

## **Commercial Use Assessment Promenade Centre Secondary Plan**

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Prepared for: City of Vaughan

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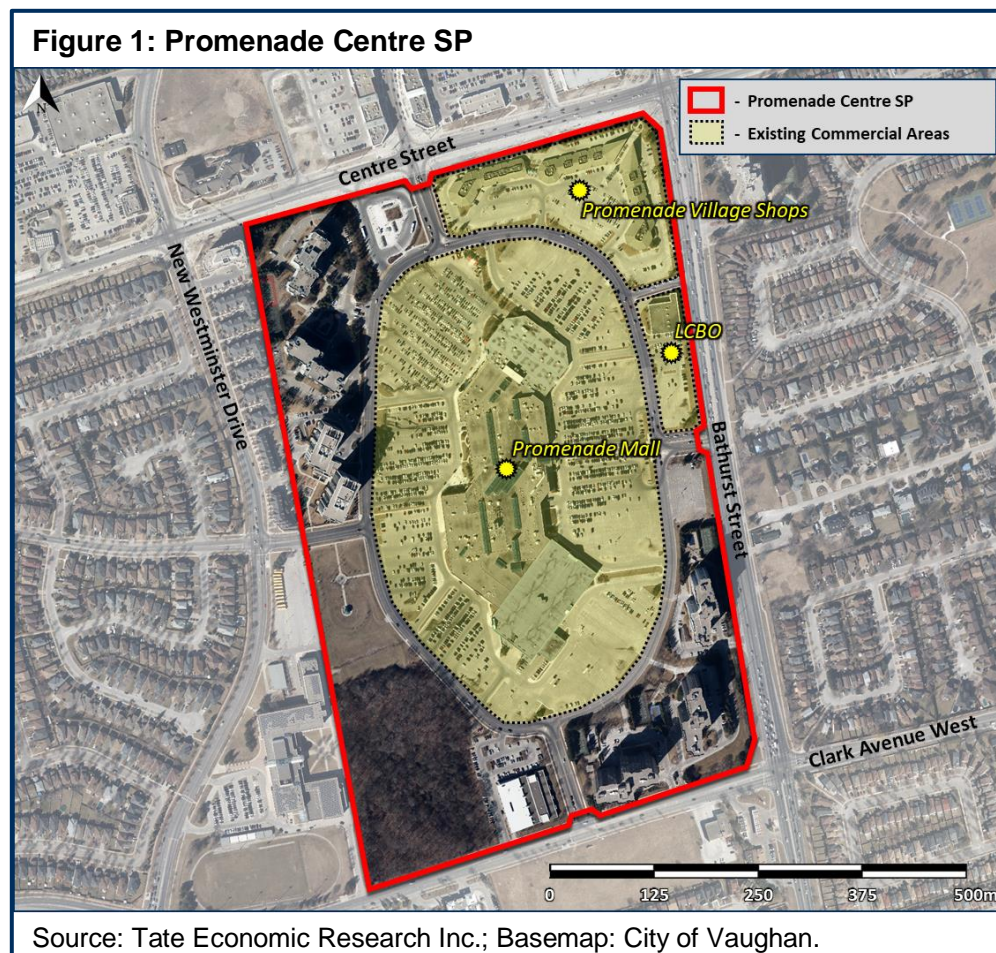
# 1 Executive Summary & Recommendations

## 1.1 Introduction

Tate Economic Research Inc. (“TER”) was retained as part of a multi-disciplinary team (“Consultant Team”) to assist the City of Vaughan in the preparation of the Promenade Centre Secondary Plan (“Promenade Centre SP”). TER’s role in the Consultant Team is to assess the opportunity for retail commercial development in the Promenade Centre SP.

The findings of this commercial needs assessment will be used as input by the Consultant Team when determining the recommended land use schedule and related policies for the Promenade Centre SP.

The Promenade Centre SP is comprised of a central area containing Promenade Mall and an adjacent ring road, along with four surrounding quadrants. The Secondary Plan Area is generally bounded by Centre Street to the north, Bathurst Street to the east and Clark Avenue West to the south. It extends towards New Westminster Drive to the west. Figure 1 illustrates the extent of the Promenade Centre SP, as well as its existing composition of commercial uses.



The Promenade Centre SP contains a mix of various commercial uses. Specifically, the Promenade Centre SP contains commercial uses in the form of Promenade Mall, an enclosed regional shopping mall of approximately 675,000 square feet located in the central area, as well as Promenade Village Shops, a 62,000 square foot strip plaza fronting Bathurst Street and Centre Street, and a 13,000 square foot free standing LCBO store.

The Promenade Centre SP contains seven existing high-rise residential buildings ranging from 12 to 19 storeys. These buildings are located in the northwest and southeast quadrants. The Promenade Centre SP also contains open space and institutional uses in the form of Pierre Elliot Trudeau Park and adjacent woodlot, the Bathurst Clark Resource Library, as well as the Promenade Terminal (“BRT”).

## 1.2 Summary of Findings

The following section summarizes the findings contained within this Commercial Use Assessment.

**From a locational perspective, Promenade Mall features good access along two regional roads with access to future Viva BRT Transit. However, Promenade Mall lacks the locational and visibility attributes typical of other regional shopping centres.**

- Promenade Mall is a 675,000 square foot regional shopping centre located at the southwest corner of Centre Street and Bathurst Street in the City of Vaughan;
- Promenade Mall does not have direct visibility or access to a major 400-series highway.
- The Viva BRT is under construction along Bathurst Street and Centre Street. This high frequency transit service is expected to be in service by the beginning of 2020. As a result, the Promenade Centre SP is located within a Major Transit Station Area (“MTSA”) and will have direct transit access.

**The existing customer draw of Promenade Mall is indicative of a regional class shopping centre. Promenade Mall draws most of its customer support from the surrounding region indicative of a 20-minute drive time.**

- The mall is not supported by its local population alone. The local area surrounding Promenade Mall, as indicated by the 5-minute drive time, accounts for around approximately 19% of its customer draw.
- Promenade Mall also does not have a super-regional draw. Specifically, the mall draws approximately 90% of its customers from within a 60-minute drive. This drive time is encompassed by much of the Greater Toronto Area and extends north to Barrie.

- The majority of Promenade Mall's customers come from within a more typical regional 20-minute drive time (70%). This drive time encompasses all areas of the City of Vaughan, as well as portions of Toronto and neighbouring municipalities within York Region.

**Promenade Mall is the dominant retail commercial centre within the Promenade Centre SP and its surrounding area. TER expects that the role of Promenade Mall as the dominant commercial centre in its local area will be retained in the future as adjacent commercial centres redevelop.**

- Commercial space within the Promenade Centre SP is comprised of Promenade Mall, Promenade Village Shops and a freestanding LCBO store.
- Promenade Mall, at approximately 675,000 square feet, represents the dominant concentration of both local serving convenience retail and speciality, destination type retailers.
- Outside of the Promenade Centre SP, there are two retail centres to the north. These include the Walmart anchored SmartCentres Thornhill centre, and the No Frills, Winners and HomeSense anchored RioCan Thornhill centre.
- There is also convenience-oriented, local serving retail surrounding the Promenade Centre SP contained within the 50,200 square foot Concord Square centre, the 22,700 square foot Centre Street Square plaza and 12,600 square feet of ground floor retail space at 7890 Bathurst Street.
- Each of the surrounding retail centres represent a future intensification opportunity similar to the areas within the Promenade Centre SP. However, the likelihood of these surrounding sites to develop a concentration of retail space that is greater than Promenade Mall is limited by their scale and locational attributes.

**Currently, Promenade Mall is Vaughan's third tier retail node behind Vaughan Mills and the Highway 400 & Highway 7 Node. Despite this, Promenade Mall is somewhat unique within Vaughan's retail commercial structure as it is one of two enclosed malls within the City. As an enclosed centre, Promenade Mall has been able to maintain a critical mass of speciality retailers.**

- Promenade Mall is the third largest existing retail node in Vaughan, behind Vaughan Mills and the Highway 400 & Highway 7 Node.
- Both Vaughan Mills and the Highway 400 & Highway 7 Node contain larger retail concentrations, with superior location and visibility characteristics to Promenade Mall, as they are adjacent to 400 series highways.
- Vaughan Mills and Promenade Mall represent the only two enclosed shopping malls within the City. As such, these centres contain the only two critical masses of speciality and destination type retailers.

- Aside from Vaughan Mills, the majority of retail commercial space within Vaughan is comprised within open air, big-box power centre type development as seen in the Highway 400 & Highway 7 Node, as well as Vaughan’s various community shopping nodes.

**As development continues to occur, the Vaughan Metropolitan Centre (“VMC”) may usurp Promenade Mall’s position as Vaughan’s third tier retail node. Furthermore, the potential de-malling of Promenade Mall in the future may diminish or eliminate Promenade Mall’s regional function and ability to retain a critical mass, as competition for retailers within other significant mixed-use projects becomes amplified.**

- There are several large mixed-use intensification projects that are planned or on-going in the City of Vaughan that will compete with the Promenade Centre SP for tenants. These include the VMC and Weston 7 Primary Centre. These projects will redevelop and intensify the area encompassed currently by the Highway 400 & Highway 7 Node.
- As such, both the VMC and Weston 7 Primary Centre offer a more centralized and accessible location within Vaughan, with direct highway access and proximity to the TTC subway.
- The similar mixed-use built form planned for the VMC and Weston 7 Primary Centre will likely offer strong competition for major retailers.

**The Case Studies examined in this report highlight the diverging outcomes of shopping mall redevelopment. Specifically, the Case Studies indicate that there are opportunities for both significant retail expansion, and conversely, moderate retail reduction based on the existing performance, function and attributes of the shopping mall being redeveloped.**

- The Consultant Team researched three Case Study examples: Agincourt Mall in Toronto, as well as Oakridge Centre and Brentwood Town Centre in the Vancouver Area.
- Agincourt Mall’s proposed reduction in retail commercial space reflects its status as a local community serving centre. Despite proposing a significant future population for the site, the developers of Agincourt Mall have proposed to keep Agincourt’s retail offering similar to what currently exists and reduce the overall amount of retail commercial space.
- Oakridge Centre’s proposed doubling of retail commercial space reflects its status as one of Canada’s most successful shopping centres, and most dominant centre in its respective region.
- Brentwood Town Centre’s rebranding as “The Amazing Brentwood” reflects the developers’ goal to differentiate a struggling retail centre into an entertainment and lifestyle-oriented centre. This rebranding away from traditional retail, along



with the site's excellent locational attributes, are key factors that contribute towards a significant proposed increase in retail commercial space.

**It is our professional opinion that the future function of Promenade Mall can be summarized as follows: “more local and less regional”. As a result, the retail offering within the Promenade Centre SP would likely offer a mix of speciality and local serving retail and would operate largely as a convenience-oriented node. From a warranted space analysis, the minimum amount of space required to serve the Promenade Centre SP residents would be between 250,000 to 350,000 square feet.**

- Promenade Mall is the dominant retail commercial centre within the Promenade Centre SP and its surrounding area. TER expects that Promenade Mall will remain as the dominant commercial centre in its local area, however, it will shift towards a more convenience-oriented centre.
- Currently, Promenade Mall is the third ranked retail concentration in Vaughan, behind Vaughan Mills and the Highway 400 & Highway 7 Node. In the future, Promenade Mall's position as Vaughan's third tier retail node is likely to change as both the VMC continues to be built out and the Weston 7 Primary Centre begins to develop. The VMC and Weston 7 Primary Centre are located in the area currently encompassed by the Highway 400 & Highway 7 node. As such, they will offer a more centralized location with better access to transit and major highways.
- Furthermore, the potential de-malling of Promenade Mall in the future may result in the loss of Promenade's regional function, and ability to retain a critical mass, as competition for retailers within other significant mixed-use projects becomes amplified.
- The VMC and Weston 7 Primary Centre will compete with a redeveloped Promenade Mall as each area will offer retail in a largely mixed-use format.
- The VMC will provide significant competition for first-to-market retailers, particularly speciality and entertainment retailers who will look to locate in a central, high visibility area. The VMC may also provide a competitive location for retailers that already exist within Promenade Mall.
- Therefore, from the context of the maximum amount of retail commercial space, it is unlikely that the development / redevelopment of the Promenade Centre SP will result in more square footage than already exists, i.e. 750,000 square feet of commercial space.
- As such, we are recommending that a minimum amount of retail commercial space in the range of 250,000 to 350,000 square feet, be maintained and / or required in the Promenade Centre SP. The upper range of this space assumes that the Promenade Centre SP enhances and strengthens its function as a local node serving not only the Promenade Centre SP population but also the

surrounding local area. Additional retail commercial space is supportable and may be warranted, subject to consistency with urban design goals and overall market conditions.



