

**TOWN OF CALEDON  
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## **Retail Commercial Opportunity and Impact Study**

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*Highway 50 and Industrial Road, Bolton, Town of Caledon*

Prepared for: 12599 Hwy 50 Ltd.

February 5, 2020





**TATE ECONOMIC RESEARCH INC.**

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Mr. Mark Di Costanzo  
12599 Hwy 50 Ltd.  
91 Parr Boulevard  
Bolton, Ontario  
L7E 4E3

February 5, 2021

**Re: Retail Commercial Opportunity and Impact Study  
Highway 50 and Industrial Road, Bolton, Town of Caledon**

Dear Mr. Di Costanzo:

Tate Economic Research Inc. is pleased to submit this Retail Commercial Opportunity and Impact Study examining the opportunity for, and impacts of, the commercial component of your proposed mixed-use development at Highway 50 and Industrial Road, in Bolton, Town of Caledon.

We look forward to sharing our findings with you.

Yours truly,  
TATE ECONOMIC RESEARCH INC.

Sameer Patel  
Vice President

James P. Tate  
President

# Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
SUMMARY OF FINDINGS AND RECOMMENDATIONS .....	1
<b>1 INTRODUCTION .....</b>	<b>4</b>
1.1 OFFICIAL PLAN CONTEXT .....	5
1.2 SCOPE OF WORK.....	5
1.3 BASIC ASSUMPTIONS .....	6
<b>2 SITE LOCATION AND ACCESSIBILITY ASSESSMENT .....</b>	<b>7</b>
2.1 SITE LOCATION.....	7
2.2 SITE ACCESSIBILITY .....	8
2.3 ON-SITE PARKING AND TRAFFIC FLOW .....	10
2.4 SITE LOCATION AND ACCESSIBILITY SUMMARY .....	10
<b>3 SURROUNDING COMMERCIAL CONTEXT .....</b>	<b>11</b>
3.1 OFFICIAL PLAN COMMERCIAL CONTEXT .....	11
3.2 EXISTING COMMERCIAL CONTEXT – BOLTON HIGHWAY 50 COMMERCIAL AREA .....	13
3.3 EXISTING COMMERCIAL CONTEXT – SURROUNDING AREA .....	15
3.4 PROPOSED COMMERCIAL.....	16
3.5 SURROUNDING COMMERCIAL CONTEXT SUMMARY .....	16
<b>4 VIABILITY ASSESSMENT OF THE DEVELOPMENT CONCEPT.....</b>	<b>17</b>
4.1 DEVELOPMENT CONCEPT.....	17
4.2 VIABILITY OF THE DEVELOPMENT CONCEPT – RETAIL LOCATION & FORMAT .....	18
4.3 VIABILITY OF THE DEVELOPMENT CONCEPT – RETAIL TRENDS .....	18
4.4 VIABILITY OF THE DEVELOPMENT CONCEPT – RETAIL TENANCIES .....	20
4.5 VIABILITY OF THE DEVELOPMENT CONCEPT – OFFICIAL PLAN & ZONING.....	21
<b>5 BOLTON POPULATION .....</b>	<b>22</b>
5.1 BOLTON POPULATION GROWTH.....	22
5.2 BOLTON CURRENT AND FUTURE POPULATION DISTRIBUTION .....	23
5.3 SUBJECT SITE POTENTIAL POPULATION.....	24
5.4 BOLTON POPULATION SUMMARY .....	24
<b>6 RETAIL DEMAND AND IMPACT .....</b>	<b>25</b>
6.1 PER CAPITA DEMAND.....	25
6.2 RETAIL IMPACT .....	26
6.3 IMPACT ON THE BOLTON CORE AREA.....	28
6.4 RETAIL DEMAND AND IMPACT SUMMARY .....	28

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## Executive Summary

Tate Economic Research Inc. (“TER”) has been retained by 12599 Hwy 50 Ltd. (“Client”) to investigate retail market conditions, opportunities and potential impacts of developing new retail commercial space in Bolton. The Client controls an 8.9 acre site consisting of multiple properties on a portion of the northeast corner of Highway 50 and Industrial Road in the Bolton Rural Service Centre, in the Town of Caledon (“Site” or “Subject Site”). The Site is municipally addressed as 12563 and 12599 Highway 50 and 2 Industrial Road.

The Client is proposing to develop the Site for a mixed-use development. The preliminary concept is comprised of five high density residential buildings consisting of over 2,000 units and ground floor retail commercial in four of the five buildings (“Subject Development”). This report addresses the retail commercial component of the proposed development.

The Client has requested that TER forecast the optimal extent of retail commercial space on the Site. The Town of Caledon has requested that a Commercial Impact Study be undertaken as a component of the application to assess the potential market impacts from the proposed retail commercial component on the Subject Site.

### **Summary of Findings and Recommendations**

**The development concept proposed is a change in form and function in an established commercial area.**

- The Site is located on Highway 50, in south Bolton, in an established commercial area which includes industrial and retail commercial uses.
- The Client has proposed a preliminary development concept consisting of five high rise towers built in five phases. Retail commercial space is proposed on the ground floor of buildings 1, 2, 3 and 5. Generally, the buildings are appropriately positioned with frontage along Highway 50 and Industrial Road.
- The focus of the retail commercial component of the Site will be on providing service to the local area and on-site residents.

**It is the opinion of TER that the Site is well located for retail commercial uses.**

- Highway 50 is a north south regional road that serves as the main traffic spine through Bolton. Highway 50 also connects to Vaughan to the southeast through east-west connections such as Major McKenzie Drive, Rutherford Road and Highway 7.
- Highway 50 has high traffic volumes. In 2016, the most recent period for which data is available, the north bound Annual Average Daily Traffic was 14,800 vehicles.

- The Subject Site's traffic connections allow access via several different options including via McEwan Drive.

**There is an established retail commercial market operating in Bolton. It includes a wide selection of retailers and our research indicates normal, healthy vacancy levels.**

- TER conducted an inventory of the existing inventory of retail and service space within the four major commercial nodes in Bolton. These nodes are: Core Commercial Area, South Hill Commercial Area, Community Shopping Centre Commercial Area and Highway 50 Commercial Area. The Subject site is located within the Highway 50 Commercial Area.
- There are 398 retail commercial units in these areas. There is a total of 1.4 million square feet of existing retail commercial space.
- There is a vacancy level of 6.2% in these areas. This vacancy level is within the normal, healthy range of 5.0% to 7.5%. It is indicative of a market that is in equilibrium.

**Population growth will result in increased demand for retail commercial space in Bolton.**

- TER undertook a 'high level' assessment of market demand for additional retail commercial space in Bolton. This analysis was based on a per capita approach. It recognized existing retail supply in Bolton, population growth, expenditure patterns, and market trends such as e-commerce.
- Based on our analysis, it is forecast that there is additional market demand for an additional 320,000 to 390,000 square feet of retail commercial space in Bolton by 2031.

**TER is recommending between 20,000 and 35,000 square of retail commercial space at the Site. This total amount of space is recommended to be built in phases.**

- TER's analysis indicates that there is market demand to support retail commercial space at the Site. This space is warranted based on the residual (additional) demand forecast for the Bolton community.
- The preliminary concept plans prepared for the Client indicate a total of 34,200 square feet of retail commercial uses on the ground floor of the Subject Site.
- TER is recommending a more limited amount of retail commercial space at the Subject Site. It is our opinion that 20,000 square feet will provide a sufficient level of service to future residents of the Site as well as add to the local service level. We recommend a lesser amount of retail commercial than is currently

envisioned in the concept plans to limit the likelihood of vacancies and to provide the opportunity for other ground floor, non-retail, amenities on the Site.

- As such, we are concluding that a range of 20,000 square feet to 35,000 square feet would be appropriate for the Subject Site. This space is to be developed in phases, subject to the construction / absorption of the residential components of the Site.

**The proposed retail commercial space at the Subject Site will not negatively impact the existing retail structure in Bolton. It will provide convenience shopping facilities to serve the future residential population contemplated for the Subject Site.**

- This TER study has demonstrated that there is adequate demand to support the retail commercial uses proposed on the Site.
- The analysis indicates that there are no impacts forecast on existing uses in the community of Bolton, or elsewhere in the Town of Caledon.
- There is a need for the proposed retail commercial uses to serve the anticipated day-to-day shopping requirements of future residents at the Subject Site.

