

# ECONOMIC DEVELOPMENT STRATEGY

2150 - 2194 - LAKE SHORE  
BOULEVARD WEST  
23 PARK LAWN ROAD  
TORONTO





**TATE ECONOMIC RESEARCH INC.**

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Ms. Jennifer Arezes  
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85 Hanna Avenue, Suite 400  
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September 20, 2019

**Re: Economic Development Strategy  
2150 Lake Shore Boulevard West, Toronto, ON**

Dear Ms. Arezes,

Tate Economic Research Inc. is pleased to submit this Economic Development Strategy examining the opportunity for sustained commercial uses at 2150 Lake Shore Boulevard West.

Thank you for the opportunity to conduct this assignment on your behalf and we look forward to discussing these results with you.

Yours truly,

TATE ECONOMIC RESEARCH INC.

Sameer Patel  
Vice President

James Tate  
President

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EXECUTIVE SUMMARY &  
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1.1

INTRODUCTION

This Economic Development Strategy has been prepared by Tate Economic Research Inc. (TER) on behalf of the land owners, FCR (Park Lawn) LP and CPPIB Park Lawn Canada Inc., in support of an Official Plan Amendment application for the redevelopment of 2150-2194 Lake Shore Boulevard West and 23 Park Lawn Road (“the site” or “2150 Lake Shore”). This document is also intended to provide input into the City’s Secondary Plan for the site and immediately adjacent lands.

CPPIB Park Lawn Canada Inc. and FCR (Park Lawn) LP (“First Capital”) are proposing to develop a large-scale mixed-use development on lands located at the corner of Park Lawn Road and Lake Shore Boulevard West (2150 Lake Shore Boulevard West) in south Etobicoke. The First Capital lands are designated as Site and Area Specific Policy 15 (“SASP 15”) within the City of Toronto Official Plan.

Policy 15.3 of SASP 15 states that there will be a minimum of 98,000 square metres (1,055,000 square feet) of non-residential gross floor area on the Site at build out. Furthermore, the policy states that at least 51% (538,000 square feet) must be accommodated for employment uses such as major office, medical office light manufacturing and creative industries. The remaining 49% (517,000 square feet) or less, will be accommodated by uses such as retail commercial, hotel and warehousing.

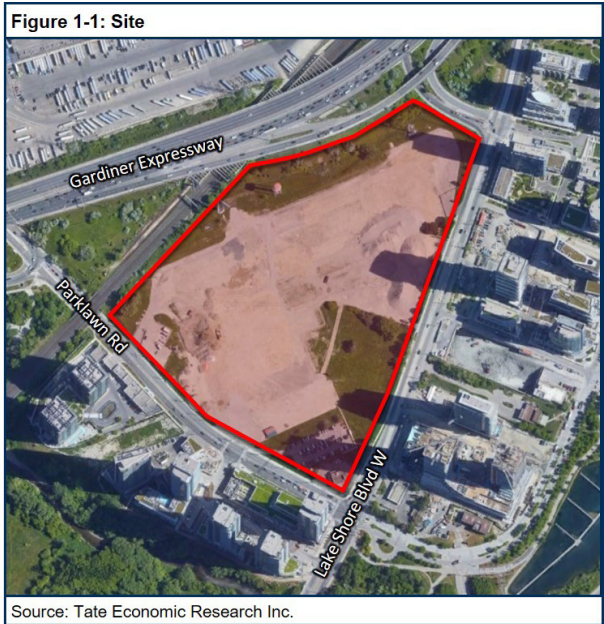
First Capital’s concept plan for the Site development proposes a mix of residential and commercial uses, developed in phases. The residential component is planned to include approximately 7,500 residential units within 15 towers. The commercial component is planned to include approximately 421,000 square feet of retail commercial space, 511,000 square feet of office space and 248,000 square feet of hotel space.

In regard to the Office Market Opportunity Analyses contained within this Economic Development Strategy, TER recognizes that SASP 15 contains requirements for a minimum of 538,000 square feet of employment type uses. It is our understanding that First Capital’s concept

plan is proposing 511,000 square feet of major office uses. This report examines the appropriateness and opportunity for 511,000 square feet of major office recognizing that the remainder of the minimum required space will be ancillary to this demand. Similarly, we recognize that there are SASP 15 requirements for 517,000 square feet of uses such as retail commercial, hotel, and warehousing. It is our understanding that the concept plan is proposing 421,000 square feet of retail commercial uses, which excludes the aforementioned uses. This report examines the appropriateness and opportunity for the 421,000 square feet of retail commercial uses.

Specifically, First Capital has requested TER prepare the following: *“An Economic Development Strategy that identifies opportunities for sustained employment and non-residential investment and recommends actions and policies to attract businesses and support employment growth.”*

This Economic Development Strategy has been designed to identify the opportunities for sustained retail commercial and office development on the Site. In addition, it recommends actions and policies to attract and support the proposed commercial uses.



# 1.2 SUMMARY OF FINDINGS

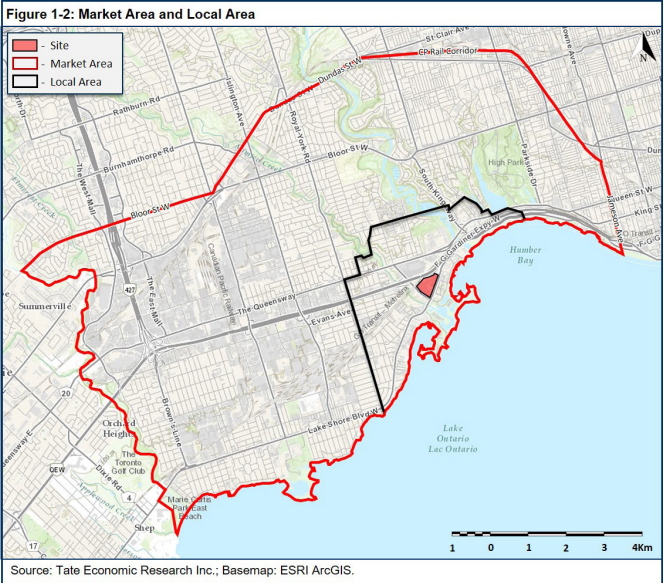
The following section summarizes the findings and recommendations contained within the Economic Development Strategy.

**The Site is well located for commercial uses from the perspective of market opportunity. It is highly visible and accessible via the Gardiner Expressway and existing streetcar transit along Lake Shore Boulevard West. Future transit improvements in the form of a GO Station on the Site will significantly improve regional accessibility to Toronto’s downtown and elsewhere.**

- The Site has excellent exposure to vehicles on the Gardiner Expressway to the north. It is directly accessible from the Gardiner Expressway via the Park Lawn Road exit for eastbound traffic and the Lake Shore Boulevard exit for westbound traffic.
- In terms of public transit, the Site is serviced by the 501 TTC Streetcar route which runs along Lake Shore Boulevard West, directly in front of the Site. There is also limited bus service along Park Lawn Road.
- A future GO Transit station along the Lakeshore West Line will significantly improve the Site’s access from a regional perspective. A GO Transit station at the Site would directly connect it with Toronto’s downtown to the east, and various communities located to the west.

**A surrounding Local Area and a Market Area were delineated. These areas were defined for the purpose of assessing the competitive office and retail commercial environments.**

- The Market Area is the focus of the competitive analysis for both retail commercial and office space. The Market Area and Local Area are indicated on Figure 1-2.
- The Local Area allows for a more in-depth analysis of the demand in the area surrounding the Site and the influence this demand will have on future retail commercial uses planned for the Site.



**There is significant population growth forecast in both the Market Area, and in particular, the Local Area. The Local Area is forecast to increase by over 31,300 persons.**

- Aside from the development proposed at the Site, there are 21 residential and mixed-use development projects in the planning stage, approved or under construction within the Local Area. These 21 developments account for 10,448 residential units and an estimated population of 18,260 when completed.
- Including potential development for 7,500 residential units at the Site, there is forecast population growth of approximately 31,300 persons within the Local Area.

### OFFICE MARKET OPPORTUNITIES ANALYSIS

**The Toronto office market has increased by over 60 million square feet since 2001. However, there has been no significant office development over 100,000 square feet in the Market Area.**

- The Market Area office market has stayed relatively stagnant in the past two decades. There is approximately 1.6 million square feet of Class A office space in the Market Area, representing 1.3% of the City's Class A office space.
- The last time a Class A office building over 100,000 square feet was constructed within the Market Area was in 1989.
- Existing Class A office space within the Market Area is clustered near Highway 427 and Dundas Street, Dundas Street and Kipling Avenue and Islington Avenue and Bloor Street. These office locations provide at grade parking and / or direct subway access along Line 2.
- There are five major office proposals within the Market Area. The five office developments proposed within the Market Area represent approximately 2.3 million square feet of Class A office space. None of these proposals are located in the Local Area.

**The Office Market Opportunities Analysis has identified opportunities for sustained office employment and investment. There is forecast demand for approximately 3.1 million square feet of office space within the Market Area by 2041. Of these 3.1 million square feet, 2.3 million square feet is currently proposed. As such, there is resulting demand for additional office space, beyond the 511,000 square feet proposed at the Site, by 2041.**

- There is warranted demand for 3.1 million square feet of office space by 2041. This figure compares to the 2.3 million square feet that is currently proposed.
- TER expects that not all of the currently proposed space will be built in the form / scale currently contemplated, due to the evolving nature of the development industry.

Nonetheless, the amount of space currently proposed compared to warranted demand indicates opportunity for additional Class A office space in the Market Area, beyond the amount proposed.

- The current development concept being considered by First Capital includes 511,000 square feet of office space. The TER analysis indicates that there is market support for more office space than is being proposed at the Site.
- Furthermore, the locational and access characteristics of the Site will contribute to its ability to compete successfully with the other office buildings proposed.

### RETAIL COMMERCIAL MARKET OPPORTUNITIES ANALYSIS

**Retail commercial space proposed at the Site will compete within the existing retail hierarchy of the broader Market Area. The general hierarchy of the Market Area is led by CF Sherway Gardens, a super regional, upscale shopping centre located to the west.**

- There is approximately 8.1 million square feet of retail commercial space in the Market Area. This retail commercial space is comprised within a variety of speciality and community shopping centres, local serving retail strips, and mixed-use buildings.
- The dominant concentration of retail commercial space in the Market Area is located in and near CF Sherway Gardens. This area is an established speciality, destination retail node and attracts shoppers from throughout the GTA and beyond.
- In terms of higher order speciality retailing, the proximity of the Site to CF Sherway Gardens and surrounding retail commercial concentration will impact its ability to attract and retain a significant concentration of speciality and destination retail, specifically, luxury retailers.
- The Market Area also contains a number of smaller, grocery anchored community sized shopping centres and local serving retail commercial strips. These

concentrations of retail commercial space mainly offer convenience shopping with some speciality stores dispersed throughout.

- The most competitive retail commercial concentration in the vicinity of the Site is Westlake Village, located immediately across Park Lawn Road to the west. Westlake Village is a mixed-use centre including approximately 60,000 square feet of retail commercial space and is anchored by a Metro supermarket, Shoppers Drug Mart and LCBO. There are several mixed-use developments proposed within the Market Area that offer a similar convenience function to Westlake Village.

**The Retail Commercial Market Opportunities Analysis has identified opportunities for sustained retail commercial employment and investment. Specifically, there is warranted demand for 835,000 square feet of new retail commercial space in the Local Area. Aside from the Site, there is 314,700 square feet of retail commercial space proposed. As such, there is resulting warranted demand for approximately 520,300 square feet of retail commercial space that can be accommodated in the Local Area by 2028.**

- There is significant growth forecast in the Local Area. When accounting for the Site, there are an additional 31,300 persons forecast for the Local Area.

- Overall, these new residents will generate demand for approximately 1.2 million square feet of retail commercial space.
- It is the opinion of TER that 591,000 square feet can be accommodated within the Local Area. This capture rate is influenced by the tendency for Local Area residents to continue to shop at retail commercial nodes located outside of the Local Area.
- There are 15 proposed development applications with a retail commercial component that are planned, approved or under construction in the Local Area. These developments total approximately 314,700 square feet of proposed retail commercial space.
- Assuming inflow, there is warranted demand for a total of 835,000 square feet of new retail commercial space in the Local Area. After accounting for the proposed 314,000 square feet, there is remaining demand for 520,300 square feet of retail commercial space that can be accommodated in the Local Area.
- The current development concept being considered by First Capital includes 421,000 square feet of retail commercial space. The TER analysis indicates that there is market support for more retail commercial space than is being proposed at the Site.



1.3

RECOMMENDED ACTIONS  
AND POLICIES

The following recommendations have been made with respect to the findings of this Economic Development Strategy. These recommendations are made in regard to how sustained business and employment growth at the Site can be attracted and supported.

OFFICE

- Prioritize capital investments in transit infrastructure. Transit development on / near the Site is critical for employment growth, particularly major office employment. Transit investments should be prioritized and made expeditiously to attract prospective office tenants. Specifically, a GO Transit station would provide the Site with direct access to surrounding communities and major office nodes, improving its competitiveness for office uses.
- Residential development will be the catalyst for commercial development. Specifically, a critical mass of residential and retail commercial uses will be required to support major office development. At the Site, commercial development should be encouraged, yet not restricted to an initial phase of development.
- Ensure that public realm and amenity investments are provided for future office space. Specifically, these amenities can include parks, fitness facilities, and recreational spaces in addition to accessible convenience-oriented retailers and services. Providing an adequate mix of amenities is critical to attracting prospective office tenants, and their respective talent.

RETAIL COMMERCIAL

- Flexible development conditions are required for retail commercial development. Timing, scale and store types will evolve as dictated by consumer and tenant demand. For example, restrictive store type provisions may provide challenges with tenancy due to surrounding competition for speciality retail.
- As the majority of retail commercial space at the Site will likely be provided in a mixed-use format, from a design perspective, it will be critical to ensure that universal retail commercial design considerations are put in place. Specifically, these design considerations relate to:
  1. Standardized store sizes with ~20 of frontage;
  2. Visible and recognizable signage;
  3. Transparent store frontages;
  4. Appropriate door spacing to facilitate shopping flow; and,
  5. Reduced conflicts between residential & retail commercial uses.
- Cooperate with ride-hailing service providers to develop designated pick-up and drop off locations for the purpose of improving access to retail commercial tenants that are anticipated to attract frequent customer visitation, such as a supermarket or restaurants.
- Prioritize public realm investments to produce spaces that have the opportunity to hold regular or specialized programmed events. Regular public programing, such as a street festival, is a unique way to engage and promote local retailers and increase pedestrian traffic.