## 2 Commercial Use Assessment Study Approach

### 2.1 Work Plan

In order to quantify the amount of commercial space required to serve the future population in the Promenade Centre SP, TER has conducted the following scope of work:

- Commercial Context – TER has examined and characterized the existing hierarchy of retail space in the Promenade Centre SP and surrounding area. TER conducted an inventory of all retail, service and vacant space within Promenade Mall and the surrounding area in order to qualify the amount of commercial space in the area surrounding the Promenade Centre SP. The commercial context provided input into the quantitative commercial needs assessment.
- Retail Trends Review – TER has assessed industry wide retail trends in order to identify the implications for redevelopment within the Promenade Centre SP, and to inform recommendations relating to its future retail offering. As part of this retail trends review, TER has also commented on the three Case Studies identified by the Consultant Team, in association with the City.
- Commercial Needs Assessment – TER has utilized a retail expenditure analysis and a service per capita needs analysis to identify the amount of retail and service space required to serve the future population of the Promenade Centre SP.
- Commercial Space Recommendations – This commercial needs assessment concludes with recommendations with respect to the future function of the commercial space and the corresponding amount and type of commercial space required to fulfil this function and to serve the future residents of the Promenade Centre SP.

### 2.2 Caveat

This commercial needs assessment is conducted in the context of the prevailing municipal, Regional and Provincial policies at the time of preparing this report. The commercial needs assessment relies on a forecast build out population, which is presumed by TER to be accurate. If these forecasts prove to diverge significantly from the population levels realized, the analysis may require revision.

Furthermore, TER understands that the retail marketplace is constantly evolving in response to changing consumer preferences and technological innovation. The purpose of the retail trends section of this report is to provide context to the current retail trends that are affecting the marketplace, and decisions regarding retail development.

### 3 Commercial Context

This section of the report examines the existing commercial context of the Promenade Centre SP and its main commercial centre, Promenade Mall. The commercial context of the surrounding area will influence the amount of commercial space planned for the Promenade Centre SP.

In order to assess the future commercial space requirements for the Promenade Centre SP, it is critical to first understand the function of the main commercial component of the Promenade Centre SP, which is Promenade Mall. In order to conduct this assessment, TER examined the following:

- 3.1 Existing Retail Function & Attributes of Promenade Mall;
- 3.2 The Existing Local Retail Context;
- 3.3 The Existing Macro Retail Context; and,
- 3.4 Future Retail Context.

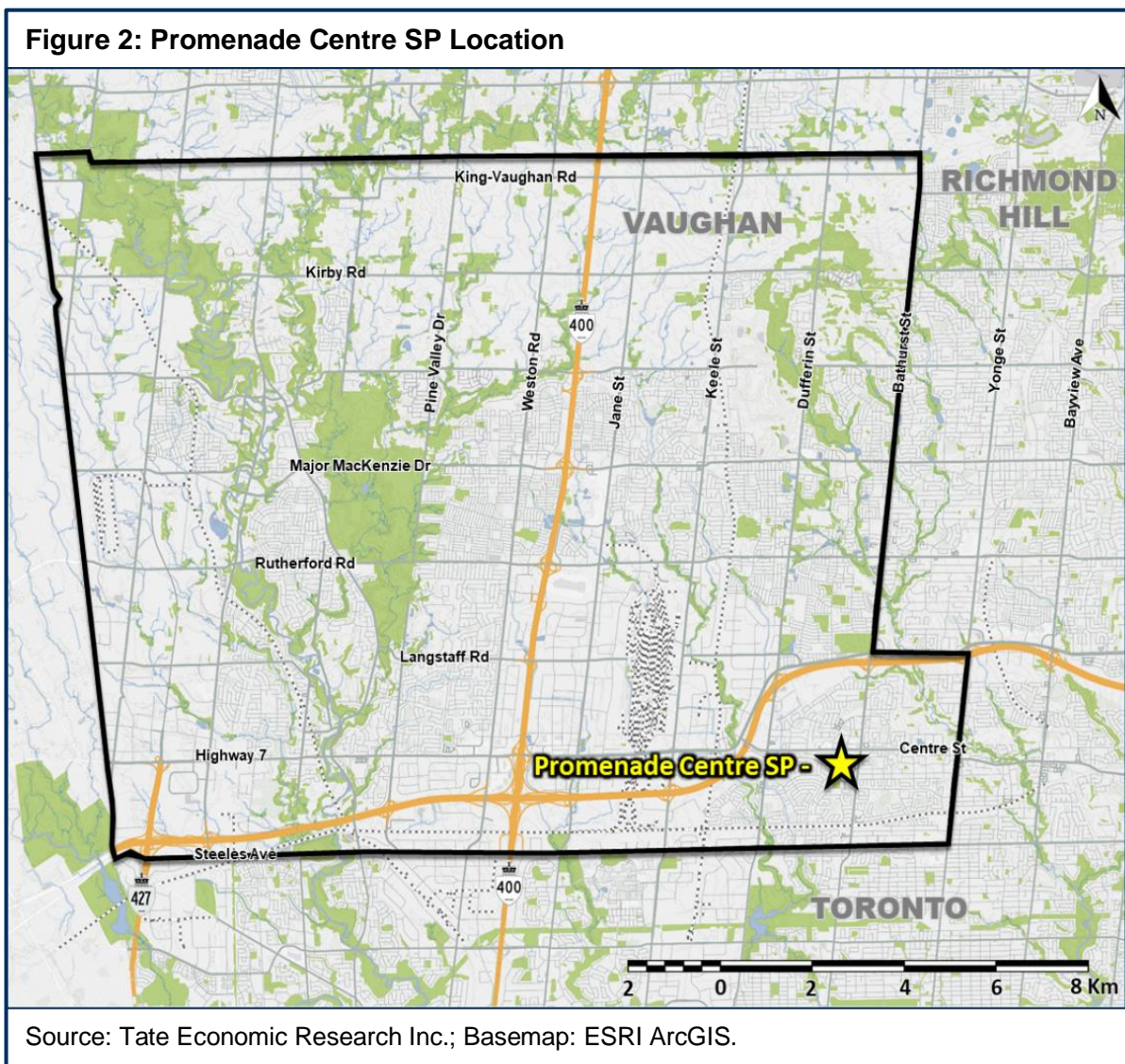
#### 3.1 Existing Retail Function & Attributes of Promenade Mall

##### 3.1.1 Promenade Mall Locational Attributes & Retail Composition

Figure 2, on the following page, illustrates the location of Promenade Mall in the context of the City of Vaughan. The following observations have been made with respect to the existing geographic characteristics of Promenade Mall:

- Promenade Mall is a regional class shopping centre located at the southwest corner of Centre Street and Bathurst Street in the City of Vaughan;
- While Promenade Mall is located along these two arterial roads, the mall does not have visibility or access to a major 400-series highway. As a result, Promenade Mall lacks the same regional access characteristics that other regional type malls typically possess;
- Promenade Mall opened in 1986. It was anchored by Eaton’s and Sears department stores. It has evolved considerably over time and now includes a T&T Supermarket in the former Eaton’s space. The former Sears space is planned for demolition in the first phase of the redevelopment;
- Promenade Mall is located in a predominantly residential neighbourhood area containing a mix of high-rise towers and low-density single detached homes;
- There are also low-density retail commercial uses with at-grade parking located north of Promenade Mall, primarily along Centre Street. These commercial areas contain a mix of big box stores and smaller ancillary retail;

- The Viva BRT is under construction along Bathurst Street and Centre Street adjacent to Promenade Mall. The Bathurst & Centre Viva BRT is expected to be in service by the beginning of 2020. As a result of the adjacent Viva BRT, Promenade Mall is located within an MTSA. An MTSA is defined in the 2019 A Place to Grow: Growth Plan for the Greater Golden Horseshoe (“A Place to Grow”) as an area within a 500 to 800 metre radius of an existing or planned higher order transit station; and,
- Despite the lack of direct highway access and visibility to Promenade Mall, its location along higher order transit improves its accessibility with the surrounding area for those not traveling by vehicle.



In addition to these locational characteristics, the existing retail composition of Promenade Mall is indicative of a regional shopping centre. Promenade Mall is largely

comprised of speciality, destination type retailers. The following observations have been made with respect to the retail composition within Promenade Mall:

- Of all occupied space within Promenade Mall, the mall is currently comprised of approximately 85% retailers and 15% services;
- A significant portion of the retail space within Promenade Mall is comprised of speciality retailers in the Clothing, Shoes & Accessories segment. Clothing, Shoes & Accessories retailers comprise approximately 33% of all available space within Promenade Mall; and,
- Excluding the former Sears space, Promenade Mall is comprised of approximately 57% of specialty and destination type retailers. Speciality and destination type retailers include segments such as Clothing, Shoes & Accessories, Household Furniture & Electronics, General Merchandise and Miscellaneous Retailers.

### 3.1.2 Customer Draw

In order to determine the current customer draw of Promenade Mall, TER has utilized Vista cellular location services data from individual smartphones. This information assists us in determining customer volume, locational patterns, and the geographic distribution of customers.