**It is the professional opinion of Tate Economic Research Inc., that a retail commercial component of between 20,000 and 35,000 square feet is warranted at the Subject Site. A retail commercial component of this scale will not negatively impact other retail areas in Bolton and will fulfill a shopping need of future residents on the Subject Site.**

# 1 Introduction

12599 Hwy 50 Ltd. (“Client”) controls an 8.9 acre site consisting of multiple properties on a portion of the northeast corner of Highway 50 and Industrial Road in the Bolton Rural Service Centre, in the Town of Caledon (“Site” or “Subject Site”). The Site is municipally addressed as 12563 and 12599 Highway 50 and 2 Industrial Road.

The Client is proposing to develop the Site for a mixed-use development. The preliminary concept is comprised of five high density residential buildings consisting of over 2,000 units and ground floor retail commercial in four of the five buildings (“Subject Development”). This report addresses the retail commercial component of the proposed development.



## 1.1 Official Plan Context

The Site is currently designated *Bolton Highway 50 Commercial Area* and is zoned *Bolton Highway Commercial (CHB)* and *Unserviced Industrial (MU)*. The Official Plan designation and zoning do not permit the type of retail that would be envisioned as part of a residential focused mixed-use development. In addition, neither the current land use designation nor zoning permits residential uses. As such, an Official Plan and Zoning By-law Amendment will be required to permit the proposed development.

It is our understanding that a Commercial Impact Study is required to assess the impact of the proposed commercial component of the Subject Development. With respect to this requirement, the Town of Caledon Official Plan Section 5.4.3.12.2 states:

*“A Commercial Impact Study will include, as appropriate, the following:*

- a) An examination of the trading area (existing and potential), the related impacts of the proposed uses on existing uses, and an assessment of the need for the proposed uses;*
- b) A thorough examination of the proposal including:
  - i) the appropriate siting of the use as it would best serve the trading area, the uses proposed, and the design parameters of the site proposed;*
  - ii) the transportation network related to the proposed site, including network links for possible future public transit systems, and its existing /potential capacity to accommodate the proposed use(s); and,*
  - iii) a complete analysis of the site area to ensure there is adequate provision for potential expansion of the use, access/egress locations, on-site parking, loading, screening, buffering, and other areas considered appropriate including the design policies in Section 5.4.9.”**

## 1.2 Scope of Work

TER has formulated a work plan based on our understanding of the requirements. TER’s work plan is based on primary research, field inspections and a quantitative opportunity analysis. The study approach is outlined below:

- Site and access assessment;
- Competition review, including a review of proposed / planned retail commercial;
- Development concept review including an examination of retail trends;
- Trade area delineation and population forecast; and,
- Retail commercial opportunity and impact assessment.



### **1.3 Basic Assumptions**

TER understands the challenges associated with making forecasts and recognizes that deviations from historic patterns are likely to occur. Nonetheless, it remains our opinion that basic assumptions are necessary to conduct retail planning exercises such as this one in the Town of Caledon. The report and its recommendations should be reviewed considering these basic assumptions, which are outlined below:

- This report assumes the residential component of the proposed development is viable.
- The population forecasts are presumed to be accurate. If these forecasts prove to diverge significantly from the population levels realized, the conclusions of this report may require revision.
- This report is being prepared during the Covid-19 pandemic. We recognize that this pandemic will result in changes to the industry. These changes, as forecast in the context of current information, are reflected in our analysis. Overall, it is our opinion that the analysis in this report remains appropriate during pandemic conditions primarily due to its longer term approach to market demand.

## 2 Site Location and Accessibility Assessment

This section of the report examines the Subject Site in terms of its appropriateness for retail commercial uses in the context of its local and community wide location and access characteristics.

### 2.1 Site Location

Figure 2-1 illustrates the Subject Site and its surrounding location.

**Figure 2-1: Surrounding Land Use**



Source: Tate Economic Research Inc. Basemap ESRI ArcGIS.

The following observations are made with respect to the Subject Site:

- The Site is located on Highway 50, in south Bolton;
- The site has approximately 150 metres of frontage along Highway 50 and approximately 100 metres of frontage along Industrial Road;
- The Subject Site consists of several land parcels. Currently, these land parcels are occupied by a construction equipment firm, an auto body shop, an auto sales establishment and a multi unit commercial building;
- The Subject Site is in a traditional retail, highway commercial and employment area;
- The uses immediately to the north and west are primarily traditional retail, consisting of big and mid box uses; and,
- The lands to the south of the Subject Site are more varied and include retail, highway commercial and employment uses.

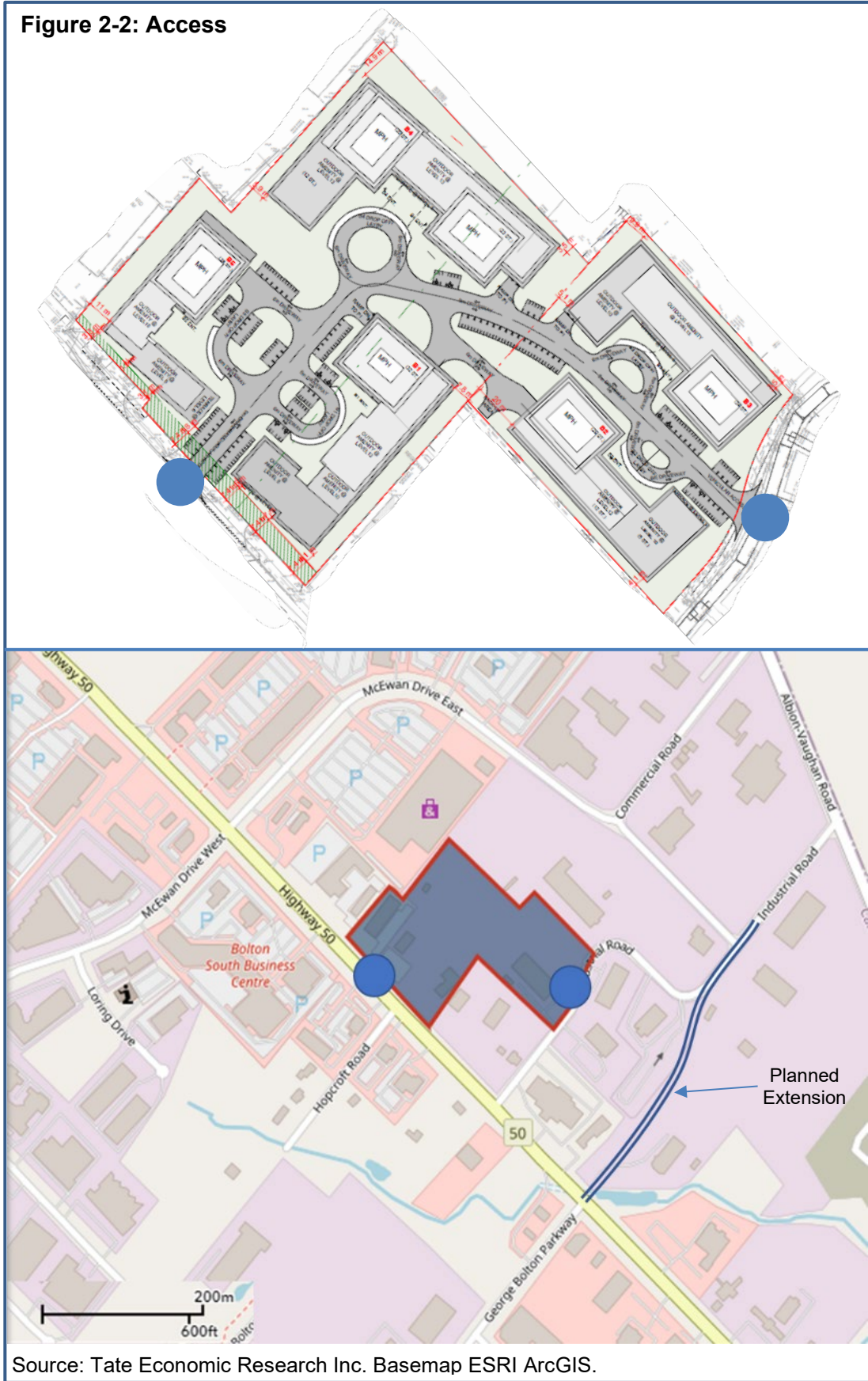
The area surrounding the Subject Site has incrementally developed over the past 20 years from vacant land to traditional employment. A second round of development is now being contemplated with the intensification of existing uses.

