increased capture rates from a broader variety of performances. At present, 5% of the trade area visit Downtown Oakville for a theatrical or musical performance.
- The expenditure per person is quite high at approximately $50 (80% of respondents indicated they go out to eat either before or after a major performance). Expenditures are lower for smaller performances and casual events average $14 per person (64% of respondents indicated they go out to eat either before or after).
- The addition of more paid outdoor performances at the PAC will also benefit Downtown restaurants, but to a lesser extent. The expenditure would be closer to $14 to $20 per person at eating and drinking places as this would be a more casual event.
- Proposed indoor events at the performing arts centre would not garner any significant eating and drinking as the events are often catered.
- An estimated $3 is spent on retail goods/services, which is a very small amount. This is due to the fact that attending a performance is not conducive to shopping. In addition, the retail is not 100% aligned to the type of performance. Many casual and popular events attract people who would not typically shop at many Downtown Oakville retailers.
Desired Experience

- The high proportion of performing arts attendees who go to a restaurant either before or after an event is very high (80%). Clearly, visitors want a full experience and coming to Downtown Oakville is part and parcel of the entire cultural program.
- As such, the entire experience from the drive into Downtown, the parking, the restaurant, strolling the shops, the entrance to the theatre, and the after performance activities must be orchestrated so that the visitors feel special and part of a unique small town with exceptional service. This could include valet parking (could include a car wash), packages that include dinner reservations, gift bags such as samples from beauty supply stores, ushers with umbrellas for inclement weather, etc.

Implications for Downtown Oakville

- The two theatre plus outdoor events and performances could provide a very good traffic generator in the afternoons and evenings for Downtown Oakville. The increased regional draw should be marketed to entice attendees to come earlier and shop. The requirement will be to provide enough variety of restaurants and drinking places so that frequent visitors will not become bored with the options after a short period.
- Clustering the performing arts is key. It is ideal if they are in the same building or within one to two blocks of each other. The restaurants will be able to develop a stronger business plan based on traffic through the centre.
- It is important that the parking garage be designed so that it too helps to flow attendees to and through Downtown otherwise visitors will only stay within the cultural hub and synergy will be lost.
4.4 *Downtown Central Library*

**Who They Are**
- J.C. Williams Group is supportive of libraries as a significant draw to “main street” areas to help boost traffic on the street and provide additional sales activity. However, the current configuration on the Downtown Oakville location does not allow for significant flow of traffic to the Downtown. Most visitors enter from the lower level and do not exit onto Navy Street. Approximately 30% indicated they walked to the library.
- The library estimates visitation at approximately 340,000 annually. The surveys indicate visitors spend $2.38 to $2.60 per visit on food and beverages. Only 17% indicated they would eat or drink before or after a visit to the library. The capture rate of this expenditure would be lower as families and visitors may opt to pick up a drink at any location between their home and the library.
- There are children and young families but there are a number of older visitors including retired males.
- Sunday is the busiest day, primarily due to free parking.
- The demographics skew to a lower household income, which does not match the price points of many of the Downtown retailers.
- There is a core group of very loyal library visitors.
- The library believes that they are not attracting as many visitors from S.E. Oakville as they possibly could.

**Desired Experience**
- Library visitors do not spend a large amount of money on each visit but because the visitation rates are so high, the total impact can lead to a healthy impact on food service sales.
- If the library were in a different location or had a different physical design it may provide additional activity to the Downtown.
- The options for a flagship library and a digital hub are considerations to extend the draw and usage of the library, which is positive.
  - Attracting home-based workers through meeting rooms and other digital tools could include more expenditure on lunch meetings and other spending.
Implications for Downtown Oakville

- The redevelopment of the library in terms of programming and design should be viewed through the lens of attracting more target market consumers through the doors.
- The design should assess whether it is feasible to encourage visitors to enter and leave through the Navy portal. If not, then the prime location at Navy and Lakeshore may be reconsidered.
- In addition, library hours and any consideration of free parking must be assessed for positive benefits.
- The programming should determine if the digital hub and proposed changes would attract more would-be shoppers to Downtown. Again, these may be valuable services for local residents but it may be better suited to another Downtown location.
- As noted, the visitation along with the museum/art gallery may provide enough sales to warrant a small café.
- The home-based worker could benefit from a small gift shop offering office supplies while the children’s programs could attract specialty books and toys. Other historical memorabilia could be sold in the shop as well.
4.5 Harbour

Who They Are

- The Downtown Oakville waterfront can be a busy place in the summer drawing not only boaters from Oakville/Burlington but from further away. There is a noted shift of boater membership away from the baby boom generation to a younger demographic. There was a note that less than five years ago there were few members with young children and now young families represent a growing demographic.
- There are 423 slips in Downtown Oakville harbour on Sixteen Mile Creek excluding the canoes.
- Members tend to have mid to higher incomes and include both older households as well as a growing younger adult (35+) target market.
- The majority would be at their boat two times a month but the average visitation was 1.7 times per month.
- There are a number of outside visitors using the slips for daily or overnight visitation.
- It is estimated that half of those visiting the harbour will go for something to eat or drink (mostly likely in Downtown Oakville) and spend on average $17 per person.
- The expenditure on retail goods and services is sporadic with a few people spending. Boaters do browse the retailers in Downtown.
- Most note that there is no additional need for grocery or supply retail near the harbour. They are content with finding supplies on their way to their boat slips.

Desired Experience

- There is synergy between the harbour members and Downtown restaurants.
- It was noted that many boaters do shop during the weekend in Downtown Oakville.
- Overall, it tends to be a more casual eating and drinking target market rather than a formal dining experience.
- There is more Downtown retail and restaurant synergy with the boat slips on the east side of Sixteen Mile Creek compared to the west side but they indicated they do cross the bridge to go out for a meal or visit Downtown.

Implications for Downtown Oakville

- The Downtown Oakville Harbour on Sixteen Mile Creek has a mid to high income niche market. They are the type of consumers that fit well with the current retail offering in Downtown Oakville. However, the small group actually brings a number of people per boat and the expenditures can be significant for the restaurants as well as select retailers.
4.6  Festivals and Events

Who They Are

- Downtown Oakville has a number of signature events and festivals including the Oakville Jazz Festival, Midnight Madness, Christmas/holiday, and others including skating in Towne Square.
- The attendance for the Jazz Festival can be 100,000 to 150,000 over the two day event (may include the same individual entering several times or over several days). There are an estimated 25,000 to 50,000 people at any one time in Downtown Oakville. These events draw over 40% of visitors from outside Oakville.
- Midnight Madness is a more local event.
- The demographic characteristics of the attendees varies but few high household income visitors attend the events.

Desired Experience

- During an event, visitors can expect to spend just under $20 per person on eating and beverages and a further $5 on retail goods and services. However, this is spent at anytime on their way to, from, or during the event.
- The restaurants benefit from events but many retailers do not. Once again, this is due in part from the split in demographics of those who attend compared against the price points of most of the retailers in Downtown Oakville. Mid to high income households do not attend the events as often as other households.

Implications for Downtown Oakville

- Although only a small percentage of the trade area population attend, many come multiple times. The expenditure on eating and drinking as well as retail merchandise is significant. Options may include developing more events and programs for the ideal age and income profile they wish to attract. In addition, retailers need to use the events as an opportunity to market themselves to potential customers through awareness only campaigns (not selling campaigns). Retailers need to build their database of potential shoppers and market to them using social media and printed materials. Finally, programs may assess different times for events so that it interferes less with prime shopping times.
4.7 Museum and Art Galleries

Who They Are
- Downtown Oakville has a branch of the O2 Galleries, Erchless Estate, several art galleries for display and sale, and fine art and antique auction houses.
- The proposed changes include consolidating the O2 Galleries into one location in Downtown Oakville.
- Current attendance for all of O2 Galleries is approximately 25,000 annually.
- A significant component of the attendance is children’s programming and camps.
- As the O2 Gallery is the sixth largest contemporary arts facility, it does draw regionally for visitors who are searching out that experience. This includes the GTA.
- In addition, throughout Downtown there are several art galleries with exclusive arrangements with artists to show and sell their works. It was noted that there are fewer than in previous years.
- According to the surveys, over half (54%) would go for something to eat or drink before or after and often they would go shopping and spend. Average expenditure per visitor is $13.53 on food and beverage and $5.68 on retail merchandise goods and services.
- This is a small target market but they do spend and will shop while in Downtown.

Desired Experience
- For the art galleries and museum, there is a desire to extend the visit including eating and drinking as well as shopping. The Downtown Oakville experience is conducive to extending the stay of visitors through the retail offering and other amenities such as the waterfront.
- The Oakville Galleries is looking to draw increased partnerships with the theatre and library visitors. The combined effect could increase the regional draw. Visitors who come from greater distances tend to stay longer to ensure the visit was worth the commute time.
- The library’s focus on young families and O2 Galleries children’s programs could be a good mix.

Implications for Downtown Oakville
- There is an opportunity for increased sales in Downtown Oakville through higher museum and art gallery visitation.
- The combination of a library and museum could support a small cafe if marketed correctly and with a good business plan.
- Similarly, a small gift shop could support gallery related product offering.
4.8 Regional Visitors for Major Shopping (Big Ticket Shopping)

Who They Are
- Downtown Oakville draws from a wide geographic area for big ticket item shopping. This includes Mississauga and Burlington as well as Milton, Cambridge, Georgetown, Hamilton, Toronto, and other nearby areas.
- The target market is primarily female and mid to higher income.
- Their visitation tends to be infrequent but they stay for an extended period.
- They will return for additional fittings and pick up of items but these visitations tend to be much shorter in duration.
- In the past, they might shop more in a group and make a full day of it but the trend is towards increased destination only shopping (visit one or two of their favourite retailers that they trust).
- The age profile tends to be older (40+) but many retailers still target 50+ (ladies who lunch). Many retailers have repositioned themselves to appeal to a younger demographic or a mom/daughter target market.
- Visitors often have multiple homes including cottages and in the south (Muskoka and Florida), and retailers try to position and appeal to them this way.
- There is noted pull back in expenditure on many large ticket items.
- For home furnishings, the decisions may not be with the home owner but with the hired interior designer.
- The trade area captures approximately 5.5% of the household apparel (clothing, footwear, and jewellery/accessories spending).

Desired Experience
- They shop in Downtown Oakville for specific brands that a particular retailer carries or for that retailer’s expertise in curating specific looks for them.
- In the past Lululemon was a significant draw for Downtown, as it opened in 2006 and was the only location in the western GTA until 2009. The recent August 2013 opening of Lululemon at Maplevision Mall in Burlington drew away a significant part of the western trade area target market shopper who would travel a longer distance for an overall Downtown Oakville shopping trip.
- As stated, there is less cross shopping, more destination oriented shopping, and price deflation. Retailers did state that they are able to sell more effectively to them on each trip through increased basket sizes and conversion rates.
• Shoppers expect exceptional customer service. They want to stay informed by their trusted sales associate on new trends and products that are available. The customers anticipate advice on how to put a complete outfit together so staffing is critical to the overall success of each retailer. Many offer beverages and snack food for customers. In addition, they go the extra mile and provide a delivery service.
• The range of apparel shopping can include: dress code/work and daytime wear; weekend casual looks, fun outfits for going out for a casual night; and times when the event calls for them to sparkle and dazzle for a gala event (special occasion).

Implications for Downtown Oakville
• The fashion component of Downtown Oakville is a mainstay for a large number of businesses.
• This has doubled since 2007 and there is a shift towards international chains with limited locations (e.g., Triple Flip, Masska, Mendocino, Anthropologie). This is complemented by the small independent boutiques.
• Most independent fashion retailers buy their merchandise from suppliers and have to charge full markups. However, the growth is in vertically integrated chain retailers such as Anthropologie, Tommy Bahama, Lily Pulitzer, and Mendocino, among others. The benefit for these vertically oriented retailers is that their gross margins are higher and therefore they can afford higher rents. Fashion retailers such as Burrows that must source their products from suppliers have tighter gross margins that can be squeezed further when they discount and offer sales.
• There is increased synergy and customer draw capability when the diversity of the fashion retailers is positioned as “narrow and deep”. This means that the retailer is specialized in a select market (e.g., high-end footwear) and within that category, they carry an extensive assortment (e.g., the full line of Manolo Blanik shoes). Therefore, the customer will shop multiple stores. When retailers begin to carry the same merchandise as others, the synergy is lost for the fashion oriented retailers and the retailers become a destination themselves. This is counterproductive and goes against building a viable downtown shopping environment. At this point fashion retailers begin to question whether they would be better off locating elsewhere in a plaza that provides convenient free parking.
• It is the regional visitors that sustain Downtown Oakville’s big ticket retailers. This is implications for marketing, recruitment, and overall strategy for Downtown Oakville.
4.9 **Errands**

**Who They Are**
- There is a range of different target markets who are in Downtown Oakville to do quick errands. This includes:
  - Downtown and S.E. Oakville residents.
  - North QEW Oakville residents.
  - Downtown workers.
- They are in Downtown Oakville for various reasons including quick gift purchases, a tea/coffee, picking up dry cleaning, picking up hemmed pants, banking, children’s haircuts, and dropping off books at the library, among other reasons.
- As stated, the overall trend is for more frequent purchases for immediate needs, especially related to food and grocery.

**Desired Experience**
- These visitors view Downtown Oakville as their local shopping place to get quick purchases done. Their expectation is that parking should be very cheap or free and that they will be able to find parking immediately in front of their store or service provider.
- They can become annoyed by out-of-town visitors who clog the streets and take parking.

**Implications for Downtown Oakville**
- A full service Downtown needs to have retailers and services that cater to local residents and workers flowing throughout the area. This provides needed sales activity on a weekday and creates a more lively atmosphere.
- Downtown Oakville is light in terms of providing neighbourhood goods and services. The specialty food stores tend to have a regional appeal as well as local.
- At the same time, the desired result is not to have an overwhelming collection of personal services, professional services type retailers throughout the Downtown, and not necessarily on Lakeshore Road East.
- The local neighbourhood retailers are ideally suited to side streets close to ample parking that provide very quick in/out accessibility.
- Retailers in other main street areas have tried to think outside the box to address parking availability issues including providing increased delivery options.
5.0 Summary Target Markets and Expenditure

The following chart provides a summary of the wide range of current and future target markets for Downtown Oakville including:

- Downtown residents
- S.E. Oakville residents
- West Downtown residents
- Trade area residents
- Downtown workers
- Performing arts attendees – split between indoor performance, film, outdoor performance and events
- Library visitors
- Museum and art gallery visitors
- Harbour visitors
- Special event attendees.

5.1 Approach and Methodology

- For each target market segment an actual or estimated population, visitors, or attendees was included based on J.C. Williams Group’s review of secondary information or primary research.
- The total expenditure is the amount of potential sales for each visitor by product categories that are most relevant to Downtown Oakville. This includes food services, clothing and accessories, other retail that includes home furnishings, leisure retailers, art galleries, etc. In some instances, the expenditure was based on an average amount if there was a range of expenditure (e.g., those attending a comedy show at the theatre compared to those attending the symphony at the theatre spend different amounts on a meal before or after the performance).
- The capture rate for Downtown Oakville by each retailer category is based on the current primary research conducted by J.C. Williams Group.
- The Downtown capture rate in $ millions is the combination of the total population multiplied by the expenditure per person multiplied by the Downtown Oakville capture rate. This is the total sales for each category based on current target market sizes, expenditures, and capture rates.
- The warranted square footage is based on applying accept sales/square foot productivity ratios to the sales (e.g. $500/sq. ft. for clothing and accessories).
- This is the base case scenario. To adjust for options and scenarios proposed in the DCH and DTS studies or other initiatives such as recruitment, marketing, then the model can help illustrate the increased sales or square footage that would be warranted.
## Summary of Current and Future Target Markets for Downtown Oakville

<table>
<thead>
<tr>
<th>Target Market</th>
<th>Downtown Residents</th>
<th>S.E. Oakville</th>
<th>West Downtown</th>
<th>Rest of Trade Area</th>
<th>Downtown Workers</th>
<th>Performing Arts</th>
<th>Library</th>
<th>Museum</th>
<th>Marina</th>
<th>Festivals and Events</th>
<th>Additional Inflow</th>
<th>Total</th>
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<td>Comments</td>
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<td>Low growth</td>
<td>Higher growth</td>
<td>Decreased due to loss of retail employees and some workers</td>
<td>Potential to add over 30,000 attendees</td>
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<td>1.7 visits/month for 3.5 months @ 4 people</td>
<td>Reduced for same person visiting same event multiple times</td>
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<td>Expenditure Per Person</td>
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<td></td>
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<tr>
<td>Clothing and Accessories</td>
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<td>$2,129</td>
<td>$661</td>
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<td></td>
<td>$3</td>
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<tr>
<td>Other Retail</td>
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<td>$549</td>
<td>$959</td>
<td>$324</td>
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### Downtown Capture Rates

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<th>Food Services</th>
<th>Food and Beverage</th>
<th>Healthy, Pharmacy</th>
<th>Clothing and Accessories</th>
<th>Other Retail</th>
<th>Personal Services</th>
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<tr>
<td></td>
<td>10%</td>
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<td>2%</td>
<td>18%</td>
<td>5%</td>
<td>15%</td>
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<tr>
<td>Food Services</td>
<td>10%</td>
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<td>2%</td>
<td>18%</td>
<td>5%</td>
<td>15%</td>
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<tr>
<td>Food and Beverage</td>
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<tr>
<td>Clothing and Accessories</td>
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<td>2%</td>
<td>5%</td>
<td>2%</td>
<td>4%</td>
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<tr>
<td>Other Retail</td>
<td>36%</td>
<td>2%</td>
<td>2%</td>
<td>5%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Personal Services</td>
<td>36%</td>
<td>2%</td>
<td>2%</td>
<td>5%</td>
<td>2%</td>
<td>4%</td>
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### Summary of Current and Future Target Markets for Downtown Oakville (Continued)

<table>
<thead>
<tr>
<th>Target Market</th>
<th>Downtown Residents</th>
<th>S.E. Oakville</th>
<th>West Downtown</th>
<th>Rest of Trade Area</th>
<th>Downtown Workers</th>
<th>Performing Arts</th>
<th>Library</th>
<th>Museum</th>
<th>Marina</th>
<th>Festivals and Events</th>
<th>Additional Inflow</th>
<th>Total ($ million)</th>
</tr>
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<tbody>
<tr>
<td>Downtown Capture ($ million)</td>
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<td></td>
<td></td>
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<td>Clothing and Accessories</td>
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<tr>
<td>Other Retail</td>
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<td>$0.23</td>
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<tr>
<td>Personal Services</td>
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<td>$4.96</td>
<td>$0.72</td>
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</tr>
<tr>
<td>Total ($ million)</td>
<td>$1.37</td>
<td>$19.14</td>
<td>$2.39</td>
<td>$60.11</td>
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<td>$0.90</td>
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<td>$0.03</td>
<td>$0.08</td>
<td>$1.03</td>
<td></td>
<td>$97.1</td>
</tr>
</tbody>
</table>

| Warranted Square Footage |                        |               |               |                    |                  |                 |         |        |        |                     |                   |                  |
| Food Services           | 666                  | 9,821         | 1,503         | 45,819             | 23,578           | 1,994           | 944     | 48     | 168    | 1,723               | 87,864            |                   |
| Food and Beverage       | 192                  | 2,571         | 298           | 8,076              | 499              | 57              | 7       | 7      | 133    | 1,183               | 13,016            |                   |
| Healthy, Pharmacy       | 62                   | 628           | 196           | 5,965              | 121              |                 |         |        |        | 558                 | 7,531             |                   |
| Clothing and Accessories| 864                  | 12,826        | 1,161         | 25,893             | 682              |                 |         |        |        | 14                  | 12,432            | 53,871           |
| Other Retail            | 260                  | 3,918         | 276           | 14,302             | 370              |                 |         |        |        | 17                  | 649               | 23,751           |
| Personal Services       | 1,282                | 16,525        | 2,409         | 26,542             | 525              |                 |         |        |        | 11,821              | 59,103            |                   |
| Total Sq. Ft.           | 3,326                | 46,289        | 5,844         | 126,597            | 25,774           | 1,994           | 1,001   | 79     | 175    | 2,383               | 53,365            | 245,137          |
Downtown Oakville Capture Rate for Household Restaurant Expenditure
Downtown Oakville Capture Rate for Household Clothing and Accessories Expenditure
6.0 Downtown Oakville Retail Supply

J.C. Williams Group analyzed:
- The change in the number of retail categories along Lakeshore Road East only from 1999 to 2014.
- The current retail mix of the entire study area in May 2014 (note there were constantly changing retail numbers as retailers were opening and closing at the same time).
- The competitive positioning of fashion (apparel, footwear, and accessories/jewellery) and restaurants in Downtown Oakville in terms of income and lifestyle appeal.
- Gross retail rents and valuations.

Statistics, charts, and tables that back up these findings are located in Appendix C: Downtown Oakville Retail Supply Conditions.

