

Final Report

Commercial Impact Assessment 16114 Airport Road, Caledon East



Prepared for Shacca Caledon Holdings Inc.
by IBI Group
October 30, 2019

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1 Introduction and Summary of Findings

1.1 Introduction

IBI Group was retained by Shacca Caledon Holdings (Shacca Holdings) to complete a Commercial Impact Assessment for the proposed development at 16114 Airport Road in Caledon East (Subject Site). The concept plan for the site consists of 32 townhomes, the adaptive reuse of a historic house, and the construction of additional retail space along Airport Road with a total of 13,160 sf (1,222 sm) of retail/commercial space.

An initial Commercial Impact Assessment was completed for the Subject Site in August 2017 and was peer reviewed by Tate Economic Research on May 4, 2018. This report has been revised to address the recommendations of the peer review and to test the updated development concept in the context of updated policies and projections along with a new retail inventory completed by Tate Economic Research in July of 2019.

This study will review the local context, including the Town of Caledon's retail/commercial policies, along with relevant Caledon East Secondary Plan policies. Details of the proposed development and a proposed trade area will be considered and informed by the Town of Caledon's growth projections. A high level assessment of Caledon's current retail supply and future demand assessment will be completed based on a per capita assessment and a market capture/ expenditure analysis. The study methodology has been informed by the details as set out in Section 5.4.3.13.2 of the Caledon Official Plan.

1.2 Summary of Findings

- Based on the retail/commercial inventory conducted by Tate Economic Research in July 2019, there is approximately 90,400 sf of retail/commercial space in Caledon East. The largest node in the community is Node 2: Commercial Core Area, which represents 57,000 sf or 63.1% of all space. This is followed by Node 1: South Commercial Area (25,700 sf or 28.4%) and Node 3: Other (7,700 sf or 8.5%);
- Based on the Town of Caledon's 2019 Development Charge Background Study (DCBS), Caledon East's population is forecasted to increase by 2,900 people, growing from 5,500 residents in 2019 to 8,400 residents in 2031;
- The 2019 DCBS forecasts 296,000 sf of commercial GFA between 2019 and 2031 in Caledon East;
- It is estimated that Caledon East will have a retail/commercial square foot per capita of 46 sf;
- Using the projected population growth from 2019 to 2031 from the DCBS (2,900 residents), the per capita analysis forecasts a demand of 116,000 to 145,000 sf (of retail/commercial space in Caledon East by 2031;
- Using the expected population growth from 2019 to 2031 from the DCBS (2,900 residents), the expenditure analysis forecasts a demand of 38,924 sf and 54,649 sf of retail/commercial space in Caledon East by 2031;
- After the subtraction of the Subject Site and the proposed development at 0 Atchison Drive, both the per capita and expenditure analysis yield positive residuals. Based on the impact analyses, the retail/commercial on the Subject Site and non-residential development at 0 Atchison Drive could be accommodated by 2023 using the per capita analysis, or 2027 using the expenditure analysis;

- The addition of the Subject Site to the retail/commercial inventory of space in Caledon East would not affect the commercial hierarchy of the community. The Subject Site would only account for 12.7% of all retail/commercial space, while the Commercial Core Area and the South Commercial Area would account for 55.0% and 24.8% respectively.

2 Caledon East Context & Policies

2.1 Site Context

The Subject Site is located at the northwest corner of the intersection of Walker Road West and Airport Road and is approximately 4.09 ha (10.1 ac) in size. The property is occupied by an existing heritage residence (Allison's Grove), which is located along Airport Road, approximately 120 metres north of Walker Road West.

As per the Town of Caledon Official Plan (Town OP), the Subject Site is within the Caledon East Secondary Plan Area, which is identified as a Rural Service Centre. Rural Service Centres are intended to provide a wide range of services to the larger areas of the Town and serve as primary growth areas. The Town's OP identifies Caledon East as the location of major educational, recreation and commercial facilities, along with being the administrative centre of the Town.

Uses surrounding the Subject Site include residential uses to the north, south and east, and natural heritage lands to the west. Caledon Town Hall (municipal offices), the Caledon East Community Centre, the Caledon Fire Station 303, the OPP Caledon Detachment office, two elementary schools and one secondary school are all located within a 2km radius of the property.

FIGURE 1: CALEDON EAST LAND USE PLAN



Source: Google Maps. Data accessed August 2019

2.1.1 Road Network and Transportation

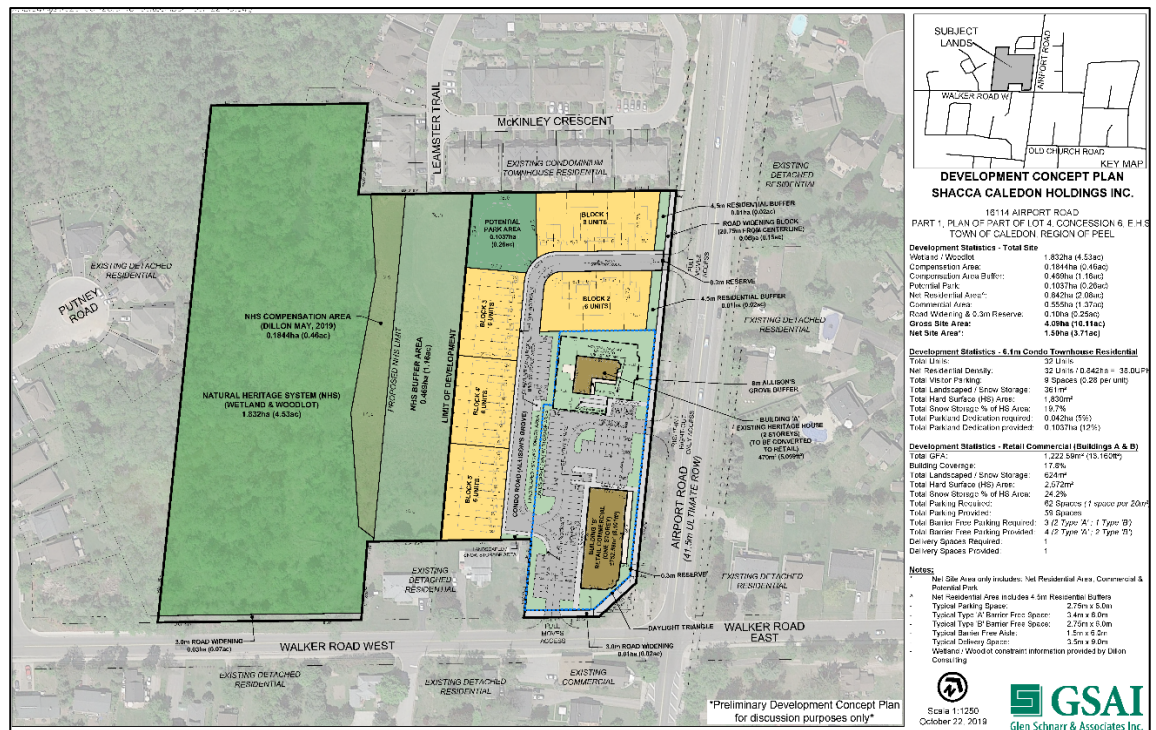
Airport Road is identified as a High Capacity Arterial Road, which are roadways that are planned to serve high volumes of medium to long distance inter and intra-regional traffic (Town OP 5.9.5.29). There is currently no local transit infrastructure which services the Caledon East Rural Service Centre. The 37 GO Bus provides service between Brampton and Orangeville and the 38 GO Bus provides service between Brampton and Bolton.

