

**Retail and Service Needs
Assessment for Mixed-Use
Development 2163 & 2169
Sixth Line, Town of Oakville**

Independent Real Estate Intelligence

July 12, 2022



**Retail and Service Needs Assessment for
Mixed-Use Development
2163 & 2169 Sixth Line, Town of Oakville**

Prepared for:

Bara Group

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EXECUTIVE SUMMARY

BACKGROUND

Altus Group Economic Consulting (“Altus Group”) was retained by Bara Group (“Bara”) to provide a commercial needs analysis for the proposed retail space as part of the mixed-use development project at 2163 and 2169 Sixth Line, Town of Oakville (“subject site”).

Bara is planning to develop the subject site lands located at 2163 and 2169 Sixth Line in Oakville, Ontario into a mixed-use development containing 247 residential units and approximately 8,363 square feet of ground floor retail space. The subject site is an existing convenience-oriented shopping centre comprised of four buildings, three of which contain an estimated 15,513 square feet of retail commercial space and one ancillary building located at the rear of the site.

The purpose of this study is to provide a retail and service needs study that will assist Bara in understanding the local retail market needs to determine if the reduction in the amount of retail on the subject site will adversely affect the local market.

SUMMARY OF FINDINGS

The following points summarize Altus Groups’ findings with respect to the retail and service needs for the subject site lands:

The policies and land-use designations of the Town of Oakville’s Official Plan are in line with the proposed mixed-use development. While the subject site exhibits limited location and connectivity characteristics suitable for retail developments.

- The subject site is positioned along Sixth Line, a minor arterial road as per the Town of Oakville Transportation Master Plan, providing community connections throughout the neighbourhood. This roadway is not a major north-south throughfare for residents of Oakville providing limited connectivity.
- Adjacent land uses are primarily low and medium-density housing surrounding the subject site and generate limited demand for retail at the subject site. The majority of local shopping needs are fulfilled

through existing commercial nodes throughout the Trade Area such as the Uptown Core.

- While the subject site is appropriately designated as Neighbourhood Commercial, there is a lack of retail clustering opportunities surrounding the subject site to support a significant retail destination demand site beyond convenience commercial.
- There is sufficient commercial space in the Trade Area over the 2021-2041 forecast period to support market demand and warranted space considering existing space, space currently under application or under construction and designated lands along Major Arterials and within Nodes. The existing retail structure of within the Trade Area made up of these components are better positioned from a locational characteristics standpoint to support the broad array of retail and service commercial needs of the community.
- The future population of the subject site is likely to support convenience-oriented needs of approximately 3,600 square feet. As the subject site, is unlikely to draw in a wide customer base given the competing existing commercial nodes, the suitable uses identified for the subject site are Medical and Dental Services and Convenience—Oriented retail uses catering to the resident population.
- Given the location and surrounding context of the subject site it is estimated that the neighbourhood level convenience-oriented commercial need totals approximately 12,500 square feet. The existing commercial supply within the neighbourhood area includes approximately 7,500 square feet located at the 201 River Oaks Plaza resulting in a residual neighbourhood demand of approximately 5,000 square feet by 2041. All told, the subject site could comfortably accommodate a combined 3,600 sq. ft. of convenience associated with new residents, and an additional 5,000 sq. ft. for residual neighbourhood needs, for a combined warranted space of some 8,600 sq. ft.
- While the wider trade area has sufficient vacant designated and proposed lands to absorb to the 2041 forecast commercial demand of approximately 647,500 square feet, the proposed development on the subject site totaling 8,363 square feet of commercial space is in line with neighbourhood commercial needs of the surrounding

community and the resident population needs which together total approximately 8,600 square feet.

Retail occupancy trends in existing mixed-use developments in the Trade Area suggest that this typology has limited ability to feasibly provide a broad array of retail categories. Typically, convenience commercial and limited-service commercial uses are successful in mixed use developments in the Trade Area.

- Based on future retail needs and a review of similar mixed-use developments in the Trade Area the following types of retail and service tenants would be suitable and are warranted at the subject site over the long-term planning horizon:
 - Medical Dental & Healthcare services;
 - Quick-service restaurants (i.e., quick-service, takeout, café, beverages);
 - Pharmacy & Drugstore;
 - Other Food Stores; and
 - Personal Services.

Concluding Remarks

In conclusion, it is in the professional opinion of Altus Group that there is sufficient need for the proposed 8,363 square feet of retail service commercial space on the subject land, that the broader Trade Area market has sufficient vacant designated and proposed development lands to absorb the forecast demand by 2041, including from the population proposed for the subject lands. The subject site can appropriately accommodate convenience commercial uses aimed at the new population of the subject site and some broader neighbourhood uses. The retail structure of North Oakville continues to be best served with the majority of the future demand being accommodated within existing commercial Nodes and Corridors.

The proposed redevelopment of the subject site into a mixed-use community with ground-floor retail is expected to service convenience commercial needs of the subject site resident and the surrounding community.

TABLE OF CONTENTS

	Page
EXECUTIVE SUMMARY	i
1 INTRODUCTION	1
1.1 Background & Study Purpose.....	1
1.2 Study Approach.....	1
1.3 Report Structure.....	2
1.4 Caveat.....	3
2 SUBJECT SITE CHARACTERISTICS & PLANNING CONTEXT ...	4
2.1 Location and Surrounding Context.....	4
2.2 Market Trade Area Delineation	5
2.3 Planning Context	6
2.4 Review of Site Characteristics	8
2.5 Proposed Development Plan.....	9
3 COMMERCIAL SUPPLY ANALYSIS	10
3.1 Existing Commercial Supply.....	10
3.2 Commercial Uses in Nearby Mixed-Use Developments	11
3.3 Future Commercial Supply	13
3.4 Future Anticipated Commercial Supply.....	13
3.5 Existing Commercial Supply.....	15
4 RETAIL DEMAND & GAP ANALYSIS	16
4.1 Market Trade Area Population	16
4.2 Future Demand for Commercial Space	18
4.3 Retail Gap Analysis	19
MIXED-USE DEVELOPMENTS & STREET FRONT RETAIL TREND	22
4.4 Mixed-Use Development Typology	22
5 CONCLUSIONS	24

1 INTRODUCTION

Altus Group Economic Consulting (“Altus Group”) was retained by Bara Group (“Bara”) to provide a commercial needs analysis for the proposed retail space as part of the mixed-use development project at 2163 and 2169 Sixth Line, Town of Oakville (“subject site”).

