July 2016

DILLON
CONSULTING

In Collaboration With:
Watson & Associates Economists Ltd.
Tate Economic Research Inc.
SGL Planning & Design Inc.

TOWN OF OAKVILLE

Employment and Commercial Review

Commercial Report

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1.0 Introduction

1.1 Context

The Town of Oakville is located in south Halton Region, and is home to over 182,500 residents (2011 Census of Canada). As the seventh largest municipality in the Greater Toronto Area (GTA) and located just 37 km west of the Provincial Capital, Oakville is a key employment and commercial hub in the region and has fostered a reputation for a higher standard of living and access to amenities for its residents and visitors alike.

As the Town of Oakville plans for its long-term future, a number of opportunities and challenges will need to be addressed regarding the Town's employment areas. Chief among these are a shrinking supply of vacant serviced employment lands, an evolving macro-economy premised on lower industrial growth potential and increased demand in the office sector, conversion pressure on employment lands, and stiff competition from other western Greater Toronto and Hamilton Area (GTHA) municipalities for new business investment.

At the same time, the Town's commercial areas are evolving, as consumer demands change, pressure for intensification mounts, new Greenfield areas come on-line, and established areas, such as Downtown Oakville, continue to evolve.

To ensure that the Town's employment and commercial areas remain competitive, the above economic trends and consumer demand patterns need to be addressed within the context of the current policy planning framework. Provincial, Regional and local policy continues to promote complete communities which provide a range of employment opportunities accommodated within a mix of industrial, commercial and institutional uses. Provincial, Regional and local policy also promotes compact, mixed-use built form, and the protection of employment areas for the long term.

1.2 Purpose of the Employment and Commercial Review

The Town is in the process of updating its Official Plan. The purpose of this report is to document the analysis, findings and policy directions of the Employment and Commercial Review undertaken by the consultant team and to inform staff's recommendations to council as part of the Official Plan review process. The Employment and Commercial Review is intended to proactively plan for and accommodate employment and commercial growth to the year 2041.

1.3 Project Process

The Town is undertaking this study in an integrated manner in order to review the lands designated commercial and employment comprehensively and recognize the links between commercial and employment land uses. The Review draws on the employment and commercial land use designations and policies outlined in Oakville's official plan documents, namely the Livable Oakville Plan and the North Oakville East and West Secondary Plans, and were carried out in four phases as presented in **Figure 1-1**.

Public and stakeholder consultation events are being carried out during Phase 2 and Phase 3 of the study process in order to gather feedback on the ongoing Review and dig deeper into the issues, opportunities and constraints in various areas across the Town.

