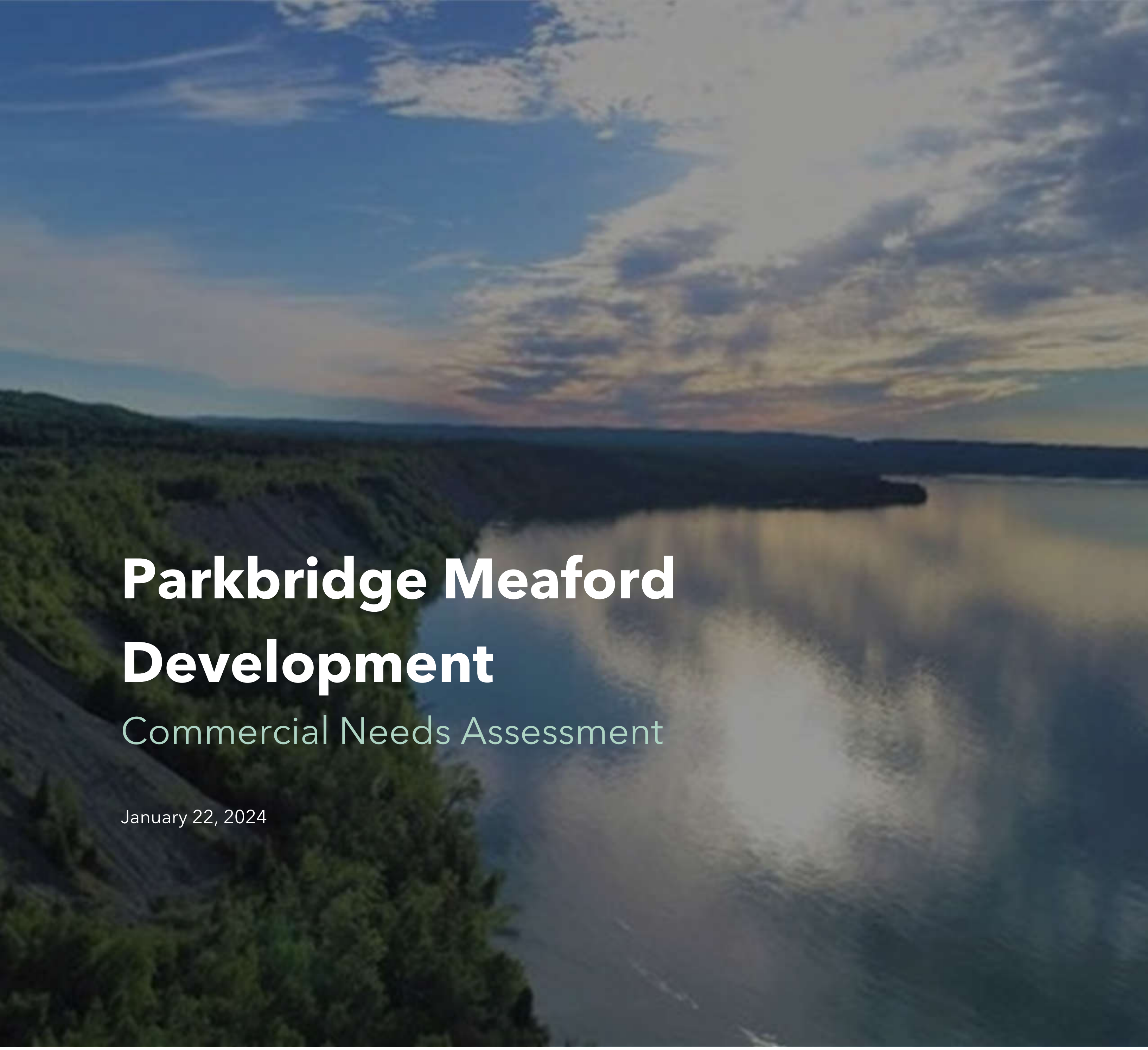


Parkbridge Meaford Development

Commercial Needs Assessment

January 22, 2024

Parcel

Parkbridge

PREPARED FOR:

Parkbridge Lifestyle Communities

70 Huron Street, Collingwood, ON, L9Y 4L4

PREPARED BY:

Parcel Economics Inc.

250 University Avenue, #221, Toronto, Ontario, M5H 3E5

info@parceleconomics.com

416-869-8264

January 22, 2024

2023-0007

Table of Contents

Table of Figures

Executive Summary

Parcel Economics Inc. ("Parcel") has been retained by Parkbridge Lifestyle Communities ("Parkbridge") to prepare this *Commercial Needs Assessment*. Parkbridge are the owner of land located north of Highway 26, west of Christie Beach Road, in the Municipality of Meaford. These lands are hereafter referred to as the Parkbridge Meaford Development, or the subject lands.

The purpose of this *Commercial Needs Assessment* is to provide an independent assessment of the amount of retail/service space that is warranted in the Parkbridge Meaford Development from a market perspective. As part of this analysis, we have also considered the most appropriate location for new retail/service commercial space within the new resource-based recreational community to serve residents of the subject site, those living in the Meaford and the Blue Mountains, as well as pass-by traffic.

The following summarizes our analysis as it relates to: 1) the site context, 2) the Trade Area characteristics, 3) the amount of retail/service commercial space warranted in the Trade Area in the future and 4) recommendations regarding warranted commercial space within the Parkbridge Meaford Development and the most appropriate location.

Site Context

- Parkbridge is proposing to develop a resource-based recreational community that could accommodate as many as 1,250 units depending on the ultimate configuration of the site. The current demonstration plan for the resource-based recreational community includes a total of 1,199 units, comprised of 68% single-detached dwellings, 28% townhouse dwellings and 4% mixed-use apartments. However, the total number of units and unit mix will be dependent on market considerations as the community progresses through development.