# 2/ STUDY APPROACH

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The findings of the Economic Development Strategy are based on primary research, field inspections and a detailed market demand analysis. The study approach is outlined below in greater detail.

2.1

WORK PLAN

- **Review of Location and Accessibility Characteristics** – TER reviewed the Site in terms of its accessibility, visibility, surrounding land uses, as well as the existing and proposed road and transit network in the vicinity of the Site. This review concluded with commentary regarding the Site’s appropriateness for sustained office and retail / services uses. For the purposes of this report, retail and service space is referred to as “retail commercial”.
- **Review of Surrounding Retail Commercial & Office Space** – A qualitative review of retail commercial and office space surrounding the Site. This review determined the type and quality of surrounding retail commercial and office space.
- **Delineation of Surrounding Market Area and Local Area** – For the purpose of this analysis, a surrounding Market Area and Local Area have been delineated. The Market Area was delineated for the purpose of assessing the competitive office and retail commercial environment surrounding the Site. The Local Area was delineated to examine the specific retail commercial demand generated in the area surrounding the Site.
- **Review of Surrounding Development Activity** – Active commercial and residential development applications within the Market Area were analysed in order to determine existing and proposed development activity.
- **Market Area Demographic Composition** – The socio-economic characteristics of the Market Area were examined to determine the influence they will have on office and retail commercial opportunity at the Site.
- **Office Market Opportunities Analysis** – City of Toronto Employment Survey data was used to identify office sector employment growth within the Market Area. This data was incorporated into our analysis regarding office employment growth in the Market Area, and to determine the opportunity for future office uses at the Site.
- **Retail Commercial Market Opportunities Analysis** – TER examined the demand generated by the proposed future population in the Market Area (including the Site) to quantify the amount and type of space that can be supported at the Site 15 on a per capita basis.

# 2.2 BASIC ASSUMPTIONS

TER has studied the market opportunity for numerous proposed commercial developments, many of which are now in operation throughout the Province. TER understands the challenges associated with making forecasts and recognizes that deviations from historic patterns are likely to occur. Nonetheless, it remains our opinion that basic assumptions are necessary to conduct commercial opportunity studies such as this one in the City of Toronto. These basic assumptions are outlined below:

- The retail environment is in a constant state of evolution. The extent of changes in the retail environment have varying impacts on the resulting quantum, form and function of physical retail space. If future changes in the retail environment diverge significantly from the current environment, the conclusions of this report may require revision.
- The population forecasts are presumed to be accurate. If these forecasts prove to diverge significantly from the population levels realized, the conclusions of this report may require revision.
- All proposed major development applications in the Market Area and in the City, as appropriate, for which applications have been submitted to the City as of July 2019, have been recognized in the TER analysis.

This Economic Development Strategy and its conclusions should be reviewed in light of these basic assumptions.



# 3/ REVIEW OF SITE AND SURROUNDINGS

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For the purpose of this Economic Development Strategy, it is essential to review the Site in terms of its local and regional accessibility, visibility and surrounding land uses. It is the purpose of this section of the report to determine the suitability of the Site for sustainable commercial uses from a market demand perspective.

3.1

LOCATION AND ACCESSIBILITY



The Site is located at the northeast corner of Park Lawn Road and Lake Shore Boulevard West, in south Etobicoke. It compromises 27 acres and was formerly home to the Christie Cookie manufacturing facility. The Site and the lands that surround it are illustrated in Figure 3-1:

The surrounding land uses are described below:

- North: along the north side of the property is the GO Transit Lakeshore West rail line and the Gardiner Expressway. Further north across the Gardiner Expressway is the Ontario Food Terminal and a retail commercial centre anchored by a Sobeys supermarket;
- South: across Lake Shore Boulevard is Humber Bay Shores, which includes numerous existing, under construction and proposed residential towers. Further south and east is Lake Ontario;

- East: across Lake Shore Boulevard West are various residential towers;
- On the southeast corner of Lake Shore Boulevard West and Park Lawn Road, across from the Site, is Eau Du Soleil Condominiums. This development is currently under construction and includes 2 residential towers of 48 and 66 storeys and includes approximately 43,000 square feet of commercial space;
- West: across Park Lawn Road at Lake Shore Road is Westlake Village, a mixed-use development including four high-rise towers. The towers range from 42 to 48 storeys. Westlake Village includes approximately 60,000 square feet of commercial space including a Metro supermarket, Shoppers Drug Mart, TD Canada Trust, Scotiabank and a dental office;
- To the north of Westlake Village is Key West, a residential tower with a 7,000 square foot, 2 storey commercial building fronting onto Park Lawn Road; and,
- West of Key West, to the south of the GO rail line, is South Beach Condos and Lofts, which includes two residential towers and a commercial building fronting onto Park Lawn Road.

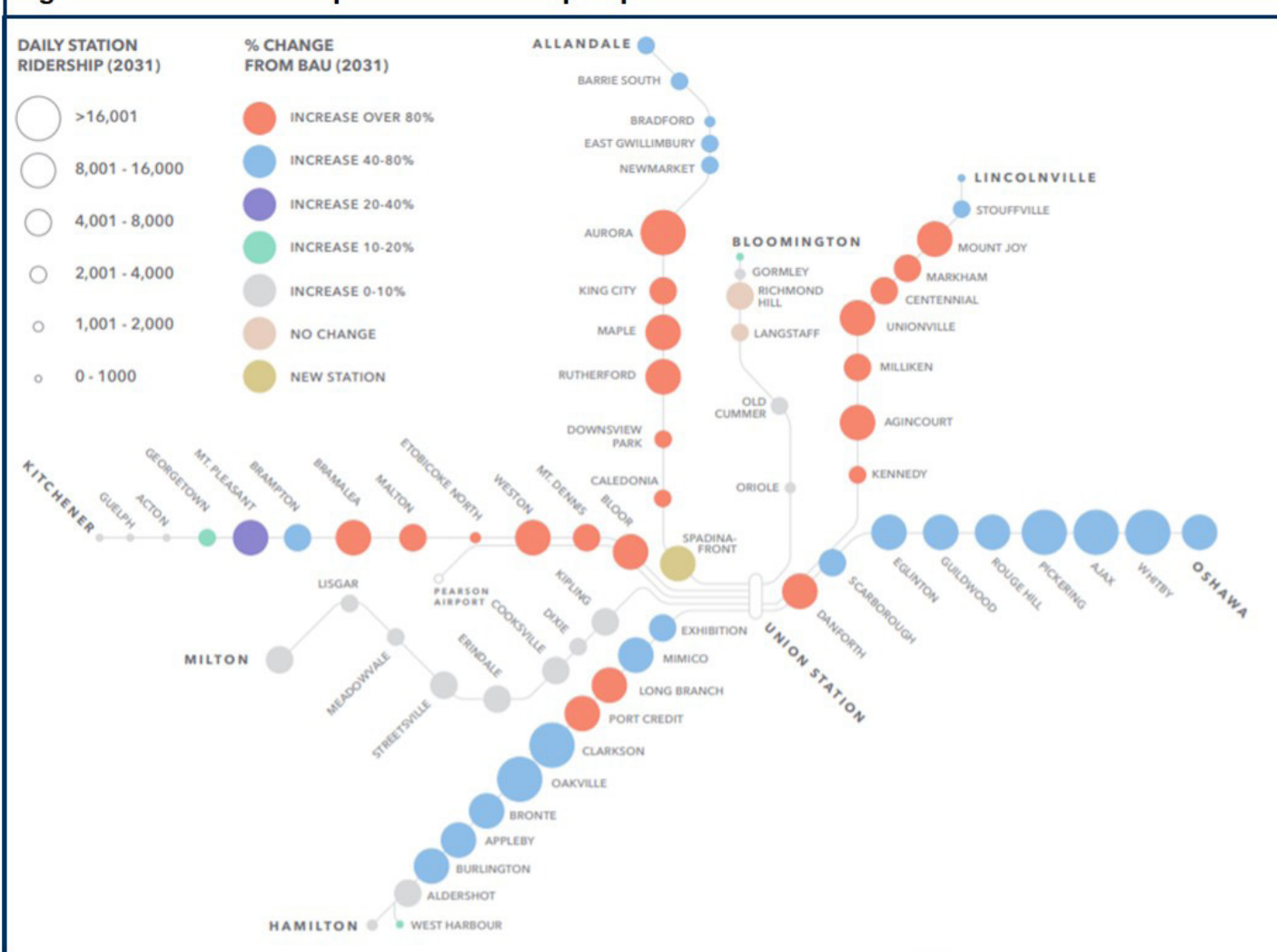
## 3.2 ACCESSIBILITY

The Site is prominent in terms of its accessibility and visibility. It has extensive frontage onto the Gardiner Expressway, which provides exposure to more than 200,000 vehicles per day. Access from the west along the Gardiner Expressway is provided via the Park Lawn Road exit. Access from the east along the Gardiner Expressway is provided via the Lake Shore Boulevard exit. There is direct access to the Gardiner Expressway provided to the east of the Site.

Lake Shore Boulevard is a multi lane road, with streetcar tracks, in the vicinity of the Site. Furthermore, signalization is provided at Park Lawn Road and Lake Shore Boulevard West, and at Brookers Lane and Lake Shore Boulevard West to the east of the Site.

In terms of public transportation, a new GO Transit station along the GO Lakeshore West Line is proposed as part of the development planned for the Site. A new

### Figure 3-2: Metrolinx Expansion Ridership Impacts



Source: Tate Economic Research Inc. based on Metrolinx GO Expansion Full Business Case, 2018.

GO Station would provide regional access to the Site, and direct exposure to more than 48,000 passengers on a typical weekday.

Metrolinx has forecast that by 2031, ridership along the Lakeshore West Line will have increased by 113% from 17.7 million annually in 2017 to 37.8 million annually by 2031. This anticipated increase in ridership will be due to system improvements such as electrification and increased train service. Metrolinx’s GO expansion objectives include two-way all-day service between Union Station and Hamilton with fifteen-minute service between Union Station and Burlington.

The Site is also adjacent to the Humber Bay streetcar loop, providing access to the 501 Queen streetcar line, which connects to downtown Toronto to the east and Long Branch GO Station to the west. The 501 Queen streetcar line is the longest line in the TTC and carries 55,100 passengers per day as of 2017. There is also a TTC bus route along Park Lawn Road, offering more limited connectivity to the north. Transit improvements are planned, including those that support the transition from streetcar to GO transit.

Access to rapid transit is critical for developing and sustaining employment uses over the long term as it is an important factor for attracting major office tenants and talent. The 2018 City of Toronto Employment Survey found that top employment areas within the City of Toronto are located in areas near rapid transit networks, such as Downtown, or major post-secondary institutions. Office employment is a major driver of transit use emphasizing the importance of access.

# SITE AND SURROUNDINGS SUMMARY

The Site is well located for future commercial uses from the perspective of market demand. Specifically, the Site is highly visible and accessible on both a regional and local level. Future transportation improvements including a proposed GO Station at the Site will further improve the Site's regional accessibility. On a local level, the Site is currently served by both public and private transportation methods and transit and road improvements are planned.

Furthermore, the Site is surrounded by a rapidly developing concentration of residential uses. This continued residential growth will contribute to the market demand for commercial uses on the Site.





# 4/ MARKET AREA AND LOCAL AREA DELINEATION & DEVELOPMENT POTENTIAL

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The total market influence attributable to commercial developments often extends over a wide geographic area and may be difficult to define with an absolute degree of certainty. For the purpose of this Economic Development Strategy, TER has delineated a Market Area and a Local

Area. TER has defined a Market Area for the purpose of assessing the competitive office and retail commercial environments, and a Local Area to more specifically assess the appropriateness and demand for retail commercial uses on the Site.

4.1

MARKET AREA AND LOCAL AREA DEFINITIONS

The Market Area, as defined in this report, refers to the geographic area within which future commercial uses at the Site will primarily compete. The Market Area defines the geography in which competitive existing and proposed office and retail commercial space was examined.

In general terms, the Market Area highlighted within this report recognizes a number of factors, including:

- The locational, access and visibility characteristics of the Site;
- The size and type of the proposed commercial components at the Site;
- The locations of other major commercial concentrations of office and retail commercial space;

- Physical barriers such as major roads, railways and natural features;
- Travel distance and driving times; and,
- The professional experience of TER.

The Local Area, as defined in this report, refers to the area immediately surrounding the Site that is forecast to provide the majority of local serving retail commercial demand. The Local Area was defined by examining existing market conditions, the surrounding development applications as well as quantifying a 5-minute drive time around the Site.

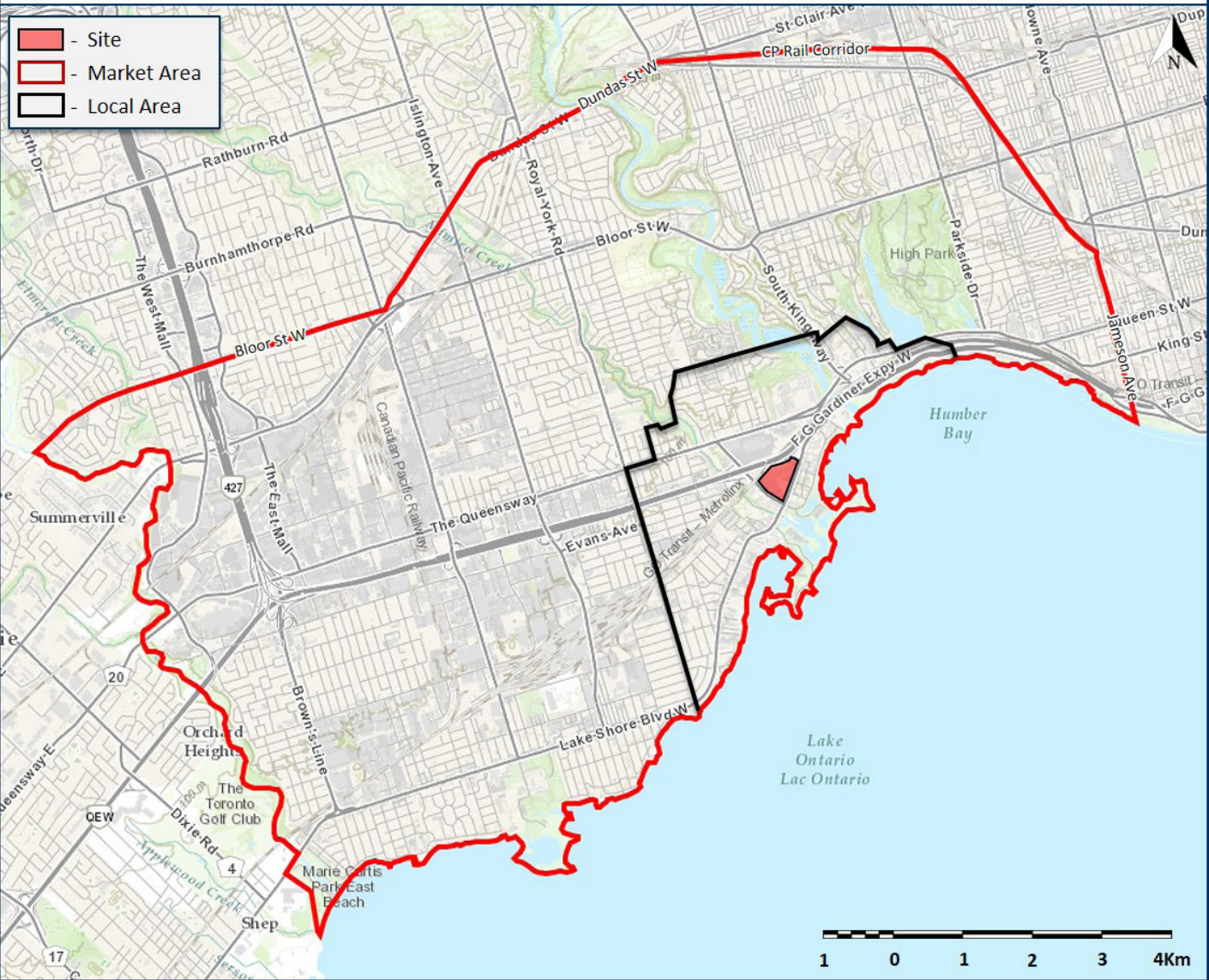
4.2

THE DELINEATED MARKET AREA AND LOCAL AREA

The Market Area for commercial development at the Site is shown on Figure 4-1. The Market Area and can be generally defined as Lake Ontario to the south; Etobicoke Creek to the west; Bloor Street West, Dundas Street West and the CP Railway corridor to the north; and, the CP Railway/Metrolinx corridor, Lansdowne Street and Jameson Avenue to the east.

