

J.C. WILLIAMS GROUP

Evaluating Large Retail Developments Near Pedestrian Shopping Areas in Toronto

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**With support from
Centre for the Study of Commercial Activity
R.E. Millward Planning Consultants**

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Member of the EBELTOFT GROUP - International Expertise in Retail Service Business

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EXECUTIVE SUMMARY	1
1.0 INTRODUCTION	6
2.0 PRINCIPLES	9
3.0 GOALS OF STUDY: EVALUATING LARGE RETAIL DEVELOPMENT NEAR PEDESTRIAN SHOPPING AREAS IN TORONTO.....	10
4.0 TRENDS IN RETAIL	12
5.0 VITALITY AND VIABILITY OF MAIN STREETS	19
6.0 REGULATING GROSS FLOOR AREA: STORE SIZE LIMITS/THRESHOLDS ON LARGE RETAIL.....	21
7.0 IMPACT OF LARGE RETAIL ON MAIN STREETS.....	24
8.0 RECOMMENDATIONS	31
9.0 APPLICATION OF RECOMMENDATIONS TO BATHURST STREET STUDY	41
APPENDICES	

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Executive Summary

J.C. Williams Group was retained by the City of Toronto to conduct a study evaluating the impact of large retail development near pedestrian shopping districts. The methodology proposed for this study included four major workshops with a Steering Committee composed of City of Toronto planning and economic development staff.

The specific focus was to provide input and recommendations to the City of Toronto on how they should evaluate applications for large retail developments and how to assess their impact on existing pedestrian shopping districts. The particular focus was on areas outside the Downtown/Central Core in the former City of Toronto. In addition, the study was part of another parallel project related to the built form and land use on Bathurst Street between Dupont Street and Queen Street West. The large retail development study used Bathurst Street as a template to evaluate the local application of the city-wide recommendations.

City of Toronto Steering Committee

- Peter Moore
- Liora Freedman
- Lynda Macdonald
- Jamie McEwan
- Judy Morgan
- Jim Helik
- Charlene Miranda

Principles

Over the course of the study the following key principles came through in the discussions. These included:

- Retail follows residential and planned residential – planning studies including Precinct Plans, Corridor Studies, Secondary Plans, etc. should provide for retail (amount and location) to serve residential growth.
- Healthy competition is good and should be encouraged in retail situations to keep businesses fresh, new, innovative, and profitable.
- To encourage good retail growth: new retail development has to fit in with the environment – including the planned function, the socio-economics of the local neighbourhood, the retail mix (capitalize on a strength or create an opportunity), and respect for the physical form of the street and neighbourhood.
- Retail space should allow for flexible retail uses – the retail space has to be able to accommodate different/future retailers as retail uses within the space will change over time.
- Planning should not control for type of retail (i.e., types of goods sold).
- To the extent that each retail main street has its own retail character, this is good as it adds diversity.

Current regulations

The current zoning limits the amount of new retail development in the former City of Toronto (except for some parts of Downtown), where:

- Retail and service uses on a property are limited to the size that existed in July 1993, plus an additional 1,800 m²;
- Retail and service uses cannot exceed the zoning density limit for commercial use on the property; and
- No single retail or service store can be larger than 8,000 m².

The study recognizes that the City's current planning and economic development programs and policies have been, in part, instrumental in bringing about healthy main streets environments (particularly in the former City of Toronto). This includes not only regulations such as limits on store sizes but also the City's involvement in the facilitation of retail development proposals, work with the Toronto Association of Business Improvement Areas (TABIA), facade improvement programs, heritage programs, and design guidelines.

Recommendations

The study's recommendations address:

1. Retail store size limits and thresholds that would trigger retail impact assessments.
2. How to conduct retail impact assessments through a more prescriptive approach for greater consistency of the analysis.

The recommendations apply to all areas in the City of Toronto where new large retail development would impact pedestrian shopping areas. Recommendations related to the limits on new retail GFA and maximum store sizes in existing zoning by-laws apply specifically to the areas covered by those by-laws, but the City should consider applying them to other areas as well.

1. Store Size Limits/Thresholds – Maximum Gross Floor Area Recommendations

1a New Retail Site

- No change to the existing zoning limit on additional space is needed. A new retail development (or component of a mixed-use development) that is under 1,800 m² of total retail can fit well into a main street shopping environment. There is little need for a retail impact assessment for this small amount of total additional retail (i.e., under 1,800 m²).
- A new retail development that is over 1,800 m² of total retail would require a zoning by-law amendment and need to be supported by a review including a retail impact assessment.

1b Existing Retail Site

- No change to the existing zoning limit on additional space is needed. On a site that has existing retail, a development proposal that would allow the retail GFA as of July 1993 plus up to an additional 1,800 m² would be permitted. A development proposal that is larger than the retail GFA in July 1993 plus 1,800 m² would require a zoning by-law amendment and need to be supported by a review including a retail impact assessment.

1c Single Retail Store Size Limit/Threshold

- J.C. Williams Group recommends lowering the permitted maximum size of an individual store in any development (new or redeveloped site) to 3,500 m² (from 8,000 m² currently permitted by the zoning by-law). A single retail unit larger than 3,500 m² would require a zoning by-law amendment and need to be supported by a review including a retail impact assessment. This would allow for medium sized retailers such as supermarkets and home furnishings stores of 2,500 m² to 3,500 m². Larger retail units such as very large supermarkets, large general merchandise stores, and large leisure retailers would require an additional review by the City.

2. Requirement for Increased Consistency in Conducting Retail Impact Assessments

- One of the major issues with retail impact assessments is the requirement for increased consistency in the way they are conducted and analyzed. Therefore they should be more prescriptive in their methodology
- Retail impact assessments are one tool to evaluate a proposal. They should be used to provide direction or guidance in the development application review process.
- Retail impact assessments should not be the lead-in to the review process. The process should begin by first evaluating the vitality and viability of the main street(s) that the proposed development is located on or near.
- Retail impact assessments are meant to primarily assess convenience-based retailing that serve the local neighbourhood (grocery, food, pharmacy, etc.) as well as comparison shopping goods (apparel, leisure, general merchandise, furniture, home furnishings, electronics, etc.).
- The City may require additional resources to undertake retail planning (amount and location) and to conduct viability and vitality conditions of the main streets and the potential retail impact.

Bathurst Corridor

The analysis of the Bathurst Corridor between Queen St West and Dupont St showed how the recommendations could be applied:

- Permitting up to an additional 1,800 m² new floorspace would allow for a range of retail units along Bathurst St.
- Redevelopment on highly visible corners such as Queen St West and Bloor St West would allow medium sized retailers such as a 2,500 m² grocery store, a 2,000 m² leisure or electronics retailer or a 1,500 m² drug store.
- The medium to large sized units may be designed so that they minimize their impact at the street level.
- New development would have to be closely monitored on the section between College St and Dundas St West. Very large stores (over 6,000 m²) on this section would be unlikely to contribute to economic development elsewhere along the street and would impact other nearby retail areas.
- An application of the approach to retail impact assessment developed in the study showed that on Bathurst between College and Dundas:
 - For the Primary Trade Area based on a 10 minute walking distance or approximately 800 m radius for convenience based retail, a proposed redevelopment that would add more than 1,800 m² and contain a supermarket greater than 3,500 m² could be supported;
 - The overall viability of Kensington Market as a unique, experiential type shopping district would not be affected;
 - For comparison shopping retail and three trade areas, a large department store may not be appropriate in this location;
 - While the local neighbourhood may not support demand for more health and personal care stores, this sector is part of the strength of the area and additional stores could create critical mass to serve customers from outside the neighbourhood.

This analysis is available as a separate report, 'Review of Proposed Retail Development at 410-446 Bathurst Street.'

1.0 Introduction

J.C. Williams Group was retained by the City of Toronto to conduct a study evaluating the impact of large retail development near pedestrian shopping districts. The methodology proposed for this study included four major workshops with a Steering Committee composed of City of Toronto planning and economic development staff.

Focus

The specific focus was to provide input and recommendations to the City of Toronto on how they should evaluate applications for large retail developments and how to assess their impact on existing pedestrian shopping districts. The particular focus was on areas outside the Downtown/Central Core in the former City of Toronto. In addition, the study was part of another parallel project related to the built form and land use on Bathurst Street between Dupont Street and Queen Street West. The large retail development study used Bathurst Street as a template to evaluate the local application of the city-wide recommendations.

The Zoning By-law of the former City of Toronto specifically limits the amount of new retail development (except for some parts of Downtown), and the Official Plan requires an assessment of the impact of large stand alone stores and power centres on nearby shopping areas. Large stores are permitted but Section 12(2) 270(a) of the Zoning By-Law for the former City of Toronto (By-law 438-86) states that:

- Retail and service uses on a property are limited to the size that existed in July 1993, plus an additional 1,800 m²;
- Retail and service uses cannot exceed the zoning density limit for commercial use on the property; and
- No single retail or service store can be larger than 8,000 m².

For this analysis the term main street is used to describe pedestrian shopping areas/districts that are designated as Mixed Use areas in the Toronto Official Plan.

Four Workshops

The four workshops with the steering committee included:

- In the first workshop (Appendix A), a review of trends for consumer, retailer, and retail real estate. Tony Hernandez from the Centre for the Study of Commercial Activity (CSCA) provided input and attended the workshop. Interviews with real estate professionals were included for summary purposes. In addition, a 2013 article from *The Economist* was included for review on declining retail sales at bricks and mortar stores and the omni-channel retail growth. Finally, there was a section that assessed CSCA data that documented the changes in the retail mix for the shopping districts near Bathurst Street. The discussion focused on aspects of vitality and viability of the main streets and how to measure those factors.
- The second workshop (Appendix B) expanded on the notion of vitality and viability of the main streets and assessed each district in more detail. The argument was that in order to assess the impact of large retail developments on shopping areas first the City had to understand how they functioned and how strong they were. Lisa Hutcheson from J.C. Williams Group brought her expertise related to retail planning in hospitals to the Bathurst Street discussion.
- Included in the second workshop was the consumer satisfaction survey. The survey was not meant to be used as a capture rate type survey but to provide additional input into consumers' attitudes and behaviours related to main streets. Comparisons were made to a mall (Dufferin Mall) and a power centre (The Stockyards). A focus group meeting coordinated with the Toronto Association of Business Improvement Areas (TABIA) with several BIAs provided input as well.
- In addition, J.C. Williams Group reviewed the planning implications for the Bathurst Street design study in the second workshop.
- The third workshop (Appendix C) focused in on the impact retail could have on pedestrian oriented shopping areas. Ian Graham from R.E. Millward & Associates joined the discussion with the City steering Committee. He brought planning policy and zoning expertise to the discussion. Within the City of Toronto other districts were assessed on the amount of retail by category, and vacancies on the main streets in relation to a greater area that included medium and large retail developments. The analysis included a review of socio-economic changes to help explain the changes.
- The final workshop reviewed draft recommendations for the study.

For the first three workshops, the background material was presented in advance of the discussion. This allowed time to discuss the implications in more depth. The appendices include the materials presented at the three workshops. It is noted that they were used for discussion purposes with the Steering Committee. The appendices include the following documents.

Appendix A:

- Workshop # 1: Vitality and Viability of Main Streets - Trends and Principles Discussion
- The Economist, June 13 2013 “The Emporium Strikes Back”

Appendix B

- Workshop # 2: Vitality and Viability of Main Streets – Near Bathurst Street Pedestrian Shopping Areas
- Consumer Satisfaction Survey
- Bathurst Street Study

Appendix C

- Workshop # 3: Vitality and Viability of Main Streets - Large Retail and Main Streets
- R.E. Millward & Associates’ Planning and Policy Review
- The Washington Post, December 11, 2013 “Wal-Mart brings more than its stores to DC. It brings lessons learned from other cities”

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2.0 Principles

Over the course of the study the following key principles came through in the discussions. These included:

- Retail follows residential and planned residential – planning studies including Precinct Plans, Corridor Studies, Secondary Plans, etc. should provide for retail (amount and location) to serve residential growth.
- Healthy competition is good and should be encouraged in retail situations to keep businesses fresh, new, innovative, and profitable.
- Good retail growth is encouraged: new retail development has to fit in with the environment – including the planned function, the socio-economics of the local neighbourhood, the retail mix (capitalize on a strength or create an opportunity), and respect for the physical form of the street and neighbourhood.
- Retail space should allow for flexible retail uses – the retail space has to be able to accommodate different/future retailers as retail uses within the space will change over time.
- Planning should not control for type of retail (i.e., types of goods sold).
- To the extent that each retail main street has its own retail character, this is good as it adds diversity. The duty of the City is to support existing shopping districts and nurture new ones for the role of meeting neighbourhood shopping needs and providing a community focal point/meeting place. It is not the City's duty to specifically support individual stores or merchants. It is important to note that the planning system should not be used to inhibit competition, preserve existing retailers, or prevent innovation.
- The review of demand and supply characteristics may include both positive and negative impacts as well as both quantitative and qualitative impacts. All of these should be considered in a retail impact assessment.

3.0 Goals of Study: Evaluating Large Retail Development near Pedestrian Shopping Areas in Toronto

The study recognizes that the City's current planning and economic development programs and policies have been, in part, instrumental in bringing about healthy main streets environments (particularly in the former City of Toronto). This includes not only regulations such as limits on store sizes but also the City's involvement in the facilitation of retail development proposals, work with the Toronto Association of Business Improvement Areas (TABIA), facade improvement programs, heritage programs, design guidelines, etc. It is not the intention of this study's recommendations to completely change the course of action that has led to this success.

In terms of assessing main street retail in local neighbourhoods outside of the Central Core (and other excluded areas) and the impact of large retail developments, the aim is to ensure that both the City Planning and Economic Development divisions continue to be active players in supporting economic health in the retail sector for the benefit of the local consumer (those who live and/or work in the surrounding area).

The goals include the following:

- Continue to be pro-active in retail planning rather than re-active.
- Retail planning should follow planned residential development identifying areas for growth suited to new and changing socio-economic patterns (e.g., growth, changing household characteristics of a stable population growth neighbourhood, etc.). The City should work cooperatively with retailers and the development community on good retail planning and design (form and public realm). There must be a combination of regulations as well as ways to incentivize (e.g., facilitation, CIP, facade improvements, heritage funds, public realm improvements, assistance in land assembly, etc.) to achieve the vision for each neighbourhood and main street area.
- Focus on supporting the vitality and viability of main streets. If the main streets are healthy and successful, they are better able to withstand pressures from new retail development.
- Encourage healthy competition for quality retail development proposals (e.g., similar sales productivity for similar businesses) in appropriate locations to provide more convenient shopping for local residents, local workers or other visitors in the local neighbourhoods.

- Encourage more pedestrian-oriented retailing (along with public transit and cycling oriented) that serves local neighbourhoods. This includes choosing retail locations with good public transit facilities (potential number of passengers that can be served per hour related to high order or low order transit) for further development.
- Encourage sustainable retail development that may include minimizing travel times and encouraging smart travel alternatives.
- Allow for gradual evolution of the retail system and to control or avoid the shock from large changes.
- Increase consistency in the manner in which retail impact assessments are conducted.

There are three major methods for the City of Toronto to regulate the type of proposed retail:

1. Scale (maximum retail gross floor area): retail store size limits/thresholds
2. Form: height, location of entrances, floor plate sizes, etc.
3. Type of goods sold (e.g., grocery food items, etc.): difficult to regulate

These are discussed in R.E. Millward's report in Appendix C. The focus of this study is specifically on scale issues including maximum retail gross floor area and retail store size limits. However, design and form are very important as well along with public realm issues. As R.E. Millward notes, regulating by type is very difficult as type of retail can change over time. Finally, the City of Toronto cannot achieve its retail vision through regulations by themselves. There should also be proactive tools including ways to incentivize that may be used to achieve the vision.

4.0 Trends in Retail

As stated, the process for this report included four major workshops with the Steering Committee. Workshop #1 with the Steering Committee focused on trends in the consumer, retailer, and retail real estate development sector. This is included in Appendix A. In addition, it draws on the Consumer Satisfaction Survey results in Appendix B.

In November 2013, an on-line survey was delivered to residents who live between the Humber River and Yonge Street and from St. Clair Avenue West to Lake Ontario. There were 368 respondents. They were asked specific questions about main street shopping areas in the west end of Toronto that they had visited. If respondents had visited specific districts including Little Italy, Kensington Market, Dufferin Mall, and The Stockyards, they were given further questions on visitation, changing shopping patterns, attitudes, shopping district ratings, etc. In addition, the response rate for those visiting Queen Street West (at Bathurst Street) enabled it to be included in the cross banner analysis.

Key findings of the trends analysis and consumer satisfaction surveys are as follows.

Price and Convenience

Consumers are being squeezed in their wallets. The perception is that incomes are rising but, in reality, real incomes have not changed. With rising shelter costs, especially in the Toronto region, this puts added pressure on each household's discretionary disposable income. The result is that more households are placing a greater emphasis on value retailing. In the Consumer Satisfaction Survey (located within Appendix B), the price of the product or service was rated the most important factor in the determination of where they shop (discounts and promotions was rated third). At the same time, convenience (easy to get to, close to home) was rated the second most important factor. Consumers will trade off between price and convenience based on travel time.

Quality and Service

It is important to keep in mind that the goal is not specifically more competition in a general sense. Consumers do not necessarily want more selection/choice or one-stop shopping; they want a curated and solution-oriented choice of retailers to suit their needs. In the Consumer Satisfaction Survey (located within Appendix B), selection of stores and ability to shop in one location were rated much lower in terms of importance (7.54 and 6.95 out of 10 respectively). Excellent service and quality of goods and services were rated higher in importance (8.00 and 8.14 out of 10 respectively). While selection and choice are important and as stated, competition is good, it is more the type of choice suited to local residents' needs (i.e., the retail mix) that is more important.

Unique and Complementary Main Streets

Toronto's main streets often blend and blur into one another. Within the former City of Toronto, there is an intricate network of main streets that are easily accessible to a wide range of local residents. The Consumer Satisfaction Surveys indicate that residents shop many different main streets. The critical mass of many main streets works to strengthen these local neighbourhoods and make them all stronger. The retail is a key determinant in how residents choose a location to live. They are both complementary while at the same time competitive.

The former City of Toronto is very fortunate to have a range of different main street environments within convenient walking distance from the older established neighbourhoods (many are pre-WW2 neighbourhoods). Many of the main streets are similar in terms of older built form, retail heights, and similar right-of-way road widths that create an intimate retailing atmosphere. However, many main streets have pursued a strategy based on a unique character that developed from the retail mix. This character can change as the retail mix changes to respond to the neighbourhood's needs.

Increasingly Urban

More consumers are reflecting "urban" values; which is affecting their shopping behaviour. Urban living includes less emphasis on vehicular transportation, smaller residential units, smaller household sizes, and greater mobility. Shopping behaviour is affected by consumers buying smaller amounts of groceries more often, shopping in coordination with walking or public transit usage (often with work commute), and a switch from making meals at home to home meal replacement goods and eating out more. In addition, due to smaller housing units, they are more reliant on retail areas including main streets to meet up with friends and family. Main streets are the local residents' social and gathering spaces.

Buying Online

Retailers see opportunities in other channels and try to capture increased sales. The primary benefit of online purchasing for consumers has been price. Consumers know what product or service they want to buy and will search online retailer sites to find the best price. For this, they sacrifice some of the sensory aspects of the shopping experience as well as the immediacy (have to wait for delivery). Shopping online also tends to be a solitary experience lacking the peer experience that shopping in a bricks and mortar store can offer. Shopping in malls and on main streets is often a participatory experience. Shopping with family or friends is used to help reinforce purchase decisions. In addition, mall and main street shopping can be more experiential. Stores make shopping more entertaining by adding elements such as amazing customer service, good sales staff, music, events, and aesthetically appealing store design. Online retailers are trying to match these aspects by providing peer reviews and recommendations, same day delivery, and gamification of the online experience. Overall, it is very competitive.

The most interesting aspect of online retailing is the fact that online by itself does not drive high sales growth. Research illustrates that it is the omni-channel experience that is driving growth. The ability to browse, shop, buy, and return items wherever and whenever consumers want is becoming a key differentiator. This has led to online retailers opening bricks and mortar stores to provide convenient return locations, partnerships with other stores such as Amazon and 7/11 for pick up and returns, and the stock-less store. Frank & Oak's online store opened a bricks and mortar pop up store on Queen Street West for that specific purpose. Another example in Korea Town, the small independent retailer Snakes and Lattes demonstrates a local retailer on a main street who has embraced and done well in the online world.

Showrooming is a bricks and mortar store that doesn't have any stock. Retailers save on space by not carrying inventory and are more efficient. The consumer can visit, try on, and see the product, but the actual purchase is done online while in the store and then shipped to the shopper. So as online retailers are trying to match the benefits of bricks and mortar stores, the opposite is true of bricks and mortar stores matching the benefits of online retailers through greater price efficiencies and delivery options. As more international retailers enter the Canadian market, they bring with them their more sophisticated omni-channel retail programs and techniques.

This has led to an overall efficiency in store design, including shrinking store sizes. The shrinking store size is also a function of the increased population growth in urban areas, the higher cost of land/rent, and the need to maximize the selling area and the sales potential.

The online shopping experience extends beyond the computer or in store with the small but high growth in m-commerce ('m' for mobile). Consumers are now able to shop at all times. QR codes in ads around transit pull consumers to spend (or to just sign up with a retailer) while they are waiting for the bus, streetcar, or subway. Mobile payment systems allow for greater ease of payment on mobile devices, making it more convenient and accessible for people.

A recent study highlighted that lower income Canadians still do not have access to the internet and online. The cost of the service agreements can be prohibitive. These residents are still reliant on traditional shopping at stores and are more price sensitive than others.

However, while it is difficult to gauge the retail growth in online retail, planning studies should begin to take this category into consideration when planning retail space needs.

Main Streets are Resilient and Flexible

Another important element of the viability and vitality of Toronto's main streets is the flexibility in the design. Standard sizes in the ranges of 6 m by 20 m to 12 m by 30 m approximately (120 m² to 3,60 m²) appeal to a wide range of retailers (can be smaller or larger as well). As documented in the background workshop reports, there is a continually evolving trend for retailer commodities that fit easily into main street environments. For example, pet supplies witnessed phenomenal growth in 2004 to 2008 but from 2008 to 2012 sales levels have remained at 2008 levels. Sales at specialty pet stores are still high but there is no additional demand from consumers. Pet owners increased their expenditure to a point and now it is just being sustained. Therefore, there is no need for the same growth in pet stores. Alternatively, men's specialty clothing stores have languished and fallen over the years. However, since 2008, there has been a resurgence in men shopping for clothing and an uptick in specialty men's clothing. Retailers such as Gotstyle on Bathurst Street and Model Citizen in Kensington Market (men and women clothing) have filled the void on Toronto's main streets.

Increased Services

Consumers are buying more services compared to merchandise goods. This is documented in the CSCA studies and in the analysis conducted by J.C. Williams Group of their data (see Appendix A: Workshop # 1 and Appendix B: Workshop # 2). Included are food services. In addition, retailers are gaining increasing sales by offering more services as a complete package. For example, pet stores offer grooming services, dog kennelling services, training services, etc.

Shrinking Store Sizes

Overall, store sizes, which had been growing, are now starting to shrink in the post 2008 environment. Cost efficiencies and leaner inventory management have partially led to store sizes shrinking. This is combined with changing shopping behaviours by consumers who are shopping more often and buying less. The just-in-time consumer is being matched by retailers' just-in-time supply management. In addition, the omni-channel opportunities mean that retailers do not need as much space for inventory as they did previously. As larger chain retailers and restaurants want to locate their stores in urban environments, they are adjusting the size and configuration (multiple levels, upper levels, etc.) to fit into the urban fabric and to achieve the required cost and operating efficiencies.

Food

There is a blurring within the retail categories, especially related to food. General merchandise stores, health care and pharmacy stores, and gasoline station convenience stores are increasing their share of food sales to boost sales growth. Recently Loblaw's and Shoppers Drug Mart merged. Walmart continues to expand their network including having grocery food items as a major component of their department stores. Supermarkets are adding more food services, cafes, pharmacies, and other items and services to continue to appeal to shoppers (i.e., be more solution oriented) as well as entertainment activities. J.C. Williams Group anticipates increased growth and competitive pressures on this industry.

Food as an experience is a continuing growing trend. Food stores offer entertainment including education, music, etc. The presentation of the food is an experience itself (e.g., wall of cheese at Loblaw's). The ability to see where the food came from and the farm to table experience that farmers' markets do well is now being replicated in supermarkets.

Consumer Satisfaction Survey Results for Three Main Streets

Queen Street West (at Bathurst Street)

A main street such as Queen Street West at Bathurst Street is the very resilient. There is high population growth, a sizeable retail area with critical mass, good pedestrian traffic geared to shopping activities, and good public transit options. Respondents who visited the area were less concerned than visitors to other districts about large format/big box retailing. In addition, they were more apt to shop on-line.

Kensington Market

Kensington Market is well known and has a long history in Toronto. However, its positioning is affected by its “market” specialization in food and used apparel. The amount of food retailing has been decreasing and vacancy is an issue, especially along the fringe areas. Respondents who visited the area were more individualistic and more conscious of the products/services that they bought. They also spend more time thinking about what they wear and how they look. They were more concerned about big box retailing. However, visitors came from a broad geographic area and were in contact with a wide range of other retail areas. Respondents also noted that Kensington Market was noted for good value goods/services for some retailers but they don’t actively search out deals and discounts.

Little Italy

Little Italy is primarily noted for restaurants and cafes and food and Italian based businesses. The pedestrian traffic builds throughout the day and is higher for late afternoon, dinner traffic. Respondents are between Queen Street West (at Bathurst Street) and Kensington Market in terms of the attitudes related to big box, on-line shopping. Respondents are less concerned with the price of goods and they indicated they have more stress in their lives. They are willing to pay more for convenience and good quality. Similar to Kensington Market respondents, they like to eat out.

Other Trends

Other general trends include:

- More chain retailers (Statistics Canada definition is a retailer with greater than four locations)
- More sales by chain retailers
- Lack of competition in a number of retail industries (dominance of a small number of players)
- Growth in discount-oriented retail (potential entrance of small discount stores including Aldi and growth of outlet malls such as Toronto Premium Outlets).

Retail Space Planning Implications

Due to the evolving nature of trends, the key finding is the need for flexibility in the retail space planning of main streets. While innovation in design can and should be encouraged, the adaptable small and medium sized rectangular box is often the best suited design to suit a wide variety of retailing needs. The small and medium sized format allows for greater convenience in shopping to meet the needs of local neighbourhoods. It allows for greater individuality in the stores. In addition, the need to have public shopping areas that are more than just shopping areas but are places for social gathering are vitally important. The ability to use technology including omni-channel and social media to foster greater connectivity will be important aspects of city and community building.

In addition, planning and economic development need to take these trends into account for their overall short and long term planning, affecting the demand for retail goods from bricks and mortar stores and retail impact assessments. Current demand analysis reports are based on Statistics Canada data, which admittedly does not include the full spectrum of online sales (in the U.S. there is more data available) nor services. The task going forward for retail planning studies will be difficult given this lack of data and uncertainty with respect to the potential impact on overall retail sales, but it is an important component. However, there is a need to go further in the demand analysis and retail impact assessments to include not just quantitative changes such as rising online sales but also changing consumer attitudes and behaviours.

In addition, there is a need to coordinate these findings and recommendations with the other planning and economic development disciplines including architecture and design (from attributes such as floor plates, entrances, ceiling heights, number of floors, facade materials, how it relates to the street, percentage of street frontage occupied by retailers, etc.), transportation (parking, public transit, cycling, loading, pedestrian realm, etc.), the overall development application process, economic growth initiatives, parks and recreation, arts and culture, environmental and sustainable development, among others. The increased use of multi-level retail means that greater emphasis needs to be placed on the design of the entire retail area. This includes aspects related to the parking garage and street entrance, to the flow within the building, to the view of all retail levels on the street.

The City must be proactive in planning for new retail and assessing proposed retail developments. It should ensure it has adequate resources, including staffing, to take on this role.

5.0 Vitality and Viability of Main Streets

Vitality and Viability Measures

An understanding of the measures used to assess the vitality and viability of main streets assists in developing retail strategies, making planning decisions, and assessing development applications (particularly large retail developments).

The checklist is not necessarily exhaustive. It includes both quantitative and qualitative measures related to the health of main streets:

- Good accessibility and visibility
- Target market or trade area capture rates: consumer surveys particularly focused on the retail categories in question such as supermarkets, clothing and accessories, general merchandise stores (varied from convenience type retailing to comparison goods retailing)
- Vacancy rates (vacancy rates of total area that are less than 4% are good; above 10% of total area would be considered problematic), how long specific units are vacant, are there systemic issues associated with prolonged vacancy, how quickly are spaces leased after being vacant? For instance, a main street area that has a higher than expected vacancy rate may be experiencing a period of transition and repositioning and does not necessarily signal the decline of the main street area.
- Lease rates
- Retail employment
- Pedestrian traffic flows (throughout the day is the pedestrian traffic flow shopper oriented or commuter oriented or a mixture?)
- Public transit usage
- Retail mix: variety of retail mix (includes not just retail uses but may include other activities such as theatre, educational uses, as well as food services, personal and household services, etc.) and how that mix has been changing over time. Retail development can either come from capitalizing upon existing strengths (more is more approach) or by assessing the retail gaps (by key attributes such as income or lifestyle appeal) in the marketplace and taking advantage of opportunities that are missing in the retail mix
- Mix of unit sizes
- Building design attributes such as ceiling heights, floor plates, parking ratios, loading plan, sight lines from the street, patio space opportunities, signage, etc
- Quality of the streetscape, including sidewalk width and amenities such as benches and bike parking.
- Shopper experience and customer satisfaction surveys
- Statistics and perceptions of safety and crime

- Organization (Is there a BIA organization to represent business interests and advocate on their behalf?)
- Property values and property taxes
- Building permits: assess retail portions only to determine new building types being added and also the overall level of investment and redevelopment happening in an area (Are investors bullish on a specific neighbourhood? When a property investment occurs in an area do other nearby property owners follow suit and upgrade their properties to stay competitive?)

All these measures can be assessed over time to understand directional movement of the health of the main street.

6.0 Regulating Gross Floor Area: Store Size Limits/Thresholds on Large Retail

Store size limits/thresholds can be used for a variety of purposes, such as a combination of social, cultural, and economic reasons. While they are technically a regulation tool, they do have proactive benefits for retailing.

Benefits

Store size limits/thresholds are used to discourage large format retailers from locating in sensitive areas, offering some protection to the shopping districts.

Store size limits/thresholds can have a positive impact on main street retailing by encouraging competition. The City of Toronto's Official Plan encourages pedestrian-oriented main street retail areas, especially in local neighbourhoods.

The benefit of a lower limit/threshold on retail store sizes is to encourage more competition and thereby more retail that is easily accessible to local residents in a neighbourhood. It also provides more choice for local residents. By providing a range of smaller sized retail units, there are more opportunities for main streets to exist and for retailers to be prosperous on those streets. Increased convenience by having retail stores located near local residential populations was the second most important factor affecting shopping decisions (see Consumer Satisfaction Survey within Appendix B).

In addition, the research indicated that several main streets in close proximity to one another could be beneficial to their overall success. Each main street can be unique and different to one another and therefore mutually supportive. Some main streets are highly specialized; focused on a specific ethnic market or retail category (China Town, antique alley in Parkdale). However, for main streets located next to a mall it is not certain whether there is mutual benefit because a mall draws people in and, once inside the mall, people are unlikely to go out to the main street areas (less cross shopping).

Other positive benefits of more main streets with the right mix of retailers:

- Minimizes journey time for consumers thereby allowing smarter travel alternatives. People have more time to spend with their families or at other activities
- Minimizes congestion on the streets and positively impacts the environment
- Other social and environmental benefits. Retail extends beyond the ability to supply goods and services for a needs-based society. Retail is now where communities go to socialize and meet up with people, and are vital parts of their lives (third place). They are an important component of complete communities that add to overall health and vitality of life for local residents.

More smaller retail units are the ideal retail format for a larger range of retailer types. The smaller size offers greater flexibility that can adapt over time to retail commodity needs. The trends review in Appendix A: Workshop # 1 reviewed retail commodity types that are growing today (e.g., men's wear, fabric stores), those that have plateaued (e.g., pet supply stores), and those that continue to struggle (e.g., music stores). These growing retail commodities can all use similar sized stores found on typical main streets in Toronto. As trends change in commodity preference, the retail supply system easily adapts to the needs.

Lower store size limits encourage redevelopment of existing retail spaces. Landlords and property managers are likely to re-invest in their properties to keep them competitive. There is a greater likelihood that vacant space is redeveloped to a better retail use before new retail areas are added.

Potential Risks and Disproving Them

Some may state that there are issues and risks associated with store size limit regulations. These are not necessarily true. These include:

Risk #1: Lack of Innovation and Higher Prices

The risk with a store size limit/threshold system is that it can be blamed for stifling competition and allowing unproductive retailers to remain in business. The argument is that the retailers should have either redeveloped themselves to stay competitive or gone out of business thereby allowing a new and more innovative business to occupy their space. It is noted that the planning system should not be used to inhibit competition, preserve existing retailers, or prevent innovation.

The assumption that raising store size limits or having no limits (free market) will result in greater competition and lower prices for consumers is not necessarily true. The argument states that the removal of or raising store size limits/thresholds will allow retailers greater economies of scale, resulting in stronger competition. J.C. Williams Group's research indicates that retailer size does not correlate to the prices they charge. Discount-oriented stores such as No Frills, FreshCo, and Walmart are similarly priced and have varying sizes. There is no benefit to the consumer by allowing larger format stores to locate in a neighbourhood that potentially could benefit from lower prices. In addition, limiting store size does not affect the buying power of larger companies with their suppliers.

Risk #2: Monopoly or Quota System that Distorts Rents

In addition, there is a risk that in some areas with very strict store size limits there could be a monopoly or quota system that develops for those existing larger stores. For example according to R.E. Millward's report (Appendix B), the 550 m² regulation in the Yonge/Eglinton area is such that it makes it difficult for single retail units larger than 550 m² to develop new space in that area unless they provide parking at a higher ratio than would be required for smaller stores. The current supply of units greater than 550 m² that are grandfathered through may create a situation whereby landlords could ask for a premium on rent due to the lack of supply of larger retail units.

This risk of a monopoly or quota system is more acute when there is low, no, or negative population growth. Large retailers can enter a local neighbourhood that has no population growth and become the dominant player thereby shutting out competition. In effect, instead of more competition, the large retailer shuts out the competition (the reverse outcome than expected). For lower density areas and slow or negative population growth rates, the argument for lower store size limits/thresholds can be seen as worthwhile to encourage more competition.

However, generally, high-density and higher residential growth neighbourhoods may benefit from higher store size limits/thresholds as there is more growth and more retailers attracted to the higher concentration of people. Higher density areas can accommodate vertical retail if rents are high enough.

7.0 Impact of Large Retail on Main Streets

Several case studies were included in the analysis to assess the positive and negative impacts that varying sizes of retailers had on main street vitality and viability (see Appendix C: Workshop #3). These included:

- Parliament Street and the Regent Park redevelopment
- Yonge Street in North York
- Liberty Village new neighbourhood development
- Bloor Street West (Perth Avenue to Ossington Avenue) and Dufferin Mall (and portions of College Street and Dundas Street West)
- Danforth Avenue (Main Street to Victoria Park Avenue)
- The Junction (Dundas Street West) and the Stockyards
- Bayview Avenue and the impact of Laird Avenue and Eglinton Avenue East

Workshop #1 (Appendix A) assessed retail areas near Bathurst Street over five year increments from 2002 to 2012. Workshop #3 (Appendix C) assessed other main street areas in the City of Toronto with respect to large retail on the street or nearby in the local trade area from 1997 to 2012 and 2013. These were done as case studies to assess the vitality and viability of retail on main streets. The assessment analyzed how the retail mix of the main streets changed over time in relation to both socio-economic changes and when medium to large retail was introduced either in the main street or nearby.

Retail competition should be encouraged and is vital to develop a healthy economy. New retail development can have positive and negative impacts. It can be complementary or competitive. As stated in Appendix A: Workshop #1, there is a natural lifecycle that retailers go through from innovation, growth, maturity, and decline. In the past few years the lifecycle process has sped up considerably. Looking at the City of Toronto, there are few retailers that continually operate in the same location that the building was originally designed to include. The Eatons at College Park is now several retailers including a Winners. The Eatons at Toronto Eaton Centre became a Sears and will transform into a Nordstrom department store in the future. This change brings new opportunities to reflect changing consumer behaviours and attitudes.

It should be noted that the temporal review of amount and retail mix in each main street area vis a vis the larger area that includes new large format retailers could have resulted from a range of actions. This includes closure due to bad business decisions, personal reasons, etc. and not as a result of increased competition from a medium to large retailer on the street or nearby.

Another valid point is that competition does not have to come strictly from large retail formats. Any store of any size can be innovative enough that it could put another retailer out of business.

The review of the main streets near Bathurst Street illustrated a natural turnover of retailers. In many instances over a five year period, approximately 40% of the retailers left or relocated elsewhere. The natural evolution allows new businesses to grow and flourish, taking advantage of current trends (e.g., men's wear growth).

What is interesting in the research is that it appears that large format retailers that are similarly priced as those existing retailers on a main street tend to have a greater negative/competitive impact. For instance, specialty food stores that are unique and often higher priced than supermarkets tend to survive and perform well even when a supermarket opens nearby. This is also true for main streets that have higher end or unique or specialty clothing and accessories stores. When a medium sized traditional retailer enters the market nearby, there does not appear to be the same negative/competitive impact.

Retailers that are highly impacted include ones in leisure where the prices charged are similar between the large retailer and the smaller main street retailer. This may include book stores, sporting goods stores, pet stores, etc.

Another important point is that many main streets experienced redevelopment but that also means that many retailers such as used appliance type stores and small home improvement type stores (e.g., floor covering) moved out and allowed other retailers to occupy the space as the overall economic health of the main street improved and rents increased and new retailers moved in to better serve the local residential population.

In a competitive main street environment area that includes several other nearby main streets, there is a benefit that as redevelopment occurs in one area and rents rise, some retailers such as home furnishings or unique restaurants can relocate in close proximity.

Other businesses find that if they do not adjust to the changing demographics of a local neighbourhood then they find it difficult to survive.

The case studies illustrate that a moderate growth neighbourhood and main street area can absorb approximately 10% additional new retail space on that street within a five year period or less with less impact on the main street resulting in a healthy level of competition.

Finally, in reviewing the relationship between supply and demand where there may be impact, there are no hard and fast rules on the recovery period to regenerate.

7.1 Case Studies

For the seven case studies, the local neighbourhood trade area population ranged from 20,000 to 30,000 residents within an 800m to 1,000m radius of the main street (exception is Liberty Village as a new neighbourhood). In J.C. Williams Group's opinion, this is an appropriate range for a local neighbourhood, as it represents the distance most people are willing to walk to go shopping for local goods and services.

New Neighbourhood

For a growing and evolving main street, adding more retail space and a variety of sizes can help increase the overall draw and viability. This can include a growing area such as Liberty Village. Over the past ten years, the population of this neighbourhood has increased to over 6,000 residents and continues to grow. At present, there is over 15,000 m² of retail. The approximate 4,000 m² supermarket was one of the first retailers to enter the neighbourhood. This initial development helped to enforce a shopping behaviour and pattern for the local residents that kept them in the local area for their convenience shopping needs. When new retail was added, there was a base of local shoppers already there to build upon.

Another interesting component was the use of broadly defined retail as social gathering spaces including restaurants/bars (for the young and affluent professionals living there). This too provided a local "hang out" place to meet, interact, and socialize with their neighbours and build a strong community.

High Growth Neighbourhood

Main streets that are similar to Yonge Street in North York that have very high population growth (tripling population growth from 1997 to 2013), high density, and are located on high order transit can accommodate medium (greater than 1,800 m²) and large (greater than 3,500 m²) sized retail units better than elsewhere. The development industry is continually improving, redeveloping, and refining the retail in the area to suit the needs of residents. From 1997 to 2002 the total amount of retail increased from 36,500 m² to 68,400 m². Since then the total amount of retail has remained relatively constant.

Two issues include the following:

- Purpose built retail units such as the approximate 7,500 m² cinema. This large space will be difficult to lease in its current state without major redevelopment investment.
- Small malls built off of Yonge Street do not perform as well as retailers with direct access to the street. If a development is to have several retailers on multiple floors, it is better to accommodate them similar to Aura in Downtown Toronto with a central vertical pedestrian circulation system (e.g., also see Union Square in New York City).



Union Square NYC: The six level retail complex contains several medium and large format stores, each occupying one floor or several floors. The vertical circulation system is located on the right side.

Redevelopment Neighbourhood

A neighbourhood that is going through a redevelopment can accommodate some medium sized retailers. The neighbourhood surrounding the Regent Park redevelopment, with a specific focus for retail on Parliament Street, was assessed. The completion of Phase I in the Regent Park redevelopment increased the population by approximately 2,200 residents. In addition, the new residents changed the socio-economic profile in terms of increased household incomes. The assessment illustrated that leading up to the Phase I redevelopment, the main street was experiencing some issues with vacancy. However, the main street has rebounded in the wake of a population growth and a change in the socio-economic characteristics. Parliament Street absorbed approximately 10% (2,500 m² supermarket) of the 28,000 m² that existed there. (Total new space is approximately 4,000 m².) The occupancy on the street and the overall vitality and viability of Parliament Street has improved.

The specialty food stores in the main street area have remained open and viable and some underperforming stores have closed (due to low sales productivity).

No Positive Impact But Difficult to Assess Negative Impact

The other four areas: Danforth Avenue (Main Street to Victoria Park Avenue), The Junction (the Stockyards), Bloor Street West from Perth Avenue to Ossington Avenue (Dufferin Mall), and Bayview Avenue (Laird Drive and Eglinton Avenue East) were assessed for large retail locating nearby the main street area.

Danforth Avenue (Main Street to Victoria Park Avenue)

- Emerging main street
- Focused on high density lower income residents
- Very transitory residential population and this affects retail; there is high turnover of retailers
- Approximately 82,700 m² total retail in the area, of which 18,000 m² is located on the Danforth (excluding malls and large format stores)
- Large format retailers fit into the area in close proximity to the rail line
- No positive impact on retail on Danforth Avenue due to the presence of large retail developments but it is difficult to say large retail has a negative impact
- There was a decline in specialty food stores on Danforth Avenue corresponding with the opening of FreshCo (similar priced goods)
- There is still a high vacancy rate and a reliance on home improvement stores such as floor covering

The Junction (Dundas Street West) with respect to The Stockyards

- Too much retail space along Dundas Street West for the local population
- Approximately 125,000 m² of retail in the total area, of which 50,000 m² is located on Dundas Street West in The Junction
- Gentrification of the local area helped transition retail to food services and there is less reliance on home improvement stores such as floor coverings and used appliance stores
- Large format home improvement stores do not appear to impact the existing home improvement stores on Dundas Street West
- New large format general merchandise stores do not appear to affect the clothing and accessories stores
- Dundas Street West is still reliant on personal and professional services to fill retail space

Bloor Street West (Perth Avenue to Ossington Avenue) with respect to Dufferin Mall

- Gentrification in the area whereby the population decreased but the number of households increased and household income increased significantly
- Despite Dufferin Mall retreating and recruiting international chain retailers (e.g., Marshalls, Gap Factory Outlet), the amount of specialty clothing and accessories retailers on Bloor Street West (Perth Avenue to Ossington Avenue) increased
- Leisure has remained relatively constant on Bloor Street West
- The specialty food retailers have decreased. This may be due to the strong presence of both No Frills and Walmart, but also due to the changing demographics of the local area (there has been increased gentrification happening in the area)
- There are no significant changes to vacancy

Bayview Avenue with respect to Laird Drive and Eglinton Avenue East

- Bayview Avenue was assessed in relation to changes happening in the greater area including Laird and Eglinton
- The residential area experienced very positive socio-economic changes including increased population, increased family formation and children, and a 4% annualized increase in household income
- These factors combined should have had a very positive impact on retail opportunities
- There is approximately 100,000 m² of retail in the Bayview, Laird, and Eglinton area, of which 23,000 m² is located on Bayview Avenue
- Continued retail development on Laird (which has a regional draw) has put pressure on Bayview Avenue retailers, as vacancy has increased and leisure retailers have decreased
- Clothing and accessories and food (grocery) remain strong on Bayview Avenue
- Food services has not grown as new restaurants and cafes are added along Laird
- Professional services have increased on Bayview Avenue

Summary

It is difficult to assess retail impact in advance however, there are findings to guide the future retail assessments:

- Moderate growth is ideal. Most areas of the City are growing at moderate rates and the goal is to ensure that retail also grows at a moderate rate.
- Often it is difficult to attribute the loss of retail or sustained vacancies to a large retail development. However, it is evident that large retail developments that offer similarly priced goods and services are competitive with the nearby main streets.
- Many of Toronto's neighbourhoods are experiencing changing socio-economic changes. This affects the retail mix in the adjacent main streets. Increased gentrification may mean less need for ethnic specific retailers and services.
- Neighbourhoods that are high growth and on high order transit appear to be able to absorb retail changes better than others. In these instances there is less need for strict regulations.

8.0 Recommendations

The study's recommendations address:

1. Retail store size limits and thresholds that would trigger retail impact assessments.
2. How to conduct retail impact assessments through a more prescriptive approach for greater consistency of the analysis.

The recommendations apply to all areas in the City of Toronto where new large retail development would impact pedestrian shopping areas. Recommendations related to the limits on new retail GFA and maximum store sizes in existing zoning by-laws apply specifically to the areas covered by those by-laws, but the City should consider applying them to other areas as well.

8.1 Options Considered

J.C. Williams Group considered the following options for retail store size limits on main streets:

1. Do nothing and keep the existing zoning; or match the changes for employment lands (6,000 m² limit).
2. Lower the maximum store size to 3,500 m² to match other cities and urban areas. There is very little requirement for any retailer on a main street to be larger than 3,500 m² and only grocery would fit that example. Keep the existing limit of an additional 1,800 m² plus 1993 level.
3. Remove store size limits altogether.
4. Remove store size limits and put in a 1,000 m² threshold, after which a stricter Site Plan Control without zoning control can be implemented (direct staff to look at application on case-by-case basis for urban design retail). Note that two tools—Site Plan and Development Permit System—could be used, but Site Plan Control is the best tool to get what you want. A Development Permit System requires the City to know exactly what they want for a main street area. This process would require the City to be more proactive and establish what the vision and direction is for each main street and where they would want large retail to be established.
5. Stratify the permitted additional space and store size limits based on the ability for a main street to absorb medium and large retail units. Size limits are good to encourage and protect small independent retailers. The risk is in low density areas, as it can be a monopoly. Size limits allow the City to be more re-active rather than identifying the retail vision for each main street and where large format retail should go. This requires extensive criteria for when size limits should/would change which is extremely difficult as there are so many.