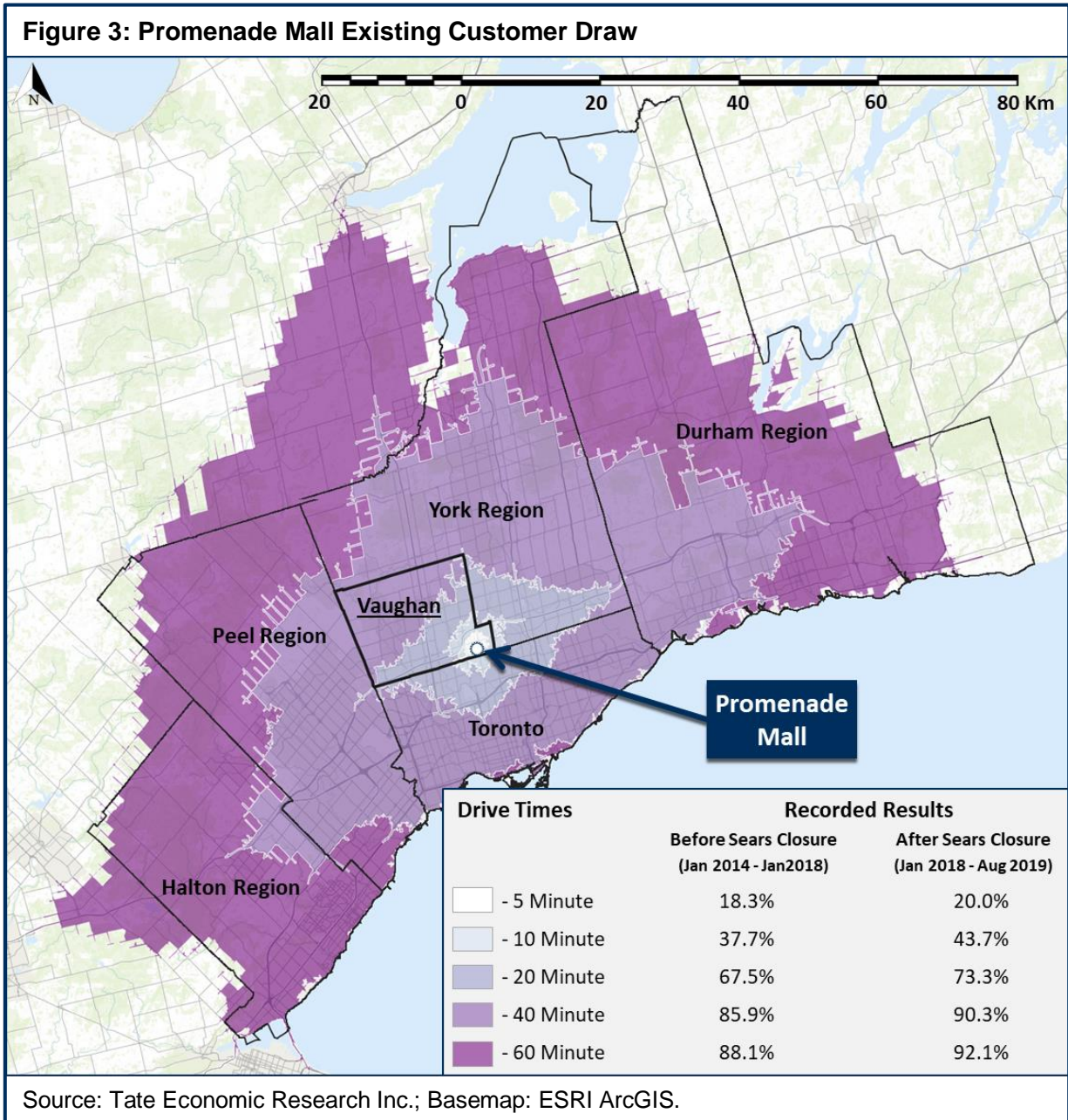
The Vista cellular location services data is anonymized, permission-based data collected from location enabled smartphones. Each smartphone has a Unique Device ID and an associated Common Evening Location (“CEL”). The Unique Device ID represents an identifier for each specific device, and the CEL is derived from where each device spends the majority of its time at night. The cellular location services data was gathered between January 2014 and August 2019. As such, TER has examined the draw of Promenade Mall both before and after the closure of the mall’s Sears anchor in January 2018.

Figure 3, on the following page, illustrates the existing customer draw of Promenade Mall based on surrounding drive times. The following observations have been made with respect to Figure 3:

- The closure of the mall’s Sears department store anchor did not significantly alter the mall’s existing customer draw, however, post-Sears, the mall is slightly more reliant on local shoppers than it was previously;
- The local area surrounding Promenade Mall, as indicated by the 5-minute drive time, accounts for approximately 19% of its customer draw, both before and after the Sears closure;
- Promenade Mall draws approximately 90% of its customers from within a 60-minute drive time both before and after the Sears closure. This drive time encompasses much of the Greater Toronto Area and extends north to Barrie;



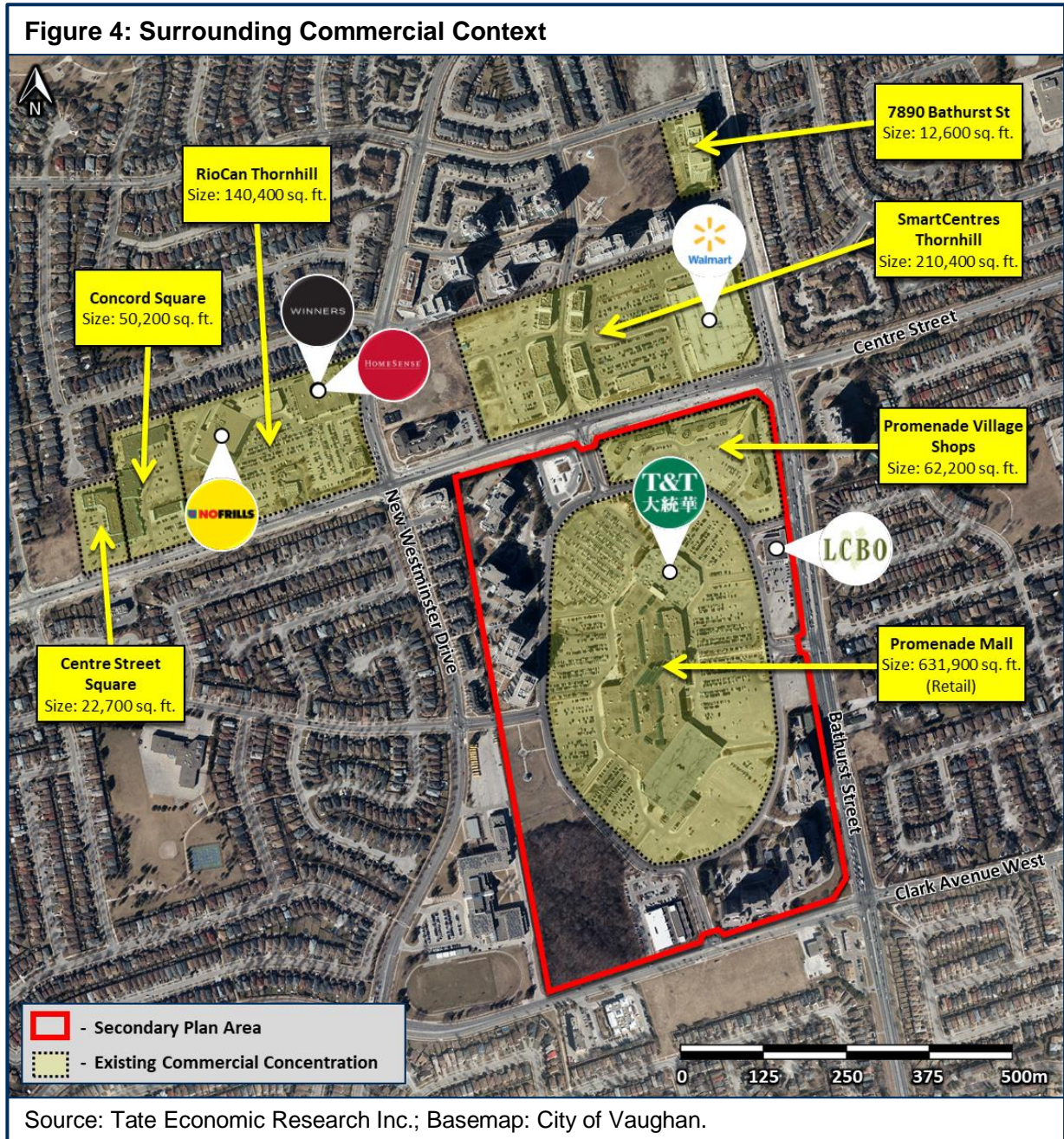
- The majority of Promenade Mall’s customers come from within a more regional 20-minute drive time (70%). This drive time encompasses areas within Vaughan, Toronto and neighbouring municipalities within York Region; and,
- Overall, the customer draw of Promenade Mall is indicative of a regional shopping centre. Specifically, the mall is not only supported by its local population, as it draws upon the immediate region made up of multiple municipalities in the Greater Toronto Area.





### 3.2 Existing Local Retail Context

Figure 4 illustrates the commercial context within the area immediately surrounding the Promenade Centre SP. An inventory of all retail, service and vacant space was conducted by TER within this area in June 2019.



The following observations have been made with respect to Figure 4:

- Commercial space within the Promenade Centre SP is comprised of Promenade Mall, Promenade Village Shops and a freestanding LCBO store;



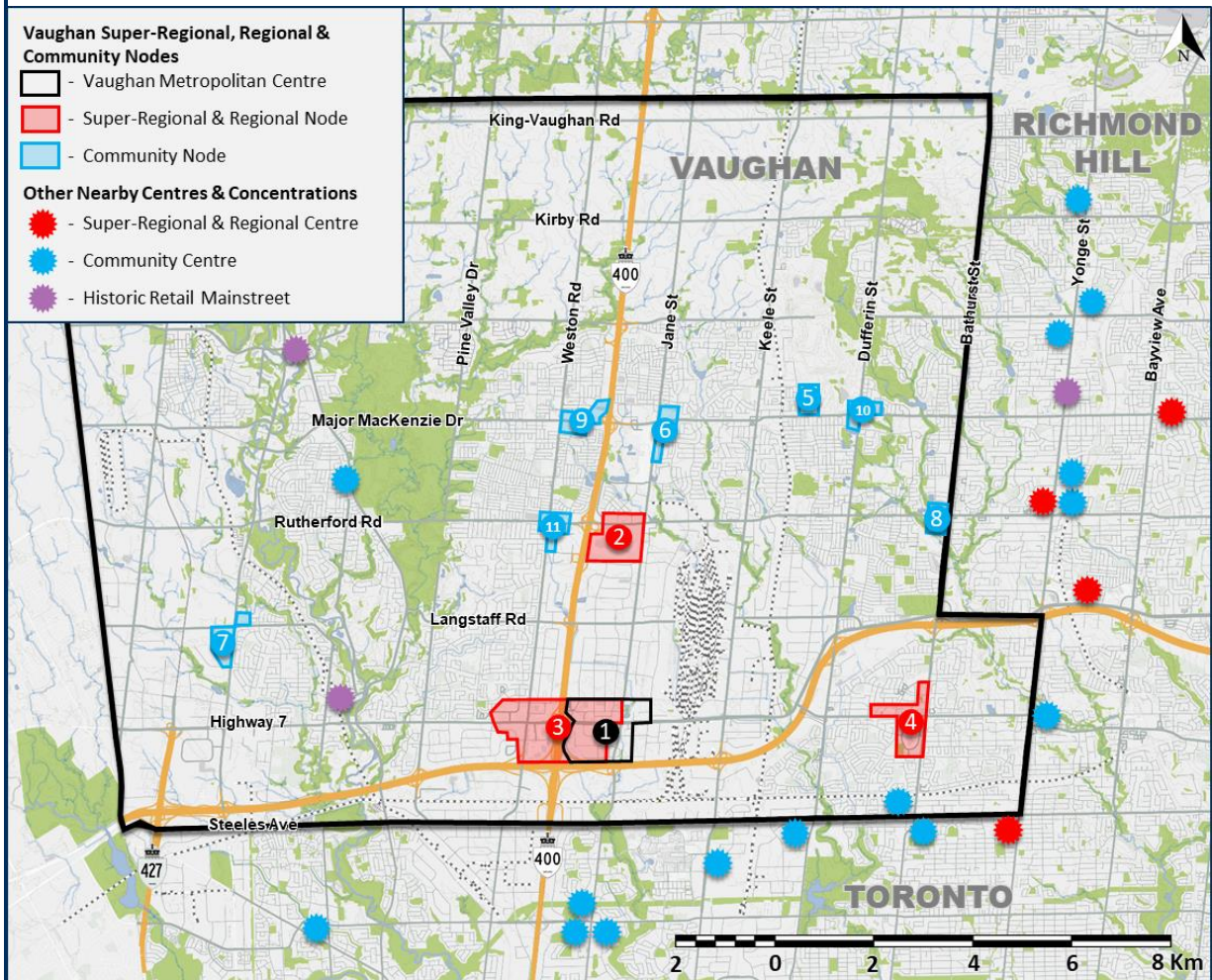
- Promenade Mall is a regional shopping centre of approximately 675,000 square feet and is the dominant commercial centre within and surrounding the Promenade Centre SP. Of this 675,000 square feet, approximately 631,900 square feet is retail commercial space;
- The remaining commercial space within the Promenade Centre SP is comprised of the adjacent Promenade Village Shops and a free-standing, 13,000 square foot LCBO store. Promenade Village Shops is a 62,200 square foot shopping plaza predominantly comprised of local serving convenience tenants such as restaurants, hair services, laundry services, convenience & specialty food retail and medical uses;
- Outside of the Promenade Centre SP, there are two retail centres to the north. These include the Walmart anchored SmartCentres Thornhill centre, and the No Frills, Winners and HomeSense anchored RioCan Thornhill centre. Together these centres amount to approximately 350,800 square feet;
- There is also more convenience-oriented, local serving retail surrounding the Promenade Centre SP contained within the 50,200 square foot Concord Square centre and the 22,700 square foot Centre Street Square plaza; and,
- There is 12,600 square feet of retail within a mixed-use format on the ground floor of 7890 Bathurst Street, approximately 400 metres north of the Promenade Centre SP.