The Local Area can be generally defined as Lake Ontario to the south; Royal York Road to the west; The Queensway, Delroy Drive, Berry Road and Ormskirk Avenue to the north; and Coe Hill Drive and Ellis Avenue to the east.

Figure 4-1: Market Area and Local Area



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

4.3

# MARKET AREA AND LOCAL AREA DEMOGRAPHIC REVIEW

This section of the report examines the existing socio-economic conditions that will influence the future retail commercial opportunity at the Site. Figure 4-2, on the following page illustrates the general socio-economic characteristics of Local and Market Area residents benchmarked to the City of Toronto. The following characteristics have been noted:

- A large share (79.1%) of households within the Local Area are comprised of small family sizes of 1-2 persons. This is likely due to the Local Area being comprised of predominantly high-rise condominium development along Humber Bay Shores surrounding the Site. This trend is also true for the Market Area (70.0%);
- Average household income within the Market Area is higher than the City of Toronto overall (~\$125,000 vs. \$114,000), while Local Area average household income is slightly lower at ~\$108,000;
- Annually, Market Area residents spend approximately \$4,957 on speciality and destination type goods such as Household Furnishing & Electronics, Clothing, Shoes & Accessories, and Miscellaneous Retail goods. Conversely, an average City of Toronto resident spends \$4,082 annually on these goods. As such Market Area residents spend approximately 18% more on specialty and destination goods;

- Market Area residents spend approximately \$6,307 annually on food-oriented goods and services which include food stores and restaurants. An average City of Toronto resident spends \$5,417 on food-oriented goods and services. As such, Market Area residents spend approximately 14% more on food-oriented goods and services; and,
- In regard to other convenience-oriented goods, such as Pharmacy & Personal Care, Market Area residents spend approximately \$1,690 annually while an average City of Toronto resident spends \$1,423.

Overall, the Market Area is comprised of predominantly small family households. On average, Market Area residents are spending approximately 18% more on specialty goods and 17% more on convenience-oriented goods compared to the average City of Toronto resident.



**Figure 4-2**  
**Market Area and Local Area Demographic Profile**

	Local Area	Market Area	Toronto
<b>Population &amp; Households</b>			
2018 Population	43,284	241,912	2,933,262
Population Density per Sq. Km.	6,659	4,375	4,654
Number of Households	23,080	110,760	1,199,270
Household Size - 1 to 2 persons	79.1%	69.9%	62.6%
Household Size - 3 to 4 persons	18.4%	25.7%	28.8%
Household Size - 5+ persons	2.6%	4.5%	8.6%
Average Household Size	1.9	2.1	2.4
<b>Age Characteristics</b>			
0 to 14 Years	11.1%	13.9%	14.3%
15 to 19 Years	2.7%	3.6%	4.6%
20 to 39 Years	36.2%	32.5%	32.4%
40 to 49 Years	14.4%	15.1%	13.9%
50 to 64 Years	20.2%	19.8%	19.2%
65+ Years	15.4%	15.0%	15.7%
<b>Household Income</b>			
\$0 to \$39,999	28.4%	31.4%	33.5%
\$40,000 to \$59,999	14.2%	14.7%	15.5%
\$60,000 to \$79,999	11.7%	11.3%	11.7%
\$80,000 to \$99,999	10.3%	8.8%	8.9%
\$100,000 to \$149,999	16.4%	14.4%	13.5%
\$150,000 to \$199,999	7.4%	7.2%	6.5%
\$200,000+	11.8%	12.2%	10.4%
Average Household Income	\$108,000	\$125,000	\$114,000
Household Income Index (Toronto = 100)	94.7	109.6	100.0
<b>Per Capita Expenditures</b>			
Total Food Expenditures	\$6,131	\$6,307	\$5,417
Supermarket & Grocery Stores	\$3,464	\$3,697	\$3,220
Restaurants	\$2,667	\$2,610	\$2,197
Household Furnishing & Electronics	\$1,937	\$1,970	\$1,617
Clothing & Accessories	\$1,864	\$1,895	\$1,628
Pharmacy & Personal Care	\$1,721	\$1,690	\$1,423
Miscellaneous Retail	\$1,040	\$1,092	\$837

Source: Tate Economic Research Inc. with data from Environics Analytics 2018 Demostats.

4.4

MARKET AREA AND LOCAL AREA SUMMARY

The existing and proposed development potential within the Market Area will have a significant influence on the opportunity for sustained commercial employment at the Site. The Local Area provides a more in-depth analysis of retail commercial demand in the surrounding area and the influence this demand will have on commercial uses proposed at the Site.

# 5/ OFFICE – MARKET CONDITIONS

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The following two sections of this report examine the opportunity for office space at the Site. In order to identify the opportunities for office space at the Site, TER has conducted the following two analyses:

- Section 5 – Office Market Conditions – this section examines the scale and function of existing and proposed office space in the Market Area. Existing

and proposed office space in the Market Area will influence the opportunity for office uses at the Site.

- Section 6 – Office Market Opportunities Analysis – this section examines the demand generated by future employment within the City and the Market Area. This analysis incorporates the surrounding competitive environment and site-specific factors.

5.1

OFFICE SPACE CLASSIFICATIONS

The Building Owners and Managers Association International (“BOMA”) has created a subjective quality rating of buildings which indicates the competitive ability of each building to attract similar types of tenants. A combination of factors including rent, building finishes, system standards and efficiency, building amenities, location / accessibility and market perception are used as relative measures. The BOMA standards have been adopted by the commercial real estate industry and are incorporated into this report.

The BOMA definitions for the three office space classes are outlined below:

- **Class A:** The most prestigious buildings with the most amenities in the best locations. They generally are the most attractive buildings built with the highest quality materials and construction methods. Additionally, these buildings usually have a professional manager, good access, and are typically located in highly visible areas on high traffic streets. Due to their exceptional quality, Class A Buildings are usually leased to reputable tenants at the highest rental rates in the market.
- **Class B:** These buildings are a grade below Class A. Generally, they are slightly older buildings with good management and quality tenants. It is not uncommon for value-added investors to target these

buildings with the intention of renovating them back into Class A buildings. Class B buildings are well maintained overall and quite functional. Class B office buildings commonly have an acceptable curtain wall finish, adequate (but not state of the art) mechanical, electrical and safety and security systems, and a mid-quality level of interior finish. Class B buildings compete for a wide range of users at average rental rates for their market area.

- **Class C:** This is the lowest grade for useable office buildings. These office buildings are generally older and may be located on less desirable streets in older sections of the city, for example. Many of these buildings usually have higher than average vacancy rates for their market. Older, less desirable architecture, limited infrastructure and antiquated technology define these buildings. For these reasons, Class C buildings offer lower rental rates and can be more difficult to lease.

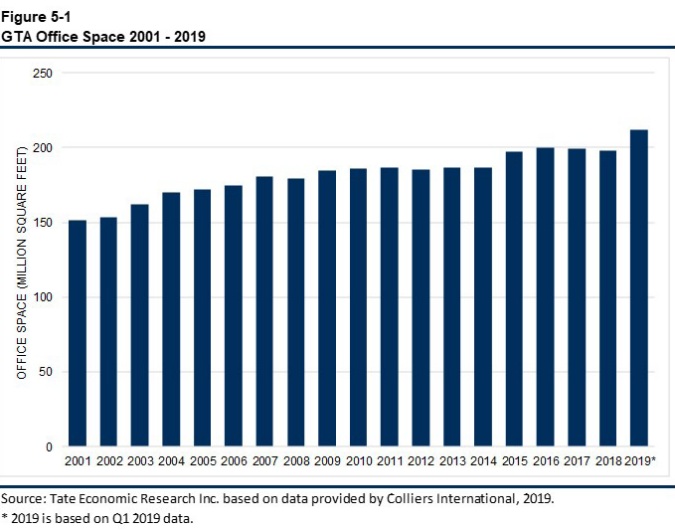
This TER Report analyzes market demand for Class A office space. Office space contemplated for SASP 15 would be intended to be competitive with existing Class A office buildings. Data in this section of the report includes information provided by the City of Toronto and Colliers International. The Colliers International information incorporates the BOMA office space classifications.

5.2

TORONTO AREA OFFICE MARKET  
CONDITIONS

Figure 5-1 summarizes the historic and current extent of all Class A & B office space in the Greater Toronto Area (“GTA”). This information is based on data provided by Colliers International.

As indicated in the graph, there has been significant growth in the GTA office market since 2001. Office space has increased from approximately 151 million square feet in 2001 to 212 million square feet in 2019. These figures represent growth of over 3 million square feet per year. The majority of this increase has occurred in the City of Toronto.



5.3

MARKET AREA CONDITIONS  
- CLASS A OFFICE SPACE

Figure 5-2 presents information relating to buildings within and near the Market Area. As indicated in Figure 5-2, there are concentrations of Class A office space located at The West Mall and Dundas Street; Dundas Street and Kipling Avenue; Highway 427 and Burnhamthorpe Road; and Islington Avenue and Bloor Street.

Figure 5-2 and Figure 5-3 provide greater detail about the office buildings in, and near, the Market Area.

- Map Key 1, 2, 3 - The buildings indicated by Map Keys 1, 2 and 3 comprise the West Metro Corporate Centre. These three buildings total approximately 500,000 square feet and were completed between 1985 and 1989.
- Map Key 4 is the IC Savings Building, a 5-storey office building representing approximately 34,000 square feet of space. The IC Savings Building was completed in 2017 and is the only office building constructed in the Market Area in the last 25+ years. The IC Savings Building is the head office for IC Savings.
- Map Keys 5 and 6 comprise the Dundas / Kipling Centre. It is located near the Kipling Subway and GO

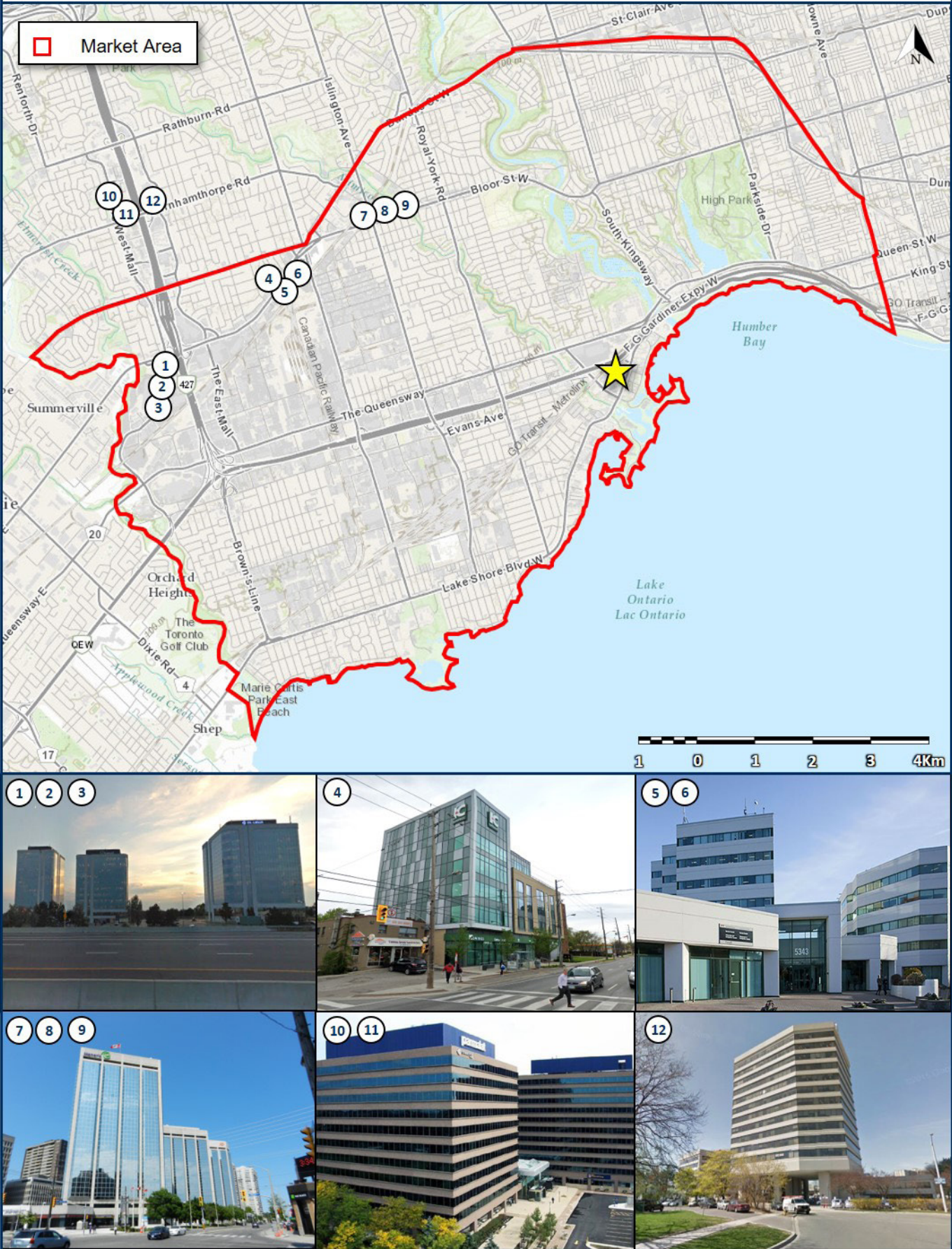
Transit station. There are two buildings in this cluster, 5343 Dundas Street West, which is seven stories and was built in 1989 and 5353 Dundas Street West, which is five stories and was built in 1984. These buildings total approximately 213,000 square feet of office space.