- The Parkbridge Meaford Development could include a range of amenities. One amenity is an expanded trail network, including improvements to the existing Georgian Trail, which will continue to be openly available for everyone to use and enjoy. Parkbridge is also proposing to provide the Municipality of Meaford and the Town of the Blue Mountains with a block to accommodate a future community facility that can support a range of programs and will be operated by the municipalities.

Trade Area Characteristics

- Based on the 2021 Census there were approximately 20,875 permanent residents living the in the Trade Area, which includes the Municipality of Meaford and the Blue Mountains. There were also as many as 3,840 seasonal residential dwellings. The permanent population in the Tarde Area is forecast to increase by 54% between 2021 and 2046 based on forecasts contained in OPA 11, as well as the build-out of the Parkbridge Meaford Development.

- Overall, the Trade Area contain some **741,900 square feet** of retail/service commercial space. We note that amount of Non-Food Store Retail (NFSR) space is relatively high compared to other municipalities at 46%, while the Services space is low at just 35%. Furthermore, we consider the vacancy rate of 3% to be relatively low. In our experience, a vacancy rate between 5% and 8% is reflective of a balanced market.

Warranted Commercial Space in the Trade Area

- We have utilized a per capita approach to estimate the future retail/service commercial needs of the Trade Area, which includes future residents in the Parkbridge Meaford Development. Per capita space ratios for this analysis are based on a large number of commercial inventories carried out across Southern Ontario. These ratios have been shown for each retail/service category and in total comprise **35.4 square feet** of space per person.

- The estimated 2046 population of the Trade Area is expected to result in an **overall demand for 832,700 square feet of retail/service commercial space** and a **net new space requirement of 134,500 square feet.** Food Store Retail, Health + Personal Care Stores and Personal Care Services account for the majority of warranted space in the Trade Area to 2046.

Conclusions and Recommendations

- It is our professional opinion that **as much as 25,000 square feet of retail/service commercial space** could be accommodated within the Parkbridge Meaford Development to serve the target market of future residents of the resource-based recreational community and others in the Trade Area.

- To ensure the success of retail/service commercial space within the Parkbridge Meaford Development, it will be important for the commercial block to be located with Highway 26 frontage to allow the retail uses to also serve residents in the Trade Area and pass-by traffic. Based on 30% lot coverage, up to 1.9 acres (0.8 hectares) of land is required to accommodate the 25,000 square feet of retail/service space recommended for the subject lands.

- The projected population of 2,670 residents in the Parkbridge Meaford Development represents approximately 23% of the projected population in the Trade Area. Therefore, the recommended 25,000 square feet of retail/service commercial space is commensurate with the demand generated by the subject site population.

1.0 Introduction

Parcel Economics Inc. ("Parcel") has been retained by Parkbridge Lifestyle Communities ("Parkbridge") to undertake a *Commercial Needs Assessment* to determine the amount of retail/service commercial space that is warranted on their lands located north of Highway 26, west of Christie Beach Road, in the Municipality of Meaford. These lands are hereafter referred to as the Parkbridge Meaford Development, or the subject lands.

1.1 Background and Location

Context

Located at the eastern boundary between the Municipality of Meaford and the Town of the Blue Mountains, the subject lands are approximately 135 hectares with frontage along Georgian Bay and Highway 26. The location of the subject site is shown in Figure 1.1.

Figure 1.1

Location of the Parkbridge Meaford Development

Source: Parcel based on Google Earth.

Demonstration Plan

For the purposes of estimating commercial needs, we have relied on the current demonstration plan for the resource-based recreational community, which includes a total of 1,199 units, comprised of 68% single-detached dwellings, 28% townhouse dwellings and 4% mixed-use apartments. However, as noted previously, this could be as higher as 1,250 units. It is anticipated that the total number of units and unit mix that are ultimately accommodated in the community will be dependent on detailed design and market considerations as it progresses through development.

It is notable that at least one Parkbridge development, Sandycove Acres in Innisfil (1,233 units), has incorporated approximately 15,000 square feet of retail/service commercial space into the development.

The Parkbridge Meaford Development proposes a number of amenities. One amenity is an expanded trail network, including improvements to the existing Georgian Trail, which will continue to be openly available for everyone to use and enjoy. Parkbridge is also proposing to provide the Municipality of Meaford and the Town of the Blue Mountains with a block to accommodate a future community facility that will be operated by the municipalities and is available to all residents.

The concept plan shows the re-alignment of the Georgian Trail. This re-alignment provides the institutional and commercial uses with improved exposure to pass-by traffic along Highway 26 and will ultimately result in a more successful commercial block.

1.2 Purpose

The purpose of this *Commercial Needs Assessment* is to provide an independent assessment of the amount of retail/service commercial space that is warranted in in the Parkbridge Meaford Development from a market perspective. As part of this analysis, we have also considered the most appropriate location for new retail/service commercial space within the resource-based recreational community to serve both local residents and pass-by traffic.

1.3 Approach

The following summarizes the principal tasks we have undertaken in justifying the amount of retail/service commercial space that is warranted in the Parkbridge Meaford Development:

- **Site & Access Review** – We have evaluated the suitability of the subject lands for the type of local and destination commercial / retail uses based on the locational characteristics of the Parkbridge Meaford Development, accessibility, and compatibility with surrounding land uses.

- **Trade Area Delineation** – A local Trade Area has been defined for the Parkbridge Meaford Development, representing the geographic area from which the majority of regular customer support would be derived, with the remainder of support coming from tourists, pass-by traffic, employees working in the area and other non-residents.