It is likely that the adjacent commercial centres located at SmartCentres Thornhill and RioCan Thornhill will undergo redevelopment and residential intensification in the future. Typically, these kinds of retail redevelopment projects result in less retail commercial space as new retail space is provided in more efficient, mixed-use formats that usually cannot accommodate standard big box anchors. As such, TER expects that the role of Promenade Mall as the dominant commercial centre in its local surrounding area will be retained and/or enhanced in the future as adjacent commercial centres redevelop.

### **3.3 Existing Macro Retail Context**

An important component in establishing the future commercial needs for the Promenade Centre SP is an examination of the surrounding commercial environment. Figure 5, on the following page, illustrates the macro commercial context within Vaughan with respect to the surrounding super-regional, regional and community commercial nodes.

**Figure 5: Macro Commercial Context**



#	Sq. Ft. ('000)	Super-Regional			Community	Other
		Regional	Specialty	Community		
<b>Proposed</b>						
1	750	1				
<b>Existing</b>						
<b>2 Vaughan Mills Node</b>						
Vaughan Mills Centre	1270	1				
Tuscany Place at Vaughan Mills	346		1			
The Village at Vaughan Mills	139		1			
Highland Centre	141			1		
Other	79				1	
<b>3 Highway 400 &amp; Highway 7 Node</b>						
RioCan Colossus Centre	706		1			
SmartCentres Woodbridge	637		1			
Interchange Centre	508		1			
SmartCentres 400 & 7	403		1			
Vaughan Smartcentre	347		1			
Portage Parkway Lowe's Plaza	135			1		
Woodbridge Square	112			1		
Other	83				4	

#	Sq. Ft. ('000)	Super-Regional			Community	Other
		Regional	Specialty	Community		
<b>Regional</b>						
<b>4 Promenade Node</b>						
Promenade Mall	557	1				
SmartCentres Thornhill	210			1		
RioCan Thornhill	140			1		
Other	124				3	
<b>Other Community Nodes</b>						
5 Major Mackenzie & McNaughton Node	372		1			
6 Major Mackenzie & Jane Node	367			2	2	
7 Highway 27 & Langstaff Node	354			1	2	
8 Rutherford & Bathurst Node	300			2		
9 Major Mackenzie & Vellore Park Node	281			2	1	
10 Major Mackenzie & Dufferin Node	266			1	2	
11 Rutherford & Weston Node	231			1	2	

Source: Tate Economic Research Inc.; with data from Ryerson University Centre for the Study of Commercial Activity (CSCA).

The following observations are made with respect to Figure 5 and the existing retail structure in Vaughan and the surrounding area:

- As considerable commercial development has yet to occur in the VMC, Vaughan's retail hierarchy is currently comprised of two-super regional nodes, a regional node and various community nodes comprised of clusters of community and neighbourhood shopping centers;
- Vaughan's super-regional nodes are comprised of the Vaughan Mills node and the Highway 400 & Highway 7 node.
- In the future, the continued development of the VMC and planned development for Weston 7 Primary Centre will encompass the existing area occupied by the Highway 400 & Highway 7 node;
- Vaughan Mills is the largest shopping centre within the City and is comprised of approximately 1.3 million square feet of retail commercial space. It is unique in the region, as it is categorized as hybrid, super-regional, entertainment and outlet mall;
- Promenade Mall is Vaughan's only regional shopping node. The Promenade Mall node is comprised of Promenade Mall and its surrounding retail concentration ("Promenade node");
- The Promenade node can currently be considered as the number three node in Vaughan's existing retail hierarchy;
- The Promenade node is in close proximity to other enclosed regional shopping centres within neighbouring municipalities of Toronto and Richmond Hill. Specifically, Centrepont Mall, a 589,000 square foot enclosed centre is located 2.7 kilometres to the southeast, and Hillcrest Mall, a 611,000 square foot enclosed centre is located 5.4 kilometres to the northeast;
- There is a nearby concentration of speciality power centre uses located at Highway 7 and Yonge Street in Richmond Hill. The concentration contains approximately 840,000 square feet speciality retail space and is located 4.5 kilometres to the northeast of the Promenade node; and,
- In addition, there is another nearby concentration of power centre type retail uses at the southwest corner of Steeles Avenue West and Dufferin Street in the City of Toronto. This retail concentration contains approximately 445,000 square feet speciality and convenience type retail space and is located 2.6 kilometres southwest of the Promenade node.

Promenade Mall and Vaughan Mills are the only enclosed malls within the City of Vaughan. As a result, Promenade Mall is currently somewhat unique within Vaughan's retail structure, as it is one of two enclosed malls that contain a critical mass of speciality retailers attracting customers from a wide geographic region. If the existing



Promenade Mall were to become un-enclosed, as the Secondary Planning Study process moves forward and new internal streets are implemented, there is the possibility that Promenade could lose its regional retail function.

Specifically, as an enclosed centre, Promenade Mall is able to contain a critical mass of speciality retailers in a format that is unique within Vaughan. Alternatively, if retail were provided on the Promenade Mall site in a more urban, mixed-use format, it would compete more directly with other mixed-use redevelopment projects currently occurring within Vaughan that are proposing a similar type and scale of retail development. As a result, future mixed-use development proposed on the Promenade Mall site may result in more local serving retail, in order to compensate for the increased competition with other major redevelopment sites for specialty, first to market and destination type retailers. The following section of this report discusses future competing redevelopment projects within Vaughan.

### **3.4 Future Retail Context**

The following section of this report examines the future development potential within designated Primary Intensification Areas surrounding Promenade Mall that may impact the future retail potential within the Promenade Centre SP. Furthermore, this section of the report also examines how the retail function of Promenade Mall may be affected as it develops in an MTSA.

#### **3.4.1 Vaughan Metropolitan Centre (“VMC”)**

The VMC is a master planned, high density, mixed-use area located near the northeast quadrant of Highway 400 and Highway 7. The VMC is planned to become Vaughan’s new downtown area and is anticipated to be the primary node for intensification within Vaughan.

High rise residential and office space is continuing to be developed within the VMC as the area is transitioning away from its former single storey, big box retail and industrial uses. Specifically, there is approximately 1 million square feet of existing big box retail uses in the VMC. By 2031 the VMC is anticipated to contain 12,000 residential units, 1.5 million square feet of office space, and 750,000 square feet of retail space.<sup>1</sup> The reduction in retail space reflects the assumption that retail space in the VMC will be provided within higher density, mixed-use formats.

The VMC will offer a centralized location that is connected to higher order transit via the Vaughan Metropolitan Centre subway station and Viva Bus Terminal, as well as existing major highways. However, as a result of these superior access characteristics and similar built form compared to what is planned for the Promenade Centre SP, the VMC will likely offer strong competition for retail tenants.

#### **3.4.2 Vaughan Mills Centre Secondary Plan Area Intensification**

The Vaughan Mills Centre Secondary Plan encompasses the area immediately surrounding the Vaughan Mills shopping centre, as well as a proposed Business

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<sup>1</sup> City of Vaughan, Economic Development and Culture Services. (2018). *The Vaughan Advantage Guide 2018*.

District at Weston Road and Rutherford Road. The Secondary Plan specifies that there is significant commercial and residential intensification anticipated for this area. Specifically, the Secondary Plan indicates that by 2031, the Vaughan Mills Centre Secondary Plan Area is anticipated to contain approximately 1.3 million square feet of retail commercial uses,<sup>2</sup> in addition to the existing 1.3 million square foot Vaughan Mills shopping centre.

### 3.4.3 Weston 7 Primary Centre Secondary Plan Area Intensification

The City of Vaughan has recently initiated a three-phase secondary planning process for Weston 7 Primary Centre, which consists of the area located along Highway 7, west of Highway 400 and north of Highway 407. The recently completed Phase 1 Report provides high-level findings relating to proposed land uses, and intensification potential on the Weston 7 Primary Centre lands to inform a future Secondary Plan. The City has recently released an RFP for Phase 2, which will delineate a preferred land use and Secondary Plan for the area.

The Weston 7 Primary Centre Secondary Plan Area is in close proximity to the VMC. Similarly, the area currently consists of predominantly single storey big box retail uses with large, at-grade parking lots. The Weston 7 Primary Centre area currently consists of approximately 2 million square feet of retail commercial uses. The Phase 1 Report outlines that Weston 7 Primary Centre represents “*an important area of intensification*” and that the function of Weston 7 as a retail and entertainment node will likely continue in conjunction with redevelopment for future residential and office uses.

The Phase 1 Report’s Commercial Use Assessment outlines that retail development within the Weston 7 Primary Centre could range from approximately 548,000 square feet to 1.5 million square feet depending on the development and density scenario that is ultimately planned for the Weston 7 Primary Centre Secondary Plan Area.<sup>3</sup> The reduction in retail space anticipated for the Weston 7 Primary Centre is due to the fact that existing retail space will likely be redeveloped into a mixed-use format that typically includes smaller unit sizes.

### 3.4.4 MTSA Retail Implications

As a result of the adjacent Viva Bathurst & Centre BRT project, Promenade Mall is located within an MTSA along a Priority Transit Corridor, as indicated on Schedule 5 of A Place to Grow. Section 2.2.4.2 of A Place to Grow states the following regarding MTSA:

*“For major transit station areas on priority transit corridors or subway lines, upper- and single-tier municipalities, in consultation with lower-tier municipalities, will delineate the boundaries of major transit station areas in a transit-supportive manner that maximizes the size of the area and the number of potential transit users that are within walking distance of the station”*

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<sup>2</sup> Dialog & MMM Group. (2014). *Vaughan Mills Centre Secondary Plan*, page 112.

<sup>3</sup> City of Vaughan & Urban Strategies Inc. (2019). *Weston 7 Secondary Plan Phase 1 Final Report, Appendix 2: Weston 7 Population and Employment Outlook and Commercial Use Assessment (2018)*, Table 9.

A Place to Grow indicates that MTSAs along BRT lines will have a minimum density target of 160 residents and jobs combined per hectare. The Region of York has set a higher draft density target of 200 residents and jobs combined per hectare for the MTSA containing the Promenade Centre SP. As a result of this target, there will be increased residential and employment density planned in the vicinity of Promenade Mall. As Promenade Mall is likely to continue as the dominant commercial centre within its local area, increased residential and employment densities surrounding the mall will provide additional local and daytime population that will frequent the mall.

In addition, the Viva Bathurst & Centre BRT project will offer improved connectivity to Promenade Mall for those not traveling by automobile. This improved accessibility will be beneficial to the retail function and overall draw of the site. However, it should be noted that despite the Viva BRT access, Promenade Mall does not share the same transit access characteristics as the VMC, which acts as the central hub for Viva BRT in Vaughan, as well as providing access to the TTC Subway.