- Map Keys 7,8 and 9 is Bloor Islington Place. These buildings were completed in 1981 and comprise the largest cluster in the Market Area, totalling over 800,000 square feet.
- Map Keys 10, 11 and 12 indicate the buildings clustered near Highway 427 and Burnhamthorpe Road, outside of the Market Area. These three buildings total approximately 550,000 square feet. The buildings were completed between 1978 and 1982.

Figure 5-3 indicates that there is approximately 1.6 million square feet of Class A office space within the Market Area. There has been one new Class A office building of 34,000 square feet constructed in the Market Area since 1989.



Figure 5-2: Market Area Class A Office Space



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

Figure 5-3  
Market Area and Vicinity Class A Office Space

#	Location / Name	Address	Year Constructed	Floor Space (Sq. Ft.)
MARKET AREA				
	Highway 427 / Dundas			
1	Westmetro Corporate Centre Phase 1	195 The West Mall	1985	154,559
2	Westmetro Corporate Centre - Phase 2	191 The West Mall	1985	154,794
3	Westmetro Corporate Centre - Phase 3	185 The West Mall	1989	289,876
	Dundas / Kipling			
4	IC Savings Building	5300 Dundas Street West	2017	34,000
5	Dundas Kipling Centre	5353 Dundas Street West	1989	78,885
6	Dundas Kipling Centre	5343 Dundas Street West	1984	123,652
	Bloor / Islington			
7	Bloor Islington Place - West Tower	3300 Bloor Street West	1981	306,320
8	Bloor Islington Place - Centre Tower	3300 Bloor Street West	1981	240,008
9	Bloor Islington Place - East Tower	3250 Bloor Street West	1981	274,800
TOTAL AMOUNT OF CLASS A OFFICE SPACE IN MARKET AREA				1,656,894
NEAR MARKET AREA				
	Highway 427 / Burnhamthorpe			
10	Commerce West - Building 2	405 The West Mall	1982	187,001
11	Commerce West, Building 1	401 The West Mall	1982	196,990
12	Bumhamthorpe Square	10 Four Seasons Place	1978	159,697

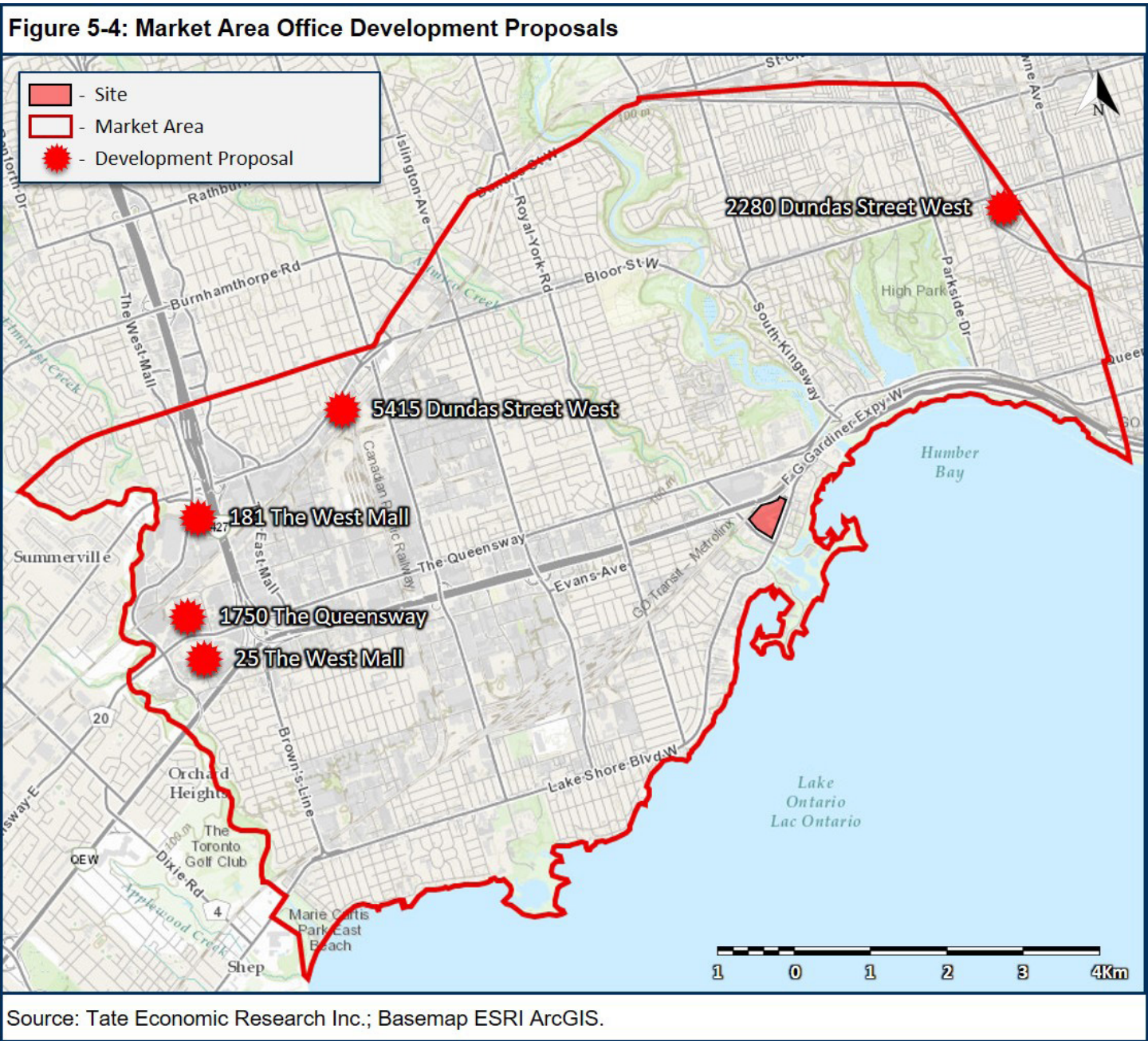
Source: Tate Economic Research Inc.



# OFFICE DEVELOPMENT PROPOSALS – MARKET AREA

There are five Class A office developments proposed in the Market Area. Four of the proposed office developments are located in proximity of Highway 427 with a fifth proposal at the intersection of Bloor Street West and Dundas Street West.

The five office developments proposed within the Market Area represent approximately 2.3 million square feet of space.



The following points summarize the office development applications within the Market Area.

- 2280 Dundas Street West – Choice Properties REIT is proposing to redevelop their property at the southeast corner of Bloor Street West and Dundas Street West. The property is currently occupied by a Loblaws supermarket, ancillary commercial uses, and a catholic secondary school. Choice Properties REIT is proposing to a mixed-use development including 2,606 residential units, 273,000 square feet of retail commercial and 627,000 square feet of office space. The proposed redevelopment will accommodate approximately 3,600 jobs including 3,200 office jobs and 400 retail jobs according to the Master Plan.
- 5415 Dundas Street West – Pinnacle International is proposing to redevelop a 5.1 hectare site approximately 1 kilometre west of Kipling Avenue. The Pinnacle Etobicoke community will be composed of 9 mixed-use towers including 2,900 residential units, 55,000 square feet of retail commercial space, and 120,000 square feet of office space.

Phase 1 of Pinnacle Etobicoke, a 25 storey mixed-use tower, is currently under construction. Phase 1 will include 295 residential units, 17,000 square feet of retail commercial space and 40,000 square feet of office space. Retail commercial space is located on the ground floor and with office space located primarily on the second and third floor.

- 181 The West Mall – Starlight Investments is proposing to construct a 13 storey purpose built office building at The West Mall and Dundas Street West, adjacent Highway 427. The proposed office building will include 240,000 square feet of space and surface parking.

Starlight Investments currently operates Bloor Islington Place at 3300 Bloor Street West. Bloor Islington Place is the largest office complex in the Market Area offering 800,000 square feet of office space.

2280 Dundas Street West



Source: Urban Strategies 2280 Dundas Street West Master Plan and Planning Rationale, 2018.

5145 Dundas Street West



Source: Bousfields Inc. Planning and Urban Design Rationale, 2017

5145 Dundas Street West – Phase 1



Source: Cypress at Pinnacle Etobicoke Website



- 1750 The Queensway – FIMA Developments is proposing to redevelop a property at the northwest corner of The Queensway and North Queen Street, across from Sherway Gardens. The property is currently occupied by a retail commercial plaza including a Staples and LCBO. The proposed redevelopment will see three towers including 904 residential units, 370,000 square feet of retail commercial space, and 580,000 square feet of office space. The office component will primarily be located within purpose built mid rise office towers (6 Storeys).
- 25 The West Mall – Cadillac Fairview is proposing a mixed-use redevelopment of Sherway Gardens, a 1.2 million square foot enclosed shopping centre. The proposed redevelopment will retain the existing shopping centre and add eight mixed-use towers. The development will accommodate 2,382 residential units, 60,000 square feet of retail commercial space, and 783,000 square feet of office space. Office space will be located within two office towers connected by a podium. The office towers will be 20 storeys. Sherway Gardens is located at adjacent the QEW, Highway 427 and Gardiner Expressway. There is access to public transit in the form of bus routes and the Long Branch GO Train Station approximately 4 kilometres to the south.

It is noted that the Site possesses locational and accessibility characteristics that make it superior to the other proposed development sites in the Market Area. The Site is the only location in the Market Area that includes both major highway access in conjunction with a regional transit station. As such, it is anticipated that the Site will be considered as one of the preeminent office locations in the Market Area.





5.5

OFFICE MARKET CONDITIONS SUMMARY

The Greater Toronto Area office market is robust and has increased in scale significantly in recent years. Office space has increased from 151 million square feet in 2001 to 212 million square feet in 2019.

There are five office developments proposed within the Market Area that include a significant office component. The five developments represent approximately 2.3 million square feet of office space, which is a relatively small component of the GTA office market. The Site's location and accessibility characteristics will reinforce its market opportunity and sustainability as an office commercial site.

6/

OFFICE – MARKET  
OPPORTUNITIES ANALYSIS

6.1	City of Toronto Office Space Demand Forecasts – Background and Approach	37
6.2	Market Area Office Demand Forecasts – Analysis	39
6.3	Site Specific Office Demand Forecasts – Analysis	40
6.4	Office Opportunities Analysis Summary	41

This section of the report summarizes the TER office market opportunities analysis. The analysis presents overall market demand for office space in the City

of Toronto, then contrasts this demand with office development proposals and provides an estimate of warranted demand for office space at the Site.

6.1

OFFICE SPACE CLASSIFICATIONS

The City of Toronto has undertaken extensive analysis relating to future employment. Based on this employment forecast, TER has forecast office demand. This forecast is summarized below in Figure 6-1.

As indicated in Figure 6-1, total employment in the City of Toronto was estimated at 1.69 million employees in 2016. Total employment is forecast to increase to 1.78 million by 2021 and further to 1.94 million by 2041.

Based on City of Toronto information, “major office employment” is estimated at 675,000 employees in 2016. The City of Toronto defines major office employment as office type employment located in free standing buildings of more than 20,000 square feet. Major office employment

in the City of Toronto is forecast to increase from 675,000 employees in 2016 to 738,200 employees by 2021 and further to 896,200 employees by 2041.

It is assumed that the amount of floor space per employee will be reduced in existing office buildings as the existing buildings are renovated / modernized. As such, the current inventory of office space will be able to accommodate a percentage of forecast growth. TER has adopted the assumption that existing office space will accommodate approximately 10% more employees over the forecast period, based on Hemson Consulting Ltd. *Planning Downtown – The Outlook for Office & Institutional Employment to 2041*.

Figure 6-1  
City of Toronto Office Space Demand Forecasts

	2016	2021	2026	2031	2036	2041
GTHA Total Employment <sup>(1)</sup>	3,659,000			4,348,000		4,820,000
GTHA Major Office Employment <sup>(1)</sup>	933,000			1,187,000		1,371,000
City of Toronto Total Employment <sup>(2)</sup>	1,689,100	1,776,200	1,813,800	1,849,400	1,890,600	1,936,700
Major Office Employment <sup>(2)</sup>	675,000	738,200	774,100	812,700	853,500	896,200
Accommodated in Existing Space <sup>(3)</sup>	67,500	67,500	67,500	67,500	67,500	67,500
Accommodated in New Space	607,500	670,700	706,600	745,200	786,000	828,700
Square Feet Per Employee <sup>(4)</sup>		215	215	215	215	215
City of Toronto Office Space Growth (SF)		13,588,000	21,307,000	29,606,000	38,378,000	47,558,000

Source: Tate Economic Research Inc.

<sup>1)</sup> Based Hemson Consulting Ltd. (2018), *Planning Downtown - The Outlook for Office & Institutional Employment to 2041*, Table 5 - Historic and Forecast Employment by Category in the GTHA.

<sup>2)</sup> Based on Hemson Consulting Ltd. (2018) *City of Toronto 2018 Development Charges Background Study*, Table 10 - Forecast Employment.

<sup>3)</sup> Assume existing space will accommodate 10% more employees over the period 2016 to 2041 as per Hemson Consulting Ltd. (2018), *Planning Downtown - The Outlook for Office & Institutional Employment to 2041*

<sup>4)</sup> Based on Hemson Consulting Ltd. (2018), *Planning Downtown - The Outlook for Office & Institutional Employment to 2041*, Table 10 - Downtown Forecast Office Space Growth, 2016-2041.

A ratio of 215 square feet per employee has been estimated based on Hemson Consulting Ltd. *Planning Downtown – The Outlook for Office & Institutional Employment to 2041*. This figure is considered to be a relatively high employment density, when compared to other locations in the GTA and elsewhere in Canada. It is reflective of the comparatively high rents that exist in many Toronto office buildings. These higher rents typically result in more effective use of space and ultimately, lower office space per employee ratios compared to other municipalities.