1.1 BACKGROUND & STUDY PURPOSE

Bara is planning to develop the subject site lands located at 2163 and 2169 Sixth Line in Oakville, Ontario. The subject site is an existing convenience-oriented shopping centre comprised of four buildings, three of which contain an estimated 15,513 square feet of retail commercial space and one ancillary building located at the rear of the site.

The purpose of this study is to provide a retail and service needs study that will assist Bara in understanding the local retail market needs to determine if the reduction in the amount of retail on the subject site will adversely affect the local market.

1.2 STUDY APPROACH

The following tasks were completed in the preparation of the commercial needs analysis retail study:

- **Review Relevant Background Documents:** Relevant regional and Town of Oakville planning documents and policies, as well as any other consultant studies and reports in the context of the subject site.
- **Subject Site Property Assessment:** Review of site locations, land use designations, zoning, surrounding context, as well as accessibility and connectivity from a retail tenanting perspective. This assessment highlights the strategic advantages and/or potential constraints the subject site may pose for commercial retail tenants.
- **Delineation of a Market Trade Area:** A Trade Area was defined representing the geographic service area from which the majority of customer support for commercial retail uses on the subject site would likely be derived. The delineation of this Trade Area was influenced by the configuration and hierarchy of existing major and minor retail nodes, natural and infrastructure boundaries, commuting flow

patterns, and determined based on the professional experience and expertise of Altus Group.

- **Population Forecasts:** An estimate of the present and future population levels of the Trade Area were forecasted over a defined study period. These forecasts took into account the Town's growth targets and were used as the primary driver for new commercial space in the future.
- **Commercial Supply Analysis:** An inventory of existing commercial retail and service space by unit size and major store category was completed for this analysis. In addition, a review of the future supply of commercial space in the pipeline was conducted to anticipate any new commercial supply in the near future.
- **Local Service Levels and Future Demand:** Based on the research summarized above, existing retail service levels were assessed, and the level of demand for future retail and service commercial uses in the study area were forecast using industry average space per capita analysis approach. The results of this analysis provide commentary relating to the appropriateness of the subject site for commercial uses in the context of local market demand and the planned current and future retail/commercial structure of the study area.

1.3 REPORT STRUCTURE

The following outlines the contents of the chapters of this report:

- Chapter 2 reviews the subject site location, surrounding context, as well as relevant planning background documents and policies;
- Chapter 3 presents the delineated study area and overview of the commercial supply analysis, including existing retail and service commercial inventory and review of future commercial supply;
- Chapter 4 analyses the findings of the commercial supply analysis, by assessing the local service levels of commercial retail and service uses relative to the study area population. Based on this analysis, potential retail tenant gaps are identified, and future retail demand is assessed on a per-capita basis; and
- Chapter 5 concludes and summarizes the results of the commercial needs analysis for the subject site.

1.4 CAVEAT

The analysis has been prepared on the basis of the information and assumptions set forth in the text. However, it is not possible to fully document or account for all and any changes that may occur in the future. This report relies on information from a variety of primary and secondary sources as well as information provided by Bara. While every effort is made to ensure the accuracy of the data, we cannot guarantee the complete accuracy of the information used in this report from secondary sources.

This report is intended to be used for the purposes outlined herein and is not to be relied upon by any other party without prior written consent of Altus Group Economic Consulting

2 SUBJECT SITE CHARACTERISTICS & PLANNING CONTEXT

This chapter provides an overview of the subject site and its surrounding context. In addition, it assesses the positioning and connectivity of the subject site and proposed retail development from a commercial tenanting perspective.

2.1 LOCATION AND SURROUNDING CONTEXT

2.1.1 Site Location and Description

The subject site is located at 2163 and 2169 Sixth Line, in the town of Oakville, Ontario. The subject site is an existing convenience-oriented shopping centre comprised of four buildings, three of which contain an estimated 15,513 square feet of retail commercial space and one ancillary building located at the rear of the site (Figure 1).

Figure 1

Subject Site Location



Source: Altus Group Economic Consulting based on Google Maps

2.1.2 Surrounding Context

There are a range of different land uses surrounding the subject site, which are illustrated in Figure 1 and include:

- **North:** Immediately north of the subject site beyond the ravine system is low-rise residential uses, followed by St Andrew Catholic

and Post Corners Public School. Further beyond is the Uptown Core retail centre.

- **East:** Immediately east of the subject site is the existing low-rise residential lands consisting of low-rise detached residential homes. Further beyond this is the Sheridan College Trafalgar Road Campus.
- **South:** Immediately south of the subject site is an additional elementary school River Oaks Public School as well as low-rise residential lands.
- **West:** Immediately west of the subject site lands is Holy Trinity Catholic Secondary School. Further beyond lies additional low-rise residential uses.

2.2 MARKET TRADE AREA DELINEATION

The market trade area (“Trade Area”) is defined as the geographic area from which commercial uses at the subject site would likely draw the majority of customers, given its position in the retail hierarchy and taking into account parameters such as geography and topography, road and transit infrastructure, population, spending and commuter patterns.

Figure 2



Source: Altus Group Economic Consulting based on Google Maps

For the purpose of this report, the Trade Area is delineated by the following boundaries as shown in Figure 2:

- Burnhamthorpe Road E to the north;
- 8th Line to the east;
- The QEW to the south; and
- 4th Line / Neyagawa Boulevard to the west.