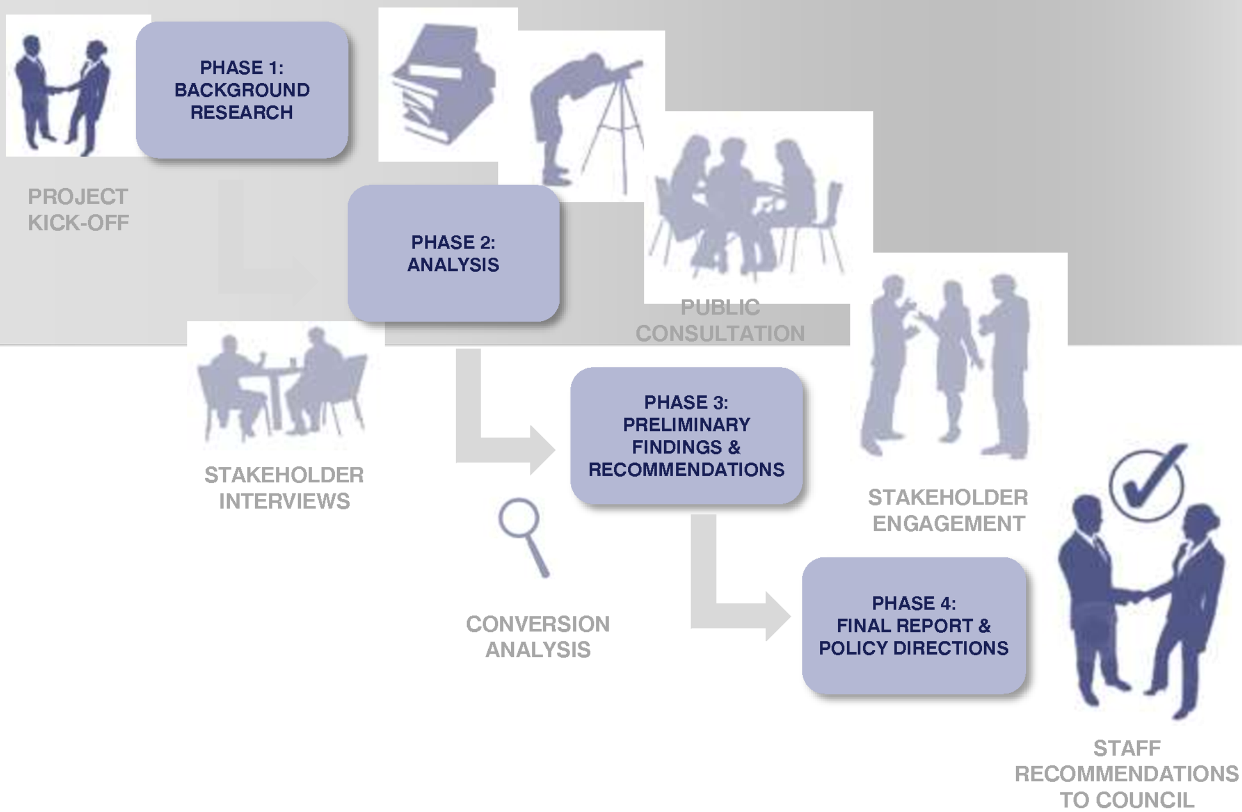


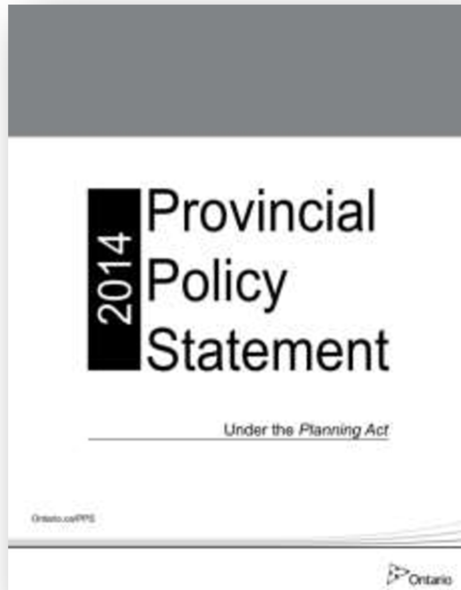
FIGURE 1-1: PROJECT PROCESS

1.4 Report Structure

This report is divided into three main topic areas. Chapters 2 and 3 provide an overview of the policy and local demographic context in the Town of Oakville, providing a foundation for this study. Chapters 4 and 5 provide an analysis of the Town's commercial lands considering both the forecasted demand and the existing and planned supply, followed by Chapter 6, which includes an analysis of the implications for future commercial land use planning. The resulting preliminary recommendations from the commercial analysis is outlined in Chapter 7.

2.0 Employment and Commercial Policy Review

The following Chapter provides an overview of the relevant Provincial, Regional and local policies which apply to employment and commercial land planning in the Town of Oakville. The policies discussed in this Chapter frame the scope of the analysis and policy directions presented in later Chapters of this report.



2.1 Provincial Policy Context

Four key documents that frame the discussion around employment lands are the Provincial Policy Statement, the Growth Plan for the Greater Golden Horseshoe, the Greenbelt Plan and the Parkway Belt West Plan. The policies set out in these documents are intended to ensure that provincial land use planning interests are protected and to provide high-level policy direction for municipalities.

2.1.1 Provincial Policy Statement

Employment area: means those areas designated in an Official Plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities.