Total major office employment to be accommodated in new space in the City of Toronto is forecast at 670,700 square feet between 2016 and 2021. At a ratio of approximately 215 square feet per employee, this growth represents demand for 13.6 million square feet of office space, from 2016 to 2021.

Similarly, further increases are warranted in the future. Office space is forecast to increase by 29.6 million square feet by 2031 and 47.6 million square feet by 2041.

6.2

# MARKET AREA OFFICE DEMAND FORECASTS – ANALYSIS

There is approximately 1.6 million square feet of Class A office space located in the Market Area. This 1.6 million square feet represents approximately 1.3% of the total Class A office supply in the City of Toronto in 2019.

Figure 6-2 summarizes the analysis of warranted Class A office space in the Market Area. This analysis assumes that the Market Area share of the total office demand in the City of Toronto increases in the future. This analysis indicates that warranted space ranges from 340,000 square feet in 2021 to 3.1 million square feet in 2041.

We note that these figures represent total demand at all potential locations within the Market Area, not only at the Site. Furthermore, we note that a minor change in the share of office space represented by the Market Area will result in significant variation in the amount of office space warranted. However, this analysis is considered to represent a reasonable estimate of forecast demand for office space in the Market Area, based on market demand parameters.

**Figure 6-2**  
**Market Area Office Space Demand Forecasts**

	2021	2026	2031	2036	2041
<b>Existing Market Conditions</b>					
City of Toronto Class A Office Space <sup>(1)</sup>	130,202,597				
Market Area Class A Space	1,638,894				
Marke Area as a % of City of Toronto	1.3%				
<b>Warranted Office Space in the Market Area</b>					
City of Toronto Office Space Growth (SF) <sup>(2)</sup>	13,588,000	21,307,000	29,606,000	38,378,000	47,558,000
Forecast Market Area Share	2.5%	3.5%	4.5%	5.5%	6.5%
Forecast Market Area Share (SF)	340,000	746,000	1,332,000	2,111,000	3,091,000

Source: Tate Economic Research Inc.

<sup>1)</sup> Based on data provided by Colliers International.

<sup>2)</sup> Repeated from Figure 6-1.

# SITE SPECIFIC OFFICE DEMAND FORECASTS – ANALYSIS

There is warranted demand for 3.1 million square feet of office space within the Market Area by 2041, under the assumptions of the analysis provided above. There is currently 2.3 million square feet of office space proposed within the Market Area. This results in market demand for an additional 800,000 square feet of office space within the Market Area by 2041. The current concept plan for the Site includes 511,000 square feet of office space. Therefore, there is demand for additional office space, beyond what is proposed at the Site, by 2041.

There is market demand for new office space in the Market Area and there is considerable new office competition proposed. It is noted that the Site possesses locational and accessibility characteristics that make it superior to the other proposed development sites in the Market Area. The Site is only location that includes both major highway access in conjunction with a regional transit station. As such, it is anticipated that the Site will be considered one of the preeminent office locations in the Market Area.

6.4

# OFFICE OPPORTUNITIES ANALYSIS SUMMARY

This analysis has identified opportunities for sustained office employment and investment. The Toronto office market has grown significantly since 2001, however, there has been minimal office development within the Market Area over the past 25 years. This report forecasts demand for approximately 3.1 million square feet of office space within the Market Area by 2041. There is currently 2.3 million square feet of office space proposed within the Market Area resulting in demand for additional office space, beyond what is proposed at the Site, by 2041. The locational and access characteristics of the Site will contribute to its ability to compete successfully with the other office buildings proposed.

7/ **RETAIL COMMERCIAL –  
MARKET AREA RETAIL /  
SERVICE SPACE**

7.1	<b>Existing Market Area Retail Commercial Hierarchy</b>	<b>43</b>
7.2	<b>Market Area Proposed Retail Commercial Space</b>	<b>45</b>
7.3	<b>Market Area Retail Commercial Space Summary</b>	<b>47</b>



The following sections examine the opportunity for retail commercial space at the Site. In order to identify the opportunities for sustained retail commercial demand on the Site, TER has conducted the following analyses:

- Section 7 – Market Area Retail Commercial Space – this section examines the scale and function of existing retail commercial space in the Market Area. The function of existing retail commercial space in the Market Area will influence the opportunity and market positioning of the retail commercial component at the Site.
- Section 8 – Retail Commercial Market Opportunities Analysis – this section examines the demand generated by the proposed future population in the Local Area and identifies per capita retail commercial service levels for the Site by retail commercial category. This analysis is based on the surrounding competitive environment, demographic composition and site-specific factors. As discussed in Section 4, the Local Area was delineated as it is forecast to provide the majority of local serving retail commercial demand.

7.1

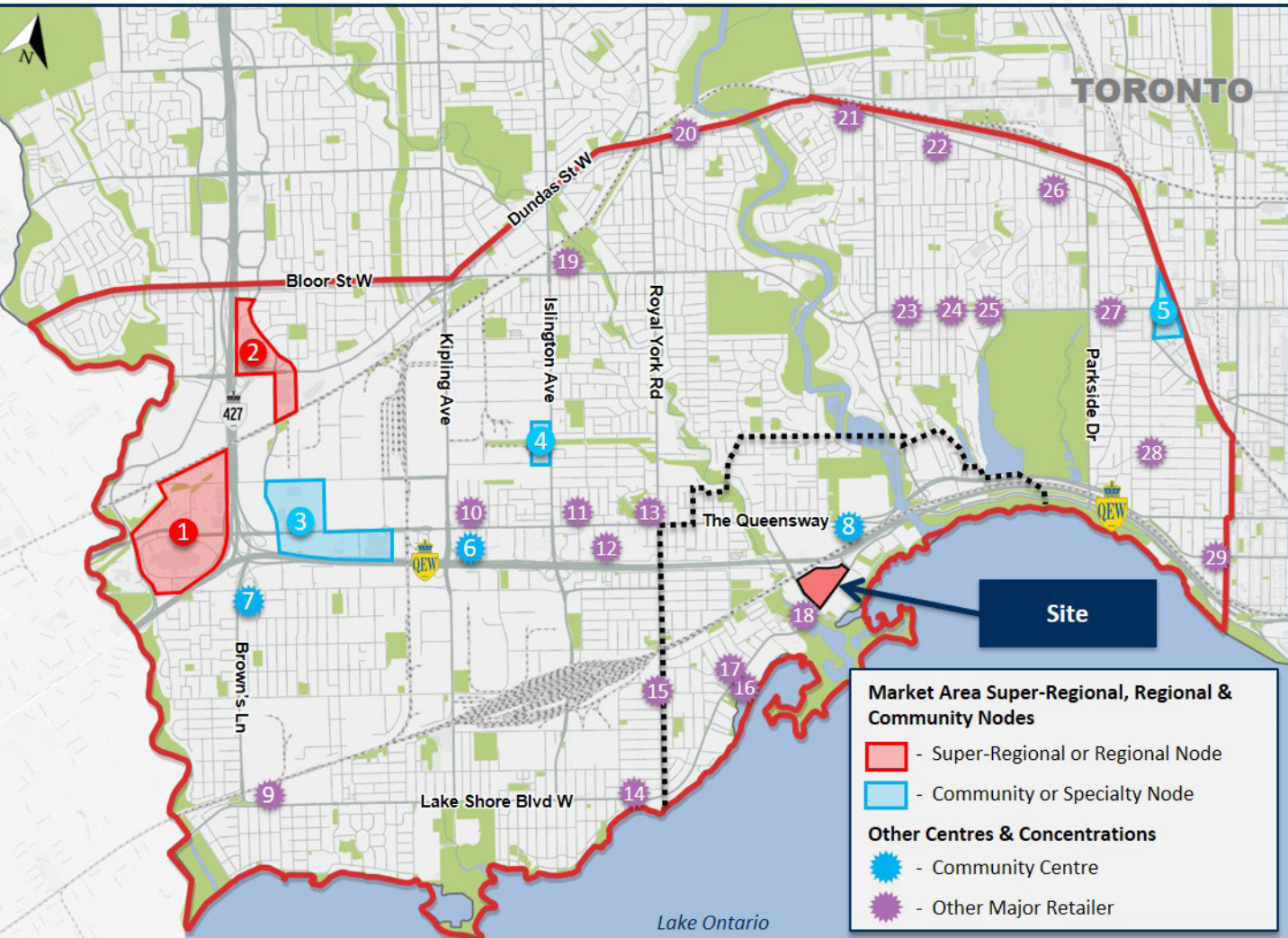
EXISTING MARKET AREA RETAIL COMMERCIAL HIERARCHY

Based on Ryerson University’s Centre for the Study of Commercial Activity (CSCA) retail commercial database, inspections completed by TER, along with available development application data from 2016 to 2019, there is an estimated 8.1 million square feet of retail, service and vacant space within the Market Area.

Figure 7-1, on the following page, illustrates the concentration of retailers and major national tenants in various nodes and centres within the Market Area. The following observations are made with respect to the Market Area retail commercial hierarchy:

- The dominant concentration of retail commercial space within the Market Area is CF Sherway Gardens and its surrounding area. CF Sherway Gardens is an 1,182,000 square foot industry leading, super-regional enclosed mall containing a major concentration of upscale destination and specialty retailers. Sherway Gardens anchors a broader retail commercial node, and is surrounded by retailers such as Walmart, Home Depot, Best Buy, Saks OFF 5th and SAIL. This area is a specialty destination retail commercial node and attracts shoppers from throughout the GTA and beyond (Map Key 1);
- There is a concentration of big box retailers along The Queensway, east of CF Sherway Gardens, near The East Mall. This concentration contains big box retailers such as IKEA, that have large customer
- draws. This concentration also contains traditional big box stores such as Canadian Tire, Lowe’s (Map Key 3);
- Further east along the Queensway, are other specialty big box retailers such as Costco (Map Key 12);
- With respect to existing immediate competition, the Site is adjacent to Westlake Village. Westlake Village is a mixed-use development with a 60,000 square foot retail commercial component opposite the Site at the corner of Park Lawn Road and Lake Shore Boulevard. Westlake Village is anchored by a Metro, LCBO and Shoppers Drug Mart. (Map Key 18);
- There are several local serving, community and neighbourhood sized shopping centres anchored by supermarkets within the Market Area. The closest of which is located 350 metres from the Site at 125 The Queensway. This 106,000 square foot plaza is anchored by a Sobeys supermarket (Map Key 8); and,
- The Market Area also contains a number of traditional retail commercial strips. These strips are predominantly located along the City’s major avenues such as Lake Shore Boulevard West, The Queensway and Bloor Street West. These retail commercial strips are mainly comprised of a mix of independent and chain convenience shopping stores with a selection of specialty stores dispersed within them.

Figure 7-1: Existing Retail Commercial Hierarchy in the Market Area



Map Key	Retail Node / Shopping Centre	Retailers	Map Key	Retailers
<b>Super-Regional/Regional Node</b>			<b>Other Major Retail</b>	
1	Sheway Gardens & Surrounding Node CF Sherway Gardens SmartCentres Etobicoke SmartCentres Etobicoke Index 1880 The Queensway	Hudson's Bay, Nordstrom, Saks 5th Avenue, Sport Check Walmart, Home Depot, Best Buy, Winners, Mark's SAL, DSW, Pier 1, Structube HomeSense, Leon's Saks Off 5th	9	No Frills
2	Cloverdale & Surrounding Node Cloverdale Mall Surrounding Area	Metro, Winners, Kitchen Stuff Plus, Home Hardware Food Basics	10	Sleep Country
<b>Community Node</b>			11	Pet Valu
3	The Queensway & The East Mall Node The Queensway & East Mall Centre The Queensway Commons Surrounding Area	Canadian Tire, Lowes, Bed Bath & Beyond Golf Town, La-Z Boy, The Brick IKEA	12	Costco
4	Titan & Islington Node Titan Islington Plaza Islington & Titan Plaza	No Frills Rona	13	No Frills
5	Bloor & Dundas Node High Park Plaza Surrounding Area	Loblaws FreshCo	14	Pet Valu
<b>Community Centre</b>			15	No Frills
6	Kipling Queensway Mall	Zellers, Sobeys	16	Valu Mart
7	Alderwood Plaza	Farm Boy	17	Home Hardware
8	125 The Queensway	Sobeys, Pier 1 Imports, Pet Valu	18	Metro
			19	Sobeys Urban Fresh
			20	Pet Valu
			21	Loblaws
			22	FreshCo
			23	Pet Valu
			24	No Frills
			25	Sleep Country
			26	No Frills
			27	Pet Valu
			28	Sobeys Urban Fresh
			29	No Frills

Source: Tate Economic Research Inc.