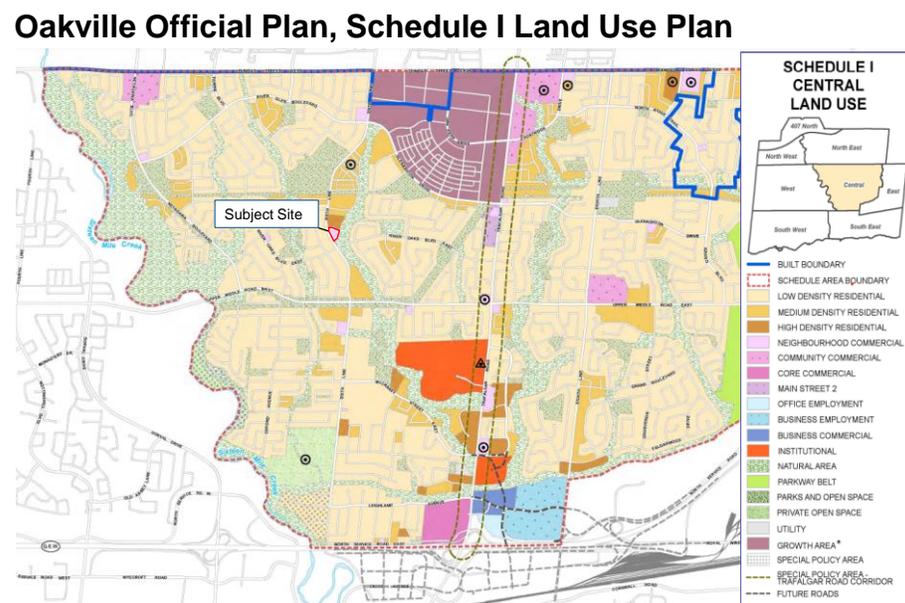
2.3 PLANNING CONTEXT

2.3.1 The Town of Oakville Official Plan

The Town of Oakville Official Plan (“OP”) provides a vision for the future growth of Oakville and provides a policy framework for which the city’s development can be based on.

Under the Oakville OP Schedule I, the subject site lands are designated as Neighbourhood Commercial. In addition, existing mixed-use developments throughout the Trade Area have been developed on Main Street designated lands (Figure 3).

Figure 3



Source: Altus Group Economic Consulting based on Oakville Official Plan, Schedule I

- The Neighbourhood Commercial designation is intended to accommodate concentrations of retail and service commercial uses and permit a variety of retail and service commercial uses including restaurants, food stores and indoor sports facilities as well as

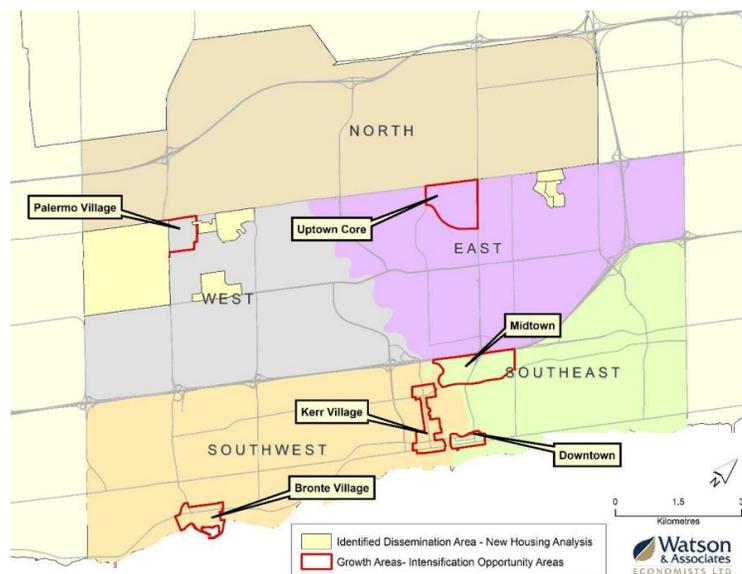
residential uses above ground floor retail and service commercial uses.

- The Main Street designation is intended for small scale, mixed-use developments along main street and is intended to reflect a pedestrian-oriented main street character. A wide range of retail and service commercial uses, with the ground floor of buildings primarily occupied by retail and service commercial uses.

Immediately to the northeast of the subject site is the Uptown Core Growth Area, which includes and is planned for significant commercial uses. The function of Uptown Core is to serve as an urban community with an emphasis of residential, office and commercial development providing a mix of uses. This area has experienced significant development over the years and is planned to continue this growth as existing vacant designated lands are developed and existing developed lands are intensified. Given the existing and planned clustering of retail within the Uptown Core and along Dundas Street E, these areas are well suited to future retail provision within North Oakville. Uptown Core is one of six Growth Areas identified within the Oakville OP (Figure 4).

Figure 4

Oakville Growth Areas



Source: Altus Group Economic Consulting based on Watson & Associates

The growth areas provide suitable locations for future retail, given their strong connectivity through arterial roadways and proximity to existing

clustering of both retail and population bases both of which are beneficial to new retail development.

2.4 REVIEW OF SITE CHARACTERISTICS

Location is a critical characteristic for retail development, particularly in assessing the viability of mixed-use developments. Preferred location for most commercial retail and service uses within the retail hierarchy of the community is typically in nodes located at the intersection of major arterial roads, which provide the highest degree of accessibility, visibility, and exposure to passing vehicle and foot traffic from multiple directions, and at major destination nodes planned and developed with sufficient parking and transit accessibility.

2.4.1 Road

The subject site is located at Sixth Line and River Oaks Blvd. intersection in a predominantly residential neighbourhood. Sixth Line is a minor arterial road as per the Town of Oakville Transportation Master Plan, providing community connections throughout the neighbourhood.

The existing roadway provides limited exposure in comparison to larger north-south arterial roads connecting Highway 403 and the QEW such as Dorval Drive and Trafalgar Road.

2.4.2 Pedestrian Connectivity

The subject site is generally well connected and within walking distance to adjacent land uses and residential areas.

A number of local schools are within walking distance of the subject site including Holy Trinity Catholic Secondary School, St Andrews Catholic Elementary School and Munns Public School. The subject site is not within close walking distance to major commercial nodes, reinforcing the car dominated nature of the neighbourhood, as many residents opt to drive for their shopping needs.

Given the connectivity of the subject site, the integration of the ground floor, street front retail units within the mixed-use development are likely to serve the local community given the location and context of the connectivity of the subject site.

2.5 PROPOSED DEVELOPMENT PLAN

The proposed development concept plan consists of a 9-storey mid-rise building comprised of both residential and ground floor retail commercial uses (Figure 5).