(PPS, 2014)

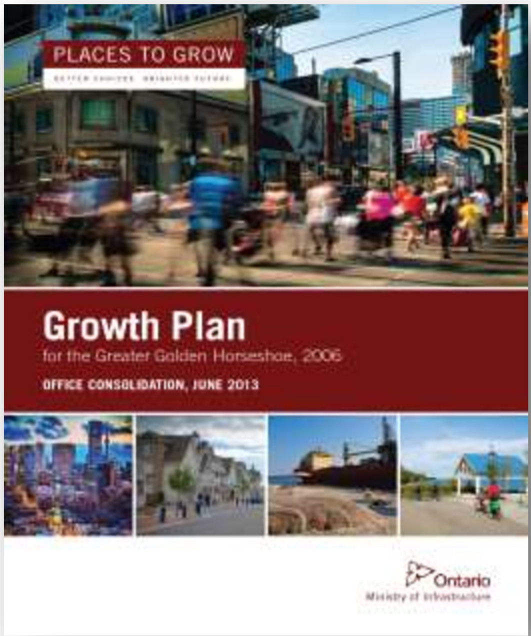
The Provincial Policy Statement, 2014 (PPS) provides policy direction on matters of provincial interest relating to land use planning and regulating the development and use of land. The PPS is issued under the authority of the Planning Act and came into effect on April 30, 2014. Under Section 3 of the Planning Act, local planning decisions “shall be consistent with” the Provincial Policy Statement and shall “conform” to provincial plans (Planning Act, R.S.O 1990, P.13 s. 3).

Section 1 of the PPS outlines policies on “Building Strong Healthy Communities.” This section promotes strong, liveable and healthy communities and requires that municipalities:

- Protect the environment, public health and safety;
- Provide the appropriate mix and range of employment, including industrial and commercial;
- Promote economic development and competitiveness;
- Provide an appropriate mix and range of employment types to meet long-term needs;
- Provide opportunities for a diversified economic base;
- Encourage compact, cost-effective development patterns; and,
- Ensure that necessary infrastructure is made available.

Specific policies relevant to the conversion and protection of employment areas can be found in the PPS. The conversion of employment areas to non-employment areas may occur only where it has been demonstrated that the land being converted is not required for employment purposes over the long term and that there is a need for the conversion (PPS, s. 1.3.2). The protection of employment lands from potential conversion only applies if the municipality has Official Plan policies in place dealing with employment land conversions. The policies also allow municipalities to protect employment lands beyond 20 years provided the lands are not designated beyond 2041, which is the alternate planning horizon established by the Growth Plan (PPS, s.1.3.2.4 & s.1.1.2). The Growth Plan for the Greater Golden Horseshoe provides more detailed policies for protection and conversion and is discussed below in Section 2.1.2.

The PPS also contains broader policies on employment including commercial employment. The PPS requires that municipalities promote economic development and competitiveness by encouraging compact, mixed-use development that incorporates compatible employment uses to support liveable communities (PPS, s. 1.3.1 c). The PPS also requires that long-term economic prosperity be supported by maintaining and enhancing the vitality and viability of downtowns and main streets (PPS, s.1.7.1 c).



2.1.2 Provincial Growth Plan for the Greater Golden Horseshoe

In 2006, the Province released the Growth Plan for the Greater Golden Horseshoe ("Growth Plan"), a 25-year plan that sets out where and how growth will occur across the Greater Golden Horseshoe. The Growth Plan provides growth forecasts for single and upper-tier municipalities and also provides policy direction for a range of areas – including land use, infrastructure and transportation planning. Relevant aspects of the Growth Plan for this study are summarized below:

- Cities and towns should develop as complete communities with a diverse mix of land uses, a range and mix of employment and housing types, high quality public open space, and easy access to local stores and services.
- Population and employment growth are to be accommodated by reducing dependence on the automobile through the development of mixed-use, transit-supportive, pedestrian-friendly urban environments.
- In general, the development of employment areas should be transit supportive, compact and minimize surface parking.
- Municipalities should preserve lands within Settlement Areas in the vicinity of major highway interchanges, ports, rail yards and airports for manufacturing and associated retail, office and ancillary facilities where appropriate.
- Major office uses and appropriate institutional development should be directed to Urban Growth Centres, major transit station areas or areas with existing or frequent transit. Midtown Oakville is identified as an Urban Growth Centre in the Growth Plan (Schedule 4, Growth Plan, 2006).