8.2 *Store Size Limits/Thresholds – Maximum Gross Floor Area Recommendations*

The overall concept of store size limits/thresholds and maximum gross floor area may be interpreted as a regulation and therefore restricting retailers. However, that is not the intention. The following recommendations are not to be interpreted solely as regulations but they are to be interpreted as supportive of enabling more retail in close connection with local neighbourhoods. They are to be proactive programs that encourage more, smaller scale retail units on pedestrian-oriented main streets.

1. Store Size Limits/Thresholds – Maximum Gross Floor Area Recommendations

1a New Retail Site

- No change to the existing zoning limit on additional space is needed. A new retail development (or component of a mixed-use development) that is under 1,800 m² of total retail can fit well into a main street shopping environment. There is little need for a retail impact assessment for this small amount of total additional retail (i.e., under 1,800 m²) as the warranted space calculations can be adjusted upwards and downwards by only small changes to assumptions. Within the 1,800 m² total size limit, several smaller individual retail units of 120m² to 360 m² each can be supported by the local residential population under conditions of modest residential growth. Also, this allows for a single retail unit of 1,800 m². This still fits in with the overall goal of allowing gradual retail change in mixed-use local neighbourhood areas. The main concern would not be the impact on retailers or shopping areas but would be related to the design and form of the development.
- Ideal retail forms that are rectangular in nature (proportions of one:three) with entrances on the main street, large display windows to create an inviting and intimate street atmosphere should be encouraged. In addition, multiple retail units should also be encouraged (similar to multiple entrances).
- A new retail development that is over 1,800 m² of total retail would require a zoning by-law amendment and need to be supported by a review including a retail impact assessment.

1b Existing Retail Site

- No change to the existing zoning limit on additional space is needed. On a site that has existing retail, a development proposal that would allow the retail GFA as of July 1993 plus up to an additional 1,800 m² would be permitted. A development proposal that is larger than the retail GFA in July 1993 plus 1,800 m² would require a zoning by-law amendment and need to be supported by a review including a retail impact assessment. A development proposal that is larger than the retail GFA in July

1993 plus 1,800 m² would require a zoning by-law amendment and need to be supported by a review including a retail impact assessment.

- There is a benefit but also a concern. The benefit of this existing rule is that it encourages redevelopment of existing retail areas. A site can be redeveloped and expanded without the added hassle of a zoning by-law amendment. This is a good incentive to have in place as it encourages redevelopment of retail areas rather than continually building on new/vacant sites. The current retail areas that are redeveloped are kept fresh rather than letting them become stagnant or derelict. The concern is that under the right circumstances a large retail store of 8,000 m² (existing 6,200 m² of retail in 1993 added to 1,800 m² allowable) could be built without any additional level of review.

1c Single Retail Store Size Limit/Threshold

- J.C. Williams Group recommends lowering the permitted maximum size of an individual store in any development (new or redeveloped site) to 3,500 m² (from 8,000 m² currently permitted by the zoning by-law). A single retail unit larger than 3,500 m² would require a zoning by-law amendment and need to be supported by a review including a retail impact assessment. This would allow for medium sized retailers such as supermarkets and home furnishings stores of 2,500 m² to 3,500 m². Larger retail units such as very large supermarkets, large general merchandise stores, and large leisure retailers would require an additional review by the City.

2. Requirement for Increased Consistency in Conducting Retail Impact Assessments

- One of the major issues with retail impact assessments is the requirement for increased consistency in the way they are conducted and analyzed. Therefore they should be more prescriptive in their methodology
- Retail impact assessments are one tool to evaluate a proposal. They should be used to provide direction or guidance in the development application review process.
- Retail impact assessments should not be the lead-in to the review process. The process should begin by first evaluating the vitality and viability of the main street(s) that the proposed development is located on or near.
- Retail impact assessments are meant to primarily assess convenience-based retailing that serve the local neighbourhood (grocery, food, pharmacy, etc.) as well as comparison shopping goods (apparel, leisure, general merchandise, furniture, home furnishings, electronics, etc.).
- The City may require additional resources to undertake retail planning (amount and location) and to conduct viability and vitality conditions of the main streets and the potential retail impact.

1993 Base Year

- Using 1993 as the base year for the 1,800 m² limit on additional floorspace would still be in effect. 1993 was the year that there was a noticeable shift towards larger retail developments.

Other Issues

- It is noted that the FSI requirements in the existing zoning regulations remain in effect for all store size limits. All proposed retail projects are also subject to Site Plan Control. There are further levels of detail may be provided for specific areas through Secondary Plans or design guidelines for Mid Rise and Avenues, or Tall Buildings. The City may decide to have further guidelines for retail development in those mixed-use areas that are not subject to the additional standards. For example, there are no additional guidelines for Bathurst Street.
- In instances where a main street condition intersects with employment lands, the stricter conditions of the main street should be taken into consideration.
- This is also the case when a main street is also identified as an Avenues.. The more detailed mid-rise guidelines for Avenues are in place as a first level of review, but the limits on new retail space and store sizes would apply.
- In addition, no change is recommended to the present exemption from Exception 12(2)(270) in parts of Downtown.

8.3 *Requirement for Increased Consistency in Conducting Retail Impact Assessments*

- One of the major issues with retail impact assessments is the requirement for increased consistency in the way they are conducted and analyzed. Therefore they should be more prescriptive in their methodology
- Retail impact assessments are one tool to evaluate a proposal. They should be used to provide direction or guidance in the development application review process.
- Retail impact assessments should not be the lead-in to the review process. The process should begin by first evaluating the vitality and viability of the main street(s) that the proposed development is located on or near. This will help to determine if the proposed development is complementary to the main street area. In addition, it provides context for the project, assisting in determining the resiliency of the pedestrian main street area, whether the proposed development is complementary, among other factors. It helps to establish if there is a specialization in the area that can be capitalized upon (e.g., health and wellness) or a gap in the marketplace that can be fulfilled by this proposed project. It can also point out if there are changes occurring in the retail area or the socio-economics of the residents that are part of a greater shifting marketplace (e.g., declining number of ethnic specific stores as a result of residential changes).
- Retail impact assessments are meant to primarily assess convenience-based retailing that serve the local neighbourhood (grocery, food, pharmacy, etc.) as well as comparison shopping goods (apparel, leisure, general merchandise, furniture, home furnishings, electronics, etc.).
- The City should ensure it has adequate resources to undertake retail planning (amount and location) and to conduct viability and vitality conditions of the main streets and the potential retail impact. The City may conduct their own retail impact assessment as part of the review process (there are several options for this including City staff or both the developer and the City agreeing to an unbiased consultant review, among others).
- Based on the need for increased consistency in conducting retail impact assessments, J.C. Williams Group has the following recommendations. As stated, these recommendations are to apply to development applications near pedestrian shopping districts.

Trade Area Delineation Recommendations

- Many retail impact assessments begin with trade areas that are related to the proposed development. Starting in this manner means that all developments would be supported as the trade area chosen will be large enough to support the proposed development. Rather, the first (primary) trade area must be related to the main street area and must be pedestrian oriented. J.C. Williams Group recommends the Primary Trade Area be configured as the distance that a local resident could walk in 10 minutes. This is approximately 800 m. The trade area could be defined as a circle with a radius of 800 m or it could be based on the local streets and sidewalks and other walking paths.

800 m Radius and 10 Minute Walking Time are Similarly Aligned



800 m radius walking circles



10 minute and 12 minute walking time on sidewalks (excludes walking through parks)

- In addition, the trade areas can be adjusted to account for:
 - Natural and man-made barriers (e.g., rivers, bridges, highways) as well as psychological barriers (e.g., safety) that can either expand or limit walking distance of the trade area.
 - Critical mass of retailers: how much retail is there, what specializations are there to draw people from further away that can expand trade areas?
 - Visibility and accessibility: road network, parking access/egress, high, medium, or low order transit, etc. that can either expand or limit trade areas.
- The Primary Trade Area can be further delineated into smaller areas if it includes a range of different resident groups (e.g., quadrants around the development). There may be polarized or differing target markets (e.g., separate low density housing from higher density housing in the trade area or different household income groups) for further analysis if required.

- Other trade areas can be added to the analysis to illustrate the residential support required for a development especially if the proposal includes comparison goods shopping. This would be extending the walking time from 10 minutes to 15 minutes, the catchment areas associated with public transit routes, and finally car dependent trade area travel times.
- The approach does not specifically state that only if the Primary Trade Area supports the retail development then should it be approved. It states the retail impact assessment is only one measure in the checklist. In addition, it allows for multiple trade areas to be added to the trade area that can illustrate that the retail development is supportable. There must be a logical rationale for the inclusion of multiple trade areas. The end goal is not for each mixed use street/corridor to be exactly alike but recognizes that main streets are unique and have specializations that have regional appeal.

Additional Considerations

- While it is prescriptive in the approach, J.C. Williams Group does think allowances may be made to veer away from the strict conditions. Innovation in design and form may not fit the review process. Experiential and experimental retail proposals may challenge these recommendations and as such should be reviewed with an open mind.

How to Conduct Retail Impact Assessment

Retail demand is impacted by:

- Socio-economic changes in the local trade areas including population growth/decline, household growth/decline, income changes, household composition (e.g., more children, fewer children, etc.), and expenditure behaviour and patterns, among other factors.
- Emerging consumer, retailer, and real estate trends (See Appendix A: Workshop #1). As trends change over time, the City of Toronto should be aware of retailing trends and the impact they have on retail real estate planning on a regular basis (every two years).
- Complementary and competitive supply side that is primarily focused on (1) convenience type goods including food, health care supplies, etc. and (2) comparison type goods such as apparel and home furnishings and general merchandise stores.

There is a need to balance both the quantitative estimates of demand and impact against other considerations that can be more qualitative such as vitality, variety, and vibrancy.

Criteria for permitting more retail space than the proposed limits of 1,800 m² for new developments or 3,500 m² for a single store for identified main streets and mixed-use areas in the City of Toronto outside of the Central Core areas (and other excluded areas):

- Supports the overall long-term vision for the street and neighbourhood as set out in plans for the local area such as Secondary Plans or Precinct Plans. The City should set broad retail requirements for additional retail floor area over a planned period with respect to the planned residential development by retail type and amount and broad guidelines for the location and function of the retail activity. The results should be able to be applied to other areas outside the former City of Toronto that are also near pedestrian shopping areas (e.g., Lakeshore Boulevard West, Dundas Street West in Etobicoke, and Eglinton Avenue West in York, among others).
- Must not detract or diminish the opportunity for further retail development in that main street. The development should not be such that no other retailer would want to locate adjacent to it by either the form or the retail use.
- Increase economic health for the area by providing employment opportunities and other economic regeneration.
- Has the potential to increase competition and draw more consumers to the area (cannot only shift consumption from one area to another), but should create new economic growth.
- Respond to consumer demand through its retail offering and not diminish the range of activities and services that can be supported in the area.
- Not cause an adverse impact on other nearby main streets (either current or those developments that have planning permission but are not yet built) sufficient as to undermine the quality and wider function.
- Not cause an increase in the number of vacancies that would likely persist for a long period.
- Ensure a high standard of access by foot, public transit, and cycling primarily.
- Link with an existing main street area so that there is likely to be commercial synergy (physical design).
- Critical mass of retail: new retail development on a main street should not be more than 10% of any existing main street in the area. This is to allow for gradual change.
 - Exception for new and emerging neighbourhoods such as Liberty Village or Canary District whereby there is no major main streets nearby, or insufficient retail GFA to serve the growing neighbourhood.
- Access to high order transit: retail should be in close proximity to medium to high order transit to relieve parking pressures.
- Population growth: there should be positive population growth projected for the area, or the City has identified the area for medium to high population growth (e.g., TCHC redevelopment plans for Lawrence Allen). Alternatively, there may be other factors such as changing socio-economics (rising incomes, increased household formation, gentrification, etc.) that may warrant additional retail space being added.

- Physical design of the site (depth to width ratio can accommodate floor plates) length of the block, entrances, heights, signage, etc.
- Areas of the City of Toronto with no or negative population growth and that have other issues should be addressed separately (e.g., Weston area) as ways of incenting retail redevelopment activity.

These criteria allow for a thorough and balanced approach. It focuses not only on the economic sales impact but also on further qualitative and quantitative functions.

Trade Area Delineation and Demand

There is a need to create a consistent evaluation of retail impact assessments. As noted, one step would be for a consistent approach to trade area delineation.

Retail Audit and Productivity Measures

A preliminary perspective on retail supply includes interviews with retailers, brokers, and property owners. A review of development applications and building permits illustrates the type of retail and retail mixed-use projects that are being built.

A survey of the retail areas and main streets within the trade area should be completed. The audits of these areas should include at a minimum:

- Name
- Address
- Estimated or actual size
- NAICS retail code
- Location (concourse, grade, mezzanine, second, etc.) and whether street retail or in a mall or power centre
- Additional qualifying attributes if possible such as income appeal, lifestyle appeal, customer draw potential, etc.

These attributes can be mapped on a grid similar to Appendix B: Workshop #2 that illustrates strengths to build upon and gaps in the merchandise mix that can be filled with (re)development.

Through consumer surveys and interviews, estimate the sales productivity of other main streets and major uses, especially those likely to be impacted.

Estimate the potential sales productivity of the proposed development.

Determine if the proposal is supportable solely by new population growth or if retail spending will be diverted from existing and approved retail areas.

Sales potential is determined based on capture rates (consumer surveys of existing shopping patterns can assist in determining capture rates). The capture rates can vary (or assessed in a range or scenarios). Convenience retailers such as grocery, supermarkets, and pharmacies have higher capture rates from the Primary Trade Area whereas comparison goods including department stores would have lower capture rates and broader trade areas.

The amount of retail demand warranted is based on applying a range of sales productivity for the different retail categories.

This should include both quantitative calculation related to the amount of retail space warranted and qualitative factors such as improving the mix of retail or shopping quality.

9.0 Application of Recommendations to Bathurst Street Study

The study used Bathurst Street as a template to evaluate the application of the city-wide recommendations in local neighbourhoods and main street shopping areas. The study included Bathurst Street from Dupont Street to Queen Street West, including Seaton Village and the section between College Street and Dundas Street West; as well as the surrounding main street shopping areas, including:

- Bloor Annex
- Mirvish Village
- Korea Town
- Little Italy
- Kensington Market
- Trinity Bellwoods
- Queen Street West (Bathurst Street to Gore Vale)
- Queen Street West (Spadina Avenue to Bathurst Street)

J.C. Williams Group participated in and made recommendations for the built form and land use study of Bathurst Street (Dupont Street to Queen Street West) led by DTAH and R.E. Millward (see Bathurst Street Retail Study within Appendix B) during 2013.

Consumer satisfaction surveys of residents who lived between Yonge Street and the Humber River and south of St. Clair Avenue West were combined to focus on selected main streets including Kensington Market, Queen Street West at Bathurst, and Little Italy. In addition, the information was compared against Dufferin Mall and the Stockyards Power Centre (see Consumer Satisfaction Surveys within Appendix B).

The overall analysis helped to define criteria that may be used to assess the viability and vitality of main streets and gauge the potential impact of large retail developments (See Appendix B: Workshop # 2).

Bathurst Street Recommendations

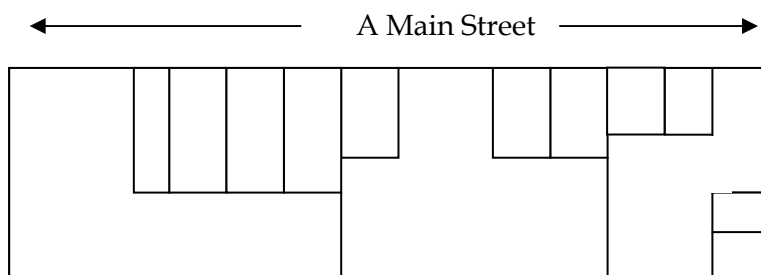
J.C. Williams Group recommends that retail stores not be located along primarily residential areas of Bathurst Street, but allowed at the intersections with Queen Street West, Dundas Street West, College Street, Ulster Street, Harbord Street, Bloor Street West, and Dupont Street. These intersection locations should allow for transition or gateway retail and include a mix of small and medium sized retailers that can take advantage of the higher visibility and accessibility afforded by the corner locations. There can be a mixture of sizes and rental rates at these locations due to the higher visibility and accessibility.

The Seaton Village (primarily west side) and College to Dundas sections of Bathurst are the only two other main street retail areas (they are designated mixed-use but primarily on the west side of the street). Each lacks a BIA organization. The College to Dundas section also included an assessment of the impact of other activities such as Toronto Western Hospital on the area.

The allowance for 1,800 m² retail GFA in addition to the 1993 retail GFA would allow for a range of retail units along areas of Bathurst Street where retail is permitted. Highly visible corner locations such as Bathurst and Queen Street West and Bathurst and Bloor Street West offer the greatest opportunity for redevelopment and permit medium sized retailers to locate there. This may include a 2,500 m² grocery store, a 1,500 m² pharmacy, and 2,000 m² leisure or electronics retailer.

The redevelopment of the Honest Ed's site at Bathurst and Bloor St West would permit the largest retail development. Under the current zoning regulations, a single retailer of up to 8,000 m² could be permitted without a zoning change or retail impact assessment. Under the recommendations in this study, a single retail unit over 3,500 m² would require a City review. This is a more balanced approach as it offers time to review the retail options for the site. While it limits large power centre type retailers such as building improvements stores and major furniture stores, it could allow for approximately three retail units of 2,500 m² each to locate there without a City requirement for a retail impact assessment.

However, through physical design, these medium to large sized units can be placed so that they minimize the impact at the street level. This includes locating them on upper or lower levels or in a "dog-leg" fashion on lots that are large enough (i.e., small 10 m entrance from the street leading to the back of the site where it opens up to the larger retailer).



On the section of Bathurst Street between College Street and Dundas Street West, new retail development would have to be closely monitored. If permitted, a large single retail store development (e.g., over 6,000 m²) would not contribute to economic development along the street. It would primarily only serve itself. It would impact other retail areas such as Trinity Bellwoods (limiting redevelopment potential along the street) and Kensington Market for grocery food. The proposed limits of less than 1,800 m² additional GFA, and a maximum store size of 3,500 m², are appropriate for this section of Bathurst Street.

In addition, small retail redevelopment should be encouraged on the east side of Bathurst Street between College Street and Dundas Street West. The hospital should re-align its retail so that it fronts the street. Any redevelopment or addition to the hospital should take this into consideration.

In the Seaton Village and Dupont Street area, the recently adopted policies for Employment Areas would allow up to 6,000 m² of retail on the north side of Dupont Street without further assessment, . However, the main street condition should supersede the employment lands condition thereby reducing the allowable new retail GFA to 1,800 m² plus what existed in 1993. Anything greater would be subject to review by the City of Toronto. A single retail unit greater than 3,500 m² would require a zoning by-law amendment.

An application of the approach to retail impact assessment developed in the study showed that on Bathurst between College and Dundas:

- For the Primary Trade Area based on a 10 minute walking distance or approximately 800 m radius for convenience based retail, a proposed redevelopment that would add more than 1,800 m² and contain a supermarket greater than 3,500 m² could be supported;
- The overall viability of Kensington Market as a unique, experiential type shopping district would not be affected;
- For comparison shopping retail and three trade areas, a large department store may not be appropriate in this location;
- While the local neighbourhood may not support demand for more health and personal care stores, this sector is part of the strength of the area and additional stores could create critical mass to serve customers from outside the neighbourhood.

This analysis is available as a separate report, 'Review of Proposed Retail Development at 410-446 Bathurst Street.'

Appendix A:

Workshop # 1: Vitality and Viability of Main Streets - Trends and Principles Discussion

The Economist, June 13 2013 "The Emporium Strikes Back"

Vitality and Viability of Main Street Retail

Workshop #1
Trends and Principles Discussion

J.C. WILLIAMS GROUP

J.C. WILLIAMS GROUP

Summary

- Consumer, retailer, and retail real estate trends
- Discussion on what makes main streets healthy
- Vitality and viability principles of main streets
- Trends illustrate continued growth in value-oriented retailing as well as experiential retailing
 - Larger format and online, which are known for value
 - Main streets, which are becoming increasingly experiential
 - Both trying to be like the other
 - Large formats locating in urban formats, online adding experience and gaming
 - Main streets keeping their restaurants and culture but adding in more neighbourhood goods and services
 - One of the key battlegrounds is over food
 - Growing sales at general merchandise stores
 - Growing sales at small food stores, farmers' markets, etc., but small niche segments
 - Grocery stores expanding and maintaining their presence in food and add in other elements
 - Lack of competition (few players) make it difficult for new entrants

2

Trends

Consumer
Retailer
Retail Real Estate

J.C. WILLIAMS GROUP

Consumer Trends

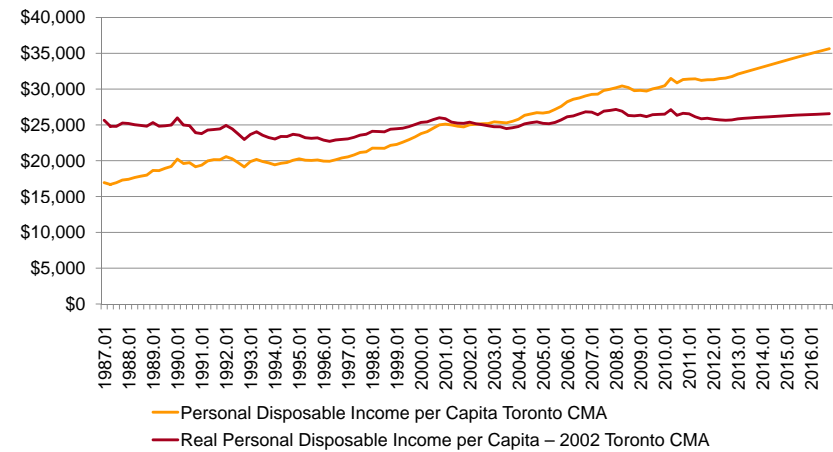
J.C. WILLIAMS GROUP

Consumer Trend #1: Trading Up/Trading Down

- Personal disposable income per capita in Toronto CMA has risen and is projected to continue to rise according to the Conference Board of Canada forecast, but real growth is flat (measured in 2002 \$)
- Modest growth only for the Top Two Quintiles After Tax Income for Families in Canada and Ontario
- For Ontario there was a decrease in 2011 for the Top Quintile After Tax Income for Families
- Shelter costs 21% of total household consumption in the City; near Bathurst St. Households spend 22% of their household consumption (squeezing their disposable incomes)
- Implication for retail
 - Consumers continue to make decisions based on trade offs to balance their income/budget perceptions and reality
 - “I can afford the Coach purse if I save and buy my socks at a discount store”
 - Illustrates the appeal for value-oriented stores that are often found in large formats
 - Consumers that are trading up are potentially drawn to main street areas that have unique offerings

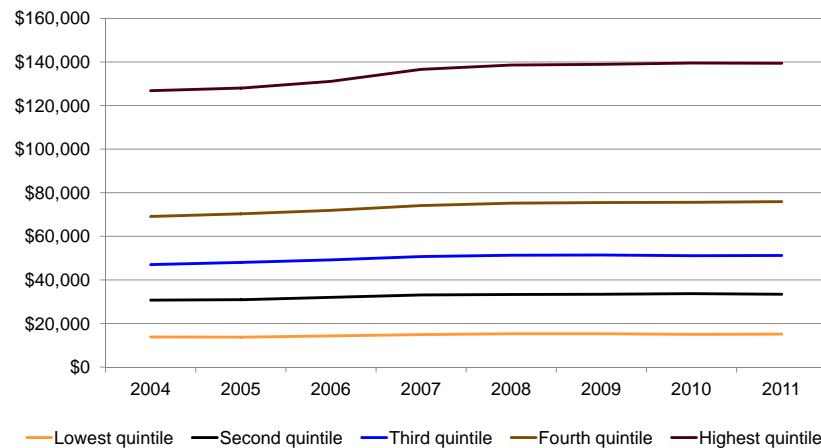
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Toronto CMA Actual vs. Real/Constant (2002) Personal Disposable Income Per Capita



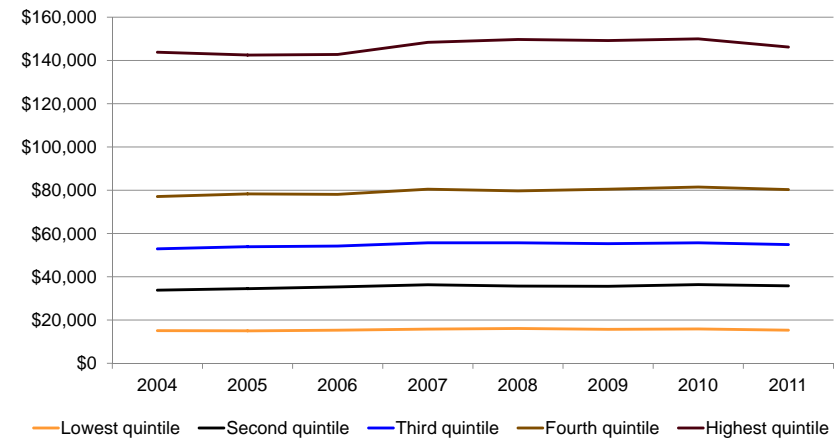
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Canada – Quintile Total After Tax Income All Families Constant 2011



7

Ontario – Quintile Total After Tax Income All Families Constant 2011



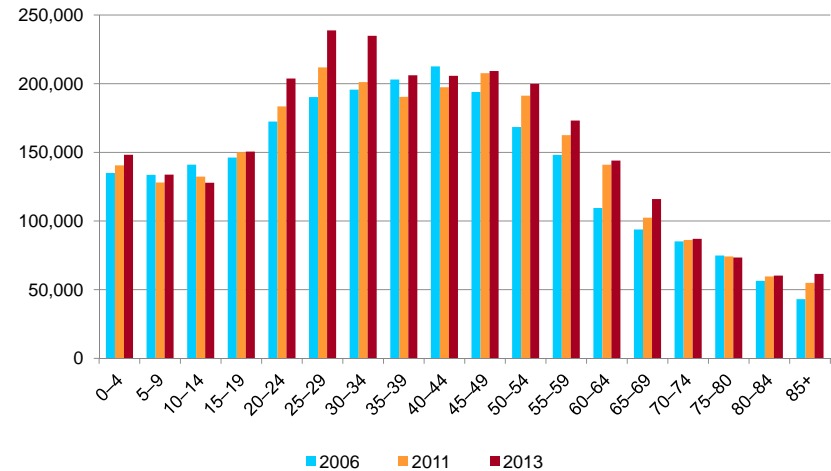
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Consumer Trend #2: Young as well as Aging Consumer

- City of Toronto is and will remain a young and vibrant city
- Young adults attracted to Toronto as a place to live because of its colleges/universities, professional work experience opportunities, immigration resources/opportunities, and active lifestyle pursuits
- Young adults spend higher amounts of incomes on eating out, home meal replacement, fashion for going out and work, and fitness/recreation; also on setting up their new home
- There is an aging consumer profile emerging in the City (and in North America)
- A higher proportion of empty nesters in the other centre districts (non-downtown)
- Aging consumers spend less on retail and more on services incl. wellness goods and services
- Requires a re-segment of the older generation – baby boomers entering senior years in 2013 view themselves as attitudinally younger compared to older senior population (70+)
- The growth of 25–35 year olds coupled with the 60 year olds who view themselves as 35 years olds means increased demand for similar sophisticated-oriented goods and services (e.g., quality restaurants, latest electronics, organic food, etc.)
- Toronto's main streets (outside of Downtown), such as Little Italy and Riverside, are locations where both these demographics can be and shop together

9

City of Toronto Age Profile

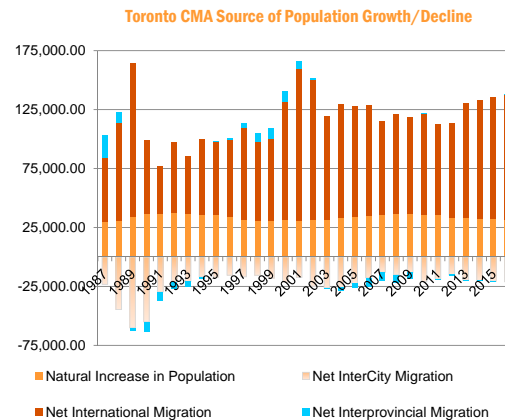


Source: Statistics Canada, Environics projection

10

Consumer Trend #3: Immigration and Ethnicity

- Immigration drives Toronto CMA growth
- Increased development of ethnic retailing: e.g., T&T, Al Premium, Ocean's grocery stores
- CSCA 2012 data identified 477 ethnic food related retailers and 1,061 ethnic food service operators in GTA
- Toronto's neighbourhoods can be oriented towards ethnicity
- Ethnic residents will drive/commute longer for discounts (including outlet malls)
- High preference for well known brand name products (e.g., Polo, Hugo Boss, Coach)

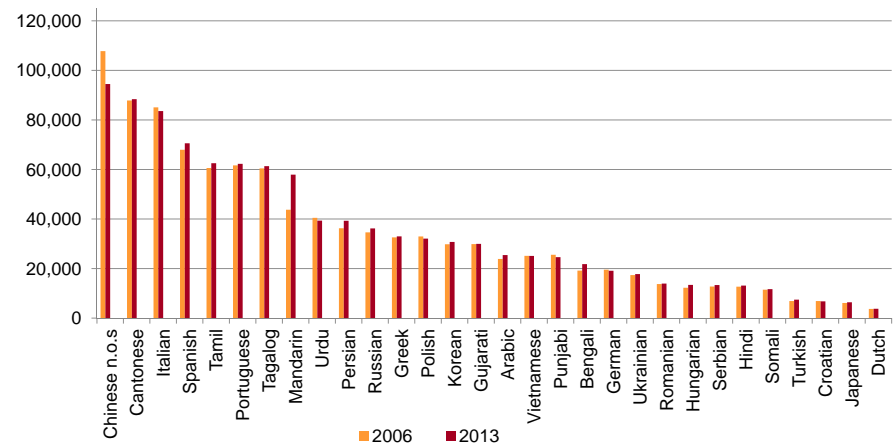


Source: Statistics Canada, Conference Board of Canada

11

Toronto Mother Tongue 2006–2013 (non English, non French)

It is interesting to note the shift in certain ethnicities that may impact retail opportunities. Includes Tagalog (Filipino), Persian, Spanish (Latin American), etc.



Source: Statistics Canada, Environics projections

12

Consumer Trend #4: Demand More

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



Retailers solve problems

Faster grocery check out on conveyor belt, no scanners



13

Consumer Trend #4: Demand More – PetSmart, Expanded Service Offering



14

Other Consumer Trends

5. Individualization and customization

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



6. Negative attitudes towards shopping

- Surveys reveal that an increased proportion find shopping to be difficult
- Increasing percentage of consumers agree with statement "Shopping large format retailers are a waste of time"
- Sales staff armed with check-out devices to capture sales before customer becomes frustrated and leaves
- Even online retailers are challenged and try to introduce games and interactive features to make it more enjoyable

15

Other Consumer Trends

7. Just in time consumer

- Trend for more frequent shopping trips but doing less shopping each time
- Appeals to urban consumers, especially those reliant on transit
- Recession pushed this concept forward – buy what you need
- Consumer packaged goods are becoming smaller
- Higher income consumers shop both larger format stores and regular stores with more frequency and smaller baskets

8. Redefinition of what luxury is

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

9. Male shoppers

- More men are shopping for household and grocery items and retailers are merchandising and positioning their products to meet consumer needs
- Men are staying home more to take care of family/daycare responsibilities
- Noted increase in mall beauty related products

16

Consumer Trend #10: Living Downtown – Where You Choose to Live Influenced by Shopping Amenities

- Proximity to work and transportation options are key factors influencing residence location
- Downtown is young adults, urban, and mobile
- Other centres include mix of young adults and empty nesters
- On 10-point importance scale, proximity to:
 - Grocery store: 7.7
 - Culture and entertainment: 7.9
 - Have coffee shop, bar, restaurants in building: 3.6
- Want proximity but not in their own building
- 46% walk to work; 28% take public transit – influences shopping patterns for return home from work, especially food items
- Etobicoke centre respondents lack close grocery store items

Source: City of Toronto Living Downtown Survey

17

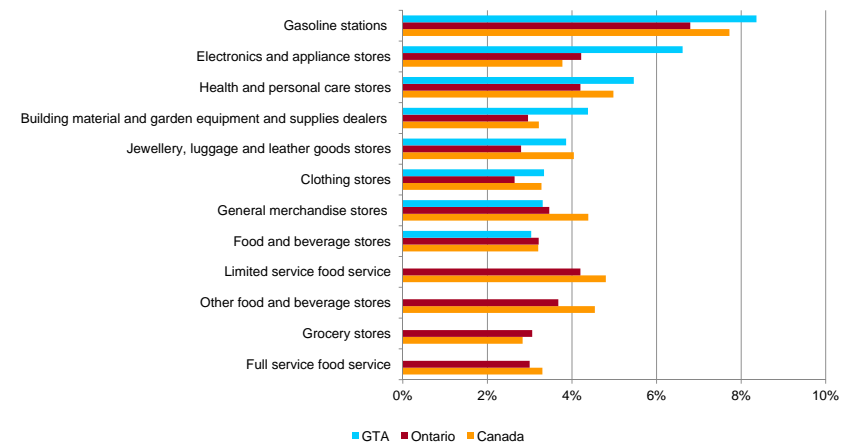
Retailer Trends

Retailer Trend #1: Leaders and Laggards – Retail Sales Annualized Growth (12/04)

- Electronics and appliance stores had very high growth from 2004–2009, but have suffered from flat growth for past three years
- Similarly from 2004–2008 home sales pushed home related products such as building supplies and furniture higher but sales growth has softened in past four years
- Health sales move in lock step with aging population and a continued focus by the general population on health and wellness issues
- Luxury goods retailers perform well, such as jewellery
- Solid growth for clothing stores, general merchandisers, restaurants, and cafes
- Decline in sales at brick and mortar book and music stores as consumers shift to online purchasing
- Less emphasis on some traditional sports such as hockey
- Fewer drinking places
- E-commerce, m-commerce sales have grown at high rates
- Traditional, mid-market stores appear to be underperforming such as Sears and Reitmans; Walmart has flat sales; unique point of difference retailers have growth such as The Bay and Lululemon

19

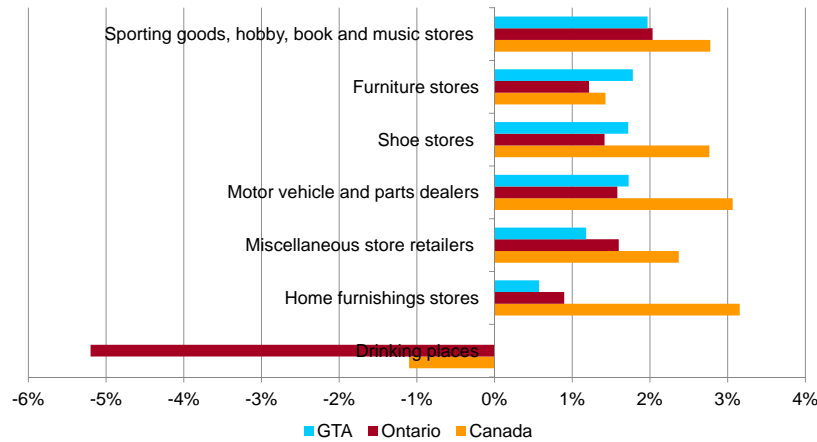
Retailer Trend #1: Leaders and Laggards – Retail Sales Annualized Growth (12/04)



Source: Statistics Canada

20

Retailer Trend #1: Leaders and Laggards – Retail Sales Annualized Growth (12/04)



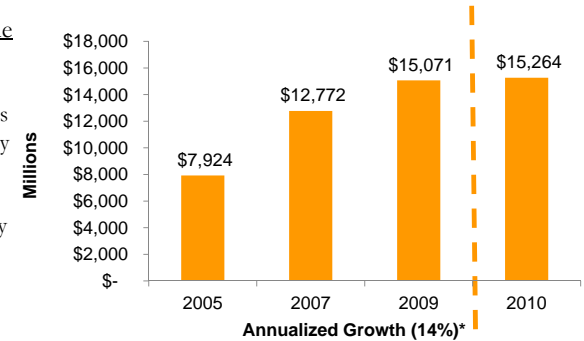
Source: Statistics Canada

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Retailer Trend #1: Leaders and Laggards – Canadian E-commerce Sales are Growing and Account for 3.5%* of Total Retail Sales in 2010

Among Canadians active online

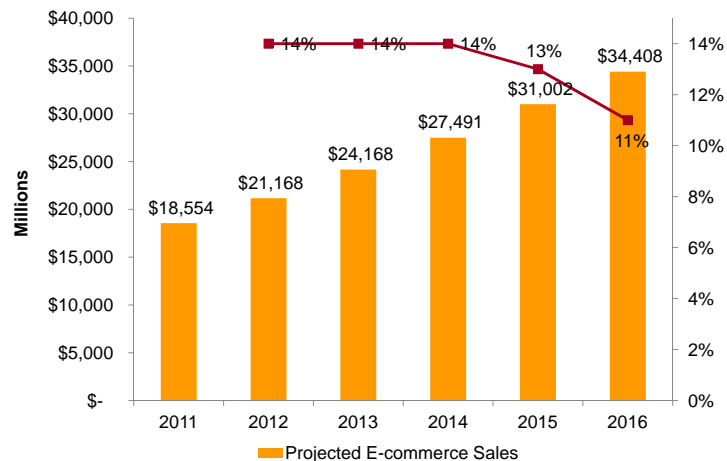
- 78% research online
- 79% purchase online
- 64% purchased in last 3 months
- 45% bought from store close by
- 74% completely satisfied
- Top products – apparel, books/music, health and beauty
- 66% bought from outside Canada

Source: Statistics Canada
* Includes travel

22

Retailer Trend #1: Leaders and Laggards – Continued Growth Projected for Canadian E-commerce

Annualized Growth: 13%

Source: eMarketer
2011–2016 Projected sales include travel & digital downloads

23

U.S. Comparison

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

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

24

Retailer Trend #1: Leaders and Laggards – Canadian Retailer 2013 Sales Growth: Total Sales and Comp Store

	Total Q2 2013	Total YTD 2013	Comp Store Q2 2013	Comp Store YTD2013
American Apparel Canada	2.7%	n/a	-2.0%	n/a
Banana Republic Canada	3.8%	5.9%	n/a	n/a
Carter's Canada	n/a	-1.2%	n/a	-2.5%
Children's Place Canada	3.4%	-2.4%	n/a	n/a
Danier	3.1%	-1.4%	4.0%	n/a
Forzani Group	1.4%	3.4%	7.2%	5.0%
Gap Stores Canada	15.6%	11.7%	n/a	n/a
H&M Canada	0.0%	3.0%	n/a	n/a
Hudson Bay Canada	6.2%	6.0%	6.2%	6.9%
Le Chateau	4.4%	1.7%	4.9%	2.5%
La Senza	n/a	n/a	4.0%	n/a
Lululemon (Total)	21.9%	21.5%	8.0%	8.0%
Mark's	6.5%	4.3%	6.4%	4.2%
Moore's	-4.9%	-5.5%	-4.1%	-5.8%
Old Navy Canada	8.4%	10.0%	n/a	n/a
Reitmans	-9.3%	-5.3%	-6.8%	-5.3%
Sears Canada (Total)	-9.6%	-8.2%	-2.5%	-2.5%
Sears Canada (A&A)	-2.0%	-2.0%	n/a	n/a
TJX Canada (Winners, Marshalls, Home Sense)	2.7%	1.8%	2.0%	n/a
Walmart Canada (Total)	6.2%	n/a	-0.4%	n/a

Source: Trendex and Company Reports

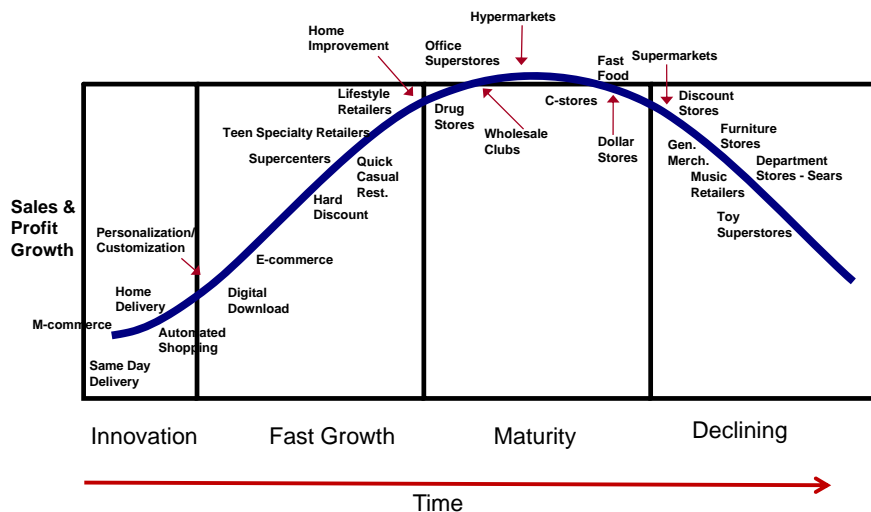
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Retailer Trend #2: Market Share Shifts

- The following graphs illustrate where certain commodities are sold (e.g., the market share of general merchandise stores in men's clothing) and the trend over time
- The first graph shows the early adoption, growth, maturity, and decline of retailers and concepts
- Successful retailers at the maturity stage begin to re-invent themselves, such as The Bay, while others, such as traditional music stores and video rental places, continue to decline (sometimes they are re-invented as niche products such as turntables for vinyl records)
- General merchandise stores have lost share in clothing and sporting goods but gained in food

26

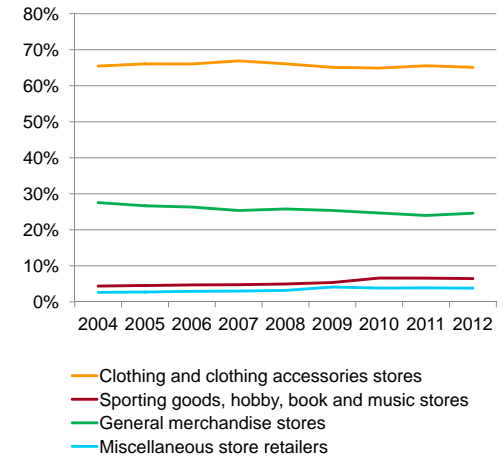
The Retail Lifecycle



27

Market Share of Clothing and Accessories by Store Type

- For clothing and accessories, specialty clothing stores remain the dominant location
- The market share in clothing and accessories at general merchandise stores has declined. This is partly due to poor performance at Sears and the closure of Zellers
- Sporting goods stores have increased their share in clothing sales
- Within the shoe category, general merchandise stores have increased market share in non-athletic footwear but decreased in athletic footwear

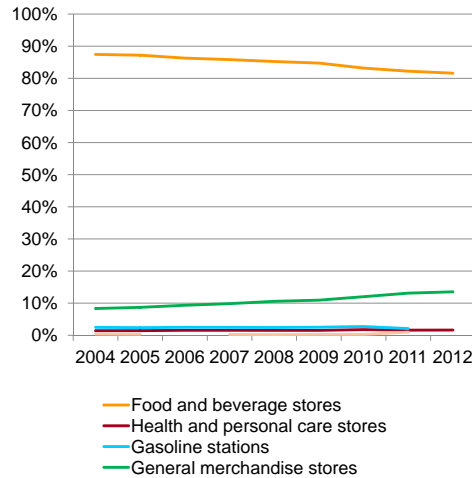


Source: Statistics Canada, Commodity Survey

28

Market Share of Total Food Sales by Retail Store Category

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

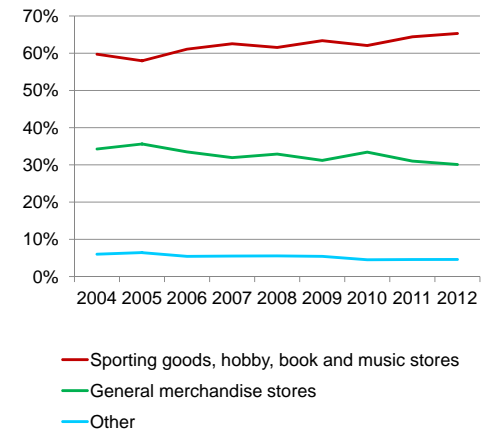


Source: Statistics Canada, Commodity Survey

29

Market Share of Sporting Goods Sales by Retail Store Category

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



Source: Statistics Canada, Commodity Survey

30

Retailer Trend #2: Market Share Shifts – General Merchandise Winners and Losers

- Costco continues to outperform
- The Bay re-invented itself, shift to mid to luxury market, good sales growth (6% growth in 2nd Qtr 2013)
- Sears – sales decline (\$6.5 B to \$4.3 B in 2012), continues to revert leased stores to landlord
- Target – 124 stores, initial reports are disappointing (e.g., stock outs)
- Canadian Tire – acquiring other retailers (Mark's, Forzani), experimenting with small 6,500 sq. ft. store on Danforth
- Walmart – 388 stores in 2014 (246 with food), soft comp store sales growth
- Dollarama – high growth, increased competition from Dollar Tree, move to increased size
- Dollar Tree – U.S. expansion into Canada (acquired Dollar Giant and rebranded stores)
- Giant Tiger – for sale
- Honest Ed's – property for sale
- Hart – declared bankruptcy
- Loblaw – Statistics Canada does not classify any of the banners as general merchandise

31

Major General Merchandise Store in Toronto

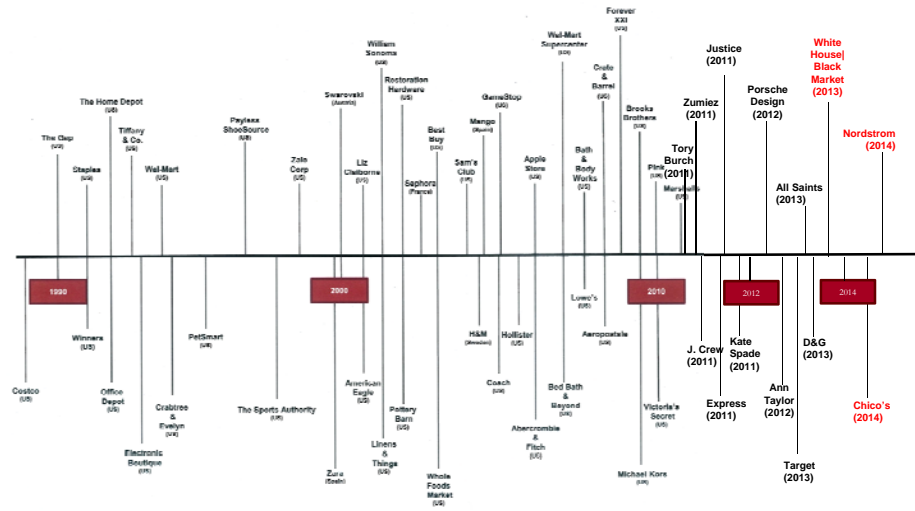
While some general merchandise stores are increasing productivity, there is a significant amount of general merchandise retail space in the City of Toronto that is under-utilized