The subject site includes a total of 247 residential units with 2 studio units, 60 1+Den units, 151 2-Bedroom units, 22 2+Den units and 12 3-Bedroom units.

Figure 5

Preliminary Site Plan



Units	Net Floor Area of Unit					GCA		GFA			Total GFA			NSA							
	Studio	1B+D	2B	2B+D	3B	Total	<75m2	>75m2	Retail + Dental	Amenity	Residential	Total	Residential	Total							
							m2	sf	m2	sf	m2	sf	m2	sf							
P1				22		22	2,518	27,059													
P2					0	0	5,014	53,968	777	8,366											
1							2,595	27,936			142	1,528	1624	17,481	2643	27,375	1351	14,538			
2							1,711	18,413			168	1,809	1463	15,753	1632	17,562	1372	14,763			
3	2		9	24		2	2,599	27,975					2541	27,346	2644	27,346	2334	25,125			
4			9	26		2	2,646	28,478					2587	27,850	2687	27,850	2381	25,629			
5			9	26		2	2,646	28,478					2587	27,850	2687	27,850	2381	25,629			
6			9	26		2	2,646	28,478					2587	27,850	2687	27,850	2381	25,629			
7			9	26		2	2,646	28,478					2587	27,850	2687	27,850	2381	25,629			
8			8	11		1	1,685	17,922			252	2,716	1367	14,719	1626	17,434	1246	13,436			
9			7	12		1	1,369	14,564					1395	14,883	1345	14,563	1262	13,582			
PH							265	2,855													
Totals	2	0	60	151	22	12	247	204	43	28,339	305,036	777	8,366	562	6,052	18760	201,281	20039	215,699	17090	183,960

Source: Raw Architects

In total, the subject site's preliminary site plan is proposing to develop approximately 247 residential units throughout the subject site with approximately 8,363 square feet of ground floor retail.

3 COMMERCIAL SUPPLY ANALYSIS

This chapter presents an overview and analysis of the commercial supply in the Trade Area, including a review of future competitive supply and existing retail uses in mixed-use developments.

3.1 EXISTING COMMERCIAL SUPPLY

The subject site is an existing convenience-oriented shopping centre comprised of four buildings, three of which contain an estimated 15,513 square feet of retail commercial space and one ancillary building located at the rear of the site.

The subject site is located within a residential neighbourhood and is generally surrounded by low-rise single family residential uses. Given the existing concentration of population from both the low-rise residential homes as well as the Oaks Condominium, the subject site is well suited for convenience-oriented retail uses.

3.1.1 Commercial Nodes and Hierarchy

Based on background research and analysis of commercial space in the Trade Area, several commercial nodes were identified that represent clusters of commercial activity, retail, and service-based uses in both designated commercial and mixed-use lands.

These clusters range from larger regional commercial centres or shopping malls to grocery/pharmacy anchored neighbourhood centres and local centres within neighbourhood areas.

The larger regional commercial shopping centres within the Trade Area represent the greatest provision of commercial space, supplying a range of tenants including comparison goods and specialty retailers such as clothing, shoes & accessories, furniture, home furnishings as well as other miscellaneous convenience goods and services. These include:

- Uptown Core: Large format shopping centre containing a range of comparison shopping and convenience goods.
- South end of Trade Area: A concentration of a range of shopping centres including Oakville Place and Dorval Crossing.

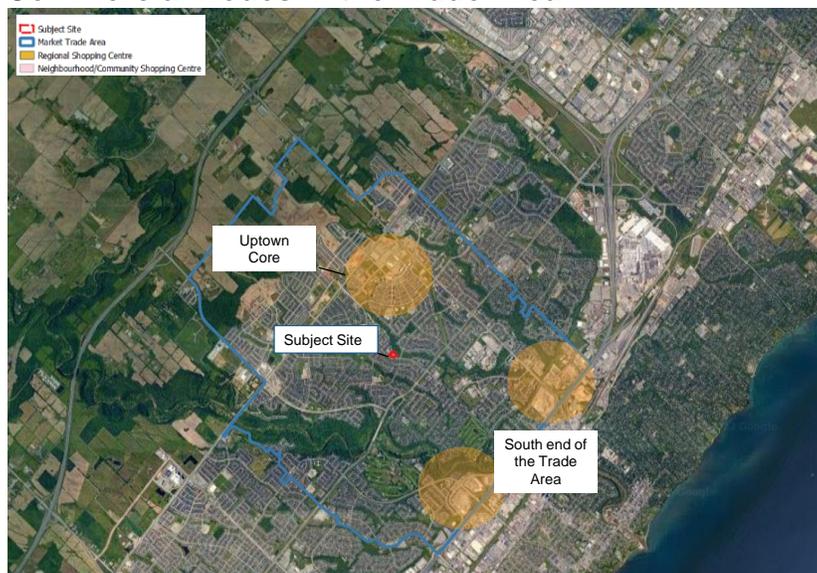
Several local and neighbourhood centres surround the subject site along Dundas St W and Neyagawa, which provide a range of convenience-oriented retail and service commercial uses (Figure 6).

The Uptown Core currently contains a mix of apparel, food-oriented services, general merchandise including a Walmart, Longo's, Real Canadian Superstore and Canadian Tire as well as a range of financial and medical services.

The south end of the Trade Area contains a range of retail uses and includes two large regional shopping centres, Dorval Crossing and Oakville Place (which is adjacent to the Midtown Growth Area). These locations offer a range of comparison goods shopping and food-oriented retail as well as personal services and clothing.

Figure 6

Commercial Nodes in the Trade Area



Source: Altus Group Economic Consulting based on Google Maps

3.2 COMMERCIAL USES IN NEARBY MIXED-USE DEVELOPMENTS

Existing mixed-use developments throughout the Trade Area are typically located in Main Street designated lands. A review of similar mixed-use developments in the Trade Area has been conducted to provide a thorough assessment of the various types of commercial uses that typically occupy space within mixed-use developments in the area. There is a limited stock of

mixed-use developments throughout the Trade Area with limited precedent for mixed-use developments (Figure 7).