In June 2013, the Ministry of Infrastructure released Amendment 2 to update and extend the Growth Plan's population and employment forecasts to 2041 and revise the interim forecasts (i.e., 2031B and 2036). An updated office consolidation was released at the same time. The transition policies in Section 5.4.5 identify that the Schedule 3 forecasts shall be implemented by applying the 2031A forecasts to all existing Official Plan matters, and that the Updated Forecasts (i.e., 2031B, 2036 and 2041) should only be used in the next five-year municipal Official Plan review.

Table 2-1 illustrates the distribution of population and employment for the Region of Halton in both the original 2006 Growth Plan and the 2013 Office Consolidation. The 2031A projections are intended to be used for official plans commencing on or after June 16, 2006, but before June 17, 2013, and are therefore shown for context purposes only. The Region of Halton is expected to grow by 260,000 people and 110,000 jobs between 2011 and 2031 (based on the 2006 projections), and by 480,000 people and 190,000 jobs between 2011 and 2041 (based on the 2013 updated forecasts). The Region of Halton had 520,000 people and 280,000 jobs in 2011.

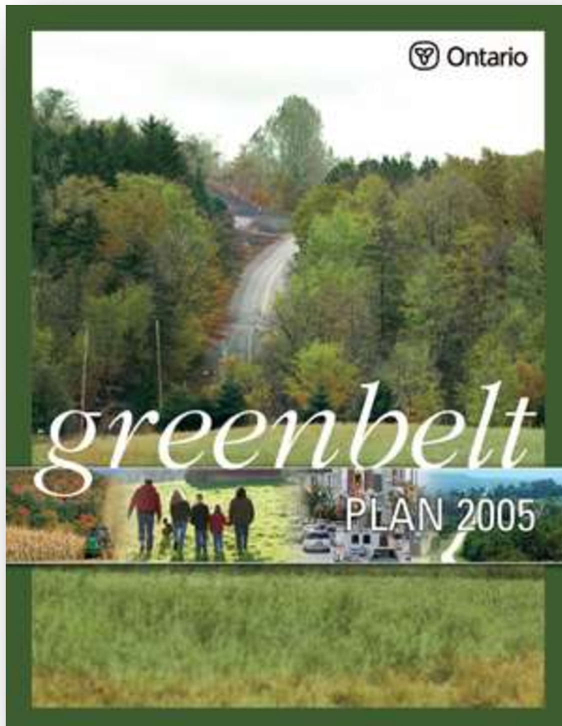
TABLE 2-1 GROWTH PLAN POPULATION & EMPLOYMENT PROJECTIONS

	Existing*		Growth Plan 2006 Projections*		2013 Updated Forecasts*					
	Pop.	**Emp.**	**Pop.**	**Emp.**	**Pop.**			**Emp.**		
	2011	**2011**	**2031A**	**2031A**	**2031B**	**2036**	**2041**	**2031B**	**2036**	**2041**
Region of Halton	520	280	780	390	820	910	1,000	390	430	470