- **Market Dimensions of the Trade Area** – We have utilized our knowledge of proposed residential developments in the Trade Area and population growth forecasts contained in *Official Plan Amendment 11 (October 2022)* to determine future demand for retail/service commercial space, community-wide.

- **Competitive Analysis** – We have conducted a complete inventory of all retail/service commercial space throughout the Trade Area. Through a review of publicly available information, we have also identified any proposed commercial developments or vacant lands with existing commercial designations in the Trade Area that could potentially include similar types of retail/service facilities.

- **Future Commercial Market Opportunity** – To determine the future market opportunity for commercial space on the Parkbridge Meaford Development, we have utilized a per capita commercial space methodology. The per capita space methodology provides an indication of the amount of commercial space required to serve a community. This per capita commercial space methodology is informed by our inventory of retail/service space in the Trade Area, as well as our experience in completing retail/service inventories across Southern Ontario.

- **Strategic Recommendations** – We have compared the total estimated future demand for retail/service space in the Trade Area to the potential future supply of space to identify the amount of space that could be warranted in the Parkbridge Meaford Development. In preparing our strategic recommendations, we have also considered the potential for destination retail on the site and the ability leverage traffic from tourists and the seasonal population travelling Highway 26 to attract tenants to commercial lands.

1.4 Assumptions and Limitations

When completing this type of market assessment, it is important to identify the key assumptions and limitations inherent to our approach. To this end, the following provides a summary of the key assumptions that must be understood as limitations to the analysis undertaken as part of this assignment.

- It is assumed that a reasonable degree of economic stability will prevail in the Province of Ontario, and specifically in the context of the Municipality of Meaford and Town of the Blue Mountains, over the course of the development planning horizon identified in this study.

- It is important to recognize that the lingering effects of the COVID-19 pandemic will continue to result in uncertainty as it relates to current and potential future market conditions; particularly within the retail sector. To the extent possible, reasonable assumptions and conservatism has been applied to reflect this uncertainty.

- The statistical inputs relied upon in our analysis are considered sufficiently accurate for the purposes of this analysis. These statistical sources—including available Statistics Canada Census data, municipal information and third-party real estate information—have ultimately informed a number of the key underlying assumptions and inputs utilized in our analysis relating to the performance of commercial real estate in the Trade Area.

2.0

Site Context

2.1 Planned Function and Permitted Uses

The lands are currently designated as Rural and Hazard Lands in Schedule A, Land use Types of the County of Grey Official Plan and designated as Rural and EP_Amend in Schedule A-1 Land Use in the Municipality of Meaford Official Plan. The Rural land use designations in the County of Grey Official Plan and Municipality of Meaford Official Plan do not permit the retail/service commercial uses that are envisioned for the Parkbridge Meaford Development. Therefore, an Official Plan Amendment is required to accommodate these types of uses.

As such, Parkbridge is proposing a site-specific Recreational Resort Settlement Area land use designation for the Parkbridge Meaford Development lands, as it is being proposed on full services on the waterfront.

2.2 Site Accessibility

The Parkbridge Meaford Development is located on the north side of Highway 26, approximately four kilometres from downtown Meaford and seven kilometres from downtown Thornbury. Highway 26 is a Provincial Highway which connects the communities of Owen Sound, Meaford, Thornbury, Collingwood, Stayner and Midhurst to Highway 400 to the east. The site is not served by public transportation.

Based on Ontario Provincial Highways Traffic Volumes data, in 2019 the section of Highway 26 passing the Christie Beach development experienced Annual Average Daily Traffic (AADT) volumes of approximately 7,000 vehicles per day, **which is one of the lowest traffic volumes along Highway 26 between Highway 11 and Owen Sound**. Therefore, while the retail/service commercial uses in the Parkbridge Meaford Development could expect some demand from pass-by traffic, it will likely be limited due to low traffic volumes along this stretch of Highway 26.

2.3 Surrounding Land Uses

Land uses surrounding the subject site include:

To the South: Highway 26 is located directly to the south of the Parkbridge Meaford Development. Further to the south of Highway 26 are lands designated as Rural and Hazard Lands. These lands located to the south of Highway 26 were previously under application to accommodate a resource based four seasons recreational resort called the Meaford Highlands Resort. This community had proposed to include a total of 1,071 residential units in addition to the Meaford Highlands Inn, a wellness centre, spa, aquatics centre, retail and commercial space, amphitheatre and a 9-hole golf course.

To the East: Lands designated Recreational Resort Settlement Area, which is consistent with the designation being sought by Parkbridge, are located to the east of the subject lands. These lands include the Lora Bay community and golf club, which is currently selling units.

To the West: Vacant lands designated as Rural and Hazard Lands in Recolour Grey are located to the west of the subject lands. Further to the west of these lands is the Meaford Settlement Area boundary.

To the North: Georgian Bay along with some lands designated as Shoreline which are comprised of homes.