Comparable mixed-use developments indicates that tenants typically occupy ground floor space which primarily consist of convenience-oriented retail and service commercial uses and professional services.

Typical commercial categories include:

- Quick-service restaurants (i.e. quick-service, takeout, café, beverages);
- Pharmacy & Drugstore;
- Other Food Stores;
- Personal Services; and
- Medical Dental & Healthcare services.

Figure 7

Commercial Uses in Mixed-use Developments in the Surrounding Area of the Subject Site		
<u>Address</u>	<u>Zoning</u>	<u>Commercial Uses</u>
216 Oak Park Blvd	Main Street 2	Pharmacy & Drugstore Personal Services Medical Services Quick-service Restaurant
297 Oak Walk Drive	Urban Core	Quick-service Restaurant Service-oriented Commercial
351 Dundas Street East	Trafalgar Urban Core	Pharmacy & Drugstore Service-oriented Commercial

Source: Altus Group Economic Consulting

216 Oak Park Boulevard is a mixed-use development containing ground floor retail uses. Located at the Taunton and Oak Park Boulevard intersection, this development contains a wide range of retail and service commercial uses for both the immediate residents as well as those shopping in the Uptown Core area.

Oak and Co located at 297 Oak Walk Drive is a mixed-use development currently under construction at the corner of Trafalgar Road and Dundas Street East. The proposed development contains a diverse mix of retail and office uses including restaurants, community centre space and office space up to 65,000 square feet. In addition to the proposed quick service restaurant uses other proposed uses include a coding studio, a music studio and a children’s indoor playground.

351 Dundas Street East is a proposed full-service retirement community containing 130 full-service retirement units and 7,500 square feet of retail and service commercial uses to serve the local retirement residents.

3.3 FUTURE COMMERCIAL SUPPLY

Within the Trade Area, significant additional commercial space will largely come from the build out of the Uptown Core and the Trafalgar Urban Core, development on designated greenfield lands and infill and intensification along the major arterial roads of Dundas Street E and Trafalgar Road.

Within the Trade Area, there are 9 identified active development applications which propose to include commercial space as part of the development plans and totals approximately 207,100 square feet of retail space (Figure 8).

Figure 8

Approved and Proposed Developments within the Market Trade Area, Oakville		
Address	Land Use Designation	Total Commercial Retail Sq.Ft.
377, 387, 411 Dundas Street E	Trafalgar Urban Core	4,800
90 Oak Park Blvd	Urban Core	11,600
256 Hays Boulevard	Urban Core / Main Street	6,300
297 Oak Walk Drive	Urban Core	72,400
3070 Trafalgar Road	Future Development	55,100
351 Dundas Street E	Trafalgar Urban Core	7,500
382 Burnhamthorpe Road West	Neyagawa Urban Core	27,200
210 & 374 Burnhamthorpe Road	Future Development	19,200
393 Dundas Street West	Dundas Urban Core	3,000
		207,100

Note: Numbers are rounded to the nearest 100 square feet.
Source: Altus Group Economic Consulting based on data from Town of Oakville Planning and Development

The identified future additional commercial space is all located within the Uptown Core area and along the major arterial roads of Dundas Street E, along Trafalgar Road north of Dundas Street E and within the Neyagawa Urban Core. These nodes are considered superior locations for future retail, given the existing clustering of retail uses surrounding a critical mass of population along busy arterial roads.

3.4 FUTURE ANTICIPATED COMMERCIAL SUPPLY

Figure 9 presents the estimated potential magnitude of retail and service commercial space that has the potential to be developed in certain locations within designated lands as identified throughout the Trade Area. The potential commercial space estimates are based on the size of the identified

parcels and the assumed density of development (building coverage ratio) that could be expected. The sites identified consists of predominantly vacant designated lands within the Trafalgar Urban Core of the Trade Area.

In total approximately 614,600 square feet of future potential commercial space is available within existing designated lands across 6 sites.

Figure 9

Future Commercial Space in the Trade Area, Oakville

Site ID	Land Use Designation	Estiamted Site Area <i>Acres</i>	Estimated Commercial Space <i>Square Feet</i>
1	Urban Core	4.3	46,900
2	Urban Core	5.8	63,700
3	Urban Core	3.5	38,500
4	Urban Core	15.4	167,800
5	Trafalgar Urban Core	1.5	16,800
6	Trafalgar Urban Core	64.5	280,900
Total		95.1	614,600

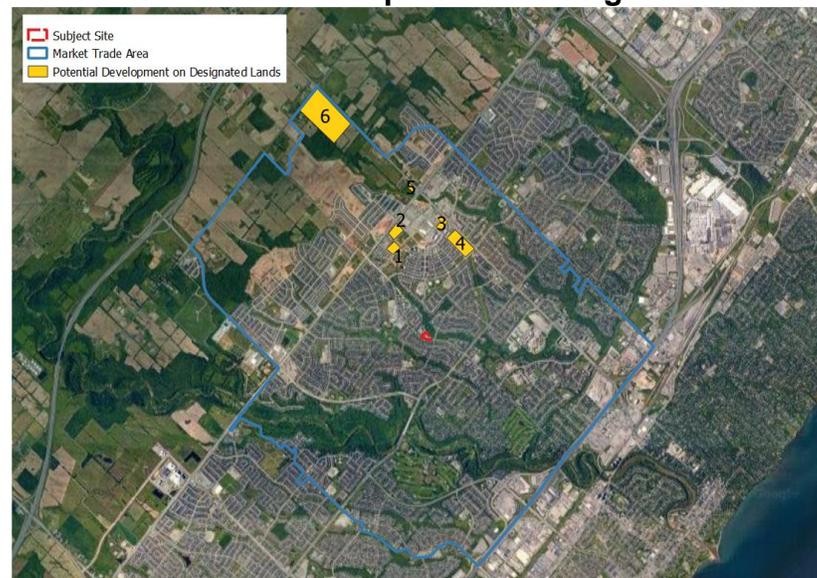
Note: Numbers are rounded to the nearest 100 square feet.

Source: Altus Group Economic Consulting based on data from Town of Oakville Planning and Development

The location of these sites has been determined based on the Town of Oakville OP land use map to identify existing vacant parcels with appropriate designations (Figure 10).