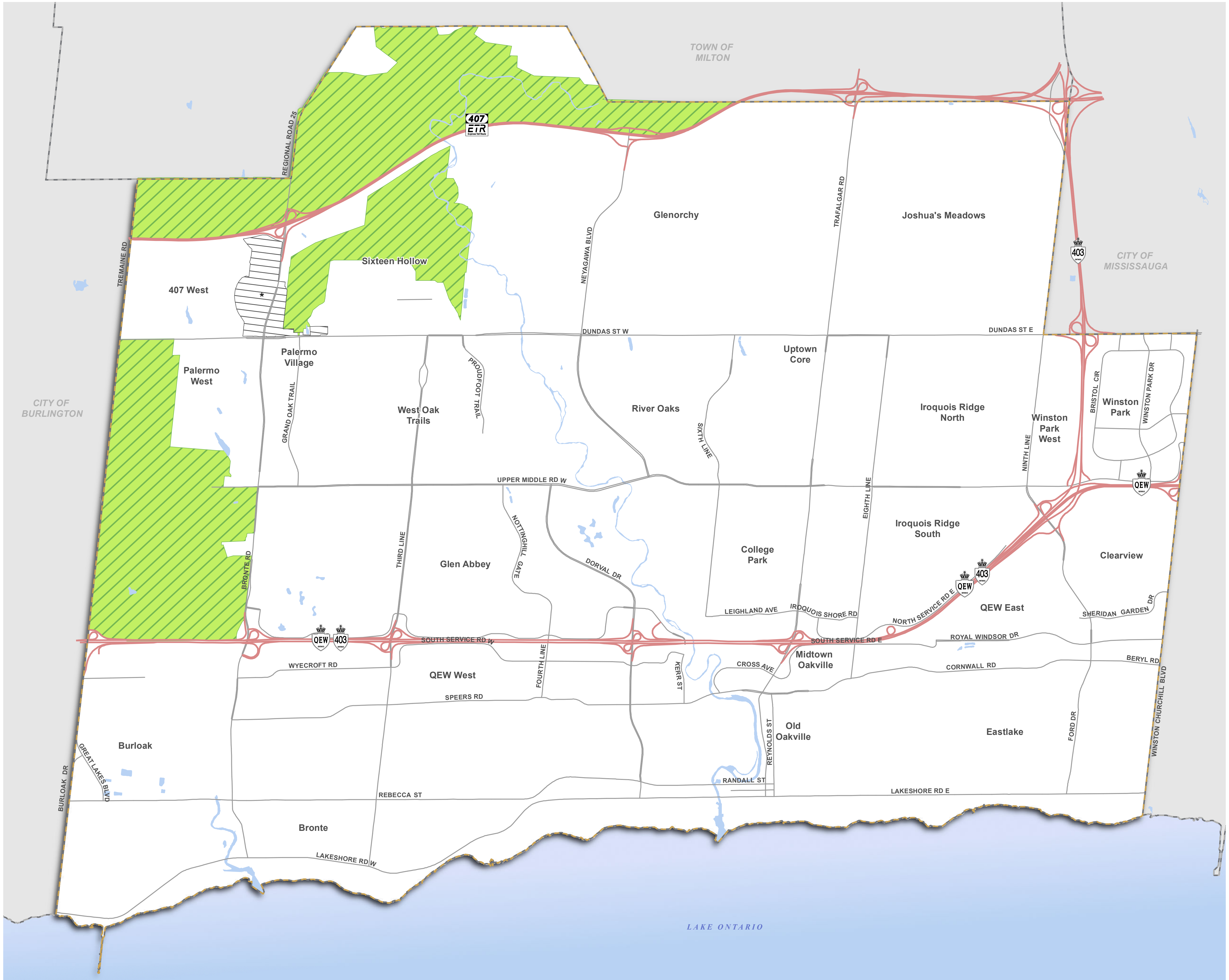
**Figures shown represent thousands (i.e. 000's).*

2.1.3 Greenbelt Plan

The Growth Plan provides the framework for where and how urban growth should occur in the Greater Golden Horseshoe. The Greenbelt Plan was established to provide a parallel framework for environmental management and protection in the same general area as the Growth Plan and is important to note as it applies to the environment, although there are no explicit employment or commercial land policies. The Greenbelt Plan includes the protection of lands designated under the Niagara Escarpment Plan and Oak Ridges Moraine Plan and allows for the protection and management of prime agricultural and specialty crop lands across the Greater Golden Horseshoe.



Some lands within the Town of Oakville are subject to the policies of the Greenbelt Plan. **Figure 2-1** shows the limits of the protected countryside Greenbelt Area in the Town of Oakville. Lands in the protected countryside are subject to the entirety of the Greenbelt Plan.