3.0

Trade Area Characteristics

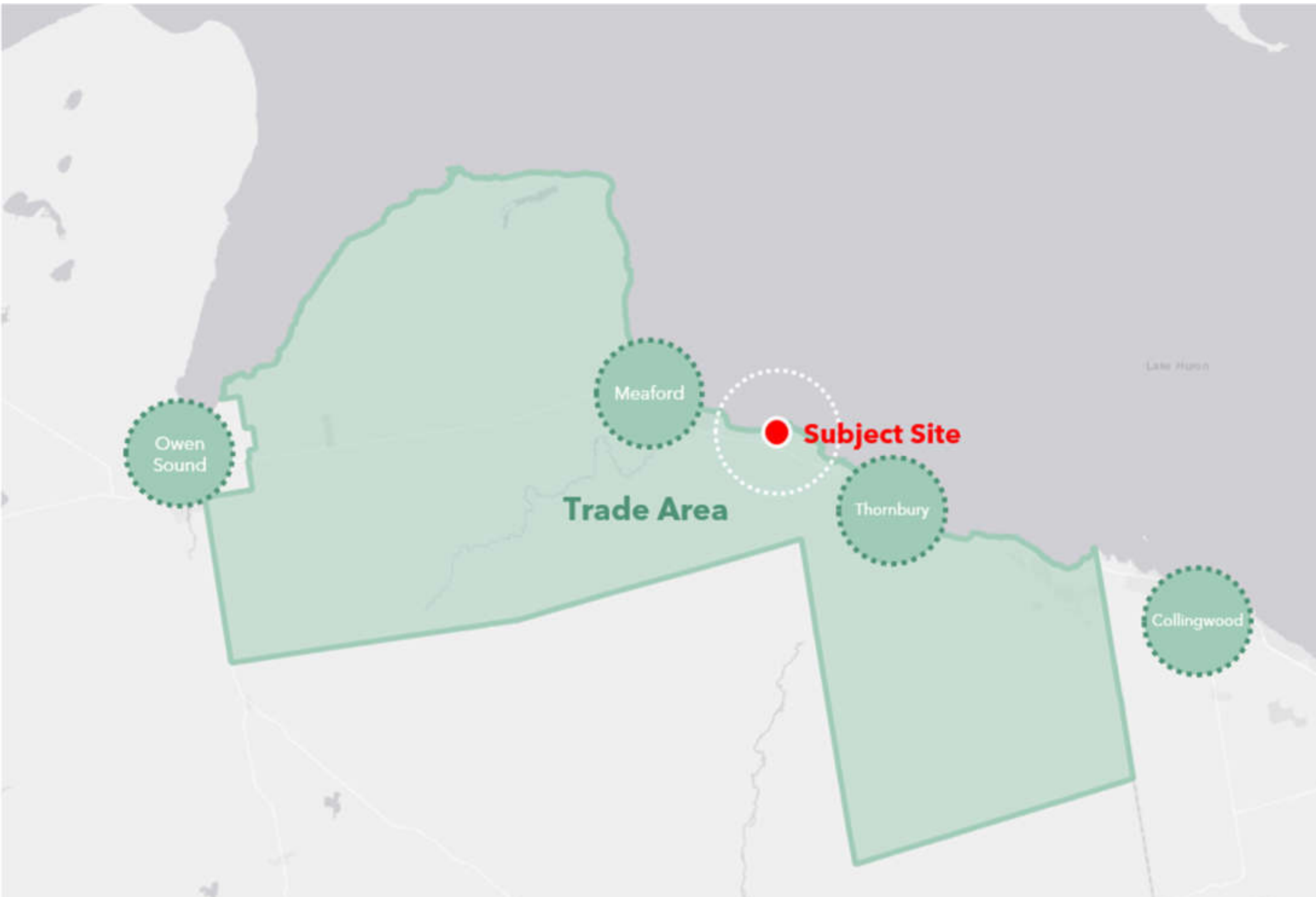
3.1 Trade Area

For the purpose of this *Commercial Needs Assessment*, we have focused our analysis on a Trade Area that includes the municipalities of Meaford and Blue Mountains. This Trade Area recognizes Highway 26 as a major connection between the two communities, influencing the shopping patterns of residents by providing convenient access to the existing retail/service facilities in the Trade Area. As such, this area represents the geographic area from which the local serving retail/service commercial facilities located in the Parkbridge Meaford Development will derive the majority of their future sales.

In addition, we note that retail/service facilities in the Trade Area—and on the subject lands—derive a portion of their sales from residents of neighbouring municipalities (e.g., Grey Highlands) and tourists visiting the areas recreational amenities. These sales are considered "inflow" in our Commercial Needs Assessment in Section 5.0.

Figure 3.1

Trade Area



Source: Parcel, based on ESRI satellite imagery

3.2 Trade Area Population

Based on the 2021 Census there were approximately 20,875 permanent residents living the in the Trade Area. There were also as many as 3,840 seasonal residential dwellings. These seasonal dwellings are not the primary residence of the inhabitants (e.g., cottages, ski chalets, hobby farms, etc.), however, this seasonal population helps support the retail/service commercial facilities in the Trade Area.

The recently adopted County of Grey Official Plan Amendment 11 (Growth Management and Housekeeping Amendment) (October 2022) includes updated population forecasts for both the Meaford and Blue Mountains portions of the Trade Area to 2046. These population forecasts do not include potential population growth in the Parkbridge Meaford Development. Therefore, for the purposes of preparing Trade Area population forecasts, we have assumed that 1,199 units will be constructed and occupied on the subject site by 2046. Based on an average of 2.23 persons per unit ("PPU"), the demonstration plan for the Parkbridge Meaford Development could accommodate a build-out population of 2,670 persons. Overall, this would result in **32,450 permeant residents of the Trade Area by 2046**.

Figure 3.2

Historic and Forecasted Trade Area Permanent Population

	Historical[1]			Forecast[2]
Trade Area	**2011**	**2016**	**2021**	**2046**
Meaford	11,330	11,250	11,750	13,480
Blue Mountains	6,590	7,190	9,090	16,300
Parkbridge Christie Beach				2,670
Total Trade Area	**17,920**	**18,440**	**20,840**	**32,450**

Source: Parcel

[1]Based on Statistics Canada census data adjusted for net under coverage

[2]Meaford and Blue Mountains forecasts based on Grey County OPA 11 (October 2022)

Furthermore, we note that the Trade Area contains a significant number seasonal or recreational residences. Grey County Official Plan Amendment 11 estimates the number of seasonal recreational dwellings will decrease to 3,430 units by 2046, as these units are converted to permanent residences. Assuming 3.0 persons per unit (PPU), we have estimated the seasonal population of the Trade Area will reach approximately 10,290 residents by 2046, or about 25% of the permanent plus seasonal population. This significant seasonal population provides the basis for our "inflow" estimates to the Trade Area, which will be important in supporting retail/service commercial uses at the Parkbridge Meaford Development.