Pedestrian access to the Subject Site is provided via a sidewalk on the west side of Airport Road. The sidewalk connects with the Caledon Trailway; a 35 kilometre gavel, soil and boardwalk trail which links the communities of Caledon East, Terra Cotta, Cheltenham, Inglewood and Palgrave. The Trailway runs east-west and is located at the south end of the Airport Road "Main Street", adjacent to Centreville Creek.

2.2 Proposed Development

Shacca Holdings has prepared a concept plan to develop the Subject Site with 32 townhouse units and 13,160 sf (1,222 sm) of retail/commercial space along the Airport Road and Walker Road West frontages. Proposed access for both the residential and commercial uses will be via Airport Road and an internal condominium road.

FIGURE 2: PROPOSED CONCEPT PLAN



Source: Glen Schnarr & Associates Inc., October 2019

The proposed commercial space is divided between two buildings, Building A and B, and will be located at the southeast corner of the Subject Site. Building A proposes the re-use of the existing heritage house (Allison's Grove) as a retail building, and would provide 5,059 sf (470 sm) of retail on site. Building B proposes the remaining 8,101 sf (752.6 sm) of retail/commercial space in the form of a new commercial building. The commercial site will provide 59 parking spaces and one loading space. The total building coverage of the retail/commercial component of the development is 17.8%.

FIGURE 3: PROPOSED RETAIL/COMMERCIAL PLAZA



Source: Glen Schnarr & Associates Inc., October 2019

2.3 The Town of Caledon Official Plan - Retail/Commercial Policies

The commercial designations within the Town OP are intended to provide a range of retail and service commercial opportunities for local residents which will support existing commercial areas and help strengthen the local economy. These implementing policies for these designations recognize the value of tourism to the local economy, and seek to capture some of the outflow of commercial expenditures (Section 5.4.2). Commercial development within the Town of Caledon is to be focused primarily in the Rural Service Centres of Mayfield West, Bolton and Caledon East (Section 5.4.3.1).

The Town's OP establishes a commercial hierarchy based on the role and function of each designation. The hierarchy is as follows:

- General Commercial;
- Highway Commercial;
- Local Commercial;
- Community Shopping Centre Commercial;
- Commercial – Medical Centre;
- Commercial – financial Office; and
- Village Commercial.

Within Caledon East, the “General Commercial” designation has been applied to the lands along Airport Road, generally between Walker Road to the north and the Foodland commercial plaza to the south (Town OP, Schedule D). A small General Commercial designated parcel is located across from the Subject Site, approximately 150 metres north of Walker Road East. As per Section 5.4.4 of the Town OP, the General Commercial designation applies to core areas within the Rural Service Centres, and permits a wide-range of retail and services uses. Permitted uses include accommodation, apparel, automotive, clinic, convenience, department store, furniture, grocery, hardware, office, personal service, pharmacy, professional/office commercial services, restaurant, and other similar uses. (OP 5.4.4.1)

From Section 5.4.4, all commercial development will be subject to general design policies to ensure the development has a high standard of design, along with appropriate buffering from existing adjacent uses, and sufficient parking and loading on site. As per Section 5.4.3.13.1, any major commercial development proposed on existing commercial designated/zoned land will be required to either prepare a Commercial Impact Study or additional commercial impact assessment work.

2.4 Caledon East Secondary Plan Policies

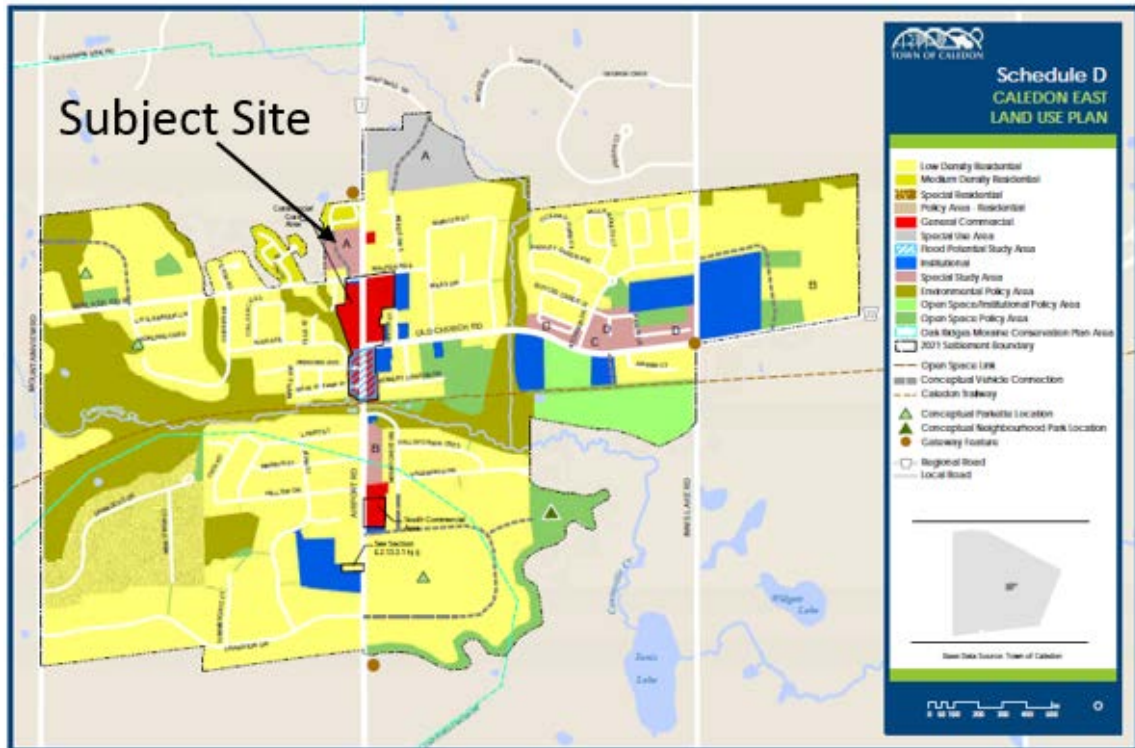
The Caledon East Secondary Plan (Caledon East SPA) applies to the lands within the Caledon East Rural Service Centre and provides the implementing policies to guide land use, environmental protection, and municipal servicing decisions within the community. The objectives of the Caledon East SPA aim to balance the rural setting of the community with the growth pressures that are associated with being a Rural Service Centre. As it relates to commercial uses, it is the objective of the secondary plan policies to strengthen and protect the commercial core and provide development and redevelopment opportunities within the core (Section 7.7.2.f))