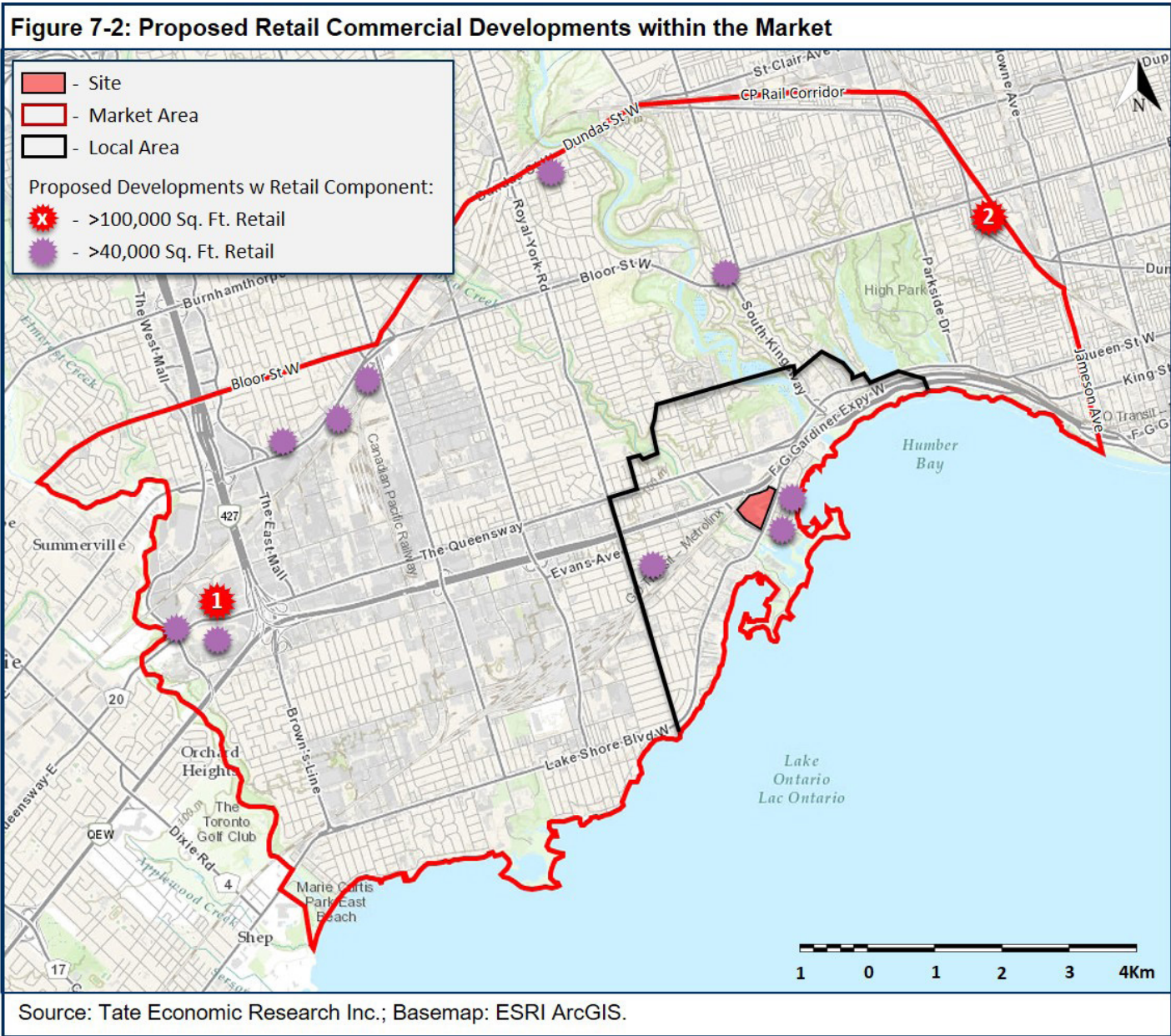


7.2

# MARKET AREA PROPOSED RETAIL COMMERCIAL SPACE

There are currently 58 proposed development applications within the Market Area that contain a retail commercial component. There are two developments within the Market Area that are proposing over 100,000 square feet of retail commercial space.

The scale of retail commercial space proposed at these sites will likely result in competition with the development proposed at the Site. The below Figure 7-2 illustrates the locations of these competing developments in the context of the Site. It is noted that neither proposal is located within the Local Area.



1. **1750 The Queensway** – Located just north of CF Sherway Gardens, this site is currently occupied by a single storey retail commercial centre anchored by a Staples store. Fima Developments has proposed to redevelop the site with 904 residential units along with 367,000 square feet of retail commercial space and 577,000 square feet of office space.
2. **2280 Dundas Street West** – Located at the southeast corner of Dundas Street West and Bloor Street West, across from Dundas West Station, this site is currently occupied by a single store retail commercial centre anchored by a Loblaws supermarket. Choice Properties REIT has proposed to redevelop the site with site with 2,606 residential units along with 273,000 square feet of retail commercial space and 627,000 square feet of office space.

7.3

# MARKET AREA RETAIL COMMERCIAL SPACE SUMMARY

The Market Area contains a broad mix of retail commercial competition. Specifically, there is one of the most prominent shopping centres in Canada, CF Sherway Gardens, as well as several traditional retail commercial strips and grocery anchored developments in the Market Area.

Furthermore, The Queensway is experiencing a significant amount of residential growth with associated retail opportunities. Given the large number of intensification opportunities along The Queensway, it is expected that over the medium-term, development applications will continue to be submitted to the City. The Queensway, particularly surrounding CF Sherway Gardens represents a competitive location for retailers assessing alternatives to the Site for future store locations.

In terms of higher order speciality retailing, the Site is in proximity to CF Sherway Gardens, and the major retail commercial concentrations that surround it. This concentration of speciality and destination type retail commercial space will influence the ability of the Site to attract and develop a significant concentration of speciality retailers.

8/ **RETAIL COMMERCIAL  
MARKET OPPORTUNITIES  
ANALYSIS**

8.1	<b>Local Area Population Growth</b>	<b>49</b>
8.2	<b>Local Area Warranted Retail Commercial Space</b>	<b>52</b>
8.3	<b>Retail Commercial Market Opportunities Analysis Summary</b>	<b>54</b>

TER has utilized a residual analysis to assess the demand for retail commercial uses at the Site. Given the phased approach of development at the Site, TER has forecast that new residents will contribute significantly to the future retail commercial demand at the Site. The Local Area was delineated for the purposes of this analysis, as it is forecast to provide the majority of local serving retail commercial demand.

A residual analysis is considered as a conservative approach, as it assesses the demand generated by growth and does not account for transfers of demand from existing retailers.

8.1

LOCAL AREA POPULATION GROWTH

Figures 8-1 and 8-2 illustrate development applications in the Local Area and their proposed / under construction units, estimated population and associated commercial space.

- There are 21 residential / mixed-use developments proposed, approved or under construction in the Local Area. These developments account for 10,448 residential units and an estimated population of 18,260 persons at build out;
- In addition to these Local Area developments, TER has also added the potential residential developments on the Subject Site, estimated to be approximately 7,500 units, translating into approximately 13,000 persons;
- Overall, the residential development planned in the Local Area is anticipated to add 31,300 persons to the Local Area. For the purpose of this analysis, TER has assumed that all of the developments, including the Site, would be completed and occupied by 2028;
- There is a retail commercial component planned within 15 of the 21 proposed developments projects. Overall, there is approximately 314,700 square feet of retail commercial space associated with the various developments proposed within the Local Area;
- The average size of the retail commercial components is approximately 21,000 square feet. Based on the sizes of the proposed commercial components, it is

anticipated that most of the commercial developments will have a locally oriented-convenience function.

- The only larger-scale retail commercial component proposed in the Local Area is the 75,900 square feet of retail commercial space proposed at the Dunpar Development at 39 Newcastle Street. The 39 Newcastle Street development is planned to be anchored by a supermarket, and therefore will also have a convenience orientation. For comparison purposes, the Westlake Village retail commercial component is approximately 60,000 square feet.

For the purposes of this analysis, TER has utilized the estimated future population growth of 31,300 persons to establish the warranted demand at the Site. This demand is over and above that created by the existing population of approximately 43,300 persons. TER has also accounted for the commercial components of the proposed developments under construction which will also absorb some of the warranted demand.

In addition to the warranted demand from population growth, TER has taken into account the surrounding competitive environment, as discussed previously in Section 7 and the socio-economic characteristics of the Market Area outlined in Section 4. TER has also recognized into demand from future office workers at the Site, as analyzed in Section 6 of this report.



**Figure 8-1**  
**Local Area New Residential / Mixed-Use Developments <sup>(1)</sup>**

Map Key	Address	Developer	Development Name	Proposed Units	Estimated Population <sup>(2)</sup>	Proposed Retail Space <sup>(3)</sup>
1	2 Station Road	n.a.	n.a.	30	52	0
2	327 Royal York Road	Stanton Renaissance	On the GO Mimico	242	421	10,900
3	1 Blue Goose Street	Allegra Homes	The Mimico	12	36	5,700
4	39 Newcastle Street	Dunpar Homes	39 Newcastle	606	1,054	75,900
5	23 Buckingham Street	VANDYK Group	23 Buckingham	724	1,260	24,300
6	25 Audley Street	n.a.	n.a.	385	670	25,500
7	10 Audley Street	Freed Developments	Grand Village	1,824	3,174	10,200
8	2313-2323 Lake Shore Boulevard West	Shoreline Towers	n.a.	507	882	0
9	251 Manitoba Street	Empire Communities	Phoenix	498	867	0
10	42 Park Lawn Road	Amexon	n.a.	321	559	7,900
11	2183 Lake Shore Boulevard West	Empire Communities	Eau du Soleil	1,280	2,227	42,800
12	2169-2173 Lake Shore Boulevard West	Conservatory Group	n.a.	540	940	22,800
13	2161-2165 Lake Shore Boulevard West	Mattamy Homes	Vita	654	1,138	14,800
14	2143 & 2147 Lake Shore Boulevard West	Conservatory Group	Cove/Water's Edge	606	1,054	42,300
15	689 The Queensway	Parallax Development	689 The Queensway Towns	55	163	4,300
16	301 Park Lawn Road	n.a.	n.a.	14	24	0
17	144-150 Berry Road	VANDYK Group	Backyard Condos	503	875	0
18	17 South Kingsway	n.a.	n.a.	3	5	0
19	34-50 Southport Street	State Building Group	Southport Square	312	543	13,300
20	1978 Lake Shore Boulevard West	Marlin Spring	1978 Lake Shore Condos	607	1,056	10,600
21	1926 Lake Shore Boulevard West	Diamante Development	Mirabella Condos	725	1,262	3,400
Local Area Total Proposed				10,448	18,261	314,700
Secondary Plan Area Estimated Population				7,500	13,050	
<b>Total New Propulation</b>					<b>31,300</b>	

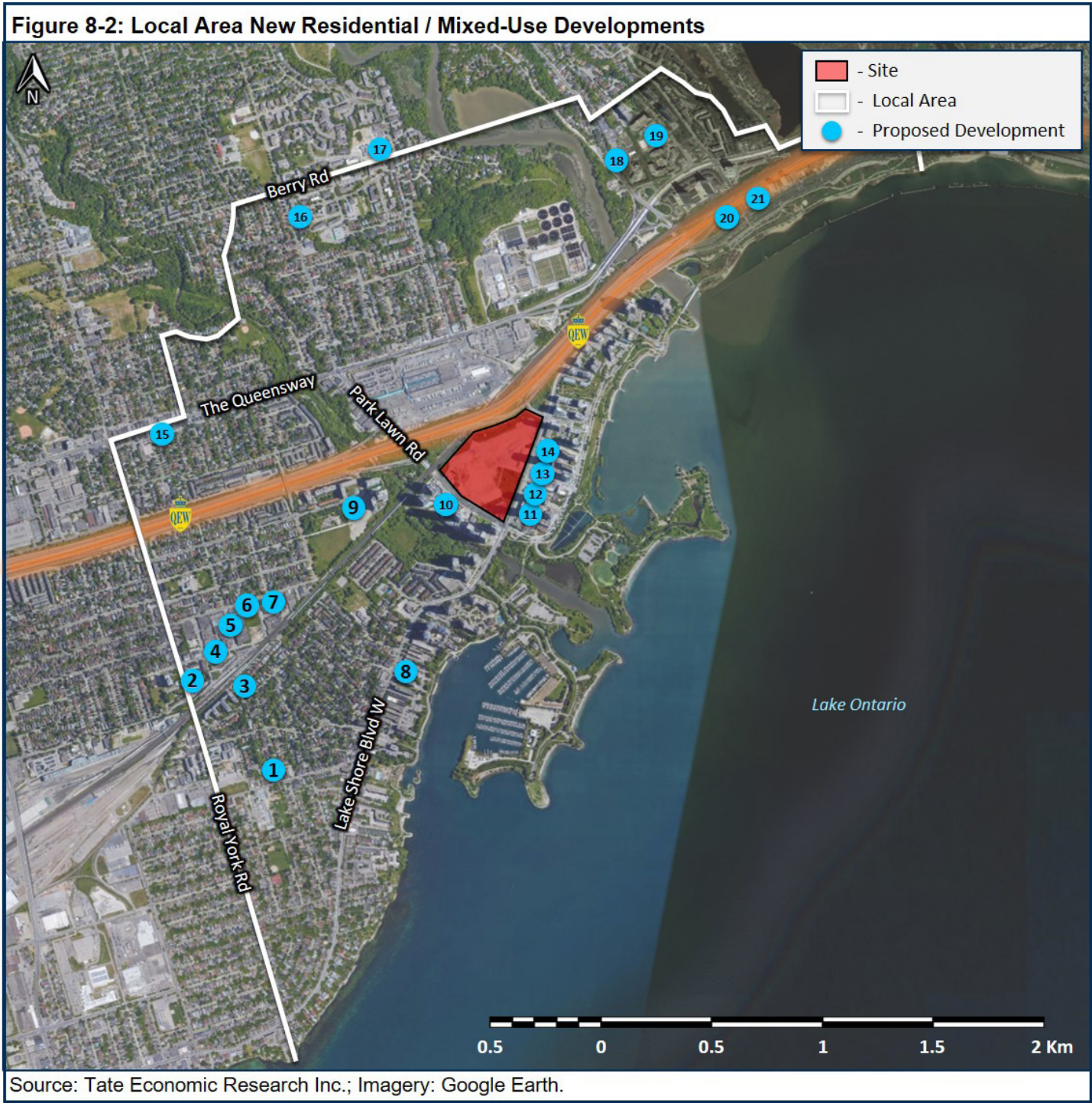
Source: Tate Economic Research Inc.

<sup>1)</sup> Data from City of Toronto development application database. Some of the applications are preliminary in nature and will likely change as a result of the application process.

<sup>2)</sup> Estimated population for residential units are calculated using a persons per unit factor from Hemson Consulting Ltd. City of Toronto Development Charges Background Study - Report for Public Consultation, Jan 9, 2018. A PPU of 1.74 was used for high density units, and 2.96 for medium density units.

<sup>3)</sup> Proposed retail space is rounded to the nearest 100 square feet.





8.2

# LOCAL AREA WARRANTED RETAIL COMMERCIAL SPACE

The results of the residual analysis are summarized on Figure 8-3 on the following page. The following observations are made with respect to Figure 8-3:

- Overall, the new residents in the Local Area will generate demand for approximately 1.21 million square feet of retail commercial space;
- It is the opinion of TER that approximately 49% of this demand or 591,000 square feet can be accommodated in the Local Area. The Local Area capture rate is based on the fact that a significant portion of Local Area residents' specialty expenditures will be made at regional retail commercial nodes outside of the Local Area, such as CF Sherway Gardens and throughout the GTA. In addition, expenditures made at large format stores such as Building & Home Improvement Centres will also be made at locations outside of the Local Area.
- Based on various inflow factors for individual categories and recognizing the proposed office component at the Site, TER has assumed that there would be an average inflow of 29% over the various retail commercial categories. This inflow results in an increase to total warranted retail commercial space in the Local Area of 835,000 square feet based on the addition of 31,300 persons and inflow support from visitors or future employees; and,

- As illustrated in Figure 8-1, there is approximately 314,700 square feet of retail commercial space proposed in the Local Area. Assuming all of this space is developed and leased<sup>1</sup>, there would be demand for up to 520,300 square feet of retail commercial space in the Local Area, beyond the amount proposed elsewhere in the Local Area.
- There is warranted demand for 835,000 square feet of retail commercial space within the Local Area by 2028, under the assumptions of the analysis provided above. There is currently 314,700 square feet of retail commercial space proposed within the Local Area. This results in market demand for an additional 520,300 square feet of retail commercial space within the Market Area by 2028. The current concept for the Site includes 421,000 square feet of retail commercial space. Therefore, there is demand for additional retail commercial space, beyond what is proposed at the Site, by 2028.