OAKVILLE

TOWN OF OAKVILLE

TOWN-WIDE EMPLOYMENT AND COMMERCIAL REVIEW

GREENBELT PLAN IN OAKVILLE

FIGURE 2-1

- 400 SERIES HIGHWAY
- ARTERIAL ROAD
- GREENBELT
- SUBJECT TO APPEAL OF NORTH OAKVILLE WEST SECONDARY PLAN (NOWSP)
- TOWN OF OAKVILLE
- OTHER MUNICIPALITIES

* SUBJECT AREA IS CURRENTLY SUBJECT TO AN APPEAL, THEREFORE THE NORTH OAKVILLE WEST SECONDARY PLAN DOES NOT APPLY

0 0.5 1 2 km

SCALE 1:50,000

MAP DRAWING INFORMATION:
DATA PROVIDED BY TOWN OF OAKVILLE (2014) AND MNR (2013)

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MAP CHECKED BY: JG
MAP PROJECTION: NAD 1983 UTM Zone 17N

FILE LOCATION:
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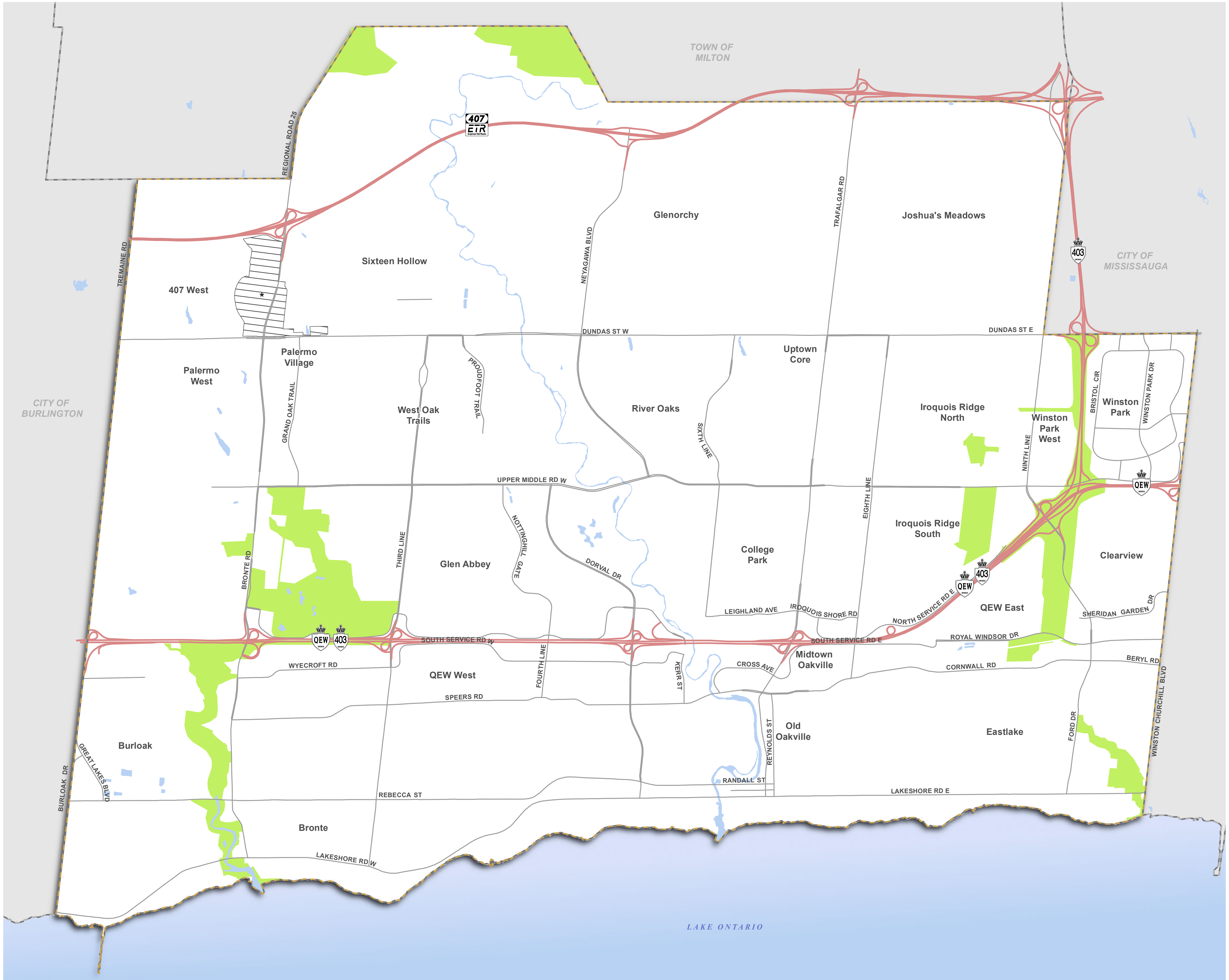
2.1.4 Parkway Belt West Plan