## **2.2 Site Accessibility**

Figure 2-2, on the following page, illustrates the accessibility characteristics based on the current site plan. The following observations are made with respect to the regional and local accessibility of the Subject Site:

- The Subject Site will have direct access to Highway 50 and Industrial Road;
- Highway 50 is a north south regional road that serves as the main traffic spine through Bolton. Highway 50 also connects to Vaughan to the southeast through east west connections such as Major McKenzie Drive, Rutherford Road and Highway 7;
- Highway 50 has high traffic volumes. In 2016, the most recent period for which data is available, the north bound Annual Average Daily Traffic was 14,800 vehicles;
- Industrial Road is a local east west road that connects Highway 50 to Albion-Vaughan Road. Albion-Vaughan Road is a by-pass road around Bolton;
- The Subject Site connection allows access via several different options including via McEwan Drive;

Figure 2-2: Access



- It should be noted, George Bolton Parkway, west of Highway 50, is planned to extend east of Highway 50 and connect to Industrial Road. This extension will allow traffic to access Albion-Vaughan Road without having to access Highway 50;
- The Site will also be accessible by a bus line that connects to regional transit in Brampton at Highway 50 and Queen Street East and to the north end of Bolton and,
- The Subject Site will also be near the preferred route of the GTA West Multimodal Transportation Corridor.

The Subject Site has accessibility characteristics that are typical of retail developments, namely multiple access points. In addition, the Subject Site has frontage along Highway 50 which is a high capacity regional road and carries a significant volume of traffic.

### **2.3 On-Site Parking and Traffic Flow**

Parking is critical to any retail development, especially when that retail is part of a mixed-use development. The following observations are made with respect to the parking proposed at the Subject Site:

- Parking will initially be supplied as surface parking on the unbuilt phases of the development;
- It is our understanding that the proposed development will be built in five phases. For example, the site area for Phases 3, 4, and 5 will be used as surface parking for Phase 1 while Phase 2 is being built; and,
- Upon completion of the entire development, there will be a limited number of surface parking spaces, however most of the parking will be accommodated in an underground parking garage covering the entire Site.

The underground parking for the retail on the Subject Site will be challenging in the “suburban” location context. This will be magnified by the ample amount of surface parking in the surrounding developments. The ability to provide surface parking while future phases are being developed is critical to establishing successful retail in early phases of the project.

### **2.4 Site Location and Accessibility Summary**

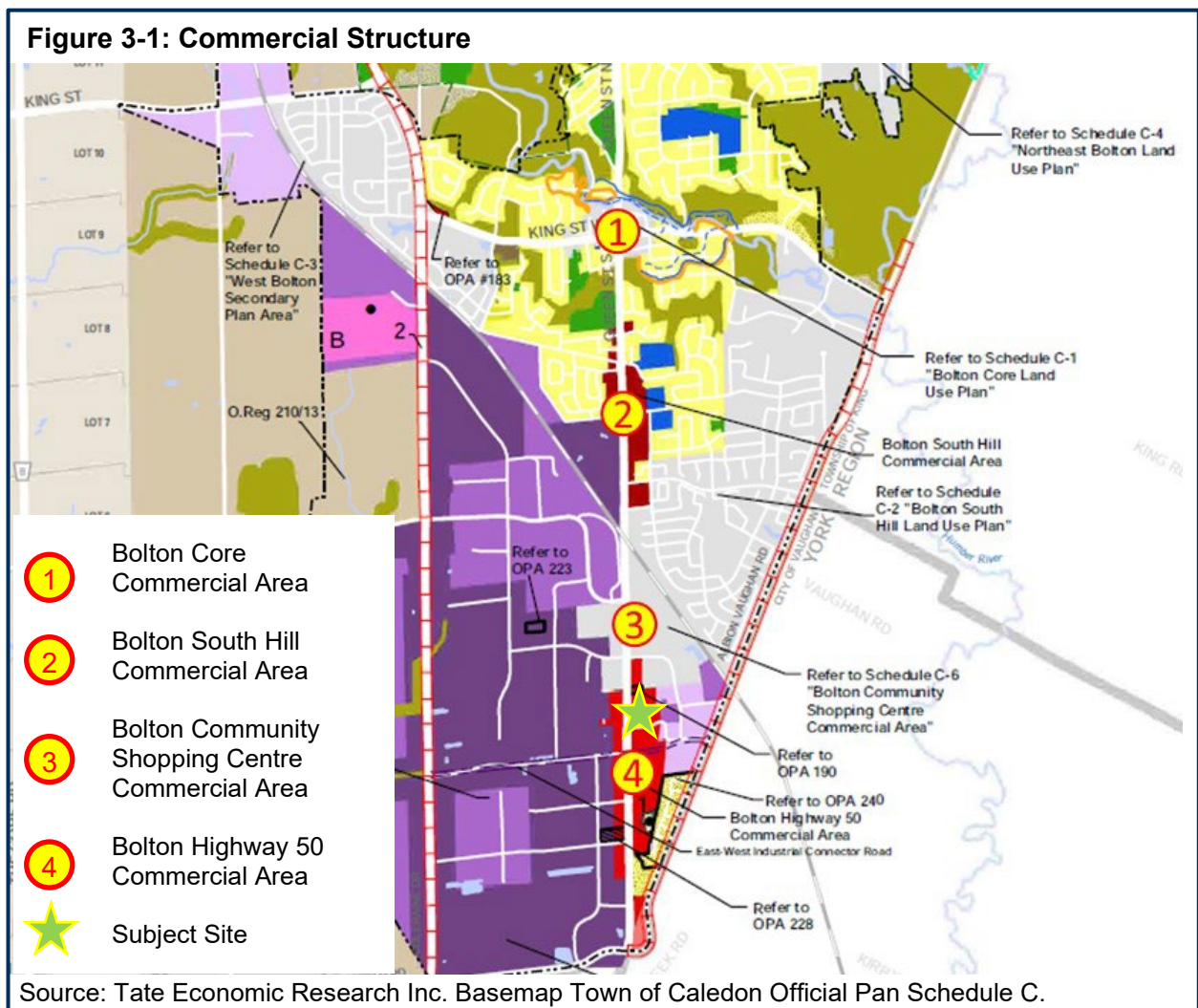
The Subject Site has the location and access characteristics required for retail, namely visibility and accessibility.

### 3 Surrounding Commercial Context

This section of the report examines the commercial context for the Site. The surrounding macro and local context contribute to our professional opinion with respect to the form, function and quantity of retail commercial space warranted on the Subject Site.

#### 3.1 Official Plan Commercial Context

The Bolton retail structure is comprised of four main areas. These four areas are highlighted on Figure 3-1 which is Schedule C Bolton Land Use Plan. The Subject Site is located within the Bolton Highway 50 Commercial Area.



There are several policies relating to each of the four areas. Generally, the policies are summarized as follows:

### **Bolton Core Commercial Area**

“The Bolton Core Commercial Area shall generally function as the principal centre for personal service and professional office uses, and may include retail/service activities, including tourism services such as antiques, gifts, souvenirs, and eating and drinking facilities in the Bolton trade area.” (Caledon OP, Section 5.10.4.5.4.2)

“The Bolton Core Commercial Area is differentiated from the other three primary commercial designations, by virtue of its pedestrian accessibility and small store sizes. As such, highway commercial uses or big box retail uses are not permitted.” (Caledon OP, Section 5.10.4.5.4.5)

### **Bolton South Hill Commercial Area**

“The Bolton South Hill Commercial Area generally shall function as one of the principal centres for non-food store retail (NFSR) uses in the Bolton trade area.” (Caledon OP, Section 5.10.4.5.5.2)

The Caledon OP states that General Commercial uses stated in the OP are permitted. These uses are:

“General Commercial applies to the core areas and other specific sites within the Rural Service Centres. General Commercial permits uses which consist of a wide range of retail and service activities, including such uses as accommodation, apparel, automotive, clinic, convenience, department store, furniture, grocery, hardware, office, personal service, pharmacy, professional/office commercial services, restaurant, and other similar uses...” (Caledon OP, Section 5.4.4.1)