<sup>1</sup>As a simplifying assumption, TER has assumed that 100% of the proposed space in the Local Area would be supported by Local Area residents and therefore TER has accounted by the entire space.



Figure 8-3  
Local Area Retail & Service Market Demand

	2028
<b>Predominantly Speciality &amp; Destination Type Retail</b>	
Warranted Department Stores Space @ \$465 per sq. ft.	80,000
Local Area Area Capture Rate @0%	0
Warranted Clothing, Shoes & Accessories Stores Space @ \$525 per sq. ft.	71,000
Local Area Area Capture Rate @15%	10,500
Warranted Furniture, Home Furnishings and Electronics Space @ \$525 per sq. ft.	71,000
Local Area Area Capture Rate @40%	28,500
Warranted Building and Outdoor Home Supplies Stores Space @ \$350 per sq. ft.	106,500
Local Area Area Capture Rate @15%	16,000
<b>Destination / Convenience Retail</b>	
Warranted Automotive Space @ \$325 per sq. ft.	23,000
Local Area Area Capture Rate @20%	4,500
Warranted Miscellaneous Retailers Space @ \$455 per sq. ft.	82,000
Local Area Area Capture Rate @35%	28,500
Warranted All Other General Merchandise Stores Space @ \$375 per sq. ft.	99,000
Local Area Area Capture Rate @35%	34,500
<b>Local &amp; Convenience Retail</b>	
Warranted Pharmacies and Personal Care Stores Space @ \$1200 per sq. ft.	31,000
Local Area Area Capture Rate @85%	26,500
Warranted Specialty Food Space @ \$310 per sq. ft.	45,500
Local Area Area Capture Rate @75%	34,000
Warranted Supermarket Space @ \$590 per sq. ft.	112,500
Local Area Area Capture Rate @75%	84,500
Warranted Beer, Wine & Liquor Space @ \$1285 per sq. ft.	17,000
Local Area Area Capture Rate @75%	13,000
<b>Service Space</b>	
Service Space Per Capita @ 15.3 square feet per capita	477,500
Local Area Area Capture Rate @ 65 %	310,500
<b>TOTAL Retail &amp; Service Space</b>	
Total Retail and Service Space Supported	1,216,000
Local Area Area Capture (sq. ft.)	591,000
Local Area Area Capture (%)	49%
Estimated Inflow (average taking into account various categories)	29.0%
Total Local Area Warranted Retail / Service Space	835,000
Less: Total Proposed at other Local Area developments <sup>(1)</sup>	(314,700)
<b>RESIDUAL DEMAND WARRANTED WITHIN THE LOCAL AREA</b>	<b>520,300</b>

Source: Tate Economic Research Inc. (See Appendix A for detailed analysis)  
<sup>1)</sup> Assuming fully supported by Local Area residents.

# RETAIL COMMERCIAL MARKET OPPORTUNITIES ANALYSIS SUMMARY

This analysis has identified opportunities for sustained retail commercial employment and investment. There is significant growth forecast for the Local Area. Including new residents proposed at the Site, population growth of 31,300 persons is anticipated.

This new population can support an additional 1,216,000 square feet of retail commercial space, of which TER expects approximately 591,000 square feet can be supported in the Local Area. When accounting for inflow, this

warranted space increases to 835,000 square feet. There are development applications proposing approximately 314,700 square feet in the Local Area and therefore, up to approximately 520,300 square feet could be accommodated in the Local Area. There is 421,000 square feet of retail commercial space proposed at the Site. Therefore, there is demand for additional retail commercial space, beyond what is proposed at the Site.



9/ **RECOMMENDED ACTIONS  
& POLICIES: BACKGROUND**

9.1	<b>Office Component</b>	<b>57</b>
9.2	<b>Retail Commercial Component</b>	<b>58</b>

One of the goals of this TER Economic Development Strategy is to *recommend actions and policies to attract businesses and support employment growth*. In regard to commercial development at the Site, there are several

areas in which the City can make policy adjustments to further enhance the development potential of the Site and ensure that commercial uses will be successful in the longer term.

9.1

OFFICE COMPONENT

9.1.1

PRIORITIZE CAPITAL INVESTMENTS IN TRANSIT INFRASTRUCTURE

Transit development on / near the Site is critical for employment growth, particularly major office employment. Transit, specifically higher order transit, is an important factor for attracting major office tenants and talent.

From the perspective of the Site, higher order transit will be needed in order to provide the Site with the necessary accessibility characteristics to develop into a successful office node. Transit will have a direct influence on the ability of the Site to support office development. As a result, transit investments should be prioritized and made expeditiously.

A GO Transit station, as contemplated, would provide the Site with direct access to Toronto’s downtown, and communities to the west. Furthermore, access along the Lakeshore West line would provide exposure to approximately 48,000 passengers per day, a ridership figure that is set to increase by over 100% to 2031.

9.1.2

COMMERCIAL USES WILL FOLLOW RESIDENTIAL DEVELOPMENT

Future major office and retail commercial space typically do not lead development patterns. In most cases, residential development is the catalyst for commercial development.

In the development context of the Site, while there is demand for both major office space and retail commercial space within the Market Area, there is also significant amount of commercial competition proposed. We note that residential development is supportive of the commercial component, particularly the retail commercial component. It will be important for the residential component to lead the development of the Site until there is a sufficient critical mass of residential and retail uses to support office uses. At the Site, commercial development should be encouraged, yet not restricted to an initial phase of development.

9.1.3

PUBLIC REALM & AMENITY INVESTMENTS

Future major office space at the Site should be supported with public realm and amenity investments. These amenities can include public spaces, parks, fitness facilities, day care, community & recreational centres, in addition to an array of convenience-oriented retailers and services.

Providing an adequate mix of amenities is critical to attracting prospecting office tenants, and their respective talent away from more established markets such as downtown. This is especially the case when attracting tenants within the technology and innovation sector, who typically have younger employees that place greater value on workplace amenities and complete communities.

# RETAIL COMMERCIAL COMPONENT

## 9.2.1 FLEXIBLE TIMING, SCALE & TYPES

The timing, scale and store type requirements should be flexible at the Site, recognizing that the retail commercial component will develop over time as the surrounding market evolves. Specifically, despite the population growth planned for the Local Area, store type provisions for speciality and destination type retailers in at the Site may present challenges from a tenancy perspective due to the surrounding concentration of specialty retail commercial space, predominantly at the nearby CF Sherway Gardens.

As a result of this nearby competition, TER expects that the retail commercial offering at the Site will initially be convenience oriented. However, as the market evolves there will be future opportunity for speciality retailers to locate at the Site. It is essential to allow for flexibility in the retail development program to provide opportunities for evolving retail concepts and designs.

## 9.2.2 EMPHASIZE MIXED-USE RETAIL COMMERCIAL DESIGN CONSIDERATIONS

As the majority of retail commercial space at the Site will likely be provided in a mixed-use format, from a design perspective, it will be critical to ensure that universal retail commercial design considerations are put in place. Specifically, these design considerations relate to:

### Standardized Store Sizes

Most non-anchor retailers prefer rectangles, with around 20 feet of frontage. As store sizes decline, the depths of retail commercial units have also been reduced. When store sizes and layouts become more complex, it is increasingly difficult for tenants, especially national chains, to accommodate their specific store needs within the space provided. Flexibility is important in the design stages of retail commercial development.

### Signage

Signage is a critical component for successful retail commercial space in mixed-use developments. Many retailers have invested considerably in developing their branding and are focussed on promoting their standardized images in order to become more recognizable to prospective customers. Without adequate or recognizable signage, prospective customers can easily misinterpret the product or service is being marketed to them on first glance. Furthermore, a lack of signage can almost act as a deterrent against customers entering a business, as in many cases it can be difficult for a potential customer identify whether a unit contains a commercial business or private residence.

### Transparent Storefronts

An open concept welcomes passing customers inside through providing a clear, prominent display of merchandise and services. Transparent storefronts enhance the curb appeal, value of the store, and the entire neighbourhood.

### Door Spacing

In multiple store frontages, door spacing is critical in order to facilitate shopping flow. Many historical retail commercial strips that have large levels of pedestrian foot traffic have close door spacing between stores. Close door spacing encourages shoppers to continue walking from store to store. Longer storefronts, especially for larger tenants can discourage the continuous flow of traffic from store to store, creating retail commercial spaces that are not walkable.



**Reduced Conflicts Between Uses**

Consideration must be given to factors such as odours, lighting and sound. The potential for conflicts will continue as food and beverage tenants increasingly become more popular in residential mixed-use buildings. These conflicts must be addressed in the preliminary design stages of a mixed-use development.

Possible mitigations in order to reduce conflicts could be to include office or institutional uses directly above ground floor retail commercial uses. Additionally, developers could include a few levels of parking above the ground floor retail commercial uses. Both of these options allow for a softer transition to the residential uses above.

**9.2.3 DEDICATED RIDE-HAILING PICK-UP / DROP-OFF POINTS**

TER anticipates that the Site will be demised with new internal streets and blocks.

Reflecting the location of the Site outside of downtown, retail commercial development at the Site will accommodate a blend of pedestrian and vehicular traffic. TER expects that private vehicular traffic will be serviced by predominantly underground parking provided at the Site.

Despite this provision for parking, consideration should be given to providing dedicated pick-up and drop-off locations for popular ride-hailing services such as Uber, Lyft and others, to provide customers utilizing ride-hailing services with orderly, and safe access to retail commercial tenants. TER recommends that these dedicated ride-hailing spaces should be located close to anchor tenants, particularly those anticipated to attract frequent customer visitation such as a supermarket or restaurants.

**9.2.4 PUBLIC REALM INVESTMENTS FOR PROGRAMMED EVENTS**

Priority should be given to public realm investments that can be used to generate spaces that have the opportunity to hold scheduled or specialized programming events. Regular public programming, in the form of a farmer’s market or street festival for example, can generate significant interest in local retailers and increase pedestrian foot traffic.

# RECOMMENDED ACTIONS AND POLICIES CONCLUSION

The Site is located in an area undergoing significant high-density redevelopment, and as a result, significant population growth. This Economic Development Strategy has indicated that as a result of this population growth, there is market demand for additional office and retail commercial space to be developed at the Site and supported in the future.

As the redevelopment of the Site occurs, the focus of employment growth should be on attracting potential office tenants by making the Site competitive through investments in transportation and public infrastructure, and providing retail commercial space in a format that is conducive to mixed-use retail commercial success, and adaptable to changes in the marketplace.

In order to enhance the likelihood of a successful and sustainable commercial component, it will be critical to ensure flexibility in the development process. The recommendations outlined in this Economic Impact Strategy will help ensure that the commercial component of the Site is competitive and can support sustained business and employment growth into the future.



# APPENDIX A – **RETAIL COMMERCIAL DEMAND BACKGROUND TABLES**

This appendix contains the background analysis tables relating to warranted retail commercial space calculations

# LIST OF FIGURES

- Figure A-1: Per Capita Income Indices, 2018
- Figure A-2: Per Capita NFBR Expenditure Estimates, 2018
- Figure A-3: Per Capita FBR Store Expenditure Estimates, 2018
- Figure A-4: Local Area Non-Food & Beverage Retail (NFBR) Expenditure Potential
- Figure A-5: Local Area Food & Beverage (FBR) Expenditure Potential (Excluding Beer, Wine & Liquor)
- Figure A-6: Local Area Beer, Wine & Liquor (BWL) Expenditure Potential
- Figure A-7: Local Area Warranted Service Space
- Figure A-8: Retail and Service Category Classifications

**Figure A-1**  
**Per Capita Income Indices, 2018 <sup>(1)</sup>**

	Population 15 Years and Over	Average Income	Total Income (\$Millions)	2018 Total Population	Per Capita Income	Index to the Province
Market Area	208,296	124,513	13,791	241,912	57,008	137.0
Local Area	38,499	107,976	2,492	43,284	57,575	138.4
Ontario	12,013,516	49,595	595,816	14,322,757	41,599	100.0

Source: Tate Economic Research Inc.  
<sup>1)</sup> Based on Statistics Canada, 2016 Census of Canada and income data obtained from the Environics Analytics 2018 DemoStats

**Figure A-2**  
**Per Capita NFBR Expenditure Estimates, 2018**

Non-Food & Beverage Retail	2018			
	Total Retail Sales (\$ M) <sup>(1)</sup>	Per Capita	Distribution	Non-Department Store Distribution
Automotive	2,913	\$203	2.9%	3.3%
Furniture, Home Furnishings and Electronics	14,562	\$1,017	14.6%	16.7%
Building and Outdoor Home Supplies Stores	13,263	\$926	13.3%	15.2%
Pharmacies and Personal Care Stores	18,258	\$1,275	18.3%	20.9%
Clothing and Accessories Stores	14,485	\$1,011	14.5%	16.6%
Department Stores	12,253	\$856	12.3%	n.a.
General Merchandise Stores (excluding Department Stores)	13,669	\$954	13.7%	15.6%
Miscellaneous Retailers	10,327	\$721	10.4%	11.8%
Total NFBR Expenditures	\$99,730.7	\$6,963	100.0%	100.0%

Non-Food & Beverage Retail	2018 E- Commerce Adjustment	E-Commerce Omni-Channel Sales (\$ M)	Per Capita	Distribution	Non-Department Store Distribution
Automotive	0.55%	\$16.00	\$1.00	0.7%	0.7%
Furniture, Home Furnishings and Electronics	3.05%	\$444.10	\$31.00	21.4%	21.8%
Building and Outdoor Home Supplies Stores	1.41%	\$187.00	\$13.00	9.0%	9.2%
Pharmacies and Personal Care Stores	0.96%	\$175.30	\$12.00	8.3%	8.5%
Clothing and Accessories Stores	4.90%	\$709.80	\$50.00	34.5%	35.2%
Department Stores	0.36%	\$44.10	\$3.00	2.1%	n.a.
General Merchandise Stores (excluding Department Stores)	0.36%	\$49.20	\$3.00	2.1%	2.1%
Miscellaneous Retailers	4.46%	\$460.60	\$32.00	22.1%	22.5%
Total NFBR Expenditures	2.1%	\$2,086.10	\$145.00	100.2%	100.0%

Ontario - Estimated 2018 Population <sup>(3)</sup> 14,322,757

Source: Tate Economic Research Inc.  
<sup>1)</sup> Based on full year retail sales by NAICS category provided by Statistics Canada, Retail Trade, Table 20-10-0008-01.  
<sup>2)</sup> TER estimate based on Statistics Canada Table 20-10-0065-01.  
<sup>3)</sup> July 2018 estimate based on data provided by Statistics Canada, Demographic Quarterly Statistics.