### **3.5 Commercial Context Conclusion**

Promenade Mall is a regional shopping centre that is comprised predominantly of speciality, destination type retailers and services and is the primary commercial centre within the Promenade Centre SP and surrounding local area. From a macro perspective, Promenade Mall is Vaughan's only enclosed regional centre other than Vaughan Mills, and its primary customer draw consists of the surrounding region represented by an approximate 20-minute drive time. As a result of this regional draw, retail development in the Promenade Centre SP will likely compete with commercial development in Vaughan anticipated at the VMC and existing super-regional centres, which are planned to experience significant residential and commercial development in the future.



## 4 Case Study & Retail Trends Review

The following section of this report reviews comparable Case Studies of enclosed shopping centre redevelopments in Canada. This chapter is complimentary to the *Case Studies and Best Practices Review (2019)* conducted by Brook McIlroy as part of the Promenade Centre SP Study. The Case Studies were selected by the Consultant Team in coordination with the City of Vaughan, based on their similar characteristics to Promenade Mall, their location near higher-order transit and proposed mix of residential and commercial uses. The following Case Studies were selected:

1. Agincourt Mall – Toronto, Ontario
2. Oakridge Centre – Vancouver, British Columbia
3. Brentwood Town Centre – Burnaby, British Columbia

The following part of this section examines the general trends in shopping centre intensification, and comments on the evolution of retail formats as it pertains to enclosed shopping centres such as Promenade Mall. Specifically, this section examines how shopping centre intensification is a response to changing consumer preferences, shifts in the retail marketplace and values of land.

### 4.1 Case Study Commentary

#### 4.1.1 Agincourt Mall

##### ***Existing Context***

Agincourt Mall is a 317,000 square foot enclosed community shopping centre that opened in 1966. Agincourt Mall is anchored by an outward facing, 120,000 square foot Walmart department store and a 40,000 square foot No Frills supermarket. The mall contains an enclosed area featuring several ancillary chain and independent retailers. Agincourt Mall is located at 3850 Sheppard Avenue East in the City of Toronto.

Agincourt Mall is largely a convenience-oriented centre and it is located at the northwest corner of Sheppard Avenue East and Kennedy Road, two major arterial roads. Agincourt Mall does not have direct access to a major highway. With respect to transit, it is currently only serviced directly by 10-minute bus service along Sheppard Avenue East, although it is located within a 500-metre radius of the nearby Agincourt GO Transit Station.

Agincourt Mall is not the dominant retail centre in its surrounding area. Specifically, the surrounding retail hierarchy is led by Scarborough Town Centre, located 2.5 kilometres away. Scarborough Town Centre is a 1.3 million square foot super-regional shopping centre that has direct highway and higher order transit access.

Despite its function, Agincourt Mall is located within a designated MTSA due to the nearby Agincourt GO Station, approximately 500 metres west. Agincourt GO is on the

Markham-Stouffville GO Line. In addition, Agincourt Mall is located on a stretch of Sheppard Avenue East that is planned to contain a future TTC Line 4 extension via a subway or LRT. As a result of this proximity to existing and future higher-order transit, Agincourt Mall will experience significant intensification and is indicative of a future transit mixed-use node.

### Redevelopment

The owner of the centre, North American Development Group (“NADG”) has proposed to redevelop Agincourt Mall into a major mixed-use project containing a mix of residential, office, retail, community and open space uses. Specifically, the redevelopment will consist of 4,725 residential units, 97,650 square feet of office space and 266,600 square feet of retail space in twelve mid to high-rise buildings.

NADG is planning to reduce the overall amount of retail space by 16% and provide retail in a mixed-use, pedestrian friendly format. As part of the redevelopment, both existing anchor tenants will be retained, albeit in smaller units. Specifically, the space occupied by Walmart will be reduced from 120,000 square feet to 70,000 square feet, while No Frills will be reduced from 40,000 square feet to 25,000 square feet.

### Existing



Source: North American Property Group, 2019.

This reduction in retail space reflects the existing mall’s role as a local community serving centre. Agincourt Mall will not usurp Scarborough Town Centre as the dominant retail node in the area, due to Scarborough Town Centre’s scale and significant concentration of destination and speciality retail.

Furthermore, the reduction in proposed retail space reflects a shift in focus towards the pedestrian and transit-oriented consumer. Specifically, the majority of proposed retail space within the Agincourt Mall redevelopment will be provided along a north-south retail promenade, extending

### Proposed Redevelopment



### Proposed Master Plan / Retail Layout



Source: North American Property Group, 2019.

northward from Sheppard Avenue East, as well as an intersecting east-west neighbourhood street. NADG has proposed to emulate the design of traditional retail main streets by providing a building to building width of 27 metres, in addition to narrow retail storefronts with an emphasis on encouraging pedestrian traffic and cross street shopping.

#### 4.1.2 Oakridge Centre

##### ***Existing Context***

Oakridge Centre is a 580,000 square foot enclosed regional shopping centre in Vancouver that opened in 1959. Oakridge Centre is anchored by a 182,500 square foot Hudson's Bay department store and a 50,100 square foot Safeway supermarket. Oakridge Centre is located at 650 West 41<sup>st</sup> Avenue.

Oakridge Centre is the dominant retail centre in its surrounding area, despite not being large enough to be considered 'super-regional'. The Retail Council of Canada determined that Oakridge Centre was the third most profitable shopping centre in Canada based on sales per square foot levels. In the Vancouver market, this performance was only surpassed by CF Pacific Centre, located approximately 6 kilometres north in Vancouver's downtown area.

Oakridge Centre is indicative of a dominant regional centre as it has higher-order transit access located directly on site in the form of the Oakridge 41<sup>st</sup> Avenue SkyTrain station. The Oakridge 41<sup>st</sup> Avenue station is located along the Canada Line, which links the Oakridge Centre site with downtown Vancouver to the north, Richmond to the south and Vancouver International Airport to the southwest.

Overall, the Oakridge Centre site's exceptional locational and accessibility characteristics, and success as one of Canada's most profitable shopping malls have made Oakridge Centre an attractive site for intensification.

##### ***Redevelopment***

The owners of the centre, Westbank and QuadReal Property Group, have proposed to redevelop Oakridge Centre into a major mixed-use project containing a range of residential, office, retail and open space uses. Specifically, the development will consist of approximately 2,548 residential units, 433,000 square feet of office space and 1.283 million square feet of retail space within 14 mid to high rise buildings.

The 1.283 million square feet of retail space represents a 120% increase over what is currently existing on the Oakridge Centre site. This amount of retail space will be accommodated within a redeveloped enclosed shopping mall on the site along with a proposed retail high street. The proposed high street will be on lands formerly occupied by a parking lot, reflecting a focus towards a more pedestrian friendly, mixed-use retail offering that will benefit from the on-site SkyTrain access.



### Proposed Site Plan



Source: Westbank / QuadReal, 2018.

The ability of Oakridge Centre to support more than double its existing retail space is a result of the mall's status as one of Canada's most profitable malls, as well as its excellent regional access characteristics. In addition, the significant amount of proposed residential and office uses on the Oakridge Centre site will allow for a local and daytime population that can help support the additional retail space proposed on the site.

### Existing



### Proposed Redevelopment



Source: Google Earth; Westbank/QuadReal Property Group, 2019.

## 4.1.3 Brentwood Town Centre

### Existing Context

Brentwood Town Centre was a 500,000 square foot enclosed regional shopping centre that opened in 1961. Brentwood Town Centre was formerly anchored by a Sears department store. Brentwood Town Centre was located at 4567 Lougheed Highway in the City of Burnaby and was located less than 100 metres from the Brentwood Town Centre Skytrain Station.

Brentwood Town Centre was not the dominant retail centre within Burnaby. The local retail hierarchy is led by Metropolis at Metrotown ("Metropolis"), a 1.78 million square foot super-regional shopping centre located approximately 4.3 kilometres to the south. Metropolis was categorized by the Canadian Retail Council as Canada's 9<sup>th</sup> most profitable shopping centre per square foot in 2018. From an access perspective, Metropolis has characteristics similar to Brentwood Town Centre, in that it has direct SkyTrain access along the Expo Line.

Brentwood Town Centre’s proximity to higher order transit and abundance of surrounding at-grade parking made it a prime intensification site. Brentwood Town Centre was located along the Millennium SkyTrain line, which provides direct, frequent transit access between downtown Vancouver to the west, and Coquitlam to the east.

### ***Redevelopment***

The owners of the centre, Shape Properties, have begun redeveloping Brentwood Town Centre into a major mixed-use project containing a range of residential, office and retail space. Specifically, the redevelopment when fully built out will contain approximately 6,000 residential units in 11 new residential towers, 1 million square feet of office space and 1.1 million square feet of retail space.

Similarly to the Oakridge Centre, Shape Properties is planning to increase the overall amount of retail space by 120% and provide retail in both a traditional enclosed shopping centre format as well as along a new retail high street within a “Central Shopping Precinct”.

### ***Existing***



Source: Google Image; Shape Properties, 2019.

### ***Proposed Redevelopment***



However, what makes the increase in retail space at Brentwood Town Centre unique from Oakridge Centre is that Oakridge Centre is the dominant retail commercial centre within its respective area, while Brentwood Town Centre was not. Shape Properties will be adding an entirely new “Entertainment Precinct”. This Entertainment Precinct will have a significant focus on experiential retail and food & beverage offerings. It will be anchored by a 65,000 square foot Cineplex VIP Cinema and Rec Room along with various restaurant tenants. This entertainment focus will differentiate the Brentwood Town Centre redevelopment from Metropolis.

Brentwood Town Centre is the only examined Case Study that is currently under construction. In terms of timing, Phase 1 of the Brentwood Town Centre redevelopment is anticipated to be complete in late 2019 and will include the Entertainment Precinct. Phase 2 is anticipated for completion by mid 2021.

**Figure 6**  
**Status of Examined Case Studies**

Case Study	Development Status	Estimated Completion	Existing / Prior Retail Space (Sq. Ft.)	Retail Space After Redevelopment (Sq. Ft.)
Agincourt Mall	Proposed / Under Review	n.a.	317,000	266,600
Oakridge Centre	Proposed / Under Review	n.a.	580,000	1,283,000
Brentwood Town Centre	Under Construction	2019 (Phase 1)	500,000	1,100,000

Source: Tate Economic Research Inc.

#### 4.1.4 Case Study Conclusion

The three examined Case Studies represent enclosed shopping malls that share similar locational, access and built-form characteristics between each other and Promenade Mall. Specifically, the Case Studies are similar to Promenade Mall as they are all aging centres, are located along major arterial roads, provide vast at grade parking, and are in close proximity to existing or planned higher order transit services.

However, the Case Studies vary somewhat in terms of function. Specifically, Agincourt Mall represents a more convenience-oriented, local serving centre, while Oakridge Centre is a speciality, regional serving centre. In terms of size and function, Brentwood Town Centre is between the two.

Despite the similarities amongst the Case Studies in terms of location, access and built form, the current retail function of the centre was a determining factor in how each centre is being redeveloped from a retail perspective. For example, the plan to more than double the space at Oakridge Centre is influenced by its strong current sales performance levels. Conversely, Agincourt Mall, being anchored by a Walmart and No Frills, has a convenience type retail offering that serves a more localized customer draw. As a result, the planned redevelopment of Agincourt Mall proposes to essentially provide the same retail offering, just in a smaller, more efficient mixed-use format.

The following section of this report examines the hierarchy and traditional characteristics of shopping centres, as well as general factors that have resulted in their redevelopment.

## 4.2 Hierarchy of Shopping Centres

Shopping centres are classified in a hierarchy that is primarily influenced by the overall size and function of the centre. Specially, shopping centres can range from large, destination type super-regional malls above 800,000 square feet (such as Vaughan Mills), to smaller, local serving convenience-oriented centres of up to 40,000 square feet. Promenade Mall, at approximately 675,000 square feet, is classified as a regional mall within this overall hierarchy. Figure 7, on the following page, outlines the typical sizes and tenancies of each shopping centre class as identified by the International Council of Shopping Centres (“ICSC”).