Figure 10

Estimated Future Development on Designated Lands



Source: Altus Group Economic Consulting based on Town of Oakville Planning and Development

There is approximately 614,600 square feet of estimated future commercial supply in the Trade Area on larger sites located in the Uptown Core and Trafalgar Urban Core that would be expected to emerge on existing designated lands in response to emerging future demand. Additional future lands in the Trafalgar north Corridor, the Neyagawa & Burnhamthorpe Node and elsewhere may also serve the area's retail needs during the forecast period or beyond.

3.5 EXISTING COMMERCIAL SUPPLY

There is a total of approximately 1.9 million square feet of commercial retail and service space in the Trade Area (Figure 11).

Figure 11

Inventory of Retail and Service Commercial Space in Neighbourhood Area , Oakville ¹					
Retail Category	Neyagawa & Dundas	South End of Trade Area	Uptown Core	Total	%
	<i>Sq.Ft</i>				
Supermarkets & Grocery Stores	107,900	12,900	141,600	262,400	13.5%
Other Food	3,000	69,800	2,300	75,100	3.9%
TOTAL FOOD STORE	110,900	82,700	143,900	337,500	17.3%
Clothing, Shoes & Accessories	-	237,700	16,800	254,500	13.1%
Building & Outdoor Home Supply	1,600	107,600	1,600	110,800	5.7%
Department Store	-	-	-	-	0.0%
General Merchandise	16,600	201,000	208,800	426,400	21.9%
Pharmacies & Personal Care	16,500	26,400	1,900	44,800	2.3%
Furniture, Home Furnishings & Electronics	-	74,300	8,900	83,200	4.3%
Miscellaneous Retailers	-	102,800	10,500	113,300	5.8%
Automotive	-	-	-	-	0.0%
TOTAL NON-FOOD STORE	34,700	749,800	248,500	1,033,000	53.0%
Beer, Wine & Liquor	-	19,600	15,900	35,500	1.8%
TOTAL OTHER RETAIL	-	19,600	15,900	35,500	1.8%
Services: Eating & Drinking	31,100	102,200	40,900	174,200	8.9%
Services: Personal	16,300	8,600	20,300	45,200	2.3%
Services: Medical, Dental and Healthcare	16,000	150,400	14,200	180,600	9.3%
Services: Financial, Legal and Real Estate	23,400	27,100	21,500	72,000	3.7%
Services: Business	-	-	-	-	0.0%
Services: Entertainment	-	26,900	-	26,900	1.4%
Services: Other	9,200	16,100	1,400	26,700	1.4%
TOTAL SERVICES	96,000	331,300	98,300	525,600	27.0%
Vacant	2,600	12,400	1,400	16,400	0.8%
Vacant Rate	1.1%	1.0%	0.3%	0.8%	
GRAND TOTAL	244,200	1,195,800	508,000	1,948,000	100%

¹ Based on inventory and site inspection by Altus Group in July, 2022
Note: Numbers are rounded to the nearest 100 square feet.
Source: Altus Group Economic Consulting

4 RETAIL DEMAND & GAP ANALYSIS

This chapter presents an analysis of the retail needs and gap analysis based on the findings of the commercial supply analysis and population forecasts. This analysis provides context regarding the amount of future warranted commercial space and the residual demand over the forecast period.

Given the local serving and convenience-oriented nature of potential commercial uses as part of the mixed-use development of the subject site, a retail space per capita analysis is conducted to evaluate the future population demand for commercial retail and service space within the Trade Area.

4.1 MARKET TRADE AREA POPULATION

Population growth forecasts for the Trade Area is one of the primary variables influencing demand for new retail and service businesses. Generally, as the population grows, demand for population-related development such as commercial uses increase concurrently to serve the needs of the growing community.

Figure 12 summarizes the current base-year population levels and forecasted population growth anticipated for the Trade Area. Sources for historical and forecast population figures are as follows:

- Historical population figures sourced from Statistics Canada 2016 & 2021 Census by dissemination area;
- Town of Oakville Residential Growth Analysis (2017); and
- Town of Oakville Development Charges Background Study (2018).

Figure 12

	Town of Oakville Estimated Population Growth, 2021-2041						Average Annual Growth 2021-2041
	Historical		Forecast ²				
	2016	2021	2026	2031	2036	2041	
	<i>Persons</i>						
Town of Oakville ¹	200,600	221,200	243,200	267,400	275,500	284,800	1.27%
Subject Site	-	-	400	400	400	400	
Rest of Trade Area ¹	54,200	69,400	76,000	83,700	87,800	92,000	1.42%
Total Trade Area Population	54,200	69,400	76,400	84,100	88,200	92,400	1.44%

¹ Based Town of Oakville Growth Projections 2018-2046
 Note: Forecast numbers rounded to the nearest 100 persons
 Source: Altus Group Economic Consulting

The population of the Trade Area represents approximately 31% of the population of the Town of Oakville in 2021.

Figure 12 shows that over the 2021 to 2041 period, the Trade Area is forecast to add some 23,000 people which represents an average annual growth rate of 1.44% or some 1,150 people per year.

Over the 2016 to 2041 planning horizon, the Town of Oakville's population base is forecast to steadily grow at an average annual growth rate of 1.4%. This represents an annual population growth rate which is higher than that of the Province of Ontario as a whole and slightly slower than the Region of Halton.

To accommodate for the forecast population growth across Oakville an estimated total of approximately 36,100 new housing units will need to be constructed between 2016 and 2041 across a range of housing types. Located within the Trade Area, North Oakville is forecast to experience strong population and housing growth to 2031 driven by steady market demand and an ample supply of designated greenfield lands. The rate of housing growth within North Oakville is forecast to slow during the post-2031 period as the supply of designated greenfield lands is exhausted.

Towards the end of 2031, the Town's supply of greenfield housing opportunities will diminish as it approaches full buildout. Post 2031, new development is expected to decline and the major form of new dwellings will be in the form of infill development and residential intensification.

The Town's ability to achieve the 2031 population forecast will largely depend on the timing of development approvals within North Oakville, as well as near-term market demand for residential intensification within the Town's designated Growth Areas and other intensification areas in South Oakville.