6.1 Retail Change Over Time

Salient findings:
- The vacancy had been very low in the past. It is a concern in 2014.
- There has been a significant shift in apparel and accessories, growing from 26 retailers in 1999 to 44 retailer in 2014 (Lakeshore locations only).
- At the same time, there has been a noticeable shift to fewer furniture, home furnishings, and sporting, leisure, gift, art, antique, and hobby retailers.
- These two shifts are a function of increased rents that favour higher margin apparel retailers (especially vertically integrated ones such as Anthropologie that produces their own clothing lines).
- The diverse mix of retailers that was present in 2007 is less evident in 2014.
- There is no significant change in the number of food services including both full service restaurants and quick service/limited service places (noted increase in Downtown Burlington, Port Credit, and Yonge/Eglinton).
- Vacancy is a combination of a number of factors including retiring store owners, ill-conceived concepts, competitive locations for would-be retailers to locate, and rents.
6.2 2014 Retail Audit

The retail audit of the Downtown Oakville study area includes the following findings:

- There is an estimated 425,000 sq. ft. of retail on the ground level or easily accessible retail locations (second or lower level locations).
- This includes 257 retailer locations.
- At present there were 21 vacant retail units accounting for 49,932 sq. ft. of space or 11.7%. This is a concern. There were indications that a further nine retailers will close (retirement, relocation to lower rent locations, or concept did not work in Downtown Oakville) accounting for 13,349 sq. ft. This would push the vacancy rate to 14.8%.
- Retail merchandise is the most dominant retail category representing 32% of the total retail square footage. Within this category, apparel, footwear, jewellery, and luggage make up the majority of the retailers. Clearly, Downtown Oakville is dominant in fashion and, in particular, women’s fashion. This is significantly more fashion retail compared to other main streets but much less than major malls.
- Downtown Oakville is also dominant in food services. Over 20% of the total square footage is devoted to food services, primarily full service restaurants. Many of the restaurants are owner occupied and some operators own several locations creating increased diversity of offering.
- The third dominant category is beauty, barber, and aesthetics. There are 37 retailers accounting for 48,050 sq. ft. or 11% of the total square footage. Clearly, the high end salons and beauty services are a draw for Downtown Oakville and complement both the fashion and food services component (e.g., a customer may get their hair and makeup done, may go out for a light lunch, and may pick up a new outfit for attending the symphony).
- An interesting note is the high number of fitness and recreation studios in Downtown Oakville. Keeping fit is a key component of the Oakville lifestyle and there are a range of choices for residents to choose from.
- From a cultural perspective, there is a unique combination of goods and services that complement one another. This includes restaurants that offer entertainment including music, restaurants that cater to visitors to the performing arts centre, the art galleries and places to buy art, and a push towards employment that is focused more on creative industries that fit in with a desire to be in a beautiful downtown waterfront setting as opposed to a business park.
- There are a number of small specialty food stores and a small urban grocer that work well in Downtown. Visitors from longer distances do shop at the specialty food stores for unique products.
- At present there are not a significant number of professional services occupying prime retail locations. The higher rents may be a factor in keeping the Downtown ground level primarily focused on retail categories.
- Overall, there are only a few neighbourhood focused retailers.
6.3 Regional Competitive Positioning

- Regionally, Downtown Oakville competes with Sherway Gardens, Mapleview Mall, and, to a certain extent, Oakville Place, Square One, and Burlington Mall for shopping.
- For higher income consumers, Downtown Oakville competes with Sherway Gardens. For mid to high income consumers in the west, Downtown competes with Mapleview Mall.
- The above fact became very clear regarding the impact of Lululemon on Downtown Oakville. In 2006 Lululemon opened the first location in the western GTA in Downtown Oakville. Reviewing pedestrian traffic data for Downtown and parking metre revenue index reveals a significant boost to pedestrian traffic due to the presences of this specific retailer. Interviews with retailers in Downtown Oakville confirmed the cross over shopping that occurred as a result. The store drew from significant distances for consumers to shop. In 2009, Lululemon opened in Sherway Gardens. There was a decline in traffic. However, it was the August 2013 Lululemon opening at Mapleview (along with the redevelopment of the mall to include other major retailers such as Coach, Michael Kors, Victoria’s Secret, Sephora, Forever 21, Apple, etc.) that caused a significant decrease in overall pedestrian traffic. The redevelopment of Sherway Gardens including Nordstrom and Saks is a concern for higher income shopping.
- J.C. Williams Group believes that the Downtown Oakville Lululemon is still a highly productive store but the new locations did cannibalize traffic that supported other Downtown retailers. Those affected include some “small ticket” item retailers such as cafes, and retailers that sell goods for under $20/$30.
- Retailers noted that there are fewer people just browsing and looking around their stores.
- In addition, Toronto Premium Outlets opened on August 1, 2013. The combined effect of Mapleview and Toronto Premium Outlets siphoned off pedestrian traffic away from Downtown Oakville. One Downtown Oakville retailer indicated that August 1, 2013, was the worst sales day on record for the entire history of the store.
- The high end outlet mall experience is a concern as it appeals to a growing segment of the GTA socio-economics: immigration and visible minority residents.
- It was noted that from 2008 to 2013, 422 new apparel, footwear, jewellery, and luggage retailers opened in the area bounded by Highway 427 to Burlington Skyway Bridge and south of Highway 407.
• Finally, within Oakville, there is increased competition including:
  - Cornwall: the grocery anchored plaza is drawing visitors on a frequent basis as consumers have shifted from weekly purchasing to multiple times/week purchasing thereby increasing adjacent retailer visibility factors. Lower rents and accessible free parking are competitive factors along with high visibility.
  - Oakville Place: RioCan recently purchased the mall and is set to redevelop some of the key spaces including the recent addition of Oliver and Bonacini restaurant and a proposed Pusateri’s supermarket.
  - North Oakville: places such as Dundas/Trafalgar cater to the North Oakville household weekly needs including restaurants, cafes, and shopping resulting in less need for households to venture to South of QEW for shopping.

6.4 Downtown Oakville Competitive Positioning

• Within Downtown Oakville there is a growing concern related to the lack of innovation amongst the retailers. As revenues for many retailers have declined in the past year (or two to three years), they have searched to find ways to regain sales. Unfortunately, many retailers have opted to look at others in Downtown and begun to carry similar goods and services. This has led to a convergence on prices and product offering. This is true for food services as well as retailers. Each retailer becomes its own destination and instead of encouraging cross shopping amongst the retailers, customers only visit their select retailer.

• There are two major types of retailers in Downtown Oakville: big ticket and small ticket retailers.

Big Ticket Items

• The big ticket items include higher end apparel stores, among others. Overall, these retailers are performing moderately well. Some have increased sales, some are flat, and some have witnessed small decreases (under 10%). These retailers draw from further away, they have their own client list, they work hard on personal relationships with a small loyal target base, have expanded their product offering to appeal to a greater socio-economic profile, and have included online transactional websites among other ways to maintain revenue levels.

• They have noted that pedestrian traffic is much lower on the street compared to the previous two years. In addition, traffic in their stores is lower. However, many indicated that the conversion rate (sales completed per customer in the store) and basket size (dollar volume of each transaction) are approximately the same or larger. The customers that are coming into their stores are more destination oriented and are seeking something specific from the curated collection.
• A key defining element of Downtown retail is when retailers adhere to merchandising narrow and deep. This means that each retailer has a specific focus and within that they carry a deep assortment. For an eyewear store, this would be a decision to focus on high-end brand specific eyewear and include the full assortments by Prada, Gucci, and Tom Ford.

• It becomes an issue when retailers diffuse their product offering by copying other retailers or move into selling products or services that aren't their specialization. The result is that each retailer wants to become a destination store thereby further eroding cross shopping opportunities.

• There is a natural lifecycle to each retailer as noted in Appendix A: Consumer, Retailer, and Retail Real Estate Trends. No retailer should expect to merchandise and sell the same products and services that they did ten years ago and do well. Consumers are constantly demanding change, updates, new fresh ideas, etc. Major malls sign leases with retailers that require them on each lease renegotiation period (often five years) to invest significant Capex (capital expenditure) in their store to keep it fresh and innovative looking.

• For Downtown Oakville, this is also a pressing issue as the socio-economics of the GTA and, in particular, S.E. Oakville reveal that the core customer (the 50+ higher income women) is now moving into retirement and will be shopping significantly less than before. Downtown retailers that indicated they are doing moderately well or had small decreases have shifted their merchandise appeal to a younger demographic as well as pursuing the mom/daughter segment.

Small Ticket Items

• For smaller ticket items, there has been a greater impact as a result of less pedestrian traffic. As indicated, the loss of the shopper from the Burlington/Milton area along with changes to more destination retailing means there are fewer people on the street to browse, do impulse buys, buy a coffee/tea or snack/lunch item, and/or pick up small gift and personal items.
Restaurants

- The food service sector in Downtown Oakville is fortunate to be able to draw upon a wide range of target markets to support sales. This includes Downtown workers for lunch and after work dinner/drinks, regional visitors for lunch and quick service, performing arts for dinner, harbour visitors for dinner/drinks, library visitors for quick service, and other local and regional residents for formal and casual dining.

- As noted, there is less pedestrian traffic in Downtown Oakville. This affects sales. Also, the retail employment has decreased significantly as retailers have let go one-quarter to one-third of their workforce to adjust to lower sales. This could account for a loss of approximately 1,000 fewer workers in Downtown Oakville. This also results in less pedestrian traffic and less sales at lunch for the local restaurants and food service providers (estimated loss of $2 million due directly from loss of 1,000 retail workers for coffee, tea, snacks, and lunch).

- As noted in Appendix A: Consumer, Retailer, and Retail Real Estate Trends, other districts such as Downtown Burlington, Port Credit and Yonge/Eglinton have increased the food service offering. These include more eclectic eateries and more casual restaurants including quick service. This provides strong competition for Downtown Oakville. Also, restaurants on Cornwall (e.g., Harper’s Landing) and other North QEW restaurants provide additional competition. It is noted that there is a convergence on price and lifestyle positioning for the restaurants as completion increases.

- Appendix B: Downtown Oakville Background Report illustrates the competitive positioning of Downtown Oakville apparel, footwear, and jewellery retailers as well as restaurants. The restaurants show a lack of differentiation and excessive overlap. The apparel positioning illustrates the higher income appeal and a lack of more contemporary fashion at different price points.

6.5 Rents and Valuations

- Rents are an issue only when they are not reflective of the sales opportunities in Downtown Oakville. For a good quality retailer rent should be indicative of the opportunity to do business. High rents should translate into high sales opportunities because the retail area is a draw and it has the corresponding pedestrian traffic. Almost no retailer complains about the rent if the sales opportunities are there. That is why retailers on Bloor St. W. in Toronto are more than willing to pay over $300/sq. ft. for retail space in the prime area and will not even consider nearby space that is marketed at $150/sq. ft. This is because the retailers know that the revenues will be at least half on the lower rent location.
• The difficult economic situation is that rents are now not reflective of sales primarily as the pedestrian traffic on the street has diminished. The question for landlords and retailers is – will the pedestrian traffic return? As indicated, part of the lack of traffic was weather, part is due to Lululemon and other competitive malls drawing traffic away, and part is due to increased vacancy and retailers who are not targeting the right target markets. The future is not certain on how this will play out. Whether rents come down significantly is uncertain as landlords are trying to protect their value and some would rather have a vacant property listed on their books at $65/sq. ft. to $95/sq. ft. than fill it with a retailer at $40/sq. ft.

• Most retailers indicated that the best retail years were from 2006 to 2008. Most often 2008 is listed as the last great year in Downtown Oakville. Others noted that sales fell in 2009 (recession related and Lululemon opening in Sherway Gardens) but had regained in 2010 to 2012. It is common in retail that gross rent (rent plus taxes, maintenance, and insurance TMI) be no more than 15% for an apparel retailer. This would mean that for gross rent of $75/sq. ft. a retailer would have to do $500/sq. ft. in sales (for a 2000 sq. ft. store that would equate to over $1 million in sales). Many retailers are not performing at this level. At present, J.C. Williams Group is unsure whether retailers can regain the sales levels they attained in 2008.

• With rents higher than the ability for the retailers to do those sales volumes comes an economic valuation issue. Higher rents are carried by many landlords. This pushes the valuations of buildings higher as well. Buildings sold at these higher valuations are also reflected in the valuations of adjacent properties through MPAC. However, if these rents are not sustainable in the long term and landlords cannot find suitable tenants to fill the spaces then the true value of demand for Downtown Oakville retail commercial properties is questionable. If buildings cannot be sold for the proposed values then the true values may actually be significantly lower (both the real valuations and the MPAC valuations (note these are two separate calculations)). This will impact MPAC as well in the long term and the Town’s tax assessments. While values and rents are sticky and do not decrease quickly, this may indicate a prolonged timing to achieve a new normal in rents and valuations.

• Those retailers who own their buildings are immune to these fluctuations.

• At present, the higher MPAC valuations translate into increased property tax assessments. Retailers are being hit mid lease with rent adjustments to cover the property tax increase due to the change in property value assessments.
Retailers have left, are contemplating leaving, or considering relocating within Downtown Oakville primarily due to high rents in comparison to sales and pedestrian traffic. For a 2,000 sq. ft. retail unit, gross rent of $150,000 annually is a significant amount for a retailer to pay. Rents are one-third along Cornwall and are drawing Downtown Oakville retailers to relocate there. As illustrated in Appendix B: Downtown Oakville Background Report, there was a very high turnover of retailers in 2008 and again in 2011. Typical five year lease deals would mean that in 2013 a high number of retail leases came up for renewal. Hence there is a higher than normal vacancy due to this phenomenon (many landlords and mall managers try to stagger leases so that a high proportion do not come due at the same time). J.C. Williams Group expects that three-year deals signed in 2011 also came due in 2014, leading to more vacancies. However, there will be another rush on lease renewals in 2016 that could lead to further vacancies if lease deals are not renewed.

High rents also discourage other retailers from locating in Downtown Oakville. Higher rents make it difficult for restaurants to open. For restaurants, there is the high rent on top of the high build out costs. Also, restaurants have a high failure rate. Eventually only chain restaurants can afford the higher rents, which leads to less diversity and uniqueness. Higher rents are not sustainable for furniture, home furnishings, electronics, and some leisure categories.

In addition, previously, Downtown Oakville was one of the only places that a retailer would consider to locate to. Now, there are several more options. In the past, there seemed to be another retailer willing to open in Downtown Oakville. Now, that same retailer is being courted by several alternative locations at lower rents. It makes it more difficult for Downtown Oakville to compete. The diversity of shops is eroded and it becomes less about the overall experience and more about shopping for the sake of shopping.

As stated, the additional property tax revenue to the Town will be significant in the next few years. This needs to be assessed and determine what happens in the future if MPAC valuations decrease (due to lack of building sales activity) or if they are maintained and more businesses close.

The streetscape improvements should increase the value of the adjacent buildings. However, the value of buildings may decrease during the streetscape improvements and some landlords may be forced to sell them if they have excessive vacancies.
6.6 **Implications for Downtown Oakville**

- As stated, as pedestrian traffic has decreased many businesses have succeeded by catering to their core customers and are surviving. The result is that many are becoming more destination only businesses. The cross shopping and synergy that existed before is being eroded. This has several implications, some of which are negative:
  - The stronger retailers will continue to get stronger and the weaker ones will suffer. There is a division amongst the retailers on free parking. Those retailers that are doing well and sell big ticket items tend to be less in favour of free parking. For a customer who is planning to spend a large amount on a complete outfit, they are not opposed to having to pay for parking. For those retailers that are less destination oriented and reliant on pedestrian traffic, they tend to be more in favour of free parking as a means to draw customers to their stores and compete with local area plazas elsewhere in Oakville (e.g., Cornwall, Dundas/Trafalgar, and Oakville Place). For consumers doing quick purchases, the decision to come Downtown includes the cost of parking that is then weighed against the price of goods they want to buy.
  - The movement to more fashion retailers in Downtown is significant. This has been at the cost of fewer home furnishings, leisure retailers, specialty food retailers, restaurants, etc. The focus on “shopping only” has eroded the experiential aspects of what makes downtowns and main streets so special, and especially Downtown Oakville. It is becoming much more mall oriented rather than complete experience oriented. As the shift to an efficient “mall” type shopping environment continues, there is increased pressure to be competitive with other malls. This is why there are continued calls for more parking and free parking, among other changes, in order to compete with malls.
  - J.C. Williams Group is not disagreeing or agreeing with calls for changes to parking but we do caution that main street retail areas can never truly compete head to head with malls. Malls will always be perceived as easier to get to, easier to park, easier to get around. Downtowns have to sell themselves on the experiential aspects to compete and that their unique collection of retailers are worth the extra effort. Often retailers who do leave a main street area to find lower rents, regret the move because of the loss of “experience” shopping. A plaza or mall location can only offer good and efficient shopping. In the surveys with retailers, overwhelmingly most apparel based retailers indicated that Spring, Fall, and December holidays were the best months for sales. This is true as there is no place consumers would rather be on a sunny May/June or August/September afternoon than walking about outside and shopping. Retail sales regardless of whether in a mall or on a main street are slow in Feb/Mar and July as people are too busy with other activities to shop.
The shift to shopping over experience also means that many retailers and restaurants that are struggling have shifted product lines and prices so that they are converging. Typically, Downtown retailers perform better and there is more cross shopping when they are merchandised “narrow and deep.” Now retailers in Downtown Oakville are selling products and goods that other retailers carry and for many, converging on prices so that there is very little differentiation. Again, this leads to retailers becoming destination only.

Overwhelmingly the interviewees want Downtown Oakville to have a full, rich diversity of experiences that include shopping, residential, office, art, culture, sporting, harbour, library, etc. and not to be solely shopping oriented. The compatibility of these different uses has implications including the following:

- Restaurants that want to offer live music and patios with live music are confronted with local residents and noise issues.
- Employee parking requirements mean that retail customers will have difficulty finding parking.
- Performing arts including outdoor amphitheatres may be confronted with nearby residential noise issues.
- Design issues related to encouraging flow of different target markets through Downtown and not keeping them isolated within one building structure.
- Visitors to Downtown Oakville that just want to walk around, enjoy the sights and sounds, visit the waterfront, and not shop may annoy retailers who want dedicated shoppers to come in to their businesses.

The current trajectory that is more shopping oriented has very serious negative long term consequences as vacancies will continue to rise.
6.7 **Summary Principles**

Downtown Oakville should:

- Focus and appeal to consumers and target markets to develop solutions suited to their needs. For retailers this includes their merchandise mix, assortment, marketing, online sales opportunities, etc. For the Town and BIA this also includes retention and recruitment programs that includes retail mix, marketing, parking solutions, etc.
- Encourage connectivity that assesses the complete experience of visiting Downtown from the gateway/entrance, how they find parking that is suited to their trip needs, easy movement along the street, places to rest, signage and sandwich boards that draw consumers in, and easy to locate parked car and exiting strategies.
- Develop design-oriented solutions that encourage flow into and through Downtown by creating a diverse Downtown Oakville experience that includes shopper and restaurant patrons but also, residential, office, harbour, Oakville Club, performing arts, library visitors, museum and art gallery attendees, waterfront and parks visitors, visitors searching out recreation and fitness, tourism, etc.
- Build on and enhances the overall Oakville brand
- Creates retail commercial spaces that are leasable and provides a range of sizes and rents throughout Lakeshore and the side streets that allow for shopping, hospitality, and neighbourhood goods and services
- While there are short term issues that need to be addressed such as road and sidewalk work, Downtown Oakville must also commit time and resources to the long term vision and strategy. The Downtown and Town must know what it is that they want it to be post construction otherwise it will fall further behind.

6.8 **Case Studies**

For references see the streetscape design for Oak Park, Chicago and view the retail and performing arts/cultural facilities of Downtown Naperville, Chicago. They were both chosen as they are high income communities with northern climates and interesting retail main streets.


7.0 Downtown Transportation and Cultural Hub Considerations

J.C. Williams Group addresses the recommendations from a consumer and retail perspective. The following presents the assessment on the Downtown Transportation Study and the Downtown Cultural Hub Study from that lens.

7.1 Downtown Transportation Study

Focus on the Target Customers
Downtown Oakville should decide what type of consumer they are pursuing. This will affect the transportation and streetscape strategy.

The primary focus should be on women including families (moms and daughters), family members shopping together, and women shopping together. The traditional focus on older women (40 to 50+) is still a valuable market for Downtown Oakville retailers but it is a shrinking market. Many have or are about to retire and as such will be spending considerably less in Downtown Oakville. As stated, those retailers that have shifted their focus to a younger contemporary demographic and moms and daughters have performed better on average than others.
As Downtown Oakville is very fashion oriented in the retail mix, the streetscape needs to look at the footwear that consumers are wearing and match the streetscaping to what they wear so that it is comfortable and complementary.

J.C. Williams Group observed that most women in Downtown Oakville in the Spring wear flats. Retailers provide higher heels to shoppers when they are trying on outfits that require a heel look. However, there were a number of shoppers in higher heels.

In addition, it was observed that there are a lot of groups of women as well as families shopping in Downtown Oakville.
In the back of our minds, J.C. Williams Group is constantly thinking about these target customers. In research it has been illustrated that women perceive colours differently than men and this is translated into the retail world. J.C. Williams Group believes the streetscape and design work should keep this in mind. Women are more drawn to the brighter colours including reds, pinks, and oranges and are more inclined to prefer highly textured surfaces.
As stated, women also prefer more texture and are drawn to retailers that provide that feature.
Men are more drawn to blue and green colours and flat, streamlined surfaces.
Stakeholder Input

- In terms of what visitors are most interested in to draw them to shop, the two most important factors were being able to walk around and overall appearance. These two factors impact the need to keep Downtown Oakville fresh, clean, vibrant, and fun, and the streetscape plan is one part of this.

- Throughout the surveys, respondents noted the need for more seating, benches, tables, patios. They wanted to preserve the small town character and that included a strong emphasis on the parks, trails, waterfront access, harbour, and downtown connections. A high proportion of people come to Downtown Oakville for that specific purpose of being part of the natural elements in a Downtown setting. Connections and flow of pedestrians from different activity centres becomes critical to success including the waterfront, library, performing arts centre, galleries, retailers, restaurants, town square, and parking.

- The retailers are supportive of expanded sidewalks so that they can do additional merchandising and/or patios. Approximately 50% of respondents currently use the sidewalk for merchandising and would continue to do so if the sidewalks were expanded. Of the other 50% that don’t currently use the sidewalks for merchandising, they stated they would consider using the sidewalks if they were wider (i.e., 75% would use the sidewalks for patios or merchandising or planters).

J.C. Williams Group is supportive of:

- Widening sidewalks on Lakeshore (as well as other side streets as appropriate)
- Curbless streets
- Eliminating major portions of the centre lane.
**Parking Made Easy**

As there are few entry/gateway points into Downtown, so the parking plan should encourage right turns off of Lakeshore or Trafalgar into conveniently located parking spots near these entry/gateway points (Lakeshore and Navy and Thomas; Randall and Thomas)

**Parking Location Encouragement Based on Where Visitor Enters Downtown**

The goal is to encourage visitors to park close to where they enter Downtown and to park on the street or make a safe right hand turn for convenience and safety.