**Figure 7**  
**Classification of Shopping Centres**

Type	GLA Range (Sq. Ft.)	# of Anchors	Class	Types of Anchors	Typical Locational Characteristics	Examples
Super Regional Mall	800,000+	3+	A	<ul style="list-style-type: none"> <li>• Large Format Department Stores</li> </ul>	Visible to 400 Series Highway	<ul style="list-style-type: none"> <li>• Vaughan Mills Centre</li> <li>• Yorkdale Mall</li> <li>• CF Markville Mall</li> </ul>
Regional Mall	300,000 - 799,999	2+	A / B	<ul style="list-style-type: none"> <li>• Department Store (A)</li> <li>• Large Format Discount Stores (B)</li> <li>• Big Box Speciality Retailer (B)</li> <li>• Supermarket (B)</li> </ul>	Visible to 400 Series Highway OR Along Major Arterial Road	<ul style="list-style-type: none"> <li>• Promenade Mall</li> <li>• Centrepoint Mall</li> <li>• Brentwood Town Centre</li> <li>• Oakridge Centre</li> </ul>
Community	100,000 - 400,000	1+	A / B / C	<ul style="list-style-type: none"> <li>• Department Store (A)</li> <li>• Supermarket (B)</li> <li>• Drug Store (B)</li> <li>• Big Box Retailer (B/C)</li> <li>• Discount Department Store (C)</li> </ul>	Along Major / Minor Arterial Road	<ul style="list-style-type: none"> <li>• Agincourt Mall</li> <li>• Jane Finch Mall</li> <li>• Eglinton Square</li> </ul>
Neighbourhood	40,000 - 99,999	1	B / C	<ul style="list-style-type: none"> <li>• Supermarket (B)</li> <li>• Drug Store (B/C)</li> <li>• Discount Store (C)</li> </ul>	Along Major / Minor Arterial Road	<ul style="list-style-type: none"> <li>• Peanut Plaza</li> <li>• Kingston Square</li> </ul>
Convenience	10,000 - 39,999	0	C	<ul style="list-style-type: none"> <li>• Convenience Store</li> </ul>	Along Local / Collector Streets	

Source: Tate Economic Research Inc.; International Council of Shopping Centres (ICSC).

Promenade Mall can be classified as a Class B regional mall due to its size, anchor tenants and geographic location. Specifically, while Promenade Mall contains several speciality and destination type retailers, its primary anchor tenant is currently a T & T Supermarket, which is atypical of regional malls. Promenade Mall’s other major tenant, a Sears department store, closed in January 2018 as part of Sears’ Canada-wide closures.



Promenade Mall – Vaughan, ON

Furthermore, Promenade Mall does not have typical geographical and visibility characteristics. Most Canadian regional malls are typically located adjacent to, or directly visible from, a major highway. Conversely, Promenade Mall is located at the southwest corner of Bathurst Street and Centre Street, regional roads within the City of Vaughan.

Promenade Mall does share characteristics with some Class A regional malls, such as Oakridge Centre, in that it is of a similar overall size and is in close proximity to higher order transit. Despite this, overall Promenade Mall does not contain the anchor tenants, geographic location and market visibility to make it a definitive Class A regional mall.

### 4.3 Evolution of Retail Formats

Shopping centres have continued to evolve to reflect changing consumer preferences. The following section comments on the evolution of retail formats.

### 4.3.1 Previous Retail Formats

In the 1960s through to the 1980s, the majority of retail development was in the form of enclosed shopping centres or malls. Malls varied considerably in size and were typically anchored by large format department stores such as Eaton's, Hudson's Bay or Sears.

From the 1980's onward, the majority of new retail development in Canada has either been in the form of grocery-anchored neighbourhood centres or power centres. Both forms of development have typically been single storey developments with a building-to-land coverage of approximately 25%. This development format reflected the automobile-oriented consumer, as well as the supply of commercial designated land, which in the past has been abundant.

### 4.3.2 Decline of Lower-Tier Enclosed Shopping Centres

The market share of enclosed shopping centres has been slowly declining in the past three decades. Lower-tier enclosed community and neighbourhood centres make up the bulk of this decline as Class A regional and super-regional malls have generally stayed strong due to their focus on high-end, destination and speciality retail.

Lower tier enclosed centres were first impacted by the emergence of power centres. Power centres offered an alternative to the traditional enclosed mall format and were cheaper to operate as they featured lower land costs, rents and lower common area maintenance ("CAM") costs. They also provided opportunities for "big box" stores, many of which could not be accommodated in existing enclosed shopping centres. Power centres were particularly attractive to middle-tier retailers that historically operated in community, neighbourhood and lower-tier regional sized malls.



North Hill Shopping Centre – Calgary, AB

The challenge for these types of shopping centres is further exacerbated by the diverging retail market, which has seen consumers increasingly desire more value-oriented or high-end retail stores. Some middle-market retailers, such as Sears, which made up a significant portion of regional, community and neighbourhood mall tenants relocated to a less expensive retail format or disappeared from the Canadian market altogether.

### 4.3.3 Shopping Centre Intensification

In VECTOM markets, there has been a shift towards urban intensification and compact mixed-use developments. The shift towards intensification in these markets is a direct result of increasing land values, servicing costs, and diminishing supplies of

available developable land. In the Toronto and Vancouver markets in particular, the abundant demand for new residential units due to significant population growth is also a considerable factor. This shift has forced developers to consider the redevelopment of existing properties as opposed to greenfield development. As such, many developers are strategizing as to how they can maximize their existing commercial assets.



The geographic and physical characteristics of many enclosed shopping centres have provided them with ample potential for development and intensification. Specifically, most enclosed shopping centres are surrounded by vast at-grade parking lots that are available for developers to build on. Furthermore, the traditional location of enclosed shopping centres built from the 1960s to the 1980s are along major arterial roads and highways, which provide them with excellent accessibility and locational attributes. As such, the characteristics which in the past had justified a good retail site, have now made them attractive for intensification.

The underlying principle of retail development, “location, location, location” continues as the primary factor behind urban retail intensification. The success of shopping centres / retail nodes is driven by location and therefore, consumer accessibility. Existing retail locations that offer the best access, visibility and exposure characteristics, remain the most valuable for shopping centres / retail nodes in general, and for intensification opportunities in particular.

As population densities increase and Transportation Demand Management (“TDM”) initiatives including public transit infrastructure are realized, the emphasis on catering to the automobile-oriented customer will be diminished for some shopping formats. The potential for intensification is related to accessibility in the form of roads, transit or nearby residential / employment populations. Ultimately, intensification is a direct result of land economics. Increased customer accessibility leads to the potential to achieve greater investment returns through more efficient land uses. Accessibility, in particular, provides incentive for intensification of shopping centre sites and other sites within retail nodes.

#### **4.4 The ‘Living’ Nature of Shopping Centres**

The retail sector is dynamic and constantly changing in response to the marketplace and consumer preferences. From a demand perspective, e-commerce, including changes in the way consumers are shopping and where they shop, socio-economic conditions, diversifying lifestyle patterns and evolving population and household demographics are some of the many factors that are influencing Canadian retailing.

As a result of the evolving dynamic of the retail marketplace, the condition and hierarchy of traditional shopping centres is not static. Rather, shopping centres can be

considered as ‘living’ entities that are either continuously improving by adapting to changes in the retail market, or declining.

Specifically, influences such as the diverging retail market, which has resulted in a growing number of households placing a greater emphasis on both value retailing and in contrast, premium brands, has had significant impact on the ability of many shopping centres to retain tenants. This is because the diverging nature of retail purchases among high- and low-end retailers has resulted in stagnating demand for middle market retail and as such, many middle market retailers, such as Sears, have been forced to exit the retail market altogether. This has resulted in high vacancy rates and loss of anchor tenants for many enclosed shopping centres, including Promenade Mall. In response, shopping centre owners and property managers are now required to routinely attain new tenants in response to constantly shifting market preferences, or, as in the case of Promenade Mall, consider redevelopment alternatives.

#### 4.5 Retail Function Dictates Retail Redevelopment Potential

The retail redevelopment potential of an existing shopping centre is often dictated by the existing retail function of the shopping centre itself, and surrounding market. Specifically, higher order super-regional and Class A regional centres often have the opportunity to expand their retail offering through redevelopment as they already contain a critical mass of destination and speciality retailers, often times luxury retailers, which have provided a successful retail environment to warrant expansion. An example of this is Oakridge Centre, as discussed previously, where the existing concentration of high-end retail warranted considerable expansion of the existing retail offering.

Conversely, lower-tier regional, community and neighbourhood centres who have lost their middle market tenants and anchor stores over time do not provide the same justification for expanding their retail offering through redevelopment. Instead, these centres are typically required to re-invent themselves into something significantly different than before, such as Brentwood Town Centre, to make them unique again in their respective market. Furthermore, lower-tier enclosed centres are also redeveloped in such a way where the retail offering on the site is tailored to serve demand for convenience-oriented retail and services, and to support the residential and office uses added through redevelopment. This is indicative of the redevelopment proposed for Agincourt Mall. This type of redevelopment often results in the scale of retail uses on the site declining.



“The Amazing Brentwood”  
Source: Shape Properties, 2017



## 5 Commercial Needs Assessment

When conducting a commercial needs assessment for a planning exercise such as the Promenade Centre SP, the standard approach is to utilize a per capita space needs analysis and/or a residual expenditure analysis. This section of the report quantifies the amount of commercial space required in the Promenade Centre SP in the context of the findings from the previous sections.

### 5.1 Assumptions and Recommendation Context

For the purpose of this analysis, the following assumptions have been made:

- 1) The analysis is based on the maximum gross developable potential buildout population of 11,500 persons as determined by Hemson Consulting Limited;
- 2) The analysis assumes that the *minimum* amount of retail commercial space required is based on the quantum of space that is required to serve the future residents of the Promenade Centre SP;
- 3) The analysis does not provide a maximum amount of retail space based on the current and future demand profile beyond the boundaries of the Promenade Centre SP. The total quantum of space will largely be determined by several factors that cannot be determined at this point, specifically the evolution of the surrounding retail market and the implications of this on the function of the Promenade Centre SP. However, TER has provided general guidance on what we believe the future function, from a commercial perspective, will be:

**It is our professional opinion that the future function of Promenade Mall can be summarized as: “more local and less regional”. As a result, the retail offering within the Promenade Centre SP would likely offer a mix of speciality and local serving retail and would operate as largely a convenience-oriented node. From a warranted space analysis, the minimum amount of space that would be required to serve the Promenade Centre SP residents would be between 250,000 to 350,000 square feet. The upper range of this space assumes that the Promenade Centre SP enhances and strengthens its function as a local node serving not only the Promenade Centre SP population but also the surrounding local area.**

The basis for this opinion is summarized below:

- Promenade Mall is the dominant retail commercial centre within the Promenade Centre SP and its surrounding area. TER expects that the role of Promenade Mall as the dominant commercial centre in its local area will be retained and / or enhanced in the future as adjacent commercial centres redevelop.

- Promenade Mall is currently the third largest retail concentration in Vaughan, behind retail concentrations at Vaughan Mills and Highway 400/7. In the future, Promenade Mall’s position as Vaughan’s third tier retail node is likely to change as the VMC continues to intensify, and Weston 7 Primary Centre begins to develop. Furthermore, the potential de-malling of Promenade Mall in the future may diminish or eliminate Promenade Mall’s regional function, and ability to retain a critical mass, as competition for retailers within other significant mixed-use projects becomes amplified.
  - In the future, the VMC (and possibly Weston 7 Primary Centre) have the potential to usurp the regional function of Promenade Mall by offering a more centralized location with better access to transit and major highways.
  - The VMC and Weston 7 Primary Centre will compete directly with a redeveloped Promenade Mall as each area will offer retail commercial facilities in a predominantly mixed-use format.
  - The VMC in particular will provide significant competition for first to market retailers, particularly speciality and entertainment retailers who will look to locate in a central, high visibility area. The VMC may also provide a competitive location for retailers that already exist within Promenade Mall.
- 4) Therefore, from the context of the maximum amount of retail commercial space, it is unlikely that the development / redevelopment of the Promenade Centre SP will result in more square footage than already exists, i.e. 750,000 square feet of commercial space.