Within the Structural Concept (Section 7.7.3) for the Caledon East SPA, Airport Road is identified as a “main street” and is intended to be the commercial focus for the community. Within the Airport Road corridor, three commercial areas have been identified:

- The Commercial Core Area (between Walker Road and the Caledon Trailway) which is intended to serve as the traditional downtown;
- The South Commercial Area (Foodland Plaza) which is intended to provide shopping centre uses; and,
- The Special Use Area A (Subject Site), which is intended to provide a limited range of tourism oriented uses.

From the General Commercial policies within the Caledon East SPA, the Commercial Core Area and the South Commercial Area are to be the sole foci for retail commercial development (Section 7.7.2). All General Commercial uses as described in Section 5.4.4, with the exception of automotive related uses and drive-through facilities are permitted.

FIGURE 4: SUBJECT SITE RETAIL CONTEXT



Source: Town of Caledon Official Plan, Schedule D

The Subject Site is designated “Special Use Area A” on Schedule D of the Official Plan. Special Use Areas are mixed-use locations that require detailed and specific policies due to the range of permitted uses, adjacent land uses, access to the sites, and other considerations. Permitted uses within Special Use Areas include a limited range of commercial and residential uses based on the area-specific policies.

As it relates to Special Use Area A, the area is intended to be an attractive northern gateway to the Caledon East Commercial Core Area which incorporates and complements the Allison’s Grove heritage building and the natural setting and features of the site (Section 7.7.8.3.1). Any development of the site must protect, incorporate and complement the heritage residence and preserve any existing trees and natural features to the greatest extent possible. Permitted uses in the Special Use Area A designation include:

- Tourism related commercial uses (restaurant, inn, bed and breakfast, antique shop, craft shop, and specialty retail);
- Apartments in the upper stories of commercial buildings; and,
- Institutional development such as seniors’ housing or a nursing home.

3 Caledon East Retail Inventory

As part of the initial August 2017 report, IBI Group conducted a retail/commercial inventory of the Core Commercial Area and the South Commercial Area in Caledon East. Through the peer review conducted by Tate Economic Research on May 4, 2018, it was recommended that the inventory of space be updated to provide additional details including store name, type, size, and location.

To address this recommendation, Tate Economic Research conducted a detailed retail/commercial inventory of the Caledon East in July 2019. The resulting inventory identifies retail/commercial space by type of space, amount of space, and location of space. The inventoried space has been divided into three nodes based on the commercial hierarchy of the community. See Appendix B for further details.

FIGURE 5: CALEDON EAST RETAIL AND SERVICE COMMERCIAL INVENTORY

	South Commercial Area	Commercial Core Area	Other	TOTAL CALEDON EAST	<i>Percent Distribution</i>
Nodes ⁽²⁾	1	2	3	1-3	
Food & Beverage Retail (FBR)					
Supermarkets & Grocery Stores	14,000	0	0	14,000	15.5%
Convenience & Specialty Food Stores	0	2,800	0	2,800	3.1%
Beer, Wine & Liquor	0	6,000	0	6,000	6.6%
Food & Beverage Retail (FBR)	14,000	8,800	0	22,800	25.2%
Non-Food & Beverage Retail (NFBR)					
Department Stores	0	0	0	0	0.0%
General Merchandise	0	0	0	0	0.0%
Clothing, Shoes & Accessories	0	1,300	500	1,800	2.0%
Furniture, Home Furnishings & Electronics	2,900	0	0	2,900	3.2%
Pharmacies & Personal Care Stores	5,200	3,400	0	8,600	9.5%
Building & Outdoor Home Supplies	0	0	0	0	0.0%
Miscellaneous Retailers	0	1,500	4,500	6,000	6.6%
Automotive	0	2,900	0	2,900	3.2%
Subtotal Non-Food & Beverage Retail (NFBR)	8,100	9,100	5,000	22,200	24.6%
Service Space					
Food Services and Drinking Places	0	10,300	0	10,300	11.4%
Personal Care and Laundry Services	1,700	5,100	500	7,300	8.1%
Financial, Insurance, Legal & Real Estate Services	0	6,100	500	6,600	7.3%
Health Care and Social Assistance Services	1,900	9,600	1,700	13,200	14.6%
Entertainment and Recreation Services	0	0	0	0	0.0%
Other Services	0	5,600	0	5,600	6.2%
Subtotal Service Space	3,600	36,700	2,700	43,000	47.6%
Total Occupied Retail & Service Space	25,700	54,600	7,700	88,000	97.3%
Vacant	0	2,400	0	2,400	2.7%
Vacancy Rate (%)	0.0%	4.2%	0.0%	2.7%	
Total Retail & Service Space	25,700	57,000	7,700	90,400	100.0%
Percent Distribution	28.4%	63.1%	8.5%	100.0%	

Source: Tate Research Economic, July 2019

1) Based on inventory and site inspections completed by TER in 2019. Rounded to the nearest 100 square feet

2) Based on Caledon East Land Use Plan, Schedule D

The updated inventory identifies approximately 90,400 sf of retail and service space within Caledon East, of which almost half (43,000 sf or 47.6%) is service space. The remaining retail/commercial space is evenly split between Food & Beverage Retail (FBR), which accounts for 22,800 sf or 25.2% of all space, and Non-Food & Beverage Retail (NFBR) which accounts for 22,200 sf or 24.6% of all retail/commercial space. There is approximately 2,400 sf (2.7%) of vacant retail/commercial space in the community.

The following sections provide an overview of each commercial node.

3.1.1 Node 1: South Commercial Area

Node 1: South Commercial Area, encompasses the General Commercial designated lands to the south of Montcrest Road and includes the Foodland Plaza at 15771 Airport Road. Node 1 is the second largest commercial node, accounting for 25,700 sf or 28.4% of all retail/ commercial space in the community. FBR is the largest retail category within the node, accounting for 14,000 sf or 54.5% of space in Node 1. This is followed by NFBR (8,100 sf or 31.5%) and Service (3,600 sf or 14%) space. There are no vacancies.