- **Eastbound on Lakeshore** – park on Lakeshore or south of Lakeshore
- **Eastbound on Randall** – park on Randall, Church, or parking lots
- **Southbound on Trafalgar** – park on Church or Randall west of Trafalgar
- **Westbound on Lakeshore** – park on Lakeshore or north of Lakeshore
## Parking by Target Markets

<table>
<thead>
<tr>
<th>Target Market</th>
<th>Desired Downtown Experience</th>
<th>Desired Parking Experience</th>
<th>Implications</th>
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</table>
| 1 S.E. Oakville | • Quick errands  
• Often Thursdays the nannies or help will shop Downtown for errands such as picking up flowers and food | • Annoyed have to pay  
• Not easily available  
• Parking machine far from vehicle  
• View Downtown as theirs and should be available to them first/foremost  
• Take chance and not pay – results in ticket or go to plaza | • Potential to add limited free spots close to edges  
• Find easier payment systems |
| 2 S.E. Oakville | • Hang out with friends, family, stroll  
• Go to harbour, Oakville Club or other places | • Somewhat affected by “see and be seen” attitude for their higher end car so only want a Lakeshore parking spot | • Need longer period to visit  
• Annoyed to have coin operated machines |
| 3 Regional Visitors | • Go with group for extensive buying  
• Prepared to spend a large amount  
• Want safety  
• Have to return one or two times based on fittings and pick up altered clothing  
• May require private appointments with retailers | • Ok with paying for parking and finding a long term spot as they will be there for an extended period of time (credit card payment)  
• They come infrequently that they may forget where long term parking is located  
• For second and third visits based on fittings and pick up they want quick, easy, cheap/free parking very close to the store | • Need good signage and payment information  
• Do not want to worry about returning to put more money in machine  
• Need credit card payment  
• Retailers should include more delivery options (especially to compete with online retailers) |
<table>
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<tr>
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</tr>
</thead>
</table>
| 4  Hair, Beauty Appointment | • Need two to three hours (often appointments do not start on time)  
  • Draws regionally  
  • Offers coffee/tea or go to nearby shop for food/beverages  
  • May go to lunch afterwards  
  • Synergy with cafes and apparel shopping | • Ok to pay, but not a lot  
  • Need longer time and don’t want to worry about time running out  
  • Will spend on hair but will be more frugal when it comes to paying for parking  
  • Worried about wrecking their hair and don’t want to walk a long distance from salon to car | • Encourage them to park in lots nearby  
  • Salons have umbrellas for clients to take to their cars |
| 5  Restaurants | • Half reservation oriented  
  • Want unique offering and quality  
  • Often looking for casual, trendy  
  • Make reservations | • Lunch, don’t want to pay  
  • Dinner ok as parking is free  
  • Want close, safe parking  
  • Formal dining may include “see and be seen” parking and want a visible location on Lakeshore to show off their car  
  • Concern for alcohol and driving | • Free up spaces on Lakeshore  
  • Increase patio spaces  
  • Ensure employees do not park nearby  
  • Reminder at reservation to customers on where to park |
| 6  Employees | • Get to work easily with little hassle  
  • Can access vehicle to run errands during lunch (but Downtown should encourage more shopping and eating in Downtown)  
  • Will shop on the way home from work for daily necessities but not in Downtown  
  • Eat in groups  
  • Want quick casual and not formal eating | • Want safe, cheap parking close to work (especially in winter)  
  • Backlog of permits is frustrating for employees  
  • Some employers provide parking or limited spots for select workers | • Town must address office and worker parking issues  
  • Consideration for more parking  
  • Short term may include off-site parking and shuttle bus program  
  • Restaurant staff may park on Lakeshore at 4 pm and pay and then by 6 pm they have free parking |
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>7 Gym Fitness</td>
<td>• Need two hours sometimes longer</td>
<td>• Do not want to pay a lot</td>
<td>• Have to sell Downtown Oakville experience above convenience factors</td>
</tr>
<tr>
<td></td>
<td>• Will go early in morning or evening when parking is free</td>
<td>• Schedule around children and work</td>
<td>• Appeal to moms and daughters shopping</td>
</tr>
<tr>
<td></td>
<td>• May eat/drink after but unlikely to shop</td>
<td></td>
<td>• Downtown will never compete with plazas but plazas will never offer the full experience that Downtown Oakville has</td>
</tr>
<tr>
<td>8 North Oakville</td>
<td>• Don’t feel as connected to Downtown as South QEW residents</td>
<td>• Want free parking</td>
<td>• Need to promote park once and shop as much as you like Downtown</td>
</tr>
<tr>
<td></td>
<td>• Like to think they prefer local independents but convenience is more important and will shop closer to home and avoid Downtown</td>
<td>• Have to have right mix of retailers that would make it worthwhile for them to drive down and shop</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Perceived as being too expensive. Parking is expensive, and difficult to find</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>• In part the current retail mix does not appeal to North QEW residents so uncertain if free parking would entice them to shop more often</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Performing Arts Attendee</td>
<td>• Want the complete Downtown Oakville package including parking, eating, walking, entering front door</td>
<td>• Need parking near to performing arts and restaurants</td>
<td>• Free parking in evening but may use valet</td>
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<tr>
<td></td>
<td>• Food has to be timely to make curtain call</td>
<td></td>
<td>• Could offer additional services such as car wash/tire check program</td>
</tr>
<tr>
<td>Target Market</td>
<td>Desired Downtown Experience</td>
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| Concerts      | • Want the complete package but a lighter version  
• Want a greater variety of food choices  
• Food has to be timely to make curtain call | • Want to park close and need to leave efficiently | • Encourage attendees to come earlier and walk about and shop |
| Library       | • High number of adults, fewer children  
• Disconnect between library visitors and retail stores in terms of price point  
• Core group that visits frequently  
• Design makes synergy difficult  
• Digital Hub would encourage greater appeal to workers and young adults | • Easy parking  
• Free  
• Sunday is the busiest day at library in part due to free parking  
• Has to be accessible and good for young families with strollers, older persons, etc. | • Encourage visitors to park other places and walk to library, shop, cafe usage, etc.  
• Change hours of library to longer night when parking is free |
| Gallery O2    | • Includes families and children’s programs  
• Parents can drop their children off and then visit Downtown while they wait for them  
• Out of town visitors will want to make sure the visit is worth the potential 45 minute drive and will be looking to do other activities including shopping and eating in Downtown Oakville | • Families will want quick drop off and pick up locations and not wanting to pay  
• Out of town visitors are ok with paying but as they visit infrequently need to know where to park with few hassles | • Marketing with the gallery on where to park, rates, GPS coordinates, etc. and providing “kiss and ride” function is important |
<table>
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</tr>
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</table>
| 13 Festivals  | • Disconnect between attendees and retail store offering  
               • Food oriented shopping purchase  
               • Often have a fixed budget of approximately $20 for food and small ticket items | • Want cheap parking close but ok to walk  
               • Worried about crowds and leaving the event efficiently | • Need information on where good, low cost parking is located |
**Sub-Districts and Other Streets**

J.C. Williams Group suggests that Downtown Oakville be approached in terms of sub-districts based on north/south side street focus.

J.C. Williams Group’s suggestions go through a street by street review

**Water Street**

- This will be maintained in the Cultural Hub plan but adjusted to accommodate the park area and connect with the water’s edge.
- Parking will be replaced with a structured system in the cultural hub.
- As discussed, through design the Town has to encourage flow from the parking garage to the street level and shopping/restaurant areas. The concern would be that visitors will stay within the cultural hub and not connect with Downtown. At present visitors to the library do not visit Downtown due to this configuration issue. At present performing arts visitors will park on Church, go to dinner and then enter the hall. This may affect eating/drinking opportunities if not addressed.
Navy Street

- Agree to make two way street.
- Agree to connect west and east sides with similar, consistent paving materials, an extended square concept.
- The conversion of Randall to two way will remove most of the “extra” circulation traffic that is forced onto Navy street from the Randall/Rebecca configuration.
- Town should consider continuous treatment of Navy Street to Lake Ontario.
- Encourage a better double loaded feeling. New buildings (e.g., Chelsea) should have retail frontage that encourages patios.
- Main focus of retail is on restaurants and entertainment (wine bars, jazz clubs, quality restaurants, comedy clubs, etc. near this intersection).
- Should consider extending the first level of the buildings to the street at northeast corner of Navy/Randall and southwest corner of Navy/Lakeshore that would include more retail.
- Very wide patios should be encouraged with well constructed patio fencing.
- Put in on-street parking west side of Navy Street south of Lakeshore.
- Allow loading spot on east side of Navy Street south of Lakeshore with a wider sidewalk/curbless parking on the boulevard and perhaps 10 to 15 min free parking.

Thomas Street

- Agree to make it two way.
- The Lakeshore/Thomas intersection may require it to be signalized with the decreased emphasis of Navy.
- West side of Thomas south of Lakeshore - provide for easy parking, may include angled parking.
- Widen sidewalks if possible.
- Allow loading spot on east side of Thomas south of Lakeshore.
George Street
- May keep it one way southbound from Randall. This eliminates need for left hand turn lane eastbound on Lakeshore or a right hand turn lane westbound on Lakeshore. No turns at this intersection allows for even wider bump outs.
- No retail businesses on George.
- Make George Street into more of a ceremonial street that connects Towne Square – beautify with trees, extend the Towne Square pavement condition to the intersection and north.
- Widen sidewalks but maintain all on-street parking.
- Focus on safety due to the high volume of children at this intersection.

Dunn Street
- Agree to make it two way.
- Mixed street with residential, some retail, and two houses of worship occupying a significant portion of the street.
- Allow parking on both sides of the street.
- Loading areas (e.g., on Dunn Street on east side south of Lakeshore next to Knox house of worship).

Trafalgar
- Existing two way.
- Major entry point/gateway.
- Needs significant beautification – currently is an inhospitable street, but includes a mix of interesting retail conversion buildings (from residential).
- Ground level of office building (north west corner of Lakeshore) should be converted to retail, change out windows to be flush with the building (could be grocery store to complement LCBO).
- Open up private office parking on weekends to consumers.
- Needs very effective wayfinding to parking lots and garages.
- Conversion of Church Street to two way will aid in moving southbound vehicles into surface parking lots on Church Street.
- Loading on west side of Trafalgar south of Lakeshore.
- Morning to early afternoon loading on east side as there is lower flow of traffic northbound in the morning.
East of Trafalgar

- For Lakeshore east of Trafalgar, the street has a smaller scale retail atmosphere. There are a number of independent and small chain fashion focused retailers. These are complemented by cafes. The streetscape treatment and width of the sidewalks may be different on this section compared to west of Trafalgar.

Reynolds Street

- Existing two way on Reynolds.
- Currently narrowed street with few parking cut outs.
- Eliminates the need for a left hand turn from eastbound on Lakeshore.
- This is more of the fashion end of the street – should have more valet type parking services as well as quick 15 minute free parking for places such as Aroma coffee shop and for people to run in quickly and pick up orders/bags they may have left at the store.
- Reynolds is closer to S.E. Oakville higher income households. Residents want to see and be seen in their high end vehicles.

Allan

- Should have parking on both sides of the street.
- Connects to Whole Foods and retail plazas to the north on Cornwall.
- Can create curbless boulevard type parking condition that helps to transition from the retail area to the residential area.
- There needs to be more parking availability for vehicles coming from S.E. Oakville (west bound) and finding right hand turn spaces on Douglas or Allan that they can easily park on.
- The westbound traffic is going to be the highest income residents coming into Downtown Oakville. Easy parking for them, valet services should be considered (15 minute free parking spots whereby a shopper can leave the goods at the store, go get their car, drive around to the free parking spot, and the sales clerk brings the packages out to the car).
Parking Garage

- The access/alley from the parking garage to Lakeshore needs to be leveled out and beautified.
- The parking garage is not in an intuitive spot for shoppers to go to. Difficult to get to because:
  - Southbound traffic on Trafalgar has to make a difficult left hand turn.
  - Westbound traffic on Lakeshore has to pass Reynolds and turn right onto Trafalgar and turn right again onto Church to access the parking garage.

Church Street

- Navy to Thomas – create same condition to pavement as on Navy as part of the Cultural Hub.
- Right now Church is more of a service street including limited retail but mostly parking lots/garages.
- Short term should continue that function.
- Convert to two way.
- May include retail at the base of new buildings but should be geared to grocery, pharmacy, or major restaurants. Retail merchandise such as apparel and small service stores will not survive due to the lack of visibility and low pedestrian volumes.

Randall

- Convert to two way.
- Create a grand boulevard condition.
- Allow more on-street parking.
- East of Trafalgar – may leave as is, or widen road and allow curbless boulevard parking.
Robinson
• Leave as is.
• Allow bicycle paths.

Negative Signage
• The signage related to maximum three-hour parking was probably in response to employees abusing the system. However, this sends a strong anti-consumer message. It appears as though no car can park/stay longer than two hours in Downtown.

Alley Ways
• They should be addressed through beautification and wayfinding.

Pedestrian Signals
• It is noted that many pedestrian crossing signals require the pedestrian to push a button. This is cumbersome and through observations it leads to many annoyances by pedestrians who miss the opportunity to cross.

Wider sidewalks that can be used for patios but also merchandising
• Sporting goods such as bicycle stores
• Books
• Florists
• Grocery
• Some apparel and footwear retailers should be discouraged from putting merchandise on the street if it looks like a garage sale or will become dirty.
• Strict controls on overall look of allowing merchandising outside should be developed. The risk is that the street would begin to resemble a flea market/garage sale if not aesthetically controlled.
• However, as stated, the higher rents on Lakeshore dissuade potential restaurants from opening due to the high costs. There are few restaurants that can take advantage of the wider sidewalks. Patios on side streets and widening the side streets should be considered as well.
• Patios and Towne Square: There are different examples from Lincoln Road, Miami Beach, Pearl Street, Boulder.
• Should incorporate plantings that match high buying times in Downtown Oakville (e.g., Magnolias in May).
Oakville is very much about “see and be seen” type cafes and restaurants. Restaurants, patios, and chair positioning should be set up this way.

Beautifully designed patios with natural hedges as fencing.

Other

- Develop a street sandwich board program whereby there is consistency. The current usage detracts from the street atmosphere. Rather, they should be larger and have a more permanent look/feel to them that matches the Heritage district parameters. This may also include store signage.

Technology and Other Programs

- The Town of Oakville should embrace technology for parking including:
  - Putting weight sensors in all on-street and off-street stalls that can be monitored and communicated to visitors where there is availability
  - Using license plate reader machines that determine the frequency of where visitors are coming from, can determine if employees are abusing on-street parking, or if instead of a ticket the visitor with an expired metre only receives a warning instead of a ticket.
- Developing partnerships with office buildings and residential buildings whereby visitors can use the spaces on evenings and weekends if available.
- Use an ambassador program with the partial aim of helping visitors understand the parking system and availability.
7.2 Downtown Cultural Hub Study

Library

- J.C. Williams Group strongly believes that libraries are part of an overall Downtown experience and amenity offering. Libraries can add a significant volume of traffic to the street. The current visitation of 340,000 annual visitors creates activity to any downtown. Estimated expenditures of $2.50 to $3.00 per visitor translates into good sales opportunities for local cafes and coffee/tea places.
- Unfortunately, the current design of the Downtown Oakville library severely limits any pedestrian traffic. Most visitors enter from the lower level and do not use Navy Street at all.
- Many retailers stated that the present location of the library was not the best use of a prime spot in Downtown and the library should be located elsewhere.
- Consideration for the new space should include a focus on drawing daytime traffic including office workers and moms with kids.
- Office workers (including those working from home) will drive food and beverage sales and could add new revenue to the facility.
- There is a strong children’s attendance to the library but it doesn’t seem to flow out to the street. Food and retail complementary offerings in the blocks close to the facility would encourage higher capture rates (Melonheads is the only kid’s retailer close to the library).

Performing Arts Centre

- The Oakville Centre for Performing Arts has a significant impact on restaurants close to Navy Street (as far as George). Restaurants indicated that sales can double on a theatre night.
- The variety of events means that different restaurants benefit from casual concerts to more formal symphonies and galas.
- Clustering the two performance halls is the best situation for these restaurants and ensures a healthy restaurant activity throughout the year. While one venue is dark, the other can be hosting an event. Usually, most venues are only busy 25% to 30% of the year so it is conceivable that there could be an event at the PAC over 50% of the year. This helps during slower winter months. Clustering on the same site or within two blocks of one another is ideal.
- There is a need to extend beyond just the performing arts at the cultural hub to the greater downtown cultural offerings that can include music in a restaurant, towne square, art galleries (sales), and even beauty salons and shops that are required so that people look good when they attend a performance.
• As well the creative technology office workers blend into the entire culture programming. Workers should be marketed better to encourage them to stay after work more often for events and activities.
• Many restaurants offer their own entertainment and this should be encouraged. Patios for music are key to this.
• There is always an issue with outdoor music and residents. Any program that combines residents with nearby restaurants or outdoor performing arts should take this into consideration.
• From both a noise standpoint and the fact that most restaurants want to increase their lunch business, adding office to the Cultural Hub site was a re-enforced message.
• At present, many attendees park near Church Street, visit a restaurant and then go to the theatre. Changing the parking arrangement so that attendees park underground has the potential to disrupt food service opportunities in the Downtown. In the winter, attendee may come to the performing arts centre, park underground, and leave their winter coat in the car as it may be bulky inside the theatre (they may have decided to buy dinner elsewhere on the way). The result is that they would not venture out of the centre for eating/drinking whereas previously if they parked on Church Street they may be more inclined to eat Downtown.
• Similar to the library design comments – visitors must be encouraged to go to Downtown through the design of the parking garage, etc. so that they are not cocooned in the cultural hub (don’t leave).
• The restaurants should continue to be part of the Cultural Hub study.
• The restaurants would like right of first refusal on any RFP process if a restaurant were to be included in the Cultural Hub. However, this should be assessed further.

**Waterfront Park**

A clear driver of Downtown Oakville is the diversity of experiences and that includes the waterfront and parks. Just under 30% of trade area visitors go to the waterfront or park area in Downtown Oakville. This achieved the highest visitation level of all activities and it is clear that Downtown Oakville and the waterfront/harbour are interlinked. As it is one of the biggest drivers for visitation, investment in the waterfront park of the cultural hub is critical to the continued success of Downtown and maintaining its appeal.

In addition, J.C. Williams Group believes there should be a park on the east end of Downtown.
Towne Square

- Divided opinions. We asked people if they thought it should be more private sector patio or less. Most thought less, to keep it open for the public.
- Most retailers outside of Towne Square were not affected by it. Many thought it should not be a spending priority.
- The retailers want to maintain their patios. Several restaurants serve alcohol and need a patio area. Patio licensing is administered through Parks and Recreation, which is separate from other restaurants’ patio licensing.
- The parking garage is not well used but it is one of the least expensive places to park.
Appendix A: Consumer, Retailer, and Retail Real Estate Trends

Consumer Trends
1. Trading Up/Trading Down

- Personal disposable income per capita in the Toronto CMA (Oakville included in CMA) has risen and is projected to continue to rise according to the Conference Board of Canada forecast, but real growth is flat (measured in 2002 $)
- For Canada and Ontario, modest growth only for the Top Two Quintiles After Tax Income for Families; the lower three quintiles have had flat growth
- For Ontario there was a decrease in 2011 to 2007 levels for the Top Quintile After Tax Income for Families (potentially affects Oakville families)
- Implication for retail
  - Consumers continue to make decisions based on trade offs to balance their income/budget perceptions and reality
  - “I can afford the Coach purse if I save and buy my socks at a discount store” Or “I will go to the outlet mall to save money on similar styled items”
  - Illustrates the appeal for value oriented stores
  - Consumers that are trading up are potentially drawn to main street areas that have unique offerings
  - It has been noted in other research by J.C. Williams Group that increasingly men are participating in trading up/trading down shopping habits that used to be more a function of how women shopped

Toronto CMA Actual vs. Real/Constant (2002) Personal Disposable Income Per Capita

Source: Statistics Canada, Conference Board of Canada Projection
2. Downtown Oakville Lakefront Distorts Income

- Given the higher household incomes specifically associated with near lakefront property, it is a good exercise to isolate those households and assess retail implications.
- In Downtown and the Eastlake communities, the average household income north of Randall vs. south of Randall is $258,507 vs. $307,969. Both are very high but exceptionally high on the lake.
- 27% of households north of Randall earn more than $250,000 annually compared to 233 north of Randall.

<table>
<thead>
<tr>
<th></th>
<th>Lakeshore</th>
<th>Other Downtown and Eastlake</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2013</td>
<td>4,525</td>
<td>13,452</td>
<td>17,977</td>
</tr>
<tr>
<td>Median Age</td>
<td>48.9</td>
<td>44.9</td>
<td>48.8</td>
</tr>
<tr>
<td>Person Per Household</td>
<td>2.51</td>
<td>2.91</td>
<td>2.80</td>
</tr>
<tr>
<td>Average Household Income</td>
<td>$307,469</td>
<td>$258,507</td>
<td>$272,570</td>
</tr>
<tr>
<td>$100,000 +</td>
<td>63%</td>
<td>63%</td>
<td>63%</td>
</tr>
<tr>
<td>$250,000 +</td>
<td>33%</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>Household Shelter Expense</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, Environics 2013

2. Town of Oakville Lakefront Distorts Income

- The small population on the lakefront area can distort that income and disposable income potential for Oakville.
- Both areas have high household incomes; those who make $250,000 live near lakeshore.
- Shelter expenses are much lower as % of total for those who live near lakeshore.
- Those households north of QEW have higher shelter costs to expenses.

<table>
<thead>
<tr>
<th></th>
<th>Lakeshore</th>
<th>Other Oakville</th>
<th>Oakville</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2013</td>
<td>13,218</td>
<td>183,504</td>
<td>196,722</td>
</tr>
<tr>
<td>Median Age</td>
<td>51.5</td>
<td>39.7</td>
<td>40.3</td>
</tr>
<tr>
<td>Person Per Household</td>
<td>2.2</td>
<td>3.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Average Household Income</td>
<td>$192,767</td>
<td>$147,713</td>
<td>$151,623</td>
</tr>
<tr>
<td>$100,000 +</td>
<td>47%</td>
<td>48%</td>
<td>48%</td>
</tr>
<tr>
<td>$250,000 +</td>
<td>16%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>Household Shelter Expense</td>
<td>18%</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>
3. Stable Older Families, Signs of Younger Adults as a Growth Market

- Oakville is and will be a strong family oriented community
- Older families are more dominant with a higher proportion of older adults (40 to 59 years of age) combined with teenaged children
- The proportion of 10 to 19 year olds is projected to increase significantly
- The young adult population has traditionally been lower than other places (often young adults move to larger cities as young adults and then return to Oakville when they are more settled in their careers and family life)
- However, the proportion of 20 to 29 year olds is projected to increase significantly
- The concern is the growing older generation that tends to buy significantly less than young early family formation households

Source: Statistics Canada, Environics projection
4. Immigration and Ethnicity

- Immigration drives total Toronto CMA growth
- Increased development of ethnic retailing: T&T, Al Premium, Ocean's grocery stores
- CSCA 2012 data identified 477 ethnic food related retailers; 1,061 ethnic food service operators in GTA
- Oakville’s Visible Minority population increased from 13% in 2001 to 20% in 2013
- Ethnic residents will drive/commute longer for discounts (including outlet mall)
- High preference for well known brand name products (e.g., Polo, Hugo Boss, Coach)

Source: Statistics Canada, Conference Board of Canada

5. Consumers Demand More

- Expertise: consumers want to be more informed before they make a purchase, expect retail staff to be experts in their field and deliver service
- Constant engagement: the ability to shop 24/7 from e-commerce stores also comes with consumer expectation to stay in-touch with stores 24/7 either via Twitter, chat line or phone
- Successful retailers are shifting from selling just a commodity to selling a solution for the consumer (making their lives better)
- They solve a real problem such as how to spend more time with their children – better organized closets bought from California Closets will allow you the freedom to spend more time with family
- About offering better assortment suited to each person’s tastes
- Retailers are adding services to their store offering to increase sales (e.g., Best Buy and Geek Squad, Staples – We Will Do It For You, pet stores adding more services, parcel delivery such as Hobson in NYC

Retailers solve problems
Faster grocery check out on conveyor belt, no scanners
Other Consumer Trends

6. Individualization and customization
   • Similar to point 4; with so much consumer data collected through social media sites and loyalty programs, consumers expect retailers to know them and offer customized solutions that fit their unique preferences
   • Neiman Marcus uses NM Service to send customer preferences to the sales staff when a consumer checks in at the store
   • Case study: Tupli, Allan Edmonds, and Steve Madden allow you to design your own shoes (in Canada growth in fashion footwear was 50% from 2004 to 2012, a 5% annualized increase; innovative ideas like these push sales further)

7. Negative attitudes towards shopping
   • Surveys reveal that increased proportion find shopping to be difficult
   • Increasing % of consumers agree with statement “Shopping is a hassle”
   • Stores are countering the frustration consumers have in store by having sales staff armed with check-out devices to capture sales before customer becomes frustrated and leaves
   • Even online retailers are challenged and try to introduce games and interactive features to make it more enjoyable

8. Just in time consumer
   • Trend for more frequent shopping trips but doing less shopping each time
   • Average transaction sizes are decreasing
   • Appeals to urban consumers, but increasingly suburban consumers are behaving similarly
   • Recession pushed this concept forward – buy what you need
   • Consumer packaged goods are becoming smaller
   • More prevalent for higher income consumers who shop both larger format stores and regular stores with more frequency and smaller baskets (lower income consumers still tend to buy in larger quantities)

9. Redefinition of what luxury is
   • As part of the notion of trading up and trading down, consumers have re-aligned their budgets to place priorities on different things. Luxury could mean spending more time with friends and you would be willing to spend more to achieve that
   • Builds off slow food movement, local food and goods, growth of farmers’ markets

10. Male shoppers
    • Increasingly more men are shopping for household and grocery items and retailers are merchandising and positioning their products to meet consumer needs
    • Men are staying home more to take care of family/daycare responsibilities
    • Noted increase in mall beauty related products
Other Consumer Trends

11. Sharing is the new buying
   • Examples abound from community tables at cafes and restaurants, the growth of crowd
     funding and crowdsourcing, AirB&B, Zip Car (owned by Avis), etc.