### **Bolton Community Shopping Centre Commercial Area**

“The Bolton Community Shopping Centre Commercial area shall function as a commercial shopping centre for large-scale retail facilities servicing the community of Bolton...” (Caledon OP, Section 5.10.4.5.7.2)

The General Commercial uses cited above are permitted in the Bolton Community Shopping Centre Commercial Area

### **Bolton Highway 50 Commercial Area (Subject Site Designation)**

“The Bolton Highway 50 Commercial Area generally shall function as the principal centre for automotive-related uses and commercially-related recreational uses in the Bolton trade area.” (Caledon OP, Section 5.10.4.5.6)

“All highway commercial uses as generally described in Section 5.4.5 shall be permitted. Notwithstanding Section 5.4.5, large-scale business and professional

office uses, and high quality prestige industrial type uses, in accordance with the provisions of Section 5.5, shall be permitted in the Bolton Highway 50 Commercial Area. All other professional offices, personal services and ancillary residential uses shall be discouraged from locating in this Area, and new retail stores shall not be permitted. Existing retail uses, such as hardware and lumber stores, may be permitted minor expansion, subject to the provisions of the implementing Zoning By-law.” (Caledon OP, Section 5.10.4.5.6.3)

“Highway Commercial Uses shall include the following: tourist accommodation, automotive, recreation, restaurant, and other similar uses, and such uses shall be permitted...” (Caledon OP, Section 5.4.5.1)

From an Official Plan perspective, a range of retail uses would not be permitted at the Subject Site and more typical uses such as personal services would be discouraged. The purpose of this report is to assess whether there is demand for a wider range of uses and if these uses would impact the existing commercial uses and structure.

### **3.2 Existing Commercial Context – Bolton Highway 50 Commercial Area**

This section of the report examines the existing inventory of retail and service space within the four major commercial nodes. Figure 3-2, on the following page, illustrates the inventory of retail and service space across several characteristics. The inventory was conducted by TER staff in December 2020.

The following observations are made with respect to the inventory of retail and service space, specifically, the Bolton Highway 50 Commercial area in which the Subject Site is located:

- The Bolton Highway 50 is the smallest of the four nodes both in terms of number of stores and total square footage;
- The average commercial unit size is 2,493 square feet which is the second smallest after the Core Commercial Area;
- Over 80% of the units are occupied by service uses as opposed to retail;<sup>1</sup>
- These 80% of units account for approximately 77% of the total square footage in the node;
- Within the service category, Food Services and Drinking Places comprise the most units. This is consistent with the OP policy which permits restaurants;

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<sup>1</sup> Retail refers to Food Oriented Retail (FOR) and Non Food Oriented Retail (NFOR), i.e., the sale of goods. Whereas services refer to the provision of services whether it be restaurants, nail salons etc.



**Figure 3-2: Existing Commercial Context**

	Bolton Core Commercial Area	Bolton South Hill Commercial Area	Bolton Community Shopping Centre Area	Bolton Highway 50 Commercial Area	TOTAL
<b>Node Characteristics</b>					
Number of Stores	123	118	98	59	398
Total Retail / Service / Vacant Square Feet	183,750	384,900	668,100	147,100	1,383,850
Average Store Size	1,494	3,262	6,817	2,493	3,477
<b>Distribution of Space (by store size)</b>					
Retail	10.9%	60.0%	74.6%	19.6%	56.2%
Service	73.3%	33.6%	21.4%	77.3%	37.6%
Vacant	15.9%	6.4%	4.0%	3.1%	6.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Distribution of Units (by unit count)</b>					
Retail	8.1%	29.7%	34.7%	10.2%	21.4%
Service	74.8%	58.5%	55.1%	84.7%	66.6%
Vacant	17.1%	11.9%	10.2%	5.1%	12.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
				Food Services & Drinking Places	31.3%
				Personal Care & Laundry Services	3.6%
				Financial, Insurance, Legal & Real Estate Services	8.2%
				Health Care & Social Assistance Services	19.4%
				Entertainment & Recreation Services	13.3%
				Other Services	24.2%
				Total Service	100.0%

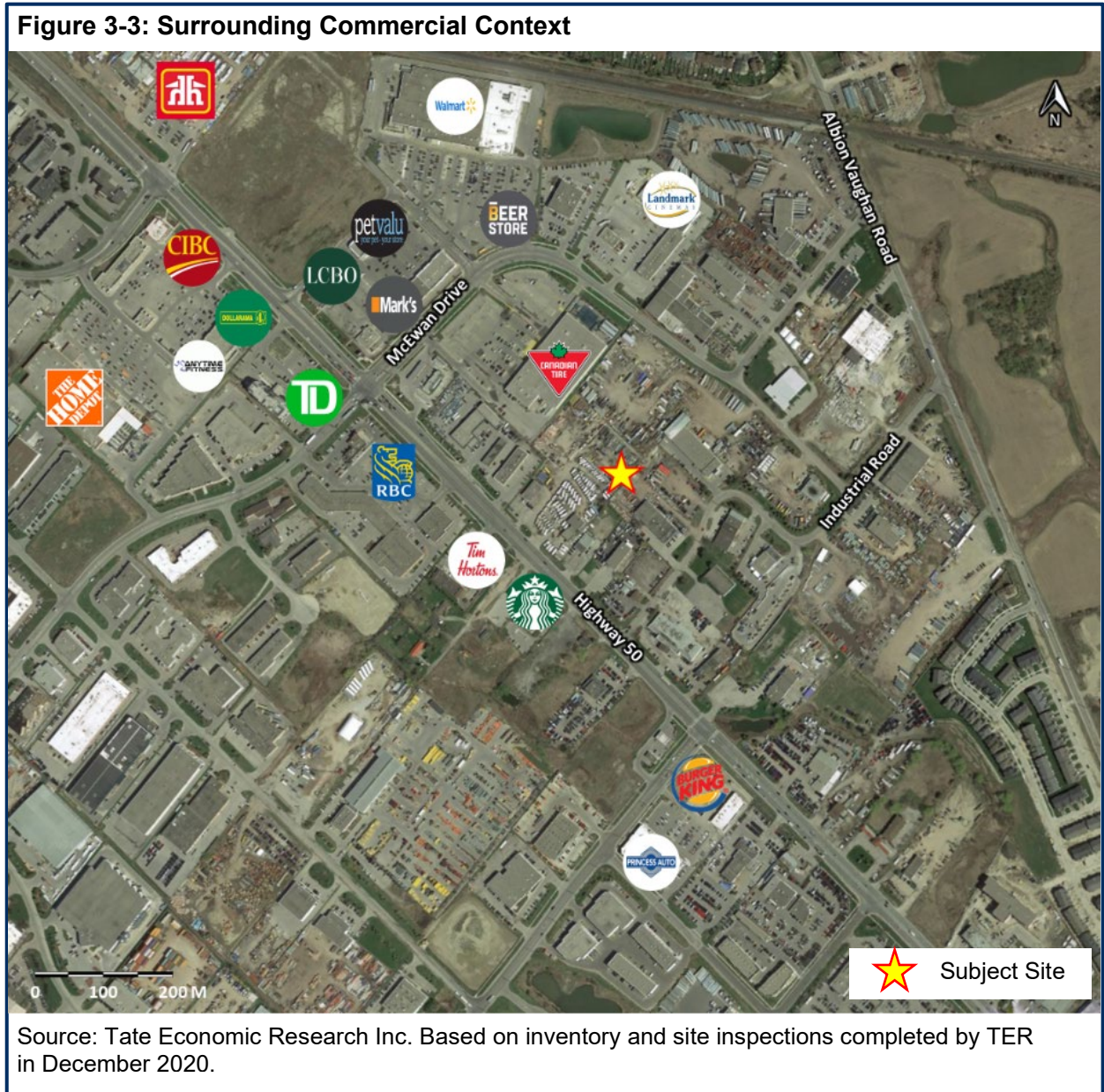
Source: Tate Economic Research Inc. Based on inventory and site inspections completed by TER in December 2020.

- With respect to retail space, there are only 6 units that are considered retail of which two are automotive, two are optical and two are miscellaneous retailers.
- The small amount of retail space and, in particular, the lack of automotive space, is an indication of the demand for an appropriateness of this type of retail space in this designation.

Currently, the existing commercial context of the Bolton Highway 50 Commercial Area is consistent with certain policies as they relate to the Bolton Highway 50 Commercial areas. Specifically, there is a significant amount of food and beverage space.