3.1.2 Node 2: Core Commercial Area

Node 2: South Commercial Area, encompasses the General Commercial designated lands along Airport Road between Walker Road and the Caledon Trailway Path. Node 2 is largest commercial node, accounting for 57,000 sf or 63.1% of all retail/commercial space in the community. Service space is the largest retail category, accounting for 36,700 sf or 64.4% of all space in Node 2. This is followed by NFBR (9,100 sf or 16.0%) and FBR (8,800 sf or 15.4%) space. Node 2 has 2,400 sf of vacant retail/commercial space, which accounts for all the commercial vacancy in Caledon East.

3.1.3 Node 3: Other

Node 3: Other, accounts for all other retail/commercial space in Caledon East. Node 3 is smallest node, accounting for 7,700 sf or 8.5% of all retail/commercial space in the community. NFBR is the largest retail category, accounting for 5,000 sf or 64.9% of all space in Node 3. This is followed by Service Space, which accounts for 2,700 sf or 35.1% of space. There is no FBR or vacant commercial space in Node 3.

FIGURE 6: EXAMPLES OF CALEDON EAST RETAIL



Source: IBI Group. August 2017

3.2 Planned and Proposed Development – Caledon East

There are currently eight active development applications (including the Subject Site) in Caledon East in various stages of the development pipeline. In total, it is expected that these developments will yield an estimated 1,344 new residential units and 4,355 new residents¹. A total of 20,662 sf of retail/commercial space is being proposed between a mixed-use mid-rise development at 0 Atchison Drive (7,502 sf of retail/commercial space) and the Subject Site. See Figures 7 and 8.

FIGURE 7: CALEDON EAST PLANNED AND PROPOSED DEVELOPMENT

Map Key	Location	Developer	Status	Residential Units	Non-res GFA (ft ²)	Population ¹⁾
1	89 Walker Road West	Castles of Caledon Corp.	Approved by OMB	213	-	690
2	15717 and 15505 Airport Road, 0 Innis Lake	Triple Crown Line Developments	Under Review	654	-	2,120
3	0 Airport Road	2031818 Ontario Ltd.	Approved by Council	21	-	70
4	6600 Old Church Road	Caledon Villas Corp.	Approved by OMB	321	-	1,040
5	0 McElroy Court	Pluribus Corp.	Under Review	14	-	45
6	0 Atchison Drive	Pluribus Corp.	Under Review	87	7,502	280
7	4 Walker Road West	Enio D'Amato	Under Review	2	-	5
Site	16114 Airport Road	Shacca Caledon Holdings Inc.	Pre-application	32	13,160	105
TOTAL				1,344	20,662	4,355

- 1) Based on Town of Caledon 2019 Development Charges Background Study – Schedule 5 PPU of 3.244. Values are rounded to the nearest 5

FIGURE 8: CALEDON EAST PLANNED AND PROPOSED DEVELOPMENT MAP



Source: Google Earth, accessed August 2019

¹ Based on the 2019 Town of Caledon Development Charges Background Study PPU of 3.244 from Schedule 5

3.3 Commercial Soft Sites

In order to assess the potential for additional retail developments along Airport Road, IBI Group reviewed three vacant sites which are designated General Commercial in the Town OP. Based on the total size of the three site (1.16 ha) and an average coverage of 25%, IBI Group has estimated that approximately 31,250 (3,500 sm) of retail/commercial space could be accommodated. Including the retail GFA on the Subject Site and the proposed development at 0 Atchison Drive, there is potential for a total of 51,912 sf (4,823 sm) of new space in Caledon East.

It should be noted that there are no active development applications on the identified soft sites and it is unknown if there will any further development on these sites.

As per the Town of Caledon 2019 Development Charges Background Study, Caledon East is anticipated to accommodate additional growth of 395,000 sf of non-residential GFA (36,700 sm) between 2019 and 2031². Of this space, approximately 296,200 sf is forecasted to be commercial GFA (27,500 sm). The estimate of retail/commercial space on the identified commercial soft sites would represent approximately 13% of the community's forecasted commercial GFA to 2031.

FIGURE 9: CALEDON EAST COMMERCIAL SOFT SITES

Site	Address	Site Size (ha)	OP Designation	Potential GFA (ft ²) - 25% Coverage
1	16018 Airport Road	0.61	General Commercial (Commercial Core Area)	16,470
2	4 Emma Street	0.29	General Commercial	7,840
3	16053 Airport Road	0.26	General Commercial (Commercial Core Area)	6,940
Total Soft Sites		1.16		31,250
Site	16114 Airport Road	0.56	Special Use Area A	13,160
	0 Atchison Drive	0.60	Mixed Use Building	7,502
Total Planned and Proposed		1.16		20,662
TOTAL		2.32		51,912

FIGURE 10: CALEDON EAST COMMERCIAL SOFT SITES MAP



Source: Google Earth, accessed August 2019

² Town of Caledon 2019 Development Charges Background Study – Schedule 10c

4 Market Area Delineation, Growth Projections & Retail Demand

4.1 Delineation of the Market Area

Given the location/context of the community, the natural and man-made barriers, and the scale of existing retail, it is estimated that the market area for the retail component of the development will be the residents, employees and visitors in the Caledon East community. The development, depending on the nature of the tenancy, may also service the larger Town of Caledon, as Caledon East is a designated Rural Service Centre.

The Subject Site is approximately 500 metres north of one of the Caledon Trailway parking areas, and 700 metres from the Trailway Pavilion in Caledon East Park. Employees located in the facilities along Old Church Road, including the Town Hall, the OPP Headquarters, the Community Centre and Schools may also be part of the market for the retail/service current and future inventory along Airport Road in Caledon East. The employees and visitors will be captured in the inflow assumptions related to the expenditure analysis.

4.2 Caledon Population and Employment Growth Projections

As per the 2016 Census, population in Caledon East has grown by approximately 1,576 residents, increasing from 2,706 people in 2011 to 4,282 people in 2016 (excluding undercount). The Census indicates that there are approximately 1,300 private dwelling units with an average of 3.2 persons per unit.

According to the Town of Caledon 2019 Development Charge Background Study (DCBS), Caledon East is forecasted to accommodate 2,900 people (including undercount) or 9% of the Town of Caledon's total population growth between 2019 and 2031. It should be noted that as part of the Region of Peel's Municipal Comprehensive Review, population and employment growth allocations to 2041 are being prepared. Based on the Draft 2041 forecasts, it is anticipated that there will be additional population and employment allocated to Caledon East in the post-2031 planning horizon.³

³ 2041 Region of Peel Draft Forecasts (Hemson) identify an additional 1,440 people and 200 jobs to Caledon East between 2031 and 2041. This forecast is not approved or incorporated into the Regional or Local Official Plans.