Quirky

- Concept: online crowdsourcing experience
- The problem:
  • How do inventors get their inventions sold?
  • Where do large companies find innovations?
- Uses crowdsourcing to bring ideas to life in a short amount of time
- Inventors submit ideas that are brought to a community vote and winning designs are manufactured
- GE has developed a “smart home” collection
Warby Parker

- Concept: socially conscious eyewear
- Alternative to high-priced eyewear from optical shops
- Circumvents traditional channels
- Engages with customer directly:
  - website, retail showrooms, stores, kiosks and a traveling pop-up shop
- NYC flagship offerings:
  - Eye exam services, glasses fitting
  - Appointment board digital tracking

Sharing is the New Buying

- 10 million sharers in Canada
- Sharers are:
  - Younger – 48% 18–34 versus 24% non sharers
  - More affluent – 32% of well off Canadians are neo sharers
- Why do they share?
  - Convenience
  - Better price
  - Product quality
  - Could not find elsewhere

Source: Vision Critical – Sharing is the New Buying
1. Leaders and Laggards – Retail Sales Annualized Growth (13/05)

- In the GTA there has been high annualized growth for health and personal care stores; jewellery, leather, and luggage stores (e.g., Coach, Tiffany); and food and beverage stores including specialty food stores
- Health sales move in lock step with the aging population and a continued focus by the general population on health and wellness issues
- Electronics and appliance stores had very high growth due in part to Apple, but have suffered from flat growth for past three years due to declines at Best Buy/Future Shop
- Clothing stores have had average sales growth
- The GTA has fared better than elsewhere for home related products such as building supplies and furniture but sales growth has softened in past few years
- Limited service cafes have performed very well and full service restaurants have performed well
- Decline in sales at brick and mortar book and music stores as consumers shift to online purchasing; less emphasis on some traditional sports such as hockey
- Fewer drinking places and negative sales growth
- Traditional, mid-market stores appear to be underperforming such as Sears and Reitmans; Walmart has flat sales; unique point of difference retailers have growth such as The Bay; Costco continues to perform very well
- Online and online influence are a major part of every consumers shopping experience
Retail Sales 2013

- Clothing store retail sales spike in Nov/Dec, Aug/Sept and Apr/May/Jun
- Most of these are prime weather months for outdoor shopping on main streets such as Downtown Oakville

Source: Statistics Canada

Canadian E-commerce Sales are Growing and Account for 4.4%* of Total Retail Sales in 2012

Among Canadians active online
- 56% order goods or services online
- 77% research online
- 23% sold items online
- 18% purchased food, beverage or grocery
- 58% purchased travel arrangement
- 52% purchased event ticket
- 67% access social networking sites such as Twitter or Facebook

Source: Statistics Canada
* Includes travel
**Continued Growth Projected for Canadian E-commerce**

**Annualized Growth: 16%**

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected E-commerce Sales</th>
<th>Growth Rate</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$18,360</td>
<td>18%</td>
<td>$0</td>
</tr>
<tr>
<td>2013</td>
<td>$21,610</td>
<td>17%</td>
<td>$20,000</td>
</tr>
<tr>
<td>2014</td>
<td>$25,370</td>
<td>17%</td>
<td>$25,000</td>
</tr>
<tr>
<td>2015</td>
<td>$29,630</td>
<td>15%</td>
<td>$30,000</td>
</tr>
<tr>
<td>2016</td>
<td>$34,040</td>
<td>14%</td>
<td>$35,000</td>
</tr>
<tr>
<td>2017</td>
<td>$38,740</td>
<td>13%</td>
<td>$40,000</td>
</tr>
</tbody>
</table>

*Source: Statistics Canada*

**Internet Influence Goes Well Beyond Online Buying**

**Shopping Behaviour**

<table>
<thead>
<tr>
<th>Shopping Behaviour</th>
<th>Age 18–34</th>
<th>Age 55+</th>
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</thead>
<tbody>
<tr>
<td>Research online and buy in-store</td>
<td>54%</td>
<td>65% &gt; 46%</td>
</tr>
<tr>
<td>Research online and in-store and buy in-store</td>
<td>37%</td>
<td>36% = 36%</td>
</tr>
<tr>
<td>Research in-store and buy in-store</td>
<td>31%</td>
<td>27% &lt; 37%</td>
</tr>
<tr>
<td>Research online and buy online</td>
<td>36%</td>
<td>40% &gt; 31%</td>
</tr>
<tr>
<td>Research online and in-store and buy online</td>
<td>23%</td>
<td>27% &gt; 17%</td>
</tr>
<tr>
<td>Research in-store and buy online</td>
<td>17%</td>
<td>27% &gt; 9%</td>
</tr>
<tr>
<td>None of the above</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: JCWG Canadian E-tail Report Q4 2013*
The U.S. is Canada’s Main Cross-border Competitor Online, but Asia Also Has an Impact

- Two-thirds of internet shoppers buy cross border
- 32% of Canadians have bought from a U.S. website
- Interestingly 8% have bought from an Asian website

E-commerce is Firmly Entrenched in Canada

- 81% of respondents researched or browsed online
- 89% of all respondents had made an online purchase
- 57% of all respondents had purchased clothing in the time frame specified, which varied by category
- The Electronics and Entertainment categories are accustomed to online buyers
- Clothing saw an e-commerce penetration rate of 18% of the total spend while Footwear saw 16%
U.S. Comparison

- 8% of total retail sales are online
- Projected to grow to 9% in 2016
- Web influences in-store retail sales
- 40% of in-store retail sales influenced by web
- Projected to grow to 42% in 2016
- M-commerce is a very small but growing segment
- Caveat for Canada
  - The real size of Canadian e-commerce is obscured because of cross-border shopping and how data is collected
  - E-commerce, while very important, may develop differently in Canada but it will not grow to the same levels as in the U.S.
  - Most national retailers cannot attain the critical mass so cross-channel is the key reason for e-commerce development and an important driver to their stores
  - U.S. market had the benefit of a large catalogue industry that consumers were used to for ordering and delivery/return process of goods

Source: Forrester Research, U.S. Department of Commerce

2. Canadian Retailer 2013 Sales Growth: Total Sales and Comp Store

<table>
<thead>
<tr>
<th></th>
<th>2014 Q1</th>
<th>Total 2013</th>
<th>Total 2012</th>
<th>Comp Store 2013</th>
<th>Comp Store 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hudson Bay</td>
<td></td>
<td>4.0%</td>
<td>5.7%</td>
<td>6.2%</td>
<td>5.4%</td>
</tr>
<tr>
<td>H&amp;M</td>
<td>-3.0%</td>
<td>+3.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moore’s</td>
<td>-7.2%</td>
<td>2.3%</td>
<td>-4.1%</td>
<td></td>
<td>1.5%</td>
</tr>
<tr>
<td>La Senza</td>
<td>-8.1%</td>
<td></td>
<td>2.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gap</td>
<td>5.2%</td>
<td>8.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reitman’s</td>
<td>-4.0%</td>
<td>-1.9%</td>
<td>-2.8%</td>
<td></td>
<td>-2.0%</td>
</tr>
<tr>
<td>Lululemon Canada</td>
<td>-1.7%</td>
<td>8.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children’s Place</td>
<td>-5.7%</td>
<td>11.4%</td>
<td></td>
<td></td>
<td>-6.8%</td>
</tr>
<tr>
<td>Aeropostale</td>
<td>-13.5%</td>
<td>5.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Danier</td>
<td>-2.5%</td>
<td></td>
<td>-7.0% (Q4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carter’s</td>
<td>21.0%</td>
<td></td>
<td>-1.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sears Canada</td>
<td>-8.2%</td>
<td></td>
<td>-2.7%</td>
<td></td>
<td>-5.9%</td>
</tr>
<tr>
<td>Banana Republic</td>
<td>-7.8% (Q4)</td>
<td>5.9% (Q1&amp;2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forzani Group</td>
<td>6.8%</td>
<td></td>
<td></td>
<td></td>
<td>7.7%</td>
</tr>
<tr>
<td>American Apparel</td>
<td>-5.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Old Navy</td>
<td>1.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Le Chateau</td>
<td>0.0%</td>
<td></td>
<td>0.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mark’s</td>
<td>4.8%</td>
<td></td>
<td>4.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TJX Canada</td>
<td>-1.6%</td>
<td></td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walmart Canada</td>
<td>0.4% (Q4)</td>
<td></td>
<td>-1.7% (Q4)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Many apparel based retailers have suffered sales setbacks in 2013

Source: Trendex and Company Reports
3. Market Share Shifts

- The first graph shows the early adoption, growth, maturity, and decline of retailers and concepts.
- Successful retailers at the maturity stage begin to re-invent themselves, such as Hudson Bay, while others, such as traditional music stores and video rental places, continue to decline (sometimes they are re-invented as niche products such as the growth of turntable sales for vinyl records).
- General merchandise stores have lost share in clothing and sporting goods but gained in food.
- Higher end pet stores have reached a maturity in the marketplace whereby they are still performing well but there is not a lot of room in the marketplace for more of them.

The Retail Lifecycle

---

Sales & Profit Growth

- Personalization/Customization
- Home Delivery
- M-commerce
- Same Day Delivery
- Digital Download
- Automated Shopping
- E-commerce
- Hard Discount
- Quick Casual Rest.
- Lifestyle Retailers
- Teen Specialty Retailers
- Supercentres

Time

Innovation
Fast Growth
Maturity
Declining

Hypermarkets
Drug Stores
C-stores
Wholesale Clubs
Dollar Stores

Fast Food

Discount Stores

Furniture Stores
Department Stores - Sears
Office Superstores
Toy Superstores
Gen. Merch. Music Retailers
Wholesale Clubs

Home Improvement

J.C. Williams Group
Market Share of Clothing and Accessories by Store Type

- For clothing and accessories, specialty clothing stores remain the dominant location.
- The market share in clothing and accessories at general merchandise stores has declined. This is partly due to poor performance, Sears, and the closure of Zellers.
- Sporting goods stores have increased their share in clothing sales (e.g., Sporting Life).
- Within the shoe category, general merchandise stores have increased market share in non-athletic footwear (e.g., The Bay’s shoe floor is performing exceptionally well) but decreased share in athletic footwear.

Source: Statistics Canada, Commodity Survey

Market Share of Total Food Sales by Retail Store Category

- Food and beverage stores remain the dominant location for food sales.
- However, that dominant position is being affected by general merchandise stores.
- General merchandise stores have increased their market share of food sales to 13%.
- Interestingly, Canadians’ pursuit of convenience and commuting have pushed food sales at gasoline station convenience stores to approximately 3% of total food sales.

Source: Statistics Canada, Commodity Survey
Market Share of Sporting Goods Sales by Retail Store Category

- On the leisure side, sporting good stores have increased their market share.
- General merchandise stores have lost market share in this category over the past 8 years.

Source: Statistics Canada, Commodity Survey

Market Share Shifts – General Merchandise Winners and Losers

- Costco continues to outperform.
- The Bay re-invented itself, shift to mid to luxury market, good sales growth (6% growth in 2013).
- Sears Canada – sales decline ($6.5 B to $4.3 B in 2012), continues to revert leased stores to landlord (comp store growth but from store liquidations in 2013).
- Target – 124 stores, initial reports are disappointing (e.g., stock outs).
- Canadian Tire – acquiring other retailers (Mark’s, Forzani), experimenting with small 6,500 sq. ft. store on Danforth Avenue, continues to perform well.
- Dollarama – high growth, increased competition from Dollar Tree, move to increased size.
- Dollar Tree – U.S. expansion into Canada (acquired Dollar Giant and rebranded stores).
4. New Retailer Entrants

Entry Method | Management System | Examples
--- | --- | ---
Low commitment | Skeleton management system in Canada for operations and limited marketing – everything else done from foreign head office | Gap, Victoria’s Secret, Express, Ann Taylor
Partnership | Develop partnership with Canadian company to use their resources and entrants’ brand | Mango, Bench (includes manufacturing and design), Top Shop, Saks (more real estate focused)
Full commitment | Full management functions including merchandising, operations, marketing | Sears, Walmart, Target
### New Retailer Entrants

<table>
<thead>
<tr>
<th>Category</th>
<th>2000 – Major Players</th>
<th>2000 Players + Recent* + New Entrants</th>
<th>Considering**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Personal Care</td>
<td>• Shoppers Drug Mart, Rexall</td>
<td>• Shoppers Drug Mart, Rexall</td>
<td></td>
</tr>
<tr>
<td>General Merchandise</td>
<td>• Walmart, Sears</td>
<td>• Walmart, Sears, The Bay, Zellers</td>
<td></td>
</tr>
<tr>
<td>Sporting Goods, Books, Music and Hobbies</td>
<td>• SportChek, Chapters, Indigo, HMV</td>
<td>• SportChek, Indigo, Sail,</td>
<td></td>
</tr>
</tbody>
</table>

* *Launched in Canada within the past 5 years*

** Retailer has not confirmed entry into Canadian market
Luxury Heats Up

Nordstrom Numbers

- Established in 1901 as a shoe store
- $12.2B total revenues in 2013 with 3.4% growth
- Nordstrom Rack made up 22.5% of the business in 2013
- Women’s categories (not including shoes) make up 56% of the business
- Shoes are almost one-quarter of the business
- Sales per square foot is $474 with turnover of 5.07
- Average store sizes range from 141K to 240K
- Impact on shopping centres such as Sherway Gardens, Eaton Centre, and Yorkdale is that removing Sears which performed at low $100/sq. ft. with Nordstrom performing at four times that will impact other retailers as sales are drawn to them
**Nordstrom Sales Performance Measures**

- Acquisition of HauteLook, the online fashion store, sales increase “other retail” channel with a 537.9% growth rate in 2011, 46.5% in 2012 and a further 21.8% in 2013
- Nordstrom Rack grew 12.0% in 2013

### Retail Business Net Sales (in millions)

<table>
<thead>
<tr>
<th></th>
<th>2013 (millions)</th>
<th>2012 (millions)</th>
<th>2011 (millions)</th>
<th>2010 (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nordstrom</strong></td>
<td>$9,327 1.0%</td>
<td>$9,233 9.6%</td>
<td>$8,426 9.4%</td>
<td>$7,700</td>
</tr>
<tr>
<td><strong>Nordstrom Rack</strong></td>
<td>2,738 12.0%</td>
<td>2,445 19.6%</td>
<td>2,045 20.9%</td>
<td>1,691</td>
</tr>
<tr>
<td><strong>Other Retail</strong></td>
<td>330 21.8%</td>
<td>271 46.5%</td>
<td>185 537.9%</td>
<td>29</td>
</tr>
<tr>
<td><strong>Total Retail</strong></td>
<td>12,395 3.7%</td>
<td>11,949 12.1%</td>
<td>10,656 13.1%</td>
<td>9,420</td>
</tr>
<tr>
<td><strong>Corporate/Other</strong></td>
<td>(229)</td>
<td>(187)</td>
<td>(159)</td>
<td>(110)</td>
</tr>
<tr>
<td><strong>Total Net Sales</strong></td>
<td>$12,166 3.4%</td>
<td>$11,762 12.1%</td>
<td>$10,497 12.7%</td>
<td>$9,310</td>
</tr>
</tbody>
</table>

Note: Financial data for Nordstrom includes Nordstrom e-commerce sales

*Other Retail includes HauteLook online sales, Jeffrey stores, and Treasure&Bond stores

**Nordstrom Online Investment**

- Direct sales are $1.622 billion
- 28% growth in 2012
- Accounts for 13.3% of sales
- Significantly invested in this channel: $100 million in 2011 and $140 million in 2012.
- Invested in Bonobos (part of a $16.4 million round) – a men’s wear e-tailer
- Conclusions
  - Ahead of Canadian retailers in e-commerce and cross-channel capabilities
  - Has access to a data base of Canadian e-commerce customers
Nordstrom in Canada

- Tentative timeframe of Canadian Nordstrom store openings
  - Fall of 2014
    - Chinook Centre, Calgary – two levels, approximately 140,000 ft²
  - 2015
    - Rideau Centre, Ottawa – two levels, approximately 157,000 ft²
    - Pacific Centre, Vancouver – three levels, approximately 230,000 ft²
  - Fall of 2016
    - Yorkdale – three levels, approximately 188,000 ft²
    - Sherway Gardens, Toronto – two levels, approximately 138,000 ft²
    - Eaton Center, Toronto – three levels, approximately 213,000 ft²
    - Total: 1,066,000 ft²

- Nordstrom continues to look for opportunities to open additional full-line stores in Canada and believes that Canada can support 8–10 full-line stores and 15–20 Rack stores
- Nordstrom Rack openings delayed until 2016

Saks

- The Hudson’s Bay Company purchased Saks on November 4, 2013 for $2.9 billion
- As many as seven Saks Fifth Avenue stores and 25 OFF Fifth stores are planned to be opened in Canada
- The first two Saks Fifth Avenue stores will be located in the Eaton Centre and Sherway Gardens Mall
- HBC plans to open the first Saks Fifth Avenue in the Eaton Centre location during late 2015, a year before Nordstrom is to enter the vacated Sears location
  - The store will take up 150,000 sq. ft. of the current 750,000 sq. ft. of the Bay downtown flagship location
Holt Renfrew

- Holt Renfrew was founded in 1837 in Quebec city as a fur shop
- Holt Renfrew swiftly responded to the threat of Nordstrom Rack by launching hr2; the first store opened in March 2013
- Has doubled the square footage of its Yorkdale location to 120,000 sq. ft.
- Square One Shopping Centre - 120,000 sq. ft. flagship store - 2016
- A stand alone men’s wear store is also expected to be launched beside the store’s flagship Bloor Street West location

How Much is Too Much?

<table>
<thead>
<tr>
<th>Luxury Stores</th>
<th>2013</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holt Renfrew</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Harry Rosen</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Nordstrom</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Saks</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>hr2</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>OFF Fifth</td>
<td></td>
<td>25</td>
</tr>
</tbody>
</table>
5. Examples of New Retail Entrants (2008 to 2013) in Oakville Trade Area

- Only assessed apparel, jewellery, footwear, and accessories stores
- Area assessed including Burlington to Hwy 427 and south of Hwy 407
- Includes Square One, Sherway Gardens, Mapleview
- 422 new apparel, footwear, jewellery, and accessories stores opened since 2008 and still open in 2013
- Excludes existing retailers and Downtown Oakville
- Represent over 1 million sq. ft. of space

Chain Examples of New Retail Entrants (2008 to 2013)

Only 111 Examples of the 422 Stores in Oakville Trade Area

<table>
<thead>
<tr>
<th>Popular Brands</th>
<th>Mid to Luxury</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>A&amp;F</td>
<td>Ann Taylor</td>
<td>Brown</td>
</tr>
<tr>
<td>Abercrombie Kids</td>
<td>Aritzia</td>
<td>Ecco</td>
</tr>
<tr>
<td>Aeropostale (5)</td>
<td>BCBG Max Azria</td>
<td>Fossil (2)</td>
</tr>
<tr>
<td>American Apparel</td>
<td>Bebe</td>
<td>Geox (2)</td>
</tr>
<tr>
<td>Armani Exchange</td>
<td>Birks</td>
<td>Joe Fresh</td>
</tr>
<tr>
<td>Bench (2)</td>
<td>Bitter Sweet</td>
<td>Johnston &amp; Murphy (2)</td>
</tr>
<tr>
<td>Buffalo David Bitton</td>
<td>Blue Peacock</td>
<td>Journeys (3)</td>
</tr>
<tr>
<td>Carters Osh Kosh (2)</td>
<td>Coach (2)</td>
<td>Justice (2)</td>
</tr>
<tr>
<td>Crocs</td>
<td>Lacoste</td>
<td>La Vie en Rose (4)</td>
</tr>
<tr>
<td>Dynamite (2)</td>
<td>Loft</td>
<td>Laura</td>
</tr>
<tr>
<td>Express (2)</td>
<td>Mountian Equip. Coop</td>
<td>Marks WW</td>
</tr>
<tr>
<td>Forever 21 (2)</td>
<td>Pink (3)</td>
<td>Marshalls (2)</td>
</tr>
<tr>
<td>Fresh &amp; Urban</td>
<td>Rudsak</td>
<td>Nine West (4)</td>
</tr>
<tr>
<td>Guess (2)</td>
<td>Scotch &amp; Soda</td>
<td>Pandora (2)</td>
</tr>
<tr>
<td>H&amp;M</td>
<td>Swatch (2)</td>
<td>Roots (2)</td>
</tr>
<tr>
<td>Hot Topic (2)</td>
<td>True Religion (2)</td>
<td>RW&amp; Co</td>
</tr>
<tr>
<td></td>
<td>Victoria’s Secret (3)</td>
<td>Children’s Place (2)</td>
</tr>
<tr>
<td></td>
<td>Zara (2)</td>
<td>Thyme Maternity (2)</td>
</tr>
<tr>
<td></td>
<td>Zumiez</td>
<td>Town Shoes (2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Winners</td>
</tr>
</tbody>
</table>

Note that if a store is listed and it does exist in Downtown Oakville, then it is another store elsewhere in the trade area.
6. Designer Outlets Come to Canada

The U.S. Experience

- Between 2008 and 2010, the number of outlet centres in the U.S. declined (217 to 179) but have rebounded to 185 in 2012. The amount of outlet centres’ GLA has increased (from 56.5 million ft² to 70.9 million ft²)
- In 2012, outlet centres’ sales were estimated at $24.3 billion (up from $18.3 billion in 2008) or 1.16% of total retail sales in 2012*
- The top two outlet centre developers in 2012 accounted for 72% of the total outlet centres’ GLA
  - Simon Property Group and Mills** and Tanger Factory Outlets

---

* Total Retail Sales less Auto and Food & Beverage
** Acquired by Simon Property Group in 2007
Profile of U.S. Outlet Centre Customer

- Outlet centre shoppers have higher household incomes and are predominantly of Caucasian descent

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Income</td>
<td>$53,587*</td>
<td>$55,558*</td>
<td>$60,525~</td>
<td>$50,221*</td>
</tr>
<tr>
<td>% Married</td>
<td>65%</td>
<td>62%</td>
<td>47%</td>
<td>47%</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>26%</td>
<td>42%</td>
<td>n.a.</td>
<td>49.3%</td>
</tr>
<tr>
<td>Female</td>
<td>74%</td>
<td>58%</td>
<td>n.a.</td>
<td>50.7%</td>
</tr>
<tr>
<td>Ethnicity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>82%</td>
<td>74%</td>
<td>n.a.</td>
<td>63.7%</td>
</tr>
<tr>
<td>African American</td>
<td>18%</td>
<td>8%</td>
<td>2%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Asian</td>
<td>18%</td>
<td>3%</td>
<td>3%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
<td>13%</td>
<td>n.a.</td>
<td>16.3%</td>
</tr>
<tr>
<td>Hispanic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Median Household Income
~ Avg. HHI of markets tenant by outlet chains
Source: Value Retailing News, Census Bureau; ICSC Research Review – The Factory Outlet Shopper – A Breed of Its Own, 2005

Factory Outlet Strategies

- The ratio of outlet centres to standard stores differs by brands
- Burberry and Coach have the lowest ratio, whereas Saks Fifth Avenue and Ralph Lauren have the highest ratio:
  - Both Nordstrom and Saks Fifth Avenue have outlet stores in cities/states that do not have a standard store

<table>
<thead>
<tr>
<th>Brand</th>
<th>Number of standard stores</th>
<th>Number of outlet stores</th>
<th>Proportion of outlet stores to standard stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burberry</td>
<td>72</td>
<td>18</td>
<td>25%</td>
</tr>
<tr>
<td>Coach</td>
<td>342</td>
<td>121</td>
<td>35%</td>
</tr>
<tr>
<td>Nordstrom &amp; Nordstrom Off Rack</td>
<td>115</td>
<td>90</td>
<td>78%</td>
</tr>
<tr>
<td>Ralph Lauren and Polo Ralph Lauren*</td>
<td>60</td>
<td>140</td>
<td>233%</td>
</tr>
<tr>
<td>Saks Fifth Avenue and Saks OFF Fifth</td>
<td>47</td>
<td>57</td>
<td>121%</td>
</tr>
</tbody>
</table>

* Ralph Lauren Sport and RRL stores are not included in standard store count
Canadian Outlet Centre Data

- There are currently 7 outlet centres in Canada with a total GLA of 776,000 ft² *
- The average size is 110,857 ft² or less than half of the U.S. average (383,066 ft²)
- Currently there are plans for an additional 7 outlet centres for Canada that will add 2.9 million sq. ft. – more than quadrupling the space
- Simon, Tanger and McArthurGlen (U.K. outlet developer) will bring an upgraded product to market