	Number of Toronto Locations	Toronto Est. Sq. Ft.	Comments
The Bay	9 stores	2.6 m	Increased productivity
Walmart	7 Supercentres, 7 stores	1.9 m	Modest growth
Sears	6 stores, 1 outlet, 10 pick up locations, 2 home	1.9 m	Underperforming – given leases back at Yorkdale and Sherway and others to follow including Eaton Centre
Canadian Tire	21 stores	1.5 m	Average productivity
Target	4 stores – others to open such as Stockyards		Slow start
Costco	3 stores	0.4 m	High productivity
Closed Zellers	6 stores		Some to convert to grocery

Since report, Sears has released more properties back to landlord. Expectation is that Nordstrom will occupy many spaces (as well as Saks)

32

Retailer Trend # 3: New Retailer Entrants



Note: Red text indicates anticipated store openings

33

Retailer Trend #3: New Retailer Entrants

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

34

Retailer Trend #3: New Retailer Entrants

Category	2000 – Major Players	2000 Players + Recent* + New Entrants	Considering**
Health & Personal Care	• Shoppers Drug Mart, Rexall	• Shoppers Drug Mart, Rexall	
General Merchandise	• Walmart, Sears • The Bay, Zellers	• Walmart, Sears, The Bay, Zellers	
Sporting Goods, Books, Music and Hobbies	• SportChek, Chapters, Indigo, HMV	• SportChek, Indigo, Sail	

* Launched in Canada within the past 5 years

** Retailer has not confirmed entry into Canadian market

35

Retailer Trend #3: New Retailer Entrants

Category	2000 – Major Players	2000 Players + Recent* + New Entrants	Considering**
Electronics and appliances	• Future Shop, Sears	• Future Shop, Sears, Best Buy, Apple	
Apparel & accessories	• Le Chateau, Roots, Eddie Bauer, The Gap Co. Concepts, Reitman's, Suzy Shier, American Eagle	• Le Chateau, Roots, Eddie Bauer 	
Other	• Canadian Tire, Loblaws	• Canadian Tire, Loblaws 	

* Launched in Canada within the past 5 years

** Retailer has not confirmed entry into Canadian market

36

Retailer Trend #3: New Retailer Entrants

- Increased competition and new entrants will draw sales away from existing retailers (most likely from existing chains)
- Luxury category is becoming crowded
- Mergers and acquisitions will continue (e.g., Loblaw's acquired T&T, Shoppers Drug Mart and Sobeys acquired Safeway)

37

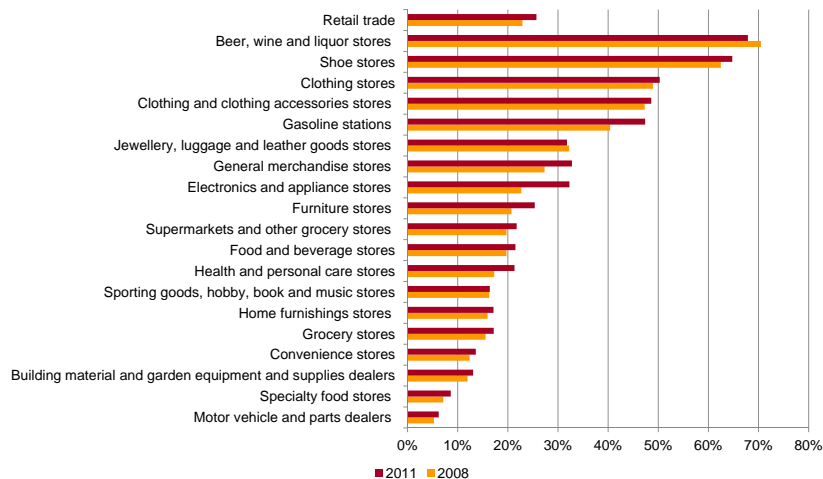
Retailer Trend #4: Percent of National Chain Store Count and Sales

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

38

Retailer Trend #4: Percent of Canada Chain Store Count

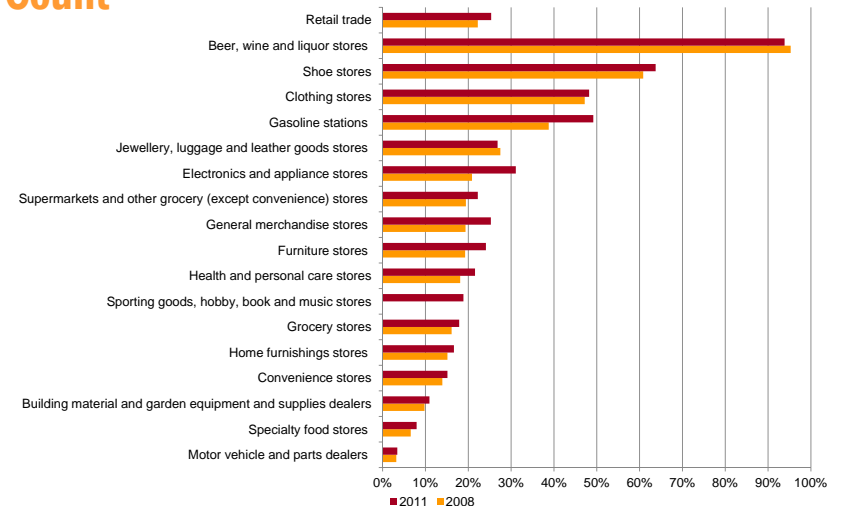
Growth in chain stores and high proportion of retail sales activity



Source: Statistics Canada: Chain is 4 stores or more

39

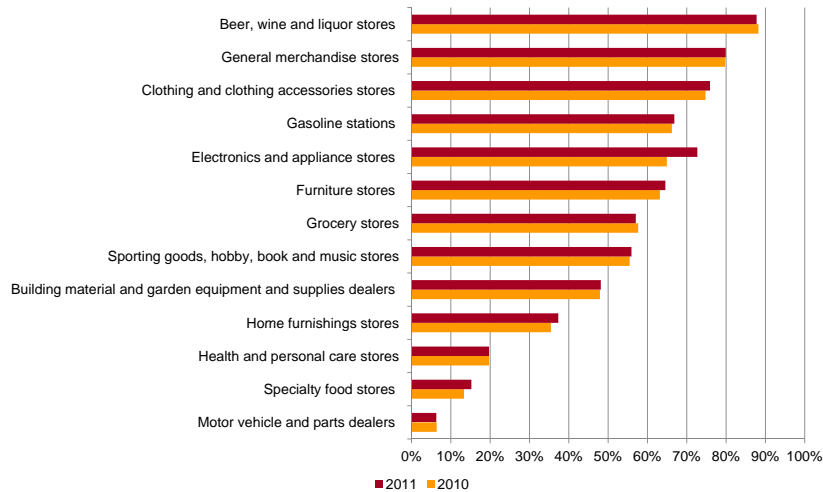
Trend #4: Percent of Ontario Chain Store Count



Source: Statistics Canada: Chain is 4 stores or more

40

Trend #4: National Market Share of Chain Store Sales



41

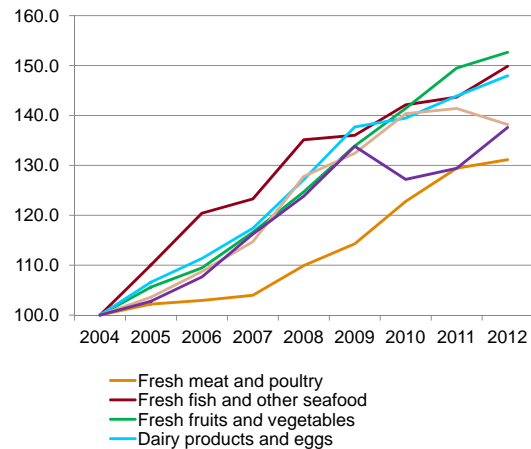
Retailer Trend #5: Retail Commodity Sales

- Indexed to 2004 to illustrate growth in specific category from 2004–2012
- Only accounts for sales by stores (includes online sale if website is part of company)
- Excludes pure play online retailers such as Amazon or if online sale is administered by third party
- Specific categories losing due to switch in consumer preferences (e.g., younger consumers prefer to watch TV shows online) and competition from online (e.g., books)
- Some categories witnessed very high growth (e.g., pet supplies, fresh fruits/vegetables, non-athletic footwear, etc.)
- Indices in 2012 that are higher than 130 (30% over 8 years) represent higher than normal growth (higher than 3.3% annualized growth)

42

Food Products (Index Sales Growth 2004=100)

- Consumers prefer fresh foods
- High growth rates for fresh fruits, vegetables, fish, and dairy and eggs (yogurt sales have increased at high rates)
- Average growth for fresh meat
- Affected by healthy living, preference for organics, local food, and some ethnic markets
- Growth in farmers' markets, specialty food stores
- Grocery stores need better supply networks and impacts loading (more smaller trucks more often)

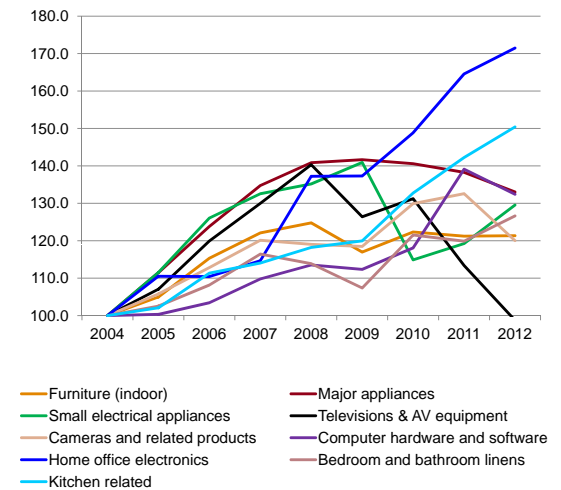


43

Source: Statistics Canada, Commodity Survey

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

- TV sales (at stores) have fallen to 2004 levels
- Switch to online buying and fewer TVs sold as younger consumers preferring laptops to watch programs
- Post 2008 recession mixed sales growth results for home related products
- Increased self employment spurs sales growth for home office electronics category
- Within stable neighbourhoods, more people working from home: they require nearby products and services to run their home businesses

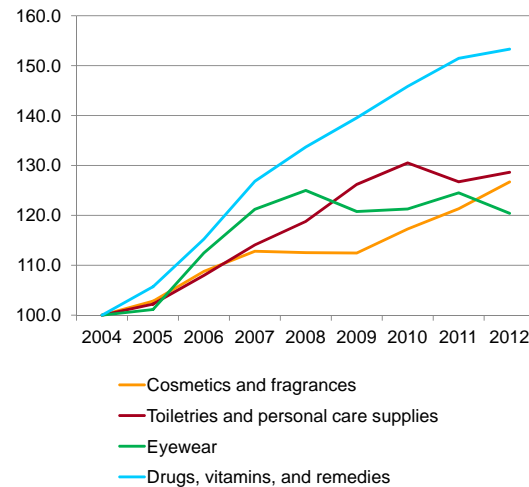


44

Source: Statistics Canada, Commodity Survey

Health and Beauty Products (Index Sales Growth 2004=100)

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

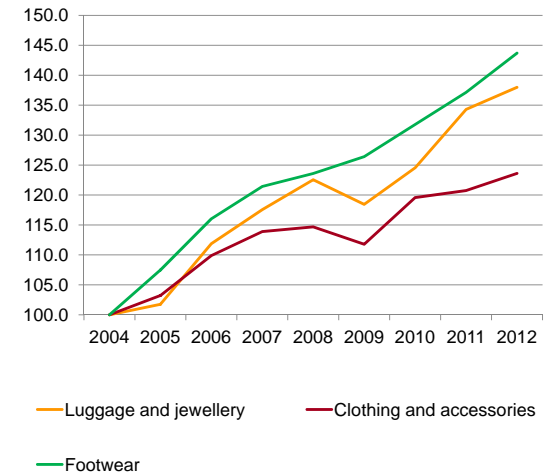


Source: Statistics Canada, Commodity Survey

45

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

- Footwear, luggage, and jewellery have high growth

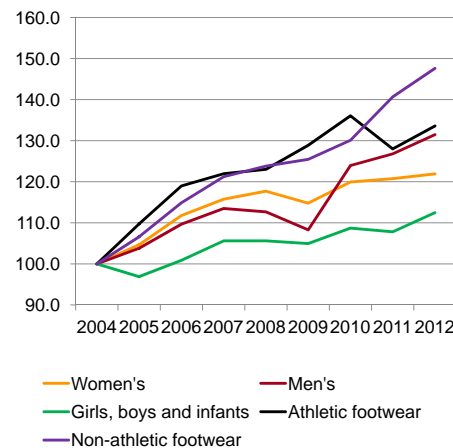


Source: Statistics Canada, Commodity Survey

46

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

- Clothing sales suffered in 2008 recession
- Women's clothing and accessories experienced average growth
- Men's witnessed high growth post 2009, return of men's specialty store sales activity away from general merchandise stores
- Return to style: non-athletic footwear has very high growth

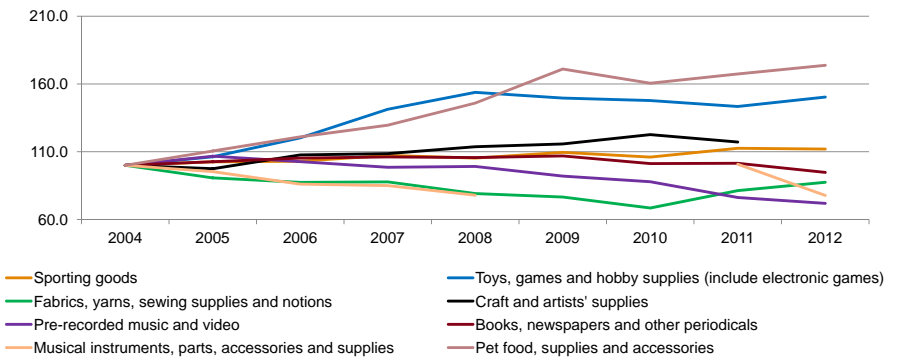


Source: Statistics Canada, Commodity Survey

47

Leisure Products (Index Sales Growth 2004=100)

- Consumers have increased spending on pet supplies as well as toys, games, hobbies, and electronic games; but growth has stalled since 2008
- Traditional sporting goods, including bicycles and hockey equipment, have stayed approximately the same
- Books and newspapers have flat lined and recently fallen further (does not include eBooks or Amazon)
- Music store sales declined
- Fabric, yarn, sewing declined significantly till 2010; recently witnessed a small resurgence



Source: Statistics Canada, Commodity Survey

48

Retailer Trend #6: Food as Entertainment

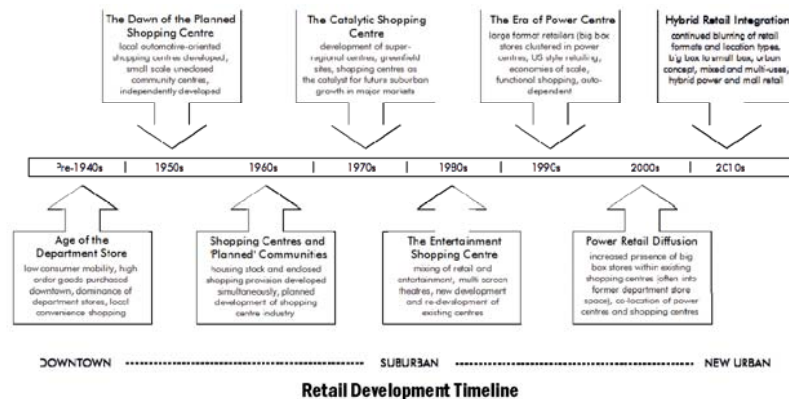
- Entrance of general merchandisers (Walmart Supercentres) in the grocery field has helped spur new grocery concepts
- Grocery stores attempting to differentiate from general merchandisers by adding services and catering to specific demographic targets – becoming entertainment focused
 - Whole Foods – organic, upscale, services inside
 - T&T – Ethnic
 - Longos on Laird includes casual dining restaurant, coffee, cooking school, and pharmacy (48,000 sq. ft.)



49

Retail Real Estate Trends

Retail Real Estate Trend #1: Waves of Retail Development



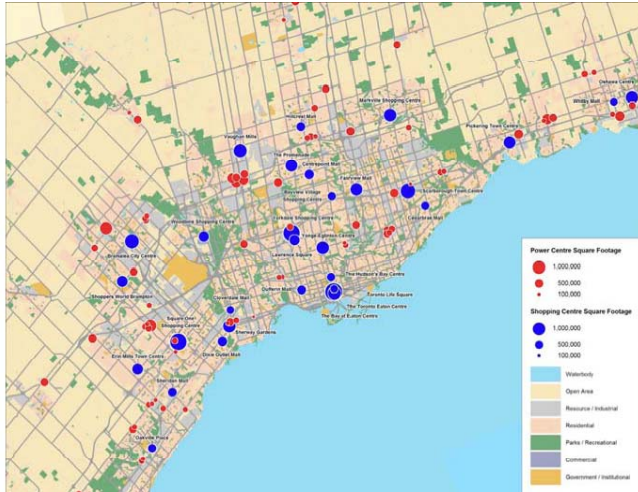
51

Retail Real Estate Trend #1: Power Retail Development



52

Retail Real Estate Trend #1: Toronto Malls and Power Centres



53

Retail Real Estate Trend #1: Major Malls and Power Centres

- Power retail to continue at slower rate
 - Format has dominated development across Canada, during a period of limited mall and lifestyle centre construction
 - Becoming more aesthetically “designed” – omni centres
- Major malls continue to re-invest in their “grounded” capital, with integration of big box players, internal (incl. Extensions) and on external pads (i.e., parking lot conversions)
 - Increasing spread between A and C malls
 - Limited space available in premium malls

54

Retail Real Estate Trend #1: Investment in Toronto Retail Areas Required to Sustain Performance Metrics

- Canada and Toronto have lower retail sq. ft. per capita but higher sales productivity
- Requires consistent investment to maintain high productivity
- Scarborough Town Centre
 - 2012: \$62 m Phase II redevelopment
- Yorkdale
 - 2016: \$331 m expansion 298,000 sq. ft. incl. Nordstrom
 - 2012: \$220 m expansion 145,000 sq. ft.
 - 2005: \$110 m redevelopment
- Sherway Gardens
 - 2016: \$350 m expansion of 210,000 sq. ft. and redevelopment 90,000 sq. ft.
- Eaton Centre
 - 2012/2013: \$120 m redevelopment
- Bayview Village
 - 2010: \$10 m redevelopment

55

Toronto has Four Top 15 Shopping Centres in North America

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

Source: KPMG 2012 in Cdn \$

Many malls are influenced by very high sales volume at Apple \$10,000+/sq. ft.

56

Retail Real Estate Trend # 1: Urban Formats

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

57

Retail Real Estate Trend #1: Urban Formats



58

Retail Real Estate Trend #1: Urban Formats

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

59

Retail Real Estate Trend # 1: Reconfiguration of Existing Space

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

60

Retail Real Estate Trend # 1: The “BIG” and “SMALL”

- What does this all mean for retail space?
 - Changing space demands
 - Going SMALL could be BIG news
- Revisiting the bricks and mortar question
 - Impact of e-commerce
 - Showrooming – experiential
 - Transactional vs. distributive stores
- Emerging retail developments: mixed vs. multi use
- The next wave for commercial real estate?
- More space or less space: using space differently

61

Retail Real Estate Trend #2: Omni-channel

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

Augmented reality

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



62

Retail Real Estate Trend #2: Omni-channel

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



63

Retail Real Estate Trend #2: Omni-channel – Window Shopping

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



64

Retail Real Estate Trend #2 : Omni-channel – Stores Seek Out Urban Shoppers at Transit

- 14 Walmart stores in Toronto but Walmart sales activity is happening everywhere
- Pushing sales of Walmart goods to commuters throughout City at transit stops
- Use QR codes for online sales while waiting for transit
- Follows Tesco example in Seoul train station and Well.ca in Toronto PATH



65

Retail Real Estate Trend #2: Omni-channel – Geofencing & Social Local

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

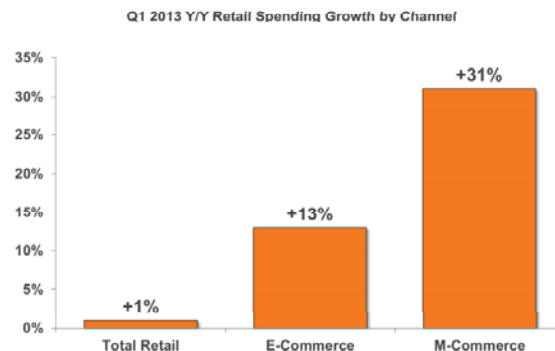
With the augmented reality app, you hold up your device to the store aisle and merchandise, discounts, and promotion suggestions pop up on your screen



66

Retail Real Estate Trend #2: Omni-channel – Mobile Commerce

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



67

Real Estate Trend #2: Omni-channel – Showrooming

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



68

Retail Real Estate Trend #2: Omni-channel – Online Delivery Options

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



69

Retail Real Estate Trend #3: Customized Formats

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

One size doesn't fit all any more



70

Retail Real Estate Trend #3: Customized Formats – Shrinking

- Big format retailers are shrinking in size to meet convenience gap
- Smaller, localized stores allow retailers to customize the merchandise selection to meet the specific needs of a particular region
- Retailers want to be more efficient with their space as a cost saving measure
 - Walmart Express (Chicago, 15,000 sq. ft.; Urban 90 in Scarborough, 90,000 sq. ft.)
 - Canadian Tire Express (Toronto, 6,500 sq. ft.)
 - Loblaws Healthnut on King St. W. (9,000 sq. ft.); The Box by No Frills (10,000 sq. ft.)
 - City Target (Chicago)
- Some growing categories, especially in apparel, are increasing their size
 - Victoria's Secret – closing smaller stores (La Senza) and replacing with larger Victoria's Secret stores
 - Forever 21 – enlarging stores to include more merchandise assortment, including men's clothing
 - Dollarama is increasing store sizes slightly

71

Retail Real Estate Trend #3: Customized Formats – Walmart Store Formats

The following slides illustrate the different sizes and markets for Walmart bannered stores in select countries

72

Walmart: Hypermarkets



Top Markets	Store Numbers	Sales Area (sq .ft.)	Avg. Sales Area (sq. ft.)
USA	2,890	535,985,689	185,452
China	296	54,401,094	183,787
Mexico	184	36,814,640	200,080
Canada	118	19,777,372	167,605
Japan	110	16,036,504	145,786

Source: IGD Retail Analysis Datacentre, calculated in 2010

73

Walmart: Supermarkets/Superstores



Top Markets	Store Numbers	Sales Area (sq .ft.)	Avg. Sales Area (sq. ft.)
USA	331	17,737,977	46,073
China	262	24,172,858	64,807
Mexico	175	31,850,271	68,643
Canada	74	79,394,668	49,191
Japan	48	5,871,918	25,530

Source: IGD Retail Analysis Datacentre, calculated in 2010

74

Walmart: Discount



Top Markets	Store Numbers	Sales Area (sq .ft.)	Avg. Sales Area (sq. ft.)
Mexico	790	24,660,119	31,215
Costa Rica	135	1,453,128	10,764
Guatemala	119	1,177,152	9,892
Brazil	114	4,750,049	41,667
El Salvador	54	390,020	7,223

Source: IGD Retail Analysis Datacentre, calculated in 2010

75

Walmart: Wholesale



Top Markets	Store Numbers	Sales Area (sq .ft.)	Avg. Sales Area (sq. ft.)
USA	599	79,801,726	133,225
Mexico	108	7,009,889	64,906
Brazil	71	7,335,422	103,316
Puerto Rico	9	877,000	97,444
India	4	344,445	86,111

Source: IGD Retail Analysis Datacentre, calculated in 2010

76

Walmart: General Merchandise



Top Markets	Store Numbers	Sales Area (sq. ft.)	Av. Sales Area (sq. ft.)
USA	704	76,156,819	108,177
Canada	205	23,245,548	113,398
UK	25	908,474	36,339
Puerto Rico	7	888,001	126,857
Japan	1	53,820	53,820

Source: IGD Retail Analysis Datacentre, calculated in 2010

77

Retail Real Estate Trend #4: Manufacturers and Wholesalers Becoming Retailers

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



Source: McMillan Doolittle

78

Retail Real Estate Trends #5: Kiosk/ Pop-up Stores

- Big box retailers and e-commerce stores alike are embracing pop-up stores as a means to introduce new concepts, test out new markets or to meet the temporary needs of a market
 - Target – downtown Toronto pop-up feature Jason Wu
 - eBay – limited edition holiday pop-up store in Yorkville

79

Retail Real Estate Trend #6: Evolution of Main Street Retail – West End Toronto Retail Audits

- J.C. Williams Group analyzed the store counts in seven retail districts in the west end of Toronto – Bloor Annex BIA, Mirvish Village BIA, Korea Town BIA, Kensington Market BIA, Trinity Bellwoods BIA, Queen St. W. (Spadina to Bathurst), and Queen St. W. (Bathurst to Gore Valley)
- Three dates were chosen: 2002, 2007, 2012
- Retail businesses continually change and these audits represent three distinct time periods
- The analysis is meant to illustrate fundamental changes in the evolution of retail in each area
- The analysis has a bearing into the assessment of the viability and vitality of retail for Toronto's main streets

80

Retail Audits – West End Toronto

- The evolution as rents rise and the main streets begin to appeal more to local neighbourhoods there will be a shift away from lower rent type businesses to cafes, restaurants, leisure, apparel, and small home furnishings
- Continued evolution sees a greater shift to higher rent paying retailers such as better quality apparel stores
- As rents increase, the number of restaurants does not seem to increase as they become priced out of the market
- Queen St. W. east of Bathurst had big redevelopment that brought in national retailers and jumped the retail evolution but there hasn't been a big corresponding jump in retail rents
- Unique retail clusters such as Kensington Market as well as Korea Town and Mirvish Village are specialists and destination areas (highly concentrated retail in a few categories)
- Bloor Annex, which was a specialist area, has now evolved into more of a local neighbourhood with a greater emphasis on cafes and specialty food
- As the main streets redevelop through BIA organizations, investment, marketing, etc., rents are increasing as well. This can push out small independent businesses (e.g., antiques, unique eclectic stores, retail production and sales stores, and furniture type stores)
- As with all districts, there is the risk of becoming too similar and cookie cutter – each need their own individuality and personality
- Vacant units in each time studied were primarily leased by the next five year period and the current vacant units were the result of changing business (not systemic problems with the buildings)

81

Queen St. W. – Bathurst St. to Gore Vale

	2002	2007	2012
Retail merchandise			
Clothing, shoes, accessories	23	37	43
Furniture and home furnishings	19	14	13
Appliances and electronics	5	6	5
Building supply and garden equipment	1	1	1
General merchandise	0	0	0
Leisure retailers	35	25	16
Other	1	1	0
Total retail merchandise	84	84	78
Convenience type goods			
Supermarkets	0	0	0
Specialty food, convenience, and mfg/wholesale	12	13	12
Health, pharmacy, cosmetics	4	5	4
Total convenience type stores	16	18	16
Food services			
Full service restaurants	22	23	22
Limited service	10	9	15
Drinking places	4	4	3
Total food services	36	36	40
Services			
Beauty	7	9	7
Other personal services	9	8	5
Video rental	1	1	1
Banking, financial	2	2	3
Business services	1	1	0
Medical	2	3	2
Recreation, entertainment	1	1	1
Total services	23	25	19
Education	0	0	1
Religious, clubs, associations	0	2	1
Vacant	7	7	9
Total	166	172	164

Source: CSCA, J.C. Williams Group

82

Queen St. W. – Spadina to Bathurst

	2002	2007	2012
Retail merchandise			
Clothing, shoes, accessories	19	26	41
Furniture and home furnishings	9	3	5
Appliances and electronics	10	4	3
Building supply and garden equipment	2	1	1
General merchandise	0	1	0
Leisure retailers	48	38	25
Other	1	1	1
Total retail merchandise	89	74	76
Convenience type goods			
Supermarkets	0	0	1
Specialty food, convenience, and mfg/wholesale	8	6	5
Health, pharmacy, cosmetics	2	5	6
Total convenience type stores	10	11	12
Food services			
Full service restaurants	17	16	17
Limited service	14	10	14
Drinking places	10	5	2
Total food services	41	31	33
Services			
Beauty	2	4	5
Other personal services	5	2	8
Video rental	2	1	1
Banking, financial	1	2	3
Business services	3	3	4
Medical	1	1	1
Recreation, entertainment	0	0	1
Total services	14	13	23
Construction	6		
Religious, clubs, associations	2	2	2
Vacant	13	8	13
Total	169	145	159

Source: CSCA, J.C. Williams Group

83

Trinity Bellwoods BIA – Dundas St. W.

	2002	2007	2012
Retail merchandise			
Clothing, shoes, accessories	7	10	5
Furniture and home furnishings	3	4	5
Appliances and electronics	5	3	4
Building supply and garden equipment	1	2	2
General merchandise	0	0	0
Leisure retailers	8	5	7
Other	1	2	2
Total retail merchandise	25	26	25
Convenience type goods			
Supermarkets	1	1	1
Specialty food, convenience, and mfg/wholesale	8	7	6
Health, pharmacy, cosmetics	6	9	7
Total convenience type stores	17	17	14
Food services			
Full service restaurants	12	11	11
Limited service	4	7	17
Drinking places	5	5	2
Total food services	21	23	30
Services			
Beauty	10	7	8
Other personal services	13	7	8
Video rental	1	0	0
Banking, financial	1	1	1
Business services	6	8	6
Medical	7	8	9
Recreation, entertainment			
Total services	38	31	32
Wholesale	1	1	0
Offices	1	1	1
Religious, clubs, associations	0	0	1
Manufacturing (e.g., Bakery)	3	0	0
Automotive	1	1	1
Vacant	23	23	22
Total	129	122	125

Source: CSCA, J.C. Williams Group

84

Little Italy BIA – College St. W. (to Bathurst)

	2002	2007	2012
Retail merchandise			
Clothing, shoes, accessories	26	19	17
Furniture and home furnishings	2	4	5
Appliances and electronics	3	3	4
Building supply and garden equipment	2	2	2
General merchandise	1	0	0
Leisure retailers	21	16	13
Other	1	2	3
Total retail merchandise	56	46	44
Convenience type goods			
Supermarkets	1	1	1
Specialty food, convenience, and mfg/wholesale	18	14	11
Health, pharmacy, cosmetics	11	13	11
Total convenience type stores	30	28	23
Food services			
Full service restaurants	33	42	45
Limited service	11	9	21
Drinking places	22	19	12
Total food services	66	70	78
Services			
Beauty	12	10	11
Other personal services	5	5	5
Video rental	2	4	2
Banking, financial	6	6	6
Business services	9	8	6
Medical	20	17	18
Recreation, entertainment	1	2	3
Total services	55	52	51
Offices	2	2	2
Education	2	3	4
Religious, clubs, associations	3	1	1
Automotive	2	1	1
Vacant	9	13	12
Total	221	212	211

- Unique neighbourhood combination of local goods and services and specialist – night entertainment, medical and health, Italian related specialty food
- Less emphasis on specialty food and drinking places
- Increased emphasis on restaurants and cafes
- Food service accounts for 38% of businesses
- Fewer apparel and leisure retailers
- More nationals such as Shoppers Drug Mart, LCBO, The Brick Mattress, Sleep Country
- Noted increase in fitness and recreation in many districts including Little Italy

85

Source: CSCA, J.C. Williams Group

Mirvish Village – Bloor St. W. and Markham

	2002	2007	2012
Retail merchandise			
Clothing, shoes, accessories	7	8	10
Furniture and home furnishings	4	2	1
Appliances and electronics	0	0	0
Building supply and garden equipment	0	0	0
General merchandise	3	2	1
Leisure retailers	11	11	13
Other	1	1	1
Total retail merchandise	26	24	26
Convenience type goods			
Supermarkets	1	1	1
Specialty food, convenience, and mfg/wholesale	1	2	2
Health, pharmacy, cosmetics	2	1	2
Total convenience type stores	4	4	5
Food services			
Full service restaurants	7	6	6
Limited service	1	2	3
Drinking places	0	0	1
Total food services	8	8	10
Services			
Beauty	3	1	2
Other personal services	1	1	0
Video rental	3	3	2
Banking, financial	1	1	2
Business services	2	2	2
Medical	3	3	4
Recreation, entertainment	3	2	2
Total services	16	13	14
Automotive	1	1	1
Vacant	2	6	5
Total	57	56	61

- Small retail cluster
- Honest Ed's is a major focus
- Dominated by unique clothing and leisure retailers on side streets in the village
- Goods and services associated with transit including pharmacy, cafes, banking, etc., on Bloor/ Bathurst

86

Source: CSCA, J.C. Williams Group

Korea Town – Bloor St. W.

	2002	2007	2012
Retail merchandise			
Clothing, shoes, accessories	12	13	10
Furniture and home furnishings	2	0	0
Appliances and electronics	10	8	6
Building supply and garden equipment	0	0	0
General merchandise	0	0	0
Leisure retailers	19	12	8
Other	0	0	0
Total retail merchandise	43	33	24
Convenience type goods			
Supermarkets	0	2	1
Specialty food, convenience, and mfg/wholesale	15	11	10
Health, pharmacy, cosmetics	5	5	6
Total convenience type stores	20	18	17
Food services			
Full service restaurants	24	26	30
Limited service	14	13	14
Drinking places	3	7	5
Total food services	41	46	49
Services			
Beauty	22	22	30
Other personal services	17	20	12
Video rental	2	2	0
Banking, financial	3	3	3
Business services	8	12	10
Medical	7	7	5
Recreation, entertainment	3	3	6
Total services	62	69	66
Education	3	3	2
Offices	1	1	1
Religious, clubs, associations	2	1	0
Vacant	7	10	10
Total	179	181	169

- Focus on Korean food and businesses
- 30% of businesses are food service related (many discount oriented)
- Growth in restaurants
- High number of specialty food stores and leisure retailer has declined
- High growth in beauty services
- Overall, small amount of retail merchandise but higher end stores moving in (bicycles, men's clothing)
- Becoming much more oriented to services as a destination location

87

Source: CSCA, J.C. Williams Group

Bloor Annex – Bloor St. W.

	2002	2007	2012
Retail merchandise			
Clothing, shoes, accessories	8	8	7
Furniture and home furnishings	2	2	2
Appliances and electronics	6	5	4
Building supply and garden equipment	1	1	1
General merchandise	0	0	3
Leisure retailers	15	13	11
Other	1	1	1
Total retail merchandise	33	30	29
Convenience type goods			
Supermarkets	1	1	2
Specialty food, convenience, and mfg/wholesale	11	11	14
Health, pharmacy, cosmetics	5	4	5
Total convenience type stores	17	16	21
Food services			
Full service restaurants	31	32	34
Limited service	18	22	29
Drinking places	6	5	4
Total food services	55	59	67
Services			
Beauty	10	10	8
Other personal services	5	6	6
Video rental	3	3	1
Banking, financial	3	3	3
Business services	8	7	7
Medical	6	4	3
Recreation, entertainment	2	3	3
Total services	37	36	31
Offices	1	1	1
Religious, clubs, associations	3	3	2
Vacant	13	10	4
Total	159	155	155

- Student oriented neighbourhood
- Evolving into more of a local neighbourhood serving place and less as a destination for young adults
- High number of food service operators but declining drinking places and increasing limited service
- High number of restaurants
- Low number of retail merchandise operators and declining, especially in leisure
- Increasing emphasis on food including specialty food retailers (e.g., Rowe Farms)
- Low vacancy rate
- More national chains such as Sobeys Express, Dollarama, Game Stop, EB Games, St. Louis Wings

88

Source: CSCA, J.C. Williams Group

Kensington Market

	2002	2007	2012
Retail merchandise			
Clothing, shoes, accessories	37	48	51
Furniture and home furnishings	7	10	4
Appliances and electronics	7	9	5
Building supply and garden equipment	1	1	1
General merchandise	7	5	4
Leisure retailers	28	27	21
Other	5	6	6
Total retail merchandise	92	106	92
Convenience type goods			
Supermarkets	3	6	3
Specialty food, convenience, and mfg/wholesale	61	50	42
Health, pharmacy, cosmetics	5	6	6
Total convenience type stores	69	62	51
Food services			
Full service restaurants	17	28	37
Limited service	9	6	19
Drinking places	9	8	7
Total food services	35	42	63
Services			
Beauty	10	11	18
Other personal services	11	8	11
Video rental	1	1	1
Banking, financial	3	0	1
Business services	4	5	6
Medical	3	3	4
Recreation, entertainment	3	3	1
Total services	35	31	42
Religious, clubs, associations	3	6	5
Education	0	1	1
Automotive	0	0	2
Accommodation	0	1	1
Vacant	33	22	23
Total	267	271	280

- Unique commercial cluster in City of Toronto
- Akin to St. Lawrence Market and Brickworks – bring cultural and social component to the City beyond retailing
- Critical mass in select categories related to food including production, wholesale as well there is critical mass in second-hand clothing
- Highly specialized product offering
- Other retail merchandise in home furnishings, electronics, and general merchandise closely aligned with leisure retailers
- Fast growing food service has provided another element to the market area as well as beauty services
- Vacant units turned over and new business evolves – but the number of vacant units stays the same

Source: CSCA, J.C. Williams Group

89

Discussion on Development

Viability of Retail on Main Streets

- The economics of retail development and ability for different retailers are an important discussion
- Retailers that can pay higher rents often are related to higher gross margins
- Clothing stores and accessories have high gross margins and if there are many stores across the network, they can afford to pay higher rents
- Furniture stores, which are often larger, cannot pay high rent
- Often witness higher movement of furniture stores on main streets as they evolve (e.g., Fluid Living left Queen St. W. in 2007 as rents increased)

91

The Economics of How Retailers Pay Rent

	Avg. Cdn. Sales/Sq. Ft.	Gross Margin	Operating Profit	Difference	Amount That Can Go To Staff, Rent, Marketing
Jewellery, luggage and leather goods	\$896	49.9%	9.5%	40.4%	\$361.98
Electronics and appliances stores (inflated Apple)	\$889	30.3%	4.6%	25.7%	\$228.47
Health and personal care stores	\$728	31.9%	3.1%	28.8%	\$209.66
Specialty food stores	\$600	36.9%	3.7%	33.2%	\$199.20
Shoe stores	\$379	50.4%	5.4%	45.0%	\$170.55
Clothing stores	\$340	51.5%	7.6%	43.9%	\$149.26
Supermarkets and other grocery stores	\$655	23.8%	1.8%	22.0%	\$144.10
Beer, wine, liquor stores	\$1,044	45.2%	31.4%	13.8%	\$144.07
Home furnishings stores	\$255	45.9%	5.4%	40.5%	\$103.28
Sporting goods, hobby, book, music	\$279	38.3%	3.7%	34.6%	\$96.53
Other general merchandise stores	\$501	23.1%	4.3%	18.8%	\$94.19
Furniture stores	\$240	40.2%	3.8%	36.4%	\$87.36
Building materials and garden supplies	\$287	33.8%	5.1%	28.7%	\$82.37
Department stores	\$276	32.3%	7.2%	25.1%	\$69.28

Source: Statistics Canada

92

Economics of National Retailers on Main Street and Large Retail

- Small to medium sized chain retailers move into main streets that have the demographics and rent structure to support their sales level (e.g., Beach, Danforth have Tim Hortons, Game Stop, Kitchen Stuff Plus, etc.)
- Retailers need to make a basic minimum in sales for store to be viable and support entire chain
- Rents at \$50/sq. ft. on a main street indicate that sales would be approximately \$500/sq. ft. or more – this would be a viable scenario for a national retailer
- Large retailers locate on periphery such as Lakeshore, Dupont and employment areas for low land costs but are not necessarily close to pedestrian traffic centres. They rely on vehicular traffic to survive and need ample surface parking or easy structured parking (e.g., Loblaws at Queens Quay East/Jarvis)
- Large retailers need to balance low land cost/rent areas similar to those found on the periphery with attempting to be near population centres
- Increased retail rents on main streets make it more difficult to develop large format retailer locations – need upper level locations (e.g., restaurants on Yonge Street in Downtown are upper level or side streets due to high rents)

93

Economics of National Retailers on Main Street and Large Retail

- Ideal size of retail on main streets is between 1,200 sq. ft. and 4,000 sq. ft. (20 x 60 to 40 x 100) but need variety of sizes (the more highly specialized such as St. Lawrence Market, the increased need for consistent size of units)
- Often prefer ratio of approximately 1:3 for retail size
- Over time, these sizes of units have been shown to be very adaptable to different retailer categories and profitable businesses can do well
- There is demand for smaller spaces (often for limited food services and personal services) to support the area. Also, these businesses can locate in a higher rent area and pay lower rent through efficient use of the space. They will locate on nearby side streets so as to be close to the main retailing but opting for lower rent
- Similarly, mid to larger format stores want to locate in a neighbourhood but may opt for a nearby side street location (e.g., Freshco on Gladstone), upper/lower level location, or behind the smaller retailers with a small entrance from the main street. This can include grocery stores, furniture and home furnishings stores, etc.

94

Evaluation Principles Discussion

Evaluation Discussion

- Find a way of classifying retail areas
 - High density, mid density, low density neighbourhoods
- What drives successful retail? Viability and vitality measures

Viability		Vitality
<ul style="list-style-type: none"> ■ Retail revenue ■ Property value ■ Vacancy rate ■ Property tax ■ Building permit ■ Lease rate ■ Lease turnover rate ■ Inventory turn ■ Retail employment ■ Capture rate 	<ul style="list-style-type: none"> ■ Pedestrian traffic ■ Retail mix ■ Mix of unit sizes ■ Ceiling heights ■ Floor plates ■ Parking ratios and transit ■ Loading plan ■ Sight lines from street ■ Other amenities: cultural, recreation, library, etc. 	<ul style="list-style-type: none"> ■ Quality of shopper ■ Shopper experience ■ Satisfaction survey

96

Large Format and Vertical Retail Developments

- Many national retailers want to locate in urban areas and have adjusted store formats (grocery, ethnic grocery, banks, mobile phone, pharmacies, rental car)
- Loading is an issue
 - Like new developments with modern loading areas as opposed to older buildings
 - Dislike underground loading
 - Can be a make-or-break decision for retailers if not correct
 - City requirements often lead to odd and cumbersome loading situations (e.g., 621 King St. W.)
 - Ingress/egress of loading is difficult and stabilize neighbouring buildings
 - Developments need to require less loading – switch to urban trucks but if retailer only has a few urban stores it becomes difficult
- Parking
 - Want to be near City lots and transit
 - Have discovered that own parking on the site is not as necessary and is not used
 - If cannot have surface, prefer above ground but know that it is not well thought of by City
- Mixed-use development and financing
 - Still many developers are not adept at this type of development
 - Stratification of development is difficult with fixed costs associated with each section
 - Financing issues – developer needs tenant covenants that come from national retailers
 - Condo boards can be difficult for retailers

97

Large Format and Vertical Retail Developments

- Other issues
 - Ceiling heights for retailers –higher in high density locations and lower in low density locations
 - Floor plates
 - Vertical density
 - Short blocks
 - Sight lines from the street into the store (view of retail ceilings and light fixtures is not attractive)
 - Partnership with others – hotel, health/hospital, education/school, stadium, cultural, library, recreation
 - May include major retail component in the development
 - Retail can help defray the development costs and provide income
 - Retail can add to the overall experience and enjoyment (Balzac's coffee at Toronto Reference Library, Union Station experience for commuters, better food services at hospitals, etc.)

98

Large Format and Vertical Retail Developments

- Other issues
 - City needs to assess not only the retail development that will be there today but ensure that the building is flexible to accommodate retail as it continues to evolve and change
 - Standard size of 20 ft x 60 ft main street stores are in demand because several retail categories, from apparel and small home furnishings to cafes and small restaurants, can make them work
 - Small live/work units are not sought after as they are difficult to merchandise with enough goods to make them profitable (can be used for personal services and cafes)
 - Brokerage community – difficulty finding brokers who want to lease small 2,000 sq. ft. units for \$35/sq. ft. or less
 - Emerging main street districts vs. established main streets
 - Heritage

99

Large Format and Vertical Retail Developments

- Other issues
 - Residential to commercial conversions
 - Condo commercial units especially for smaller units
 - Access to healthy food especially for low to mid income households
 - Remove bureaucratic red tape (patio licensing)
 - Restrictive use clauses put in by former tenants of buildings
 - Vacant units can get break on taxes
 - High commercial taxes and assessed values on new development and for small business owners
 - Evolve BIA organizations into community development corporations (more involved in redevelopment)
 - Continued use of retail caps

100

The emporium strikes back

Retailers in the rich world are suffering as people buy more things online. But they are finding ways to adapt

Jul 13th 2013



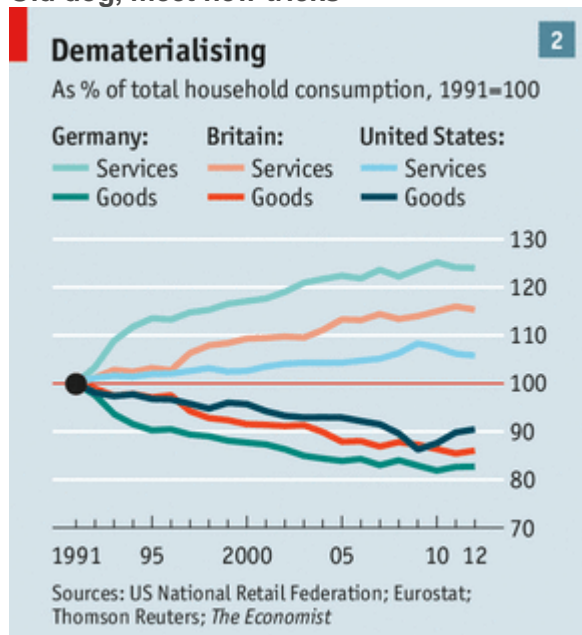
“THE staff at Jessops would like to thank you for shopping with Amazon.” With that parting shot plastered to the front door of one of its shops, a company that had been selling cameras in Britain for 78 years shut down in January. The bitter note sums up the mood of many who work on high streets and in shopping centres (malls) across Europe and America. As sales migrate to Amazon and other online vendors, shop after shop is closing down, chain after chain is cutting back. Borders, a chain of American bookshops, is gone. So is Comet, a British white-goods and electronics retailer. Virgin Megastores have vanished from France, Tower Records from America. In just two weeks in June and July, five retail chains with a total turnover of £600m (\$900m) failed in Britain.