4.2 FUTURE DEMAND FOR COMMERCIAL SPACE

As the population of the Trade Area continue to rise due to the completion of the subject site, as well as continued infill development, intensification and redevelopment of commercial and employment land uses, the demand for retail and service commercial space will also rise.

For the purposes of this analysis a per-capita analysis method of forecasting commercial space needs for a Trade Area's population is used, which is considered a high-level estimation based on typical commercial space needs per capita, with adjustment factors as appropriate. This method applies typical and commonly used retail space per-capita metrics to determine the magnitude of space needed to adequately support the local market area's resident population, adjusted for assessed net outflow, average incomes and other factors into the Trade Area.

Local capture rates are then applied to the total warranted space per capita to estimate the proportion of residents within the Trade Area. Capture rates vary by retail and service use but typically follow the narrative that the location of the subject site in central Oakville will support the general needs of the market with a relatively strong retail and service offering for approximately 67% of the resident population's needs.

Local net inflow rates are applied to population based commercial needs to identify the estimated inflow of residents coming from outside of the Trade Area for their retail and service needs, including those travelling to the area for employment related purposes, tourism related travel and Oakville's student population travelling into the Trade Area. The inflow used is net of outflow of spend by local residents.

4.2.1 Subject Site Estimated Resident Population Supportable Retail Space

The subject site itself will generate a certain amount of retail demand from the future residents living in the development once completed. A population estimate is based on the proposed number of residential units and a person per unit (P.P.U.) metric of 1.17 for small apartments and 1.94 for large apartments as adopted in the 2018 Town of Oakville Development Charge Background Study to forecast the future potential resident population.

Figure 13

Subject Site Estimated Population and Supportable Commercial Space

Name	Units
Studio	2
1 Bedroom	60
2 Bedroom	173
3 Bedroom	12
Estimated residential units	247 <i>units</i>
Estimated Subject Site Population ¹	431 <i>persons</i>
Rounded	400 <i>persons</i>
Supportable Convenience Commercial Space ²	3,600 <i>sq.ft.</i>

¹ Reflects PPU adopted for in the Town of Oakville DCBS

² Based on typical retail local service levels

Source: Altus Group Economic Consulting

It is estimated that the subject site will have a total resident population of approximately 400 people within the 247 units upon completion (Figure 13). Based on the typical retail local service levels, the resident population could support up to approximately 3,600 square feet of convenience-oriented commercial space on the subject site.

Due to the mixed-use typology of the proposed development, convenience-oriented commercial uses (i.e., speciality food, general merchandise, personal services, medical and dental services and eating and drinking services) would be best suited for the potential retail category within the subject site.

4.3 RETAIL GAP ANALYSIS

Figure 12 showed that the Trade Area population is estimated to grow by some 23,000 people. Figure 14 presents the forecast supportable warranted commercial space in the Trade Area based on the preceding population growth and the commercial supply analysis.

Figure 14

Required and Warranted Commercial Space in the Trade Area, 2021-2041					
	2021	2026	2031	2036	2041
	<i>sqft</i>				
Primary Zone	1,742,800	1,918,500	2,111,900	2,214,900	2,320,300
General Inflow	206,800	227,600	250,500	262,700	275,200
Net Total Warranted Commercial Space	1,949,600	2,146,100	2,362,400	2,477,600	2,595,500
Existing Commercial Supply	1,948,000	1,948,000	1,948,000	1,948,000	1,948,000
Warranted Commercial Space	1,600	198,100	414,400	529,600	647,500
Anticipated Future Development ¹		207,100	207,100	207,100	207,100
Potential Future Development ²			149,100	316,900	614,600
Total Warranted Commercial Space	1,600	(9,000)	58,200	5,600	(174,200)

¹ Includes identified commercial sqft from active and proposed planning applications

² Includes estimated commercial sqft from commercial designated vacant lands

Note: Numbers are rounded to the nearest 100 square feet.

Source: Altus Group Economic Consulting

In 2021, the market is estimated to warrant an additional 1,600 square feet of commercial retail space (negligible), and is considered to be operating within balance. After accounting for the existing Trade Area commercial supply and current estimated net inflow rates population based warranted commercial space is expected to grow to some 647,500 square feet by 2041.

Total future and new potential commercial supply totals approximately 821,700 square feet of potential development on designated lands. There is more than sufficient vacant designated land and proposed commercial space to account for the 2041 forecast demand of 647,500 square feet. Although, the greenfield new supply will be developed out over time in phases from 2026 onwards, it provides a reasonable assessment of the known potential for new supply of commercial space that will contribute to meet the forecast needs of demand within the Trade Area.

Accounting for the Trade Area capture rates and market net inflow rates, the market is currently balanced in 2021. Population growth within the Trade Area warrants an additional 58,200 square feet of retail commercial space by 2031. Beyond 2031 warranted demand slows in line with population growth over this period while development of the vacant lands is expected to come forward. By 2041, the identified potential future development lands in superior locations throughout the Trafalgar Urban Core and Uptown Core will be sufficient to account for forecast demand resulting in an estimated surplus of approximately 174,200 square feet (Figure 14).

While the identified potential future development lands are sufficient to absorb the forecast demand by 2041, to achieve a healthy community a certain amount of forecast commercial space is required within

neighbourhood commercial lands, located throughout the Trade Area on lands such as the subject site.

Figure 15

Required and Warranted Commercial Space in the Neighbourhood Trade Area, 2041

	2041 <i>sqft</i>
Neighbourhood Zone	12,500
Net Total Warranted Comercial Space	12,500
Exisiting Commercial Supply	7,500
Total Warranted Commercial Space	5,000

Note: Numbers are rounded to the nearest 100 square feet.