* Value Retail News September 2012

Business Impact of Premium Outlets

- Heightened competition in the retail space and particularly in and around the major urban centres
- Increased awareness of luxury brands
- More retailers will enter with at least a three-channel strategy
  - An outlet, website, and standard store approach
- Will change trade area definitions
- Current outlet centres/malls – reduced shopper visits and the potential loss of tenants
- In Canada, the current outlet centre offering is a mixture of small and hybrid centres
- The premium luxury market in Canada is very limited; thus raising the question of its growth potential*
- If the announced outlet centres are built in Canada, there will be approximately one-half of the square feet per capita when compared to the U.S.
  - (e.g., in Canada .104 ft² per capita vs .239 ft² per capita in U.S.)
- There will likely be more outlet centres planned in Canada because of the success of the latest openings

* Value Retail News September 2012
7. Percent of National Chain Store Count and Sales

- Chain is defined as four or more stores operated in Canada
- Growth in the proportion of stores that are chains
- Food retailers have higher proportion of non-chain stores
- All store categories witnessed an increased proportion of chains except jewellery, leather and luggage stores, and beer, wine, and liquor stores
- High proportion of sales conducted at chain stores with the exception of specialty food, health and personal care, and home furnishings
- Market share of chains increased from 2010–2011
- 50% of clothing and accessories stores are chains (four stores or more) but control 76% of sales
- The market share of the top two or three retailers in many categories control a major share of retail sales in that category
- Continued mergers and acquisitions – when sales become consolidated with few retailers it affects supply chain negatively – not enough competition in the supply chain

![Percent of Canada Chain Store Count](chart.png)

*Source: Statistics Canada: Chain is 4 stores or more*
National Market Share of Chain Store Sales

- Beer, wine and liquor stores
- General merchandise stores
- Clothing and clothing accessories stores
- Electronics and appliance stores
- Furniture stores
- Sporting goods, hobby, book and music stores
- Grocery stores
- Building material and garden equipment and supplies dealers
- Home furnishings stores
- Health and personal care stores
- Specialty food stores

Source: Statistics Canada: Chain is 4 stores or more

- Indexed to 2004 to illustrate growth in specific category from 2004–2012
- Only accounts for sales by stores (includes online sale if website is part of company)
- Excludes pure play online retailers such as Amazon or if online sale is administered by third party
- Specific categories losing due to switch in consumer preferences (e.g., younger consumers prefer to watch TV shows online) and competition from online (e.g., books)
- Some categories witnessed very high growth (e.g., pet supplies, fresh fruits/vegetables, non-athletic footwear, etc.)
- Indices in 2013 that are higher than 130 (30% over 9 years) represent higher than normal growth (higher than 3% annualized growth)
**Food Products (Index Sales Growth 2004=100)**

- Consumers prefer fresh foods
- High growth rates for fresh fruits, vegetables, fish, and dairy and eggs (yogurt sales have increased at high rates)
- Average growth for fresh meat
- Affected by healthy living, preference for organics, local food, and some ethnic markets
- Growth in farmers’ markets, specialty food stores

**Home and Office Products (Index Sales Growth 2004=100)**

- TV sales (at stores) have fallen to below 2004 levels
- Switch to online buying and fewer TVs sold as younger consumers preferring laptops to watch programs
- Post 2008 recession mixed sales growth results for home related products
- Increased self employment spurs sales growth for home office electronics category
- Kitchen and small electrical had good sales growth
- Bedroom and bathroom linens have suffered recent sales declines

Source: Statistics Canada, Commodity Survey
Health and Beauty Products (Index Sales Growth 2004=100)

- Health related goods witnessed high growth
- Current consolidation and mergers within the industry (e.g., Shoppers and Loblaws, McKesson and Katz)

Source: Statistics Canada, Commodity Survey

Women’s Clothing and Accessories Products (Index Sales Growth 2004=100)

- For the most part, sales growth has been under the 130 threshold index
- Women’s accessories had witnessed very high growth
- Most categories have had flat growth since 2009
- Not surprisingly hosiery has been the worst performing reflecting changes in the way women dress and shift from older styles and assumptions

Source: Statistics Canada, Commodity Survey
Men’s Clothing and Accessories Products (Index Sales Growth 2004=100)

- Similar to women’s clothing, sales have been flat since 2009 for most tops/bottoms
- Men’s suits have risen dramatically in since 2010 reflecting new Millennials craving for unique fashion items
- Also men’s accessories have had very high sales growth

CPI Clothing and Footwear

- Women’s clothing has experienced deflationary pressures. With declining prices, stable sales means that consumers are buying more but they are spending less on each item. Sale items tend to swing 10% rather than the more stabilized 5% most commonly seen in other clothing categories
- Men’s clothing is more immune to deflationary pressures
- Men’s non athletic footwear has actually increased in prices
Children Under 4 and Infant’s Clothing and Accessories Products (Index Sales Growth 2004=100)

- Children under 4 clothing has performed poorly but has flattened out since 2009
- Infants clothing has continued to perform very well

Other Fashion Items (Index Sales Growth 2004=100)

- Non athletic footwear has performed well; again style conscious Millennials are pushing sales forward
- Luggage and leather goods such as Coach have attributed to high sales growth
- Jewellery performed well
- Cosmetics has had average growth rates
- Eyewear growth has been flat
Consumers have increased spending on pet supplies as well as toys, games, hobbies, and electronic games; but growth has stalled since 2008.

Traditional sporting goods, including bicycles and hockey equipment, have stayed approximately the same.

Books and newspapers have flat lined and recently fallen further (does not include ebooks and Amazon).

Music store sales declined.

Fabric, yarn, sewing declined significantly till 2010; recently witnessed a small resurgence.

Source: Statistics Canada, Commodity Survey

9. Food as Entertainment

Grocery stores attempting to differentiate from general merchandisers by adding services and catering to specific demographic targets – becoming entertainment focused.

- Whole Foods – organic, upscale, services inside
- T&T – Ethnic
- Longo’s includes casual dining restaurant, coffee, cooking school, and pharmacy (48,000 sq. ft.)
- McEwan, Pusateri’s and others have pushed higher end food purchases
- Others add entertainment features
1. Waves of Retail Development

**The Dawn of the Planned Shopping Centre**
Local automotive-oriented shopping centres developed, small scale unenclosed community centres, independently developed.

**The Catalytic Shopping Centre**
Development of super-regional centres, greenfield sites, shopping centres as the catalyst for future suburban growth in major markets.

**The Era of Power Centre**
Large format retailers (big box), distributed in power centres, U.S. style retailing, economies of scale, functional shopping, auto-dependent.

**Hybrid Retail Integration**
Cultural blending of retail formats and location types, big box to small box, urban concept, mixed and multi-uses, hybrid power and mall retail.

---

**Retail Development Timeline**

<table>
<thead>
<tr>
<th>Pre-1940s</th>
<th>1950s</th>
<th>1960s</th>
<th>1970s</th>
<th>1980s</th>
<th>1990s</th>
<th>2000s</th>
<th>2010s</th>
</tr>
</thead>
</table>

---

**Shopping Centres and “Planned” Communities**
Housing stock and enclosed shopping provision developed simultaneously, planned development of shopping centre industry.

**The Entertainment Shopping Centre**
Mixing of retail and entertainment, multi-screen theatres, new development and re-development of existing centres.

**Power Retail Diffusion**
Increased presence of big box stores within existing shopping centres (often into former department store space), co-location of power centres and shopping centres.

---

**Age of the Department Store**
Low consumer mobility, high order goods purchased downtown, dominance of department stores, local convenience shopping.

---

**DOWNTOWN**

---

**SUBURBAN**

---

**NEW URBAN**
Retail Development Greater Golden Horseshoe 2008 to 2012

<table>
<thead>
<tr>
<th></th>
<th>2008 (1000s Sq. Ft.)</th>
<th>2012 (1000s Sq. Ft.)</th>
<th>5 Yr Growth</th>
<th>CAGR</th>
<th>2008 % of Total</th>
<th>2012 % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Centre</td>
<td>39,530</td>
<td>44,910</td>
<td>13.6%</td>
<td>2.6%</td>
<td>16.0%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Strip Corridors</td>
<td>66,020</td>
<td>62,760</td>
<td>-4.9%</td>
<td>-1.0%</td>
<td>26.7%</td>
<td>24.5%</td>
</tr>
<tr>
<td>Community SC</td>
<td>52,320</td>
<td>55,700</td>
<td>6.5%</td>
<td>1.3%</td>
<td>21.2%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Convenience SC</td>
<td>7,460</td>
<td>8,920</td>
<td>19.6%</td>
<td>3.6%</td>
<td>3.0%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Neighbourhood SC</td>
<td>46,670</td>
<td>50,110</td>
<td>7.4%</td>
<td>1.4%</td>
<td>18.9%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Regional SC</td>
<td>14,440</td>
<td>13,300</td>
<td>-7.9%</td>
<td>-1.6%</td>
<td>5.8%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Super Regional SC</td>
<td>20,890</td>
<td>20,890</td>
<td>0.0%</td>
<td>0.0%</td>
<td>8.4%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Total</td>
<td>247,320</td>
<td>256,580</td>
<td>3.7%</td>
<td>0.7%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

- Strip corridors including Downtown Oakville make up one-quarter of retail in the GGH
- There is a slight decrease in retail in these strips primarily in Toronto
- Vacancy on the strips has increased
- More food services and fewer furniture and home furnishings as well as used apparel and furniture stores

Power Retail Development: Was the Dominant Trend
Toronto Area Malls and Power Centres

- Power retail to continue, at slower rate
  - Format has dominated development across Canada, during a period of limited mall and lifestyle centre construction
  - Becoming more aesthetically “designed” – omni centres
  - There will be significant losses at some power centres as major retailers close including Staples, Best Buy, Future Shop, Indigo/Chapters, among others
  - Will see apparel retailers move away from power centres and back to traditional malls
- Major malls continue to re-invest in their “grounded” capital, with integration of big box players, internal (incl. extensions) and on external pads (i.e., parking lot conversions)
  - Increasing spread between A and C malls
  - Limited space available in premium malls
  - Limited number of players for premium malls who have major retailers locked into being only at their malls (to the exclusion of others)
Investment in Toronto Retail Areas Required to Sustain Performance Metrics

- Canada and Toronto area have lower retail sq. ft. per capita but higher sales productivity than U.S. malls
- Requires consistent investment to maintain high productivity
- Scarborough Town Centre
  - 2012: $62 m Phase II redevelopment
- Yorkdale
  - 2016: $331 m expansion 298,000 sq. ft. incl. Nordstrom
  - 2012: $220 m expansion 145,000 sq. ft.
  - 2005: $110 m redevelopment
- Sherway Gardens
  - 2016: $350 m expansion of 210,000 sq. ft. and redevelopment 90,000 sq. ft.
- Eaton Centre
  - 2012/2013: $120 m redevelopment
  - Going through redevelopment to accommodate Nordstrom, Saks, and other retailers
- Bayview Village
  - 2010: $10 m redevelopment
- Square One
  - 2013: $83 m redevelopment
- Mapleview Centre
  - 2008 to 2011: $10 m redevelopment

Toronto has Four Top 15 Shopping Centres in North America

<table>
<thead>
<tr>
<th>Shopping Centre</th>
<th>City</th>
<th>2012 Sales /Sq. Ft. – Non Anchor (&lt;10,000 sq. ft.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific Centre</td>
<td>Vancouver, BC</td>
<td>$1,580</td>
</tr>
<tr>
<td>Caesar’s Palace</td>
<td>Las Vegas, NV</td>
<td>$1,470</td>
</tr>
<tr>
<td>Toronto Eaton Centre</td>
<td>Toronto, ON</td>
<td>$1,320</td>
</tr>
<tr>
<td>Yorkdale Shopping Centre</td>
<td>Toronto, ON</td>
<td>$1,300</td>
</tr>
<tr>
<td>Ala Moana Shopping Centre</td>
<td>Honolulu, HI</td>
<td>$1,250</td>
</tr>
<tr>
<td>Oakridge SC</td>
<td>Vancouver, BC</td>
<td>$1,200</td>
</tr>
<tr>
<td>Chinook Centre</td>
<td>Calgary, AB</td>
<td>$1,055</td>
</tr>
<tr>
<td>Mall at Short Hills</td>
<td>Short Hills NJ</td>
<td>$1,050</td>
</tr>
<tr>
<td>Mall at Millenia</td>
<td>Orlando, FL</td>
<td>$1,040</td>
</tr>
<tr>
<td>Rideau Centre</td>
<td>Ottawa, ON</td>
<td>$1,020</td>
</tr>
<tr>
<td>Sherway Gardens</td>
<td>Toronto, ON</td>
<td>$950</td>
</tr>
<tr>
<td>Fairview Mall</td>
<td>Toronto, ON</td>
<td>$880</td>
</tr>
<tr>
<td>Fashion Valley SC</td>
<td>San Diego, CA</td>
<td>$875</td>
</tr>
<tr>
<td>Peter Pond Mall</td>
<td>Ft. McMurray, AB</td>
<td>$850</td>
</tr>
<tr>
<td>Garden State Plaza</td>
<td>Paramus, NJ</td>
<td>$750</td>
</tr>
</tbody>
</table>

Source: KPMG 2012 in Cdn $  
Many malls are influenced by very high sales volume at Apple $10,000+/sq. ft.
2. Urban Formats

- Retailers increasingly looking to downtown locations
- Cranes and condos – driving interest
- Need to think outside the box
  - Inventive with smaller space
  - New from old
  - High cost (relative to suburbs)
  - Vertically challenged
Urban Formats: Retailer Interest

- Increasing pressure to locate in urban areas
- Banks – pushing rents higher
- Cell phone – want to be front and centre to target markets
- Car rental – urban population do not own cars but are renting (Avis bought Zipcar)
- Ethnic grocery – want to expand from suburban areas to urban
- Restaurants – willing to develop more unique branded concepts to retain independent flavour (put as much storage, food prep in low rent areas such as basement) to make rents work in their favour
- Pharmacy – see growth in multi-level urban formats

3. Reconfiguration of Existing Space

- Older “tired” malls provide substantial redevelopment opportunities
  - Adaptive re-use: integration of other uses
- Entering a new period of retail development
  - Reconfiguration of existing space
  - Viewing old space in new way
  - Retailers looking at new locations
  - Smaller markets, infill, vertical, downtown
  - New urbanism in suburbs
  - Outlet centres
4. Omni-channel

- Omni-channel describes a connected network that seamlessly merges consumers’ online and in-store experience
- Websites, kiosks, catalogues, call centres, pop-ups, social media, mobile devices, television, vending, and physical stores
  - Increased sales (over 40% of U.S. retail sales are web influenced)
  - Opportunity to build brand image
- Allows consumers to browse, experience, purchase, and return products through any channel
- Canada lags U.K. and U.S. (middle of the pack performance)

Augmented reality
- Test what products look like on you, through online app
- Ikea has evolved this service with their catalogue to show how furniture will look in your home

Omni-channel: Online Retailers Renting Streetfront Space

- Retailers have begun to embrace online sales
- Now traditional pure play online stores moving to brick and mortar stores (e.g., Clearly Contacts, Etsy, eBay)
Omni-channel: Window Shopping

- In NYC, Kate Spade recently partnered with eBay to launch the latest retail innovation that blurs the lines between shopping online and brick and mortar retailing.
- After viewing the window display, pedestrians can easily order the products at a nearby touch screen and receive it within one hour.

Omni-channel: Stores Seek Out Urban Shoppers at Transit

- Pushing sales of Walmart goods to commuters at transit stops.
- Use QR codes for online sales while waiting for transit.
- Follows Tesco example in Seoul train station and Well.ca in Toronto PATH.
Omni-channel: Geofencing and Social Local

- Geofencing: retailers can send promotional alerts to nearby pedestrians on the street through their mobile app to attract them into the store.
- Social local: location-based social media platforms such as Foursquare and Yelp allow businesses to market to market to pedestrians by sending promotions and sales alerts to people passing.
- Augmented reality: in-store promotions (tips, recipes, peer reviews, product suggestions) on mobile device.

With the augmented reality app, you hold up your device to the store aisle and merchandise, discounts, and promotion suggestions pop up on your screen.

Omni-channel: Mobile Commerce

- Smartphone and tablet devices
- Consumers love to shop anytime and anywhere, which is why M-commerce will continue to grow.
- At present, very small percentage of sales
- Ease of mobile payment solutions makes this a growth category.

Source: Dept. of Commerce, comScore e-Commerce & m-Commerce Measurement
Omni-channel: Showrooming

- Bricks and mortar store that has no stock (e.g., Desigual in Barcelona)
- Only display latest merchandise to view and try on but personal shoppers drive consumers to buy it online using tablets in-store. Product is delivered to customer’s location
- Combine benefits of ability to touch or view product and immediate online sale
- Retailers have slowly come to expect this fact and devised a few strategies to retain their customers
  - Price matching
  - Customer in-store experience
  - Better personal service
- Has impact on traditional way landlords and management charges rent. Cannot charge rent

Omni-channel: Online Delivery Options

- Retailers and businesses are moving into same day delivery to match the immediacy benefit of shopping in-store
  - Canada Post recently launched Delivered Tonight – offers same day delivery for purchases at Walmart, Best Buy, Future Shop, and Indigo
  - Others: Walmart, Amazon Prime, eBay Now (1 hr), Instacart, Deliv in select markets
  - Google Shopping Express test market same day delivery in San Francisco: 15 and growing retailers such as Target, Walgreens, REI, Whole Foods, Lucky, American Eagle, Staples, Office Depot, Toys R Us, L’Occitane
- However, immediacy is challenged based on the cost to value factor
  - When it comes to shopping online, 74% of respondents say offering free delivery is most important, followed by 50% who say lower than in-store prices is their top factor
  - Only 9% want same day delivery
  - The young and affluent, urban-dwellers, aged 18–34 with household income over $150,000 value same day delivery and will pay up to $10 for it
- To make it more convenient for consumers, online retailers are offering convenience locker pick up locations. This is especially good for daytime workers
  - In U.S., Amazon has pick up location in 7/11 and Staples
5. Customized Formats

- Retailers are customizing their store formats to suit consumer needs
- Overall, the trend is to include more smaller formats and urban formats
- Smaller formats are consumer driven but also a response from the recession for retailers to be more productive with their retail selling spaces

One size doesn’t fit all any more

Customized Formats – Shrinking

- Big format retailers are shrinking in size to meet convenience gap
- Smaller, localized stores allow retailers to customize the merchandise selection to meet the specific needs of a particular region
- Retailers want to be more efficient with their space as a cost saving measure
  - Walmart Express (Chicago, 15,000 sq. ft.; Urban 90 in Scarborough, 90,000 sq. ft.)
  - Canadian Tire Express (Toronto, 6,500 sq. ft.)
  - Loblaws The Box by No Frills (10,000 sq. ft.)
  - City Target (Chicago)
- Some growing categories, especially in apparel, are increasing their size
  - Victoria’s Secret – closing smaller stores (La Senza) and replacing with larger Victoria’s Secret stores
  - Forever 21 – enlarging stores to include more merchandise assortment, including men’s clothing
  - Dollarama is increasing store sizes slightly
6. Manufacturers and Wholesalers Becoming Retailers

Increased shift for manufacturers to bring their branded presence to more consumers through their own stores (or pop-up stores).

Source: McMillan Doolittle

7. Kiosk/ Pop-up Stores

- Retailers and online retailers alike are embracing pop-up stores as a means to introduce new concepts, test out new markets or to meet the temporary needs of a market.
  - Target – downtown Toronto pop-up featuring Jason Wu
  - eBay – limited edition holiday pop-up store in Yorkville
  - Business out of Box – similar to Shoreditch container stores
Appendix B: Downtown Oakville Background Report

Trade Area Socio-Economic Profile

<table>
<thead>
<tr>
<th>Age Profile</th>
<th>Downtown</th>
<th>West Downtown</th>
<th>S.E. Oakville</th>
<th>Downtown Trade Area</th>
<th>GTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 9</td>
<td>3.6%</td>
<td>7.9%</td>
<td>9.2%</td>
<td>11.5%</td>
<td>11.1%</td>
</tr>
<tr>
<td>10 to 19</td>
<td>7.0%</td>
<td>9.3%</td>
<td>16.3%</td>
<td>13.9%</td>
<td>11.9%</td>
</tr>
<tr>
<td>20 to 29</td>
<td>9.0%</td>
<td>13.3%</td>
<td>11.9%</td>
<td>11.7%</td>
<td>14.8%</td>
</tr>
<tr>
<td>30 to 39</td>
<td>9.5%</td>
<td>13.5%</td>
<td>6.2%</td>
<td>11.7%</td>
<td>14.6%</td>
</tr>
<tr>
<td>40 to 49</td>
<td>12.2%</td>
<td>14.9%</td>
<td>15.0%</td>
<td>16.8%</td>
<td>15.4%</td>
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<tr>
<td>50 to 59</td>
<td>14.9%</td>
<td>14.0%</td>
<td>17.3%</td>
<td>14.7%</td>
<td>13.9%</td>
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<tr>
<td>60 to 69</td>
<td>15.9%</td>
<td>11.3%</td>
<td>11.5%</td>
<td>9.2%</td>
<td>9.3%</td>
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<tr>
<td>70 to 79</td>
<td>13.8%</td>
<td>9.4%</td>
<td>7.5%</td>
<td>6.1%</td>
<td>5.3%</td>
</tr>
<tr>
<td>80+</td>
<td>15.0%</td>
<td>6.6%</td>
<td>5.1%</td>
<td>4.2%</td>
<td>3.5%</td>
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<tr>
<td>Median Age</td>
<td>56.2</td>
<td>44.2</td>
<td>45.4</td>
<td>40.7</td>
<td>38.3</td>
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</table>
## Trade Area Socio-Economic Profile

<table>
<thead>
<tr>
<th></th>
<th>Downtown</th>
<th>West Downtown</th>
<th>S.E. Oakville</th>
<th>Downtown Trade Area</th>
<th>Downtown Trade Area</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Household Size</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Person</td>
<td>47.5%</td>
<td>39.3%</td>
<td>8.1%</td>
<td>19.1%</td>
<td>23.5%</td>
</tr>
<tr>
<td>Two Person</td>
<td>34.6%</td>
<td>35.3%</td>
<td>32.4%</td>
<td>30.1%</td>
<td>27.4%</td>
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<tr>
<td>Three Person</td>
<td>8.5%</td>
<td>12.5%</td>
<td>16.1%</td>
<td>17.6%</td>
<td>17.7%</td>
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<tr>
<td>Four or More Person</td>
<td>9.4%</td>
<td>12.9%</td>
<td>43.4%</td>
<td>33.3%</td>
<td>31.4%</td>
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<tr>
<td>Children Per Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family</td>
<td>0.7</td>
<td>0.9</td>
<td>1.2</td>
<td>1.2</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>24.5%</td>
<td>31.3%</td>
<td>25.9%</td>
<td>25.8%</td>
<td>30.7%</td>
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<tr>
<td>Common Law</td>
<td>4.9%</td>
<td>8.1%</td>
<td>61.6%</td>
<td>5.1%</td>
<td>50.4%</td>
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<tr>
<td>Married</td>
<td>44.8%</td>
<td>38.3%</td>
<td>2.9%</td>
<td>56.2%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Widowed, Divorced, Sep.</td>
<td>25.8%</td>
<td>22.5%</td>
<td>9.6%</td>
<td>12.9%</td>
<td>13.4%</td>
</tr>
<tr>
<td><strong>Education and Occupation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University Degree</td>
<td>46.8%</td>
<td>29.4%</td>
<td>54.5%</td>
<td>36.9%</td>
<td>35.9%</td>
</tr>
<tr>
<td>Professional</td>
<td>73.1%</td>
<td>45.1%</td>
<td>70.6%</td>
<td>60.4%</td>
<td>53.1%</td>
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<tr>
<td>Sales Service</td>
<td>20.7%</td>
<td>28.3%</td>
<td>18.0%</td>
<td>21.9%</td>
<td>21.4%</td>
</tr>
<tr>
<td>Other</td>
<td>10.7%</td>
<td>24.0%</td>
<td>11.4%</td>
<td>16.7%</td>
<td>25.5%</td>
</tr>
<tr>
<td><strong>Household Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $50,000</td>
<td>21.3%</td>
<td>48.7%</td>
<td>15.6%</td>
<td>22.4%</td>
<td>34.9%</td>
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<tr>
<td>$50,000 to $99,999</td>
<td>27.7%</td>
<td>30.1%</td>
<td>19.4%</td>
<td>29.2%</td>
<td>30.9%</td>
</tr>
<tr>
<td>$100,000 to $149,999</td>
<td>16.0%</td>
<td>9.7%</td>
<td>13.7%</td>
<td>20.4%</td>
<td>17.5%</td>
</tr>
<tr>
<td>$150,000 to $199,999</td>
<td>9.2%</td>
<td>4.8%</td>
<td>13.1%</td>
<td>12.1%</td>
<td>8.3%</td>
</tr>
<tr>
<td>$200,000 to $249,999</td>
<td>9.2%</td>
<td>2.7%</td>
<td>8.0%</td>
<td>5.4%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Over $250,000</td>
<td>16.7%</td>
<td>4.0%</td>
<td>30.2%</td>
<td>10.6%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Average Household Income</td>
<td>$179,413</td>
<td>$80,481</td>
<td>$286,123</td>
<td>$139,749</td>
<td>$104,716</td>
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<tr>
<td>Real Growth in Household Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Trade Area Socio-Economic Profile