FIGURE 11: SUMMARY OF POPULATION BY FORECAST AREA

Location	Period	Population (Including Undercount)	Population (Excluding Undercount)	2019-2031 (including undercount)
Bolton (Existing & Bolton Expansion Area)	Mid-2011	27,980	21,040	
	Mid-2016	28,080	27,130	
	Mid-2019	29,330	28,340	
	Mid-2029	38,940	37,630	
	Mid-2031	40,700	39,330	11,370
Mayfield West (Existing, Mayfield West Phases 1 & 2)	Mid-2011	4,330	4,180	
	Mid-2016	10,600	10,240	
	Mid-2019	15,240	14,723	
	Mid-2029	24,980	24,140	
	Mid-2031	26,690	25,790	11,450
Caledon East	Mid-2011	2,660	2,570	
	Mid-2016	5,070	4,900	
	Mid-2019	5,500	5,310	
	Mid-2029	7,950	7,680	
	Mid-2031	8,400	8,120	2,900
Villages & Hamlets	Mid-2011	7,460	7,200	
	Mid-2016	7,030	6,800	
	Mid-2019	7,180	6,947	
	Mid-2029	8,690	8,410	
	Mid-2031	8,960	8,650	1,780
Rural	Mid-2011	19,110	18,470	
	Mid-2016	18,040	17,430	
	Mid-2019	18,040	17,430	
	Mid-2029	22,520	21,760	
	Mid-2031	23,250	22,470	5,210
Town of Caledon	Mid-2011	61,540	59,460	
	Mid-2016	68,820	66,500	
	Mid-2019	75,290	72,750	
	Mid-2029	103,080	99,610	
	Mid-2031	108,000	104,360	32,710

Source: Town of Caledon 2019 Development Charges Background Study, Schedule 2a

As it relates to new employment and non-residential space the Town of Caledon, the DCBS forecasts that the Town will experience an increase of 16,345 jobs between 2019 and 2031, a quarter (25%) of which is anticipated to be commercial/population related employment. This growth will require an additional 2.3 million sf (213,000 sm) new commercial/population related development. The majority of employment growth in the Town of Caledon will be Employment Land Employment/Industrial with limited Institutional Growth.

FIGURE 12: TOWN OF CALEDON EMPLOYMENT GROWTH

Period	Population	Employment					Gross Floor Area in Squire Feet (estimated)			
		Primary	Industrial	Commercial/ Population Related	Institutional	Total	Industrial	Commercial/ Population Related	Institutional	Total
Mid 2019	72,750	425	10,282	6,758	3,550	21,015				
Mid 2029	99,607	425	19,983	10,367	4,031	34,806				
Mid 2031	104,361	425	21,970	10,930	4,035	37,360				
Incremental Change										
Mid 2019-Mid-2029	26,857	0	9,701	3,609	481	13,791	13,581,200	1,985,100	314,800	15,881,100
Mid 2019-Mid 2031	31,611	0	11,688	4,172	485	16,345	16,363,000	2,294,700	315,400	18,973,100

Source: Town of Caledon 2019 Development Charges Background Study, Schedule 9b

Caledon East is anticipated to accommodate an additional 395,800 sf of non-residential GFA (36,770 sm) growth between 2019 and 2031. Of this increase in non-residential GFA, approximately 296,200 sf is forecasted to be commercial GFA (27,870 sm). The proposed retail space on the Subject Site would represent approximately 5% of the community's forecasted commercial GFA.

FIGURE 13: CALEDON EAST FORECAST OF NON-RESIDENTIAL SPACE

Development Location	Timing	Industrial GFA (sf)	Commercial GFA (sf)	Institutional GFA (sf)	Total Non-Res GFA (sf)	Employment Increase
Bolton	2019 - 2029	5,632,300	127,500	49,100	5,808,900	4,893
	2019 - 2031	7,858,000	214,500	49,600	8,122,100	6,682
Mayfield West	2019 - 2029	7,219,100	1,522,500	116,700	8,858,300	7,759
	2019 - 2031	7,725,000	1,672,000	116,800	9,514,700	8,731
Caledon East	2019 - 2029	-	245,000	99,600	344,600	597
	2019 - 2031	-	296,200	99,600	395,800	692
Tullamore	2019 - 2029	649,200	33,100	-	682,300	331
	2019 - 2031	686,400	40,700	-	682,300	360
Rural	2019 - 2029	80,600	57,000	49,400	187,000	210
	2019 - 2031	93,600	70,400	49,400	213,400	240
Town of Caledon	2019 - 2029	13,581,200	1,985,100	314,800	15,881,100	13,791
	2019 - 2031	16,263,000	2,294,700	315,400	18,973,100	16,345

Source: Town of Caledon 2019 Development Charges Background Study, Schedule 9c

There is approximately 99,600 sf (9,250 sm) of institutional space growth anticipated in Caledon East, and no forecasted industrial growth. The current growth forecasts anticipate an additional 692 institutional and commercial jobs for Caledon East between 2019 and 2031. These employees will create increased demand for commercial space.

4.3 Caledon East Retail/Commercial Demand

IBI Group has taken two approaches in estimating retail demand: a per capita assessment based on anticipated growth, and an expenditure assessment based on expected expenditures of future populations.

4.3.1 Per Capita Assessment

Using the population and commercial space forecasts from the DCBS, in conjunction with the retail/commercial inventory completed by Tate Economics Research, the anticipated level of service for residents of Caledon East is anticipated to be 46 sf (4.3 sm) of retail/commercial GFA per capita by 2031.

FIGURE 14: ESTIMATED SQUARE FEET PER CAPITA BY 2031 – CALEDON EAST

Caledon East Population (2031)	8,400
Estimated Commercial GFA 2031 (sf) ¹⁾	386,600
SF per Capita	46.0
SM per Capita	4.3

1) Commercial GFA includes retail/commercial space from Tate Economic Research inventory and commercial space growth from 2019-2031 from the 2019 DCBS

Based on the expected population growth from 2019 to 2031 from the DCBS (2,900 residents), it is anticipated that a demand of **116,000 to 145,000 sf** (10,775 to 13,470 sm) of retail/commercial space in Caledon East could be warranted.

FIGURE 15: ESTIMATED OF NEW COMMERCIAL SPACE BY 2031– DCBS POPULATION GROWTH

2019-2031 Population Growth (DCBS)	2,900	
	40 sf per capita	50 sf per capita
Retail Demand (sf)	116,000	145,000
Retail Demand (sm)	10,776	13,471

As an alternative analysis, using the estimated population from the planned and proposed developments in Caledon East of 4,355 people (Section 3.2), a demand of 174,200 to 217,750 sf (16,183 to 20,229 sm) of new retail/commercial space could be warranted in the community.