Source: Altus Group Economic Consulting

- The subject site future estimated population warrants a total of approximately 3,600 square feet to support the convenience commercial needs of the subject site;
- The wider trade area warranted demand by 2041 is a total of 647,500 square feet of commercial lands, which can be sufficiently absorbed by existing designated vacant lands and proposed developments throughout the Trade Area;
- Given the location and surrounding context of the subject site with a critical mass of population, limited surrounding retail offering and a high number of residential schools it is estimated that the neighbourhood level convenience-oriented commercial need totals approximately 12,500 square feet.
- Existing commercial supply within the neighbourhood area includes approximately 7,500 square feet located at the 201 River Oaks Plaza resulting in a residual neighbourhood demand of approximately 5,000 square feet by 2041.
- All told, the subject site could comfortably accommodate a combined 3,600 sq. ft. of convenience associated with new residents, and an additional 5,000 sq. ft. for residual neighbourhood needs, for a combined warranted space of some 8,600 sq. ft.

MIXED-USE DEVELOPMENTS & STREET FRONT RETAIL TRENDS

This chapter provides commentary relating to the mixed-use development building typology as well as general retail tenant occupancy preferences relative to ground floor street-front typologies within mixed-use buildings.

4.4 MIXED-USE DEVELOPMENT TYPOLOGY

Mixed use developments, defined as development that integrate two or more uses, either vertically or horizontally, that could include a combination of residential, employment and/or retail uses. Mixed-use developments with commercial uses generally require the same site location and market characteristics as conventional retail formats to ensure viability of enough customer support. These characteristics include:

- Proximity to large population base and high population densities;
- Highly accessible and connected locations near other destinations or points of interest;
- Exposure and visibility to large volumes of vehicular and pedestrian traffic; and,
- Accessibility via high order public transit and pedestrian oriented street networks.

4.4.1 Key Success Factors for Street-Front Commercial Space in Mixed-use Developments

In addition to the location being a significant factor for the success of street-front retail, there are other key factors that will influence the performance of retailers and commercial spaces.

Market Demographics

The demographics of the local-serving consumer population is another important factor to consider when tenanting street-front retail space. Carefully considering the needs, incomes and lifestyle preferences of the local market can reduce potential turnover of tenants and continuously attract a reliable customer base who will also support the other ancillary retail and service uses in that shopping area.

Proximity to nearby residential neighbourhoods, in particular those in walking or cycling distance, is likely to warrant more convenience-oriented retail uses, personal and healthcare services, including restaurants, quick-service food, café and bar establishments. On the other hand, commercial developments and spaces in higher traffic urban areas or within auto-oriented power centres that have a wider regional draw are likely to find more success with large-format comparison and specialty goods retailers such as apparel and accessories, furniture and consumer goods, building and home supply stores.

The subject site's location within a predominantly residential neighbourhood is likely to warrant more convenience-oriented retail or service commercial uses. Given the drive first culture typically found within suburban communities, there is a tendency to drive to nearby shopping nodes to complete daily shopping and comparison shopping. Given the location of the subject site, a suitable use for the retail proportion would be considered more service-oriented retail such as medical and dental uses.

Overall, the development of mixed-use buildings face a number of additional issues and challenges that need to be met or dealt with to ensure viability of the project and success of the commercial spaces once occupied.

It is essential to understand that mixed-use developments do not work everywhere and that the success of commercial retail space located within this type of development are largely based upon the retail fundamentals of location and flexibility of space, supported by a general critical mass of activity and population.

5 CONCLUSIONS

Growth and development within the Trade Area will primarily result from the completion of development within the Town's designated greenfield lands, as well as completion of planned infill, redevelopment, and intensification projects such as is the case with the subject site.

The subject site is an existing neighbourhood commercial use designated for neighbourhood commercial uses of both residential and commercial serving the immediate community.

The development at the subject site proposes to include 8,363 square feet of commercial space. While the intention of replacing the existing commercial on the subject site with mixed-use retail space is in line with planning designations, the suitability of the subject site for future retail uses is limited given the additional emerging retail offerings in key Nodes and Corridors within the Trade Area.

Based on an assessment of warranted and justified additional retail space within the Trade Area, the provision of some 8,363 square feet of commercial space is considered appropriate and justified to contribute to the long-term needs of the community. With that being said, the site characteristics, the subject site is well suited for residential uses. Given the location in a predominantly residential node, distance from major existing retail nodes and the dominance of the automobile for daily shopping needs, the subject site is unlikely to draw in significant number of patrons and is more likely to be supported by the resident population.

Anticipated future development within identified planning applications and designated vacant lands in the Trade Area indicate that approximately 207,100 square feet of retail space, excluding the subject site are anticipated to be developed within comparable site throughout the Trade Area, with an additional 614,600 square feet of vacant and designated lands available for future development.

Supply of additional retail space within the Trade Area's known and estimated retail development pipeline is expected to slightly surpass that of forecast demand with an expected residual surplus of some 174,200 square feet by 2041. Within the short to medium term there is a justified relatively

insignificant amount of commercial retail space within the Trade Area, growing to a surplus by 2041.

Given the location and surrounding context of the subject site with a critical mass of population, limited surrounding retail offering and a high number of residential schools it is estimated that the neighbourhood level convenience-oriented commercial need totals approximately 12,500 square feet by 2041. The existing commercial supply within the neighbourhood area includes approximately 7,500 square feet located at the 201 River Oaks Plaza resulting in a residual neighbourhood demand of approximately 5,000 square feet by 2041. All told, the subject site could comfortably accommodate a combined 3,600 sq. ft. of convenience associated with new residents, and an additional 5,000 sq. ft. for residual neighbourhood needs, for a combined warranted space of some 8,600 sq. ft.

Comparing similar mixed-use developments throughout the Trade Area, site characteristics and warranted demand across the forecast period indicates that suitable tenants for this type of development are within the following retail categories:

- Medical Dental & Healthcare services;
- Quick-service restaurants (i.e., quick-service, takeout, café, beverages);
- Pharmacy & Drugstore;
- Other Food Stores; and
- Personal Services.

These retail categories are typically found within mixed-use developments as their spaces generally require smaller footprints, with street front exposure and access as well as proximity to a critical mass of population to support their uses.

In conclusion, it is the professional opinion of Altus Group that the proposed redevelopment of the subject site at 2163 & 2169 Sixth Lane and its corresponding retail uses are warranted. In the short term there is a relatively small amount of additional retail and service space growing to a significant amount in line with population growth over the medium to long term. The proposed retail and service provision at the subject site is projected to support the needs of the neighbourhood and resident population with minimal adverse impacts on the local market.