<table>
<thead>
<tr>
<th>Method of Transportation to Work</th>
<th>Downtown</th>
<th>West Downtown</th>
<th>S.E. Oakville</th>
<th>Downtown Trade Area</th>
<th>GTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car</td>
<td>64.9%</td>
<td>71.2%</td>
<td>78.9%</td>
<td>81.8%</td>
<td>72.3%</td>
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<tr>
<td>Public Transit</td>
<td>13.6%</td>
<td>16.7%</td>
<td>17.5%</td>
<td>13.5%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Walk</td>
<td>17.7%</td>
<td>8.9%</td>
<td>3.6%</td>
<td>3.2%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Daytime Work Population</td>
<td>11,580</td>
<td>5,994</td>
<td>10,294</td>
<td>148,464</td>
<td>2,947,408</td>
</tr>
</tbody>
</table>

### Household Expenditure

<table>
<thead>
<tr>
<th>Category</th>
<th>Downtown</th>
<th>West Downtown</th>
<th>S.E. Oakville</th>
<th>Downtown Trade Area</th>
<th>GTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>$9,503</td>
<td>$5,817</td>
<td>$12,185</td>
<td>$8,868</td>
<td>$7,638</td>
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<tr>
<td>Health Care Supplies</td>
<td>$2,222</td>
<td>$1,324</td>
<td>$2,129</td>
<td>$1,650</td>
<td>$1,455</td>
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<tr>
<td>Alcohol from Stores</td>
<td>$1,304</td>
<td>$668</td>
<td>$1,717</td>
<td>$862</td>
<td>$717</td>
</tr>
<tr>
<td>Women’s Apparel</td>
<td>$4,208</td>
<td>$1,782</td>
<td>$6,073</td>
<td>$3,123</td>
<td>$2,467</td>
</tr>
<tr>
<td>Men’s Apparel</td>
<td>$2,431</td>
<td>$1,175</td>
<td>$3,608</td>
<td>$1,897</td>
<td>$1,614</td>
</tr>
<tr>
<td>Children’s Apparel</td>
<td>$186</td>
<td>$119</td>
<td>$326</td>
<td>$203</td>
<td>$154</td>
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<tr>
<td>Furniture</td>
<td>$1,694</td>
<td>$895</td>
<td>$2,324</td>
<td>$1,318</td>
<td>$982</td>
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<tr>
<td>Art and Antiques</td>
<td>$388</td>
<td>$178</td>
<td>$656</td>
<td>$262</td>
<td>$195</td>
</tr>
<tr>
<td>Kitchen</td>
<td>$232</td>
<td>$107</td>
<td>$217</td>
<td>$127</td>
<td>$102</td>
</tr>
<tr>
<td>Audio, Video, TV, Computer, Photography</td>
<td>$1,891</td>
<td>$1,095</td>
<td>$3,384</td>
<td>$2,182</td>
<td>$1,668</td>
</tr>
</tbody>
</table>
## Trade Area Socio-Economic Profile

<table>
<thead>
<tr>
<th>Household Expenditure</th>
<th>Downtown</th>
<th>West Downtown</th>
<th>S.E. Oakville</th>
<th>Downtown Trade Area</th>
<th>GTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports and Leisure</td>
<td>$681</td>
<td>$392</td>
<td>$920</td>
<td>$725</td>
<td>$484</td>
</tr>
<tr>
<td>Newspapers, Magazines</td>
<td>$366</td>
<td>$171</td>
<td>$439</td>
<td>$224</td>
<td>$172</td>
</tr>
<tr>
<td>Books</td>
<td>$249</td>
<td>$122</td>
<td>$367</td>
<td>$188</td>
<td>$157</td>
</tr>
<tr>
<td>Pet Supplies</td>
<td>$323</td>
<td>$230</td>
<td>$371</td>
<td>$248</td>
<td>$205</td>
</tr>
<tr>
<td>Gardening, Cut Flowers</td>
<td>$360</td>
<td>$170</td>
<td>$495</td>
<td>$258</td>
<td>$176</td>
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<tr>
<td>Food Services</td>
<td>$3,582</td>
<td>$1,872</td>
<td>$4,551</td>
<td>$2,621</td>
<td>$2,413</td>
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<tr>
<td>Alcohol Served</td>
<td>$760</td>
<td>$410</td>
<td>$1,061</td>
<td>$459</td>
<td>$422</td>
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<tr>
<td>Dry Cleaning and Laundry Services</td>
<td>$431</td>
<td>$223</td>
<td>$357</td>
<td>$141</td>
<td>$103</td>
</tr>
<tr>
<td>Personal Care Services</td>
<td>$1,168</td>
<td>$600</td>
<td>$1,617</td>
<td>$876</td>
<td>$706</td>
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<tr>
<td>Veterinarian</td>
<td>$287</td>
<td>$167</td>
<td>$702</td>
<td>$301</td>
<td>$231</td>
</tr>
</tbody>
</table>

- Downtown and S.E. Oakville households spend money on making the home look good and fashionable.
- They like to both entertain at home and go out for dinner/drinks.
- Trade area households are more focused on family, including sports, children’s clothing, home entertainment, and the family pet.
- They like a good looking house.
Downtown Oakville Vacancies and New Store Openings

- 60% of the 145 businesses in the Lakeshore ONLY audit form 2007 were still open in 2013
- An approximate 40% turnover over five years is normal for other main streets J.C. Williams Group has studied
- New stores have opened in Downtown Oakville every year including Aroma and James Perce who are set to open this year
- In 2013, 8 new retailers opened but the bulk of new retail opened in 2011
- This coincided with a significant number of retail closures in 2011. There were also many closures in 2008
- The high number of closures and openings in 2008 affects retail vacancy in 2013/2014. Those retailers were signed at very high rental rates and now after a five year lease period have decided to close. Similarly, J.C. Williams Group expects a high number of turnover and vacancies in 2016 on the five year anniversary of the retail leases signed in 2011.

Downtown Oakville Retail Audit

<table>
<thead>
<tr>
<th>Retail Merchandise</th>
<th>Number of Retailers</th>
<th>% of Total</th>
<th>Estimated Square Footage</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>41</td>
<td>16.0%</td>
<td>62,339</td>
<td>14.7%</td>
</tr>
<tr>
<td>Footwear</td>
<td>4</td>
<td>1.6%</td>
<td>3,465</td>
<td>0.8%</td>
</tr>
<tr>
<td>Jewellery, Luggage</td>
<td>6</td>
<td>2.3%</td>
<td>3,580</td>
<td>1.3%</td>
</tr>
<tr>
<td>Art Gallery, Supplies</td>
<td>8</td>
<td>3.2%</td>
<td>13,000</td>
<td>3.2%</td>
</tr>
<tr>
<td>Furniture, Home Furnishings, Antiques</td>
<td>8</td>
<td>3.2%</td>
<td>17,200</td>
<td>4.0%</td>
</tr>
<tr>
<td>Electronics</td>
<td>2</td>
<td>0.8%</td>
<td>3,500</td>
<td>0.8%</td>
</tr>
<tr>
<td>Sporting Goods, Leisure, Gift, Hobby</td>
<td>12</td>
<td>4.7%</td>
<td>16,235</td>
<td>3.8%</td>
</tr>
<tr>
<td>Floral, Garden, Nursery Related</td>
<td>3</td>
<td>1.2%</td>
<td>2,751</td>
<td>0.6%</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
<td>3.9%</td>
<td>11,200</td>
<td>2.6%</td>
</tr>
<tr>
<td>Total Retail Merchandise</td>
<td>94</td>
<td>36.0%</td>
<td>135,268</td>
<td>31.8%</td>
</tr>
</tbody>
</table>

| Convenience Retail                   |                      |            |                          |            |
| Grocery and Specialty Food, Alcohol  | 13                  | 5.1%       | 14,932                    | 3.3%       |
| Health, Drug Store, Pharmacy         | 3                   | 1.2%       | 3,100                     | 0.8%       |
| Other Health, Cosmetics, Optical     | 4                   | 1.6%       | 3,500                     | 0.8%       |
| Total Convenience Retail             | 20                  | 7.4%       | 20,732                    | 4.9%       |

| Food Services                        |                      |            |                          |            |
| Cafe, Coffee, Quick Service          | 11                  | 4.3%       | 14,600                    | 3.4%       |
| Full Service Restaurants, Dining     | 28                  | 10.0%      | 39,900                    | 9.4%       |
| Total Food Services                  | 39                  | 15.2%      | 50,500                    | 12.8%      |

| Services                             |                      |            |                          |            |
| Beauty, Barber, Aesthetics           | 17                  | 6.4%       | 48,010                    | 11.3%      |
| Other Personal Services              | 8                   | 3.1%       | 13,217                    | 3.2%       |
| Commercial Banking                   | 6                   | 2.3%       | 24,500                    | 5.8%       |
| Medical Services                     | 9                   | 3.5%       | 13,718                    | 3.2%       |
| Professional Services                | 14                  | 5.4%       | 14,154                    | 3.3%       |
| Recreation, Fitness                  | 7                   | 2.7%       | 13,000                    | 3.1%       |
| Total Services                       | 81                  | 31.5%      | 126,639                   | 29.8%      |

| Vacant                               | 21                  | 8.2%       | 69,912                    | 17.7%      |

| Other Buildings                      | 2                   | 0.8%       | 4,000                     | 0.9%       |
| Total                                | 257                 | 100.0%     | 325,371                   | 100.0%     |

Source: CSCA, J.C. Williams Group
Viability of Retail on Main Streets

- The economics of retail development and ability for different retailers are an important discussion
- Retailers that can pay higher rents often are related to higher gross margins
- Clothing stores and accessories have high gross margins and if there are many stores across the network, they can afford to pay higher rents
- Furniture stores, which are often larger, cannot pay as high rent
- Often witness higher movement of furniture stores on main streets as they evolve (e.g., loss of many home furnishings stores from Downtown Oakville)

The Economics of How Retailers Pay Rent

<table>
<thead>
<tr>
<th>Category</th>
<th>Sales/Sq. Ft</th>
<th>Cost of Goods Sold</th>
<th>Labour</th>
<th>Other Operating Expenses</th>
<th>Profit Margin</th>
<th>Amount that can be put towards Rent and other Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jewellery, Luggage, and Leather Goods</td>
<td>$985</td>
<td>51.0%</td>
<td>17.2%</td>
<td>23.5%</td>
<td>8.2%</td>
<td>$231.5</td>
</tr>
<tr>
<td>Health and Personal Care Stores</td>
<td>$756</td>
<td>66.7%</td>
<td>15.0%</td>
<td>14.5%</td>
<td>3.8%</td>
<td>$109.8</td>
</tr>
<tr>
<td>Shoe Stores</td>
<td>$408</td>
<td>49.9%</td>
<td>18.2%</td>
<td>26.1%</td>
<td>5.8%</td>
<td>$106.5</td>
</tr>
<tr>
<td>Specialty Food Stores</td>
<td>$620</td>
<td>62.8%</td>
<td>17.7%</td>
<td>15.9%</td>
<td>3.6%</td>
<td>$98.8</td>
</tr>
<tr>
<td>Electronics and Appliances Stores</td>
<td>$699</td>
<td>67.8%</td>
<td>13.4%</td>
<td>13.6%</td>
<td>5.3%</td>
<td>$94.8</td>
</tr>
<tr>
<td>Clothing Stores</td>
<td>$338</td>
<td>48.2%</td>
<td>18.9%</td>
<td>25.4%</td>
<td>7.5%</td>
<td>$85.8</td>
</tr>
<tr>
<td>Supermarkets and other Grocery</td>
<td>$633</td>
<td>76.0%</td>
<td>11.4%</td>
<td>11.0%</td>
<td>1.6%</td>
<td>$69.7</td>
</tr>
<tr>
<td>Beer, Wine, Liquor Stores</td>
<td>$1,172</td>
<td>55.1%</td>
<td>8.1%</td>
<td>5.9%</td>
<td>30.9%</td>
<td>$69.6</td>
</tr>
<tr>
<td>Convenience Stores</td>
<td>$579</td>
<td>78.5%</td>
<td>7.4%</td>
<td>10.2%</td>
<td>3.9%</td>
<td>$59.0</td>
</tr>
<tr>
<td>Sporting Goods, Book, Hobby, Music</td>
<td>$288</td>
<td>61.3%</td>
<td>15.3%</td>
<td>19.4%</td>
<td>4.0%</td>
<td>$55.7</td>
</tr>
<tr>
<td>Home Furnishings Stores</td>
<td>$242</td>
<td>53.4%</td>
<td>18.5%</td>
<td>22.8%</td>
<td>5.3%</td>
<td>$55.2</td>
</tr>
<tr>
<td>Furniture Stores</td>
<td>$226</td>
<td>59.9%</td>
<td>16.4%</td>
<td>20.6%</td>
<td>3.1%</td>
<td>$46.6</td>
</tr>
<tr>
<td>Other General Merchandise Stores</td>
<td>$499</td>
<td>77.7%</td>
<td>9.5%</td>
<td>8.7%</td>
<td>4.2%</td>
<td>$43.2</td>
</tr>
<tr>
<td>Building Material and Garden Equipment</td>
<td>$273</td>
<td>66.6%</td>
<td>16.2%</td>
<td>13.2%</td>
<td>3.9%</td>
<td>$36.2</td>
</tr>
<tr>
<td>Department Stores</td>
<td>$272</td>
<td>68.6%</td>
<td>12.1%</td>
<td>12.9%</td>
<td>6.4%</td>
<td>$35.2</td>
</tr>
</tbody>
</table>

Source: Statistics Canada
Apparel and Restaurant Positioning Matrix

- Apparel, accessories, footwear, and jewellery retailers were positioned on a matrix by income appeal and lifestyle appeal
- Full service restaurants were similarly positioned
- The size of each bubble represents the selling area square footage
- Restaurants are primarily clustered together in the mid to high end category but rated as more traditional, few are exemplary as contemporary as compared to Toronto
- Apparel falls into mid to high end and is more traditional/contemporary or high contemporary
- There appear to be over saturation of some price points/appeals and missing categories

Restaurant Competitive Positioning

Size of bubble = Square Foot
Fashion Competitive Positioning

- Size of bubble = Square Foot

Income Appeal
- Traditional
- Contemporary
- Avant-Garde

Lifestyle Appeal
- Low
- Medium
- High

Economics of National Retailers on Main Street

- Small to medium sized chain retailers move into main streets that have demographics and rent structure to support their sales level
- Chain retailers need to make a basic minimum in sales for store to be viable and support entire chain
- Total Gross Rents at $50/sq. ft. on a main street indicate that sales would be approximately $500/sq. ft. or more – this would be a viable scenario for a national retailer (for a 2,000 sq. ft. store that would be $1 million in sales)
- Other retailers trade off the high rent locations for side streets. Sometimes this works okay for them as they are close enough to the main pedestrian traffic and other times it can be a disastrous move as the retailer expects high sales for low rent and that is not feasible (as the saying goes, rent = the opportunity for sales not vice versa)
- Increased retail rents on main streets make it more difficult to develop large format retailer locations – need upper level locations or side street (e.g., restaurants in major high rent locations cannot locate on the ground level due to high rents)
Sample Gross Rents Ranges/Square Foot

- Includes gross rent along Lakeshore, side streets as well as ground, upper, and lower level retail units
- Gross rents along Lakeshore are not correlated to which block the retailer is located but are generally higher on the west end

Source: J.C. Williams Group

Pedestrian Traffic
Pedestrian Traffic

- The number of people on a given main street is correlated to the success
- Increased traffic presents greater opportunities for retailers to do business; however it is up to each individual business to have an enticing store to draw them in
- Retailers indicated that current pedestrian traffic is much less than in previous years
- Partly to blame is the combination of weather, the loss of some anchor retailers, and competition
- Most notable is the loss of traffic through Lululemon since the retailer opened another location at Mapleview Mall in August 2013. The Oakville Lululemon location opened in 2006 and provided a boost to the pedestrian traffic on the street and spill off to other retailers. Those residents from Burlington, Milton, etc. no longer need to go to Oakville and now stay closer Mapleview
- Compared to Toronto, the pedestrian counts are much lighter. Yorkville pedestrian traffic is typically double that of Lakeshore/George
- From 2008 to 2012, pedestrian traffic has increased as noted in the comparisons at Lakeshore and Thomas and Dunn
- It is noted that Thomas being closer to the restaurant cluster gets a boost to pedestrian traffic after 6:00 pm whereas Dunn does not

Pedestrian and Vehicular Counts

<table>
<thead>
<tr>
<th>Intersection</th>
<th>Date</th>
<th>8 Hr Pedestrian Count</th>
<th>% Children</th>
<th>Number Children</th>
<th>Vehicular Count</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lakeshore @ Navy</td>
<td>Apr. 19 2012, Thur</td>
<td>1,274</td>
<td>11%</td>
<td>145</td>
<td>9,045</td>
<td>East side busiest followed by north side</td>
</tr>
<tr>
<td>Lakeshore @ Thomas</td>
<td>Sep. 11 2012, Tues</td>
<td>2,064</td>
<td>5%</td>
<td>95</td>
<td>6,655</td>
<td>North side twice as busy as south side</td>
</tr>
<tr>
<td>Lakeshore @ George</td>
<td>Apr. 17 2012, Tues</td>
<td>2,723</td>
<td>8%</td>
<td>222</td>
<td>7,039</td>
<td>Undercount - no ped count on south side</td>
</tr>
<tr>
<td>Lakeshore @ Dunn</td>
<td>May 3 2012, Thur</td>
<td>3,784</td>
<td>10%</td>
<td>381</td>
<td>7,784</td>
<td>North and south equally busy, west very busy</td>
</tr>
<tr>
<td>Lakeshore @ Trafalgar</td>
<td>Apr. 23 2012, Mon</td>
<td>1,555</td>
<td>4%</td>
<td>64</td>
<td>9,973</td>
<td>All sides approx. Equal numbers</td>
</tr>
<tr>
<td>Lakeshore @ Reynolds</td>
<td>May 1 2012, Tues</td>
<td>1,357</td>
<td>7%</td>
<td>97</td>
<td>5,917</td>
<td>North slightly busier than south</td>
</tr>
<tr>
<td>Lakeshore @ Allan</td>
<td>Apr. 12 2012, Thur</td>
<td>612</td>
<td>6%</td>
<td>36</td>
<td>7,628</td>
<td>West side slightly busier than others</td>
</tr>
<tr>
<td>Church @ Navy</td>
<td>Apr. 10 2012, Tues</td>
<td>201</td>
<td>14%</td>
<td>28</td>
<td>3,437</td>
<td>(no ped count on west side)</td>
</tr>
<tr>
<td>Church @ Thomas</td>
<td>Apr. 12 2012, Thur</td>
<td>883</td>
<td>5%</td>
<td>44</td>
<td>3,023</td>
<td></td>
</tr>
<tr>
<td>Church @ George</td>
<td>Apr. 10 2012, Tues</td>
<td>417</td>
<td>2%</td>
<td>7</td>
<td>3,413</td>
<td>South side busiest</td>
</tr>
<tr>
<td>Church @ Dunn</td>
<td>May 3 2012, Thur</td>
<td>415</td>
<td>4%</td>
<td>16</td>
<td>3,804</td>
<td></td>
</tr>
<tr>
<td>Church @ Trafalgar</td>
<td>Apr. 30 2012, Mon</td>
<td>197</td>
<td>4%</td>
<td>8</td>
<td>6,587</td>
<td></td>
</tr>
<tr>
<td>Randall @ Dunn</td>
<td>Apr. 16 2012, Mon</td>
<td>401</td>
<td>7%</td>
<td>28</td>
<td>3,329</td>
<td></td>
</tr>
<tr>
<td>Randall @ Trafalgar</td>
<td>Apr. 24 2012, Tues</td>
<td>194</td>
<td>2%</td>
<td>4</td>
<td>6,828</td>
<td></td>
</tr>
<tr>
<td>Robinson @ Navy</td>
<td>Apr. 19 2012, Thur</td>
<td>357</td>
<td>8%</td>
<td>29</td>
<td>3,105</td>
<td></td>
</tr>
<tr>
<td>Robinson @ Thomas</td>
<td>Nov. 12 2013, Tues</td>
<td>250</td>
<td>4%</td>
<td>9</td>
<td>2,176</td>
<td></td>
</tr>
<tr>
<td>Robinson @ George</td>
<td>Apr. 12 2012, Thur</td>
<td>208</td>
<td>18%</td>
<td>38</td>
<td>2,092</td>
<td>(no ped count on north side)</td>
</tr>
<tr>
<td>Robinson @ Dunn</td>
<td>Apr. 22 2013, Mon</td>
<td>304</td>
<td>6%</td>
<td>17</td>
<td>2,420</td>
<td></td>
</tr>
<tr>
<td>Robinson @ Trafalgar</td>
<td>Apr. 26 2012, Thur</td>
<td>286</td>
<td>3%</td>
<td>10</td>
<td>3,224</td>
<td></td>
</tr>
<tr>
<td>Robinson @ Allan</td>
<td>Nov. 1 2012, Thur</td>
<td>30</td>
<td>7%</td>
<td>2</td>
<td>1,691</td>
<td></td>
</tr>
</tbody>
</table>
Lakeshore Pedestrian Counts

Note that Lakeshore/George is estimated to have the highest pedestrian traffic count but the data excludes the south leg of the intersection as it borders Towne Square.

Source: Town of Oakville Transportation

Lakeshore/Thomas Street Pedestrian Count 2008 vs 2012

Source: Town of Oakville Transportation
Given that there was increased need to assess what had happened to pedestrian traffic post 2012, we assessed parking meter revenue as a proxy for the level of pedestrian traffic on the street.

The revenues are indexed to 2004 to provide consistent context and to account for two price increases that occurred in 2007 and 2010.

In 2006, there was a significant increase in parking revenue. This is matched by conversations with retailers who were open during that period who indicated the 2004 to 2008 period as the best retail years in Downtown Oakville.

It was noted that Lululemon opened in 2006.

2010 was a soft year but parking meter revenue had been increasing.