FIGURE 16: ESTIMATE OF NEW COMMERCIAL SPACE BY 2031 – PLANNED AND PROPOSED POPULATION GROWTH

Growth Planned and Proposed Development	4,355	
	40 sf per capita	50 sf per capita
Retail Demand (sf)	174,200	217,750
Retail Demand (sm)	16,183	20,229

- 1) Population Growth based on unit count from planned and proposed development multiplied by the 2019 DCBS blended PPU of 3.244

4.3.2 Market Capture/Expenditure Analysis

Future retail space demand can be estimated from a market perspective, using income and retail expenditure information. Using Statistics Canada data the following has been determined:

- The estimated average per capita income of residents in the Town is \$36,827; this is 12.9% higher than the average per capita income across Ontario.
- Based on a regression analysis which takes into account the income index and average per capita expenditures at the Provincial level, the market area retail expenditures are comprised of:
 - \$2,525 per capita for Food Store Related (FSR) expenditures
 - \$7,235 per capita for Non-Food Store Related (NFSR) expenditures
 - \$9,760 per capita retail expenditures (FSR + NFSR)

Population growth from 2019 to 2031 was previously noted as being 2,900. Assuming that the level of per capita retail expenditure remains steady in the short/medium term, the growth represents some \$28.3 million in retail expenditure growth potential.

With conservative estimates of an expenditure retention of 35% and allowing for an inflow of 10% (including spending due to local jobs as well as visitors to the area) it is estimated that \$11 million in retail spending will be attributed to new population growth between 2019 and 2031.

FIGURE 17: MARKET CAPTURE/EXPENDITURE ANALYSIS

		2019-2031 Caledon
A	Estimated Average After-Tax per Capita Income, 2017 (\$)	\$ 36,827
B	Income Index (Ontario = 100)	112.9
C	Estimated Retail Expenditure per Capita, Caledon residents, 2017 (\$)	\$ 9,760
D	Population Growth in Caledon East (People)	2,900
E = C x D	Retail Expenditure Growth Potential (\$)	\$ 28,303,931
F	% Capture Rate (Expenditures Retained in Community)	35%
G = E x F	\$ Expenditures Retained in Caledon East	\$ 9,906,376
H	% Inflow	10%
I = G/(1-H)	Total Expenditures in Community based on Population Growth	\$ 11,007,084
J	Assumed Retail Sales per Square Foot (\$ per Sq. Ft.) Low	\$ 350
K	High	\$ 700
L = I / J	Estimated Retail Space Demand (Sq. Ft.) Low	31,449
M = I / K	High	15,724
N	Service sf per capita	20
O = N x D	Service space demand from new Population Growth	58,000
P	% Capture Rate	40%
Q = O x P	Service space demand retained in Caledon East	23,200
R = L + Q	Total Estimated Retail + Service Space Growth in Caledon East in sf Low	54,649
S = M + Q	High	38,924

Allowing for a sales performance ranging from a low of \$350/sf to a high of \$700/sf, the overall estimate for new retail space is on the order of 15,724 to 31,449 sf.

Adding in a provision for service space at 20 sf per capita⁴ and applying a market capture rate of 40%, the range for additional retail/service space increases to between **38,924 sf and 54,649 sf**.

⁴ Typically service space per capita is in the 15-20 sf range. The higher end of the range has been used given the Rural Service Area designation of Caledon East.

4.4 Impact Assessment

The purpose of this Commercial Impact Assessment is to determine the impact of the proposed development on the function and structure of commercial space in Caledon East. Using the per capita and expenditure analysis from Section 4.3 of this study, IBI Group subtracted the retail/commercial space associated with the Subject Site and the planned and proposed commercial space at 0 Atchison Drive to determine if the forecasted commercial demand based on future population growth could warrant the full build out of the proposed developments.

4.4.1 Per Capita Impact Analysis

In conducting the per capita impact analysis, IBI Group used a conservative approach to the population growth, using the forecasted growth from the DCBS as opposed to the potential population yields from the planned and proposed development. The use of these numbers avoids overstating of the total retail/commercial demand for the community.

A total of 20,662 sf (1,920 sm) of retail/commercial GFA has been proposed between the Subject Site and the proposal at 0 Atchison Drive. To test the impact of these developments, this value was subtracted from the total retail demand for various growth periods. A positive residual demand would indicate that no adverse impacts on the market are anticipated.

Based on the per capita impact analysis, both of the proposed developments would be warranted by 2023, with the analysis indicating a positive residual demand of 18,005 to 27,671 sf of retail/commercial space. By 2031, this residual demand increases to 95,338 to 124,338 sf.

FIGURE 18: PER CAPITA IMPACT ANALYSIS – PLANNED AND PROPOSED DEVELOPMENTS

	2019-2031		2019-2027		2019-2025		2019-2023	
Population Growth	2,900		1,933		1,450		967	
Sq.ft/Capita	40 sf	50 sf	40 sf	50 sf	40 sf	50 sf	40 sf	50 sf
Retail Demand (sf)	116,000	145,000	77,333	96,667	58,000	72,500	38,667	48,333
Less Site and Planned/Proposed (sf)	20,662	20,662	20,662	20,662	20,662	20,662	20,662	20,662
Residual Demand (sf)	95,338	124,338	56,671	76,005	37,338	51,838	18,005	27,671

- 1) Subject Site = 13,160 sf and 0 Atchison Drive = 9,365 sf
- 2) 2023 and 2025 population growth from 2019 based on the straight line average annual growth as derived from the 2019-2031 projected population growth

4.4.2 Expenditure Impact Analysis

Similar to the per capita impact analysis, IBI Group used a conservative approach to the population growth, using the forecasted growth from the DCBS as opposed to the potential population yields from the planned and proposed development. The planned and proposed retail/commercial development on the Subject Site and at 0 Atchison Drive was then subtracted from the overall demand to determine the residual.

Based on the analysis, both of the proposed developments could be warranted in the market based on growth by 2025, pending the estimated sales per square foot target of the sites. By 2027, the planned and proposed commercial developments would be fully warranted, generating positive residuals of 5,288 to 15,771 sf. By 2031, the residuals increase to 18,262 – 33,987 sf respectively.

See Appendix A for the detailed analysis for 2029, 2027 and 2025.

FIGURE 19: EXPENDITURE IMPACT ANALYSIS – PLANNED AND PROPOSED DEVELOPMENT

	2019-2031		2019-2029		2019-2027		2019-2025	
Population Growth	2,900		2,417		1,933		1,450	
Estimated Sales/sf	High	Low	High	Low	High	Low	High	Low
Retail Demand (sf)	38,924	54,649	32,884	46,169	25,950	36,433	19,462	27,324
Less Site and Planned/Proposed (sf)	20,662	20,662	20,662	20,662	20,662	20,662	20,662	20,662
Residual Demand (sf)	18,262	33,987	12,222	25,507	5,288	15,771	-1,200	6,662

4.4.3 Impact Analysis Discussion

From the Structural Concept in the Caledon East SPA, commercial uses on the Subject Site have been envisioned and are a permitted use along the Airport Road corridor. Though minor, the development of the Subject Site would help to increase the level of service for the residents of Caledon East.