### 3.3 Existing Commercial Context – Surrounding Area

Figure 3-3 illustrates the commercial context of the lands immediately surrounding the Subject Site.



The character of the lands immediately to the north and west are retail commercial consisting of a handful of large anchor boxes and several small and mid size box retailers.

### **3.4 Proposed Commercial**

There are two commercial development applications in vicinity of the Subject Site:

- 1) 12476 Highway 50 – This site is located at the north west corner of Highway 50 and George Bolton Parkway. The application is for a five storey hotel.
- 2) 12544 Highway 50 – This site is located on the west side of Highway 50 opposite Industrial Road. The application is for a gas bar with a variety store and car wash.

Neither of these development applications have a significant impact on the retail opportunity for the Subject Site.

### **3.5 Surrounding Commercial Context Summary**

The Subject Site is adjacent to retail commercial areas and therefore there will be synergies available with the retail commercial uses to the north.

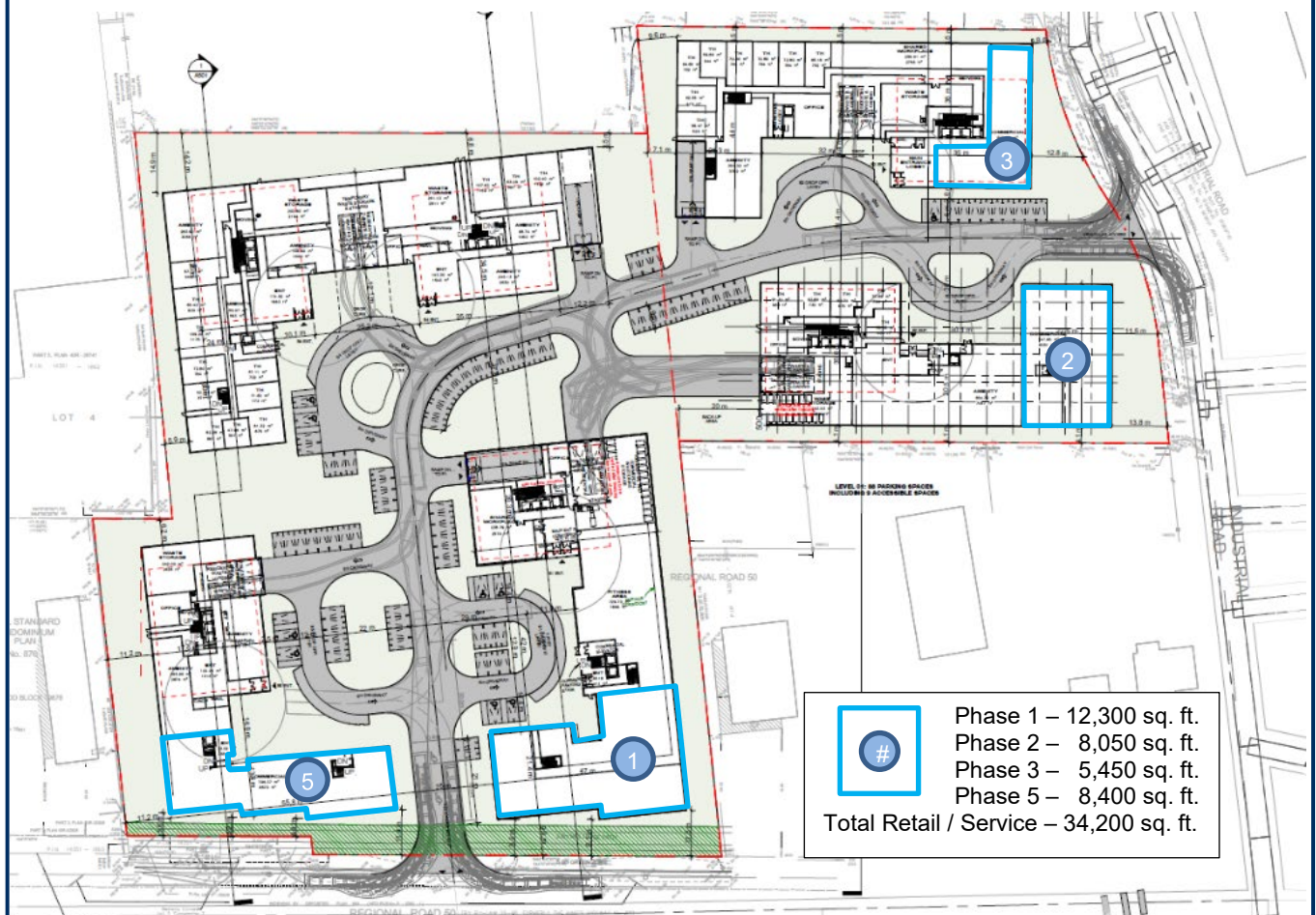
It should be noted that the current retail structure policies came into effect in 2007 and are therefore dated. The Town of Caledon is undergoing an Official Plan Review which will potentially result in new updated policies for the four commercial nodes and other areas within the Town.

## 4 Viability Assessment of the Development Concept

### 4.1 Development Concept

The Client has developed a preliminary development concept consisting of five high rise towers built in five phases. The ground floor of the towers is illustrated in Figure 4-1. The concept plan results in a total of 34,200 square feet of commercial space located on the ground floor of buildings 1, 2, 3 and 5. It should be noted that the extent of commercial space included in the concept plan is not a function of market analysis and viability, it is based primarily on design. This section of the report will examine the viability of the concept subsequent sections of this report will examine the demand for commercial space in Bolton and how much of that demand could be accommodated on the Subject Site.

Figure 4-1: Subject Site Development Concept



Source: Tate Economic Research Inc. based on SRN Architects Concept Plan, December 09, 2020

## **4.2 Viability of the Development Concept – Retail Location & Format**

TER recognizes that the concepts are preliminary. The following observations are made with respect to the layout of the commercial buildings:

- Generally, the buildings are appropriately positioned external to the overall Site and with frontage along Highway 50 and Industrial Road;
- Future phases will be used as parking and therefore, as the development progresses, there will be ample parking on the Site to accommodate shoppers;
- At build out, the Site will have approximately 96 surface parking spaces, several which will provide easy access to the commercial units;
- There are also more than 3,000 underground spaces proposed, of which we assume a number will be dedicated for retail customers;
- From a design perspective, it appears that the retail commercial units in Phase 3 and 5 may not be deep enough and may result in challenges with respect to leasing;
- Overall, TER would recommend creating the ground floor units that are as close to standard in terms of ceiling height (14.5 feet), depth (40 to 60 feet) and width (20 to 30 feet). These dimensions will allow for flexibility in tenanting as the Site builds out; and,
- Additional thought should be given to understanding how potential users can access the ground floor units from the underground garage in the event of multiple tenants per building.

Overall, it is the opinion of TER that the format and location of the retail uses on the Subject Site are appropriate.

## **4.3 Viability of the Development Concept – Retail Trends**

### **The Current State of Retail and Covid-19**

At the time of writing this report, we are amid a global pandemic. The Covid-19 pandemic is a health crisis with significant economic implications. The impact on retailers has been, and continues to be, significant due to the restrictions on movement and the temporary closure or reduction of offerings at non-essential retailers and services to stop the spread of the virus.

When there is uncertainty, consumers pause on spending. Consumer confidence and associated discretionary expenditures after the 2008 financial crisis took almost 19 months to surpass pre-crash levels. There are varying opinions on how long it will take consumer expenditure to rebound as economies start to re-open. The reality is that the path to recovery is uncertain.

The pandemic will result in hastening the closure of some stores that were already struggling in the pre Covid-19 retail environment, which was challenged by changing consumer demographics and technology. There will also be stores that were successful and may close due to factors other than demand, such as issues with landlords, lifestyle changes, etc.

Conversely, Covid-19 has allowed some retail entrepreneurs to enter the market in locations that may have previously been difficult due to high rents or lack of available space. There has been a re-emergence of hyper-local retail, where small, independent businesses are thriving as they focus on serving their own neighbourhood.

It is too early to declare any paradigm shift in terms of how and if the pandemic will impact the form and function of new retail space entering the market. Given the longer term nature of development on the Subject Site, it is not anticipated that the current impacts of Covid-19 will impact the recommendations of this report.