From 2012 to 2013, revenue has been flat. It had declined on the side streets but maintained on Lakeshore.
Downtown Parking Meter Revenue: Index 2004 = 100
Includes on-street parking only for Lakeshore and upper and lower side streets (not Water Street)

2006 Downtown Oakville Study

- 2006 Intercept Study
  - 26% were from SE Oakville; 17% from NE Oakville
  - Draws regionally
  - Noted maintained good draw from SE Oakville but decline in visitation and becoming more regional draw
  - Noted for being safe, good place to take outside visitors, convenient to get to, and clean
  - Was mixed results on being fashionable and stylish and rating on fun and entertaining was lower

- Parking Issues - % who said was a concern
  - Parking availability: 47%
  - Parking convenience: 52%
  - Reasonable price: 55%

- Expenditure
  - Restaurants: $18
  - Shopping: $48
  - Grocery items: $5

Source: Urban Metrics 2006
2006 Downtown Oakville Survey

- Capture Rates
- Fashion and Accessories
  - S. Oakville: 8%
  - NW Oakville: 3.8%
  - NE Oakville: 2.8%
- Specialty Food
  - S. Oakville: 13.4%
- Visitation
  - S. Oakville: 4.7 x/month
  - NW Oakville: 1.8 x/month
  - NE Oakville: 1.7 x/month

Source: Urban Metrics 2006

Comparison: Burlington, Pt Credit, Yonge/Eglinton: 2007 to 2013

<table>
<thead>
<tr>
<th></th>
<th>Downtown Burlington</th>
<th>Port Credit</th>
<th>Yonge/Eglinton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Merchandise</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apparel, Accessories,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jewellery</td>
<td>14</td>
<td>12</td>
<td>26</td>
</tr>
<tr>
<td>Furniture, Home</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furn., Electronics</td>
<td>8</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>Leisure</td>
<td>9</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Total Retail Merchandise</td>
<td>36</td>
<td>29</td>
<td>90</td>
</tr>
<tr>
<td>Food and Convenience</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td>8</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td>Health</td>
<td>6</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Total Food and Convenience</td>
<td>14</td>
<td>15</td>
<td>33</td>
</tr>
<tr>
<td>Food Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Service</td>
<td>20</td>
<td>35</td>
<td>33</td>
</tr>
<tr>
<td>Limited Service</td>
<td>6</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Total Food Services</td>
<td>26</td>
<td>53</td>
<td>48</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Services</td>
<td>23</td>
<td>20</td>
<td>76</td>
</tr>
<tr>
<td>Professional Services</td>
<td>20</td>
<td>18</td>
<td>43</td>
</tr>
<tr>
<td>Total Services</td>
<td>43</td>
<td>38</td>
<td>119</td>
</tr>
<tr>
<td>Vacant</td>
<td>26</td>
<td>23</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>145</td>
<td>158</td>
<td>307</td>
</tr>
</tbody>
</table>
Comparison: Burlington, Pt Credit, Yonge/Eglington

<table>
<thead>
<tr>
<th></th>
<th>Downtown Burlington</th>
<th>Port Credit</th>
<th>Yonge/Eglington</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualized Change</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age 25 to 44 Years of Age</td>
<td>2006: 30%</td>
<td>2006: 33%</td>
<td>2006: 45%</td>
</tr>
<tr>
<td></td>
<td>2011: 27%</td>
<td>2011: 30%</td>
<td>2011: 45%</td>
</tr>
</tbody>
</table>

- Retail merchandise has fallen in all districts but it is only Yonge/Eglington where it still remains one-third of the businesses. This is approximately the same as Downtown Oakville.
- Furniture, home furnishings, electronics, and leisure retailers have all declined. These have lower gross margins and find it difficult to compete with malls and power centres.
- Food and health retail remain strong and are good solid cornerstones of all districts.
- Food services have increased particularly in limited food service as consumers are demanding quicker more efficient service formats.
- Vacancy is an issue for all.
- When compared to population changes, the lakefront areas have lower populations due to half a trade area. Yonge and Eglinton has a good neighbourhood based of almost 28,000 residents within an easy 10 minute walk.
- All are focused on a young adult population that likes to eat out.
Visitation to Downtown Attractions

For most months, average attendance is 4,500.

Restaurants could expect $225,000 in total sales each month.

During the summer months when there are no performances, the restaurants pick up from tourists and others eating on patios.

If a new theatre is added, it will be important to stagger events so that restaurants can benefit most days of the week from higher sales activity.

Source: Oakville Centre for Performing Arts 2013
Performing Arts Centre 2013 Attendance

<table>
<thead>
<tr>
<th></th>
<th>Auditorium</th>
<th>Studio</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days</td>
<td>194</td>
<td>32</td>
<td>226</td>
</tr>
<tr>
<td>RC</td>
<td>127</td>
<td>4</td>
<td>131</td>
</tr>
<tr>
<td>BT</td>
<td>50</td>
<td>7</td>
<td>57</td>
</tr>
<tr>
<td>Attendance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>32,727</td>
<td>507</td>
<td>33,234</td>
</tr>
<tr>
<td>Big Ticket</td>
<td>11,878</td>
<td>201</td>
<td>12,079</td>
</tr>
<tr>
<td>Total</td>
<td>44,605</td>
<td>708</td>
<td>45,313</td>
</tr>
</tbody>
</table>

- Parking and amenities were rated 6/10 in terms of importance
- The study indicated the increased programming towards young adults (18 to 34) would be beneficial and would be supported. This will help extend the draw of Downtown Oakville to this target market
- In addition, there was a note that increased appeal to other ethnicities was important and as the local socio-economics of Oakville and GTA move to increased ethnicity this is an important programming decision
- Finally there is increased demand for more interactive programming which adds to the experiential benefits of Downtown Oakville

Source: Oakville Centre for Performing Arts 2013

Performing Arts Centre

- Existing concession sales: $51,046
- Estimated concession sales per visitor: $1.50 (based on indoor performances)
Benefits of Culture Investment

- Multiple analyses conducted on the impact of culture on a business district in North America
- Most are related to up-and-coming districts as part of gentrification; this is not the case for Downtown Oakville
- There is correlation between not only sales results but increased sense of pride, stewardship, and safety
- Investment in culture is part of the idea of complete communities that include residential, office, retail, arts, parks, bike areas, etc.
- Can have a positive impact on property values
- Can be used as part of community development programs
- Culture has been proven to be a driver of change – as indicated, mostly around gentrification
- Arts and culture is better when it is clustered, that is similarly focused but diverse to provide year-round activities that draw similar psychographic profile customer to support the local businesses especially eating/drinking venues

Performing Arts Centre Scenarios

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Scenario 1</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
<th>Scenario 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outdoor Free Performances</td>
<td>3125</td>
<td>3125</td>
<td>3125</td>
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<tr>
<td>Outdoor Film</td>
<td>825</td>
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<td></td>
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<tr>
<td>Outdoor Paid Performances</td>
<td>18,577</td>
<td>18,577</td>
<td>18,577</td>
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<td>Indoor Free Performances</td>
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<td>2,813</td>
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<td>Indoor Film</td>
<td>2,475</td>
<td>3,548</td>
<td>3,300</td>
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<tr>
<td>Indoor Paid Performances</td>
<td>45,310</td>
<td>75,549</td>
<td>98,703</td>
<td>103,978</td>
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<tr>
<td>Indoor Other Events</td>
<td>8,538</td>
<td>11,558</td>
<td>9,213</td>
<td>7,873</td>
<td></td>
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<tr>
<td>Total</td>
<td>45,310</td>
<td>111,737</td>
<td>139,362</td>
<td>141,831</td>
<td>69,412</td>
</tr>
</tbody>
</table>
Library Visitation

- Draws extensively
  - 59% Central
  - 5% out of Oakville
  - Adults: 63%
  - Seniors 19%
  - Teens: 2%
  - Children 17%

- Children’s Room: busiest in morning
- Adult Room: busiest in afternoon
- Sunday is the busiest day (note free parking)
- Followed by Sunday, Friday, and Monday
- Less draw from SE Oakville and more affluent families
- Feel entrance counts are 50/50 split

Source: Central Library Statistics Usage and Trends May 2014

Marina

<table>
<thead>
<tr>
<th></th>
<th>Slips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town of Oakville</td>
<td>232</td>
</tr>
<tr>
<td>Oakville Yacht Club</td>
<td>80</td>
</tr>
<tr>
<td>Oakville Power Boat Club</td>
<td>65</td>
</tr>
<tr>
<td>Oakville Club</td>
<td>46</td>
</tr>
<tr>
<td>Total</td>
<td>423</td>
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</tbody>
</table>

- Changing demographics, younger adult, more children
- Frequent Downtown restaurants
- No additional need for grocery or supplies
- Have own restaurants or events
## Retail Change Over Time: Downtown Oakville, Lakeshore ONLY

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td><strong>Retail Merchandise</strong></td>
<td></td>
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<tr>
<td>Women's Apparel</td>
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<td>13</td>
<td>22</td>
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<tr>
<td>Men's Apparel</td>
<td>2</td>
<td>4</td>
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<td>Children's Apparel</td>
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<td>Family Apparel</td>
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<td>2</td>
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<td>5</td>
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<td>5</td>
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<tr>
<td>Pottery</td>
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<td>5</td>
<td>4</td>
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<tr>
<td>Jewellery, Leather, Luggage</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Total Apparel and Accessories</td>
<td>26</td>
<td>28</td>
<td>38</td>
<td>47</td>
<td>43</td>
<td>44</td>
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<tr>
<td><strong>Furniture, Home Furnishings</strong></td>
<td>9</td>
<td>14</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>Appliances, Electronics</strong></td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
<td><strong>Home Improvement</strong></td>
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<td>0</td>
<td>0</td>
<td>5</td>
<td>5</td>
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<tr>
<td><strong>Banking, Leasing, Gift, Hobby</strong></td>
<td>8</td>
<td>14</td>
<td>8</td>
<td>8</td>
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<td><strong>Art Gallery</strong></td>
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<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
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<td><strong>Antiques</strong></td>
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<td><strong>Other Retail Merchandise</strong></td>
<td>25</td>
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<td><strong>Other Goods and Services</strong></td>
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<td></td>
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<td><strong>Supermarket</strong></td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td><strong>Pharmacy</strong></td>
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<td>3</td>
<td>4</td>
<td>4</td>
<td>3</td>
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<tr>
<td><strong>Health, Optical, Cosmetics</strong></td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>4</td>
<td>4</td>
<td>3</td>
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<tr>
<td><strong>Specialty Food</strong></td>
<td>8</td>
<td>10</td>
<td>12</td>
<td>10</td>
<td>10</td>
<td>10</td>
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<tr>
<td><strong>Convenience Stores</strong></td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>** funeral**</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
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<tr>
<td><strong>Full Service Restaurants</strong></td>
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<td>17</td>
<td>19</td>
<td>18</td>
<td>17</td>
<td>18</td>
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<tr>
<td><strong>Limited Service Food</strong></td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
<td><strong>Banking</strong></td>
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<td>6</td>
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<td>5</td>
<td>5</td>
<td>5</td>
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<td><strong>Travel Agencies</strong></td>
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<td><strong>Personal Care Services</strong></td>
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<td>7</td>
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<td>11</td>
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<tr>
<td><strong>Dry Cleaning</strong></td>
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<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Medical</strong></td>
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<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
<td><strong>Professional Services</strong></td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
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<tr>
<td><strong>Recreation</strong></td>
<td>3</td>
<td>2</td>
<td>2</td>
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<td>2</td>
<td>2</td>
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<tr>
<td><strong>Total Occupied</strong></td>
<td>106</td>
<td>133</td>
<td>141</td>
<td>146</td>
<td>141</td>
<td>146</td>
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<tr>
<td><strong>Vacant</strong></td>
<td>4</td>
<td>3</td>
<td>9</td>
<td>8</td>
<td>8</td>
<td>20</td>
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<tr>
<td><strong>Total</strong></td>
<td>110</td>
<td>136</td>
<td>144</td>
<td>146</td>
<td>141</td>
<td>148</td>
</tr>
</tbody>
</table>

Source: CSCA, J.C. Williams Group

- Through CSCA data, assessed changing retail on Lakeshore Rd ONLY in Downtown Oakville.
- Since 1999 fashion and apparel retailers have increased dramatically (almost double).
- Almost one-third of businesses are retail merchandise oriented which is very good for a business district.
- As fashion increased, home furniture and furnishings decreased – this is a function of increasing rents pushing out less high margin retailers in favour of higher margin apparel stores.
- Rising rents have affected some leisure retailers.
- Online retailer has affected bookstores.
- The total number of full service restaurants and limited service cafes has remained the same since 2002. Many restaurants own their own space and higher rents preclude new businesses from setting up.
- Vacancy has increased significantly due to a variety of factors including weather, rents, retiring business owners, and retail concepts that did not work (e.g., Ross Mayer and Marilyn Cafe).
Appendix C:
Downtown Oakville Telephone Survey

- 604 telephone surveys conducted by Pollara during May 2014
- Includes both visitors to Downtown Oakville and Non-visitors
- Weighted to 600 counts including 100 from Burlington, 100 from Mississauga, and 400 from Oakville
- Boundaries: Highway 407 to Lake Ontario and Guelph Line to Mississauga Road
- Achieved a representative sample by age, income, household sizes, and male/female splits
- Majority (84%) identified themselves as the primary shopper or shared responsibilities for that task
- J.C. Williams Group analyzed the data as part of the overall Economic Study for Downtown Oakville
Visitation

Favourite Shopping Areas (Multiple Responses)

- Oakville Place Mall is the favourite
- All the major malls including Downtown Oakville receive good support
- However, retail is competitive
- Beyond the major malls and Downtown Oakville, favourite places are focused on food as well as value retailing shops/shopping areas
- For those who earn $150K+, Downtown Oakville jumps to a tie for third with Mapleview. Sherway Gardens is the favourite for high income earners
- For Oakville South QEW, Downtown Oakville is the second favourite
- Middle income households ($80–$150K) prefer Mapleview Mall above all others

When you think of all of the places to shop in the Western GTA area from Highway 427 to Burlington Skyway Bridge, which ones are your favourite?
Visits to Downtown Oakville

- Of the telephone survey trade area, 76% had visited Downtown Oakville in the summer and 65% had visited in the winter
- This is a high penetration rate
- The 11% drop from summer to winter is noticeable but 65% visitation rate is still considered very good
- The survey included the 55% of respondents who visited on relatively frequent basis

Primary Reason for Last Visit to Downtown Oakville

Food including restaurant dining is the primary reason respondents visited Downtown Oakville on their last trip
- 37% of all primary reasons are related to eating or drinking
- Primarily Oakville residents are going for eating and drinking, but South QEW Oakville residents are also going to shop
- Burlington and Mississauga residents are visiting Downtown Oakville to shop (and specialty food)
- Fitness studios and overall recreation are a significant draw for Downtown Oakville
- This re-enforces the notion that shopping Downtown Oakville is becoming a destination activity with fewer visits but big spending on each visit. Also, those who visit frequently are there to walk about and enjoy but not to shop

What was the primary reason for your last visit to Downtown Oakville?
Total Reasons Combined for Last Visit to Downtown Oakville

- Restaurant dining: 51%
- Fitness, recreation, hiking, biking: 30%
- Drinking coffee/tea, cafe, snacks: 26%
- Window shopping, general shopping: 13%
- Lunch: 10%
- Specialty food shopping: 10%
- Library: 9%
- Passing through: 8%
- Professional business: 8%
- Attend special event: 7%
- Gift shopping: 7%
- Furniture, home furn, electronics...: 6%
- Theatre, play, music, concert: 6%
- Meeting people friends or family: 5%
- Waterfront/lake: 5%
- Beauty services: 5%
- Marina, boat: 4%
- Eating, shopping/browsing, and fitness round out the top activities
- Arts, culture, library, events, and art gallery are important activities
- Recreation including waterfront, walking, recreation, and marina are also part of the diverse mix of things to do in Downtown Oakville
- Apparel shopping is geared to regional residents, 18–44 year olds, women and mid to high income households
- Library appeals to South QEW residents who are either 18 to 44 or over 65+ and primarily earn under $80K

What was the primary reason for your last visit to Downtown Oakville? What other things did you visit or do while you were at ____?

Summer and Winter Visitation – Downtown Oakville

- There is a small group that visits Downtown Oakville on a frequent basis (i.e., workers, library, and loyal shoppers who have high household incomes); however, for the most part visitation tends to be infrequent
- Downtown Oakville is and becoming more of a destination shopping place
- By the fall/winter, those who visit once a week or more in the spring/summer decrease by one-third
- Frequent visitors including workers tend to be 45–64 years old, working adults, and earn more than $150K
- Goal should be to increase visitation of 18–44 year olds
Main Reasons Visitors Don’t Come More Often

- For most visitors there are other more convenient shopping areas nearby as to why they don’t come more often
- On top of that, there is the perception that parking is expensive and difficult to find; these are issues primarily for North QEW residents and those who are older/retirees. This is an issue for South SEW residents as well.
- South QEW complain mostly that parking is difficult to find
- North QEW Oakville residents are more attuned to the perceived higher price points as a reason not to visit. This is a comment by all income groups
- Finally, the selection of stores (in part due to the most stores being at a higher price point) does not entice more frequent visits

Main Reasons Non-visitors Don’t Come

- For most non-visitors there are other more convenient shopping areas nearby
- There is a strong perception that prices are too high
- Other reasons are convenience based, lack of selection
- Parking is much less of a concern for the non-visitors as to why they do not visit
Desired Retail, Art, Entertainment, Restaurants

- More restaurants and dining options, overall more selection, more parking
- There is a call for more art venues, entertainment, events/festivals
- Affordability is always a key concern, especially those from Burlington
- There is a split between more brands and more independents. Burlington and younger visitors are more attracted by brands; Mississauga visitors more attracted by the independents
- In addition, streetscaping improvements that allow more patios, seating, benches, etc. would be welcome
- 18–44 year olds are looking for more selection, brands, casual restaurants and bars
- North QEW is looking for better parking

Other Changes to Bring Visitors to Downtown More Often

- Overall, respondents could not come up with a significant number of more changes
- 11% said parking improvements would help attract visitors more often
- Similar themes of more variety, more restaurants, increased affordability, and store hours were listed by a select few respondents
- Lower price points was a common suggestion
- The majority offered no suggested changes
**Requested No Change to Downtown Oakville**

- Most comments are related to the small town character that includes independent stores, attention to attractive green spaces, and waterfront access.
- These elements cannot be found elsewhere in other shopping malls.
- The combination leads to a greater overall experience in Downtown Oakville.
- There was a call to retain the independent stores, particularly from South QEW, 18–44 and 55–64 year olds, women, and higher income households ($80K+).

**Impact of Downtown on Perception of Town**

- Almost 50% of all respondents (whether visit Downtown Oakville or not) thought there was a significant correlation between the Downtown Oakville businesses and their overall perception of the Town of Oakville.
- This did not increase significantly for Oakville only residents but it did for high income households and those 35–64 years of age, as well as those who do visit Downtown Oakville.
Attitudes and Importance Ratings For Downtown Oakville Visitors

Shopping Importance Factors and Downtown Oakville Rating

- Respondents were asked to rate on a ten point scale each of the 15 factors that may influence where they choose to shop.
- For each factor the respondent was asked to rate Downtown Oakville on the same scale.
- The gap measures the difference between the rating for Downtown Oakville and the expectation factor.
- Negative results indicate where more work is required either with tangible changes or marketing/education.
- Positive gap results are strengths to build upon.
- The factors are listed from most important to least important. A large gap result for an low importance factor is less of a priority.
- Finally, a rating for Downtown Oakville is provided.


Importance Factors and Rating of Downtown Oakville

<table>
<thead>
<tr>
<th>Importance Factor</th>
<th>Importance</th>
<th>Downtown Oakville Rating</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being easy to walk around</td>
<td>8.53</td>
<td>8.43</td>
<td>-0.10</td>
</tr>
<tr>
<td>Having a good overall appearance</td>
<td>8.31</td>
<td>8.37</td>
<td>0.06</td>
</tr>
<tr>
<td>Clean, up-to-date businesses</td>
<td>8.27</td>
<td>7.96</td>
<td>-0.31</td>
</tr>
<tr>
<td>Quality of stores</td>
<td>8.16</td>
<td>7.59</td>
<td>-0.57</td>
</tr>
<tr>
<td>Ease of parking</td>
<td>7.63</td>
<td>5.68</td>
<td>-1.95</td>
</tr>
<tr>
<td>Selection of stores</td>
<td>7.62</td>
<td>6.77</td>
<td>-0.85</td>
</tr>
<tr>
<td>Convenience of getting there</td>
<td>7.56</td>
<td>7.50</td>
<td>-0.06</td>
</tr>
<tr>
<td>Number of local independent stores</td>
<td>7.32</td>
<td>7.21</td>
<td>-0.11</td>
</tr>
<tr>
<td>Offers good value for money</td>
<td>7.16</td>
<td>6.08</td>
<td>-1.08</td>
</tr>
<tr>
<td>The hours the stores are open in evenings</td>
<td>6.97</td>
<td>6.52</td>
<td>-0.45</td>
</tr>
<tr>
<td>Having fashionable items</td>
<td>6.87</td>
<td>7.19</td>
<td>0.32</td>
</tr>
<tr>
<td>Having all stores I need in one location</td>
<td>6.85</td>
<td>6.24</td>
<td>-0.61</td>
</tr>
<tr>
<td>Special events, programs that are relevant to me</td>
<td>6.71</td>
<td>6.80</td>
<td>0.09</td>
</tr>
<tr>
<td>Cost of parking</td>
<td>6.68</td>
<td>5.87</td>
<td>-0.81</td>
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<tr>
<td>Number of brand name stores</td>
<td>5.24</td>
<td>6.11</td>
<td>0.87</td>
</tr>
<tr>
<td>Overall Downtown Oakville</td>
<td></td>
<td>7.88</td>
<td></td>
</tr>
</tbody>
</table>

Interestingly, the walkability, aesthetics including the overall appearance, and clean up-to-date businesses were listed as the most important factors for trade area residents on deciding where to shop.

Downtown Oakville rates very well on these factors with noted work on improving the look of some of the stores.

This re-enforces the need for improved streetscape conditions.

The quality of the stores was the fourth highest rated factor and here is where Downtown Oakville starts to falter. The gap between rating and expectation is more significant; it is more pronounced for North QEW residents and men (note there appears to be a number of retired, higher income males who complain about Downtown Oakville throughout the survey).

The next group of factors rated in terms of importance as a 7.00 to 8.00, are related to convenience factors including parking. It also includes selection of stores. Here again, Downtown Oakville is rated less than the expectation. As stated, part of the lack of selection also stems from the higher price points of most stores.
Importance Factors and Rating of Downtown Oakville

- The ease of parking is the most serious concern. The consumer’s expectations to find easy parking is not being met. This is especially true for 18–44 year olds but agreed upon by most groups.

- The cost of parking also received a negative gap result but the importance is much lower. For high income households the rating was mixed; some very dissatisfied and others who were satisfied - but this fact was not universally agreed upon.

- Consumers also complained about the value for money factor, the selection, and hours; It is noted that men were more cost conscious than women.

- They complimented the Downtown on ease of getting there, the number of independents, the fashionable items, the special events, and the brand name retailers. Older men and South SEW residents were interested in more brand name stores, women were not. 18–44 year olds were more critical on the lack of fashionable items.

- Overall, visitors gave Downtown Oakville a 7.88, which is very good but leaves room for improvement.