Figure 3.3

Historic and Forecasted Trade Area Seasonal Population

	Historical[1]			Forecast[2]
Trade Area	**2011**	**2016**	**2021**	**2046**
Meaford	2,082	2,280	2,379	1,980
Blue Mountains	10,062	9,618	9,144	8,310
Total	**12,144**	**11,898**	**11,523**	**10,290**

Source: Parcel

[1]Based on Statistics Canada census data

[2]Based on Grey County OPA 11 projections (2022)

4.0 Existing Retail / Service Structure

4.1 Inventory

A review of the existing and potentially competitive retail and service facilities surrounding the Parkbridge Meaford Development is key to understanding what commercial roles and functions are currently provided for residents, seasonal residents and visitors to the Trade Area. To this end, Parcel conducted an in-person inventory of existing retail and service commercial space in the Primary Settlement Areas of Meaford, Thornbury and Craigleith in April 2023. This inventory includes all retail stores and service-based commercial facilities.

Overall, these areas contain some **741,900 square feet** of retail/service commercial space. We note that amount of Non-Food Store Retail (NFSR) space is relatively high compared to other municipalities at 46%, while the Services space is low at just 35%. Furthermore, we consider the vacancy rate of 3% to be relatively low. In our experience, a vacancy rate between 5% and 8% is reflective of a balanced market.

In addition to the existing retail/service space across the Study Area, we have identified at least **49,500 square feet of proposed and/or under construction retail/service space** in the Trade Area. Two developments in Meaford have commercial components, however exact square footage was not available as part public-available development applications. As such, 49,500 square feet represents a **minimum** amount of proposed commercial space in the Trade Area.

Figure 4.1

Existing Retail / Service Commercial Space

Retail / Service Category	Square Feet	%
Food Store Retail (FSR)	**102,000**	**14%**
Supermarkets + Grocery	58,500	8%
Convenience + Specialty Food	43,500	6%
Beer, Wine, Liquor (BWL)	**20,100**	**3%**
Non-Food Store Retail (NFSR)	**339,600**	**46%**
Automotive	20,900	3%
Building + Outdoor Home Supply	98,200	13%
Furniture, Furnishings, + Electronics	59,500	8%
Health + Personal Care	17,500	2%
Apparel + Accessories	28,600	4%
General Merchandise	17,400	2%
Miscellaneous Retailers	97,500	13%
Services	**256,600**	**35%**
Finance, Insurance + Real Estate	32,400	4%
Professional + Business Services[1]	24,200	3%
Health Care + Social Services	50,000	7%
Food + Drinking Places	88,700	12%
Culture, Entertainment + Recreation	6,900	1%
Personal Care	12,100	2%
Other[2]	42,300	6%
Vacant	**23,600**	**3%**
Grand Total	**741,900**	**100%**

Source: Parcel, based on in-person and desktop inventory, areas rounded to the nearest 100

[1]Professional + Scientific Services; Selected Office Administrative Services

[2]Consumer Goods Rental + Repair; Selected Civic + Social Organizations

Figure 4.2

Proposed / Under Construction Retail / Service Commercial Space in Trade Area

Trade Area Zone	Address	Retail / Service Space ft^2	Description
Meaford	37 Sykes Street South	9,700	Multi-use building consisting of six commercial units on main floor
	206080 Highway 26 (Sykes Street North)	TBD	Two future commercial condo blocks totalling 1.4 hectares
	12 to 34 Collingwood Street	TBD	Three buildings with purpose-built commercial units at grade in each building
Blue Mountains	Landsdowne & Alice Street	28,000	Plan of subdivision with two commercial buildings and 18 live/work freehold rowhouses with commercial at grade
	150-160 King Street East	11,800	Two mixed-use buildings with commercial space on the main floor
	Total	**49,500**	

Source: Parcel, based on Town of Meaford and Town of the Blue Mountains development applications

4.2 Benchmark Downtown Areas

The majority of the retail/service space in the Trade Area is located within the Downtown Areas of Thornbury and Meaford. To provide insights into the distribution of retail/service space in the Trade Area, we have benchmarked the Trade Area against downtowns in other communities across Southern Ontario. Figure 4.3 illustrates the results of this comparison based on inventories Parcel has identified in other Southern Ontario municipalities. As shown, the Downtown Areas of Meaford and the Blue Mountains contains significantly more retail/service space per capita than each of the municipalities reviewed. This highlights the strength of the downtown areas in Meaford and Thornbury.