Over the longer term, Covid-19 has resulted in the acceleration of many retail trends that were already in process pre Covid-19 and the recommendations of this report recognize these trends. These trends are summarized below.

### **Retailer and Consumer Behaviour Trends**

- 1) An increasing role of e-commerce and a corresponding general decline in physical retail space, on a per capita basis.
- 2) Transactional shopping purchases are being made on-line, when convenient for the shopper. Therefore, when a consumer goes shopping in a physical store, the expectation is often for an “experience” that cannot be replicated on-line. This experience may be fulfilled through unique, or constantly changing offerings at retailers or through the physical design of centres and main streets. The emergence of experiential retail is further bolstered by advances in technology which allow for stores to provide interactive experiences linked to social media platforms such as Instagram and Snapchat.
- 3) On a more local level, there is a growing resurgence of local, independent retail and services characterized by craft / maker markets, maker spaces, boutiques and specialty food purveyors. These types of stores, along with others, understand and capitalize on the power of experience and local presence. For some of these stores, E-commerce has strengthened their physical presence as they are able to reach a wider audience while having a store front which is critical for customers to experience their brand in a physical setting.
- 4) Increased consumer spending on eating outside of the home has resulted in perhaps the most visible change in the retail landscape with a significant

increase in the number of food & beverage operators. This increased expenditure is a function of changing lifestyle and food costs, in addition to advancements in food delivery technology, which has allowed for restaurants to diversify income streams.

The net impact of the e-commerce on the retail market is that while demand is still present, a decreasing portion of demand is being fulfilled through brick & mortar stores. In addition, there are also fewer tenants to accommodate demand especially in the national chain categories. However, e-commerce is also allowing a new generation of local entrepreneurs to set up physical stores outside of the traditional urban centres.

### **Retail Trends and Mixed-Use**

There are several challenges associated with retail uses in mixed-use buildings. From a retailer perspective, many of these challenges relate to loading and connecting consumers from the parking lot, which is often under ground to the store front.

These challenges are amplified when dealing with large retailer who still generally prefer traditional format of single level stores with a parking field in front. This is particularly true in suburban locations where there are alternatives to ground floor mixed use developments.

To mitigate these challenges, it is recommended that developers focus on smaller retailers that do not require large amounts of parking and traffic and can be more flexible with respect to store footprints and formats.

## **4.4 Viability of the Development Concept – Retail Tenancies**

In master planned developments or multi building developments there is a tendency to try to create a significant retail program to take advantage of the on-site demand and adhere to the live, work, play axiom. In some instances, this is viable. Examples would be in large urban area where they may be an opportunity for the redevelopment of an old factory / school site in the middle of built neighborhood. These types of sites have significant population in the immediate area and can draw on demand from these areas.

However, in many cases, where development is not within an established area, it is more appropriate to plan for a retail program that provides a smaller neighbourhood offering. It our opinion that the Subject Site falls into this category.

The following observations are made with respect to the type of tenancies that could occupy the Subject Site:

- Given the surrounding retail environment, the Subject Site's locational characteristics and the preliminary development concept, it is the opinion of TER the majority of ground floor commercial space will be focused on local

retail and services, with an emphasis on food & beverage and personal service tenants.

- There will be an opportunity for a smaller food store such as a Rabba Fine Foods. However, this type of use may not be supportable until the later phases of development.
- It should be noted that the recommended food & beverage tenants are consistent with the surrounding areas.

It is our opinion that the development concept of 34,200 square feet should represent the maximum amount of space and it may be more appropriate to consider a lower figure such as 20,000 square feet.

This recommendation is based on retail trends, the location of the Subject Site and the surrounding retail context. The next section of this report will examine the viability of this space in the context of demand.

#### **4.5 Viability of the Development Concept – Official Plan & Zoning**

Currently the site is Zoned CHB *Bolton Highway Commercial* and MU *Unserviced Industrial*. Both the ground floor commercial and residential uses will require an Official Plan Amendment and associated Zoning By-law Amendments.

Given the longer term development timing of all five phases, it is the opinion of TER that maximum flexibility be sought for the ground floor retail commercial uses. We would recommend seeking no limitations on tenant types or sizes.

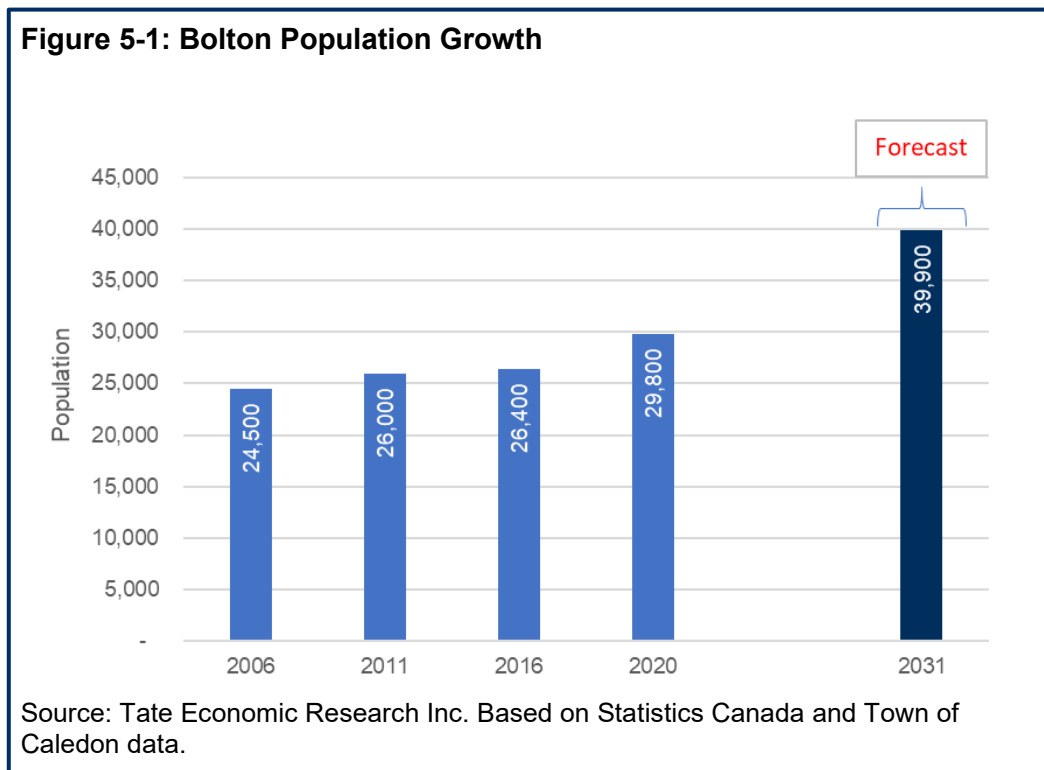


## 5 Bolton Population

Based on our assessment of Subject Site location and accessibility, as well as our understanding of the surrounding commercial structure and market, it is our opinion that any retail on the Subject Site would primarily serve a local area not extending beyond the Bolton Settlement Area.

### 5.1 Bolton Population Growth

Figure 5-1 illustrates the historical, current and future population of Bolton.



The following observations are made with respect to population growth in Bolton:

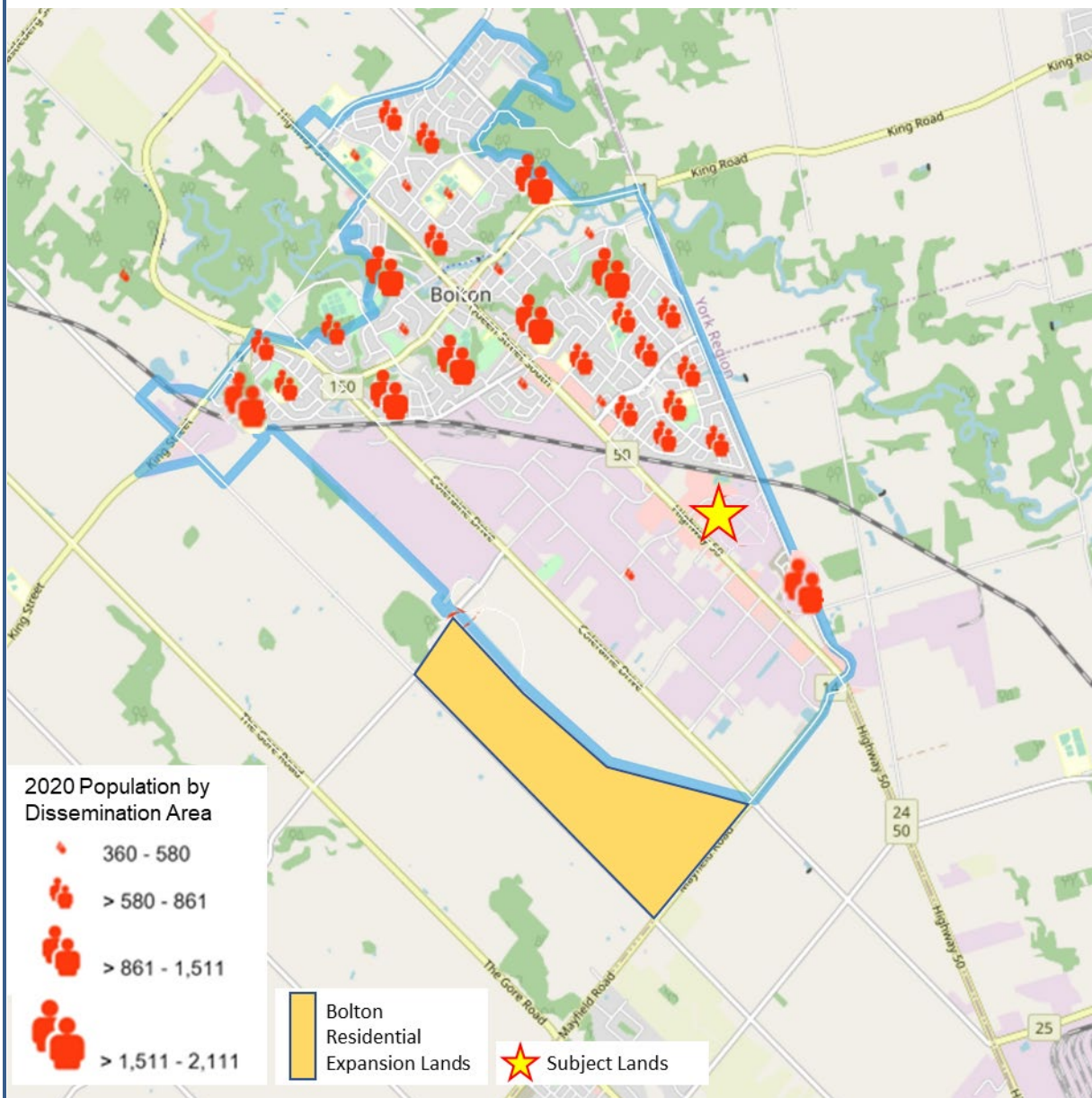
- The Bolton population is currently (2020) estimated at 29,800 persons;
- By 2031, the population is forecast to increase by approximately 10,000 persons to 39,900. This represents a 34% increase in population between 2020 and 2031.

Bolton is forecast to experience significant population growth in the short to mid term.

## 5.2 Bolton Current and Future Population Distribution

Figure 5-2 illustrates the current population distribution and the Regional approved Bolton Residential Expansion (“BRE”) lands (Regional Official Plan Amendment No. 30, under appeal). The BRE lands are meant to accommodate the majority of the 2031 population forecast.

**Figure 5-2: Bolton Population Distribution**



Source: Tate Economic Research Inc. Basemap: ArcGIS Business Analyst, 2020 Population estimates.

The following observations are made with respect to the population distribution in the context of the Subject Site:

- Most of the existing population is to the north and north east of the Subject Site; and,
- The BRE lands are to the west of the Subject Site and separated from the Subject Site by a large employment area.

### 5.3 Subject Site Potential Population

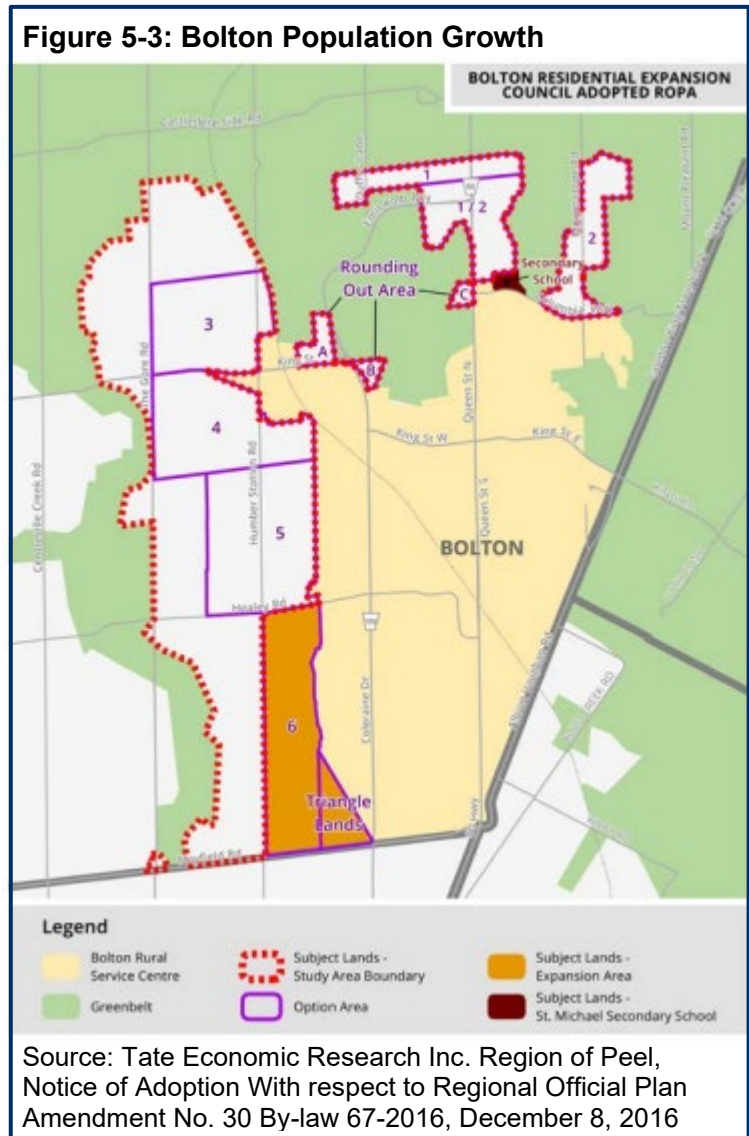
The population forecast provided in this report, would likely not have contemplated population on the Subject Site due to its current land use and zoning.

- The current development concept proposes over 2,000 units. TER estimates these units could result in an on-site population of approximately 3,500.

- TER has not specifically accounted for this additional population in the demand analysis as we have opted to take a conservative approach with respect to the assessment of demand which does not consider demand generated on-site.

### 5.4 Bolton Population Summary

There is significant population growth forecast for Bolton to 2031. Most of the future population will be accommodated west of Highway 50 on the BRE lands. It should be noted that if ROPA 30 is overturned, the other BRE lands are all similarly distant from the Subject Lands as illustrated in Figure 5-3.



## 6 Retail Demand and Impact

This section of the report examines the demand generated by the population growth forecast in Bolton.

The amount of space on the concept plan (34,200 square feet) and TER's recommendation of 20,000 square feet are both relatively minor in the context of the surrounding retail space and population growth. In addition, development on the Subject Site will occur over several years with the retail space being introduced into the market incrementally. For these reasons, TER has provided a high level per capita analysis based on the on-site demand as well as the larger Bolton Area.

### 6.1 Per Capita Demand

Figure 6-1 provides a per capita analysis assessing the demand of retail and service space needed to accommodate the additional 10,000 residents in Bolton by 2031. The following assumptions and observations have been made with respect to the analysis in Figure 6-1:

<b>Figure 6-1: Per Capita Demand Analysis</b>				
	<i>Estimated Requirements in 2031 Forecast Based on Additional Population of 10,000 persons</i>			
	Bolton Inventory <sup>(1)</sup>	Supported by Bolton Residents <i>sq. ft.</i>	Required in Bolton <sup>(2)</sup> %	Required in Bolton <i>sq. ft.</i>
<b>Food &amp; Beverage Retail (FBR)</b>	4.8	49,000	100%	49,000
<b>Non-Food &amp; Beverage Retail (NFBR)</b>	21.3	214,000	75%	160,000
<b>Service Space</b>	17.5	174,000	100%	174,000
Estimated Commercial Space Required to Serve the Additional 10,000 Residents Forecast by 2031 (rounded to nearest 1,000 sq. ft.)		437,000	88%	<b>383,000 sq. ft.</b>
		Contingency Factor + 10%		<b>421,000 sq. ft.</b>
		Contingency Factor - 10%		<b>345,000 sq. ft.</b>
Estimated Adjusted Commercial Space Required to Serve the Additional 10,000 Residents Forecast by 2031		E-Commerce Factor - 8%		<b>387,000 sq. ft.</b>
		E-Commerce Factor - 8%		<b>317,000 sq. ft.</b>

Source: Tate Economic Research Inc.