As it relates to the role and function of commercial uses within Caledon East, the development of the Subject Site would not impact the Commercial Core Area or the South Commercial Area's ability to be the main foci for retail/commercial uses in Caledon East. Based on the existing inventory of space, the addition of the Subject Site would represent 12.7% of all retail/commercial space in Caledon East, while the Commercial Core Area and South Commercial Area would still represent the largest nodes at 55.0% and 24.8% respectively.

FIGURE 20: CALEDON EAST RETAIL/COMMERCIAL INVENTORY WITH SUBJECT SITE

	Node 1: South Commercial Area	Node 2: Commercial Core Area	Node 3: Other	Subject Site	Total Caledon East
Total Space (sf)	25,700	57,000	7,700	13,160	103,560
% of Total	24.8%	55.0%	7.4%	12.7%	100.0%

- 1) Total space for Nodes 1-3 based on retail/commercial inventory conducted by Tate Economic Research, July 2019

5 Conclusions

The following summarizes the findings of this Commercial Impact Assessment:

- Based on the retail/commercial inventory conducted by Tate Economic Research in July 2019, there is approximately 90,400 sf of retail/commercial space in Caledon East. The largest node in the community is Node 2: Commercial Core Area, which represents 57,000 sf or 63.1% of all space. This is followed by Node 1: South Commercial Area (25,700 sf or 28.4%) and Node 3: Other (7,700 sf or 8.5%);
- Based on the Town of Caledon's 2019 DCBS, Caledon East's population is forecasted to increase by 2,900 people, growing from 5,500 residents in 2019 to 8,400 residents in 2031;
- The 2019 DCBS forecasts 296,000 sf of commercial GFA between 2019 and 2031 in Caledon East;
- It is estimated that Caledon East will have a retail/commercial square foot per capita of 46 sf;
- Using the expected population growth from 2019 to 2031 from the DCBS (2,900 residents), the per capita analysis forecasts a demand of 116,000 to 145,000 sf (of retail/commercial space in Caledon East by 2031;
- Using the expected population growth from 2019 to 2031 from the DCBS (2,900 residents), the expenditure analysis forecasts a demand of 38,924 sf and 54,649 sf of retail/commercial space in Caledon East by 2031;
- After the subtraction of the Subject Site and the proposed commercial development at 0 Atchison Drive, both the per capita and expenditure analysis yield positive residuals. Based on the impact analyses, the retail/commercial on the Subject Site and non-residential development at 0 Atchison Drive could be accommodated by 2023 using the per capita analysis, or 2027 using the expenditure analysis;
- The addition of the Subject Site to the retail/commercial inventory of space in Caledon East would not affect the commercial hierarchy of the community. The Subject Site would only account for 12.7% of all retail/commercial space, while the Commercial Core Area and the South Commercial Area would account for 55.0% and 24.8% respectively.

Based on the above findings, it is IBI Group's opinion that the proposed commercial development on the Subject Site will not have any adverse impacts on the retail/commercial uses within Caledon East.

Appendix A – Expenditure Analysis

		2019-2031 Caledon	2019-2029 Caledon	2019-2027 Caledon	2019-2025 Caledon
A	Estimated Average After-Tax per Capita Income, 2017 (\$)	\$ 36,827	\$ 36,827	\$ 36,827	\$ 36,827
B	Income Index (Ontario = 100)	112.9	112.9	112.9	112.9
C	Estimated Retail Expenditure per Capita, Caledon residents, 2017 (\$)	\$ 9,760	\$ 9,760	\$ 9,760	\$ 9,760
D	Population Growth in Caledon East (People)	2,900	2,450	1,933	1,450
E = C x D	Retail Expenditure Growth Potential (\$)	\$ 28,303,931	\$ 23,911,942	\$ 18,869,287	\$ 14,151,966
F	% Capture Rate (Expenditures Retained in Community)	35%	35%	35%	35%
G = E x F	\$ Expenditures Retained in Caledon East	\$ 9,906,376	\$ 8,369,180	\$ 6,604,251	\$ 4,953,188
H	% Inflow	10%	10%	10%	10%
I = G/(1-H)	Total Expenditures in Community based on Population Growth	\$ 11,007,084	\$ 9,299,089	\$ 7,338,056	\$ 5,503,542
J	Assumed Retail Sales per Square Foot (\$ per Sq. Ft.)				
K	Low	\$ 350	\$ 350	\$ 350	\$ 350
	High	\$ 700	\$ 700	\$ 700	\$ 700
L = I / J	Estimated Retail Space Demand (Sq. Ft.)				
M = I / K	Low	31,449	26,569	20,966	15,724
	High	15,724	13,284	10,483	7,862
N	Service sf per capita	20	20	20	20
O = N x D	Service space demand from new Population Growth	58,000	49,000	38,667	29,000
P	% Capture Rate	40%	40%	40%	40%
Q = O x P	Service space demand retained in Caledon East	23,200	19,600	15,467	11,600
	Total Estimated Retail + Service Space Growth in Caledon East in sf				
R = L + Q	Low	54,649	46,169	36,433	27,324
S = M + Q	High	38,924	32,884	25,950	19,462

Appendix B – Detailed Inventory



IBI GROUP FINAL REPORT
COMMERCIAL IMPACT ASSESSMENT
16114 AIRPORT ROAD, CALEDON EAST
Prepared for Shacca Caledon Holdings Inc.