Watching the destruction, it is tempting to conclude that shops are to shopping what typewriters are to writing: an old technology doomed by a better successor. Seattle-based Amazon, nearing its 19th birthday, has lower costs than the vast majority of bricks-and-mortar retailers. However many shops, of whatever remarkable hypersize, a company builds in the attempt to offer vast choice at low prices, the internet is vaster and cheaper. Prosperous Londoners and New Yorkers ask themselves when was the last time they went shopping; their shopping comes to them. “Retail guys are going to go out of business and e-commerce will become the place everyone buys,” pronounces Marc Andreessen, a celebrity venture capitalist. “You are not going to have a choice.”



Online commerce has grown at different rates in different countries, but everywhere it is gaining fast (see chart 1). In Britain, Germany and France 90% of the rather modest growth in retail sales expected between now and 2016 will be online, predicts AXA Real Estate, a property-management company.

Old dog, meet new tricks



This would hurt less if shoppers were spending more; smaller slices are more acceptable when they come from bigger pies. But in many rich countries, especially in Europe, consumers are still smarting

from the bursting of the credit bubble and high unemployment. American consumers are perkier, but seem to be clinging to the bargain-hunting habits of the recession. Services have been consuming a bigger share of their wallets for decades, leaving less to spend on things (see chart 2). Ageing populations could shrink the pie further. Old people shop less.

When shoppers both know what they want and are willing to wait for it they will go online. And retail's simple moneymaking ways of yesteryear—find a catchy concept, fuel growth by opening new shops and attracting more shoppers to existing ones, use your growing size to squeeze suppliers for better margins—have run out of steam. But that does not mean that there are no new options for bricks and mortar.

Shopping is about entertainment as well as acquisition. It allows people to build desires as well as fulfil them—if it did not, no one would ever window-shop. It encompasses exploration and frivolity, not just necessity. It can be immersive, too. While computer screens can bewitch the eye, a good shop has four more senses to ensorcell. No one makes the point better than Apple; in terms of sales per unit area its showrooms-slash-playrooms best all other American retailers.

And shops make money. Bricks-and-mortar retail may be losing ground to online shopping, but it remains more profitable. The physical world is also increasingly capable of taking the fight to its online competitors. Last year online sales of shop-based American retailers grew by 29%; those of online-only merchants grew by just 21%. Apart from Amazon—which has long spurned profits in favour of growth—most pure-play online retailers are losing market share, says Sucharita Mulpuru of Forrester Research. The bricks-and-mortar retrenchment will be painful, but the survivors may make shopping a less formulaic, more satisfying and possibly even more profitable experience, both offline and on.

Many brands still think shops are the best way to attract customers. Inditex of Spain, owner of the ubiquitous Zara fashion brand, opened 482 stores in 2012, bringing its total to 6,009 in 86 countries. Primark, a fast-growing vendor of nearly disposable clothing, sells nothing on its website, relying on its 242 shops for almost all its sales. The same can hold at the luxury end, too—few will buy a \$10,000 necklace online, or entrust it to the post. Space on the snazziest streets in London, Paris and New York is in such demand that luxury retailers pay millions in “key money” to secure it, says Mark Burlton of Cushman & Wakefield, a property company.

Offline-only, though, is a shrinking category. Now that the initial shock of the online onslaught has worn off, most big retailers have joined it. They proclaim themselves to be “omnichannel” merchants, as adept as Amazon online but with the added excitement and convenience that comes with physical shops. Philip Clarke, chief executive of Tesco, Britain's largest retailer, says that app development will come to be as important to his company as property development. Walmart, the

world's biggest retailer, has 1,500 employees in Silicon Valley trying to out-Amazon Amazon in areas such as logistics and making the most of social media.

Some online natives are going omnichannel, too. *Pace* Mr Andreessen, New York-based Warby Parker, which sells trendy spectacles at prices lower than those charged by famous brands, has opened 14 shops, one of them a school bus that tours the country. Some potential customers were wary of buying spectacles from an online-only merchant. "We thought bricks and mortar would bring gravitas to the brand," says Neil Blumenthal, a co-founder. Its SoHo flagship resembles a library. Appointments with the in-store optometrist are displayed on a railway-station-style time board.

Currying favour

Britain may be one of the places where the future of retail is most easily seen. Online shopping has advanced further there than in other developed economies. The population is quite tightly packed, which makes delivery relatively cheap, and 70% have broadband internet access. It is one of the few places where online grocery shopping has taken off. Eventually, predicts Panmure Gordon, an investment bank, 20% of the food business will be online. For non-food items it will average 40%, but there will be a large range. For entertainment it may be 90%; for DIY supplies as little as 15%.

Footfall on British high streets has declined for seven years running. Citi Research, part of Citigroup, a bank, calculates that comparable sales at a representative selection of Britain's clothing chains fell by 3-5% a year between 2009 and 2012. Shop rents are high and leases are long, which piles on the pressure. Vacancy rates have risen fivefold to 14% since 2008. A report by the Centre for Retail Research predicts that a fifth of Britain's high-street shops will close over the next five years, eliminating more than 300,000 jobs.

Britain's brick-burdened retailers may be heartened, though, by the example of Dixons Retail, owner of Britain's biggest electronics and computer retailers, Currys and PC World, and of similar chains in other countries. Between 15% and 20% of sales at Dixons are online, depending on the season, and the proportion is rising. But Dixons thinks the advantages which online-only merchants get by doing away with shops and sales staff are undercut by the need to pay more than high-street shops do to acquire customers (largely by paying Google for clicks on adverts) and to spend a lot on shipping. So instead of doing away with shops and sales staff, Dixons is trying to get more out of them.

Shoppers may be tempted to treat electronics stores as showrooms for Amazon and its like, but at least they cross a retailer's threshold at some point during their quest 90% of the time, notes Dixons' boss, Sebastian James—and with rivals like Comet having closed down, that threshold is ever more likely to be Dixons'. This gives the company the means to procure better terms than online rivals do from its suppliers, which like the idea of customers actually seeing their wares in the flesh, shown off by flesh-and-blood people. Sometimes, as with a recent AEG washing machine and Samsung camera, Dixons enjoys a period of exclusivity.

Thus people's tendency to use the shops as showrooms is turned, at least in part, to the company's advantage. Other retailers are seeking to embrace the practice too. Best Buy, America's biggest electronics retailer, used to cover up barcodes to stop shoppers from using their phones to compare prices. Today the retailer's new boss, Hubert Joly, professes to "love showrooming" because it means that a prospective customer is on the premises.

Having people on the premises also helps Dixons to bundle sales—in particular, to sell high-margin accessories and services along with low-margin devices. Mr James says that computers in Dixons were 26% more expensive than on Amazon three years ago. Now the difference is pretty much zero. So the shops must make money by selling "the world that goes around the product"—like a computer bag or high quality cables.

These stratagems depend on having attractive stores and able shop assistants. Dixons has retrained its staff and changed their incentives. Individual sales commissions have been scrapped in favour of store-wide schemes linked to measures of customer satisfaction. To overcome managers' reluctance to refer customers to the website, stores are now credited with all sales in their catchment area, regardless of whether a buyer entered the premises.

The omnichanneller's dilemma

But though owning shops is basic to Dixons' strategy, the number of shops is dropping, and will drop further. Dixons has cut its British network from 780 to 486; it aims to end up with just under 400. Jessops, which has been reopened after shedding more than 80% of its stores by Peter Jones, a flamboyant reality-television entrepreneur, is making a similar bet.

For many retailers, such reductions are an inescapable part of going omnichannel. "You're putting in more capital to keep the sales you have," says Colin McGranahan of Sanford C. Bernstein, a research firm. Investment which used to go mainly into new stores must now in part be redirected towards the technology and distribution that online sales require. And sales through new channels come in part at the expense of existing shops, the costs of which are largely fixed. That depresses the retailer's profits and forces it to close shops.

Other sectors have some advantages over electronics and camera sales. It is not so easy for shoppers to use food and clothing shops—both of which are big parts of retail—as showrooms for online sales. You cannot squeeze a melon with a tablet computer; phones make poor fitting rooms.

For online-only retailers such products cause extra headaches. Clothes shoppers return a quarter or more of the garments they buy. Selling groceries online is laborious, with lots of low-value items stored at different temperatures that have to be assembled into all manner of unique orders and then delivered rapidly.

But online-only retailers keep inventing clever ways to overcome such disabilities. Amazon's "subscribe and save" service delivers at regular intervals staple products like nappies and coffee. Fits.me sets up "virtual fitting rooms" for online clothiers, which let shoppers enter their measurements to see how garments would look on them. Citi Research expects British online clothing sales to double in the next six years. "There are no glass ceilings on any particular category," says Robin Terrell, head of Tesco's online business.

For Tesco, the world's third-biggest retailer, the challenge of mastering online grocery while shoring up its traditional business is acute. The company outsells all other British grocers on the internet; but its market share has been slipping both online and off and a recent poll rated its shops lower in quality than those of any other British grocer. Like Carrefour, the French firm that is retail's global number two, Tesco has pulled back from some attempts to expand internationally in order to win back lost ground at home.

Change in store

Around 40% of Tesco's British floorspace is in hypermarkets which seem ill suited to new trends, based as they partly are on the idea of selling things that people would rather buy online, such as televisions, alongside food. The Institute of Grocery Distribution, an industry think-tank, sees sales in Britain's big shops growing by just 6.4% between 2012 and 2017. The growth that is not found online is going to come from neighbourhood convenience shops, which the institute sees as growing by 28.5% over the same time. So that is where Tesco, like Carrefour and Walmart elsewhere, is heading. In April Tesco took an £804m write down on the value of its British property as it scaled back plans for future big supermarkets.

After a decade spent bringing its shops online Tesco now sees it as time to "bring the internet into stores", says Mike McNamara, the company's technology chief. The idea is that this will make shops both more productive and more popular. Tesco's in-store cafés could have interactive tabletops, which, prompted by a customer's cellphone, would suggest recipes based on his shopping list. Similar wizardry could tell staff which fruit and vegetables need replenishment. The hypermarkets will also sell more clothing and cosmetics, which have higher margins than electronics and seem a more natural fit with food.



Online sales are the fastest-growing part of Tesco's business, but analysts doubt they bring much profit. "On a fully costed basis no one makes money" in online grocery, says Andrew Gwynn of Exane, an investment company. But online offers a real advantage in serving Tesco's most loyal and profitable customers. Tesco has been hoovering up information through its Clubcard loyalty scheme for years; computers can take that further. "We are teetering on the brink of an era of mass personalisation," says the retailer's boss, Mr Clarke. Loyal customers are worth far more to Tesco than footloose ones.

Deep personalisation could have disruptive consequences. Retailers are beginning to see profit per household, rather than per square metre, as the thing they should target, according to the Boston Consulting Group. Safeway, an American supermarket, offers individualised pricing through its "just for u" loyalty scheme. Mr Clarke seems wary. Tesco "should be classless", he says, meaning it should not discriminate among its customers. But the temptation will be there. Tesco still uses traditional yardsticks but "customer-level metrics" will challenge the way the company thinks, says Mr Terrell.

Many chains are going through similar change, looking again at every aspect of their logistics (a 95% accuracy rate is acceptable for shipments to grocery shops but anything short of 100% risks turning off a customer), their staff training, the number, size and location of their shops and what they offer the customer. Asda, a competitor to Tesco in Britain that is owned by Walmart, is

transforming big supermarkets into “mini high streets”, bringing in Disney shops and shoe repairs (Tesco has bought Giraffe, a restaurant chain, for similar purposes). John Lewis, a British omnichannel role model, takes the view that targeting individual shoppers rather than single channels is the way to profitability. “Click and collect” services let shoppers pick up online purchases at a convenient store where they might also buy something else.

The future shopscape will be emptier, but more attractive. Shoppers can expect new rewards for simply showing up. Shopkick, a mobile-phone app, gives American shoppers points that earn them goodies like iTunes songs just for stepping across the threshold of a participating store. Inspired by Apple, shops promise “experience” and hope that sales will follow. Germany’s Kochhaus claims to be the first food store organised around recipes rather than grocery categories. The ingredients are strewn across tables, not stacked on shelves. Some shops will opt to sell nothing at all on the premises. Desigual, a Spanish fashion merchant, has shops in Barcelona and Paris that carry only samples. Shoppers are helped to assemble them into outfits that they then buy online.

Shopping centres are reallocating space from the classic form of retailing to leisure and entertainment. In Britain the non-retail share of shopping-centre revenue has risen from the 5% once seen as standard to 10-15% and could rise to 20% over the next five years, says the British Council of Shopping Centres. The same trend holds across much of Europe. In America nearly a quarter of the space in shopping centres is occupied by businesses other than shops and restaurants. Medical services may become principal attractions, says Michael Niemira of the International Council of Shopping Centres. Health care accounts for just 1% of space now but Mr Niemira and others expect it to “explode”.

Room for improvement

Nothing is settled. The bundles assembled by Dixons and its kind may be brutally unpicked by online competitors. A logistical arms race is heating up. Amazon, having given up its resistance to collecting state sales tax in America, is building fulfilment centres near cities to speed delivery. Bricks-and-mortar shops are striking back with services such as Shutl, which arranges fast home deliveries from store networks. And all retailers are competing increasingly with suppliers seeking new direct routes to market. Last year online sales by companies that make their own products grew faster than those of both shops and online-only retailers in America.

And new hybrids are emerging. Yihaodian, a Chinese company owned by Walmart, has used an app to let phone users visit 1,000 “virtual stores” accessible only at specific sites—many of which, rather cheekily, were on the doorsteps of rival retailers. Tesco’s Korean subsidiary, Homeplus, puts up images of products on posters in the subway; commuters can scan them to get the products delivered. Tangible and virtual retailing may meld in all sorts of unaccustomed ways. Even Amazon has flirted with the idea of opening physical stores. Consumers have reason to cheer the survival of the sexiest.

Appendix B:

Workshop # 2: Vitality and Viability of Main Streets – Near Bathurst Street Pedestrian Shopping Areas

Consumer Satisfaction Survey

Bathurst Street Retail Study

Vitality and Viability of Main Street Retail

Workshop #2
Near Bathurst Street Pedestrian Shopping Areas

J.C. WILLIAMS GROUP

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Outline

- To gain a better understanding of how main streets function – vitality and viability attributes assessed
- Includes range of retail main streets
- Informs discussion on:
 - Emerged well developed main streets
 - One side retail main streets
 - Undeveloped main streets
 - Main streets with other major use (campus)
- How to understand those that are vulnerable to large retail developments

2

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Measuring Viability and Vitality of Main Streets

- To understand how main streets can adjust to retail developments on or near them and to have a better understanding of what makes them resilient

Viability		Vitality
<ul style="list-style-type: none"> ■ Target market capture rate ■ Retail revenue (only malls) ■ Property value (City) ■ Vacancy rate (CSCA) ■ Property tax (City) ■ Building permit (City) ■ Lease rate (Brokers) ■ Lease turnover rate (CSCA) ■ Inventory turn (retailers) ■ Retail employment (City) 	<ul style="list-style-type: none"> ■ Pedestrian traffic (City) ■ Transit (City) ■ Retail mix (CSCA) ■ Mix of unit sizes (CSCA) ■ Design (City Standards) <ul style="list-style-type: none"> - Ceiling heights - Floor plates - Parking ratios - Loading plan - Sight lines from street ■ Other amenities: cultural, recreation, library, etc. 	<ul style="list-style-type: none"> ■ Quality of shoppers (survey) ■ Shopper experience ■ Satisfaction survey

3

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Assessment of Different Districts

- Nine districts on or near Bathurst Street were analyzed:
 - Bloor/Annex; Mirvish Village; Korea Town; Kensington Village; Little Italy; Trinity Bellwoods; Queen St. W. (Spadina to Bathurst); Queen St. W. (Bathurst to Gore Vale); and Seaton Village
- Review of select data sets to illustrate vitality and viability measures of each main street and their ability to adjust to a major or large retail development

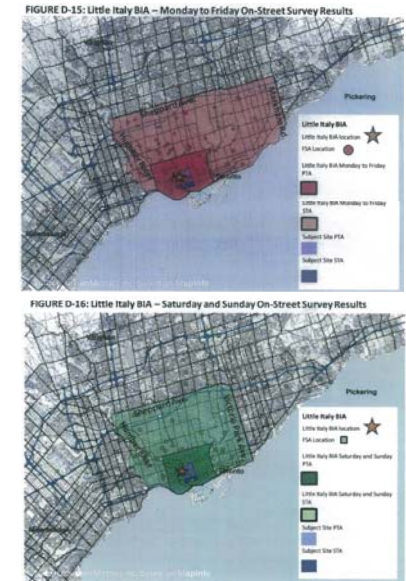
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1. Target Market Capture Rate and Trade Area Definition

- For retail, the geographic definition of the trade area is vitally important
- Generally, the primary trade area is where 70% to 75% of a retailer's or district's customers come from and follow the principle that the closer people are the more likely they are to shop
- Is the trade area growing or are the demographics of the area changing/shifting to households that will want to buy more of what the retailers are selling? (E.g., retailer that sells baby clothes and more young families with young children are buying the homes)
- Trade areas are affected by:
 - Size and nature of the retail (critical mass)
 - Accessibility and visibility
 - Competitive positioning
 - Travel time distances
 - Vehicle: 5 minute drive time
 - Walking: 15 minute walk time 1,400 m (University to Bathurst is approximately 1,500 m)
 - Natural barriers: parks, rail lines, bodies of water, bridges
 - Psychological barriers: safety

Trade Area Review: Little Italy

- In the Urban Metrics review of Little Italy the trade areas defined on the map did not match the location of the visitors
- Most visitors are from west of Bathurst yet the trade area extends to the Don River
- This matches other data in this report on Bathurst being a dividing line between those who walk to work and those who take public transit



Population Review

- Along Bathurst St. from St. Clair Ave. W. to Lake Ontario and from Christie/Grace to Spadina Ave., the area was divided into smaller neighbourhoods for demographic analysis
- There are fifteen districts in total



Salient Findings

- Populations vary from 2,419 in Fort York to 7,144 in West Annex
- There was almost no growth in the districts except for those south of Queen St. W.
- Some districts north of Queen St. W. experienced negative growth
- It is anticipated that south of Queen St. W. will continue to grow (higher density residential). East of Bathurst St. will grow faster than west of Bathurst St.
- Household sizes generally shift from larger persons/household near St. Clair to very small household sizes near the lake
- The exception would be low household sizes in West Annex and very high household sizes in Trinity Bellwoods and Alexandra Park
- Household growth is higher than population growth indicating that the shift to smaller household sizes (exception Trinity Bellwoods where households are getting larger). Household growth compared to population growth is very high in Little Italy indicating a faster change towards smaller households as new families move into the area
- Many districts, especially east of Bathurst St., have a mix of students and young adults combined with older families

Salient Findings

- Davenport and Alexandra Park have a higher proportion of children under 19 (18%–20%)
- Most other districts have between 8% and 15% children under 19 years of age
- Young adults and students push the proportion of 20 to 39 years olds to high levels
- Also, in districts near Chinatown, there is a higher proportion of young adults living with parents
- There are proportionately fewer seniors south of Queen St. W. (exception is the waterfront) but there are higher proportions north of Dupont St.
- The districts that have over 50% single residents include Queen West, City Place, Niagara, and Palmerston
- Well educated – in districts such as City Place, Casa Loma, Queen West, West Annex, over 60% of the residents have a university degree or higher
- The districts from College St. to Queen St. have a lower proportion of university graduates
- Household incomes are mid to high throughout with the exception of the Kensington and Alexandra Park districts
- Household incomes south of Queen St. W. are high and when the smaller household sizes are taken into consideration; the increased discretionary income makes it a lucrative market for retailers to pursue

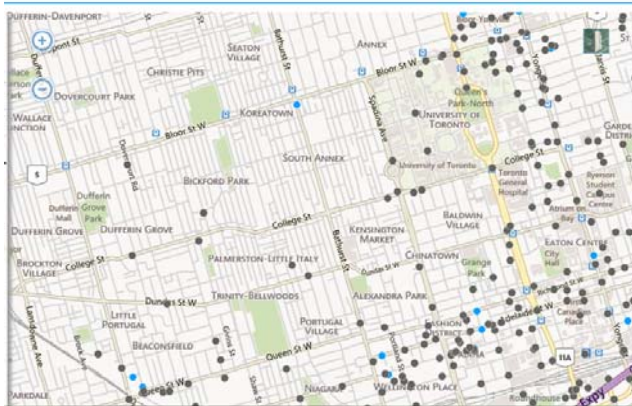
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Salient Findings

- Assessing mother tongue, in Kensington, Trinity Bellwoods, and Alexandra Park over 30% identify Chinese as their mother tongue
- The Italian mother tongue is noticeable in Little Italy and Palmerston, Portuguese is noticeable in Little Italy and Trinity Bellwoods

10

Residential Development



- Few development projects in local neighbourhoods of the Bathurst St. study area
- West of Bathurst St. will be lower density and will not cause significant changes to retail demand compared to east of Bathurst St. which has more high density residential (2 or 3 projects can add 1,000 residents in a short period) whereas west of Bathurst St. would require about 8 to 10+ projects to reach 1,000 residents

11

Nearby Development Projects

Name	Address	Units	Storeys
B Condo	783 Bathurst St.	195	9
219 Bathurst	219 Bathurst St.	28	9
Origami	202 Bathurst St.	23	7
OneEleven	111 Bathurst St.	255	17
College Condo	297 College St.	226	15
Cube	799 College St.	21	6
IT Loft	998 College St.	56	7
Nero	856 Dundas St. W.	87	7
250 Manning	250 Manning Ave.	45	3
SQ	20 Cameron St.	241	14
Abacus	1245 Dundas St. W.	39	8
Musee	525 Adelaide St. W.	440	17

12

Trade Area Review: Population Change

	Bloor Annex	Mirvish Village	Korea Town	Kensington Market	Little Italy	Trinity Bellwoods	Queen St. W. (Bathurst to Gore Vale)	Queen St. W. (Spadina to Bathurst)	Seaton Village
Changes	Past: stable	Past: stable	Past: stable	Past: stable	Past: stable	Past: stable	Past: stable to north and high growth to south	Past: stable to north and high growth to south	Past: stable
Prospects	Growth modest at 6 to 9 storeys	Growth modest at 6 to 9 storeys	Growth modest at 6 to 9 storeys	Growth modest west of Bathurst and higher east of Bathurst	Growth modest 3 to 6 storeys west of Bathurst and higher east of Bathurst	High growth Alexandra Park	Continued high growth to the south	Continued high growth to the south	Growth modest 3 to 6 storeys
	B Condos and Honest Ed's site	B Condos and Honest Ed's site	B Condos and Honest Ed's site	Development s such as College Condo over 226 units	Development s such as College Condo over 226 units	Smaller development s such as Nero and 250 Manning		Alexandra Park significant population growth	

- In relatively stable neighbourhoods and districts with slow population change, there is less demand for new retail spaces unless there is a severe lack of retail space to suit needs and residents have to travel longer distances for basic goods and services
- High population growth areas can absorb new retail and larger developments easier with less impact on the existing retailers

13

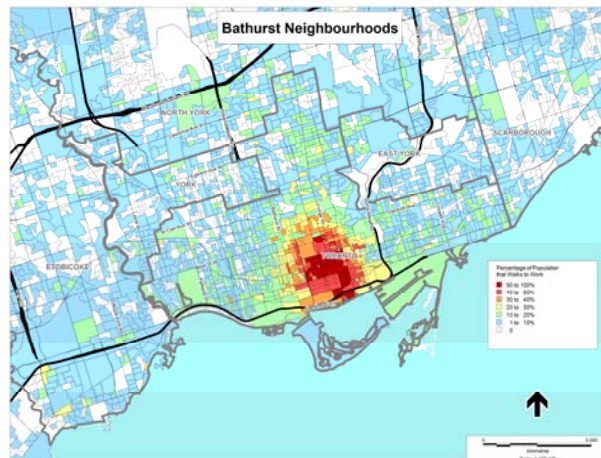
Trade Area Review: Transportation to Work

- The area is well served with public transit options including the Bloor/Danforth Subway line (31,500 daily passengers), Bathurst LRT (511), as well as College (506), Dundas (505), and Queen St. (501) LRT. There are other nearby lines including King (504, 508) and buses along Harbord St. (94), Bathurst north of Bloor (7), and Dupont (26)
- The residents near high order transit at Bloor/Bathurst have a high proportion that use public transit to get to work
- Walking to work represents a high proportion especially for those east of Bathurst St. (and south of Bloor St.): over 30% walk to work
- 12% of Harbord district residents bike to work (good access to bike lanes)

14

Trade Area Review: Walk to Work

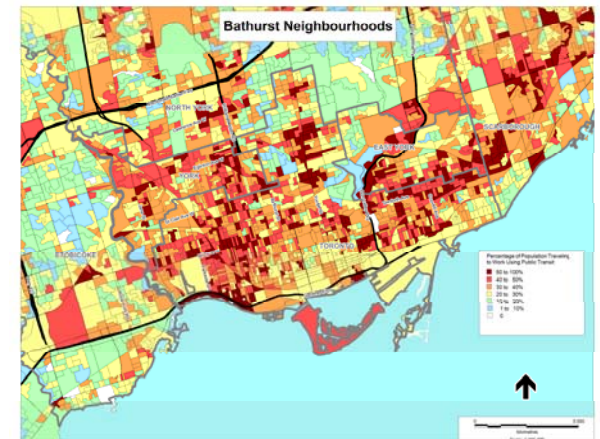
- Bathurst St. is a defining boundary for residents deciding to walk to work or not
- Affects shopping behaviour
- Retailers near Bathurst St. are less able to draw from residents who live east



15

Trade Area Review: Public Transit to Work

- Downtown residents are less likely to take public transit
- Stable inner suburbs have a high proportion that take public transit
- Affects shopping behaviour



16

Trade Area Review: Transit – Daily Passengers

- Bloor Bathurst subway station: 32,200 daily passengers
- Bathurst 511: 17,600 (2011)
- Carlton/College 506: 40,900
- Dundas 505: 31,900
- Queen 501: 43,900
- King 504: 53,100

Source: TTC, note: streetcar line passenger volume is for the entire system

17

Trade Area Review: 8 Hour Pedestrian and Vehicular Counts

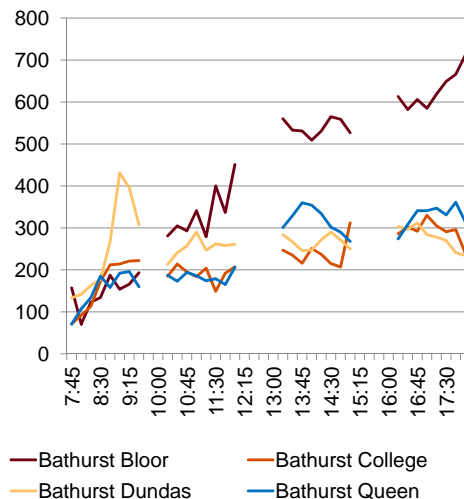
Intersection	Date	Pedestrian Count	Vehicular Count
Bathurst/Bloor	Aug. 15, 2013 Thur.	13,482	18,511
Bathurst/College	June 1, 2011 Wed.	7,209	20,994
Bathurst/Dundas	Mar.. 25, 2009 Wed.	8,412	19,143
Bathurst/Queen	Aug. 2, 4 2010 Tues.	7,824	18,133

- Highest pedestrian volume is Bathurst/Bloor associated with commuters. But afternoon traffic builds and even increases in the early evening for shopping and cafes/restaurants. Sustained pedestrian traffic over 600 (one person every 6 seconds) is a good consistent pedestrian flow for shopping activities
- Bathurst/College has some commuter traffic but the bulk of traffic occurs mid to late afternoon for the cafes, shopping, and restaurants
- Despite relatively higher pedestrian traffic at Bathurst/Dundas, it is primarily commuter traffic (morning) as well as patient traffic and lunch time traffic associated with hospital staff
- Bathurst/Queen has low morning traffic but makes up for it with very high afternoon and early evening traffic associated with shopping (low traffic overall but high traffic for shopping)

18

Source: City of Toronto, Traffic Safety Unit, Turning Movement Count

Trade Area Review: Pedestrian Counts 15 Minute Intervals



- Bathurst/Bloor:
 - Highest pedestrian volume
 - Builds throughout the day for shopping and then as a place to go for dinner/evening
- Bathurst/College
 - Bump in morning for daily commute traffic
 - Dips back down for late morning
 - Builds in afternoon from shopping traffic and late afternoon cafe/restaurant crowd
- Bathurst/Dundas
 - Heavily influenced by commuter traffic and worker lunch time
 - Falls in early evening
- Bathurst/Queen
 - Low traffic in the morning
 - High traffic in afternoon and early evening

Source: City of Toronto, Traffic Safety Unit, Turning Movement Count

19

Trade Area Review: Other Target Markets

- Beyond retail demand from local and regional residents, there is demand from other target markets including students, workers, arts and cultural attendees, sporting event attendees, special event attendees, library visitors, etc.
- These need to be included in the demand calculation
- Have to ensure they are not double counted with local residents
- Some are very close and others nearby but could have some spin-off effects on retail demand

20

Trade Area Review: Other Target Markets

- Education
 - Randolph Academy: 134 enrollment
 - Central Tech High School: 1,785 (2008)
 - King Edward Public School
 - Other Nearby
 - George Brown College
 - University of Toronto
- Community
 - Scadding Court Community Centre
 - Scadding Court library
- Billy Bishop Airport
 - 2.45 million passengers annually (2012)

21

Trade Area Review: Other Target Markets

- Markets (nearby)
 - Kensington Market (car free Sundays in summer)
 - Market 707 (Scadding Court)
 - Tuesday: Trinity Bellwoods Park
 - Wednesday: Bloor Borden
 - Thursday: Dufferin Grove
 - Saturday: The Stop Farmers' Market, Wychwood Barns
 - Sunday: The Brewery Market, Wychwood Barns
- Cinema
 - Royal Cinema – one screen: College St. (revue style cinema)
 - Bloor Hot Docs Cinema – one screen: Bloor St. W.
 - Closed and re-opened in 2012 as documentary cinema
 - Cineforum: - one screen 20 seats: 463 Bathurst, alternative (residential conversion)
- Entertainment
 - Lee's Palace: 500 to 600 capacity

22

Trade Area Review: Other Target Markets – Theatres

Theatre	Address	Venue	Seating Capacity
Tarragon Theatre	30 Bridgman Ave.	Main	205
		Extra Space	113
		Rehearsal	60
		Total	378
Bathurst St. Theatre	736 Bathurst St.		500
Annex Theatre	730 Bathurst St.		100
Factory Theatre	125 Bathurst St.	Main	200
		Studio	100
		Rehearsal Hall	50
		Total	350
Theatre Passe Muraille	Ryerson St.	Main Space	185
		Backspace	55
		Total	240
Total Seating			1,568
Estimated Attendance			130,000+

23

Trade Area Review: Other Target Markets – Toronto Western

- 239 bed hospital
- Over 50,000 emergency room visits
- Retail: Extensive food, health, and convenience offering
 - Shoppers Drug Mart, Subway, Tim Horton's, Second Cup, Asian Gourmet, Bagel Stop, Booster Juice, Druxy's, Jerk Chicken, Mix It Up, Mr. Sub, Soup It Up, Sushi by Bento Nouveau, Panzerotto Pizza, flowers, ATM, vending, and eye care services
- Retail is important for the work/life balance
- Patients and staff want retail to align with wellness
- Patients want one-stop shopping that is easy for them, especially when they are not well

24

Trade Area Review: Other Target Markets – Daytime Worker

- 21,672 daytime workers
- Highest concentration in Harbord District
- Further 23,479 included in Dupont St. to St. Clair Ave. and Queen St. to lake areas
- Highest concentration: east of Bathurst St. and south of Queen St. (professional creative firms such as &Co, Quadrangle, Stantec, etc.): over 14,000 daytime workers

25

Retail Implications

- Local residents:
 - Need approximately 5,000 residents to support 25,000 sq. ft. grocery store
- Workers including health/nursing:
 - \$1,400 spent on coffee, tea, snacks, beverages, lunch items
 - \$900 on grocery items such as prepared food to go, fruit, or other grocery items during the work day and pharmacy type items
 - Spend more if more retail is nearby
 - 25% spent outside hospital at nearby food service operators but decreases to 8% in suburban areas with lack of food nearby
 - Need approximately 2,000 workers to make cafe feasible
 - 2,000 workers @ \$1,400 and 25% capture rate = \$700,000 sales or 1,000 sq. ft. @ \$700/sq. ft.
- Theatre Attendees:
 - If several theatres then a theatre district can be created
 - On average theatres are busy 85 days of the year
 - Broadway type shows with high ticket prices have greater spin off for local restaurants than smaller productions
 - Average \$20 to \$25 per attendee spent before or after a performance
- Other attractions such as library or museum:
 - Standard rates are \$4 to \$6 per visitor on food services and some convenience goods type merchandise
- Note: have to be careful and not double count local residents with other target markets

26

2. Retail Amount and Critical Mass

	Bloor Annex	Mirvish Village	Korea Town	Kensington Market	Little Italy	Trinity Bellwoods	Queen St. W. (Bathurst to Gore Vale)	Queen St. W. (Spadina to Bathurst)	Seaton Village
Est. Total Area (sq. ft.)	500,000	210,000	350,000	350,000	530,000	215,000	580,000	400,000	170,000

- Larger retail main streets can absorb larger developments better than smaller ones
- Bloor Street and Queen Street areas can absorb a large retail development of approximately 100,000 sq. ft. better as it accounts for 10% additional retail
- Trinity Bellwoods is relatively small and adding 100,000 sq. ft. would account for almost 30% of retail area

27

Retail Mix, Amount, and Critical Mass

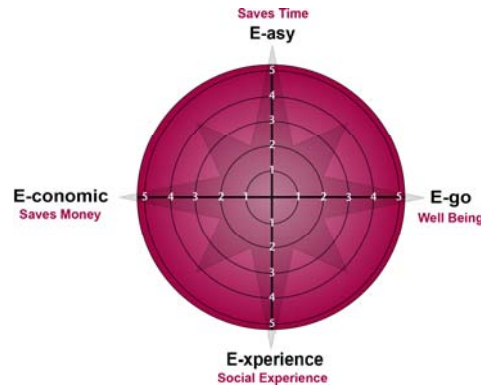
	Bloor Annex	Mirvish Village	Korea Town	Kensington Market	Little Italy	Trinity Bellwoods	Queen St. W. (Bathurst to Gore Vale)	Queen St. W. (Spadina to Bathurst)	Seaton Village
Retail Merchandise	19%	43%	14%	33%	24%	20%	47%	48%	24%
Convenience (food and health/pharmacy)	14%	8%	10%	18%	11%	11%	10%	8%	7%
Food Services	43%	16%	29%	23%	37%	24%	24%	21%	10%
Services	20%	23%	39%	15%	24%	26%	12%	14%	27%
Comments	Increasing local food and convenience retail	Specialization in unique stores on Markham and transit oriented goods and services at Bloor/Bathurst	Increasing food and beauty services, focus on ethnic, discount, but high end specialty shops looking for lower rents	Heavy specialization in second hand apparel, leisure, many small specialty food but decreasing, increasing food services	Decreasing drinking places but increasing restaurants, good mix of other categories, very specialized	Light in retail merchandise, growing food services, many small specialty food	Dominant in fabric and alternative but decreasing, growing square footage in convenience, food services remaining the same	Dominant in clothing, leisure, small convenience stores	Good mix but less specialty food, more services/medical

- A main street that is focused primarily on the local neighbourhood will have a greater mix and diversity. This can include 30% retail merchandise, 15% to 20% convenience, 20% food services, and 20% services
- However each district is unique and should develop their customized retail mix suited to their target market needs
- Highly specialized main streets tend to focus on a select few categories. This can make them more vulnerable to change

28

3. Main Street Vision: 4 Es Model

- J.C. Williams Group has developed an assessment tool to help place main streets, malls, and retailers based on an assessment of four key attributes
- No retailer or shopping area can be ranked the highest in all attributes but they need to specialize in one or two to create a differentiated positioning
- Many main streets compete by being better at experiential retailing due to the atmosphere created by outdoor pedestrian streets, small shops, unique and independent stores, parks/trees, heritage buildings, etc.



29

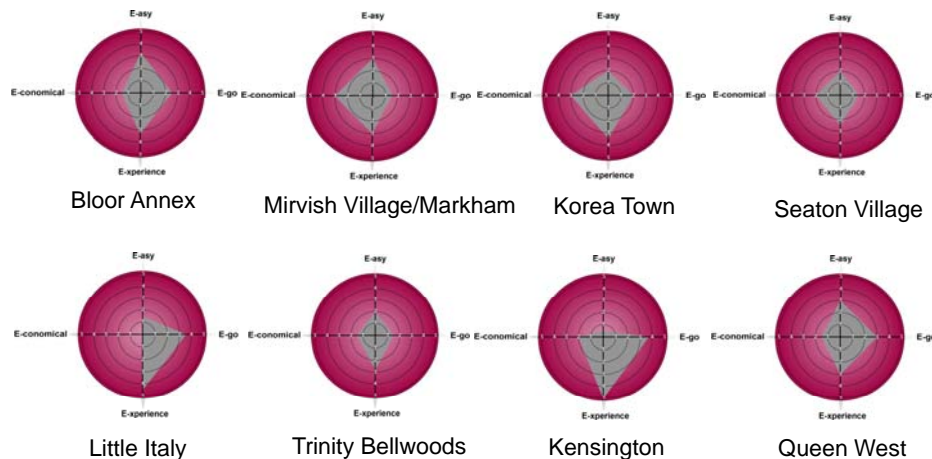
Main Street Vision – 4 Es Model

Experience	Ego	Economical	Easy/Efficient
<ul style="list-style-type: none"> Learning, free fun, sensual, sophisticated Constant renewal Culture: creative, discovery Marketing: part of the experience Product: exotic, organic, ethnic, creative Need to have the basics right Creating a "third place" for shoppers to socialize Can build on history (e.g., old pub, architecture); knowledge (e.g., Apple Store); fun (e.g., hobby store, eating, spa); natural environment (e.g., cycling trail); visual and other impact; environment (e.g., theatre, market) Requires: attention to detail, refresh/renew, staff training, communication, and feedback 	<ul style="list-style-type: none"> Status symbol to shop there Quality beyond physical experience Private brand labels, independent Culture: attuned to the consumer segment Marketing: create emotional value Product: badge value brand Brand and logo recognition Brand and store, environment, services, communication is a "package" that is right for the target segment Contact is pre, during, and post visit/ purchase Non-traditional marketing (e.g., special rooms in store, a "club") 	<ul style="list-style-type: none"> Lowest prices Operational efficiency Supply chain management Marketing: move product Product: good quality at lowest price Pricing: honest, not inflated, sales offer real savings A strategy only for the lowest cost Price difference does not have to be dramatic 	<ul style="list-style-type: none"> Location, hours of operation Layout, signage, checkout for easy flow Assortment dominance Culture: serve the shopper Marketing: brand recognition Product: quick to-go, prepared Anticipating Immediate response Any service, anywhere, anytime Personal relationship Can charge for services Store: greeter, personal shopper, loyalty program, ancillary service (e.g., gift wrap, delivery, child care)

30

Main Street Vision – 4 Es Model

Less defined vision for Seaton Village, Trinity Bellwoods, and Korea Town

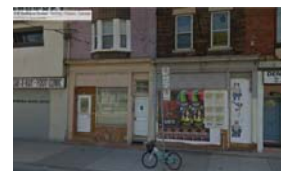


Source: J.C. Williams Group

31

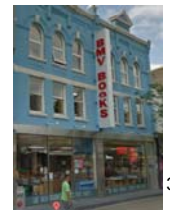
4. Vacancy Rate

- Several measures including number of businesses and square footage
- Often square footage is a better measure
- Bloor Annex and Queen St. W. (Bathurst to Gore Vale) have relatively low vacancies in 2012 and consistently low vacancies from 2007 onwards
- Korea Town, Queen St. W. (Spadina to Bathurst), and Little Italy have a minor vacancy issue
- Most instances, vacant units were vacant less than two years
- Trinity Bellwoods and Seaton Village have some long term vacancy issues (Kensington Market and Mirvish Village have minor vacancy issues as well)
- Some businesses are vacant because of the building. Often retail units have been converted to residential or other unidentified use (from the street) but otherwise the street is healthy
- Others that were unleaseable have been redeveloped and have made a significant impact on the street



Mirvish Village: 846 Bathurst St.

Bloor Annex: 471 Bloor St. W. Before and After



32

Vacancy

	Bloor Annex	Mirvish Village	Korea Town	Kensington Market	Little Italy	Trinity Bellwoods	Queen St. W. (Bathurst to Gore Vale)	Queen St. W. (Spadina to Bathurst)	Seaton Village
Number of Businesses (2012)	155	61	169	280	211	125	164	159	87
Number of Vacant Units	4	5	10	23	12	22	9	13	16
Vacancy Rate (units)	2.6%	8.2%	5.9%	8.2%	5.7%	17.6%	5.5%	8.0%	18.3%
From 2012 Audit									
Number Vacant from 2010 to 2012	2	1	8	16	8	10	9	12	6
Number Vacant from 2008 to 2010	2	0	1	3	3	5	0	1	4
Number Vacant Before 2008	0	4	1	4	1	7	0	0	6
From 2007 Audit									
Number Vacant in 2007 that are Still Vacant in 2012	0	4	1	4	1	8	0	0	6
Average Length of Time to Fill Vacancy (years)	5.2	4.0	5.2	5.4	4.0	5.5	3.5	4.3	4.5

Source: CSCA and J.C. Williams Group

33

5. Retention Rate and Turnover

- High retailer turnover is not necessarily a poor performance indicator. It can illustrate that new ideas and new retailers are attracted to an area and help to keep it fresh and exciting
- Approximately one-half of the retail units that were occupied in 2007 have left and been replaced by new tenants or ones that moved from elsewhere by 2012
- It is noted that Canada went through a recession during this period which may increase the number of closed businesses
- Between 7% and 12% of businesses turnover on an annual basis
- Little Italy, Mirvish Village, Seaton Village, and Kensington have the highest retailer retention rate (over 50%)
- Queen St. W. (Bathurst to Gore Vale) and Korea Town have the lowest retailer retention rate (approx. 40%)
 - While still dominant in unique apparel, home furnishings, and leisure retailers, some Queen St. W. retailers were replaced by chain tenants (e.g., Penguin, Ben Sherman, Hoops Sports, Fit For Life, Friendly Thai)
 - Korea Town saw an influx of personal services such as beauty services and higher end specialty stores such as men's clothing and Gallant Bicycles that have moved in

34

Retention Rate and Turnover

	Bloor Annex	Mirvish Village	Korea Town	Kensington Market	Little Italy	Trinity Bellwoods	Queen St. W. (Bathurst to Gore Vale)	Queen St. W. (Spadina to Bathurst)	Seaton Village
From 2007 Audit, Number of Units	161	57	180	273	218	127	172	156	87
Different Tenant in 2008	29	3	25	28	37	22	26	28	13
Different Tenancy by 2009	17	3	24	28	22	13	27	19	7
Different Tenant by 2010	10	5	19	41	12	8	10	11	7
Different Tenant by 2011	14	6	19	20	12	10	24	15	9
Different Tenant by 2012	11	5	16	10	13	6	15	9	1
Still Occupied by Same Tenant in 2012	80	31	76	142	121	60	70	74	46
Still Vacant in 2012	0	4	1	4	1	8	0	0	6

Source: CSCA and J.C. Williams Group

35

6. Change in Small Retail Units

	Bloor Annex	Mirvish Village	Korea Town	Kensington Market	Little Italy	Trinity Bellwoods	Queen St. W. (Bathurst to Gore Vale)	Queen St. W. (Spadina to Bathurst)	Seaton Village
% Small Units (less than 2,000 sq. ft.)	79%	62%	92%	91%	90%	90%	82%	80%	92%
Shift from 2007	Small shift to larger	No change	No change	Small shift to larger	Almost no change to larger	Small shift to smaller	No change	Shift to larger	No change

- The highest proportion of small retail units is in Kensington Market, Seaton Village, Little Italy, and Trinity Bellwoods
- Over 90% of the units are considered small
- Assessing the change from 2007 to 2012 illustrates that there are few changes
- Queen St. W. (Spadina to Bathurst) witnessed the biggest change including Queen/Portland development
- Little Italy had the Structube development but the Shoppers Drug Mart was there in 2006
- Bloor Annex has had a small shift to larger as more restaurants and convenience goods move in
- Kensington Market witnessed a small shift to larger but these occurred on the fringes near College St. or Dundas St.