Figure 4.3

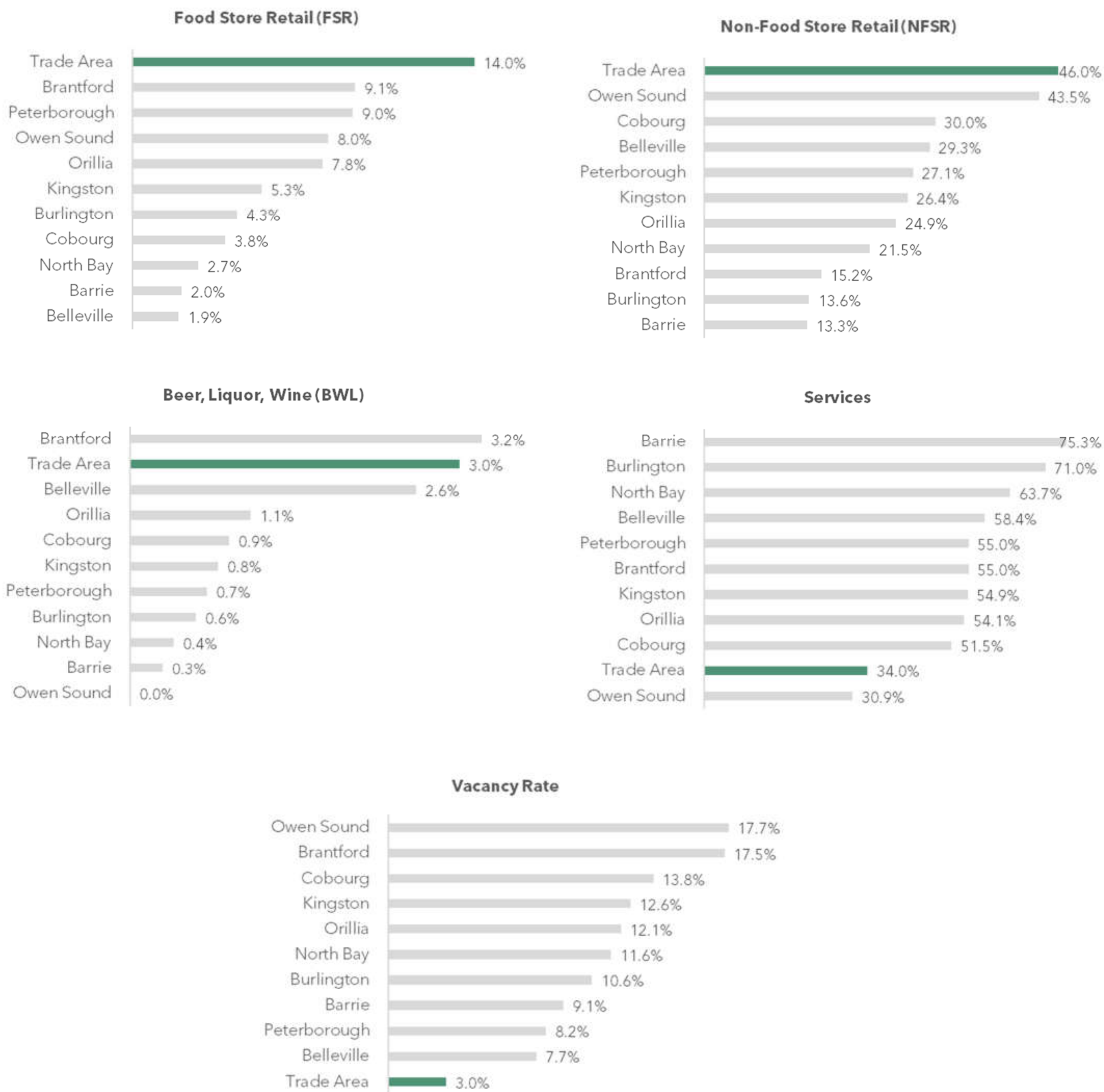
Downtown Space Comparison

Source: Parcel based on Trade Area inventory completed in April 2022, and inventories identified in other Southern Ontario communities.

Figure 4.4 illustrates the distribution of the retail/service space in each of the benchmark downtown areas. Compared to the benchmark municipalities, the proportion of retail/service space in the Trade Area classified as Retail—Food Store Retail (FSR) and Non-Food Store Retail (NFSR) categories—is much higher, while the proportion of space classified Services is much lower. This indicates that the Services categories likely contain the most opportunities in the future as the Trade Area moves toward a similar distribution to its peers.

Figure 4.4

Distribution of Space in Benchmark Downtown Areas



Source: Parcel based on Trade Area inventory completed in April 2022, and inventories identified in other Southern Ontario communities.

5.0

Commercial Needs Analysis

We have utilized a per capita approach to estimate the future retail/service commercial needs of the Trade Area, which includes future residents in the Parkbridge Meaford Development. Per capita space ratios for this analysis are based on a large number of commercial inventories carried out across Southern Ontario. These ratios have been shown for each retail/service category and in total comprise **35.4 square feet** of space per person.

Recognizing that future residents of Parkbridge Meaford Development—and the Trade Area—will continue to shop in other retail areas outside of the Trade Area, we have estimated target Trade Area capture rates which vary for each store category depending on their normal drawing power (e.g., local versus community wide or regional) and commercial offerings in surrounding communities.

In addition to the sales generated from Trade Area residents, future retail/service commercial businesses in the community will also generate a portion of their sales from customers living outside the Trade Area, also known as "inflow". The majority of this inflow support is expected to come from seasonal residents, tourists, pass-by traffic, employees working in the area and other non-residents. The amount of inflow will vary by store category, resulting in an estimated overall increase in the total space warranted in the Trade Area.

The estimated 2046 population of the Trade Area of 32,450 permanent residents results in an **overall demand for 840,600 square feet of retail/service commercial space** and a **net new space requirement of 142,400 square feet** above existing retail/service commercial space (see Figure 5.1).

Furthermore, the seasonal population of the Trade Area is expected to be **10,290 seasonal residents by 2046**. Although not directly included in our analysis, these seasonal residents are considered when estimating the amount of inflow from outside of the Trade Area. These inflow estimates vary by store category and are highest in categories frequented by the seasonal resident population.