Address	Street	Plaza	Store Name	Node	2018 Code	2018 Classification	Type	Active / L	W	P	Floors	Rough Store Size	Final GLA	
15771	Airport Road	Gates of Caledon East	Caledon East Audio Visual	1	43	Furniture, Home Furnishings & Electronics	Destination	Active	15	31	6.25	1	2906.25	2,900
15771	Airport Road	Gates of Caledon East	Caledon East Dentistry	1	126	Services: Health Care and Social Assistance	Destination	Inactive	10	31	6.25	1	1937.5	1,900
15771	Airport Road	Gates of Caledon East	Dryclean World	1	114	Services: Personal Care and Laundry	Convenience	Inactive	9	31	6.25	1	1743.75	1,700
15771	Airport Road	Gates of Caledon East	Guardian Pharmacy	1	50	Pharmacies & Personal Care	Convenience	Active	27	31	6.25	1	5231.25	5,200
15771	Airport Road	Gates of Caledon East	Foodland	1	11	Supermarkets & Grocery Stores	Convenience	Active	62	36	6.25	1	13950	14,000
15819	Airport Road		Franks Unisex Hair Salon	3	110	Services: Personal Care and Laundry	Convenience	Active			6.25	1	500	500
15879	Airport Road		Victorian Garden Medical Spa	3	126	Services: Health Care and Social Assistance	Destination	Inactive	17	9	6.25	1	956.25	1,000
15879	Airport Road		Caledon East Chiropractic	3	126	Services: Health Care and Social Assistance	Destination	Inactive	9	13	6.25	1	731.25	700
15935	Airport Road		Four Corners Bakery & Eatery	2	101	Services: Food Services and Drinking Places	Convenience	Active	25	21	6.25	1	3281.25	3,600
15943	Airport Road		Bow Wowz & Meowz Too	2	115	Services: Personal Care and Laundry	Destination	Inactive	15	13	6.25	1	1218.75	1,100
15955	Airport Road	Caledon Professional Centre	Caledon Optometry Clinic	2	52	Pharmacies & Personal Care	Convenience	Active	12	23	6.25	1	1725	1,700
15955	Airport Road	Caledon Professional Centre	Medical Clinic	2	126	Services: Health Care and Social Assistance	Destination	Inactive	12	23	6.25	1	1725	1,700
15955	Airport Road	Caledon Professional Centre	Pharmasave	2	50	Pharmacies & Personal Care	Convenience	Active	12	23	6.25	1	1725	1,700
15955	Airport Road	Caledon Professional Centre	Care Solutions Physiotherapy & Wellness	2	126	Services: Health Care and Social Assistance	Destination	Inactive	12	23	6.25	1	1725	1,700
15977	Airport Road		Gabe's Country Bake Shop	2	16	Convenience & Specialty Food Stores	Convenience	Active	13	16	6.25	1	1300	1,300
15955	Airport Road		Log Home Dental	2	126	Services: Health Care and Social Assistance	Destination	Inactive			6.25	1	4900	4,900
16009	Airport Road		Traffic Paralegal Services	2	134	Services: Financial, Insurance, Legal & Real Estate	Destination	Inactive	11	16	6.25	1	1100	1,100
16009	Airport Road		Caledon East Veterinary Office	2	158	Services: Other	Destination / Con	Inactive	10	16	6.25	1	1000	1,000
16011	Airport Road		Caledon Medical Cannabinoid Clinic	2	126	Services: Health Care and Social Assistance	Destination	Inactive	13	19	6.25	1	1543.75	1,300
16019	Airport Road		Canada Post	2	150	Services: Other	Convenience	Inactive	13	17	6.25	1	1381.25	1,400
16023	Airport Road		Guormandissimo	2	103	Services: Food Services and Drinking Places	Convenience	Active	9	24	6.25	1	1350	1,400
16025	Airport Road		Vacant	2	160	Vacant	-	Inactive	8	20	6.25	1	1000	1,000
16033	Airport Road		Toms Family Restaurant	2	101	Services: Food Services and Drinking Places	Convenience	Active	12	16	6.25	1	1200	1,200
16035	Airport Road		Carusi Family Hair Salon	2	110	Services: Personal Care and Laundry	Convenience	Active	10	25	6.25	1	1562.5	1,600
16035	Airport Road		Aroma Touch Spa	2	111	Services: Personal Care and Laundry	Destination / Con	Inactive	21	15	6.25	1	1968.75	1,600
16035	Airport Road		Roxies Boutique	2	32	Clothing, Shoes & Accessories	Destination	Active	7	12	6.25	1	525	500
16041	Airport Road		InKey Music Studios	2	158	Services: Other	Destination / Con	Inactive	11	13	6.25	2	1787.5	1,800
16041	Airport Road		Rosa Chiefari CA / James Wood Law	2	135	Services: Financial, Insurance, Legal & Real Estate	Destination	Inactive	8	10	6.25	1	500	500
16057	Airport Road		S.W.A.R Taekwondo & Family Fitness	2	158	Services: Other	Destination / Con	Inactive	10	22	6.25	1	1375	1,400
16069	Airport Road		Remax Aman Singh	2	133	Services: Financial, Insurance, Legal & Real Estate	Destination	Inactive	10	13	6.25	1.5	1218.75	1,200
16078	Airport Road		Inspirations	3	81	Miscellaneous Retailers	Destination	Active	23	37	6.25	1	5318.75	4,500
16068	Airport Road		Main St. Ice Cream Shop	2	102	Services: Food Services and Drinking Places	Convenience	Active	9	6	6.25	1	337.5	300
16052	Airport Road		La Cuisinez Restaurant	2	101	Services: Food Services and Drinking Places	Convenience	Active	10	13	6.25	1	812.5	800
16048	Airport Road		Mimi Nails & Spa	2	110	Services: Personal Care and Laundry	Convenience	Active	8	15	6.25	1	750	800
16000	Airport Road		LCBO	2	95	Beer, Wine & Liquor	Convenience	Active	18	53	6.25	1	5962.5	6,000
15980	Airport Road	Caledon Centre Plaza	Cloud 9 Vapes	2	86	Miscellaneous Retailers	Destination	Active	7	19	6.25	1	831.25	800
15980	Airport Road	Caledon Centre Plaza	Petrific	2	80	Miscellaneous Retailers	Convenience	Active	6	19	6.25	1	712.5	700
15980	Airport Road	Caledon Centre Plaza	Fine Foods / Howard the Butcher	2	16	Convenience & Specialty Food Stores	Convenience	Active	13	19	6.25	1	1543.75	1,500
15980	Airport Road	Caledon Centre Plaza	Subway	2	102	Services: Food Services and Drinking Places	Convenience	Active	6	19	6.25	1	712.5	700
15980	Airport Road	Caledon Centre Plaza	Gals N B	2	32	Clothing, Shoes & Accessories	Destination	Active	7	19	6.25	1	831.25	800
15976	Airport Road		Coldwell Banker	2	133	Services: Financial, Insurance, Legal & Real Estate	Destination	Inactive	13	11	6.25	1.5	1340.625	1,300
15908	Airport Road		CIBC	2	129	Services: Financial, Insurance, Legal & Real Estate	Convenience	Active	15	21	6.25	1	1968.75	2,000
15958	Airport Road		Express Automotive Parts	2	91	Automotive	Destination	Inactive	8	32	6.25	1.5	2400	2,900
15954	Airport Road		Pizza & Wings Express	2	102	Services: Food Services and Drinking Places	Convenience	Active	8	21	6.25	1	1050	1,100
3	Emma Street		Tea Boutique	2	102	Services: Food Services and Drinking Places	Convenience	Active	9	11	6.25	2	1237.5	1,200
15002	Airport Road		Thomas Cranberry Insurance	3	132	Services: Financial, Insurance, Legal & Real Estate	Destination	Inactive					500	500
15964	Airport Road		Vacant	2	160	Vacant	-	Inactive					1400	1,400
16135	Airport Road		Clothing Studio	3	32	Clothing, Shoes & Accessories	Destination	Active					500	500
													90,400	

Source: Tate Economic Research Inc., July 2019