Parking Issues

Cost of Parking

- Primarily more of an issue for:
  - Mississauga residents
  - South QEW who have higher income, are 55+ years old, and just need to run short errands
  - North QEW complain about cost of parking for casual visits

Ease of Finding Parking

- Primarily more of an issue for:
  - Mississauga and North QEW residents
  - 18–44 and 65+ year olds
  - Homemakers and retirees
  - $80–$150K income
  - South QEW residents for daily/weekly errands
Attitude Statements

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Downtown Oakville Shoppers</th>
<th>Oakville</th>
</tr>
</thead>
<tbody>
<tr>
<td>I prefer local retailers to chain retailers</td>
<td>46%</td>
<td>53%</td>
<td>44%</td>
</tr>
<tr>
<td>Store offering extended hours in the evening is crucial for me to be able to shop</td>
<td>42%</td>
<td>47%</td>
<td>46%</td>
</tr>
<tr>
<td>I will pay a little more to save time shopping</td>
<td>41%</td>
<td>49%</td>
<td>43%</td>
</tr>
<tr>
<td>I attend arts events such as the theatre, musicals, live performances, etc. as often as I can</td>
<td>27%</td>
<td>32%</td>
<td>28%</td>
</tr>
<tr>
<td>Brand names are very important to me</td>
<td>22%</td>
<td>24%</td>
<td>28%</td>
</tr>
<tr>
<td>I avoid big box stores at all costs</td>
<td>21%</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>I buy a lot of clothes online because it is more convenient</td>
<td>13%</td>
<td>16%</td>
<td>12%</td>
</tr>
</tbody>
</table>

There is an apparent dichotomy between convenience and uniqueness that is even greater when assessing those who visit Downtown Oakville.

46% of all respondents and 53% of Downtown Oakville shoppers agree or strongly agree with the statement that they prefer local retailers to chains but only a small percentage (21% and 26%) agree or strongly agree that they purposely avoid big box stores.

They also state they will pay more to save time shopping and stores with extended evening hours get their attention, but they have not switched to major online purchases for convenience factors. This is true for South QEW and higher income households.

There is less agreement on brand name stores.

Clearly they like the idea of shopping locally but in a busy life they are choosing convenience.

Downtown Oakville must retain the uniqueness and overcome some of the perception of difficulty by making it worthwhile for a visit. The marketing of Downtown must push through on the experience factor and help to work on making shopping more convenient (e.g., valet, product delivery options, etc.)
Expenditure and Capture Rates

Amount Spent on Non-food Items on Last Visit

- While the mean of $78.75 is similar to smaller malls, the expenditure is skewed to those who spend nothing and those who spend a very large amount.
- Oakville residents tend to buy bigger ticket items.
- For select out of town visitors there is a small niche market that spends very high amounts.
- 55–64 years old spend the most followed by 45–54 years old; retailers know they need to expand their offering to more age ranges.

On your last visit to Downtown Oakville how much did you spend on items other than food?
Downtown Oakville Capture Rates

- **Eating out**: 6.6% Total, 8.5% Oakville
- **Clothing, accessories**: 5.1% Total, 5.6% Oakville
- **Beauty services**: 2.0% Total, 2.7% Oakville
- **Household decor**: 1.4% Total, 1.7% Oakville
- **Jewellery**: 0.6% Total, 0.9% Oakville

---

Downtown Oakville Capture Rates – Clothing and Accessories

- **Total**:
  - < 10%
  - 10% to 20%
  - 20% to 50%
  - 50%+

- **South QEW**:
- **North QEW**:
- **18–44**:
- **45–54**:
- **$150K+**:

---

25

26
Downtown Oakville Capture Rates

- Downtown Oakville is primarily dominant in eating out and apparel for capture rates, especially for South QEW residents and older residents.
- Apparel: those who travel from Burlington and Mississauga there is a higher apparel capture rate. In addition, apparel has a higher capture rate for 18–54 year olds and household incomes of $80–$150K.
- Beauty services has broad appeal including a high proportion of North QEW residents as well as 18–54 and 65+ year olds, but primarily mid to high income.
- Eating out: out of town residents do not eat in Downtown Oakville often.

Food and Beverage Visitation and Expenditure

<table>
<thead>
<tr>
<th></th>
<th>Attend in Last Month</th>
<th>Average Attendance Per Month</th>
<th>Attend Downtown Oakville</th>
<th>Average Attendance Per Month in Downtown</th>
<th>Estimated Expenditure Per Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal Dining</td>
<td>59%</td>
<td>1.48</td>
<td>18%</td>
<td>1.02</td>
<td>$58.51</td>
</tr>
<tr>
<td>Casual Dining</td>
<td>89%</td>
<td>3.98</td>
<td>30%</td>
<td>1.43</td>
<td>$27.95</td>
</tr>
<tr>
<td>Fast Food</td>
<td>72%</td>
<td>3.45</td>
<td>11%</td>
<td>1.02</td>
<td>$11.08</td>
</tr>
<tr>
<td>Bar, Drinking</td>
<td>36%</td>
<td>1.45</td>
<td>10%</td>
<td>1.12</td>
<td>$28.28</td>
</tr>
</tbody>
</table>

- Formal dining: approximately 60% of households go out 1.48 x/month; only 18% of all households would go to Downtown Oakville and approximately 1.02 x/month.
- Casual dining: almost 90% of households go out 3.98 x/month (once a week); one-third or 30% would go to Downtown Oakville and on average 1.43 x/month.
- Fast food: 72% of households go out for fast food 3.45 x/month; the lack of fast food in Downtown means that they visit infrequently.
- Bar, drinking: one-third of households go out to a bar or for drinking 1.45 x/month; 10% go to Downtown Oakville on average 1.12 x/month.
Eating and Drinking

- Formal dining: Burlington households dine out more than Oakville and Mississauga, younger and older visitors (a high proportion of retirees), males, and higher income all dine out more.
- Casual dining: Mississauga prefers more casual dining, younger adults, males, and very high incomes.

### Arts, Events, Activity Visitation and Expenditure

<table>
<thead>
<tr>
<th>Activity</th>
<th>Attend in Last Month</th>
<th>Average Attendance Per Month</th>
<th>Attend Downtown Oakville</th>
<th>Average Attendance Per Month in Downtown</th>
<th>Eat Before, During, or After</th>
<th>Estimated Food Expenditure Per Person</th>
<th>Estimated Retail Expenditure Per Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park or Waterfront Area</td>
<td>70%</td>
<td>3.40</td>
<td>28%</td>
<td>2.22</td>
<td>56%</td>
<td>$8.73</td>
<td>$1.23</td>
</tr>
<tr>
<td>Theatre, Dance, Musical Perf.</td>
<td>44%</td>
<td>0.62</td>
<td>5%</td>
<td>0.39</td>
<td>80%</td>
<td>$50.11</td>
<td>$3.05</td>
</tr>
<tr>
<td>Library</td>
<td>43%</td>
<td>1.48</td>
<td>12%</td>
<td>1.50</td>
<td>17%</td>
<td>$2.38</td>
<td>$0.33</td>
</tr>
<tr>
<td>Museum, Art Gallery</td>
<td>17%</td>
<td>0.25</td>
<td>3%</td>
<td>0.25</td>
<td>54%</td>
<td>$13.53</td>
<td>$5.68</td>
</tr>
<tr>
<td>Free Special Event or Festival</td>
<td>14%</td>
<td>0.27</td>
<td>2%</td>
<td>0.50</td>
<td>79%</td>
<td>$19.72</td>
<td>$5.03</td>
</tr>
<tr>
<td>Marina, Boating, Canoeing</td>
<td>14%</td>
<td>0.42</td>
<td>4%</td>
<td>8.00</td>
<td>50%</td>
<td>$16.69</td>
<td>$1.17</td>
</tr>
</tbody>
</table>
Arts, Events, Activity Visitation and Expenditure

- The demographics of the attendees of a number of activities are not necessarily higher income professionals
- The theatre attracts a higher income professional but due to the depth and breadth of programming it includes both younger and older as well as lower income and higher income
- The library should attract young families but the Downtown Oakville library attracts a higher proportion of males, 18–54 year olds, and those 65+ years of age
- Free events tend to attract lower income families (few 18–34 year olds)
- The marina/boating/canoeing attracts higher income who are 35+ years old
- The museum/art gallery attracts 35–64 year olds and higher income professionals
Demographics Snapshot

Which category best describes your employment?
Marital Status

- Married, common law: 67%
- Single, never married: 20%
- Widowed, divorced, separated: 11%
- Refused: 2%

Which category best describes your marital status?

Household Income

- Don't know/refused: 29%
- $200,000+: 14.3%
- $150,000–$199,999: 12.7%
- $100,000–$149,999: 12%
- $80,000–$99,999: 6%
- $60,000–$79,999: 7%
- $40,000–$59,999: 7%
- Under $40,000: 8%

Which category best describes your household income?
Household Size

Which category best describes your household size?

Number of Children Under 19

Number of Children Under 19
## Demographics

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Downtown Oakville Shoppers</th>
<th>Trade Area Demographics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male/female</td>
<td>47.8%/52.2%</td>
<td>49.8%/50.2%</td>
<td></td>
</tr>
<tr>
<td>Primary shopper</td>
<td>61.3%</td>
<td>57.7%</td>
<td></td>
</tr>
<tr>
<td>Shared primary shopper</td>
<td>22.9%</td>
<td>26.1%</td>
<td></td>
</tr>
<tr>
<td>Not primary shopper</td>
<td>15.8%</td>
<td>16.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18–44</td>
<td>41.1%</td>
<td>41.3%</td>
<td>45.9%</td>
</tr>
<tr>
<td>45–54</td>
<td>26.4%</td>
<td>29.2%</td>
<td>21.6%</td>
</tr>
<tr>
<td>55–64</td>
<td>12.9%</td>
<td>12.8%</td>
<td>14.5%</td>
</tr>
<tr>
<td>65+</td>
<td>19.6%</td>
<td>16.7%</td>
<td>18.0%</td>
</tr>
</tbody>
</table>
Appendix D: Downtown Oakville Intercept Survey

Methodology

- J.C. Williams Group conducted 243 intercept surveys during May 2014
- The respondents were pedestrians intercepted in Downtown Oakville within the study area of Lakeshore Road E. between Navy Street and Allan Street as well as the library and performing arts centre entrances on the lower level
- Respondents must be at least 16 years old to qualify
- The survey focused on specific niche markets rather than random interviews that included workers, library visitors, theatre and performing arts attendees, and event goers
- The design, data collection, and analysis was undertaken by J.C. Williams Group
Primary Reason For Being in Oakville

- Approximately one-quarter of the people (23%) were in Oakville for work related reasons.
- Approximately one-tenth of the respondents last visited because they were either shopping (12%), passing through/walking by (12%) or using the library (10%).
- Food service combined accounts for 15%.
- Fitness and exercise are popular activities in Downtown Oakville including gyms and outdoor recreation.
- Less popular reasons include using professional services (1%), financial services (1%) and watching performance (1%).

Q: What is the primary reason for your visit today?

All Reasons for Visiting Downtown Oakville

- Food service is a key component of Downtown Oakville: 57% of all reasons for being in Downtown Oakville are focused on a light snack, coffee/tea, 47% were lunch related, 42% were restaurant dining related, and 27% going out for drinks.
- Gift and apparel shopping is very important.
- There is a full range of activities in Downtown Oakville that combined are part of an overall exceptional experience including working, business meetings, fitness, library, events, beauty services, performing arts, and art galleries, parkis, among others.

Q: What other things do you normally do in Downtown Oakville?
Workers

Downtown Worker Food Spending

- Workers typically have a 45 minute lunch break
- Workers buy coffee, tea and snacks at Downtown Oakville 52% of the time and lunch 47% of the times. These are relatively low considering other options require them to drive somewhere.
- The expenditures are in line with other downtown surveys and worker surveys. Workers spend $1,932 annually on coffee, tea, snacks, and lunch. They spend a further $636 on breakfast often on the way to work (very low capture rate for Downtown) and $1,356 on dinner (low capture rate)

Q: How long is your normal lunch hour?
Q: In a given week, approximately how much do you spend and what percentage of the time do you...?
Important Attributes

- When asked what attributes are important when deciding where to eat lunch, 81% of the workers said quality food.
- Less than 50% choose proximity to work as a key factor. This is evident in the capture rates in the previous chart. Despite only having 45 minutes for lunch, Downtown workers will venture away from the area for better quality, healthy options, cheaper prices, and selection.
- 11% said they prefer to eat away from work, which may also affect the low Downtown capture rate.

Q: When deciding where to eat during your lunch which of the following attributes is most important to you?

Purchasing Household Items While at Work

- In general, workers said they never or rarely shop for regular household items before and during work.
- However, workers sometimes or often purchase household necessities directly after work.

Q: Please indicate how often you shop for regular household items before, during and directly after work?
Average Spend Before or After Work

- In general, workers said they never or rarely shop for regular household items before and during work; however, workers more often will purchase household necessities directly after work.
- The percentage of Downtown workers that shop, primarily after work, is quite high for grocery items, apparel and accessories, drug store/pharmacy, and gift items. The other categories were shopped at with notable percentages who said they shop.
- Total expenditure is approximately $4,260 annually.
- The leakage to shopping places closer to home would be very high.

Cultural Event Attendance

- Over a third (38%) of the workers have stayed after work to go to a cultural event downtown.
- On average, workers attend 0.7 cultural events downtown after work each month.
Visitation and Expenditure

Definitions

- Total: all respondents
- Workers: Downtown Oakville workers including office and retail staff
- Event Goers: includes those who identified as visiting any one of the following: theatre and musical performances, festival, museum, and art gallery, not necessarily Downtown
- Library: includes those who identified as visiting any library
Visit Frequency to Downtown Oakville

- All the types of target markets that were interviewed tend to be very loyal Oakville visitors. As such, the visitation frequency is very high
- 71% of all respondents visit Downtown Oakville on a weekday at least two times a week
  - A great percent of workers visit daily (39%), likely for work
- Library users visit Downtown Oakville most frequently during weekends, 76% visit at least once every weekend
  - Workers visits Downtown less frequently on weekends

<table>
<thead>
<tr>
<th></th>
<th>Weekday</th>
<th></th>
<th></th>
<th>Weekends</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All</td>
<td>Workers</td>
<td>Library users</td>
<td>Event goers</td>
<td>All</td>
<td>Workers</td>
</tr>
<tr>
<td>Daily</td>
<td>32%</td>
<td>39%</td>
<td>36%</td>
<td>34%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 times a week or more</td>
<td>39%</td>
<td>41%</td>
<td>44%</td>
<td>47%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Once a week</td>
<td>14%</td>
<td>9%</td>
<td>12%</td>
<td>9%</td>
<td>72%</td>
<td>71%</td>
</tr>
<tr>
<td>2 to 3 times month</td>
<td>5%</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Once a month</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
<td>0%</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>&lt;Once a month, &gt;6 times a year</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td>4%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>2 to 6 times a year</td>
<td>3%</td>
<td>1%</td>
<td>0%</td>
<td>1%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Once a year</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Q: How often do you visit Downtown Oakville on weekdays? On weekends?

Change in Time and Expenditure in Downtown

- Approximately one-quarter of respondents indicated they increased their spending on eat and drinking
- 17% indicated they spent more on apparel, footwear and accessories but a greater percentage indicated that they spent less and 5% said significantly less

<table>
<thead>
<tr>
<th>Activity</th>
<th>Change in Time</th>
<th>Change in Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount spent eating and drinking</td>
<td>0% - 7%</td>
<td>0% - 19%</td>
</tr>
<tr>
<td>Overall amount of time spent in Downtown Oakville</td>
<td>-1% - 10%</td>
<td>-1% - 18%</td>
</tr>
<tr>
<td>Amount spent on beauty services, spa treatments, and supplies including cosmetics</td>
<td>0% - 10%</td>
<td>0% - 6%</td>
</tr>
<tr>
<td>Amount spent on apparel, footwear and accessories</td>
<td>-5% - 14%</td>
<td>-5% - 15%</td>
</tr>
<tr>
<td>Amount spent on household furniture, home furnishings and interior design service</td>
<td>-2% - 10%</td>
<td>-2% - 7%</td>
</tr>
<tr>
<td>Amount spent on sporting goods and athletic apparel</td>
<td>-2% - 14%</td>
<td>-2% - 5%</td>
</tr>
</tbody>
</table>

Q: In the past two years would you say the following activities in Downtown Oakville has increased, decreased, or stay the same.
Change in Time and Expenditure in Downtown – Workers

- For Downtown workers, 29% indicated they spend more on eating and drinking, yet the capture rates are still relatively low.
- Also, 21% spent more on apparel, footwear, and accessories but an equal percentage spent less and 8% indicated they spend significantly less.
- Overall, workers are spending less in Downtown.

Arrival Method to Downtown

- Car is the top choice for arrival in Downtown Oakville.
- Those that go frequently to the library and to events tend to include a higher percentage of walkers as they draw from the local nearby population.
Downtown Oakville Shopping Experience Rating

- Respondents rated their Downtown shopping experience on a scale of 1 to 10, where 1 indicates a worst possible experience and 10 indicates a best possible experience.
- Downtown receives high marks for safety, overall appearance, family friendly, excellent service, easy to get to, and up to date businesses.
- Downtown Oakville receives low marks for convenient parking.
- Hours, prices, discounts, and selection.
- Quality of stores received an average rating.

<table>
<thead>
<tr>
<th></th>
<th>All Worker Event Goer Library User</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>8.9 9.1 9.2 9.2</td>
</tr>
<tr>
<td>Cleanliness and overall appearance</td>
<td>8.3 8.3 8.4 8.6</td>
</tr>
<tr>
<td>Family friendly environment</td>
<td>8.2 8.1 8.1 8.5</td>
</tr>
<tr>
<td>Excellent service</td>
<td>7.9 7.9 7.7 8.1</td>
</tr>
<tr>
<td>Easy to get to</td>
<td>7.9 7.5 7.7 8.3</td>
</tr>
<tr>
<td>Clean, up-to-date business</td>
<td>7.9 7.6 7.5 8.2</td>
</tr>
<tr>
<td>Overall</td>
<td>7.8 7.6 7.6 7.8</td>
</tr>
<tr>
<td>Quality of stores</td>
<td>7.7 7.9 7.7 7.8</td>
</tr>
<tr>
<td>Local independent stores</td>
<td>7.6 7.4 7.3 7.6</td>
</tr>
<tr>
<td>All stores in one location</td>
<td>7.3 7.0 6.9 7.3</td>
</tr>
<tr>
<td>Special events, programs</td>
<td>7.3 7.0 7.2 7.3</td>
</tr>
<tr>
<td>Lack of crowds</td>
<td>7.1 6.8 6.4 6.9</td>
</tr>
<tr>
<td>Good brand name stores</td>
<td>7.0 6.9 6.8 7.1</td>
</tr>
<tr>
<td>Selection of stores</td>
<td>6.6 6.4 6.0 6.6</td>
</tr>
<tr>
<td>Discounts and promotions</td>
<td>6.3 6.0 6.1 6.4</td>
</tr>
<tr>
<td>Price of goods and service</td>
<td>6.2 5.9 6.0 5.9</td>
</tr>
<tr>
<td>Extended hours in morning / evening</td>
<td>5.5 4.9 5.3 5.5</td>
</tr>
<tr>
<td>Convenient parking</td>
<td>4.7 4.2 4.5 4.9</td>
</tr>
</tbody>
</table>

Q: Using a scale of 1 to 10 please rank Downtown Oakville in terms of shopping experience with 1 being the lowest and 10 the highest?
Q: On a scale of 1 to 10 with 10 being the highest, how would you rank Downtown Oakville overall?

Food and Beverage Visitation and Expenditure

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Formal dining</td>
<td>Casual dining</td>
</tr>
<tr>
<td>Attended in the last month</td>
<td>70%</td>
<td>81%</td>
</tr>
<tr>
<td>Average attendance per month</td>
<td>3.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Attended in the last month @dt Oakville</td>
<td>40%</td>
<td>64%</td>
</tr>
<tr>
<td>Average attendance per month @dt Oakville</td>
<td>2.0</td>
<td>2.5</td>
</tr>
<tr>
<td>Average spend</td>
<td>$50.70</td>
<td>$27.56</td>
</tr>
</tbody>
</table>

For all respondents:
- Formal dining: 70% of respondents go out 3.1 x/month; 40% of respondents would go to Downtown Oakville approximately 2.0 x/month; this indicates that 30% of people who are in Downtown Oakville do go out for formal dining but that they would not go out for that experience in Downtown Oakville.
- For workers, the percentage that will go to a formal restaurant is significantly less.
- Casual dining; approximately 80% of the respondents go out 4.1 x/month (once a week); two–thirds or 64% would go to Downtown Oakville, and on average 2.5 x/month.
- Fast food: 66% of people surveyed go out for fast food 7.4 x/month; half of the respondents would go to Downtown Oakville an average of 5.1x/month.
- Bar, drinking: 47% of respondents go out to a bar or for drinking 3.9 x/month; 22% go to Downtown Oakville on average 2.5 x/month.

Q: I want to ask you about your eating and drinking related patronage. For each activity__________ please tell me...
Major Activities

- Theatre, dance/music performance: 28% of respondents go out 1.4 x/month; 14% of all people surveyed would go to Downtown Oakville for an average of 1.4 x/month
- Library: approximately a third of the respondents go to the library 5.9 x/month; 30% would go to Downtown Oakville, and on average 5.8 x/month
- Museum, art gallery: 14% of people surveyed go out for fast food 2.0 x/month; 7% of the respondents would go to Downtown Oakville an average of 2.8 x/month
- Park, waterfront: 44% of respondents go out to a bar or for drinking 6.6 x/month; 40% go to Downtown Oakville on average 5.8 x/month
- Theatre, dance/music performance attendees spend the most per person on food ($16.24) before, during or after the event (not for the survey period – the only performances were casual and not formal resulting in a lower spend)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Attend in last month</th>
<th>Avg. attendance per month</th>
<th>Attend Downtown Oakville</th>
<th>Avg. attendance/month in Downtown</th>
<th>Eat before, during, after (people who attended)</th>
<th>Estimated food expenditure per person</th>
<th>Estimated retail expenditure per person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theatre, dance/music performance</td>
<td>28%</td>
<td>1.4</td>
<td>14%</td>
<td>1.4</td>
<td>63%</td>
<td>$16.24</td>
<td>$1.12</td>
</tr>
<tr>
<td>Library</td>
<td>33%</td>
<td>5.9</td>
<td>30%</td>
<td>5.8</td>
<td>41%</td>
<td>$2.69</td>
<td>$0.13</td>
</tr>
<tr>
<td>Museum, art gallery</td>
<td>14%</td>
<td>2.0</td>
<td>7%</td>
<td>2.8</td>
<td>69%</td>
<td>$5.43</td>
<td>$0.57</td>
</tr>
<tr>
<td>Park, waterfront</td>
<td>44%</td>
<td>6.6</td>
<td>40%</td>
<td>5.8</td>
<td>42%</td>
<td>$4.25</td>
<td>$0.57</td>
</tr>
</tbody>
</table>

Q: For each major activity, please tell me.

Like Most About Arts and Cultural Options in Downtown

- Respondents like the variety of performances in Downtown Oakville. The range of symphony, Broadway, comedy, jazz, concerts, etc. creates a well rounded performing arts hub
- Through interviews and now confirmed, respondents enjoy the fact that the theatre is a small intimate place set in Downtown Oakville
- As stated, visitors want the complete Downtown Oakville experience when they visit including going out to eat or drink before or after
- Specifically, the jazz festival is highly rated and well known

Q: What do you like most about arts and cultural options in Downtown Oakville?
Demographics

Employment Status

Q: Which category best describes your employment?
Q: What is your job title?
**Demographics**

- Nearly a third of the people surveyed (61%) are female, while 39% are males.
- 53% of the respondents identified themselves as primary shoppers and 47% considered themselves secondary shoppers in their households.
- The respondents are generally young.
  - 42% of the respondents are younger than 34 years old; 43% are between the age 35–64.
- Half of the respondents are single, 40% are married or living with a partner, while 10% are widowed, separated or divorced.
- Over half (51%) of the people surveyed have fewer than 2 people in a household.
- Almost a third of the respondents (31%) have children under 19 at home.

**Household Income**

- The respondents are very well off financially.
  - 44% of the households have a household income over $100,000.
  - 31% earned between $60,000 to $100,000 in the last year.