Figure 5.1

Trade Area Retail / Service Needs Per Capita, 2046

			Typical Space per Capita		Space Supported by Residents		Target Capture		Space Supported in Trade Area		Inflow		Warranted Space		Less: Existing Space		Net New Space
2046 Population	**32,450**	x	A	=	B	x	C	=	D	x	E	=	F	–	G	=	H
Food Retail																	
Supermarkets + Grocery			3.5 sf		113,575 sf		65%		73,824 sf		20%		92,300 sf		58,500 sf		33,800 sf
Convenience + Specialty Food			1.5 sf		48,675 sf		65%		31,639 sf		40%		52,700 sf		43,500 sf		9,200 sf
Alcoholic Beverage Stores			0.4 sf		12,980 sf		90%		11,682 sf		40%		19,500 sf		20,100 sf		(600) sf
Non-Food Retail																	
Building + Outdoor Home Supply			3.0 sf		97,350 sf		90%		87,615 sf		20%		109,500 sf		98,200 sf		11,300 sf
Furniture, Home Furnishings + Electronics			3.0 sf		97,350 sf		40%		38,940 sf		30%		55,600 sf		59,500 sf		(3,900) sf
Health + Personal Care			1.5 sf		48,675 sf		90%		43,808 sf		30%		62,600 sf		17,500 sf		45,100 sf
Apparel + Accessories			2.0 sf		64,900 sf		20%		12,980 sf		40%		21,600 sf		28,600 sf		(7,000) sf
General Merchandise			3.0 sf		97,350 sf		20%		19,470 sf		20%		24,300 sf		17,400 sf		6,900 sf
Miscellaneous Retailers			2.0 sf		64,900 sf		50%		32,450 sf		40%		54,100 sf		98,300 sf		(44,200) sf
Services																	
Finance, Insurance + Real Estate			2.0 sf		64,900 sf		50%		32,450 sf		20%		40,600 sf		32,400 sf		8,200 sf
Professional + Business Services[1]			1.5 sf		48,675 sf		50%		24,338 sf		10%		27,000 sf		24,200 sf		2,800 sf
Health Care + Social Services			1.5 sf		48,675 sf		80%		38,940 sf		20%		48,700 sf		50,000 sf		(1,300) sf
Food + Drinking Places			3.5 sf		113,575 sf		50%		56,788 sf		50%		113,600 sf		88,700 sf		24,900 sf
Cultural, Entertainment + Recreation			2.0 sf		64,900 sf		25%		16,225 sf		10%		18,000 sf		6,900 sf		11,100 sf
Personal Care			2.0 sf		64,900 sf		50%		32,450 sf		30%		46,400 sf		12,100 sf		34,300 sf
Other[2]			3.0 sf		97,350 sf		50%		48,675 sf		10%		54,100 sf		42,300 sf		11,800 sf
TOTAL NEW SPACE			**35.4 sf**		**1,148,730 sf**		**52%**		**602,272 sf**		**28%**		**840,600 sf**		**698,200 sf**		**142,400 sf**

Source: Parcel

[1]Professional + Scientific Services; Selected Office Administrative Services

[2]Consumer Goods Rental + Repair; Selected Civic + Social Organizations

A = Professional judgement from other communities

B = A x 2046 Population

C = Professional judgement from other communities

D = A x C

E =- Professional judgement

F = D / (1 – E)

G = Parcel 2023 Inventory

H = F – G

The results of our per capita needs analysis suggest that additional retail/service space will be required to accommodate the growing population in the Trade Area, however, need is not uniform across all retail/service categories. Categories with large net new requirements are presented in the table below. As shown, the greatest demand for space is anticipated to be for food stores as well as health and personal care stores.

Figure 5.2

Retail / Service Categories with Large Net New Space Requirements

Retail / Service Category	Net New Space
Food Store Retail *Supermarkets + Grocery, Convenience + Specialty Food*	43,000 square feet
Health + Personal Care *Drug Stores, Beauty Supplies, Optical Goods, Supplements, Medical Supplies*	45,100 square feet
General Merchandise *General Merchandise Stores (e.g., Canadian Tire, Variety Stores, Dollar Stores)*	6,900 square feet
Finance, Insurance + Real Estate *Banks, Credit Unions, Investment Management, Insurance Brokerage*	8,200 square feet
Food + Drinking Places *Restaurants, Bars*	24,900 square feet
Cultural, Entertainment + Recreation *Fitness and Recreation Centre, Bowling Centre, Billiards, Cinema*	11,100 square feet
Personal Care Services *Barber & Beauty Salon, Day Spa, Laundry Services, Pet Grooming, Photofinishing*	34,300 square feet
Other *Educational Services, Repair + Maintenance, Civic + Social*	11,800 square feet

6.0

Strategic Recommendations

6.1 Warranted Commercial Space and Tenant Mix

It is our professional opinion that **as much as 25,000 square feet of retail/service commercial space** could be accommodated within the Parkbridge Meaford Development to serve the target market of future residents of the community and others in the Trade Area. Retail/service commercial space accommodated in the Parkbridge Meaford Development will largely support new residents living in the community. At 25,000 square feet, the Parkbridge Meaford Development would accommodate approximately 20% of warranted space in the Trade Area. As the Meaford and Thornbury Primary Settlement Areas will continue to be the focus of population growth in the Trade Area, it will be important for the majority of new retail/service space to be accommodated in these areas.

To ensure the success of retail/service commercial space within the Parkbridge Meaford Development, it will be important for the commercial block to be located with Highway 26 frontage to allow the retail uses to also serve residents in the Trade Area and pass-by traffic.

The following factors have been considered in the formation of this recommendation:

Demand Generated by Parkbridge Meaford Residents

The 142,400 square foot shortfall of retail/service commercial space is driven by the addition of approximately 11,610 new residents in the Trade Area to 2046 (an increase of 55% from 2021). The projected population of 2,670 residents in the Parkbridge Meaford Development represents approximately 23% of the projected population in the Trade Area. Therefore, the recommended 25,000 square feet of retail/service commercial space is commensurate with the demand generated by the subject site population.