The Parkway Belt West Plan (PBWP) was implemented in 1978 for the purpose of creating a multi-purpose utility corridor, urban separator and linked open space system. The goals of the Parkway Belt were:

- To separate and define the boundaries of urban areas, thus helping to provide the residents with a sense of community identification.
- To link urban areas with each other and with areas outside the region by providing space for the movement of people, goods, energy, and information, without disrupting community integrity and function.
- To provide a land reserve for future linear facilities (such as highways, electric power transmission corridors, and pipelines) and for unanticipated activities requiring sites of high accessibility and substantial land area.
- To provide a system of open space and recreational facilities linked with each other with nearby communities and with other recreational areas.

The PBWP was implemented through the Parkway Belt Planning and Development Act, 1973 (now the Ontario Planning and Development Act, 1994).

Some lands located in the Town of Oakville are within the Oakville- Mississauga Mini Belt and the Burlington-Oakville Mini Belt and are subject to the policies of this plan. **Figure 2-2** outlines the areas within the Town of Oakville that are subject to the policies of the PBWP.



OAKVILLE

TOWN OF OAKVILLE

TOWN-WIDE EMPLOYMENT AND COMMERCIAL REVIEW

PARKWAY BELT IN OAKVILLE

FIGURE 2-2

- 400 SERIES HIGHWAY
- ARTERIAL ROAD
- PARKWAY BELT
- SUBJECT TO APPEAL OF NORTH OAKVILLE WEST SECONDARY PLAN (NOWSP)
- TOWN OF OAKVILLE
- OTHER MUNICIPALITIES