Source: CSCA and J.C. Williams Group

36

7. Positioning: Food and Health Retailers

- Mapping the existing and proposed retailers on a lifestyle and income positioning chart provided both an increased qualitative and quantitative assessment of where there are clusters to capitalize upon and where there are gaps in the retail assortment
- The income positioning on a scale of 1 to 10 is based on an assessment of whether the merchandise and store design appeals to low, medium, or high income base (this is more attitudinal as many consumers aspire to luxury products such as a Coach but are not in that income bracket or when students spend \$4 for a latte)
- Lifestyle is on a scale of 1 to 10 whereby 1 to 4 are more traditional retail offerings, 5 to 8 are contemporary, and 9 to 10 are avant garde
- The size of the bubble on the chart refers to the size of the selling area
- The focus is on the competitive set of food, grocery, and health retailers as they sell similar items

37

Price Comparison Grocery and Pharmacy

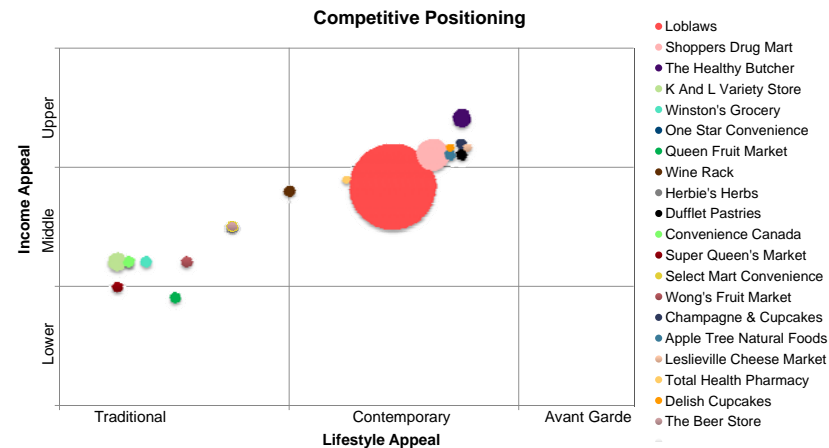
	Bloor Annex			Mirvish Village	Korea Town	Little Italy		Queen St. W.	Reg. Park	Scarbo rough	Gerrard Square		Online	
	SDM	Metro	Sobeys Exp	Hon Ed	PET	Metro	SDM	Loblaw	Fresh Co	Walmart Urban 90	No Frills	Food Basics	Walmart	Grocery Gateway
Milk per L	\$1.95	\$2.10	\$2.35	\$1.95	\$2.00	\$2.00	\$1.95	\$2.00	\$1.93	\$1.82	\$1.82	\$1.82	\$2.33	\$2.33
Tide per L	\$8.47	\$7.62	\$5.08	\$6.77	\$10.16	\$6.77	\$5.08	\$8.47	\$7.40	\$7.43	\$7.40	\$7.43	\$7.43	\$7.43
Dove shampoo per 100 mL	\$2.25	\$1.55	\$1.69	\$0.93	\$1.40	\$1.69	\$1.55	\$1.55	\$1.35	\$1.34	\$1.34	\$1.34	\$1.34	\$1.34
Crest Pro per 100 mL	\$5.21	\$3.19	\$2.05	\$2.63	\$1.84	\$3.90	\$2.35	\$4.17	\$3.47	\$3.70	\$3.73	\$3.90	\$0.87	\$0.87
Royale toilet paper per roll	\$1.00	\$1.44	\$1.38	\$1.67	\$0.95	\$1.12	\$1.00	\$0.96	\$0.97	\$0.37	\$1.00	\$0.50	\$0.50	\$0.50
Oreo per 100 g	\$1.43	\$1.26	\$1.33	\$0.80		\$1.26	\$1.43	\$1.00	\$1.16	\$0.67	\$0.63	\$0.66	\$0.67	\$0.67

- The major grocery stores have neither the highest nor lowest prices (during the store visits the major grocery stores and specialized ones such as PET were busier than the others)
- The smaller stores such as drug stores, discounters, and online retailers practise select lower pricing but then counter with higher prices on others (Walmart has almost the highest milk prices)
- Other discounters such as Bulk Barn practise similar pricing programs
- Online excludes delivery pricing

38

Source: J.C. Williams Group

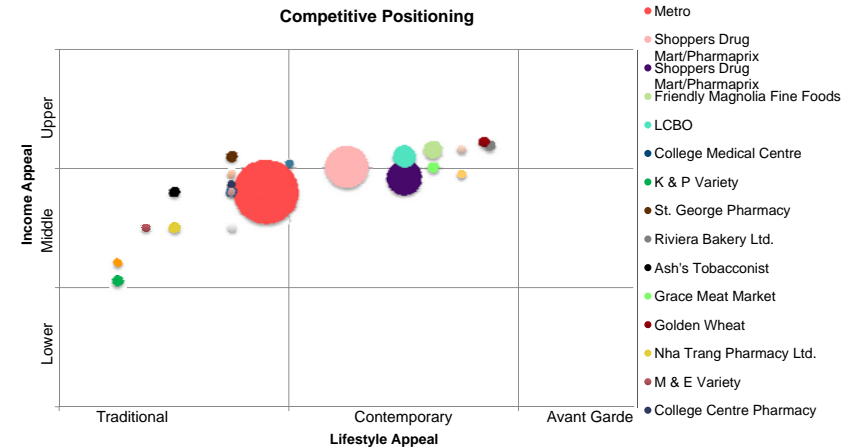
Queen St. W (both districts)



- Along with Loblaws, there is a cluster of other similarly defined specialty food and health stores; they complement one another
- The traditional and mid to lower income appeal is older convenience stores

Source: J.C. Williams Group

Little Italy



- Metro is firmly rooted in the middle and the specialty food stores extend further into contemporary
- Most of the pharmacies are traditional

Source: J.C. Williams Group

8. Retail Rents (Net Ground Level)

	Bloor Annex	Mirvish Village	Korea Town	Kensington Market	Little Italy	Trinity Bellwoods	Queen St. W. (Bathurst to Gore Vale)	Queen St. W. (Spadina to Bathurst)	Seaton Village
Ranges	\$40 to \$60	\$40 to \$60	\$25 to \$35	\$25 to \$60	\$35 to \$40	\$18 to \$30	\$40 to \$60	\$40 to \$60	\$18 to \$25

- Lower rents mean main streets are more vulnerable and cannot support chain store retailers
- See Bathurst Street Report for listing of example area rents

Source: Broker Listings and J.C. Williams Group

41

9. Other Elements for Main Streets

- Strong business organization to represent business owners' and retailers' interests
- Physical design elements – intimate, walkable streets
- Commercial tax rates
- Mixed use condo boards
- Incentives to find/lease retail space to unique, independent retailers

42

Summary of Main Streets

All Have Different Characters

- Trinity Bellwoods
 - Emerging main street focused on cafes, restaurants, and small leisure retailers
 - Bathurst/Dundas is focused on commuters, daily needs of hospital workers including pharmacy, medical services, and cafes and quick service eateries
 - East of Bathurst St. has high vacancy, low rents
- Kensington Market
 - Highly specialized in specialty food and used clothing
 - Shifted into more leisure products and food services
 - Isolated district and is more of a destination due to the specialization/clustering
 - Specialization is a strength and a weakness. Could be more vulnerable due to the specialization
- Little Italy
 - Shifting focus from drinking to food service cafes and restaurants
 - Has and maintains a high level of neighbourhood serving goods and services including basics to higher end unique food items
 - Specific focus on Italian offerings
 - Boundaries keep shifting west and east – neighbouring districts are improving
 - Late afternoon, early evening is when this area shines
 - Grocery and pharmacy act as anchors on the west and east ends

44

All Have Different Characters



- Korea Town
 - Businesses along Bloor St. W. do not match the local demographics
 - Destination for Korean Canadians and for specialty food and food services for region
 - Rents are lower than elsewhere to the east
 - Vulnerable to changing tastes (today consumers like Korean food; next year Indonesian food may be in demand)
 - Discount oriented stores but new stores opening that take advantage of lower rents but higher quality offering
 - Stores such as Snakes and Lattes bridge the gap between online and physical stores well
- Mirvish Village
 - Two different areas including Markham St. which has highly specialized and unique products and food services and Bathurst/Bloor which is focused on commuters/transit with larger retailers on multi levels
- Bloor Annex
 - Was very specialized and student focused on drinking and food
 - Has continued to evolve and is more focused on the local neighbourhood
 - Rents have increased
 - Traditional leisure type products that are geared to students have fallen such as books, games, etc. as these are now purchased online
 - Grocery and pharmacy act as anchors on west and east ends of district

45

All Have Different Characters

- Queen St. W.
 - Includes more food and convenience
 - Number of restaurants remains the same but more of them are chains
 - Increasing rents have pushed out home furnishings stores (smaller independent ones), unique restaurants/cafes, and leisure retailers
 - Replaced with more retail merchandise: developing similar to comparison shopping mall and extension of central Queen St. W. area
- Seaton Village
 - Primarily one sided retail district
 - Lack of transit connections to the area compared to south of Bloor
 - Fewer walkers
 - Polarization of target markets west and east of Bathurst St. (mid to high income families compared to students and young working adults)
 - Slowly evolving but vacancy is an issue
 - Lost a number of retail merchandise categories including hardware stores and is more geared to leisure, art galleries, and food services
 - Medical goods and services is a strong focus as well
 - Major grocery stores such as Loblaws, Sobeys, and Fiesta Farms are nearby as well as Sobey's Express and Honest Ed's
 - High end home furnishing stores are nearby

46

Example of Large Retailers

Leisure/ Fashion	Est. Size Sq. Ft.	Building	Est. Size Sq. Ft.	Furniture	Est. Size Sq. Ft.	General Merchandise	Est. Size Sq. Ft.
Bass Pro or Cabell's	80,000 but most 150,000 to 200,000	Lowe's, Rona, Home Depot	100,000 to 120,000 but some are 60,000	Leon's/The Brick	70,000 (urban Leons is smaller)	Costco	120,000 to 140,000 (smallest is 85,000)
Sail	70,000			Crate & Barrel	25,000 to 45,000	Walmart Urban 90	90,000
Sporting Life	25,000 to 45,000			IKEA	300,000	City Target	80,000 to 100,000
Simons	55,000					Canadian Tire	6,500 to 120,000 (most under 100,000)
Holt Renfrew	55,000						

47

Consumer Satisfaction Survey Summary

Workshop #2 Addition
November 15 2013

J.C. WILLIAMS GROUP

Summary of Most Visited West End Main Streets

J.C. WILLIAMS GROUP

3

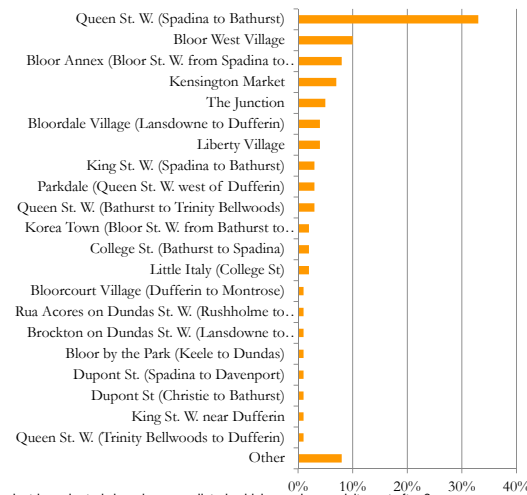
J.C. WILLIAMS GROUP

Methodology

- As part of the research to understand the vitality and viability of main street retail consumer surveys were undertaken
- The sample area included those residents who live west of Yonge St. to the Humber River and south of St. Clair Ave. W. to Lake Ontario
- This is not a specific trade area but represents a selection of residents from which to gather input and opinion
- The results are not related to capture rates type analysis but are primarily focused on attitudes and satisfaction ratings of a three main streets (Queen St. W. near Bathurst), Little Italy, Kensington Market) and two benchmarks (Dufferin Mall and the Stockyards power centre). Note that some information for Bloor West Village, Eaton Centre, Yorkdale, and Walmart St. Clair were included only for demographics
- The focus was primarily on west end main street shopping areas
- Dufferin Research carried out the on-line research based on the geographic boundaries in November 2013
- 368 valid respondents from a good range of geographic areas, ages, and household incomes
- No weighting of the data was conducted

J.C. WILLIAMS GROUP

Most Visited West End Main Streets

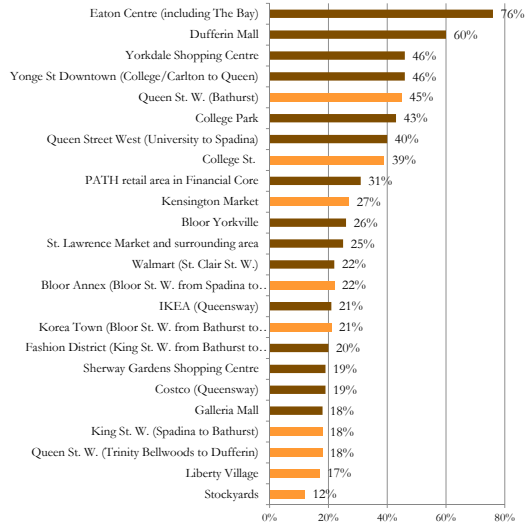


Of the choices offered to respondents, Queen St. W. (Bathurst) was the most visited

There was representation from all the main streets

For the pedestrian oriented shopping areas listed, which one do you visit most often?

Main Street and Shopping Areas Visited in Past 6 Months



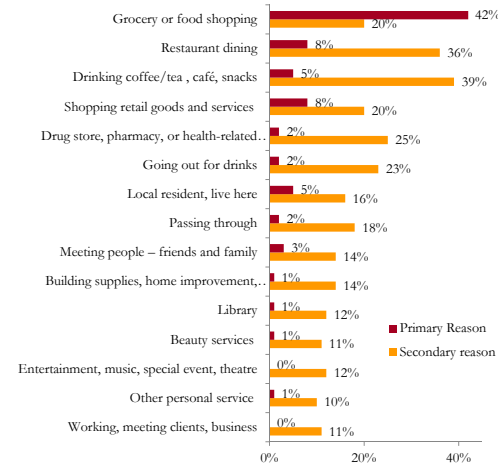
While the major malls dominate the shopping experience, the main streets are visited by a high proportion of respondents

Although not all are listed on the attached graph, all the main streets have some sort of appeal to local residents

For analysis: Dufferin Mall has 60% visitation but Stockyards has 12% visitation

Which of the following areas or malls have you visited in the past six months?

Reason for Last Visit- All Visited West End Main Streets



For only the main streets assessed in the west end

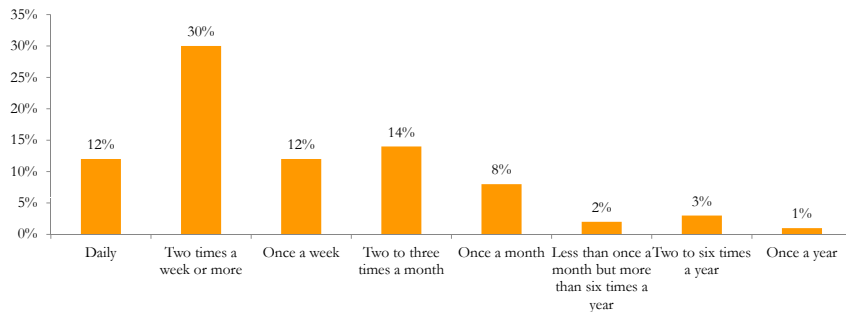
Grocery and food were the primary drivers

Added to this are other convenience goods such as drug stores and pharmacies and shopping for retail goods/services

Food services were not necessarily the primary drivers but were key activities

What was the primary reason for your last visit? What other things did you visit or do while you are at ____?

Frequency of Visitation - All Visited West End Main Streets

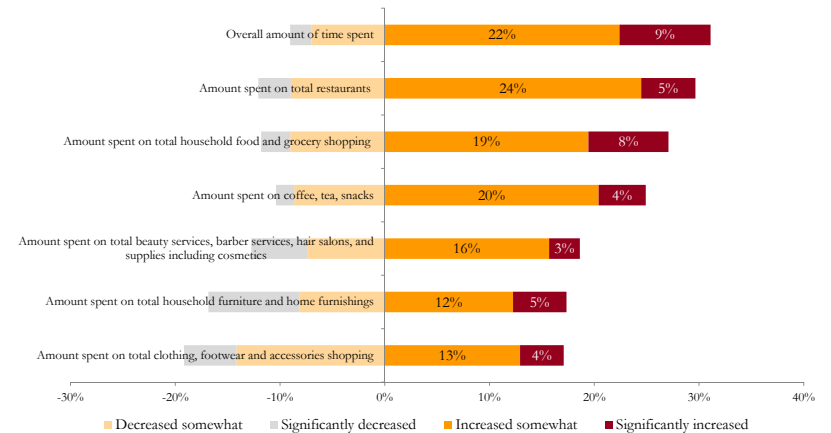


As stated, having a wide range of main street shopping areas close to residents is very key to their success

Clearly, local residents will visit them on a frequent basis

How often do you visit ____?

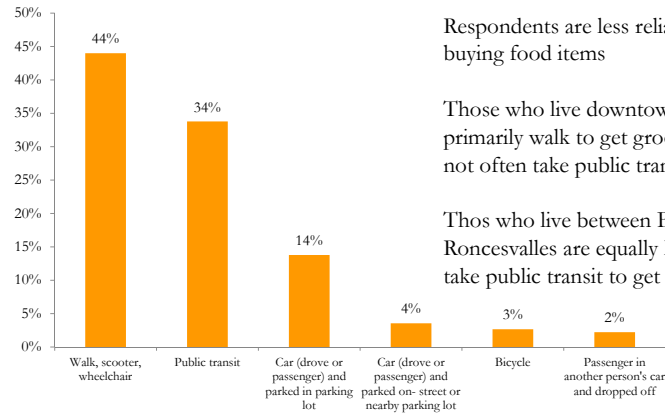
Change in All Visited West End Main Streets Behaviour



Only assesses increase or decrease, majority of respondents have no change in behaviour
Slight increases in time spent, and amount spent on food services and grocery items

In the past two years would you say the follow activities in ____ has increased, decreased, or stayed the same?

Method of Transportation to Purchase Grocery or Food Items – All West End Main Streets



Walking to buy grocery or food items was the most used method

Respondents are less reliant on car for buying food items

Those who live downtown (east of Bathurst) primarily walk to get groceries (35%) and do not often take public transit (5%)

Those who live between Bathurst and Roncesvalles are equally likely to walk or to take public transit to get groceries

On your last visit to buy food and grocery items in _____, how did you arrive?

Attitudes and Importance Ratings

Attitudes Towards Shopping

- Respondents were asked to rate on a five point scale whether they strongly disagree, disagree, neither disagree or agree, agree, or strongly agree with the statements.
- The analysis of all respondents was compared to those who had visited each of the retail areas in the past six months.
- The statements are listed in terms of the average mean score from highest to lowest in terms of agreement.
- Those cells highlighted in red are district respondents who agree with the statement to a greater degree than the average of all respondents. Those cells highlighted in green are district respondents who agree less than the average of all respondents. Bright red cells are the highest.

Attitudes Towards Shopping (Mean, Strongly Agree = 5)

	Mean	Queen St. W.	Little Italy	Kensington Mkt	Dufferin Mall	Stockyards
I tend to follow my own instincts	4.01	4.02	4.00	4.12	4.05	3.82
Healthy choices are important to me and my family	3.99	4.02	4.12	4.18	4.04	3.84
I pay close attention to ingredients in products	3.84	3.92	3.86	3.97	3.90	3.70
I look for deals on-line and in flyers and search out discounts and promotions	3.78	3.85	3.69	3.71	3.94	3.93
I look for broad selection of choice when shopping	3.77	3.86	3.81	3.85	3.80	3.66
I feel most comfortable in jeans and t-shirt	3.72	3.80	3.64	3.58	3.85	3.59
I am prepared to pay more for good quality	3.69	3.91	3.81	3.73	3.67	3.55
I enjoy entertaining at home	3.52	3.78	3.47	3.50	3.58	3.39
I read peer reviews of products and restaurants and it influences my decisions	3.52	3.80	3.58	3.50	3.67	3.48
I actively consider purchasing green products	3.49	3.69	3.64	3.65	3.64	3.39
I purchase on-line because I like the choices available	3.44	3.76	3.63	3.49	3.52	3.12
I purchase on-line to save money	3.40	3.80	3.38	3.44	3.49	3.49
Sports and recreation are important to our family	3.29	3.87	3.31	3.16	3.37	3.10
I like to stay abreast of fashions and styles	3.28	3.77	3.52	3.11	3.37	2.86
I am willing to pay more to save time shopping	3.14	3.38	3.10	2.99	3.10	2.98
I have less time to shop than I used to	2.97	2.91	3.09	3.10	2.88	2.93
It is difficult to balance family life and other obligations such as work	2.90	2.70	3.06	2.97	2.86	3.22
Shopping at big box stores is more difficult	2.83	2.50	2.93	3.08	2.64	2.73
I prefer to dine out as opposed to cooking at home	2.81	3.02	2.93	2.67	2.82	2.73
Shopping on-line is more difficult	2.49	2.20	2.33	2.35	2.40	2.59

Please indicate if you Strongly disagree, Disagree, Neither disagree or agree, Agree, or Strongly agree with the following.

Attitudes Towards Shopping

- Interestingly, individuality was the top rated attitude among respondents (follow my own instincts)
- This rings true for the main streets and the noted thought that each main street have its own identity and not be cookie cutter in their retail recruitment approach
- It is not surprising that visitors to Kensington Market feel the greatest about following their own instincts and the fact that this area has primarily independent and unique stores. Visitors to Kensington Market were less likely to let peer reviews influence their decisions.
- Visitors to the Stockyards felt the least individuality. Again, the area is primarily large format chain retailers that look similar to many other developments in the GTA
- This pattern continued for the other second and third rated attitudes. Respondents are discerning shoppers that pay close attention to what they buy. With the exception of Queen St. W. visitors, they are not willing to spend more to save time shopping
- Countered with the need to individuality and quality is also price. Looking for deals was the fourth rated attitude and this is where Dufferin Mall and Stockyards outpaced the main streets
- Selection is important to respondents who visited main streets and Dufferin Mall but it is more about the curated selection and not broad selection. Selection was not important to Stockyard respondents as generally most visitors know what they want to buy before going there

Attitudes About Shopping

- Respondents who visited the main streets were more willing to pay more for quality than respondents who visited Dufferin Mall or the Stockyards
- Visitors to Queen St. W. are more open minded to different retailing. They are less bothered big box retailing, less stressed out, and actively shop on-line for both lower prices and for greater choice. They also are more fashion forward and prefer to eat out more
- Compared to other respondents, Kensington Market visitors are most put off by big box stores, they feel more stress in their lives, and have mixed feelings about shopping on-line. This re-enforces the finding that it is difficult to find unique items on-line but being young and urban they are more adept at using e-commerce and mobile technologies than others
- Little Italy visitors are also more uncomfortable with big box stores, they feel more stress in their lives, like to eat out, they like on-line shopping for choice more than for price, they don't look for deals on-line or in flyers, and tend to be more fashionable
- Dufferin Mall visitors have a wide variety of attitudes including looking for quality but will not pay more, rather will search out the bargains to get the quality they want. This could be on-line, big box, malls, main streets, etc.

Importance vs Rating

- Respondents were asked to rate 17 factors in terms of the importance for them in making their shopping decision.
- Price of goods and services: increase with age, increase with lower household income, and increase with further distance from downtown
- Selection of goods and services: increase with age, increase with household income, and increase with proximity to downtown
- Easy to get to: increase with age, increase with lower household income, and is not dependent on location
- Discounts and promotions: increase for middle aged respondents, increase with lower income, and for Bathurst to Roncesvalles locations
- Quality of service: not age dependent, increase with household income, and increase with proximity to downtown

Importance vs Rating (Mean Score on Scale of 1 to 10)

	Importance Mean	Rating Mean				
		Queen St. W.	Little Italy	Kensington Mkt	Dufferin Mall	Stockyards
Price of goods and services	8.65	7.04	6.83	7.49	7.32	6.91
Easy to get to (close to home)	8.27	8.00	7.49	7.30	7.65	7.95
Discounts and promotions	8.17	6.84	6.43	6.46	6.99	6.18
Quality of stores	8.14	7.55	7.45	7.02	7.34	7.00
Cleanliness and overall appearance	8.12	7.17	7.38	6.15	7.57	7.12
Excellent service	8.00	7.42	7.31	7.04	7.12	6.80
Clean, up-to-date businesses	7.96	7.41	7.29	6.12	7.48	7.48
Safety	7.63	7.45	7.38	7.02	7.50	7.29
Selection of stores	7.54	7.60	7.07	7.32	7.38	6.80
Good brand name stores	7.23	7.36	6.45	4.87	7.39	7.14
Lack of crowds	7.13	6.55	6.17	5.24	6.12	6.77
Open extended hours (morning, evening)	7.09	6.91	6.44	5.77	7.08	7.11
Local independent stores	7.08	7.51	7.80	8.52	6.15	5.34
All stores in one location	6.95	6.88	6.51	6.77	7.92	7.23
Family friendly environment	6.35	6.88	7.38	7.23	7.52	6.88
Convenient parking	6.32	6.31	5.52	4.91	8.03	8.23
Special events, programs	6.06	6.79	7.08	6.63	6.34	4.85

Using a scale of 1 to 10 please tell us the importance of each of these factors in deciding where you go to shop or eat with 1 being the lowest and 10 the highest?

Using a scale of 1 to 10 please rank _____ in terms of shopping experience with 1 being the lowest and 10 the highest?

Importance vs Rating

- Interestingly Kensington Market was rated higher than the others in terms of price. Dufferin Mall as was rated well. The Stockyards and Little Italy were rated the lowest. Dufferin Mall was rated highest for discounts and promotions.
- In terms of selection of stores and easy to get to, Queen St. W. was rated the highest. Dufferin Mall also received high ratings for these factors.
- In terms of quality of stores and excellent service, Queen St. W. was rated the highest. Little Italy also received high ratings for these factors.
- Parking and all stores in one location are not important to respondents.
- Local independent stores is of moderate importance. Kensington Market and Little Italy were rated the highest in this factor.
- Brand name stores is of moderate importance. Dufferin Mall and Queen St. W. are equally well rated
- Dufferin Mall and the Stockyards were well rated for cleanliness and up-to-date businesses.

17

QUEEN ST. W. (BATHURST)

Reason for Last Visit- Queen St. W. (Bathurst)



Grocery and food shopping is a primary reason for visiting

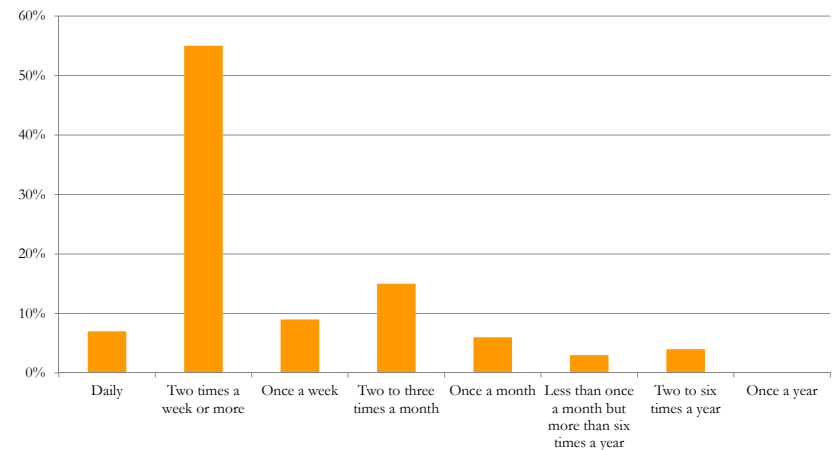
The newer concept Loblaws creates a significant draw

Shopping is important

Food services are a significant ancillary activity

What was the primary reason for your last visit? What other things did you visit or do while you are at ____?

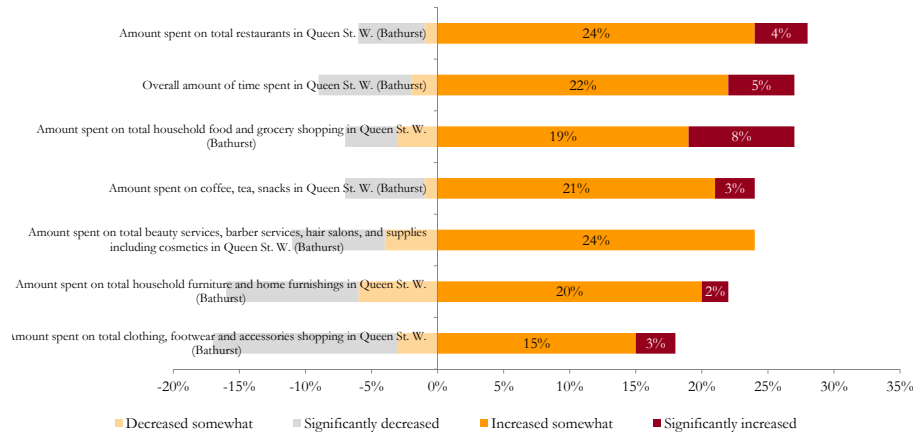
Frequency of Visitation – Queen St. W. (Bathurst)



Very high frequent visitation associated with shopping for grocery items several times a week

How often do you visit ____?

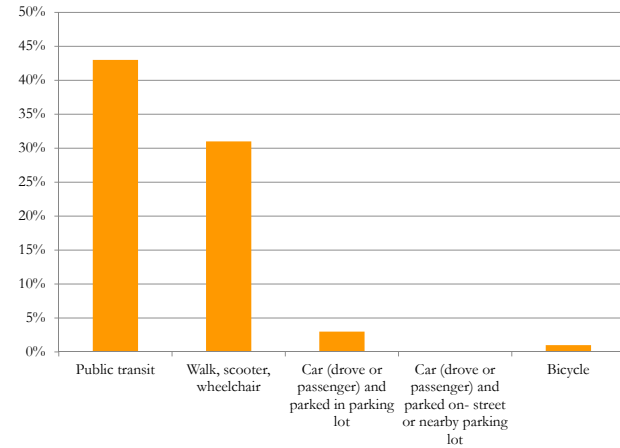
Change in Queen St. W. (Bathurst) Behaviour



There are increases in time spent and amount spent at restaurants and coffee shops, and food/grocery shopping

In the past two years would you say the following activities in ____ has increased, decreased, or stayed the same?

Method of Transportation to Purchase Grocery or Food Items – Queen St. W. (Bathurst)



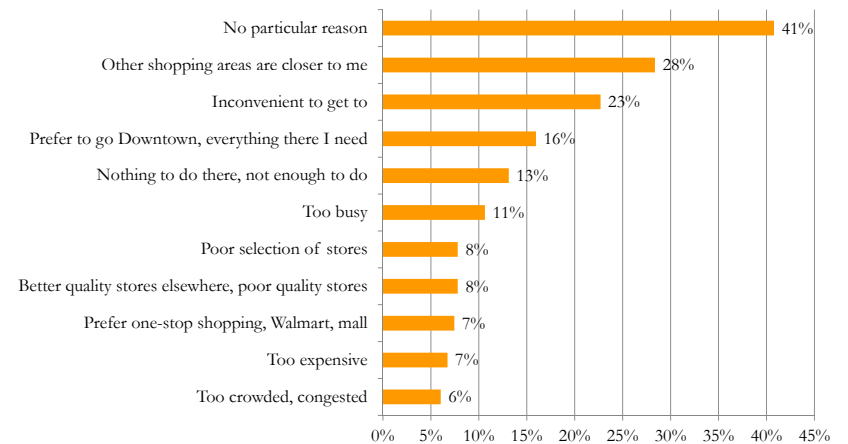
Access by public transit is very high

Walking is approximately one-third

On your last visit to buy food and grocery items in ____, how did you arrive?

LITTLE ITALY

Reasons for Not Visiting – Little Italy



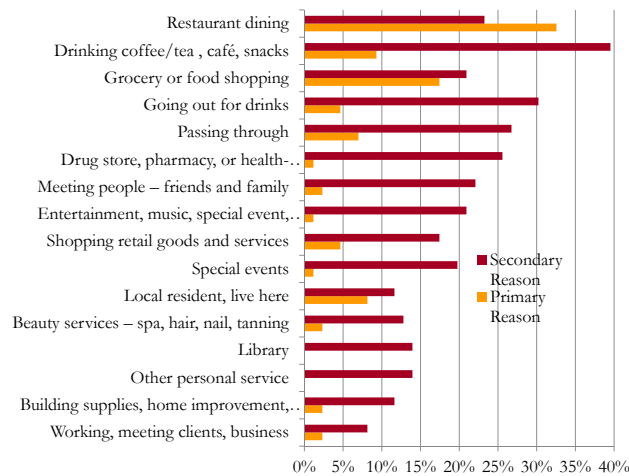
Reasons for not visiting are primarily convenience based

A small proportion do not like the selection or quality of the stores

Little Italy is perceived as too expensive by some respondents

What are the main reasons why you have not visited ____ recently?

Reason for Last Visit- Little Italy



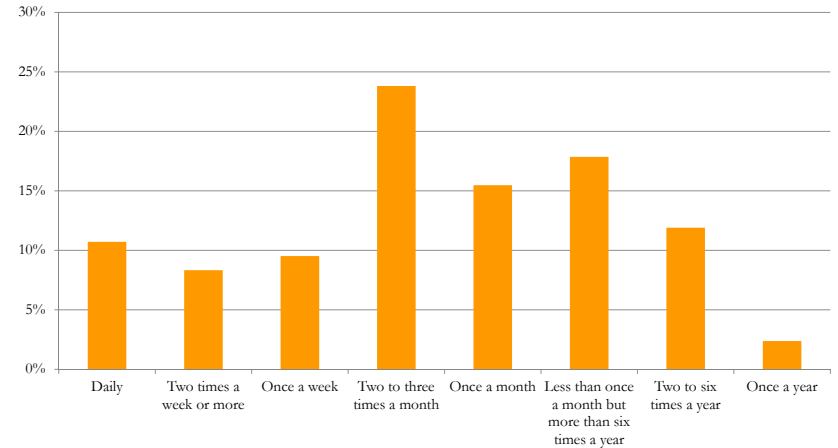
Food services are the primary driver for respondents to visit Little Italy

Grocery is a very strong primary and secondary reason

There is a fair bit of local socialization. There is a high proportion of local residents and people meeting up

What was the primary reason for your last visit? What other things did you visit or do while you are at ____?

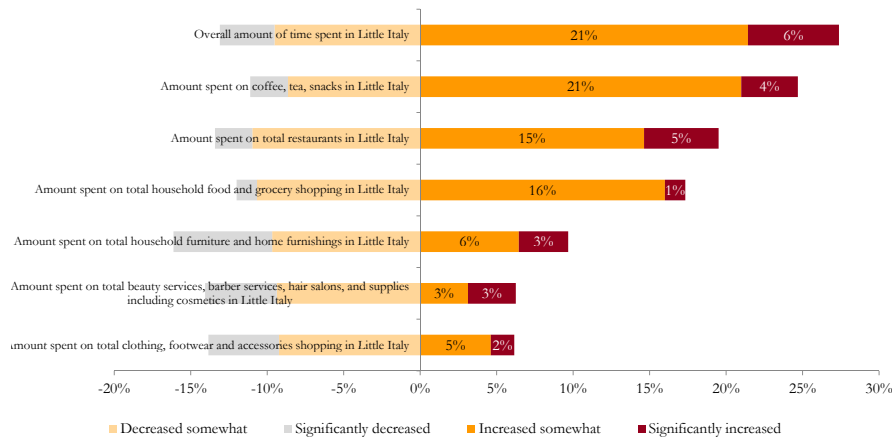
Frequency of Visitation – Little Italy



Approximately 30% visit on a frequent basis. As stated, there is a high degree of socialization and local residents meeting others on the street

How often do you visit ____?

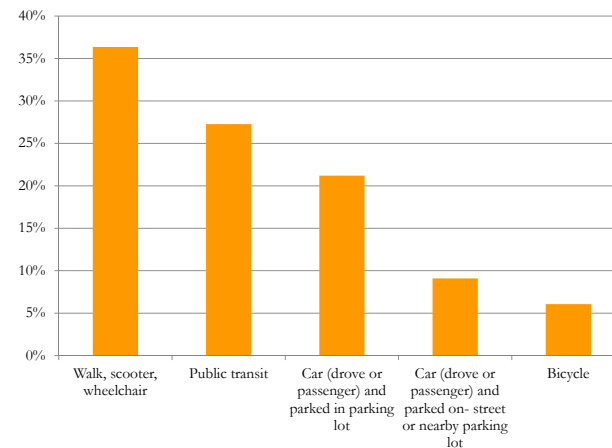
Change in Little Italy Behaviour



There are increases in time spent and modest increases in shopping behaviour related to food services and grocery

In the past two years would you say the follow activities in ____ has increased, decreased, or stayed the same?

Method of Transportation to Purchase Grocery or Food Items – Little Italy



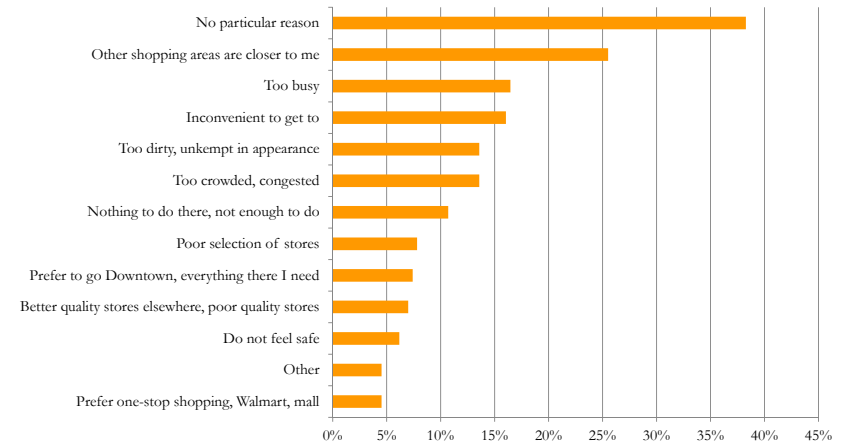
Over one-third walk to get their groceries

A significant proportion are dropped off or bicycle

On your last visit to buy food and grocery items in ____, how did you arrive?

KENSINGTON MARKET

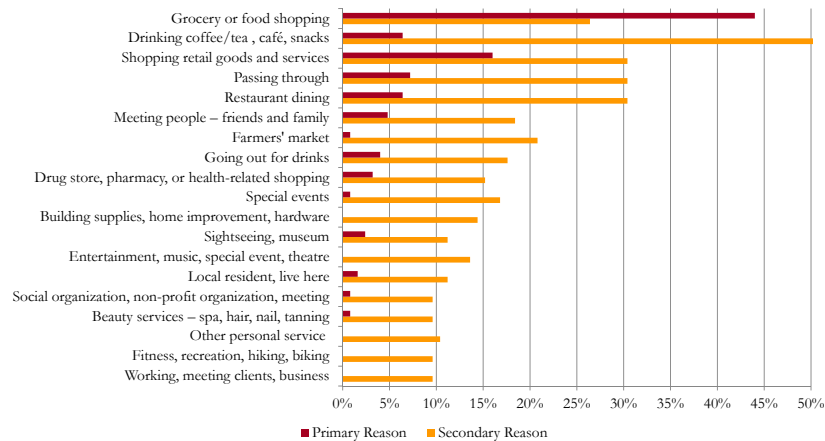
Reason for Not Visiting – Kensington Market



Reasons for not visiting are convenience based but also include aspects related to crowded streets and the overall appearance (has more bohemian atmosphere)

What are the main reasons why you have not visited ____ recently?

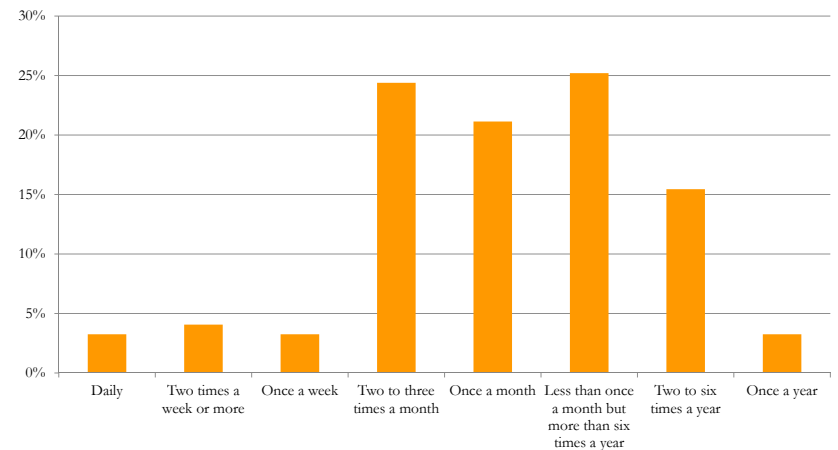
Reason for Last Visit - Kensington Market



Grocery/food is the primary reason for visiting (specialty food) followed by shopping
There is a high proportion of people passing through and meeting people
Food services – coffee, restaurants, drinks are secondary reasons

What was the primary reason for your last visit? What other things did you visit or do while you are at ____?

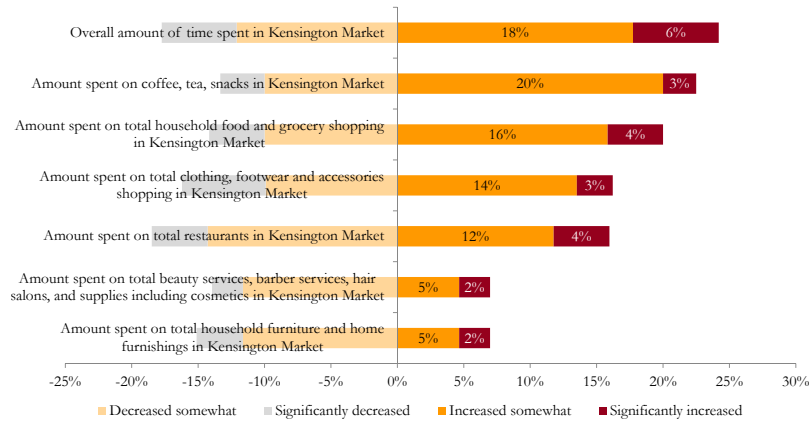
Frequency of Visitation – Kensington Market



Respondents visit on an infrequent basis (averages about once or twice a month)
They primarily come from Downtown

How often do you visit ____?

Change in Kensington Market Behaviour

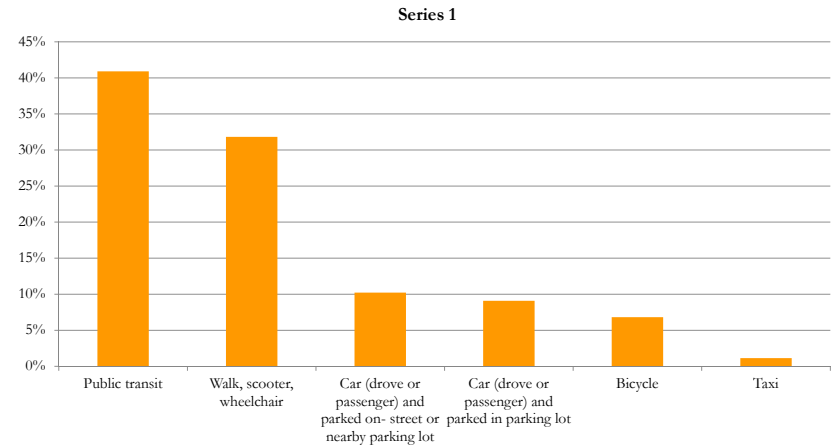


Those who have increased their time spent and amount spent are counteracted by a similar proportion who have decreased time spent and amount spent

There are modest increases in amount spent on coffee, tea, snacks, and grocery items

In the past two years would you say the follow activities in _____ has increased, decreased, or stayed the same?

Method of Transportation to Purchase Grocery or Food Items – Kensington Market

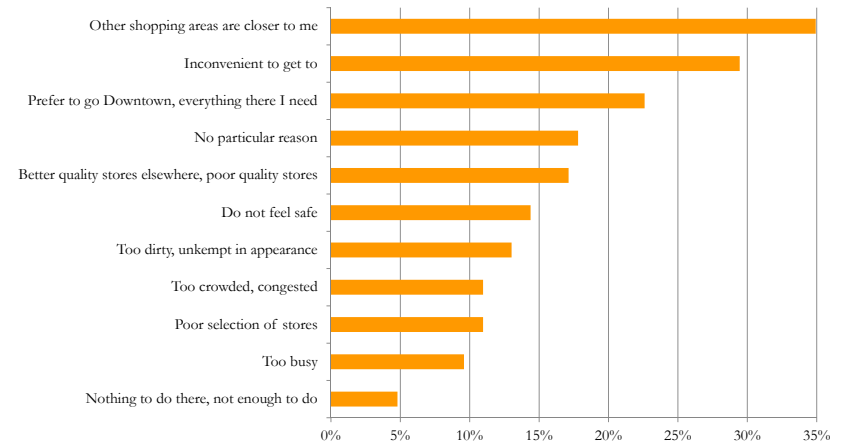


The majority of visitors walk or take public transit

On your last visit to buy food and grocery items in _____, how did you arrive?

DUFFERIN MALL

Reason for Not Visiting – Dufferin Mall

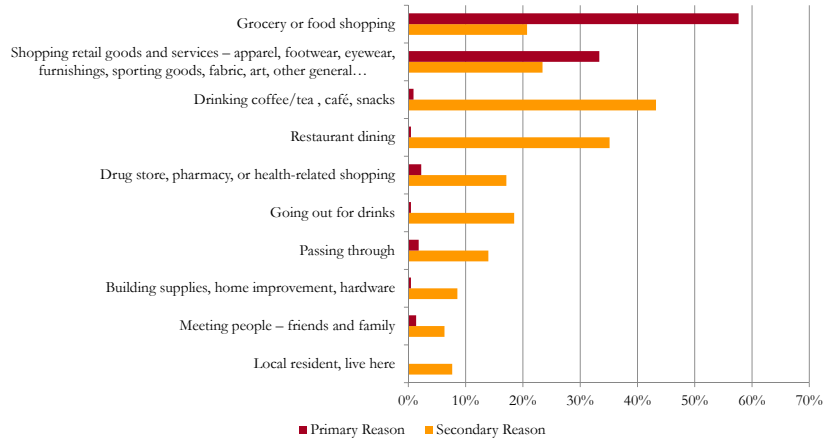


Convenience is the main factor in why respondent do not go to Dufferin Mall

Some feel there are better stores suite to them

What are the main reasons why you have not visited _____ recently?

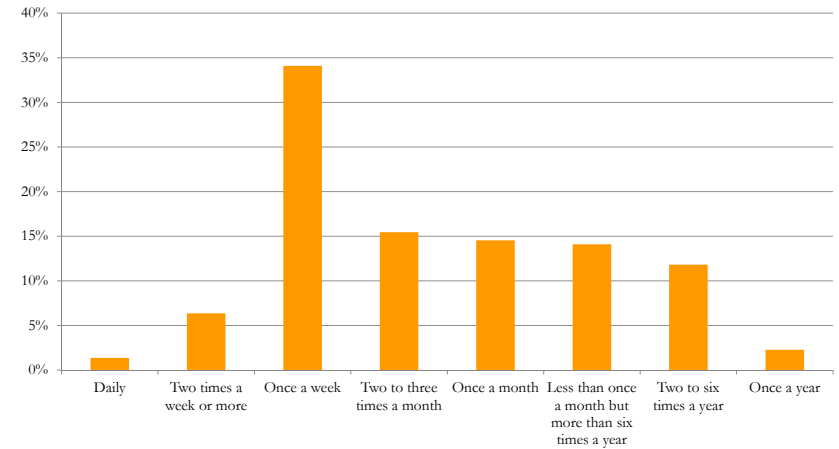
Reason for Last Visit- Dufferin Mall



With both a No Frills and Walmart, grocery shopping is the key driver of traffic
Shopping for retail merchandise is a factor for one-third of visitors

What was the primary reason for your last visit? What other things did you visit or do while you are at ____?