While our per capita analysis has identified future demand for food store retail, as well as health and personal care stores, these types of tenants are more likely to located in the Primary Settlement Areas of Meaford and Thornbury, due to the large existing population, as well as anticipated population growth.

Retail Service Needs Per Capita Analysis

Based on the amount of retail/service commercial space warranted by the future residents of the Trade Area additional retail/service space in select store categories will be warranted in the Trade Area by 2046. The categories identified with additional warranted space which are most likely to locate within the Parkbridge Meaford Development include:

- **Food Store Retail (FSR)** – Our per capita analysis identified 43,000 square feet of additional space warranted by 2046, most of which is in the Supermarket store category. However, we believe the subject site would be best suited to a Specialty Food Store, such as a convenience store or bakery, of up to 2,500 square feet.

- **Health & Personal Care** – Our per capita analysis identified 45,100 square feet of additional space warranted by 2046. A large portion of this space, up to 10,000 square feet, could locate within the Parkbridge Meaford Development in the form of a drug store or medical supply store. This store would be well-positioned to serve residents located in the community on the subject lands.

- **Finance, Insurance & Real Estate** – Our per capita analysis identified 8,200 square feet of additional space warranted by 2046. We believe approximately 2,500 square feet could locate within the Parkbridge Meaford Development. Although we believe it is unlikely to be a bank branch. It is likely that a financial services firm (e.g., investment broker) or insurance broker could locate on the site that would cater to people living on the community.

- **Food Services** Our per capita analysis identified 24,900 square feet of additional space warranted by 2046. We believe there is an opportunity to include some of this space on the subject site focused primarily on serving community residents, as well as the passerby trail users. Up to 5,000 square feet of limited-service (e.g., take out, café, etc.) food services space could be included on commercial lands at the Parkbridge Meaford Development.

- **Personal Care** – Our per capita analysis identified 34,300 square feet of additional space warranted by 2046. The Personal Care tenants most likely to locate on the subject lands include hair care & esthetics, a small day spa, a nail studio, or a pet care business. We believe the subject site could include up to 2,500 square feet of Personal Care store space at full build-out.

Development Pipeline

In Section 4.1, we identified some 49,500 square feet of retail/service space in the Trade Area at various stages of the development pipeline. This space—and its future tenant types where known—has been directly considered when forming our recommendations for the Parkbridge Meaford Development as it will likely be constructed and occupied in the short to medium-term (e.g., within 10 years) and thus will likely pre-empt the space being contemplated for the subject lands.

Existing Retail / Service Commercial Mix

As detailed in Section 4.2, the Trade Area currently contains significantly more retail/service space per capita than the downtown areas of a sample of Southern Ontario municipalities. Despite this abundance of space, the vacancy rate in the Trade Area is very low, suggesting a healthy retail/service environment supported by a significant seasonal population and tourism industry. **Furthermore, a low proportion of space in the Services category suggests this may be where the most opportunity lies in the future.**

With this in mind, it is important to note that a high reliance on seasonal residents and tourists adds increased risk to the market in times of economic downturn or decreased discretionary spending. By primarily focusing on serving the needs of the residents within the Parkbridge Meaford Development, the retail/service space on the subject lands will have less exposure to this risk and better serve the residents.

6.2 Location and Phasing

The retail/service space within the Parkbridge Meaford Development should be placed in a location that fronts along Highway 26 and the Georgian Trail. Based on 30% lot coverage, up to 1.9 acres (0.8 hectares) of land is required to accommodate the 25,000 square feet of retail/service space recommended for the subject lands. This will provide for an adequate amount of parking, an important characteristic of highway centric retail/service development. Also, if Parkbridge decides to provide space for a dedicated public square to allow for placemaking, as recommended below, the amount of land allocated to a commercial block should be increased. SvN Architects + Planners has prepared a demonstration plan for the retail/service commercial space within the Parkbridge Meaford Development. As shown, this space is proposed to have exposure to the village square and the Georgian Trail and be located in proximity to the potential community facility.

Figure 6.1

Demonstration Plan for Retail/Service Commercial Space

Source: Parcel based on SvN Architects + Planners.

We recommend the retail/service space on the subject site be phased with the build-out of the residential units. This is especially important as the retail/service space will largely be supported by the residents of the Parkbridge Meaford Development, as well as the growing Trade Area population—to a lesser extent.

It is our opinion that up to 5,000 square feet of space could be accommodated in the first phase of development on the subject lands to serve both new residents in the community and pass-by traffic. When phasing development, Parkbridge should add commercial space incrementally in separate buildings. One example is The Village by Brookfield Homes in Niagara-on-the-Lake. This community includes approximately 24,000 square feet of commercial space in three separate buildings fronting along Niagara Stone Road at Garrison Village Drive. By accommodating retail and service space in separate buildings, it creates a more inviting atmosphere than a traditional strip plaza. Creating a more inviting atmosphere could help attract better tenants to the site, including destination retailers.

6.3 Opportunities for Placemaking and Destination Retail

We believe there is an opportunity for some placemaking in the form of a dedicated public square designed to support programing such as a farmer's market in the summer and a fire pit with seating in the winter. If this public square is located in proximity to the Georgian Trail, there is an opportunity for it to become a destination for trail users. However, this is contingent on well-designed programming which appeals to both residents and trail users.

Based on the specific types of commercial uses identified above, there may be an opportunity to attract destination retailers in the specialty food category, such as a butcher shop or bakery, or in food service, such as a restaurant or café. It is likely that these destination retailers will be small scale niche businesses, rather than larger chains, which already have locations in neighbouring communities. Therefore, it will be important to work with a real estate broker that specializes in working with these types of tenants.

Parcel

info@parceleconomics.com

416-869-8264

250 University Avenue, #221, Toronto, Ontario, M5H 3E5