## 5.2 Warranted Space Analysis Summary

Figure 8, on the following page, summarizes the warranted retail commercial demand based on the estimated population growth of 11,500 persons. The detailed demand tables that support this summary figure are found in Appendix A. The following observations are made with respect to Figure 8:

- Warranted Retail Space - For the purpose of this analysis, TER has utilized an expenditure based residual analysis to assess the warranted demand for retail space based on the Promenade Centre SP projected population. The residual analysis assesses the amount of retail space in the Promenade Centre SP based on new population growth. It does not assume sales transfers from existing retailers and therefore is considered to be conservative. The residual analysis is conducted on specific commercial categories. The purpose of this level of specificity is to ensure that the overall future demand is based on detailed demand factors relevant to each category. However, for long term land needs analysis, it is more appropriate to refer to overall commercial demand rather than individual categories. The rationale behind this conclusion reflects the ever-evolving state of retail and the blurring of retail channels which results in the demand for one category of retail space being potentially met by retailers in another category.



- Warranted Service Space – TER has utilized a per capita space analysis to assess the amount of service space required to serve the new population in the Promenade Centre SP. A per capita needs assessment provides a general assessment of the amount of commercial space that is required to serve a future population. The standard methodology applies a square foot per capita ratio to the forecast population resulting in the amount of space required.
- The expenditure analysis has been adjusted to account for the increasing impact of e-commerce on ground-oriented retail space.
- It is important to note that this summary is intended to provide a guideline for estimating the long-term demand for future retail and service space in the Promenade Centre SP. Figures presented in this report should not be interpreted as fixed values, as a variety of variables may influence long-term demand. The summary results shown in Figure 8 should be interpreted as a guideline for developing a framework to advance the Secondary Planning Study process and ultimate development of the site.

<b>Figure 8</b>		
<b>Promenade Centre SP Retail Market Demand Based on Residential Growth (2041)</b>		
		2041
	Promenade Centre SP Population	11,500
		2041
		<i>Square Feet</i>
PREDOMINANTLY DESTINATION TYPE RETAIL	Clothing & Accessories Stores	23,700
	Furniture, Home Furnishings and Electronics	23,900
	Building and Outdoor Home Supplies Stores	32,600
DESTINATION / CONVENIENCE RETAIL	Automotive	7,500
	Miscellaneous Retailers	19,600
	All Other General Merchandise Stores	49,800
CONVENIENCE RETAIL	Pharmacies and Personal Care Stores	13,100
	Specialty Food	13,200
	Supermarket	38,800
SERVICE	Beer, Wine & Liquor	5,600
	Food Services and Drinking Places	39,700
	Personal Care and Laundry	15,000
	Financial, Insurance, Legal & Real Estate	23,900
	Health Care and Social Assistance Services	23,700
	Entertainment and Recreation Services	11,400
	Other Services	44,000
<b>Total</b>		<b>385,500</b>
Source: Tate Economic Research Inc.		

- Overall, the future residents of the Promenade Centre SP can support approximately 385,000 square feet of retail and service space. However, not all of their needs will be serviced by retail and services within the Promenade Centre SP (referred to as “outflow”) which would lead to a reduction in space and conversely the Promenade Centre SP may serve the needs of people who

live outside of the Promenade Centre SP (referred to as “inflow”). For ease of analysis, TER has assumed that inflow = outflow.

- The TER recommendation of a minimum of between 250,000 – 350,000 square feet is below the overall warranted demand as it is our opinion that the Promenade Centre SP will operate as a more convenience-oriented development and therefore, the specialty retail expenditures will likely be satisfied at other locations.

### **5.3 Commercial Needs Assessment Conclusion**

The retail environment is in a constant state of change and therefore, predicting the future needs of the population with a degree of certainty is challenging. However, for the purpose of this analysis, TER has recommended that a minimum of 250,000 to 350,000 square feet of commercial space be planned for in the Promenade Centre SP based on the information known at this time with respect to the surrounding competitive environment. The overall amount of retail space will be subject to several variables that are unknown at this time. Despite this, it will be unlikely that the final amount of retail commercial space developed within the Promenade Centre SP will exceed the 750,000 square feet of commercial space that currently exists.

## Appendix A – Retail Commercial Demand Background Tables

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

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- Figure A-16: Promenade Centre CP Beer, Wine & Liquor (BWL) Expenditure Potential
- Figure A-17: Service Space Warranted Space Analysis

<b>Figure A-1</b>						
<b>2018 Promenade Centre SP Per Capita Income Indices <sup>(1-2)</sup></b>						
	<b>Population 15 Years and Over</b>	<b>Average Income</b>	<b>Total Income (\$Millions)</b>	<b>2018 Total Population</b>	<b>Per Capita Income</b>	<b>Index to the Province</b>
Promenade Centre SP	2,124	\$42,366	\$90	2,355	\$38,210	91.9
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 income data obtained from the Environics Analytics 2018 DemoStats.



<b>Figure A-2</b>					
<b>Per Capita NFBR Expenditure Estimates, 2018</b>					
<b>2018</b>					
<b>Non-Food &amp; Beverage Retail</b>	<b>Total Retail Sales (\$ M) <sup>(1)</sup></b>	<b>Per Capita</b>	<b>Distribution</b>	<b>Non-Department Store Distribution</b>	
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%	
<b>Total NFBR Expenditures</b>	<b>\$99,730.7</b>	<b>\$6,963</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>Non-Food &amp; Beverage Retail</b>	<b>2018 E-Commerce Adjustment</b>	<b>E-Commerce Omni-Channel Sales (\$ M)</b>	<b>Per Capita</b>	<b>Distribution</b>	<b>Non-Department Store Distribution</b>
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%
<b>Total NFBR Expenditures</b>	<b>2.1%</b>	<b>\$2,086.10</b>	<b>\$145.00</b>	<b>100.2%</b>	<b>100.0%</b>
<b>Ontario - Estimated 2018 Population <sup>(3)</sup></b>	<b>14,322,757</b>				
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.					

<b>Figure A-3 Per Capita FBR Store Expenditure Estimates, 2018</b>				
<b>2018</b>				
<b>Food &amp; Beverage Retail Categories</b>	<b>Total Retail Sales (\$ M) <sup>(1)</sup></b>	<b>Per Capita</b>	<b>Distribution</b>	
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%	
<b>Total FBR Expenditures</b>	<b>\$44,236.9</b>	<b>\$3,089</b>	<b>100.0%</b>	
<b>Food &amp; Beverage Retail Categories</b>	<b>2018 E-Commerce Adjustment</b>	<b>E-Commerce Omni-Channel Sales (\$ M)</b>	<b>Per Capita</b>	<b>Distribution</b>
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%
<b>Total FBR Expenditures</b>	<b>0.42%</b>	<b>\$187.4</b>	<b>\$13.0</b>	<b>100.0%</b>
<b>Ontario - Estimated 2018 Population <sup>(2)</sup></b>	<b>14,322,757</b>			
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.				

<b>Figure A-4</b>			
<b>Promenade Centre SP Non-Food &amp; Beverage Retail (NFBR) Expenditure Potential</b>			
	2018	2041	
<b>Province of Ontario - Average Per Capita NFBR Expenditures</b>			
Per Capital E-Commerce Omni Channel Sales	\$145	2.1%	13.6%
Per Capita Ground Related Sales	\$6,818	97.9%	
Per Capita NFBR Expenditures	\$6,963	100.0%	
2018 Dollars (\$Millions)		2018	2041
<b>Promenade Centre SP</b>			
Income Index to Province		91.9	
NFBR Expenditure Index		98.1	
Per Capita NFBR Expenditures		\$6,830	\$8,400
Per Capita E-Commerce Omni Channel Sales		\$140	\$1,142
Per Capita Ground Related Sales		\$6,690	\$7,258
Population			11,500
Total NFBR Potential		\$ -	\$83.5
<b>TOTAL Promenade Centre SP</b>			
Total NFBR Potential (\$ Millions)		\$ -	\$83.5
Source: Tate Economic Research Inc.			

<b>Figure A-5 Department Store Market Demand Analysis</b>		
2018 Dollars (\$Millions)	2018	2041
<b>Promenade Centre SP</b>		
NFBR Expenditure Potential	\$ -	\$83.5
Department Store Share %	12.3%	12.3%
Department Store Share \$	\$ -	\$10.3
Promenade Centre SP Share %	100.0%	100.0%
Promenade Centre SP Share \$	\$0.0	\$10.3
<b>Promenade Centre SP Department Store Expenditure</b>	\$ -	\$10.3
<b>Total Promenade Centre SP Share</b>	\$0.0	\$10.3
<b>Inflow %</b>	0.0%	0.0%
<b>Inflow \$</b>	\$0.0	\$0.0
<b>Total Promenade Centre SP Department Store Sales</b>	\$0.0	\$10.3
<b>Effective Competition</b>	\$ -	\$ -
<b>Residual Demand</b>	\$0.00	\$10.3
<b>Warranted Department Store Space @ \$555 per Sq. Ft.</b>		18,600
Source: Tate Economic Research Inc.		



<b>Figure A-6 Automotive Market Demand Analysis</b>		
2018 Dollars (\$Millions)	2018	2041
<b>Promenade Centre SP</b>		
NFBR Expenditure Potential	\$ -	\$83.5
Automotive Share %	2.9%	2.9%
Automotive Share \$	\$ -	\$2.4
Promenade Centre SP Share %	100.0%	100.0%
Promenade Centre SP Share \$	\$0.0	\$2.4
<b>Promenade Centre SP Automotive Expenditure</b>	\$ -	\$2.4
<b>Total Promenade Centre SP Share</b>	\$0.0	\$2.4
<b>Inflow %</b>	0.0%	0.0%
<b>Inflow \$</b>	\$0.0	\$0.0
<b>Total Promenade Centre SP Automotive Sales</b>	\$0.0	\$2.4
<b>Effective Competition</b>	\$ -	\$ -
<b>Residual Demand</b>	\$0.00	\$2.4
<b>Warranted Automotive Space @ \$320 per Sq. Ft.</b>		7,500
Source: Tate Economic Research Inc.		

<b>Figure A-7</b>		
<b>Furniture, Home Furnishings &amp; Electronics Market Demand Analysis</b>		
2018 Dollars (\$Millions)	2018	2041
<b>Promenade Centre SP</b>		
NFBR Expenditure Potential	\$ -	\$83.5
Furnishings, Home Furnishings & Electronics Share %	14.6%	14.6%
Furnishings, Home Furnishings & Electronics Share \$	\$ -	\$12.2
Promenade Centre SP Share %	100.0%	100.0%
Promenade Centre SP Share \$	\$0.0	\$12.2
<b>Promenade Centre SP Furnishings, Home Furnishings &amp; Electronics Expenditure</b>	\$ -	\$12.2
<b>Total Promenade Centre SP Share</b>	\$0.0	\$12.2
<b>Inflow %</b>	0.0%	0.0%
<b>Inflow \$</b>	\$0.0	\$0.0
<b>Total Promenade Centre SP Furnishings, Home Furnishings &amp; Electronics Sales</b>	\$0.0	\$12.2
<b>Effective Competition</b>	\$ -	\$ -
<b>Residual Demand</b>	\$0.00	\$12.2
<b>Warranted Furnishings, Home Furnishings &amp; Electronics Space @ \$510 per Sq. Ft.</b>		23,900
Source: Tate Economic Research Inc.		