Figure A-3  
Per Capita FBR Store Expenditure Estimates, 2018

2018				
Food & Beverage Retail Categories	Total Retail Sales (\$ M) <sup>(1)</sup>	Per Capita	Distribution	
Supermarkets	28,798	\$2,011	65.1%	
Convenience Stores	2,728	\$190	6.2%	
Specialty Food Stores	3,398	\$237	7.7%	
Beer, Wine and Liquor Stores	9,312	\$650	21.0%	
Total FBR Expenditures	\$44,236.9	\$3,089	100.0%	

Food & Beverage Retail Categories	2018 E-Commerce Adjustment	E-Commerce Omni-Channel Sales (\$ M)	Per Capita	Distribution
Supermarkets	0.51%	\$146.9	\$10.0	76.9%
Convenience Stores	0.51%	\$13.9	\$1.0	7.7%
Specialty Food Stores	0.51%	\$17.3	\$1.0	7.7%
Beer, Wine and Liquor Stores	0.10%	\$9.3	\$1.0	7.7%
Total FBR Expenditures	0.42%	\$187.4	\$13.0	100.0%

Ontario - Estimated 2018 Population <sup>(2)</sup>	14,322,757
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Source: Tate Economic Research Inc.

<sup>1)</sup> Based on full year retail sales by NAICS category provided by Statistics Canada, Retail Trade, Table 20-10-0008-01.

<sup>2)</sup> TER estimate based on Statistics Canada Table 20-10-0065-01.

<sup>3)</sup> July 2018 estimate based on data provided by Statistics Canada, Demographic Quarterly Statistics.



**Figure A-4**  
**Local Area Non-Food & Beverage Retail (NFBR) Expenditure Potential**

	2018	2028
<b>Province of Ontario - Average Per Capita NFBR Expenditures</b>		
Per Capital E-Commerce Omni Channel Sales	\$145	2.1% 4.6%
Per Capita Ground Related Sales	\$6,818	97.9%
Per Capita NFBR Expenditures <sup>(1)</sup>	\$6,963	100.0%
2018 Dollars (\$Millions)	2018	2028
<b>Local Area</b>		
Income Index to Province <sup>(2)</sup>	138.4	
NFBR Expenditure Index <sup>(3)</sup>	111.5	
Per Capita NFBR Expenditures <sup>(4)</sup>	\$7,765	\$8,540
Per Capita E-Commerce Omni Channel Sales	\$160	\$393
Per Capita Ground Related Sales	\$7,605	\$8,147
Population Growth <sup>(5)</sup>		31,300
<b>Total NFBR Potential</b>		<b>\$255.0</b>
<b>Local Area</b>		
Automotive		\$7.4
Furniture, Home Furnishings and Electronics		\$37.2
Building and Outdoor Home Supplies Stores		\$33.9
Pharmacies and Personal Care Stores		\$46.7
Clothing, Shoes & Accessories Stores		\$37.0
Department Stores		\$31.4
All Other General Merchandise Stores		\$34.9
Miscellaneous Retailers		\$26.5
<b>Total</b>		<b>\$255.0</b>
<b>Local Area Warranted Square Feet <sup>(6)</sup></b>		
Warranted Automotive Space @ \$325 per sq. ft.		23,000
Warranted Furniture, Home Furnishings and Electronics Space @ \$525 per sq. ft.		71,000
Warranted Building and Outdoor Home Supplies Stores Space @ \$350 per sq. ft.		106,500
Warranted Pharmacies and Personal Care Stores Space @ \$1200 per sq. ft.		31,000
Warranted Clothing, Shoes & Accessories Stores Space @ \$525 per sq. ft.		71,000
Warranted Department Stores Space @ \$465 per sq. ft.		80,000
Warranted All Other General Merchandise Stores Space @ \$375 per sq. ft.		99,000
Warranted Miscellaneous Retailers Space @ \$455 per sq. ft.		82,000

Source: Tate Economic Research Inc.

1) TER estimate based on Statistics Canada, Retail Trade.

2) Based on Statistics Canada, 2016 Census of Canada and Environics Analytics 2018 DemoStats.

3) Based on the income relationship between the Province and Local Area residents using the NFBR regression equation of  $y = 70 + .3(x)$ , where x is the income index.

4) Forecast to increase at 1.0% per annum, excluding inflation. Rounded to the nearest \$5.

5) Future population growth based on Figure 8-1.

6) Warranted demand based on CSCA industry average sales per square foot levels.

Figure A-5  
Local Area Food & Beverage (FBR) Expenditure Potential  
(Excluding Beer, Wine & Liquor)

	2018	2028
<b>Province of Ontario - Average Per Capita FOR Expenditures</b>		
Per Capital E-Commerce Omni Channel Sales	\$12.0	0.5%
Per Capita Ground Related Sales	\$2,427.0	99.5%
Per Capita FBR Expenditures <sup>(1)</sup>	\$2,439.0	100.0%
2018 Dollars (\$Millions)	2018	2028
<b>Local Area</b>		
Income Index to Province <sup>(2)</sup>	138.4	
FOR Expenditure Index <sup>(3)</sup>	104.6	
Per Capita FOR Expenditures <sup>(4)</sup>	\$2,550	\$2,615
Per Capita E-Commerce Omni Channel Sales	\$12.6	\$39.0
Per Capita Ground Related Sales	\$2,537	\$2,576
Population Growth		31,300
<b>Total FBR Potential</b>		<b>\$80.6</b>
<b>Local Area</b>		
Supermarket		\$66.5
Specialty Food		\$14.1
<b>Total</b>		<b>\$80.6</b>
<b>Local Area Warranted Square Feet <sup>(6)</sup></b>		
Warranted Supermarket Space @ \$590 per sq. ft.		112,500
Warranted Specialty Food Space @ \$310 per sq. ft.		45,500

Source: Tate Economic Research Inc.

1) TER estimate based on Statistics Canada, Retail Trade.

2) Based on Statistics Canada, 2016 Census of Canada and Environics Analytics 2018 DemoStats.

3) Based on the income relationship between the Province and Trade Area residents using the FBR regression equation of  $y = 88 + 0.12(x)$ , where x is the income index.

4) Forecast to increase at 0.25% per annum, excluding inflation. Rounded to the nearest \$5.

5) Future population growth based on Figure 8-1.

6) Warranted demand based on CSCA industry average sales per square foot levels.



**Figure A-6**  
**Local Area Beer, Wine & Liquor (BWL) Expenditure Potential**

2018		
<b>Province of Ontario - Average Per Capita BWL Expenditures</b>		
Per Capital E-Commerce Omni Channel Sales	\$1.0	0.2%
Per Capita Ground Related Sales	\$649.0	99.8%
Per Capita BWL Expenditures <sup>(1)</sup>	\$650.0	100.0%
2018 Dollars (\$Millions)	2018	2028
<b>Local Area</b>		
Income Index to Province <sup>(2)</sup>	138.4	
BWL Expenditure Index <sup>(3)</sup>	104.6	
Per Capita BWL Expenditures <sup>(4)</sup>	\$680	\$695
Per Capita E-Commerce Omni Channel Sales	\$1.1	\$1.4
Per Capita Ground Related Sales	\$679	\$694
Population Growth <sup>(5)</sup>		31,300
<b>Total BWL Potential</b>		\$21.7
<b>Local Area Warranted Square Feet <sup>(6)</sup></b>		
Warranted Beer, Wine & Liquor Space @ \$1285 per sq. ft.		17,000

Source: Tate Economic Research Inc.

1) TER estimate based on Statistics Canada, Retail Trade.

2) Based on Statistics Canada, 2016 Census of Canada and Environics Analytics 2018 DemoStats.

3) Based on the income relationship between the Province and Trade Area residents using the FBR regression equation of  $y = 88 + 0.12(x)$ , where x is the income index.

4) Forecast to increase at 0.25% per annum, excluding inflation. Rounded to the nearest \$5.

5) Future population growth based on Figure 8-1.

6) Warranted demand based on CSCA industry average sales per square foot levels.

**Figure A-7**  
**Local Area Warranted Service Space**

	2018	2028
Population <sup>(1)</sup>	43,300	74,600
Population Growth		31,300
Service Category	Per Capita Sq. Ft. <sup>(2)</sup>	Warranted Service Space
Services: Food Services and Drinking Places	3.7	116,600
Services: Personal Care and Laundry	1.4	43,800
Services: Financial, Insurance, Legal & Real Estate	2.3	71,700
Services: Health Care and Social Assistance	2.3	71,400
Services: Entertainment and Recreation	1.1	35,800
Services: Other	4.4	138,200
<b>Total Services</b>	<b>15.3</b>	<b>477,500</b>

Source: Tate Economic Research Inc.

- <sup>1)</sup> Future population growth based on Figure 8-1, rounded to the nearest 100 persons.
- <sup>2)</sup> Calculated based on 2018 population and service levels in comparable areas within Toronto.

Figure A-8  
Retail and Service Inventory Classification Codes

RETAIL/SERVICE CATEGORIES	NAICS Code	RETAIL/SERVICE CATEGORIES	NAICS Code
<b>FOOD &amp; BEVERAGE RETAIL (FBR)</b>		<b>MISCELLANEOUS RETAILERS</b>	
<b>FOOD &amp; BEVERAGE</b>		Sporting Goods	45111
Supermarkets & Grocery Stores	44511	Toy/Hobby	45112
Jug Milk	44512	Fabric/Wool	45113
Meat Market	44521	Musical Instruments	45114
Fish & Seafood	44522	Florist	45311
Green Grocer	44523	Stationery and Office Supplies	45321
Bakery	44529	Gift/Novelty/Souvenir	45322
Candy/Nut	44529	Second-Hand Stores	45331
Cheese	44529	Pet & Pet Supply	45391
Delicatessen	44529	Art Gallery & Artists' Supply	45392
Other Food	44529	Book Store & News Dealers	45131
		Antiques	45331
<b>BEER, WINE &amp; LIQUOR</b>		Sewing Machines	45113
Liquor	44531	Wine Making	45399
Beer	44531	Vape	45112
Wine	44531	Tobacco	45399
		Greeting Cards	45322
<b>NON-FOOD &amp; BEVERAGE RETAIL (NFBR)</b>		Bicycle	45111
<b>GENERAL MERCHANDISE</b>		Other Miscellaneous Retailers	45399
Department Stores	45211		
Warehouse Membership Clubs (e.g. Costco)	45291	<b>AUTOMOTIVE</b>	
General Merchandise (e.g. Assortment of Dollar Stores)	45299	Automotive Parts and Accessories Stores	44131
General Store	45299	Tire Dealers	44132
Home and Auto Supply Stores (eg Canadian Tire)	45299		
<b>CLOTHING &amp; ACCESSORIES</b>		<b>SERVICES</b>	
Mens/Boys Wear	44811	<b>SERVICES: FOOD SERVICES AND DRINKING PLACES</b>	
Ladies Wear	44812	Drinking Places	72241
Childrens Wear	44813	Full Service Restaurants	722511
Family Wear	44814	Limited Service Eating Places	722512
Bridal	44819	Caterers	72232
Furrier	44819		
Hosiery	44819	<b>SERVICES: PERSONAL CARE AND LAUNDRY</b>	
Lingerie	44819	Hair Care and Esthetic Services	81211
Maternity	44819	Other Personal Care Services	81219
Millinery	44819	Funeral Homes	81221
Unisex Wear	44819	Coin-operated Laundries and Dry Cleaners	81231
Accessories/Other Apparel (e.g., Ties)	44815	Dry Cleaning and Laundry Services (Except Coin-Operated)	81232
Shoe Stores	44821	Pet Care (Except Veterenary) Services	81291
Jewellery	44831	All Other Personal Services	81299
Luggage/Leather Goods	44832		
<b>FURNITURE, HOME FURNISHINGS &amp; ELECTRONICS</b>		<b>SERVICES: HEALTH CARE AND SOCIAL ASSISTANCE</b>	
Furniture/Appliance	44211	Medical / Dental Services	621
Floor Coverings	44221	Social Assistance Services	624
China/Glassware/Kitchenware	44229	Child Day Care Services	6244
Drapery/Blinds	44229		
Lamps & Lighting Fixtures	44229	<b>SERVICES: FINANCIAL, REAL ESTATE, INSURANCE &amp; LEGAL</b>	
Linen/Bath	44229	Bank / Credit Union	5221
Other Household Furnishings (e.g. picture frames, etc.)	44229	Brokerage	5231
Fireplace Accessories	44229	Other Financial Investment Activites	5239
Vacuums	44229	Insurance Carriers and Related Activities	524
Appliance	44314	Real Estate	-
TV/Radio/Stereo	44314	Legal Services	5411
Computer and related incl. software	44314	Accounting, Tax Preparation, Bookkeeping & Payroll Services	5412
Camera/Photo Supply	44314		
Audio & Video Recordings	44314	<b>SERVICES: ENTERTAINMENT AND RECREATION</b>	
<b>PHARMACIES &amp; PERSONAL CARE</b>		Movie Theatre / Cinema, Live Theatre Companies and Dinner Theatres	-
Drug Stores	44611	Dance Companies	71112
Cosmetics	44612	Amusement Arcades	71312
Optician	44613	Fitness and Recreational Sports Centres	71394
Other Health & Personal Care Stores	44619	Bowling Centres	71395
		Other Sport Facilities	713992
<b>BUILDING AND OUTDOOR HOME SUPPLIES STORES</b>		All Other Amusement and Recreation Industries	713999
Home Improvement Centres	44411		
Hardware/Electrical Supply	44413	<b>SERVICES: OTHER</b>	
Paint/Glass/Wallpaper	44412	Post Office	4911
Electrical wiring supplies & equipment	44419	Libraries	519121
Plumbing, heating, and a/c eq. & supplies	44419	Interior Design Services	54141
MISC. Home Supplies (e.g. windows/doors/plumbing/etc.)	-	Photographic Services	54192
Lawn & Garden Centre	44422	Travel Agent	56151
Outdoor Power Equipment	44421	Rental and Leasing Services	-
		Repair and Maintenance Services	-
		Other Service	-
		Vacant	-

Source: Tate Economic Research Inc.  
<sup>1)</sup> Based on TER's interpretation of 2017 2.0 NAICS retail trade and service category classifications.