<sup>1)</sup> Based on inventory conducted in Bolton in December 2020.

<sup>2)</sup> This high level analysis assumes inflow=outflow for all categories except for Department Stores based on the nature of that category, it is unlikely another department store will locate in Bolton.

- Typically, when examining the demand for ground floor commercial space, TER does not specifically account for the demand generated by the residents in the development, as this demand is generally a minor component of overall demand and is recognized in our broader population forecasts;
- As a simplifying assumption, based on our inventory of existing retail commercial space, TER has assumed that the current population is well served with the existing supply of retail goods and services;
- The analysis assumes inflow=outflow for the FBR and Service categories. In the Bolton context, we recognize that a portion of residents' demand for retail goods and services will be satisfied outside of Bolton ("outflow"). Conversely, we recognize that residents from the surrounding areas will also travel to Bolton to satisfy a portion of their retail good and service demand ("inflow"). For this analysis, and as a simplifying assumption, we have assumed inflow=outflow;
- In the NFBR, we have assumed there will be a net outflow of dollars as there are categories which would likely not be located in Bolton due to the lack of critical mass or lack of diverse range of banners;
- The analysis is based on the additional population and does not account for where the additional population will be geographically realized;
- The analysis accounts for a reduction in the per capita service level because of e-commerce and the reduction in ground oriented retail space; and,
- Overall, our 'high level' analysis indicates there is the opportunity to add an additional 317,000 square feet of retail and service space to serve the future population growth in Bolton.

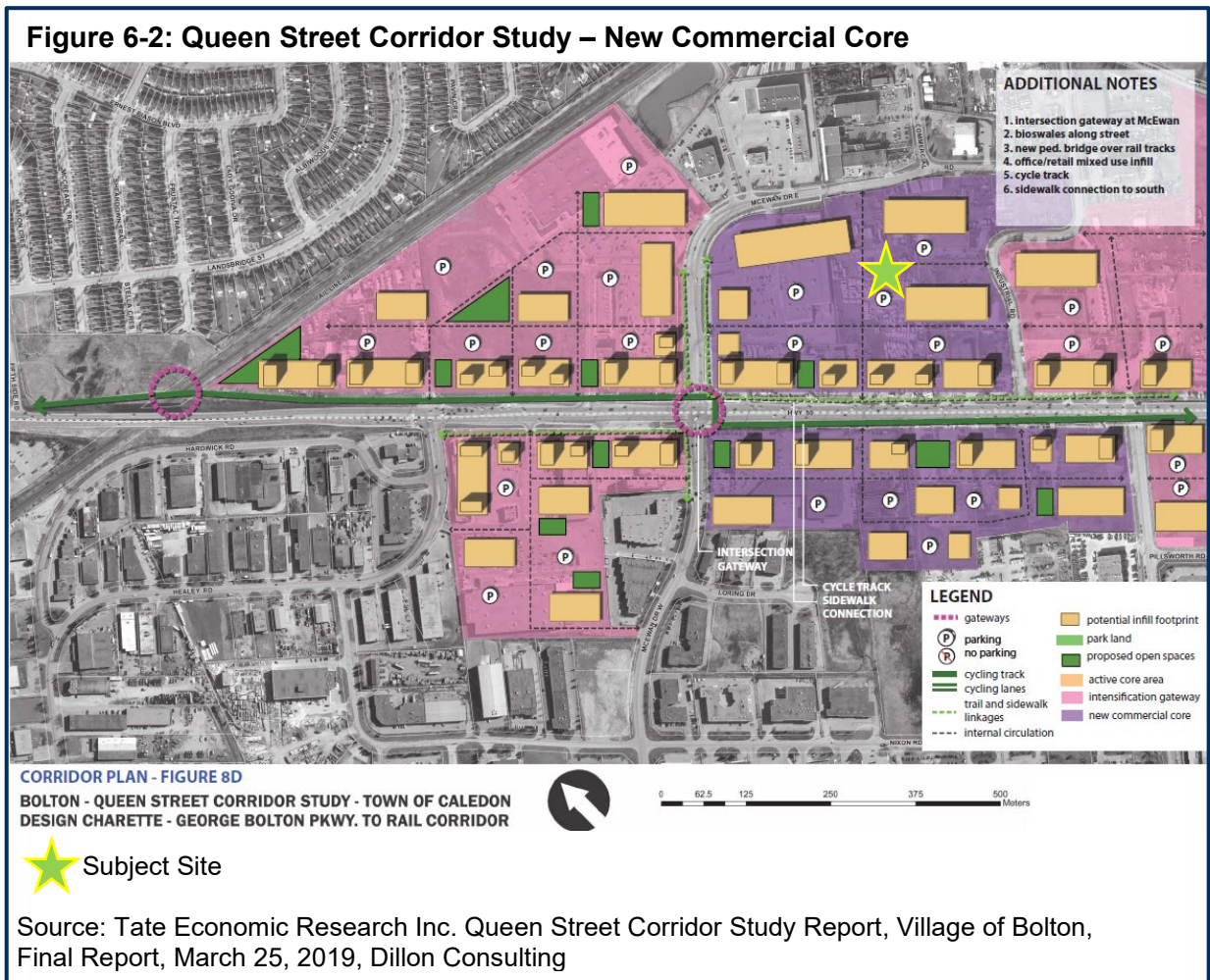
## **6.2 Retail Impact**

It is the opinion of TER that the development of the Subject Site will not result in an impact on the commercial hierarchy illustrated in Figure 3-1. This opinion is based on the following observations:

- In the context of the proposed increase in the amount of existing retail and commercial space (1,383,850 square feet, illustrated in Figure 3-2), the recommended 20,000 square feet would only represent an increase of 1.4% of the overall retail, service and vacant space in the four major nodes in Bolton;
- The amount of recommended space at the Subject Site represents between 5.2% to 6.3% of the per capita demand calculated in Figure 6-1 and therefore would not require sales transfers from existing retailers;
- It is the opinion of TER that commercial development on the Subject Site will not detract from the Highway Commercial policies. The TER recommendations with respect to food and beverage are consistent with the policies.

Furthermore, while TER is not recommending automotive uses, these types of uses are not prevalent within the Highway 50 Commercial Area.

- Retail development on the Subject Site would also be consistent with the recommendations of the Queen Street Corridor Study Report (Dillon Consulting 2019) which recommended a “New Commercial Core” which included the Subject Site and surrounding lands, as illustrated in Figure 6-2.
- The New Commercial Core would focus on “...enhancing opportunities for higher density commercial and higher density residential activity along Highway 50 between McEwan Drive and George Bolton Pkwy towards in support of establishing a new commercial core.”
- While we recognize that the recommendation of 20,000 square feet may not fit the focus of “higher density commercial” we note that this would be the first development in an anticipated large scale evolution of the surrounding retail plazas over decades. Subsequent developments in the New Commercial Core will be able to build off the demand generated from the Subject Site development.



### **6.3 Impact on the Bolton Core Area**

MDB Insight, on behalf of the Town of Caledon, prepared a Bolton Revitalization Plan. TER's review of this study indicates that many of the downtown vacant storefronts are result of factors other than lack of market demand. The Economic Vitality Recommendations focused vacant property protocols, business attraction, promotion and atypical programming.

It is the opinion of TER that commercial development on the Subject Site will not detract from the goals of the Bolton Revitalization Plan due to the location of the Subject Site, as well as the small amount of commercial space recommended.

### **6.4 Retail Demand and Impact Summary**

The significant population growth forecast for Bolton will be accompanied by demand for retail goods and services. Generally, there is opportunity for an additional 317,000 to 387,000 square feet of retail and service space in Bolton based on the forecast additional of 10,000 residents in Bolton.