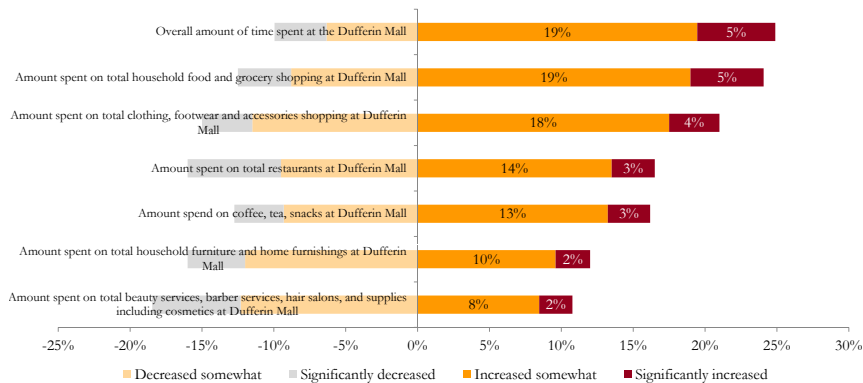
Frequency of Visitation – Dufferin Mall



Very high frequent visitation

How often do you visit ____?

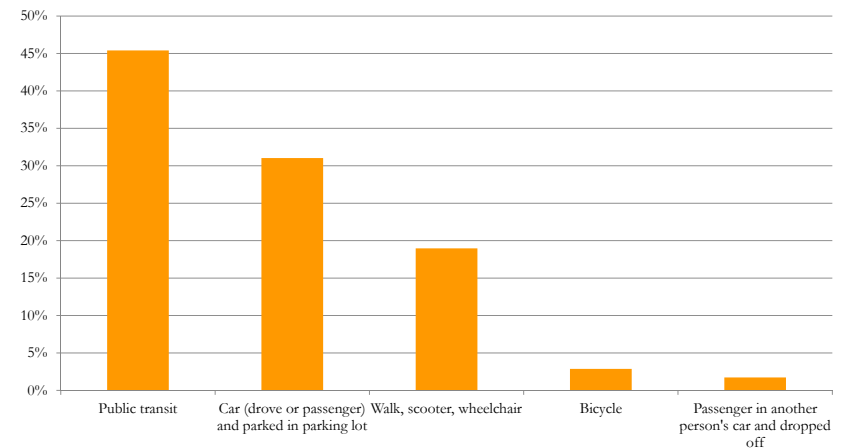
Change in Dufferin Mall Behaviour



Visitors spend more on groceries than before and slightly more on retail merchandise

In the past two years would you say the follow activities in ____ has increased, decreased, or stayed the same?

Method of Transportation to Purchase Grocery or Food Items – Dufferin Mall

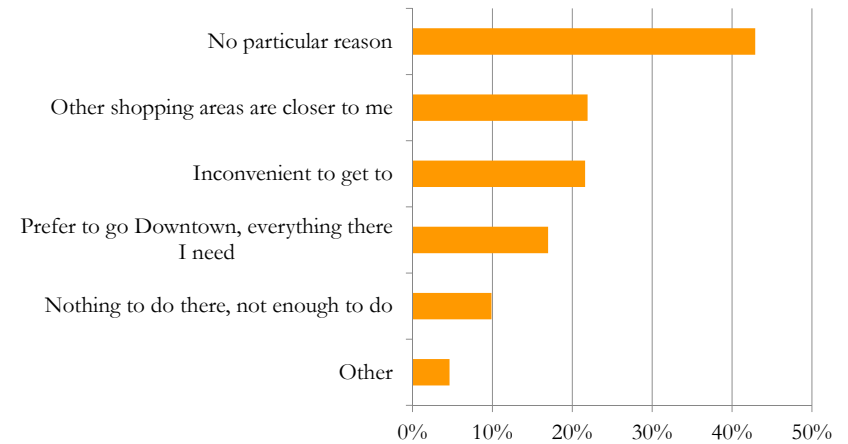


A high proportion arrive by public transit and walking
One-third arrive by vehicle

On your last visit to buy food and grocery items in ____, how did you arrive?

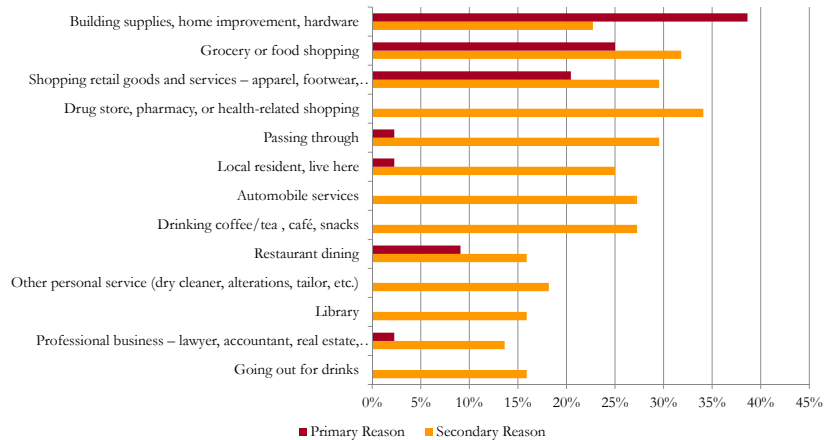
STOCKYARDS POWER CENTRE

Reason for Not Visiting – Stockyards



What are the main reasons why you have not visited ____ recently?

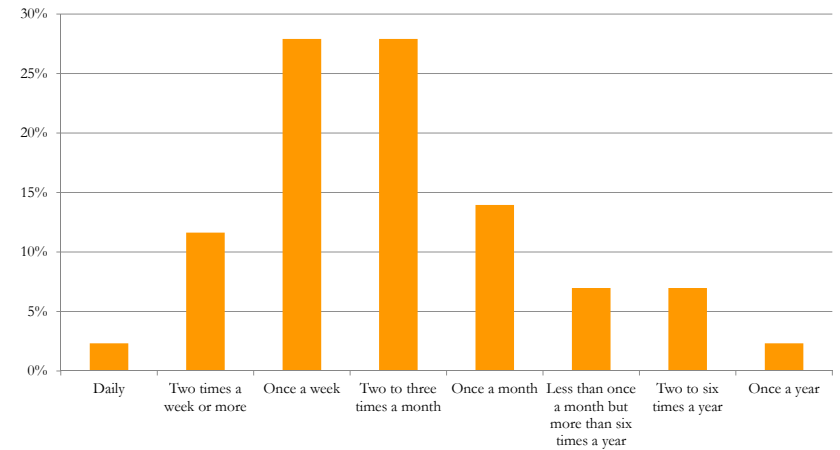
Reason for Last Visit- Stockyards



Building supplies is the primary reason
Grocery and shopping are other major reasons

What was the primary reason for your last visit? What other things did you visit or do while you are at ____?

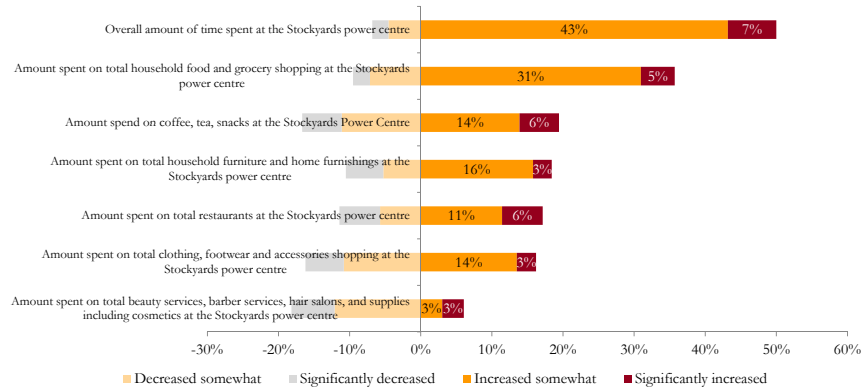
Frequency of Visitation – Stockyards



Visitation is relatively frequent

How often do you visit ____?

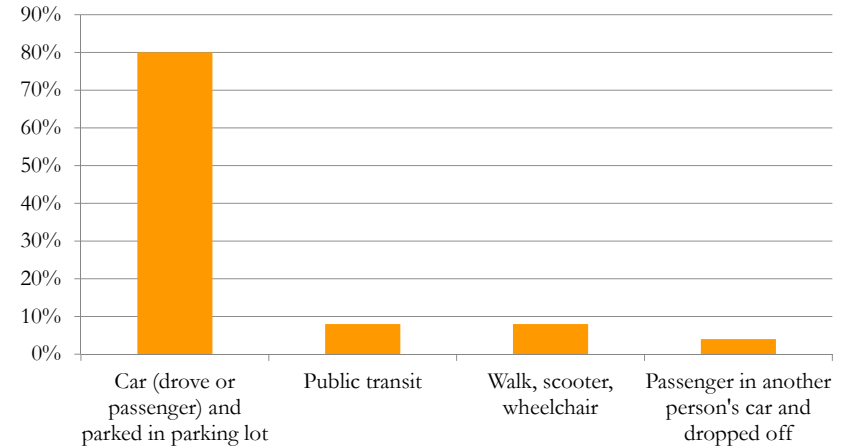
Change in Stockyards Behaviour



Amount of time spent at the Stockyards and amount spent on groceries has increased significantly (although as noted, visitation overall to Stockyards is low)

In the past two years would you say the follow activities in ____ has increased, decreased, or stayed the same?

Method of Transportation to Purchase Grocery or Food Items – Stockyards



The majority drive for grocery related purchases to the Stockyards

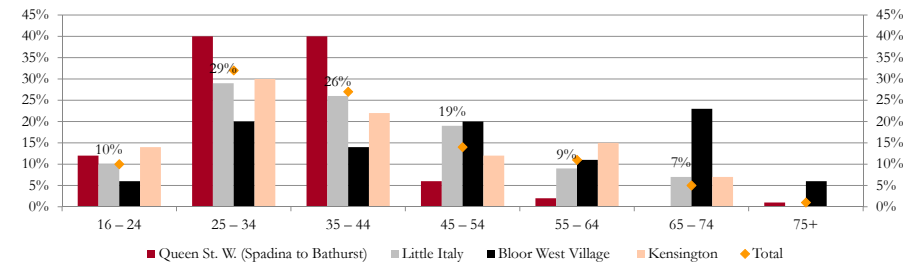
On your last visit to buy food and grocery items in ____, how did you arrive?

Demographics Snapshot

Age Profile

Respondents who had visited Queen St. W. has the youngest age profile of the main streets analyzed

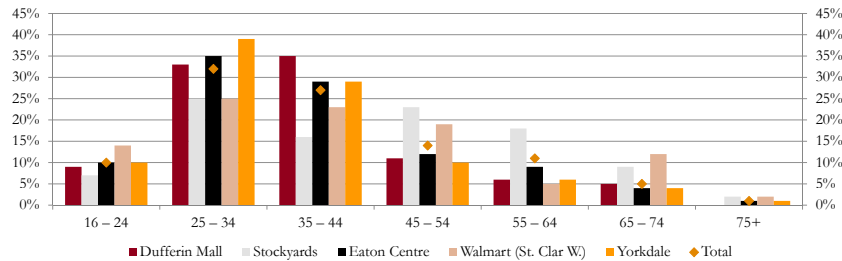
Other main streets appeal to a broader range of ages



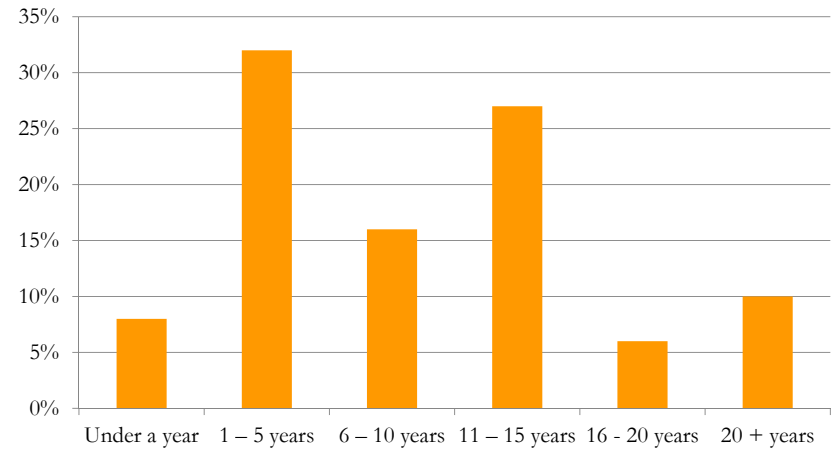
Age Profile

Dufferin Mall, Eaton Centre, and Yorkdale appeal to similar age demographic that is under 44 years of age

Walmart St. Clair and the Stockyards appeal to an even range across all age brackets

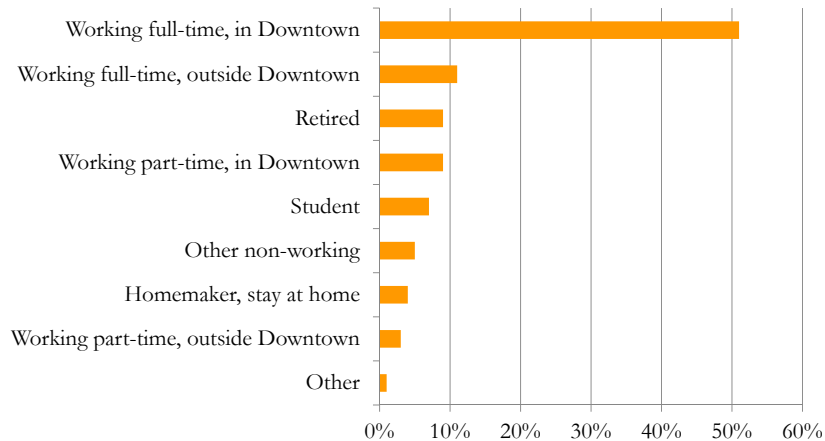


Length of Residency



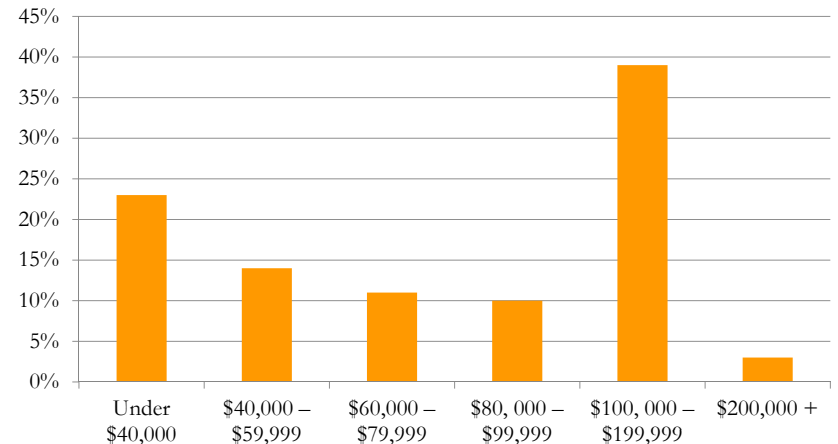
A high proportion are relatively new residents

Occupation



Almost 60% pass in and out of downtown on a frequent basis

Household Income



J.C. WILLIAMS GROUP

Bathurst Street Retail Study

Discussion Paper on Issues and Opportunities

November 2013

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Member of the EBELTOFT GROUP - International Expertise in Retail Service Business

Review of Neighbourhoods and Retail in the Bathurst Street Study Area

- Along Bathurst St. from St. Clair Ave. W. to Lake Ontario and from Christie St./Grace St. to Spadina Ave. The area was divided into smaller neighbourhoods for demographic analysis
- Extended further north and south than the study area to provide additional context.

There are fifteen districts in total. Salient findings include:

- Populations vary from 2,419 in Fort York to 7,144 in West Annex.
- There was almost no growth in the districts except for those south of Queen St. W. (some experienced negative growth).
- Alexandra Park will experience significant growth in the future as the Master Plan for the community develops by Tridel.
- The Bathurst south of Queen area will continue to experience significant growth
- Household sizes generally shift from larger person households near St. Clair Ave. and fall to smaller household sizes south of Queen St.
- The exception would be small household sizes in West Annex (university/college students and young working adults) and large household sizes in Trinity Bellwoods and Alexandra Park.
- Household growth is higher than population growth indicating a continued shift to smaller household sizes (exception Trinity Bellwoods). Household growth compared to population growth is very high in Little Italy indicating a faster change towards smaller households as new families move into the area (and fewer children live at home).
- As stated, many districts especially east of Bathurst St. have a mix of students and young adults combined with older established residents.
- East of Bathurst St. is different compared to west of Bathurst St. (and south of Bloor St.).
- Over 30% of residents east of Bathurst St. walk to work. They tend not to walk west towards Bathurst St. and embark on the Bathurst streetcar. The shopping behaviour is similarly affected. When will shop for groceries on their return from work which means they are more apt to buy closer to Spadina Ave.
- Residents west of Bathurst St. are more likely to take transit to work. The street patterns also help confirm this as they primarily run north/south thereby directing residents towards the main west/east streetcar lines of Queen, College, and Dundas



Streets. It may be possible for them to disembark at Bathurst, shop, and then continue home but they are also likely to disembark closer to their home.

- At best, the trade area for Bathurst St. potential retail is truncated based on whether residents are primarily walkers or transit takers.
- Household incomes are mid-to-high throughout the districts with the exception of the Kensington and Alexandra Park areas.
- Household incomes south of Queen St. are high and when the smaller household sizes are taken into consideration, the increased discretionary income makes it a lucrative market for retailers to pursue.
- Davenport and Alexandra Park have the highest proportion of children under 19 years of age.
- Most other districts have between 8% and 15% children under 19 years of age.
- Young adults and students push the proportion of 20 to 39 years olds to high levels.
- Also, in districts near Chinatown, there is a higher proportion of young adults living with parents.
- There are proportionately fewer seniors south of Queen St. (exception is the waterfront) but there are higher proportions north of Dupont Ave.
- The districts that have over 50% single residents include Queen West., City Place, Niagara, and Palmerston.
- Overall the residents are well educated. In districts such as City Place, Casa Loma, Queen West, West Annex over 60% of the residents have a university degree or higher.
- The districts from College St. to Queen St. have a lower proportion of university graduates.

	Davenport	Casa Loma	Seaton Village	The Annex (West)	Palmerston	Harbord	Little Italy	Kensington	Trinity Bellwoods	Alexandra Park	Niagara	Queen West	Fort York	City Place	Waterfront
Population 2013 (Projected)	4,194	3,393	5,718	7,339	6,433	6,477	3,605	4,034	5,208	4,768	6,357	4,871	4,400	5,689	3,263
Annual Growth Rate (2008- 2013)	0.3%	0.6%	0.5%	0.5%	-0.1%	0.6%	0.4%	0.5%	0.6%	0.6%	1.3%	7.1%	12.7%	1.5%	5.9%
Households 2013 (Projected)	1,643	1,608	2,364	4,050	3,125	2,905	1,545	1,819	1,923	1,898	3,765	3,256	2,845	3,723	1,848
Annual Growth Rate (2008- 2013)	0.6%	0.8%	0.8%	0.7%	0.4%	1.1%	2.2%	1.2%	0.2%	1.6%	2.2%	8.4%	15.1%	4.4%	6.8%
Persons per household	2.45	2.08	2.35	1.79	2.04	2.04	2.31	2.13	2.69	2.48	1.63	1.46	1.58	1.54	1.61
Household Income															
<\$20,000	17.5%	8.9%	11.0%	17.0%	16.4%	18.1%	15.7%	29.0%	14.7%	34.8%	14.3%	10.0%	5.0%	13.4%	9.0%
\$20,000-\$39,999	18.0%	9.3%	15.4%	18.6%	19.2%	18.1%	18.3%	23.4%	16.9%	28.8%	15.3%	11.9%	6.2%	16.2%	10.9%
\$40,000-\$59,999	15.2%	7.8%	17.1%	17.0%	17.9%	15.2%	16.1%	14.7%	17.4%	16.3%	13.9%	15.6%	12.8%	16.3%	13.0%
\$60,000-\$79,999	10.4%	8.6%	13.2%	12.5%	12.5%	12.6%	12.0%	6.8%	14.8%	8.9%	14.8%	14.7%	24.1%	15.7%	18.0%
\$80,000-\$99,999	7.6%	7.3%	10.2%	9.0%	8.0%	10.2%	7.7%	7.0%	12.8%	4.7%	12.3%	11.0%	24.6%	11.0%	15.8%
\$100,000-\$149,999	12.1%	13.1%	16.1%	12.7%	12.9%	12.0%	13.7%	13.7%	14.7%	4.8%	16.5%	18.0%	23.4%	13.5%	19.0%
\$150,000-\$200,000	6.5%	11.4%	7.8%	4.8%	6.5%	4.0%	10.2%	3.2%	3.4%	0.6%	7.2%	9.7%	3.8%	7.9%	7.5%
\$200,000+	12.7%	33.6%	9.2%	8.4%	6.8%	9.9%	6.3%	2.1%	5.4%	1.2%	5.7%	9.3%	0.2%	5.9%	6.8%
Average income	\$129,329	\$183,557	\$110,590	\$93,164	\$93,694	\$97,438	\$94,631	\$59,210	\$86,451	\$43,502	\$92,157	\$102,865	\$82,930	\$99,214	\$105,324
Property Ownership															
Owned	49.1%	44.0%	57.1%	24.0%	43.7%	43.7%	56.0%	40.8%	57.3%	27.1%	56.3%	44.2%	35.8%	57.0%	43.8%
Rented	50.9%	56.0%	42.9%	76.0%	56.3%	56.3%	44.0%	59.2%	42.7%	72.9%	43.7%	55.8%	64.2%	43.0%	56.2%
Age															
0-9	10.1%	7.3%	8.8%	5.2%	5.6%	4.8%	7.4%	4.4%	8.2%	8.4%	5.9%	5.2%	5.8%	4.9%	6.3%
10-19	7.4%	7.6%	7.8%	4.6%	4.9%	4.5%	5.6%	5.1%	6.5%	11.8%	3.3%	3.1%	4.0%	3.1%	4.1%
20-29	14.3%	15.9%	17.4%	31.0%	25.5%	30.7%	21.9%	27.1%	20.1%	22.8%	19.5%	21.5%	27.3%	36.0%	20.7%
30-39	15.0%	16.5%	19.7%	23.2%	24.0%	19.8%	21.8%	19.8%	20.9%	17.8%	32.0%	37.8%	35.9%	35.4%	30.3%
40-49	15.5%	12.9%	15.2%	12.1%	12.7%	11.2%	15.6%	14.7%	16.2%	11.7%	17.8%	16.5%	13.3%	9.8%	15.5%
50-59	13.0%	13.9%	11.6%	9.1%	9.5%	9.5%	11.0%	10.9%	11.5%	10.3%	10.6%	8.1%	7.3%	5.7%	10.9%
60-69	10.0%	13.3%	8.5%	8.4%	7.9%	8.0%	7.3%	6.6%	7.6%	7.1%	6.1%	4.8%	4.2%	3.0%	7.4%
70+	14.6%	12.6%	11.1%	6.3%	10.0%	11.6%	9.3%	11.5%	9.0%	10.1%	4.8%	2.9%	2.2%	2.0%	4.8%
Median Age	41.9	42.1	37.9	33.1	34.8	34.1	36.1	36.1	36.9	33.4	36.2	34.8	33	31.3	35.6
% Families with Children over 20 Years of Age	32.1%	36.2%	32.8%	48.8%	42.2%	45.1%	43.8%	45.2%	39.3%	36.3%	39.3%	31.4%	25.2%	31.5%	29.7%
Marital Status (15+)															
Single	33.6%	32.0%	39.9%	51.4%	47.2%	49.9%	42.5%	47.5%	37.7%	44.8%	48.5%	51.8%	50.7%	56.5%	43.3%
Education (15 +) and Unique Employment															
University certificate or degree	41.8%	62.8%	55.0%	61.9%	50.1%	58.2%	30.1%	30.0%	29.4%	15.8%	49.3%	61.5%	42.1%	63.3%	54.0%
Employed in Arts, Culture, Recreation, Sport	11.2%	12.0%	17.7%	15.2%	15.6%	15.4%	9.7%	12.7%	11.2%	6.9%	12.1%	16.9%	8.7%	5.5%	11.4%
Method of Transportation															
Public transit	37.6%	33.8%	37.8%	46.6%	40.5%	33.0%	29.3%	32.7%	33.8%	37.8%	35.4%	22.9%	29.6%	24.1%	30.6%
Car as driver	39.3%	46.1%	29.7%	18.1%	26.3%	17.4%	26.2%	15.7%	24.3%	18.2%	31.5%	31.2%	37.6%	29.6%	36.5%
Walked	11.2%	8.9%	17.9%	20.9%	19.3%	33.9%	26.3%	35.4%	23.1%	32.1%	22.9%	34.6%	20.4%	39.7%	24.0%
Bicycle	7.5%	4.8%	10.3%	9.8%	10.8%	12.6%	10.8%	9.0%	8.7%	5.1%	6.8%	5.1%	6.9%	2.1%	4.0%
Other Method	4.4%	6.4%	4.4%	4.5%	3.1%	3.1%	7.5%	7.2%	10.1%	6.7%	3.4%	6.2%	5.6%	4.4%	5.0%
Mother Tongue															
English	65.5%	76.8%	68.1%	72.5%	67.5%	63.2%	49.4%	47.9%	43.5%	40.3%	68.0%	71.3%	64.6%	56.3%	71.9%
Chinese	3.6%	2.8%	3.9%	4.9%	5.8%	10.1%	18.4%	31.8%	30.3%	31.5%	5.8%	3.4%	5.2%	15.5%	6.8%
Portuguese	3.5%	0.3%	3.2%	0.8%	5.0%	4.8%	14.3%	4.8%	11.2%	1.8%	4.0%	0.8%	1.7%	0.8%	1.7%
Spanish	2.7%	2.0%	2.2%	1.4%	2.3%	1.9%	1.2%	1.3%	1.0%	2.6%	3.1%	1.6%	2.7%	2.8%	2.8%
French	2.4%	2.0%	1.6%	3.0%	1.8%	2.0%	1.3%	1.3%	1.3%	1.3%	2.5%	3.0%	2.3%	2.2%	2.3%
Italian	3.8%	1.3%	3.6%	1.1%	5.3%	1.2%	6.3%	0.6%	1.3%	0.4%	1.1%	1.1%	0.8%	0.5%	1.1%
Korean	1.4%	0.3%	2.5%	1.6%	1.3%	2.0%	0.3%	0.7%	0.4%	0.7%	0.7%	0.8%	1.5%	1.7%	1.3%
Russian	1.2%	1.0%	0.5%	1.1%	0.6%	0.9%	0.5%	0.6%	0.1%	0.4%	0.8%	1.0%	1.6%	1.5%	1.7%
Tagalog	1.4%	1.3%	1.0%	0.6%	0.5%	0.4%	0.2%	0.1%	0.3%	2.0%	1.3%	0.8%	1.0%	1.1%	1.1%
Polish	0.6%	1.0%	0.3%	0.8%	0.7%	0.5%	0.8%	0.3%	1.0%	0.4%	1.0%	0.9%	1.2%	1.0%	1.5%
Vietnamese	0.2%	0.4%	0.5%	0.3%	0.4%	0.7%	0.7%	1.4%	0.5%	3.5%	0.6%	0.6%	0.9%	0.5%	0.5%
Daytime Worker Population															
Daytime Worker Population	1,886	1,176	2,453	2,761	2,602	4,376	1,719	3,470	1,317	2,970	4,422	14,030	223	618	1,325

Other Target Markets and Factors That Influence Demand

Other target markets and sources of potential retail demand can include the following:

Transit

- The area is well served with public transit options including the Bloor/Danforth Subway line, Bathurst LRT (511), as well as College (506), Dundas (505), and Queen St. (501) LRT. There are other nearby lines including King (504, 508) and buses along Harbord (94), Bathurst north of Bloor (7), and Dupont (26).
- The bike lanes along Harbord St. help to push the use of bicycle to get to work to 12% in this district.
- Daily passenger volume:
 - Bloor/Danforth subway: 32,200
 - Bathurst LRT 511: 17,600 (2011)
 - Carlton/College 506: 40,900
 - Dundas 505: 31,900
 - Queen 501: 43,900
 - King 504: 53,100

Toronto Western Hospital

- 239 bed hospital (80,000 overnight patients per year)
- Over 50,000 emergency room visits per year
- Number of day patients (n/a)
- Staff (n/a)
- Retail: Extensive food, health, and convenience offering
 - Shoppers Drug Mart, Subway, Tim Hortons, Second Cup, Asian Gourmet, Bagel Stop, Booster Juice, Druxy's, Jerk Chicken, Mix It Up, Mr. Sub, Soup It Up, Sushi by Bento Nouveau, Panzerotto Pizza, flowers, ATM, vending, and eye care services

Education

- Randolph Academy: 134 enrollment
- Central Tech: 1,785 (2008)
- King Edward
- George Brown - nearby
- University of Toronto - nearby

Community

- Scadding Court Community Centre
- Scadding Court library

Air Passengers – Billy Bishop Airport

- 2.45 million passengers annually (2012)

Nearby Markets

- Kensington Market
- Market 707
- Tuesday: Trinity Bellwoods Park
- Wednesday: Bloor Borden
- Thursday: Dufferin Grove
- Saturday: The Stop Farmers' Market, Wychwood Barns
- Sunday: The Brewery Market, Wychwood Barns

Theatre

Theatre	Address	Venue	Seating Capacity
Tarragon Theatre	30 Bridgman Avenue	Main	205
		Extra Space	113
		Rehearsal	60
		Total	378
Bathurst St. Theatre	736 Bathurst Street		500
Annex Theatre	730 Bathurst Street		100
Factory Theatre	125 Bathurst Street	Main	200
		Studio	100
		Rehearsal Hall	50
		Total	350
Theatre Passe Muraille	Ryerson Street	Main Space	185
		Backspace	55
		Total	240
Total Seating			1,568
Estimated Attendance			130,000+

Cinema

- Royal Cinema – one screen: College Street (revue style cinema)
- Bloor Hot Docs Cinema – one screen: Bloor Street W.
 - Closed and re-opened in 2012 as documentary cinema
- Cineforum: - one screen, 20 seats: 463 Bathurst, alternative (residential conversion)





Other Entertainment


- Lee's Palace: 550–600 person capacity

Local Area Rents







- A review of vacant retail space gives an indication of potential rents in the area.
- The highest rents are along Queen St. W. The rents for average sized spaces are \$40 to \$60/sq. ft. Upper level spaces are approximately one-half of ground level rents.
- South of Queen St. W. rents are similarly high in the range of \$40 to \$60/sq. ft.
- Further west along Queen St. W. and along Ossington Ave. rents are \$30 to \$45/sq. ft.
- Small retail spaces in Kensington Market can demand rents in a similar range but generally rents are \$25 to \$40/sq. ft. (Note that the selling area for each retail unit is difficult to gauge as retailers sell outside their units.)
- Dundas St. W. has lower rents in the range of \$18 to \$30/sq. ft.
- College St. has higher rents in the range of \$35 to \$40/sq. ft.
- Near Bloor St. W., rents are \$40 to \$60/sq. ft. but west of Bathurst, rents fall to \$25 to \$35/sq. ft.
- Seaton Village has lower rents in the range of \$18 to \$25/sq. ft.






Local Area Rents

Address	Net Rent/Sq. Ft.	Size Sq. Ft.	Additions	
Queen St. W.				
308 Queen St. W.		20,240		
475 Queen St. W.	\$50 – ground 3,300 sq. ft. \$20 – second 3,800 sq. ft.)	6,100	\$15	
552 Queen St. W.	\$28 – blended two floors (approx. \$40 on ground and \$20 second)	6,309		
639 Queen St. W.	\$60	2,000	\$8.50	

Address	Net Rent/Sq. Ft.	Size Sq. Ft.	Additions	
825 Queen St. W.	\$50	3,000	\$6.57 tax	
928 Queen St. W.	\$32.90	1,450		
1032 Queen St. W.	\$46-\$52	3,000		
Dundas St. W.	Note: need more examples			
526 Dundas St. W.	\$25	4,246		
1315 Dundas St. W.	\$29	800		

Address	Net Rent/Sq. Ft.	Size Sq. Ft.	Additions	
707 Dundas (Market 707) - NOTE small space	\$70	80		
College St.				
532 College St.	\$30 (blended - triple net)	1,320		
623 College St.	\$40.30	1,340		
647 College St.	\$34.10	1,900 ground and 1,900 basement		
Bloor St. W.				
631 Bloor St. W.	\$33	1,450	\$9.52	

Address	Net Rent/Sq. Ft.	Size Sq. Ft.	Additions	
682 Bloor St. W.	\$27.43	1,400		
Bathurst St.				
783 Bathurst St.	\$40	6,670	\$25	
1100 Bathurst St.	\$24	2000		
Dupont St.				
414 Dupont St.	\$33	1,000 ground and 1,000 basement		
Ossington Ave.				
41 Ossington Ave.	\$42.50	6,000		
Richmond St. W.				
529 Richmond St. W.	\$60	400		
Kensington				

Address	Net Rent/Sq. Ft.	Size Sq. Ft.	Additions	
20 Kensington Ave.	\$26.38	n/a		
228 Augusta Ave.	\$56	750		
228 Augusta Ave.	\$42.86	1,400		
228 Augusta Ave.	\$44.65	2,150		
195 Baldwin St.	\$57.27	880	\$8.59	

The following section of the report addresses each section of the Bathurst Street Study area as proposed by DTAH.

Bathurst/Queen West

	Trinity Bellwoods	Alexandra Park	Niagara	Queen West
Population 2013 (Projected)	5,208	4,768	6,357	4,871
Annual Growth Rate (2008- 2013)	0.6%	0.6%	1.3%	7.1%
Households 2013 (Projected)	1,923	1,898	3,765	3,256
Annual Growth Rate (2008- 2013)	0.2%	1.6%	2.2%	8.4%
Persons per household	2.69	2.48	1.63	1.46
Household Income				
<\$20,000	14.7%	34.8%	14.3%	10.0%
\$20,000-\$39,999	16.9%	28.8%	15.3%	11.9%
\$40,000-\$59,999	17.4%	16.3%	13.9%	15.6%
\$60,000-\$79,999	14.8%	8.9%	14.8%	14.7%
\$80,000-\$99,999	12.8%	4.7%	12.3%	11.0%
\$100,000-\$149,999	14.7%	4.8%	16.5%	18.0%
\$150,000-\$200,000	3.4%	0.6%	7.2%	9.7%
\$200,000+	5.4%	1.2%	5.7%	9.3%
Average income	\$86,451	\$43,502	\$92,157	\$102,865
Property Ownership				
Owned	57.3%	27.1%	56.3%	44.2%
Rented	42.7%	72.9%	43.7%	55.8%
Age				
0-9	8.2%	8.4%	5.9%	5.2%
10-19	6.5%	11.8%	3.3%	3.1%
20-29	20.1%	22.8%	19.5%	21.5%
30-39	20.9%	17.8%	32.0%	37.8%
40-49	16.2%	11.7%	17.8%	16.5%
50-59	11.5%	10.3%	10.6%	8.1%
60-69	7.6%	7.1%	6.1%	4.8%
70+	9.0%	10.1%	4.8%	2.9%
Median Age	36.9	33.4	36.2	34.8
% Families with Children over 20 Years of Age	39.3%	36.3%	39.3%	31.4%
Marital Status (15+)				
Single	37.7%	44.8%	48.5%	51.8%
Education (15 +) and Unique Employment				
University certificate or degree	29.4%	15.8%	49.3%	61.5%
Employed in Arts, Culture, Recreation, Sport	11.2%	6.9%	12.1%	16.9%
Method of Transportation				
Public transit	33.8%	37.8%	35.4%	22.9%
Car as driver	24.3%	18.2%	31.5%	31.2%
Walked	23.1%	32.1%	22.9%	34.6%
Bicycle	8.7%	5.1%	6.8%	5.1%
Other Method	10.1%	6.7%	3.4%	6.2%
Mother Tongue				
English	43.5%	40.3%	68.0%	71.3%
Chinese	30.3%	31.5%	5.8%	3.4%
Portuguese	11.2%	1.8%	4.0%	0.8%
Spanish	1.0%	2.6%	3.1%	1.6%
French	1.3%	1.3%	2.5%	3.0%
Italian	1.3%	0.4%	1.1%	1.1%
Korean	0.4%	0.7%	0.7%	0.8%
Russian	0.1%	0.4%	0.8%	1.0%
Tagalog	0.3%	2.0%	1.3%	0.8%
Polish	1.0%	0.4%	1.0%	0.9%
Vietnamese	0.5%	3.5%	0.6%	0.6%
Daytime Worker Population				
Daytime Worker Population	1,317	2,970	4,422	14,030

Salient Findings

- The four quadrant neighbourhoods are divided to the north west (Trinity Bellwoods), north east (Alexandra Park), south west (Niagara), and south east (Queen St. West).
- Combined there are 21,204 residents and it is projected to grow significantly.
- North of Queen St. W. is an area that has had flat population growth, lower to mid household income (mostly Alexandra Park is lower household income), and more ethnic diversity (high proportion whose mother tongue is Chinese).
- The redevelopment of Alexandra Park will increase the population significantly. 333 units in Alexandra Park will be demolished and replaced with 473 apartment units and 1,540 condo units. This could add over 3,000 new residents to the district.
- South of Queen St. W. is an area that has higher growth, higher household incomes, less ethnic diversity, and a greater proportion of residents who work in the fields of arts/culture/recreation/sports.
- In addition, there is a significant employment cluster south west of the intersection (over 14,000 daytime workers).
- South of Queen St. W. there are proportionately fewer children and seniors but more 30 to 39 year olds. Interestingly, there are proportionately the same percentage of 20 to 29 year olds throughout all districts.
- Residents east of Bathurst are more likely to walk to work than those who live west of Bathurst

Retail Characteristics Bathurst Street/Queen Street West

	Number of Stores	Est. Sq. Ft.
Retail Merchandise	7	26,600
Convenience Goods	1	1,500
Food Services	11	16,000
Personal Services	2	2,400
Professional Services	2	16,500
Vacant	1	2,000
Commercial Other Use	4	4,800
Total	28	69,800
Offices, Social Service, Medical	3	
Residential	9	
Redevelopment	2	

Salient Findings

- Queen St. W. is a higher hierarchical street than Bathurst St.
- Retail opportunities on Bathurst St. are primarily supporting retail as wrap around locations for retailers associated with Queen St. W.

- The corner locations have the highest rent potential due to increased visibility and accessibility. It is also in high demand. Bathurst St. areas in this section would appeal to retailers who want to be as close to the high traffic along Queen St. W. but want lower rent slightly away from the corner or in a multi-level unit.
- The retail should function as a transition section from the neighbourhood and park area at the north to retail area.
- To the south, Adelaide St. and Richmond St. are faster moving streets that begin/terminate at Bathurst – needs a transition section for the ground level retail area.
- The entire area along Bathurst St. from Front St. to Carr St. has a similar feel and function.
- Smaller format retailers, primarily service oriented (e.g., restaurants, cafes, personal services), larger format retailers (e.g., grocery, home furnishings, electronics,) and some unique stores such as art galleries or unique leisure retailers that want lower rent are able to fit into the mix (note the area is heritage and redevelopment must take that into account).
- Multi-level retail exists in the area and those retailers perform well.
- 308 Queen St. W. is proposed as a two level retail space containing approximately 20,240 sq. ft. (22 ft. ceilings).
- There are two mixed-use redevelopment proposals for the north of Queen St. W. area (one includes only ground level retail/commercial with residential and the other includes two levels of retail/commercial along with residential).

Issues and Opportunities

- St. Christopher House presents safety concerns for retailers.
- Small art gallery space in the Queen/Portland development (put in to potentially allow for small independents) does not help as these spaces have very low visibility on the Richmond St. side.
- There are vacancies and multi-level vacancies (particularly on Queen St. W. east of Bathurst St.) due to lack of demand and high rent expectations from landlords.
- Orient Building – increased retail opportunities within the heritage building is possible.
- Factory Theatre – possible redevelopment options that could include retail (note that it is outside the study area).
- Need to slow vehicular and pedestrian traffic down as they approach Queen St. W.
- Developers should find ways of maximizing the retail opportunities at these important corner locations.
- Retailers will be interested in securing ground level retail space at the intersection and then will look to defray some of the rent by locating additional selling area on upper or lower levels or on deep lots.

Alexandra Park West

	Trinity Bellwoods	Alexandra Park
Population 2013 (Projected)	5,208	4,768
Annual Growth Rate (2008- 2013)	0.6%	0.6%
Households 2013 (Projected)	1,923	1,898
Annual Growth Rate (2008- 2013)	0.2%	1.6%
Persons per household	2.69	2.48
Household Income		
<\$20,000	14.7%	34.8%
\$20,000-\$39,999	16.9%	28.8%
\$40,000-\$59,999	17.4%	16.3%
\$60,000-\$79,999	14.8%	8.9%
\$80,000-\$99,999	12.8%	4.7%
\$100,000-\$149,999	14.7%	4.8%
\$150,000-\$200,000	3.4%	0.6%
\$200,000+	5.4%	1.2%
Average income	\$86,451	\$43,502
Property Ownership		
Owned	57.3%	27.1%
Rented	42.7%	72.9%
Age		
0-9	8.2%	8.4%
10-19	6.5%	11.8%
20-29	20.1%	22.8%
30-39	20.9%	17.8%
40-49	16.2%	11.7%
50-59	11.5%	10.3%
60-69	7.6%	7.1%
70+	9.0%	10.1%
Median Age	36.9	33.4
% Families with Children over 20 Years of Age	39.3%	36.3%
Marital Status (15+)		
Single	37.7%	44.8%
Education (15 +) and Unique Employment		
University certificate or degree	29.4%	15.8%
Employed in Arts, Culture, Recreation, Sport	11.2%	6.9%
Method of Transportation		
Public transit	33.8%	37.8%
Car as driver	24.3%	18.2%
Walked	23.1%	32.1%
Bicycle	8.7%	5.1%
Other Method	10.1%	6.7%
Mother Tongue		
English	43.5%	40.3%
Chinese	30.3%	31.5%
Portuguese	11.2%	1.8%
Spanish	1.0%	2.6%
French	1.3%	1.3%
Italian	1.3%	0.4%
Korean	0.4%	0.7%
Russian	0.1%	0.4%
Tagalog	0.3%	2.0%
Polish	1.0%	0.4%
Vietnamese	0.5%	3.5%
Daytime Worker Population		
Daytime Worker Population	1,317	2,970

Salient Findings

- There are 9,600 residents.
- Almost no population growth in the past.
- Proposed Master Plan for Alexandra Park will alter demographics (e.g., Spadina Queen project by Tridel is the first project to move forward).
- 333 units in Alexandra Park will be demolished and replaced and 473 apartment units will be refurbished, and 1,540 condo units at market rate will be added. This could add over 3,000 new residents to the district.
- There are mid-income households to the west, a high proportion of older home owners including a high proportion whose mother tongue is Chinese or Portuguese.
- Some employment, especially to the east and along Spadina Ave.

Retail Characteristics

Alexandra Park West

	Number	Est. Sq. Ft.
Retail Merchandise	0	
Convenience Goods	0	
Food Services	0	
Personal Services	0	
Professional Services	2	2,000
Vacant	0	
Commercial Other Use	0	
Total	2	2,000
Offices, Social Service, Medical	0	
Residential	39	
Redevelopment	0	
House of Worship	2	

Issues and Opportunities

- There is very little retail.
- It is one solid long block.
- It does not connect to west neighbourhoods.
- Any connection from Markham St. to Bathurst St. (pedestrian) should include crosswalk connections to Alexandra Park.
- Bump outs to slow traffic for local residents and park visitors (overall improve safety for visitors to park and create a more coordinated park and facility design).
- Two professional offices/medical offices (likely several home businesses in the area).
- Should be maintained as residential only and not allow further conversion of residential to local commercial.

Palmerston/Little Italy

	Palmerston	Harbord	Little Italy	Kensington	Trinity Bellwoods	Alexandra Park
Population 2013 (Projected)	6,433	6,477	3,605	4,034	5,208	4,768
Annual Growth Rate (2008- 2013)	-0.1%	0.6%	0.4%	0.5%	0.6%	0.6%
Households 2013 (Projected)	3,125	2,905	1,545	1,819	1,923	1,898
Annual Growth Rate (2008- 2013)	0.4%	1.1%	2.2%	1.2%	0.2%	1.6%
Persons per household	2.04	2.04	2.31	2.13	2.69	2.48
Household Income						
<\$20,000	16.4%	18.1%	15.7%	29.0%	14.7%	34.8%
\$20,000-\$39,999	19.2%	18.1%	18.3%	23.4%	16.9%	28.8%
\$40,000-\$59,999	17.9%	15.2%	16.1%	14.7%	17.4%	16.3%
\$60,000-\$79,999	12.5%	12.6%	12.0%	6.8%	14.8%	8.9%
\$80,000-\$99,999	8.0%	10.2%	7.7%	7.0%	12.8%	4.7%
\$100,000-\$149,999	12.9%	12.0%	13.7%	13.7%	14.7%	4.8%
\$150,000-\$200,000	6.5%	4.0%	10.2%	3.2%	3.4%	0.6%
\$200,000+	6.8%	9.9%	6.3%	2.1%	5.4%	1.2%
Average income	\$93,694	\$97,438	\$94,631	\$59,210	\$86,451	\$43,502
Property Ownership						
Owned	43.7%	43.7%	56.0%	40.8%	57.3%	27.1%
Rented	56.3%	56.3%	44.0%	59.2%	42.7%	72.9%
Age						
0-9	5.6%	4.8%	7.4%	4.4%	8.2%	8.4%
10-19	4.9%	4.5%	5.6%	5.1%	6.5%	11.8%
20-29	25.5%	30.7%	21.9%	27.1%	20.1%	22.8%
30-39	24.0%	19.8%	21.8%	19.8%	20.9%	17.8%
40-49	12.7%	11.2%	15.6%	14.7%	16.2%	11.7%
50-59	9.5%	9.5%	11.0%	10.9%	11.5%	10.3%
60-69	7.9%	8.0%	7.3%	6.6%	7.6%	7.1%
70+	10.0%	11.6%	9.3%	11.5%	9.0%	10.1%
Median Age	34.8	34.1	36.1	36.1	36.9	33.4
% Families with Children over 20 Years of Age	42.2%	45.1%	43.8%	45.2%	39.3%	36.3%
Marital Status (15+)						
Single	47.2%	49.9%	42.5%	47.5%	37.7%	44.8%
Education (15 +) and Unique Employment						
University certificate or degree	50.1%	58.2%	30.1%	30.0%	29.4%	15.8%
Employed in Arts, Culture, Recreation, Sport	15.6%	15.4%	9.7%	12.7%	11.2%	6.9%
Method of Transportation						
Public transit	40.5%	33.0%	29.3%	32.7%	33.8%	37.8%
Car as driver	26.3%	17.4%	26.2%	15.7%	24.3%	18.2%
Walked	19.3%	33.9%	26.3%	35.4%	23.1%	32.1%
Bicycle	10.8%	12.6%	10.8%	9.0%	8.7%	5.1%
Other Method	3.1%	3.1%	7.5%	7.2%	10.1%	6.7%
Mother Tongue						
English	67.5%	63.2%	49.4%	47.9%	43.5%	40.3%
Chinese	5.8%	10.1%	18.4%	31.8%	30.3%	31.5%
Portuguese	5.0%	4.8%	14.3%	4.8%	11.2%	1.8%
Spanish	2.3%	1.9%	1.2%	1.3%	1.0%	2.6%
French	1.8%	2.0%	1.3%	1.3%	1.3%	1.3%
Italian	5.3%	1.2%	6.3%	0.6%	1.3%	0.4%
Korean	1.3%	2.0%	0.3%	0.7%	0.4%	0.7%
Russian	0.6%	0.9%	0.5%	0.6%	0.1%	0.4%
Tagalog	0.5%	0.4%	0.2%	0.1%	0.3%	2.0%
Polish	0.7%	0.5%	0.8%	0.3%	1.0%	0.4%
Vietnamese	0.4%	0.7%	0.7%	1.4%	0.5%	3.5%
Daytime Worker Population						
Daytime Worker Population	2,602	4,376	1,719	3,470	1,317	2,970

Salient Findings

- There is very little population growth, few major redevelopment projects including Alexandra Park Master Plan.
- West of Bathurst St. is higher income.
- There are infill residential projects on Dundas St. W. and in the local neighbourhood (less than 9 storeys).
- Kensington has lower household income along with Alexandra Park.
- There are larger household sizes but there is continuous movement to smaller households.
- There is a high proportion of young adults living at home with family.
- There is increased ethnicity including Chinese, Italian, and Portuguese, along with Spanish, Korean, and Vietnamese.
- East of Bathurst has higher daytime employment including those near Spadina Ave. However, Toronto Western Hospital has a significant number of daytime workers who would eat and shop at local businesses.
- Unsure of the impact of the redevelopment of Alexandra Park will have on the demand for retail on this section of Bathurst St. given that it is east and separated by a park.