<b>Figure A-8</b>		
<b>Building &amp; Outdoor Home Supplies Market Demand Analysis</b>		
2018 Dollars (\$Millions)	2018	2041
<b>Promenade Centre SP</b>		
NFBR Expenditure Potential	\$ -	\$83.5
Building & Outdoor Home Supplies Stores Share %	13.3%	13.3%
Building & Outdoor Home Supplies Stores Share \$	\$ -	\$11.1
Promenade Centre SP Share %	100.0%	100.0%
Promenade Centre SP Share \$	\$0.0	\$11.1
<b>Promenade Centre SP Building &amp; Outdoor Home Supplies Stores Expenditure</b>	\$ -	\$11.1
<b>Total Promenade Centre SP Share</b>	\$0.0	\$11.1
<b>Inflow %</b>	0.0%	0.0%
<b>Inflow \$</b>	\$0.0	\$0.0
<b>Total Promenade Centre SP Building &amp; Outdoor Home Supplies Stores Sales</b>	\$0.0	\$11.1
<b>Effective Competition</b>	\$ -	\$ -
<b>Residual Demand</b>	\$0.00	\$11.1
<b>Warranted Building &amp; Outdoor Home Supplies Stores Space @ \$340 per Sq. Ft.</b>		32,600
Source: Tate Economic Research Inc.		

<b>Figure A-9 Pharmacies &amp; Personal Care Stores Market Demand Analysis</b>		
2018 Dollars (\$Millions)	2018	2041
<b>Promenade Centre SP</b>		
NFBR Expenditure Potential	\$ -	\$83.5
Pharmacies & Personal Care Stores Share %	18.3%	18.3%
Pharmacies & Personal Care Stores Share \$	\$ -	\$15.3
Promenade Centre SP Share %	100.0%	100.0%
Promenade Centre SP Share \$	\$0.0	\$15.3
<b>Promenade Centre SP Pharmacies &amp; Personal Care Stores Expenditure</b>	\$ -	\$15.3
<b>Total Promenade Centre SP Share</b>	\$0.0	\$15.3
<b>Inflow %</b>	0.0%	0.0%
<b>Inflow \$</b>	\$0.0	\$0.0
<b>Total Promenade Centre SP Pharmacies &amp; Personal Care Stores Sales</b>	\$0.0	\$15.3
<b>Effective Competition</b>	\$ -	\$ -
<b>Residual Demand</b>	\$0.00	\$15.3
<b>Warranted Pharmacies &amp; Personal Care Stores Space @ \$1170 per Sq. Ft.</b>		13,100
Source: Tate Economic Research Inc.		



<b>Figure A-10</b>		
<b>Clothing &amp; Accessories Stores Market Demand Analysis</b>		
2018 Dollars (\$Millions)	2018	2041
<b>Promenade Centre SP</b>		
NFBR Expenditure Potential	\$ -	\$83.5
Clothing & Accessories Stores Share %	14.5%	14.5%
Clothing & Accessories Stores Share \$	\$ -	\$12.1
Promenade Centre SP Share %	100.0%	100.0%
Promenade Centre SP Share \$	\$0.0	\$12.1
<b>Promenade Centre SP Clothing &amp; Accessories Stores Expenditure</b>	\$ -	\$12.1
<b>Total Promenade Centre SP Share</b>	\$0.0	\$12.1
<b>Inflow %</b>	0.0%	0.0%
<b>Inflow \$</b>	\$0.0	\$0.0
<b>Total Promenade Centre SP Clothing &amp; Accessories Stores Sales</b>	\$0.0	\$12.1
<b>Effective Competition</b>	\$ -	\$ -
<b>Residual Demand</b>	\$0.00	\$12.1
<b>Warranted Clothing &amp; Accessories Stores Space @ \$510 per Sq. Ft.</b>		23,700
Source: Tate Economic Research Inc.		

<b>Figure A-11</b>		
<b>Other General Merchandise Stores Market Demand Analysis</b>		
2018 Dollars (\$Millions)	2018	2041
<b>Promenade Centre SP</b>		
NFBR Expenditure Potential	\$ -	\$83.5
General Merchandise Stores Share %	13.7%	13.7%
General Merchandise Stores Share \$	\$ -	\$11.4
Promenade Centre SP Share %	100.0%	100.0%
Promenade Centre SP Share \$	\$0.0	\$11.4
<b>Promenade Centre SP General Merchandise Stores Expenditure</b>	\$ -	\$11.4
<b>Total Promenade Centre SP Share</b>	\$0.0	\$11.4
<b>Inflow %</b>	0.0%	0.0%
<b>Inflow \$</b>	\$0.0	\$0.0
<b>Total Promenade Centre SP General Merchandise Stores Sales</b>	\$0.0	\$11.4
<b>Effective Competition</b>	\$ -	\$ -
<b>Residual Demand</b>	\$0.00	\$11.4
<b>Warranted General Merchandise Stores Space @ \$365 per Sq. Ft.</b>		31,200
Source: Tate Economic Research Inc.		

<b>Figure A-12</b>		
<b>Miscellaneous Stores Market Demand Analysis</b>		
2018 Dollars (\$Millions)	2018	2041
<b>Promenade Centre SP</b>		
NFBR Expenditure Potential	\$ -	\$83.5
Miscellaneous Retailers Share %	10.4%	10.4%
Miscellaneous Retailers Share \$	\$ -	\$8.7
Promenade Centre SP Share %	100.0%	100.0%
Promenade Centre SP Share \$	\$0.0	\$8.7
<b>Promenade Centre SP Miscellaneous Retailers Expenditure</b>	\$ -	\$8.7
<b>Total Promenade Centre SP Share</b>	\$0.0	\$8.7
<b>Inflow %</b>	0.0%	0.0%
<b>Inflow \$</b>	\$0.0	\$0.0
<b>Total Promenade Centre SP Miscellaneous Retailers Sales</b>	\$0.0	\$8.7
<b>Effective Competition</b>	\$ -	\$ -
<b>Residual Demand</b>	\$0.00	\$8.7
<b>Warranted Miscellaneous Retailers Space @ \$445 per Sq. Ft.</b>		19,600
Source: Tate Economic Research Inc.		

<b>Figure A-13</b>			
<b>Promenade Centre SP Food &amp; Beverage Retail (FBR) Expenditure Potential (Excluding Beer, Wine &amp; Liquor)</b>			
	2018		2041
<b>Province of Ontario - Average Per Capita FBR Expenditures</b>			
Per Capital E-Commerce Omni Channel Sales	\$12	0.5%	6.3%
Per Capita Ground Related Sales	\$2,426	99.5%	
Per Capita FBR Expenditures	\$2,438	100.0%	
2018 Dollars (\$Millions)		2018	2041
<b>Promenade Centre SP</b>			
Income Index to Province		91.9	
FBR Expenditure Index		99.0	
Per Capita FBR Expenditures		\$2,415	\$2,555
Per Capita E-Commerce Omni Channel Sales		\$11.9	\$159.6
Per Capita Ground Related Sales		\$2,403	\$2,395
Population		-	11,500
Total FBR Potential		\$ -	\$27.5
<b>TOTAL Promenade Centre SP</b>			
Total FBR Potential (Excluding BWL) (\$ Millions)		\$ -	\$27.5
Source: Tate Economic Research Inc.			



<b>Figure A-14</b>		
<b>Supermarket Market Demand Analysis</b>		
2018 Dollars (\$Millions)	2018	2041
<b>Promenade Centre SP</b>		
FBR Expenditure Potential	\$ -	\$27.5
Supermarket Share %	82.4%	82.4%
Supermarket Share \$	\$ -	\$22.7
Promenade Centre SP Share % (3)	100.0%	100.0%
Promenade Centre SP Share \$ (3)	\$0.0	\$22.7
<b>Promenade Centre SP Supermarket Expenditure</b>	\$ -	\$22.7
<b>Total Promenade Centre SP Share</b>	\$0.0	\$22.7
<b>Inflow %</b>	0.0%	0.0%
<b>Inflow \$</b>	\$0.0	\$0.0
<b>Total Promenade Centre SP Supermarket Sales</b>	\$0.0	\$22.7
<b>Effective Competition</b>	\$ -	\$ -
<b>Residual Demand</b>	\$0.00	\$22.7
<b>Warranted Supermarket Space @ \$585 per Sq. Ft.</b>		38,800
Source: Tate Economic Research Inc.		

<b>Figure A-15</b>		
<b>Specialty Food Market Demand Analysis</b>		
2016 Dollars (\$Millions)	2018	2041
<b>Promenade Centre SP</b>		
FBR Expenditure Potential	\$ -	\$27.5
Specialty Food Share %	17.6%	17.6%
Specialty Food Share \$	\$ -	\$4.8
Promenade Centre SP Share % (3)	100.0%	100.0%
Promenade Centre SP Share \$ (3)	\$0.0	\$4.8
<b>Promenade Centre SP Specialty Food Expenditure</b>	\$ -	\$4.8
<b>Total Promenade Centre SP Share</b>	\$0.0	\$4.8
<b>Inflow %</b>	0.0%	0.0%
<b>Inflow \$</b>	\$0.0	\$0.0
<b>Total Promenade Centre SP Specialty Food Sales</b>	\$0.0	\$4.8
<b>Effective Competition</b>	\$ -	\$ -
<b>Residual Demand</b>	\$0.00	\$4.8
<b>Warranted Specialty Food Space @ \$365 per Sq. Ft.</b>		13,200
Source: Tate Economic Research Inc.		

<b>Figure A-16</b>			
<b>Promenade Centre SP Beer, Wine &amp; Liquor (BWL) Expenditure Potential</b>			
	2018		2041
<b>Province of Ontario - Average Per Capita BWL Expenditures</b>			
Per Capital E-Commerce Omni Channel Sales	\$1.0	0.2%	6.0%
Per Capita Ground Related Sales	\$649.0	99.8%	
Per Capita BWL Expenditures	\$650	100.0%	
2018 Dollars (\$Millions)	2018		2041
<b>Promenade Centre SP</b>			
Income Index to Province	91.9		
BWL Expenditure Index	97.7		
Per Capita BWL Expenditures	\$635		\$670
Per Capita E-Commerce Omni Channel Sales	\$1.0		\$39.8
Per Capita Ground Related Sales	\$634		\$630
Population	-		11,500
Total BWL Potential	\$ -		\$7.2
Promenade Centre SP Share %	100.0%		100.0%
Promenade Centre SP Share \$	\$0.0		\$7.2
<b>Promenade Centre SP BWL Expenditure</b>	\$ -		\$7.2
<b>Total Promenade Centre SP Share</b>	\$0.0		\$7.2
<b>Inflow %</b>	0.0%		0.0%
<b>Inflow \$</b>	\$0.0		\$0.0
<b>Total Promenade Centre SP BWL Sales</b>	\$0.0		\$7.2
<b>Effective Competition</b>	\$ -		\$ -
<b>Residual Demand</b>	\$0.00		\$7.2
<b>Warranted BWL Space @ \$1275 per Sq. Ft.</b>			5,600
Source: Tate Economic Research Inc.			

<b>Figure A-17</b>		
<b>Service Space Warranted Space Analysis</b>		
	Per Capita Sq. Ft. <sup>(1)</sup>	2041
Population		11,500
Services: Food Services and Drinking Places	3.45	39,700
Services: Personal Care and Laundry	1.30	15,000
Services: Financial, Insurance, Legal & Real Estate	2.08	23,900
Services: Health Care and Social Assistance	2.06	23,700
Services: Entertainment and Recreation	0.99	11,400
Services: Other	3.83	44,000
<b>Total Services</b>	<b>13.71</b>	<b>157,700</b>
Source: Tate Economic Research Inc.		
<sup>1)</sup> Calculated based on various comparable development projects in the GTA as well as TER professional judgement.		