Other target markets

- Toronto Western Hospital staff, patients, and visitors
- Scadding Court community centre and library visitors
- Other staff at office buildings nearby

Retail Characteristics Palmerston/Little Italy

	Number	Est. Sq. Ft.
Retail Merchandise	2	2,200
Convenience Goods	3	11,400
Food Services	20	20,000
Personal Services	4	11,000
Professional Services	2	19,500
Vacant	1	800
Commercial Other Use	3	3,600
Total	35	68,500
Offices, Social Service, Medical	7	
Residential	37	
Redevelopment	1	
House of Worship	1	
Entertainment	1	
Hospital	1	

Includes retail inside the hospital

Issues and Opportunities

- The centre of the district is one continuous strip over 1,500 feet in length. It does not connect to the adjacent neighbourhood areas and as such is isolated from them.
- The two intersections of Bathurst St. and Dundas St. W. and Bathurst St. and College St. are key redevelopment sites providing high visibility and accessibility.
- Agree that higher heights and retail densities should be permitted at Bathurst and College and Bathurst and Dundas St. W. as per DTAH study.
- Need to transition from the north residential areas to retail commercial area.
- Need to transition from south residential areas to retail commercial area.
- College St. (Little Italy) is a stronger retail corridor (grocery anchored on west end of the BIA and a grocery retailer proposed for new condo site on the east end).
- Dundas St. W. east of Bathurst is an underperforming retail area that includes aspects of Kensington Market and Chinatown but there are several vacancies.
- At present, the retail is very health/hospital oriented in terms of quick service food, health care/ pharmacies, and banking.
- Visitors and workers at the hospital are looking for similar goods and services – good quality food, variety/choice, and a very efficient experience.
- Studies show that the overall experience related to the health care surroundings, the parking, the entrances, the food court, etc. have a bearing on the healing process for patients.
- This district should promote healthy living.
- Scadding Court could be redeveloped to include other uses including retail (help defray costs of new library, community centre, etc.).
- Hospital can re-orient retail offering so that it opens to the street. Further additions can include larger retail.

Palmerston/Harbord Village Neighbourhood

	Palmerston	Harbord
Population 2013 (Projected)	6,433	6,477
Annual Growth Rate (2008- 2013)	-0.1%	0.6%
Households 2013 (Projected)	3,125	2,905
Annual Growth Rate (2008- 2013)	0.4%	1.1%
Persons per household	2.04	2.04
Household Income		
<\$20,000	16.4%	18.1%
\$20,000-\$39,999	19.2%	18.1%
\$40,000-\$59,999	17.9%	15.2%
\$60,000-\$79,999	12.5%	12.6%
\$80,000-\$99,999	8.0%	10.2%
\$100,000-\$149,999	12.9%	12.0%
\$150,000-\$200,000	6.5%	4.0%
\$200,000+	6.8%	9.9%
Average income	\$93,694	\$97,438
Property Ownership		
Owned	43.7%	43.7%
Rented	56.3%	56.3%
Age		
0-9	5.6%	4.8%
10-19	4.9%	4.5%
20-29	25.5%	30.7%
30-39	24.0%	19.8%
40-49	12.7%	11.2%
50-59	9.5%	9.5%
60-69	7.9%	8.0%
70+	10.0%	11.6%
Median Age	34.8	34.1
% Families with Children over 20 Years of Age	42.2%	45.1%
Marital Status (15+)		
Single	47.2%	49.9%
Education (15 +) and Unique Employment		
University certificate or degree	50.1%	58.2%
Employed in Arts, Culture, Recreation, Sport	15.6%	15.4%
Method of Transportation		
Public transit	40.5%	33.0%
Car as driver	26.3%	17.4%
Walked	19.3%	33.9%
Bicycle	10.8%	12.6%
Other Method	3.1%	3.1%
Mother Tongue		
English	67.5%	63.2%
Chinese	5.8%	10.1%
Portuguese	5.0%	4.8%
Spanish	2.3%	1.9%
French	1.8%	2.0%
Italian	5.3%	1.2%
Korean	1.3%	2.0%
Russian	0.6%	0.9%
Tagalog	0.5%	0.4%
Polish	0.7%	0.5%
Vietnamese	0.4%	0.7%
Daytime Worker Population		
Daytime Worker Population	2,602	4,376

Salient findings

- The population is stable with little population growth.
- There are new development projects on College St. East of Bathurst St. as well as mid-rise developments in Little Italy and further west.
- There are very similar neighbourhoods to the west of Bathurst St. compared to east of Bathurst St.
- East of Bathurst St., there is a slightly higher proportion of 20 to 29 year olds, which is reflective of the proximity to the University of Toronto and Downtown.
- In addition, east of Bathurst St., residents tend to walk to work more than those residents west of Bathurst St. and they take their bicycle to work more than residents in the other districts.
- Intuitively, residents that live east of Bathurst St. do not like to walk west to the Bathurst streetcar line but would rather walk east and continue towards the university or Downtown areas.
- East of Bathurst St. is characterized more as a combination of students and mid to upper income households (has a higher proportion of lower income and upper income households) compared to west of Bathurst St., which is more mid to upper income households.

Retail Characteristics Palmerston/Harbord

	Number	Est. Sq. Ft.
Retail Merchandise	0	0
Convenience Goods	4	5,600
Food Services	0	0
Personal Services	0	0
Professional Services	1	2,000
Vacant	0	0
Commercial Other Use	1	400
Total	6	8,000
Offices, Social Service, Medical	2	
Residential	147	
Redevelopment	0	
House of Worship	1	
Education	2	

Issues and Opportunities

- The residential neighbourhood is stable on both sides of Bathurst St.
- There are two major schools (there is question or discussion about if these two properties were to be redeveloped? What would be development mix?)
- There is good quality housing; many geared to rental housing.
- Retail is primarily located at the intersections and this should be encouraged. Retail should only be located at the intersections (e.g., Ulster Street, Harbord Street)

- Discourage residential conversion to local retail.
- There is no requirement for anything beyond ground level retail.
- There should be walking oriented retail for convenience goods and services (specialty stores, small grocer/convenience, cafes, casual restaurant, local pub, health care supplies/pharmacy, personal services, etc.).
- Restaurant patios should be encouraged (mindful of local schools).
- Improve aesthetics such as changing school fencing to look less barrier like.

Bathurst/Bloor

	Seaton Village	The Annex (West)	Palmerston	Harbord
Population 2013 (Projected)	5,718	7,339	6,433	6,477
Annual Growth Rate (2008- 2013)	0.5%	0.5%	-0.1%	0.6%
Households 2013 (Projected)	2,364	4,050	3,125	2,905
Annual Growth Rate (2008- 2013)	0.8%	0.7%	0.4%	1.1%
Persons per household	2.35	1.79	2.04	2.04
Household Income				
<\$20,000	11.0%	17.0%	16.4%	18.1%
\$20,000-\$39,999	15.4%	18.6%	19.2%	18.1%
\$40,000-\$59,999	17.1%	17.0%	17.9%	15.2%
\$60,000-\$79,999	13.2%	12.5%	12.5%	12.6%
\$80,000-\$99,999	10.2%	9.0%	8.0%	10.2%
\$100,000-\$149,999	16.1%	12.7%	12.9%	12.0%
\$150,000-\$200,000	7.8%	4.8%	6.5%	4.0%
\$200,000+	9.2%	8.4%	6.8%	9.9%
Average income	\$110,590	\$93,164	\$93,694	\$97,438
Property Ownership				
Owned	57.1%	24.0%	43.7%	43.7%
Rented	42.9%	76.0%	56.3%	56.3%
Age				
0-9	8.8%	5.2%	5.6%	4.8%
10-19	7.8%	4.6%	4.9%	4.5%
20-29	17.4%	31.0%	25.5%	30.7%
30-39	19.7%	23.2%	24.0%	19.8%
40-49	15.2%	12.1%	12.7%	11.2%
50-59	11.6%	9.1%	9.5%	9.5%
60-69	8.5%	8.4%	7.9%	8.0%
70+	11.1%	6.3%	10.0%	11.6%
Median Age	37.9	33.1	34.8	34.1
% Families with Children over 20 Years of Age	32.8%	48.8%	42.2%	45.1%
Marital Status (15+)				
Single	39.9%	51.4%	47.2%	49.9%
Education (15 +) and Unique Employment				
University certificate or degree	55.0%	61.9%	50.1%	58.2%
Employed in Arts, Culture, Recreation, Sport	17.7%	15.2%	15.6%	15.4%
Method of Transportation				
Public transit	37.8%	46.6%	40.5%	33.0%
Car as driver	29.7%	18.1%	26.3%	17.4%
Walked	17.9%	20.9%	19.3%	33.9%
Bicycle	10.3%	9.8%	10.8%	12.6%
Other Method	4.4%	4.5%	3.1%	3.1%
Mother Tongue				
English	68.1%	72.5%	67.5%	63.2%
Chinese	3.9%	4.9%	5.8%	10.1%
Portuguese	3.2%	0.8%	5.0%	4.8%
Spanish	2.2%	1.4%	2.3%	1.9%
French	1.6%	3.0%	1.8%	2.0%
Italian	3.6%	1.1%	5.3%	1.2%
Korean	2.5%	1.6%	1.3%	2.0%
Russian	0.5%	1.1%	0.6%	0.9%
Tagalog	1.0%	0.6%	0.5%	0.4%
Polish	0.3%	0.8%	0.7%	0.5%
Vietnamese	0.5%	0.3%	0.4%	0.7%
Daytime Worker Population				
Daytime Worker Population	2,453	2,761	2,602	4,376

Salient Findings

- North of Bloor St., west of Bathurst St. is a different neighbourhood compared to east of Bathurst St.
- West of Bathurst St. is a stable, mid to high household income neighbourhood with larger households and more children living at home.
- East of Bathurst St. is primarily students and young working adults combined with mid to high household income households.
- Overall, there is a lower proportion that walk to work in neighbourhoods north of Bloor St. (relying to a greater extent on public transit). The east/west divide along Bathurst St. does not exist to the same extent north of Bloor St.
- South of Bloor St. W. has the stable and very similar neighbourhoods of mid to high income households.

Retail Characteristics Bathurst/Bloor

	Number	Est. Sq. Ft.
Retail Merchandise	14	90,300
Convenience Goods	2	5,000
Food Services	8	14,500
Personal Services	1	5,000
Professional Services	1	1,800
Vacant	0	0
Commercial Other Use	2	1,600
Total	28	118,200
Offices, Social Service, Medical	5	
Residential	0	
Redevelopment	1	
House of Worship	1	
Entertainment	4	
Automotive	1	

Issues and Opportunities

- The retail at Bloor St. and Bathurst St. does not match the local neighbourhood demographics. The retail offering is more value oriented and focused on retail merchandise. There is also a number of quick service eateries that cater to students and commuters.
- There is a higher density of retail including multi-level retail.
- Honest Ed's increases the square footage.
- There are nearby higher end retail offerings such as Mirvish Village and the high end home furnishings shops on Dupont St. near Christie St. (outside the study area). There are some higher end shops along Bloor St. W. both east and west of Bathurst St.
- Despite the high proportion of Korean oriented businesses on Bloor St. W. (west of Bathurst), there are few residents who stated Korean as their mother tongue.
- Opportunities include higher density, vertical oriented retail offerings that appeal to a broad assortment of target markets.
- May include food and grocery retail.

Seaton Village

	Seaton Village	The Annex (West)
Population 2013 (Projected)	5,718	7,339
Annual Growth Rate (2008- 2013)	0.5%	0.5%
Households 2013 (Projected)	2,364	4,050
Annual Growth Rate (2008- 2013)	0.8%	0.7%
Persons per household	2.35	1.79
Household Income		
<\$20,000	11.0%	17.0%
\$20,000-\$39,999	15.4%	18.6%
\$40,000-\$59,999	17.1%	17.0%
\$60,000-\$79,999	13.2%	12.5%
\$80,000-\$99,999	10.2%	9.0%
\$100,000-\$149,999	16.1%	12.7%
\$150,000-\$200,000	7.8%	4.8%
\$200,000+	9.2%	8.4%
Average income	\$110,590	\$93,164
Property Ownership		
Owned	57.1%	24.0%
Rented	42.9%	76.0%
Age		
0-9	8.8%	5.2%
10-19	7.8%	4.6%
20-29	17.4%	31.0%
30-39	19.7%	23.2%
40-49	15.2%	12.1%
50-59	11.6%	9.1%
60-69	8.5%	8.4%
70+	11.1%	6.3%
Median Age	37.9	33.1
% Families with Children over 20 Years of Age	32.8%	48.8%
Marital Status (15+)		
Single	39.9%	51.4%
Education (15 +) and Unique Employment		
University certificate or degree	55.0%	61.9%
Employed in Arts, Culture, Recreation, Sport	17.7%	15.2%
Method of Transportation		
Public transit	37.8%	46.6%
Car as driver	29.7%	18.1%
Walked	17.9%	20.9%
Bicycle	10.3%	9.8%
Other Method	4.4%	4.5%
Mother Tongue		
English	68.1%	72.5%
Chinese	3.9%	4.9%
Portuguese	3.2%	0.8%
Spanish	2.2%	1.4%
French	1.6%	3.0%
Italian	3.6%	1.1%
Korean	2.5%	1.6%
Russian	0.5%	1.1%
Tagalog	1.0%	0.6%
Polish	0.3%	0.8%
Vietnamese	0.5%	0.3%
Daytime Worker Population		
Daytime Worker Population	2,453	2,761

Salient Findings

- North of Bloor Street, west of Bathurst is a different neighbourhood compared to east of Bathurst
- West of Bathurst is stable, mid to high household income neighbourhood with larger households and more children living at home
- East of Bathurst is primarily student and young working adult oriented combined with mid to high household income households
- Overall, there is a lower proportion that walk to work for neighbourhoods north of Bloor Street (relying to a greater extent on public transit). The east/west divide along Bathurst Street does not exist to the same extent north of Bloor Street
- Despite polarization, both districts spend a high proportion of their incomes on eating out, alcohol, clothing, home furnishings (small items), books, photography, and pet supplies.

Retail Characteristics Seaton Village

	Palmerston /Harbord		Bathurst/ Dupont		Total	
	Number	Est. Sq. Ft.	Number	Est. Sq. Ft.	Number	Est. Sq. Ft.
Retail Merchandise	13	23,400	10	13,900	23	37,300
Convenience Goods	6	7,600	3	4,200	9	11,800
Food Services	8	10,300	6	12,600	14	22,900
Personal Services	7	6,200	4	4,600	11	10,800
Professional Services	13	17,000	1	1,500	14	18,500
Vacant	7	7,200	1	1,200	8	8,400
Commercial Other Use	1	1,200	1	1,500	2	2,700
Total	55	72,900		39,500	55	112,400
Offices, Social Service, Medical	5		5		10	
Residential	96		0		96	
Redevelopment	0		1		1	
House of Worship	1		0		1	
Entertainment	2				2	
Automotive	0		2		2	

Issues and Opportunities

- The retail neighbourhood is evolving; there are more art galleries, restaurants, cafes, and unique specialty home stores.
- Many retailers are geared to the younger age demographic, specifically to the east of Bathurst St. including unique apparel items.
- There are a number of medical, health, and alternative health type businesses.
- There are short blocks with a high degree of access to the local neighbourhoods nearby.
- This neighbourhood lacks streetcar access and is dependent on bus Dupont and Bathurst subway stations are nearby).
- Seaton Village is more isolated (similar to a dead end retail street). It is less likely for Bloor St. area visitors to venture north on Bathurst as retail does not continue past Dupont St. Rather the retail is focused on serving the two neighbouring residential areas.
- Retail to the west and east of Bathurst St. on Dupont St. is a mixture of larger formats geared to convenience and specialty items including higher end home furniture and furnishings (there are proposals to change the designation along Dupont St. to Regeneration Areas and allow for greater residential densities).
- There should be no further conversion of residential on the east side of Bathurst St. to local retail. While J.C. Williams Group encourages double-loaded retail main streets, in this situation converting the residential to retail in a piecemeal manner would cause greater problems than having a primarily one-sided retail main street.
- Encourage restaurants with patio seating.
- Widen sidewalks to encourage walking.
- It is a difficult situation for retail to appeal to two diverging markets (polarized). Have to find common areas including food services (cafes, coffee shops, small home furnishings, etc.) and there may be an opportunity for a grocery store (could be small urban format or larger main stream). If larger, it should be positioned on the ends of the district to act as an anchor (either on or near Dupont St. or at Bloor St.). However, as stated, the primary size of retail units required will be on the small size for local independent stores. Restaurants with patios should be accommodated as much as possible as this will be the next wave of retail development in this district.

Appendix C:

Workshop # 3: Vitality and Viability of Main Streets - Large Retail and Main Streets

R.E. Millward & Associates' Planning and Policy Review

The Washington Post, December 11, 2013 "Wal-Mart brings more than its stores to DC. It brings lessons learned from other cities"

Vitality and Viability of Main Street Retail

Workshop #3
Large Retail and Main Streets

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Incentives and Regulations

- Regulations should not take the place or supersede negotiation between developer and City
- Goal is to work pro-actively to produce good development that makes communities function better
- Difficulty is that zoning can be too rigid – often zoning needs to be flexible and adaptable to conform to the economics of the area
- To achieve desired development goals, use both incentives and regulations
- Want vitality and viability of main streets first: able to absorb/accommodate mid to large retail better

2

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Incentive: Main Street Organizations

- One of the main instruments for vitality and viability of main streets is assessment districts (BIA organizations)
- BIA type organizations represent property owner and business interests, especially with the various levels of government
- BIA acts as advocate, marketer, and facilitator
- Some BIA organizations move into Community Development Corporation role (e.g., Downtown London, ON)

3

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Other Incentives That Can Affect Retail

- Public financing
 - Land acquisition, CDC
 - Land disposition
 - Predevelopment funding grants
 - Planning grants
 - Capital expenditures, infrastructure cost participation
 - Start up capital: low, no-interest loans
 - Tax credits
 - Fee waivers
 - Signature project

4

Other Incentives that Can Affect Retail

- Private funding through use of public authority
 - Tax increment financing
 - Assessment districts (BIA)
 - Business recruitment and retention
 - Inclusionary zoning
 - Overlay zone or district
 - Support for non-profit developers
- Use of public authority
 - Incentive based zoning
 - Reduced parking
 - Transit district zoning
 - Technical assistance
 - Streamlined entitlements

5

Retail Regulations

1. Scale: retail area size limits/thresholds
 2. Form: height, entrances, floor plate, etc.
 3. Use: difficult to regulate
- Should regulations related to scale and form be allowed to change based on location? (i.e., greater scale allowed in higher density areas and vice versa)
 - See report by R.E. Millward

6

1. Scale: Retail Size Limits/Thresholds

- Size limits can have social, cultural, and economic goals
- Stricter size limits have the goal of encouraging more smaller scale stores to serve local neighbourhoods
- Research indicates consumers do not like to travel more than 10 minutes (by any mode of transportation) to buy groceries
- Through use of size limits/thresholds the City can:
 - Minimize congestion
 - Minimize journey time
 - Make better use of existing development land
 - Use for other social or cultural goals that are important to a neighbourhood or the City

7

Pros and Cons for Size Limits

- Assumption about raising size limits or relying on free market will result in greater competition and lower prices for consumers
- Argument
 - Removal of or raising size limits will allow retailers greater economies of scale, resulting in stronger competition - the lower prices are passed along to customers
 - Size limits can limit innovation by making it difficult for new retailers to enter the market
 - Potential to allow under performing stores to remain open when they should either re-invent themselves or close
- Risk: retailers will extend their scale advantages to create monopolies (especially in the grocery sector, which lacks a high number of players)
 - Higher density: may be beneficial to have no or high size limits - as more retailers are attracted to higher concentrations of people
 - Lower density: few retailers benefit and do not lower prices
- Research indicates that retailer size does not correlate to the prices they charge
- Smaller discount stores such as No Frills, FreshCo, Walmart are similarly priced
- Limiting store size does not affect the buying power of larger companies with their suppliers

8

Large Retail and Main Streets

Case Studies

J.C. WILLIAMS GROUP

J.C. WILLIAMS GROUP

Methodology

- Assessed estimated sq. ft. of retail in nine districts in Toronto: Parliament St. at Regent Park, Bayview and Laird in Leaside, Danforth at Shoppers World, Yonge St. in North York, Dundas St. W. at The Junction and Stockyards, and Liberty Village
- Includes both main street retail and other medium or large scale retail on the street or nearby
- Five year increments from 1997 to 2012 and 2013 for audits matched with demographic information from Census and Environics' projections of same local trade area from 1996, 2001, 2006, 2011, and 2013 (follows the principle that retail follows residential)
- Based on CSCA data and estimates of store size. J.C. Williams Group reviewed and adjusted but the overall aim is to look at directional change
- Trade area generally defined as within 800 m to 1,000 m of the centre (some areas were truncated due to natural and man made barriers), which is approximately a 10 minute walk for a pedestrian oriented main street
- Date refers to when CSCA first noted the retailer in their audit (not necessarily the opening date)

10

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Unique Main Street Approach

- Case studies showed that the West End main streets are mutually dependent on each other – offer abundant choice to residents
- Each one is unique, not cookie cutter: the main streets are both complementary and competitive to each other
- No panacea: need to look at the particulars of each neighbourhood and ensure retail fits for each one
- Shown that suburban retail used as infill for urban areas does not work
- Need to pressure retailers and developers to get urban retail model right for each urban neighbourhood
- Many examples of malls that do not work in urban neighbourhoods

11

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Vitality and Viability of Main Streets

- Retail can help grow a neighbourhood
- Can add character, more retail space, varying unit sizes, and overall more opportunities
- Economics: concern that development deals that only work based on low land cost/rent: is it a sustainable commercial development?
- Perception of neighbourhood matters: need well articulated vision
- Review areas zoned as main streets if there is little or no local population to support it
- Various measures on vitality and viability

12

Parliament Street Regent Park Redevelopment

Parliament Street and Regent Park Redevelopment

- Assessed the impact of retail, specifically along Parliament St. during Phase I of the redevelopment of Regent Park
- Population had been declining and further declines from the Phase I redevelopment (residents were moved out and then moved back in)
- By 2013, population was similar to 1997 levels but the number of households increased by 1,600
- Fewer children per household
- Household income doubled from 1997 to 2013 (4% annualized increase)

Regent Park – Parliament Street

	1996	2001	2006	2011	2013
Local Demographics					
Population	18,065	18,016	17,376	16,111	18,311
Households	6,800	7,395	7,260	7,407	8,400
Persons Per Household	2.3	2.3	2.2	2.1	2.1
Age Under 20 Years of Age	29%	26%	24%	21%	20%
Age 20 to 39 Years of Age	38%	34%	31%	31%	34%
Average Household Income	\$38,049	\$53,299	\$60,096	\$73,248	\$74,997
Households Earn More than \$100,000	7%	15%	14%	--	19%
Households Earn \$60,000 to \$99,999	10%	17%	12%	--	13%

Parliament Street and Regent Park

- Approximately 40,000 sq. ft. of retail added in 2011 including a 26,000 sq. ft. FreshCo discount grocery store
- Vacancy increased dramatically from 1997 to 2012 to match the lowest population
- Of the 24 vacancies in 2007, 6 were still vacant in 2013
- By 2013 vacancy lowered by 20,000 sq. ft. as population rebounded, households added, and income profile changed
- Retail merchandise rebounded
- Increased convenience retail
- No shift to lower rent retail such as personal or professional services
- General merchandise shifted away from low quality to higher quality Dollarama
- Lower food service coincides with closure of mid to high end restaurants from 1990s



- Overall: shift in demographics allow main street to absorb 26,000 sq. ft. grocery store and perform better

Regent Park – Parliament Street

Estimated Amount of Sq. Ft. Retail	1997	2002	2007	2012	2013
Retail Merchandise					
Clothing, Accessories, Footwear, Jewellery	5,000	5,000	8,000	6,500	6,500
Furniture, Furnishings, Electronics, Appliances	12,900	13,900	10,950	12,000	13,500
General Merchandise	21,500	23,500	25,000	3,000	23,000
Leisure (sporting goods, book, music, hobby, pets, toys)	14,700	14,000	9,000	9,750	10,750
Home Improvement	10,000	8,750	8,000	7,250	7,250
Other Retail	3,750	3,000	8,000	7,250	6,500
Total Retail Merchandise	67,850	68,150	68,950	45,750	67,500
Convenience					
Food, Grocery	54,414	45,664	39,114	58,864	58,864
Health, Pharmacy, Cosmetics, Optical	15,299	13,299	14,799	14,799	24,049
Total Convenience	69,713	58,963	53,913	73,663	82,913
Food Services					
Total Food Services	59,100	60,900	54,900	55,600	52,150
Services					
Personal Services	28,450	28,300	36,200	28,000	23,750
Professional Services	25,700	21,900	30,450	27,200	25,200
Banking	3,750	3,750	3,750	17,000	17,000
Recreation, Art, Cultural	6,500	6,500	8,750	16,000	16,000
Medical Services	7,250	8,200	6,950	8,000	7,250
Automotive	10,500	10,500	10,500	17,000	17,000
Total Services	82,150	79,150	96,600	113,200	106,200
Total Occupied	278,813	267,163	274,363	288,213	308,763
Vacant	21,450	39,350	26,600	50,150	30,100
Total	300,263	306,513	300,963	338,363	338,863

17

Yonge Street North York

18

Yonge Street: North York

- Significant population growth from 1997 to 2013 (tripling)
- Population grew by annualized rate of 6% and households grew by annualized rate of 7%
- Small household sizes and a high proportion of young adults (42% are 20 to 39 years of age)
- Modest increase in household income of just over 1% annually
- Mix of middle income and higher income households


19

Yonge Street, North York

	1996	2001	2006	2011	2013
Local Demographics					
Population	8,885	12,411	19,259	22,093	23,731
Households	3,900	5,929	9,572	10,976	11,894
Persons Per Household	2.3	2.2	2.0	2.0	2.0
Age Under 20 Years of Age	18%	15%	15%	12%	14%
Age 20 to 39 Years of Age	34%	38%	41%	42%	42%
Average Household Income	\$58,665	\$67,932	\$65,109	\$72,223	\$73,473
Households Earn More than \$100,000	15%	21%	18%		21%
Households Earn \$60,000 to \$99,999	22%	22%	24%		23%

20

Yonge Street, North York

- Doubled the amount of retail sq. ft. in five years from 1997 to 2002
 - From 2002 to 2013, total amount of retail sq. ft. Stayed approximately the same but shifts as demolish/replace structures
 - Added Winners 1998, Loblaws (60,000) 2000, Extreme Fitness (32,000) 2001, Staples (30,000) 2002, Future Shop (20,000) 2005, Michael's 2002, and Metro relocated (40,000)
 - Vacancy has continued to fall but in 2013 there was an 80,000 sq. ft. vacant cinema (note issue with large purpose built retail that goes vacant is difficult to release)
 - Vacancy is noted for interior malls
 - Of the 51 vacancies in 2007, 13 were still vacant in 2013
 - Continued investment and re-investment, good rent levels
- 
- Shift from smaller stores to fewer stores and more mid to large stores
 - Area had too much retail for 2002 population level and have adjusted in the past 11 years to fill space properly with current local population of over 23,000 plus regional target markets
 - New Whole Foods to be added along with several other developments and redevelopments (e.g., North York Centre food court)
 - Area is suited to medium and large chain retailers

Yonge Street, North York

Estimated Amount of Sq. Ft. Retail	1997	2002	2007	2012	2013
Retail Merchandise					
Clothing, Accessories, Footwear, Jewellery	22,200	42,350	39,900	48,250	44,100
Furniture, Furnishings, Electronics, Appliances	23,250	29,500	47,302	34,152	36,102
General Merchandise	2,000	2,750	10,500	15,500	18,550
Leisure (sporting goods, book, music, hobby, pets, toys)	21,880	52,105	26,630	25,000	21,400
Home Improvement	0	0	0	0	0
Other Retail	6,050	39,038	34,570	33,379	33,829
Total Retail Merchandise	75,380	165,743	158,902	156,281	153,981
Convenience					
Food, Grocery	45,308	104,303	104,303	109,838	114,588
Health, Pharmacy, Cosmetics, Optical	12,300	19,299	31,270	30,220	30,716
Total Convenience	57,608	123,602	135,573	140,058	145,304
Food Services					
Total Food Services	79,699	94,630	102,431	99,856	105,956
Services					
Personal Services	26,336	35,781	41,030	30,411	32,611
Professional Services	15,950	30,100	36,616	35,650	26,804
Banking	21,100	19,450	22,950	24,275	24,275
Recreation, Art, Cultural	39,250	185,458	185,652	185,894	105,894
Medical Services	13,272	25,294	24,394	23,538	20,788
Automotive	0	0	0	0	0
Total Services	115,908	296,083	310,642	299,768	210,372
Total Occupied	328,595	680,058	707,548	695,963	615,613
Vacant	61,050	66,250	43,723	43,300	36,700
Other Vacant - Cinema					80,000
Total	389,645	746,308	751,271	739,263	732,313

22

Leaside Bayview Avenue and Laird Development

Leaside: Bayview and Laird

- Population increase by 4,284 from 16,880 to 21,164
- Healthy population size for local neighbourhood
- Instead of shift to smaller households, Leaside attracted families with children
- From 1997 to 2013, larger households and more children
- Combined with dramatic increase in household income; 49% earn more than \$100,000
- Household income grew by 4.5% annually

Leaside: Bayview and Laird

- Assessed impact of Laird retail development on Bayview Avenue
- Over 500,000 sq. ft. of retail added from 1997 to 2013 including Home Depot (130,000) 2001, Best Buy (30,000) 2002, Sobeys (30,000) 2008, Golf Town (35,000), Winners (30,000), Home Sense (25,000), SportChek (20,000) 2010, Longos (48,000), and Marshalls (20,000) 2011
- More retail than North York for similar population
- Mostly Bayview able to adjust but signs of weakness as retail has leaked to Laird after 2010
- Food/grocery and health related retail remain strong on Bayview
- Increase in specialty clothing/accessories
- Vacancy crept up to 6%
- All vacant units in 2007 filled by 2013
- Less leisure and home furnishings/electronics on Bayview
- Increase in professional services
- No significant change in food service; all gone to Laird
- From 1997 to 2002 added approx. 250,000 sq. ft. of retail; Bayview appeared to be okay but from 2002 to 2012 added further 200,000 sq. ft. and appears to have more impact (adding 10% additional retail is ok but adding another has greater impact)



25

Leaside – Bayview and Laird

	1996	2001	2006	2011	2013
Local Demographics					
Population	16,880	18,121	19,448	20,523	21,164
Households	7,845	8,201	8,366	8,826	9,170
Persons Per Household	2.1	2.2	2.3	2.3	2.3
Age Under 20 Years of Age	21%	24%	25%	24%	24%
Age 20 to 39 Years of Age	30%	29%	25%	24%	25%
Average Household Income	\$78,400	\$107,838	\$129,716	\$158,876	\$164,712
Households Earn More than \$100,000	28%	40%	41%		49%
Households Earn \$60,000 to \$99,999	21%	22%	21%		19%

26

Leaside – Bayview and Laird

Estimated Amount of Sq. Ft. Retail	1997	2002	2007	2012	2013
Retail Merchandise					
Clothing, Accessories, Footwear, Jewellery	25,400	35,550	50,050	79,900	77,900
Furniture, Furnishings, Electronics, Appliances	82,870	121,171	142,671	138,521	138,121
General Merchandise	57,377	57,827	57,377	57,377	63,427
Leisure (sporting goods, book, music, hobby, pets, toys)	41,017	55,817	46,967	95,217	89,967
Home Improvement	15,000	145,250	139,250	139,950	138,950
Other Retail	24,050	33,250	30,800	30,400	30,400
Total Retail Merchandise	245,714	448,865	467,115	541,365	538,765
Convenience					
Food, Grocery	81,361	81,611	95,911	199,261	262,461
Health, Pharmacy, Cosmetics, Optical	14,838	23,738	22,088	22,838	29,788
Total Convenience	96,199	105,349	117,999	222,099	292,249
Food Services					
Total Food Services	34,400	40,000	37,000	55,900	90,950
Services					
Personal Services	20,350	28,900	32,500	26,100	34,800
Professional Services	17,650	20,800	32,600	34,100	30,350
Banking	11,250	9,750	7,750	24,000	30,500
Recreation, Art, Cultural	2,000	3,950	5,650	6,900	9,200
Medical Services	7,400	12,200	14,650	14,200	15,250
Automotive	27,000	27,500	27,000	2,000	4,000
Total Services	85,650	103,100	120,150	107,300	124,100
Total Occupied	461,963	697,314	742,264	926,664	1,046,064
Vacant	17,900	2,550	17,600	23,850	18,800
Total	479,863	699,864	759,864	950,514	1,064,864

27

Leaside – Bayview Only

Estimated Amount of Sq. Ft. Retail	1997	2002	2007	2012	2013
Retail Merchandise					
Clothing, Accessories, Footwear, Jewellery	4,950	15,100	22,050	20,700	19,450
Furniture, Furnishings, Electronics, Appliances	26,400	25,650	26,250	13,200	9,950
General Merchandise	0	450	0	450	6,500
Leisure (sporting goods, book, music, hobby, pets, toys)	8,100	14,850	12,150	5,550	2,550
Home Improvement	6,750	6,450	6,750	6,000	6,000
Other Retail	7,050	6,350	4,650	3,150	3,450
Total Retail Merchandise	53,250	68,850	71,850	49,050	47,900
Convenience					
Food, Grocery	78,811	77,561	80,611	80,611	82,611
Health, Pharmacy, Cosmetics, Optical	13,188	22,088	20,738	21,488	21,488
Total Convenience	91,999	99,649	101,349	102,099	104,099
Food Services					
Total Food Services	24,650	33,850	27,050	29,950	30,250
Services					
Personal Services	15,150	24,230	26,800	23,150	20,900
Professional Services	8,950	8,300	8,250	17,050	13,600
Banking	10,500	9,000	7,000	7,000	7,000
Recreation, Art, Cultural	0	5,950	5,200	900	3,200
Medical Services	4,550	5,750	4,550	5,150	5,900
Automotive	2,000	2,000	2,000	2,000	2,000
Total Services	41,150	55,230	53,800	55,250	52,600
Total Occupied	211,049	257,579	254,049	236,349	234,849
Vacant	14,000	900	5,900	10,800	14,350
Total	225,049	258,479	259,949	247,149	249,199

28

The Junction Dundas St. W. and Stockyards

J.C. WILLIAMS GROUP

The Junction: Dundas St. W. and Stockyards

- Population has increased from 16,295 in 1997 to 17,748 in 2013
- Slight decline in household size but still a high proportion of children under 19 years of age
- Household income has increased significantly to \$86,092 (4% annualized growth)
- 29% of households earn more than \$100,000

30

J.C. WILLIAMS GROUP

The Junction – Dundas St. W., Annette, St. Clair Ave. W.

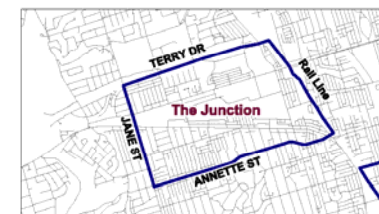
	1996	2001	2006	2011	2013
Local Demographics					
Population	16,295	15,766	16,768	17,337	17,748
Households	5,990	6,006	6,505	6,984	7,227
Persons Per Household	2.7	2.6	2.5	2.4	2.4
Age Under 20 Years of Age	25%	24%	23%	22%	20%
Age 20 to 39 Years of Age	38%	37%	32%	32%	33%
Average Household Income	\$45,469	\$59,421	\$67,800	\$82,035	\$86,092
Households Earn More than \$100,000	8%	16%	22%		29%
Households Earn \$60,000 to \$99,999	23%	26%	23%		23%

31

J.C. WILLIAMS GROUP

The Junction: Dundas St. W. and Stockyards

- High amount of retail on Dundas St. W. for population size (over 500,000 sq. ft.)
- In total area, 830,000 sq. ft. retail; added a further 500,000 sq. ft. by 2013
- Existing Home Depot and Canadian Tire
- Added Rona (175,000) 2000, Future Shop (30,000) 2003, Metro (65,000) 2009, FreshCo (18,500) 2011, Walmart (120,000) 2012
- Along Dundas St. W., vacancy declined to 2012 but increased in 2013
- Of the 64 vacant units in 2007, 17 were still vacant in 2013
- One-third less retail merchandise from both less floor covering and used appliance retailers, general merchandise stores, leisure retailers, and some apparel stores



- Convenience retail remains strong
- Increased food services
- Increase in personal services and professional services
- Some weaknesses were observed before Walmart opening
- Change in retail merchandise can be partially attributed to lower quality retailers closing (e.g., used appliances)

32

The Junction – Dundas St. W., Annette, St. Clair Ave. W.

Estimated Amount of Sq. Ft. Retail	1997	2002	2007	2012	2013
Retail Merchandise					
Clothing, Accessories, Footwear, Jewellery	23,050	27,950	22,300	25,650	20,800
Furniture, Furnishings, Electronics, Appliances	50,350	77,350	97,300	89,900	83,450
General Merchandise	99,900	92,850	184,150	183,850	184,900
Leisure (sporting goods, book, music, hobby, pets, toys)	31,450	42,900	21,900	25,100	19,050
Home Improvement	162,650	330,700	336,450	336,450	338,450
Other Retail	28,450	28,150	25,600	22,400	21,650
Total Retail Merchandise	395,850	599,900	687,700	683,350	668,300
Convenience					
Food, Grocery	49,500	71,173	144,323	145,483	147,223
Health, Pharmacy, Cosmetics, Optical	10,450	20,450	45,906	43,356	42,606
Total Convenience	59,950	91,623	190,229	188,839	189,829
Food Services					
Total Food Services	66,897	68,147	81,647	86,350	87,250
Services					
Personal Services	80,750	79,050	75,550	86,450	98,850
Professional Services	25,600	29,050	35,800	35,550	41,050
Banking	12,900	12,000	11,200	8,750	8,000
Recreation, Art, Cultural	2,750	11,250	30,700	36,850	31,550
Medical Services	22,150	22,450	18,950	27,700	25,400
Automotive	86,350	107,750	116,000	108,900	107,850
Total Services	230,500	261,550	288,200	304,200	312,700
Total Occupied	753,197	1,021,220	1,247,776	1,262,739	1,258,079
Vacant	75,533	108,483	62,450	58,500	74,850
Total	828,730	1,129,703	1,310,226	1,321,239	1,332,929

33

Danforth Avenue
Main to Victoria Park

The Junction – Dundas St. W.

Estimated Amount of Sq. Ft. Retail	1997	2002	2007	2012	2013
Retail Merchandise					
Clothing, Accessories, Footwear, Jewellery	21,050	20,450	14,350	17,400	14,300
Furniture, Furnishings, Electronics, Appliances	50,350	55,800	52,900	49,000	42,100
General Merchandise	19,950	14,400	3,450	4,650	10,700
Leisure (sporting goods, book, music, hobby, pets, toys)	31,450	39,000	19,200	22,850	17,950
Home Improvement	13,700	13,700	13,700	13,700	14,450
Other Retail	6,050	6,950	4,400	1,650	1,650
Total Retail Merchandise	142,550	150,300	108,000	109,250	101,150
Convenience					
Food, Grocery	48,300	64,523	64,523	63,573	60,823
Health, Pharmacy, Cosmetics, Optical	10,450	12,450	26,333	23,783	23,033
Total Convenience	58,750	76,973	90,856	87,356	83,856
Food Services					
Total Food Services	53,750	42,350	56,750	66,450	69,650
Services					
Personal Services	76,550	73,650	68,350	77,450	86,550
Professional Services	21,900	23,000	29,950	26,650	25,150
Banking	12,900	12,000	5,200	2,750	2,000
Recreation, Art, Cultural	2,750	11,250	30,700	33,800	29,300
Medical Services	21,400	21,700	17,450	24,450	22,250
Automotive	68,750	63,700	66,200	53,200	55,200
Total Services	204,250	205,300	217,850	218,300	220,450
Total Occupied	459,300	474,923	473,456	481,356	475,106
Vacant	70,133	79,483	54,800	43,000	55,100
Total	529,433	554,406	528,256	524,356	530,206

34

Danforth Avenue: Main to Victoria Park

- Population has grown at a healthy annualized rate of 1.3% from 20,415 to 25,378
- Household growth has been slightly less than population growth; more families with children; also more single parent families
- 26% of population is under 20 years of age
- Household income is low \$52,550 and 69% of households earn less than \$60,000 annually
- Despite good population growth, household buying power is relatively low

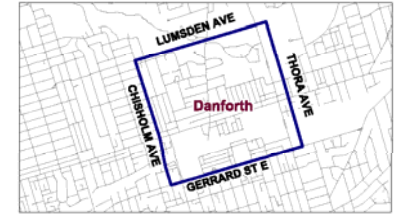
Danforth – Main to Victoria Park

	1996	2001	2006	2011	2013
Local Demographics					
Population	20,425	23,402	23,759	24,678	25,378
Households	8,515	9,191	9,541	9,952	10,408
Persons Per Household	2.4	2.5	2.4	2.4	2.4
Age Under 20 Years of Age	23%	24%	25%	26%	26%
Age 20 to 39 Years of Age	38%	37%	35%	33%	33%
Average Household Income	\$35,105	\$43,121	\$47,800	\$50,448	\$52,550
Households Earn More than \$100,000	3%	6%	8%		9%
Households Earn \$60,000 to \$99,999	14%	19%	19%		22%

37

Danforth – Main to Victoria Park

- Assessed Danforth retail in relation to Shoppers World, Canadian Tire, Leon's, Home Hardware, FreshCo, and Loblaws
- In 1997 Shoppers World, Leon's, Canadian Tire existed
- Shoppers World retented, Target replaced Zellers, new chains added
- Loblaws (80,000) 2001 and Home Hardware, FreshCo (35,000) 2011
- Vacancy was low but has crept up
- Most vacant units in 2007 leased by 2013
- One persistent vacant unit (former bar)
- Dominant in home furnishings including floor covering
- Professional services geared to money transfer
- Food/grocery is fairly strong; focused on ethnic grocery



- In 2001, 80,000 sq. ft. Loblaws was added. By 2007, over 14,000 sq. ft. of small specialty food retailers on Danforth. By 2013, there were only 8,600 sq. ft. (FreshCo added in 2011)
- Overall, difficult to assess as there is significant turnover of businesses (half opened since 2011)
- Large format did not help main street retail but may have hindered it

38

Danforth – Main to Victoria Park

Estimated Amount of Sq. Ft. Retail	1997	2002	2007	2012	2013
Retail Merchandise					
Clothing, Accessories, Footwear, Jewellery	19,516	26,442	27,851	27,525	29,748
Furniture, Furnishings, Electronics, Appliances	129,459	105,997	108,612	118,004	131,109
General Merchandise	231,372	231,923	236,523	95,174	229,250
Leisure (sporting goods, book, music, hobby, pets, toys)	15,437	10,387	9,228	6,037	5,200
Home Improvement	5,950	5,650	1,200	25,000	25,000
Other Retail	2,700	32,700	28,350	27,900	27,900
Total Retail Merchandise	404,434	413,099	411,764	299,640	448,207
Convenience					
Food, Grocery	102,506	184,162	188,854	190,386	189,636
Health, Pharmacy, Cosmetics, Optical	16,502	18,417	18,417	28,882	30,892
Total Convenience	119,008	202,579	207,271	219,268	220,528
Food Services					
Total Food Services	50,431	35,283	35,583	40,280	37,530
Services					
Personal Services	42,442	49,542	32,792	29,108	31,108
Professional Services	17,435	20,380	16,150	29,500	26,860
Banking	13,545	7,045	9,143	8,245	6,745
Recreation, Art, Cultural	3,200	26,192	26,192	56,234	30,342
Medical Services	7,267	9,268	8,917	10,567	9,367
Automotive	2,850	450	4,850	1,200	1,650
Total Services	86,739	112,877	98,044	134,854	106,072
Total Occupied	660,612	763,838	752,662	694,042	812,337
Vacant	56,439	42,500	15,632	20,700	26,700
				157,349	45,892
Total	717,051	806,338	768,294	714,742	884,929

39

Danforth – Danforth Only Exclude Large Format

Estimated Amount of Sq. Ft. Retail	1997	2002	2007	2012	2013
Retail Merchandise					
Clothing, Accessories, Footwear, Jewellery	6,900	5,850	8,300	8,600	7,550
Furniture, Furnishings, Electronics, Appliances	33,700	35,850	34,700	48,000	48,200
General Merchandise	2,700	1,950	3,900	4,550	5,300
Leisure (sporting goods, book, music, hobby, pets, toys)	10,000	7,550	6,050	2,400	1,950
Home Improvement	3,950	5,650	1,200	1,200	1,200
Other Retail	2,700	2,550	1,650	1,650	1,650
Total Retail Merchandise	59,950	59,400	55,800	66,400	65,850
Convenience					
Food, Grocery	8,900	9,150	14,150	10,550	8,600
Health, Pharmacy, Cosmetics, Optical	3,300	5,400	5,400	14,650	16,750
Total Convenience	12,200	14,550	19,550	25,200	25,350
Food Services					
Total Food Services	22,000	22,150	21,550	27,500	24,750
Services					
Personal Services	25,600	14,400	14,400	20,100	18,750
Professional Services	11,800	13,150	17,950	30,400	25,600
Banking	4,250	4,700	5,000	7,000	4,500
Recreation, Art, Cultural	3,600	3,200	1,650	450	450
Medical Services	4,500	3,750	5,400	7,050	6,300
Automotive	4,500	2,850	4,100	2,400	2,400
Total Services	54,250	42,050	48,500	67,400	58,000
Total Occupied	148,400	138,150	145,400	186,500	173,950
Vacant	9,350	8,350	8,450	11,450	17,450
		20,000	20,000	20,000	20,000
Total	157,750	146,500	153,850	197,950	191,400

40

Dufferin Mall Bloor St. W.

J.C. WILLIAMS GROUP

Dufferin Mall: Bloor St. W.

- Population decline from 33,815 to 30,509
- Household growth from 12,085 to 13,633
- Switch to smaller household sizes
- Decline in % of children under 19 years of age
- Shift to more polarized neighbourhoods, gentrification occurring
- 19% of households earn more than \$100,000 but 60% earn less than \$60,000

42

J.C. WILLIAMS GROUP

Dufferin Mall – Mall, Bloor St. W., College St., Dundas St. W.

	1996	2001	2006	2011	2013
Local Demographics					
Population	33,815	33,515	31,258	30,453	30,509
Households	12,085	12,525	12,752	13,273	13,633
Persons Per Household	2.8	2.6	2.4	2.3	2.2
Age Under 20 Years of Age	23%	21%	18%	15%	15%
Age 20 to 39 Years of Age	39%	40%	38%	40%	41%
Average Household Income	\$40,334	\$51,538	\$55,648	\$68,150	\$72,263
Households Earn More than \$100,000	5%	11%	13%		19%
Households Earn \$60,000 to \$99,999	17%	23%	22%		20%

43

J.C. WILLIAMS GROUP

Dufferin Mall: Bloor St. W.

- Assess impact on Bloor St. W. with proximity to Dufferin Mall (also includes College and Dundas St. W.)
- No change in amount of retail sq. ft.
- Overall area has approx. 1 m sq. ft. of retail
- Declining vacancy (but higher in 2013 compared to 2012)
- Of 61 vacant units, 14 still vacant in 2013
- Declining retail merchandise and more food services
- Mall increased apparel/fashion
- Mall huge draw for grocery (No Frills and Walmart)
- But within retail merchandise, increased apparel and less furnishings/electronics, general merchandise, and leisure
- Less convenience retail (declining specialized ethnic food stores)



- On Bloor St. W., less vacancy than in 1997 but 2013 is higher than 2012
- Similar changes in retail structure with good amount of apparel but declining floor covering and used appliance stores, less general merchandise, but more leisure
- Less specialized ethnic food stores
- More food services and health

44

Dufferin Mall – Mall, Bloor St. W., College St., Dundas St. W.

Estimated Amount of Sq. Ft. Retail	1997	2002	2007	2012	2013
Retail Merchandise					
Clothing, Accessories, Footwear, Jewellery	153,007	230,869	202,666	212,732	221,791
Furniture, Furnishings, Electronics, Appliances	59,804	63,425	64,869	55,864	43,184
General Merchandise	194,403	161,244	179,881	153,112	151,160
Leisure (sporting goods, book, music, hobby, pets, toys)	95,638	79,316	55,244	50,686	53,899
Home Improvement	28,660	27,910	27,460	25,010	24,260
Other Retail	3,900	4,050	3,300	1,950	3,337
Total Retail Merchandise	535,412	566,814	533,420	499,354	497,631
Convenience					
Food, Grocery	112,161	105,144	107,571	97,091	96,041
Health, Pharmacy, Cosmetics, Optical	24,777	27,910	17,913	21,765	18,602
Total Convenience	136,938	133,054	125,484	118,856	114,643
Food Services					
Total Food Services	99,791	94,671	94,698	112,170	114,470
Services					
Personal Services	57,955	67,829	67,528	61,161	53,811
Professional Services	32,200	39,760	44,000	45,200	40,850
Banking	14,662	14,620	14,700	14,512	14,662
Recreation, Art, Cultural	3,650	2,850	3,050	16,011	18,461
Medical Services	13,800	19,211	18,650	15,500	16,750
Automotive	3,650	10,682	6,400	4,450	3,200
Total Services	125,917	154,952	154,328	156,834	147,734
Total Occupied	898,058	949,491	907,930	887,214	874,478
Vacant	68,732	54,427	57,513	48,989	45,112
Total	966,790	1,003,918	965,443	936,203	919,590

45

Liberty Village

Dufferin Mall – Bloor St. W.

Estimated Amount of Sq. Ft. Retail	1997	2002	2007	2012	2013
Retail Merchandise					
Clothing, Accessories, Footwear, Jewellery	45,350	45,550	47,300	49,400	48,650
Furniture, Furnishings, Electronics, Appliances	17,650	22,900	18,200	16,650	11,700
General Merchandise	9,313	7,813	9,950	3,000	2,250
Leisure (sporting goods, book, music, hobby, pets, toys)	16,600	21,600	16,300	19,250	22,400
Home Improvement	23,950	23,200	23,200	20,750	20,000
Other Retail	1,500	1,500	750	0	1,500
Total Retail Merchandise	114,363	122,563	115,700	109,050	106,500
Convenience					
Food, Grocery	32,150	26,750	28,700	19,050	17,550
Health, Pharmacy, Cosmetics, Optical	4,700	5,450	6,200	12,563	13,813
Total Convenience	36,850	32,200	34,900	31,613	31,363
Food Services					
Total Food Services	37,850	48,850	48,250	56,900	55,750
Services					
Personal Services	26,700	28,800	29,100	25,950	22,500
Professional Services	15,750	17,050	19,450	22,700	21,700
Banking	11,750	9,500	10,400	9,200	9,200
Recreation, Art, Cultural	750	1,200	1,500	1,500	1,200
Medical Services	5,850	10,850	8,850	10,550	8,850
Automotive	1,500	750	0	1,500	1,500
Total Services	62,300	68,150	69,300	71,400	64,950
Total Occupied	251,363	271,763	268,150	268,963	258,563
Vacant	37,150	21,050	27,413	22,250	28,700
Total	288,513	292,813	295,563	291,213	287,263

46

Liberty Village

- High population growth adding over 6,000 residents (and growing)
- Geared to young urban professionals
- 70% are 20 to 39 years of age
- Mid to high household income
- Small household sizes
- Existing bar/restaurant was a draw (Academy of Spherical Arts)
- Included non-profit arts development
- Metro grocery was one of first entrants to create main street type neighbourhood
- Focus on local convenience goods, specialty home furnishings, and food services
- Some businesses were omitted as not part of CSCA study or are not on commercial strips



48

Liberty Village

	1996	2001	2006	2011	2013
Local Demographics					
Population		877	3,483	5,790	6,277
Households		469	2,077	3,813	4,206
Persons Per Household		2.1	1.7	1.5	1.5
Age Under 20 Years of Age		17%	10%	7%	8%
Age 20 to 39 Years of Age		51%	64%	70%	63%
Average Household Income		\$67,621	\$83,242	\$109,330	\$117,059
Households Earn More than \$100,000		15%	30%		37%
Households Earn \$60,000 to \$99,999		24%	29%		28%

49

Summary

Liberty Village

Estimated Amount of Sq. Ft. Retail	2007	2012	2013
Retail Merchandise			
Clothing, Accessories, Footwear, Jewellery	0	750	0
Furniture, Furnishings, Electronics, Appliances		18,750	32,000
General Merchandise	0	0	2,000
Leisure (sporting goods, book, music, hobby, pets, toys)	0	7,250	7,250
Home Improvement	0	0	0
Other Retail	0	0	0
Total Retail Merchandise	0	26,750	41,250
Convenience			
Food, Grocery	48,717	55,712	55,712
Health, Pharmacy, Cosmetics, Optical	0	2,500	4,000
Total Convenience	48,717	58,212	59,712
Food Services			
Total Food Services	5,000	35,000	35,000
Services			
Personal Services	0	4,500	4,500
Professional Services	0	1,000	1,500
Banking	0	2,450	4,450
Recreation, Art, Cultural	0	6,500	6,500
Medical Services	0	1,000	1,000
Automotive	0	0	0
Total Services	0	15,450	17,950
Total Occupied	53,717	135,412	153,912
Vacant		1,200	1,200
Total	53,717	136,612	155,112

50

Summary

- High Growth Area: North York
 - High population growth, stable mid to high household incomes
 - High order transit
 - Sizeable retail area that can absorb new developments
 - Pressure to increase vertical retail
 - Caution: large retail development that is purpose built may suffer (e.g., cinema)
 - Should not build small interior malls but have the retail front the street
 - Able to absorb large retail developments
- Case for moderate size limits: Regent Park
 - Population had declined and was characterized by polarized low income and high income
 - Redevelopment brought more mid to high income households and increased population
 - Existing 300,000 sq. ft. of retail was able to absorb about 10% growth while maintaining good retail conditions on Parliament St. (26,000 sq. ft. FreshCo and approximately 40,000 sq. ft. total additions in Phase I)

52

Summary

- Emerging Main Street: Danforth – affected by large formats
 - Low to moderate household income but fast population growth
 - Existing mall and large format stores and more large format added (e.g., 80,000 sq. ft. Loblaw and re-tenanted Shoppers World, Home Hardware)
 - Small amount of main street type retail (200,000 sq. ft.)
 - Large format does not appear to help main street retail. Some categories such as specialty food affected by new grocery entrants
- The Junction
 - Modest population increase and increase in household income
 - Large format in home improvement and apparel does not appear to affect main street retail on Dundas St. W.
- Dufferin Mall and Bloor St. W.
 - No major retail growth
 - Declining population but growing households and improving household income
 - Apparel on main streets not as affected by proximity to malls or large retail
 - Changes in specialty food may be result of changing local demographics

53

Summary

- Parallel large format development to main street: Leaside (Bayview and Laird)
 - High population growth, growing household income, more family oriented
 - Approx. 250,000 sq. ft. on Bayview and additional 200,000 sq. ft. Eglinton/Laird area
 - Area was able to absorb additional 250,000 sq. ft. from 1997 to 2002 primarily in home improvement, electronics, and grocery
 - Additional 200,000 sq. ft. added from 2002 to 2013 that included more leisure, had an impact on Bayview
 - Increased vacancy post 2002 and vulnerable in leisure, furnishings/electronics, and only minimal growth in food services on Bayview
 - Apparel on Bayview is strong but is marketed as niche specialty against popular priced apparel available at retailers such as Winners
 - Leisure and general merchandise on main streets compete head to head with large format stores and are more vulnerable
- Liberty Village
 - Growth of retail is in line with population and household income
 - Started with 40,000 sq. ft. grocery as people generator coupled with a great restaurant/drinking place for social gathering

54

To: John Archer
J.C. Williams Group
From: Ian Graham, Director of Planning
Date: November 25, 2013
Re: Retail Planning Tools – Review of Approaches

We had the opportunity of reviewing the Official Plan policies, zoning by-law regulations, and other planning documentation associated with the issue of retail stores and how they can be regulated and encouraged through the planning process. This report is designed to assist you in your retail study of the Bathurst Street Study Area in so far as researching past and present planning legislative and policy methods. This report will also provide commentary on how effective each of the methodologies have been and will conclude with the most favourable retail planning tools.

Controlling Retail Uses – an historical planning issue

Establishing planning policies and regulations around retail store use and retail development, in general, has been around for many decades. Initially policy was directed toward “planned developments” in greenfield situations, which would set out the general location, scale and function of commercial areas and uses. As an example, policy documents such as official plans would set out a hierarchy of commercial areas (regional, district, neighbourhood, and local) to plan new communities that would be services by newly establish commercial uses. Major shopping centres, involving department stores, would be considered “regional” as they would draw from wider geographies, while traditional grocery shops or supermarkets would be planning at a district or neighbourhood level to serve a particular area. Purpose, function and size would typically serve as the parameters in these policy documents to determine where, what kind and what size commercial uses would be located and permitted.

The advent of shopping malls in the latter half of the 20th century placed pressure on typical “main streets” or “high streets”, where a variety of retail uses would locate to serve the nearby neighbourhoods. As an example, as early as the 1970s, these retail main streets banded together to compete with the shopping malls by establishing business improvement areas (BIAs). Policies were established and incentives were given by governing authorities to assist local retailers in competing with the larger, more regional or district draw shopping centres. Improvements to sidewalks and other elements of the public realm associated with BIAs were addressed in planning legislation (streetscape improvement policies) and financial incentives and tax subsidies were all considered to help these areas maintain their important role as the focus to many communities.

In the 1990s a new threat to main street retail use was the invention of the ‘big box’ store format, which initially found itself in former industrial areas that no longer functioned as such due to changes in the manufacturing industry at the time. This afforded an opportunity to convert large scale warehouse structures into economical new format retail stores. Cheaper land costs than existing commercial areas, access to major roads, and availability to provide ample parking to serve such uses all provided a convenient new way to for consumers to purchase goods, and subsequently services (i.e., restaurants

and entertainment facilities). An offshoot of this era was the invention of the drive-through facility, which allowed many services, but particularly food services, to be accessible to consumers without ever leaving one's automobile. As a result of these developments, planning legislation began dealing with the function of large scale format retail development in terms of where it could and could not locate, how it was defined from other forms of retail, and the impact of drive-through facilities on urban life.

Of all land uses considered under planning, retail stores are probably the one use that has changed the most over time and continues to evolve. Historically, the way planning legislation has changed to address issues involving retail store concerns is a good example of this use's changing patterns and trends. Therefore, in developing land use planning policy for a traditional mixed use corridor, such as Bathurst Street, careful consideration must be made on what planning tools are most effective in achieving the right balance, scale, and type of retail and service uses for the area.

The Bathurst Street Study Area

The Bathurst Street Study Area is focused on an important north-south arterial street, between Dupont Street at the north and Queen Street West at the south. It involves a variety of land uses that range from parklands, to ground-related housing, to commercial and mixed commercial-residential uses, as well as institutional and employment uses. Bathurst Street includes a major streetcar line that runs from Bloor Street to the waterfront.



1

¹ City of Toronto, City Planning, Bathurst Street Interim Control By-law- Final Report, July 18, 2013, Schedule "A", Maps 1,2, and 3

Toronto Planning Policy and Retail Use

Prior to amalgamation of Metropolitan Toronto, the former municipalities of Toronto, North York, Scarborough, East York and York approached commercial use policy very differently. As an example, the former City of Toronto evolved from establishing areas where commercial uses were permitted, to one that established the concept of 'mixed use' – commercial and residential in combination with each other. By contrast, the City of Scarborough maintained the traditional approach to establishing commercial areas, which included certain areas where only commercial use was allowed. Most of the former municipalities allowed commercial areas to develop in industrial areas and established in some cases zoning districts to encourage such uses to co-exist. All that changed when the large-scale retail format store first began establishing itself in the early 1990s.

After amalgamation, the new City of Toronto embarked on a new city-wide Official Plan. This was adopted by City Council in 2002, and was subsequently approved by the Ontario Municipal Board in 2006. The Official Plan, as it pertains to retail uses, touches on the following matters:

- Establishing a Mixed Use Areas designation for most of Toronto's major streets;
- Establishing policies that placed restrictions on auto-related retailing and services in the 'Centres' and along 'Avenues';
- That Mixed Use Areas and 'Avenues' have an attractive, safe and comfortable pedestrian environment that encourages walking and strengthens local retailing;
- An extensive set of policies dealing with the "future of retailing";
- The role, scale and type of retailing and services allowed under the various land use designations; and
- Identifying and establishing policy with regards to 'large scale, stand-alone retail stores and or "power centres" ', which are restricted from certain locations in the City.

Toronto's Policy on the Future of Retailing

These sets of policies are found in Section 3.5.3 of the City of Toronto Official Plan. Key to the set of policies established in this part of the Plan is the importance of traditional shopping streets for many aspects of the Plan's objectives. In relation to the Bathurst Street corridor, the Plan establishes the following relevant policies:

"Traditional retail shopping streets will be improved as centres of community activity by:

- a) Encouraging quality development of a type, density and form that is compatible with the character of the area and with adjacent uses."

"Retail development along the Avenues is encouraged and will suit the local context of built form and support the establishment of a high quality pedestrian environment"

"In order to provide local opportunities for small businesses and maintain the safety, comfort and amenity of shopping areas, zoning regulations for ground floor commercial retail areas in new buildings in new neighbourhoods or in Mixed Use Areas along pedestrian shopping strips where most storefronts

are located at the streetline, may provide for a maximum store or commercial unit size based on the following considerations:

- a) the prevailing sizes of existing stores and commercial units in the area;
- b) other indicators of opportunities for small business, such as vacancies in existing stores and commercial units;
- c) the provision of a range of store and commercial unit sizes to meet the range of local needs including day-to-day convenience shopping and other household goods and services;
- d) the potential impact of large vacant stores and commercial units at the ground floor level on the safety and comfort of the strip for pedestrians;
- e) the need for 'eyes on the street';
- f) the rhythm and flow of storefronts on the strip; and
- g) the potential for the building design, particularly the street façade, to address the safety, comfort and amenity of the shopping area.”²

These policy excerpts from Toronto Official Plan point to issues regarding the importance of establishing type, density (size) and form of retail uses and how these matters could be addressed in the development of new buildings in new neighbourhoods or in Mixed Use Areas.

Toronto's Policy on Large Scale, Stand-alone Retail Stores and/or “power centres”

As a result of the evolution of big box development in the 1990s, planning policy in Toronto turned its attention to how this form of retailing should be regulated within the city. Through the Official Plan ‘large scale, stand-alone retail stores and/or “power centres” ‘ are not permitted in *Mixed Use Areas* within the *Central Waterfront* or *Downtown*, and are permitted in other Mixed Use Areas only by way of a zoning amendment. Firstly, such amendment would need to demonstrate that traffic associated with the development could be accommodated and would not negatively impact the nearby streets and area. Secondly, the amendment would need to ensure that the function and amenity of the area for businesses and residents are not negatively affected.³ These uses are also limited in where they are permitted in *Employment Areas* and are not permitted in *Regeneration Areas* under the Official Plan.

Toronto Zoning Regulations on Retail and Service Uses

There are many examples in Toronto's zoning regulations that deal with retail and service uses. In particular, these regulations are organized from the broad application applicable to a zone, to area specific regulations and site specific regulations. Since the study area is located entirely within the former City of Toronto, this discussion will review examples of the type of regulations that can be found in both the former City of Toronto By-law 438-86 and the new citywide harmonized By-law 569-2013.

² Toronto Official Plan, Section 3.5.3 The Future of Retailing, Policies, p. 3-34

³ Toronto Official Plan, Section 4.5 Mixed Use Areas, Policy 3, p. 4-11

Defining the Use

An interesting starting point is to look at how retail use has been identified and defined by zoning by-laws. Most define the basic land use as “retail store”, which in By-law 438-86 is defined as, “a building where goods, wares, merchandise, substances, articles or things are stored, offered or kept for sale at retail and includes storage on or about the store premises of limited quantities of the goods, wares, merchandise, substances, articles or things sufficient only to service the store but does not include a retail outlet otherwise classified or defined in this by-law or a mechanical or electronic game machine to be used for the purpose of gambling.”⁴

By comparison, Toronto By-law 569-2013 defines “retail store” as, “premises in which goods or commodities are sold, rented or leased.”⁵

Beyond the retail store use, there are a variety of other retail and service uses that are both defined and not defined but identified in both By-law 438-86 and 569-2013. The following table lists these other uses.

<u>By-law 438-86</u>	<u>By-law 569-2013</u>
auctioneer’s premises	art gallery
<i>bake-shop</i>	automated banking machine
<i>branch of a bank or financial institution</i>	eating establishment
<i>brew-on-premises establishment</i>	financial institution
<i>caterer’s shop</i>	massage therapy
<i>courier service</i>	personal service shop
<i>dry-cleaner’s distribution station</i>	pet services
<i>dry-cleaning shop</i>	retail service
<i>duplicating shop</i>	retail store
<i>laundry shop</i>	service shop
newsstand	take-out eating establishment
pawnbroker’s shop	veterinary hospital
<i>personal grooming establishment</i>	wellness centre
<i>pet shop</i>	
<i>private art gallery</i>	
<i>restaurant</i>	
<i>retail store</i>	
<i>retail-warehouse</i>	
<i>service, rental or repair shop</i>	
<i>showroom</i>	
<i>tailoring shop</i>	
<i>take-out restaurant</i>	
<i>Italic are defined terms</i>	Bolded are defined terms

⁴ Former City of Toronto By-law 438-86, Section 2 Definitions, “retail store”, p. 2(1).57

⁵ City of Toronto By-law 569-2013, Section 800 Definitions, “retail store”, p. 310

Under the previous zoning by-law (438-86), there were defined terms for other types of retail-related uses such as “retail-warehouse”, “bake-shop”, “caterer’s shop”, and “pet shop”, as well as listing of non-defined land use terms such as auctioneer’s premises and pawnbroker’s shop. In the development of the new citywide zoning by-law (569-2013), there was a clear direction to move toward a more universal one definition approach to “retail store” and to limit the other retail and service uses to more general terms as possible. Emphasis in the new by-law was to control retail store by provisions that could address size, function and format regulations, as opposed to by definition of use.

Regulating by Retail Store Type

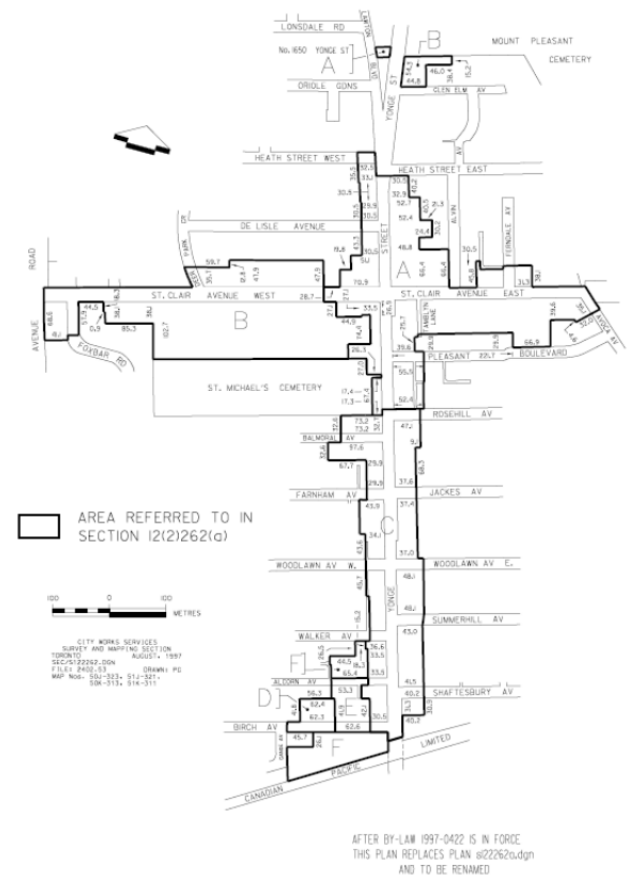
There are examples in the former by-law which point to controlling retail store by type. These are typically found in area or site specific by-laws. An example of where it was taken to an extreme is in the Yonge-St.Clair Area.

Developed through a secondary plan in the mid-1970s, the Yonge-St.Clair Area established a series of very specific use permissions by sub-geography within the area (*see map to the right*). Notwithstanding that most of these sub-areas involved mixed use designations, retail store was not a permitted use in some of the sub-areas, allowed as-of-right in others, and was restricted to certain types of retail uses in other sub-areas. The latter example was an attempt to recognize existing retail uses that did not front on the major street, but yet wanted to be recognized:

“A retail store is a permitted use, provided it is for one or more of the following items:

antiques; custom design goods; fireplace accessories for domestic fireplaces; crafts; artists’ supplies; musical instruments or musicians’ supplies; a wholesaling operation accessory to a sheet music publisher’s office or store; a store for the sale of furniture including light manufacture, repair and assembly of furniture; welding operations in a sculpture studio used for artistic purposes.”⁶

By most accounts, using zoning as a method of limiting the type of retail store use, such as the example above, is not appropriate for the long term viability of a property or an area. It inappropriately promotes



⁶ Former City of Toronto By-law 438-86, Section 12(2) 262 (a) (II), Qualification 4, p. 12(2).141

opportunities in the future for variances to use that are difficult to defend in terms of land use planning issues. From a planning perspective a variance to use should rarely be considered as a minor variance, since the basis and clear intent of zoning is to distinguish what uses are (or are not) permitted in a given zone.

Regulating Retail and Service Uses by Size

Regulating retail and service uses by size is probably the most universal and effective planning tool in zoning. The size of a retail and service use, in most cases, works as an appropriate proxy in establishing how it functions and fits in with a given area or geography. By limiting the size per lot or the size of an individual retail or service use unit, the by-law directly controls the amount of merchandise or type of service that can be available or operate on site. The function of a retail and service use in terms of its geographical draw is also correlated with its size. Further, elements such as parking need are tied into the scale and size of a retail and service use.

So how does Toronto's zoning control retail and service uses by size?

First, lands are located within a zone that limits, in most cases, the density (floor space index) and height of buildings on a property. Second, within that constraint, planning regulations may involve further limits by:

- the size of retail and service uses per lot; and/or
- the size of a single retail or service use to ensure they function at the appropriate level.

In the case of establishing a retail and service use size limit for a given area, a good example would be Yonge Street from the CNR line near Merton Street at the south and the former City of North York city limit near McNairn Avenue at the north. In the former City of Toronto By-law 438-86, properties along this portion of Yonge Street (over 30 blocks), comprising major nodes such as Yonge-Eglinton and Yonge-Lawrence, limited the size of an array of commercial uses, including retail stores and restaurants to no greater than 550 square metres unless parking was provided on the same lot at a rate of 1 space for every 30 square metres of gross floor area. Commercial uses less than 550 square metres were not subject to this high parking standard.⁷ This provision was developed in response to the Sporting Life store built in 1989, which to this day has a large automobile demand relative to the amount of parking provided on the property. The size cap as it relates to parking required has been an effective tool in maintaining relatively smaller and viable retail and service uses for most of this area. Other similar approaches have been taken to limit the size of restaurants in areas such as Mount Pleasant Road south of Eglinton, Bloor Street West (near Runnymede Road), College Street (Little Italy), and Ossington Avenue (north of Queen Street West).

⁷ Former City of Toronto By-law 438-86, Section 12(2) 269, p. 12(2).147

A more notable application of the size limit tool in the City of Toronto was established in 1993 with the introduction of the 1,800 square metre limit on retail and service uses and the definition of the *retail-warehouse* use.⁸ This regulation applies to a large portion of the former City of Toronto area where:

- retail and service uses are limited to the size that existed on July 20, 1993, plus an additional 1,800 square metres per lot,
- cannot exceed the zoning density limit for commercial use applicable to that lot, and
- no single retail or service use (unless it existed on August 29, 1994) can be greater than 8,000 square metres (this size reference relates to the by-law's definition of retail-warehouse).

These restrictions do not apply to the central area east of McCaul Street, west of Jarvis Street and south of Rosedale Valley Road; a portion of Dundas Street West near Spadina Avenue; the railway lands; a site at Danforth Avenue and Guest Avenue (where there is a major supermarket); Harbourfront; and the Old Stockyards area near St. Clair Avenue West and Weston Road. This regulation applies to various zones which currently permit retail and services uses, and was subsequently the basis of the large scale format retail use policies now found in the Toronto Official Plan.

Regulating Retail and Service Uses by Other Criteria

There are issues related to retail and service uses that go beyond type and size. In particular, there are examples of zoning regulations that deal with context and relationship to the public realm. In By-law 438-86, there are areas within the Central Area of the former city that are identified as “priority retail streets” where *street-related retail and service uses* must be provided and at least 60% of the frontage of a lot located in one of these areas must be used for that purpose.⁹ The by-law defines *street-related retail and service uses* as a use where the principal public entrance to each establishment is located within 5 metres of the front lot line, must have its front wall where the access is gained at an angle of divergence from the front lot line of not more than 85 degrees, only 15 metres of the frontage can be used for parks, community services, or a bank as part of the street-related retail and service use, and the level of the floor of the public entrance is within 0.2 metres of the level of the sidewalk.¹⁰ A similar regulation regarding any commercial use in a CR or MCR district (other than a gas station) requires such a use to be within 0.2 metres of grade of a sidewalk to which there is access and provides access ramps that must within a certain gradient.¹¹

By-law 569-2013 has carried forward the floor elevation regulations derived from By-law 438-86, but has also included new provisions dealing with commercial uses in context. In a mixed use building in a CR zone, all residential use portions of the building must be located above the commercial portions of the

⁸ Former City of Toronto By-law 438-86, Section 12(2) 270 (a), p. 12(2).152

⁹ Former City of Toronto By-law 438-86, Section 12(2) 259, p. 12(2).130

¹⁰ Former City of Toronto By-law 438-86, Section 2, Definitions and Interpretation, “street-related retail and service uses”, p. 2(1).64

¹¹ Former City of Toronto By-law 438-86, Section 8, Mixed-Use Districts, 8(3) Part XI- Exceptions to Permitted Uses: Restrictions on Use, 2., p. 8(3).10

building.¹² In line with this provision is another regulation in the CR zone which requires that the minimum height of the first storey be 4.5 metres, which corresponds with the ground floor being used for, or being able in the future to be used for, commercial use.¹³ Both these zoning regulations result in a requirement that commercial uses be located on the ground floor only.

Another area relating to commercial use is parking, both in terms of location and rate. For example, in the downtown and main street mixed use corridors, surface parking is not allowed in the front yard, and on corner lots on main street areas there are setback provisions for parking from adjacent residential and open space zones.

Other Planning Tools to Consider

As noted in the Official Plan, the entire City of Toronto is a Site Plan Control Area, and as such, certain developments are subject to Section 41 of the *Planning Act* and Section 114 of the *City of Toronto Act*. Through the site plan approval process the city can negotiate how development is configured within the established zoning parameters. Examples include:

- the location of openings to the sidewalk;
- requiring windows and other features on walls that face the public realm;
- location of parking facilities and the location of access to such facilities;
- provision for the location of landscaping and signage;
- treatment of entrance areas that relate to the local context.

While site plan control cannot (and should not) dictate architecture style and design, it can influence the design of buildings within the context of an area to which the Official Plan policies and zoning by-law regulations apply. Aspects of the design that relate to the public realm can be best addressed through the site plan control process. This links back to the Official Plan policies dealing with what is expected in creating a positive pedestrian environment.

Research on Retail Planning Literature

The cursory review of the planning literature surrounding retailing in planning has raised some interesting points.

City of Ashland, Oregon Municipal Code¹⁴

Ashland, Oregon is a city of 20,000 located in Jackson County in southwestern Oregon. The municipality has a Municipal Code, which includes a section on Land Use controls. Within this section of the code is a

¹² City of Toronto By-law 569-2013, Section 40.10.40.1 (1), Location of Commercial Uses in a Mixed Use Building Condition p. 117

¹³ City of Toronto By-law 569-2013, Section 40.10.40.10 (5), Minimum Height of First Storey p. 119

¹⁴ <http://www.ashland.or.us/code.asp>

sub-section called Site Design Review, which is similar to the site plan control process in Toronto. This area of the Code outlines various aspects of the site design review process, including an area of the municipality subject to the “Detail Site Review Zone”. When buildings become a certain size (greater than 10,000 square feet) or have wall dimensions greater than 100 feet (either length or width) they are subject to a design review procedure. For example, outside the downtown, buildings in the Design Site Review Zone that share a common wall or have walls touching at or above grade are considered one building and are regulated as such under the review. Buildings in these areas cannot exceed 45,000 square feet and cannot have a contiguous building length of 300 feet. These measures are all examples where thresholds have been established to cap the size and scale of building in a given area.

Planning for Retail and Commercial Development (Draft) April 2009, New South Wales Government, Australia, Department of Planning

This is an interesting policy document prepared by the state government of New South Wales in terms of a strategic plan in developing commercial centres policy for municipalities in that state. The policy research is based on six planning principles, two of which include:

- 1) The market is best placed to determine the need for retail and commercial development. The role of the planning system is to regulate the location and scale of development to accommodate market demand; and
- 2) Retail and commercial development should be well designed to ensure it contributes to the amenity, accessibility, urban context and sustainability of centres.”¹⁵

The research outlines the types of zoning that can be applied to different situations and mixes of uses. How zoning should be approached in local centres versus those locating outside of centres. When it comes to development controls the report states:

“When planning for centres, councils should avoid:

- putting limits on the floorspace of retail premises in each zone
- putting limits on the number or type of retail premises permitted in each zone or centre, or
- restricting the type of products sold in retail and commercial premises unless there is a significant change of use.

The exact height and FSR provisions are for councils to determine on the basis of their local areas and the characteristics of their centres.

However, as a general rule, heights and FSRs should be used to balance the need to increase densities in some centres to meet floorspace targets, while preventing development of a scale that would be out of

¹⁵ Planning for Retail and Commercial Development (Draft) April 2009, New South Wales Government, Department of Planning, Summary, p. ii

keeping with the character of the centre. Councils should also consider the use of floor space bonuses as an incentive for business to consolidate retail and commercial development within centres.”¹⁶

Retail Planning, Guidelines for Planning Authorities, Department of the Environment, Community and Local Government, Ireland

Similar to the New South Wales research, the government of Ireland recently issued a guideline for planning authorities to consider when examining retail planning. The work undertakes an assessment of specific categories of retail development, including “large convenience goods stores” and “retail parks and retail warehouses”. Large convenience goods stores consist of supermarkets, superstores and hypermarkets that are located in cities and large towns, but which require large floorspace together with adjacent parking, since the majority of customers undertake their bulk convenience shopping by car.¹⁷

On the discussion regarding retail parks and retail warehouses, the study notes some interesting size thresholds to consider. First, retail store units less than 700 square metres are more capable of being accommodated in urban centres, and tend to sell a less bulky range of goods. Conversely, the development of very large retail warehouse units of 5,000 square metres (and sometimes 10,000 square metres or more) focus on a specific market segment and can have an unacceptable local monopoly effect on smaller shops in town centres.¹⁸ The key threshold for large-scale single retail warehouse units in Ireland is still recommended at 6,000 square metres, after which “their potential effect on the surrounding road network and their potential for creating local monopolies which would inhibit competition within local catchment areas.”¹⁹

Conclusions

Since the 1990s, the former City of Toronto through zoning and the amalgamated City of Toronto through Official Plan policy has determined what constitutes large-scale stand alone retail development and how it should be controlled and limited within the city. There have been examples in zoning where “local caps” have been placed on commercial strips to address issues of scale and parking. More recently zoning has been changed to encourage and allow for commercial uses to be located on the ground floor of mixed use developments by establishing a minimum first floor height. Other matters, such as site plan control, have assisted in addressing context and built form issues related to commercial uses and the public realm. What appears to be missing at this stage is the determination of what scale, size and

¹⁶ Planning for Retail and Commercial Development (Draft) April 2009, New South Wales Government, Department of Planning, 5. Local planning- choosing the appropriate zone, p.19

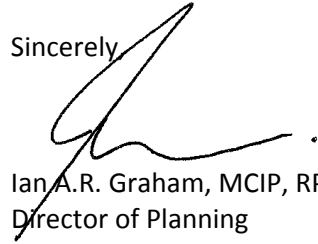
¹⁷ Retail Planning, Guidelines for Planning Authorities, Department of the Environment, Community and Local Government, Government of Ireland (April 2012), 4.11.1 Large Convenience Goods Stores, p.35

¹⁸ Retail Planning, Guidelines for Planning Authorities, Department of the Environment, Community and Local Government, Government of Ireland (April 2012), 4.11.2 Retail Parks and Retail Warehouses, Size of Units, p.36

¹⁹ Retail Planning, Guidelines for Planning Authorities, Department of the Environment, Community and Local Government, Government of Ireland (April 2012), 4.11.2 Retail Parks and Retail Warehouses, Size of Units, p.37

context planning controls are needed for mixed use areas that reinforce the local characteristics of such areas, while allowing them to evolve and develop into economical and socially acceptable areas. A determination on the appropriate retail and service use size thresholds in combination with context requirements (i.e., relationship and design to the public realm, location and amount of parking on site, location of commercial uses relative to other uses, etc.) is what is needed to help address the undesirable effects of uses that are too large or have a negative relationship to its local context.

Sincerely



Ian A.R. Graham, MCIP, RPP
Director of Planning

The Washington Post

[Back to previous page](#)

Wal-Mart brings more than its stores to D.C.; it brings lessons learned from other cities

By [Jonathan O'Connell](#), Published: December 6

CHICAGO — Wal-Mart welcomed hundreds of shoppers to its first two D.C. stores last week with holiday decor, high school bands and handshakes from Mayor Vincent C. Gray.

The arrival of the world's largest retailer into the nation's capital marked the culmination of more than a decade of lessons it learned fighting its way into Los Angeles, Boston and Chicago — particularly a hardscrabble neighborhood here, Austin.

When Wal-Mart chose a site next to the railroad tracks off North Cicero Avenue for its first Chicago location, this West Side neighborhood became a national battleground between the company and organized labor, a case study for academics interested in the effect it has on urban communities and a model for D.C.

Boosters of the chain in Chicago say the company lowered prices for strapped families, created thousands of jobs and offered fresh foods and other goods that were otherwise unavailable in poor and minority neighborhoods like Austin. A CVS, Food 4 Less, Aldi and Menards soon followed.

On a summer afternoon this year, Joy Lambert entered the Austin store armed with flyers from other retailers — Jewel-Osco, Dominick's and Walgreens — stores she said she frequented more often before Wal-Mart opened and offered to match competitors' prices. "Now I can just come and get everything at one store," she said.

Martha Frimpong, 21, came out with four pairs of shoes for her 3-year-old daughter's birthday, which cost her about \$43. She said she didn't follow the debate years before in Chicago about whether Wal-Mart ought to pay higher wages — a debate D.C. officials nearly duplicated this year — but

remembers paying more for shoes before the Wal-Mart opened. "Normally when I shopped at other stores, it cost like \$16 for a pair," she said.

Critics argue that the selection and lower prices have come at a cost to other retailers and workers in Chicago, a troubling sign for businesses near Wal-Mart's first D.C. stores along Georgia Avenue and North Capitol Street.

When he heard that Wal-Mart was opening a superstore down the street from his carry-out restaurant in Austin, Ali Qureshi thought things were finally looking up. Candy factories nearby had laid off thousands of workers that used to buy his fish sandwiches, gyros and hot wings. That Wal-Mart had chosen a site not two blocks away seemed to be a change in fortune. "I was very, very excited," he said. "I thought, 'I am lucky.'"

But when it opened, the 141,000-square-foot superstore included a popular fried chicken restaurant that sold similar items. Qureshi tried dropping his prices — four pieces of fried chicken with french fries, hot sauce and a slice of white bread goes for \$3.99 — but he said business has waned.

"You sit here four or five hours," he said, "and nobody comes."

From candy land to Gotham

When Chicago was at its peak as America's candy-making king, the sweet smells of Starbrite mints, Milk Maid caramels and Maple Nut Goodies wafted down North Cicero Avenue. The Brach's plant, first opened in 1924, grew into one of the world's largest candy factories, home to thousands of union workers pumping out 200 varieties of chocolates and hard candies.

But in the 1990s, as American manufacturing moved overseas, the stream of departing blue-collar jobs here turned into a tidal wave. In 1993, Leaf Candy closed its factory, laying off 500 workers who used to make Whoppers malted milk balls. After dropping 2,800 jobs in 15 years, Brach's moved its final 1,100 jobs to Mexico in 2003.

Elce Redmond started working as a community organizer in Austin in 1987, when it was still a largely middle-class neighborhood. Little replaced the lost factory jobs, he said.

Brach's towering brick factory has remained vacant but for its cameo as Gotham General Hospital in the 2008 movie "The Dark Knight," when part of it was detonated.

By 2003, when Wal-Mart announced its plans to open there, Redmond said the needs of the poor for housing, health care and jobs had increased dramatically. As factories continued to downsize, Austin's jobless rate topped 22 percent from 2007-2011, with a quarter of families below poverty.

"Those jobs were wage jobs in the factories," he said. "People could afford their car payments, their child care and had health care. And we wanted retailers to support those same things."

Redmond and other activists campaigned for Chicago's city council to require Wal-Mart and other big box stores to pay \$10 per hour and another

three dollars an hour in benefits. The Illinois minimum wage was \$6.50 at the time (it is \$8.25 now).

"We knew that it was an inevitability that Wal-Mart was going to come into Chicago. They had already taken over the suburbs," Redmond said. "If you can't pay your rent, if you can't pay your energy bills, if you can't feed your family, how the hell is that a job?"

The campaign grew into one of the most bruising political battles in the city's history. Wal-Mart touted the jobs it would create, fresh produce it would sell and its low prices. Officials said they would make \$20 million in local charitable contributions over the next five years and pay competitive wages. The company agreed to open an outpost of Uncle Remus Chicken & Barbecue, a local, African American-owned business, inside the store. It also offers a bakery, eye care center and pharmacy and services like photo printing and tax preparation.

Few other companies were willing to invest in Austin at the time, which Redmond said aided the company's campaign. "They came and said, 'Hey, we're the savior.' So I think it was a very calculated strategy."

Backers of the bill were unable to attract support from some of the council members who represented poor, largely minority neighborhoods where Wal-Mart was eyeing new stores, including Emma Mitts, the alderman whose ward includes Austin. Although the measure passed the city council, Mayor Richard M. Daley issued Chicago's first mayoral veto in 17 years, and three aldermen switched their votes to crack labor's veto-proof majority.

Howard Brookins Jr., who represents the South Side neighborhood of Chatham, said the proposal unfairly targeted Wal-Mart while exempting chains like Walgreens.

"I agree that the workers at Wal-Mart should get paid more," Brookins said. "If they can get more money they should get more money. But the ordinance that they proposed was a terrible ordinance. It exempted certain organizations and corporations that could certainly pay higher wages. The argument that it was connected to the size of the store didn't make any sense to me."

Wal-Mart now has 10 Chicago stores: four supercenters, four smaller Neighborhood Market stores (which primarily sell groceries) and two Wal-Mart Express stores as small as 13,000 square feet. Wal-Mart employs more than 4,000 people in Chicago. In September, the retailer opened its newest supercenter, in the South Side neighborhood of Pullman.

Applying lessons learned

For all the differences between the two cities, drive down North Cicero Avenue through Austin and you could almost confuse it with upper Georgia Avenue in D.C.

One- and two-story brick storefronts advertise discount auto parts, liquor, manicures and Cash 4 Gold. Most of the restaurants are carry-out joints selling meals in foam or tinfoil containers.

There are no shuttered candy factories in the D.C. neighborhoods near the new Wal-Mart at the corner of Georgia and Missouri avenues, but the company's arrival coincided with the closure of Walter Reed Army hospital, leaving Brightwood, Shepherd Park and Manor Park with a fenced-off campus where 5,000 people once worked.

When Wal-Mart plotted its entry into D.C., it again targeted neighborhoods lacking fresh groceries and jobs, just as it did in Chicago. It again offered tens of millions of dollars in charitable donations. And it furiously opposed a living wage bill that, like the Chicago bill, ended with a mayoral veto.

But it also learned from Chicago and other urban markets like Los Angeles, said Virginia Parks, associate professor at the University of Chicago School of Social Service Administration. Wal-Mart enhanced its store design further, agreeing to build two stores on the ground floor of apartment complexes. It touted its charitable contributions earlier. And it put many of its commitments to the District in writing (although the document is not a legal contract).

"They had years of experience by the time they got to D.C.," Parks said.

Wal-Mart opened its fourth Chicago store, a 174,000-square-footer in the South Side neighborhood of Chatham, where Brookins is alderman. There are other grocery stores in the neighborhood, but he said the store offered some merchandise that was otherwise unavailable nearby.

"If you were a grandfather and wanted to take your grandson fishing, there wasn't a place to buy a fishing pole," Brookins said.

Brookins said that since the store opened last year, Wal-Mart has made good on promises to pay all its workers at least 50 cents more than minimum wage and to hire some people with felonies on their record. "Has it been the be-all and end-all and has it ended poverty and joblessness?" he said. "No, but it definitely helped."

Impact of stores debated

Brookins said he did not think the Chatham Wal-Mart has had a negative effect on small businesses or job growth, but academics from local universities say Wal-Mart has likely had a flat impact on jobs and that small businesses near some of its stores have suffered.

A three-year survey by researchers from Loyola University in Chicago found that 82 of 306 businesses near the Austin Wal-Mart went out of business within three years of Wal-Mart's opening, causing the loss of some 300 full-time equivalent jobs, about the same number the store created.

Analyzing sales tax data, the authors found no net growth in economic activity.

If the pattern holds true in D.C., stores selling competing merchandise along Georgia Avenue NW or North Capitol Street, near the Wal-Mart at 99 H Street NW, could face new challenges.

"Having Wal-Mart is not a very good economic development strategy because what it sells other retailers can sell," said one of the authors, David

Merriman, now at the University of Illinois-Chicago. "It may be appropriate because you want an open retail market or you want lower prices, but it's not a job creation strategy."

Wal-Mart officials say the study failed to account for new businesses created and based its finding on an excessively large geographic area.

"The small businesses that surround our stores generally have products and services we don't offer or are strong in areas where we can't compete," the company said in its rebuttal. "Chicago is a terrific example of our positive impact: Since we opened our doors there in 2006, we've helped attract close to two dozen new businesses to the surrounding neighborhood."

The company's first two D.C. stores, as well as another under construction and three others it plans for the city, will mostly serve neighborhoods with above average poverty rates that are often defined as food deserts — places that lack access to fresh groceries. None are west of Rock Creek Park.

But if Chicago continues to serve as a blueprint, the District's tonier neighborhoods will be next up. In Lakeview East, there is a Neighborhood Market and an Express Wal-Mart located amongst bustling commercial and residential corridors. While vacancies mar the street scape in Austin, in Lakeview rents can reach as high as \$50 per square foot, said Maureen Martino, executive director of the Lakeview East Chamber of Commerce. Martino said she and her members resisted Wal-Mart's entry, saying they did not suffer from a lack of shopping options.

Once the stores opened, she was disappointed not to see the retailer play a more active role in sponsoring public schools or charities: "I don't see them giving back without asking for anything back."

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