* SUBJECT AREA IS CURRENTLY SUBJECT TO AN APPEAL, THEREFORE THE NORTH OAKVILLE WEST SECONDARY PLAN DOES NOT APPLY

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SCALE 1:50,000

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DATE: 3/7/2016

2.2 Regional Policy

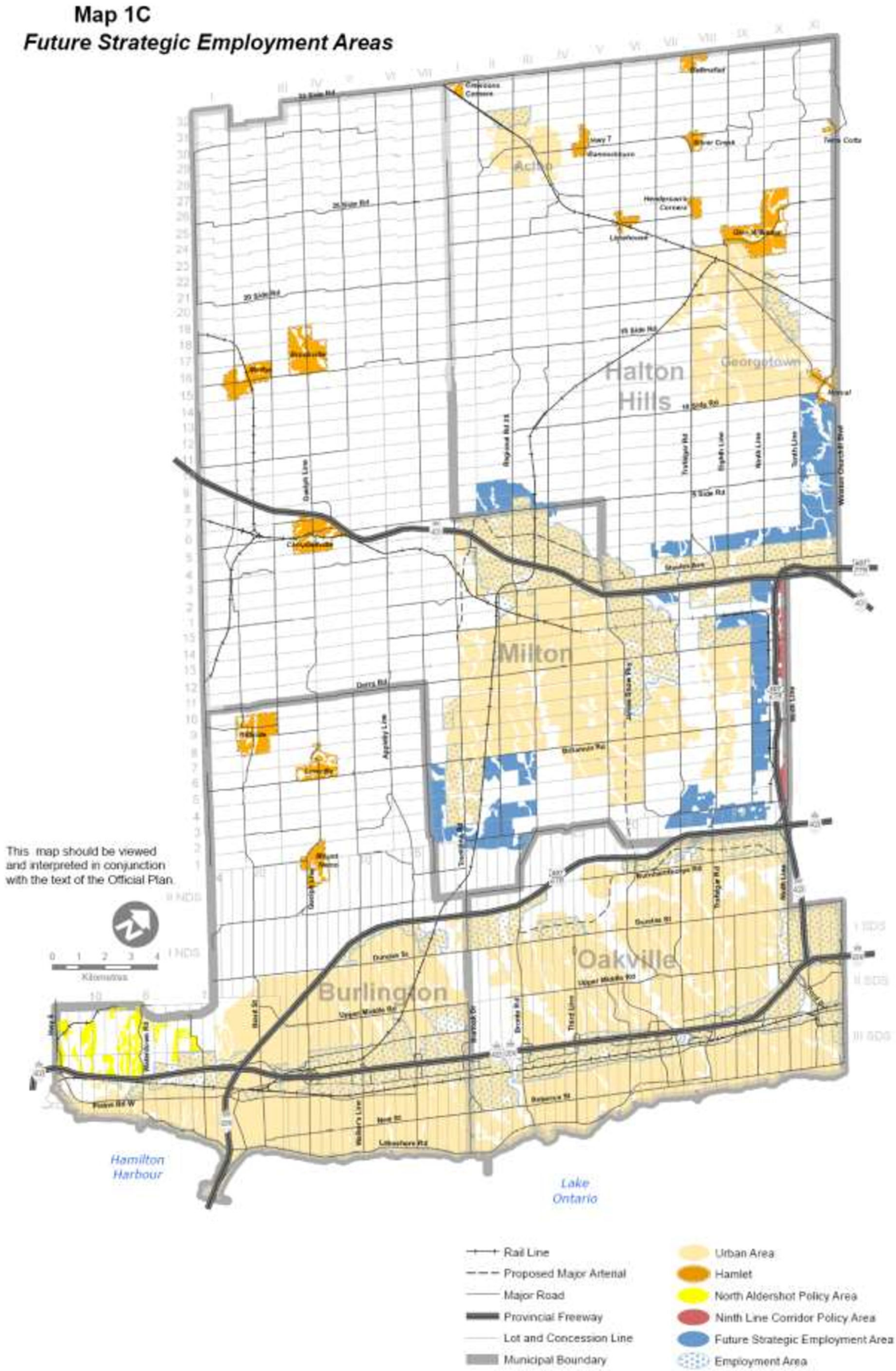
2.2.1 Halton Region Official Plan & ROPA 38

The Region of Halton's Official Plan (The Regional Plan) is Halton's guiding document for land use planning. Halton initiated the Sustainable Halton process back in June 2006 to bring the Regional Official Plan into conformity with the Provincial Growth Plan, as part of its five year comprehensive review. In February 2009, Halton established a two-stage process for implementing the results of the Sustainable Halton review. The first stage addressed the basic requirements of the Growth Plan and culminated in Regional Official Plan Amendment (ROPA) 37, which has been approved by the Ontario Municipal Board (OMB). The second stage was the comprehensive conformity review that culminated in ROPA 38, which has been partially approved by the OMB.

The Regional Plan includes the following key elements related to this review:

- Identification of Employment Areas (see overlay on Map 1: Urban Structure of the Halton Region Official Plan);
- Identification of Future Strategic Employment Areas to protect lands from incompatible uses that are best suited for employment purposes to meet employment land needs beyond the planning horizon of 2031 (see **Figure 2-3**);
- The distribution of population and employment by local municipality to the year 2031 to achieve the targets contained in the Growth Plan (see **Table 2-2**);
- The distribution of intensification units and densities by local municipality to achieve the Region-wide 40 percent intensification target and a minimum density target that is not less than 50 residents and jobs combined per hectare for designated greenfield areas (Growth Plan, s. 2.2.7.2);
- The minimum of 13,500 new housing units to be accommodated within the built-up area (between 2015 and 2031) and minimum density target for Greenfield areas of 46 persons and jobs per hectare for Oakville (Oakville's contribution to the Region-wide Greenfield development target of 50 residents and jobs per hectare);
- Policies addressing the requirement for a municipal comprehensive review for settlement area expansion;
- The protection of employment lands by providing more stringent criteria for the conversion of employment lands to other uses;

FIGURE 2.3: ROPA 38 FUTURE STRATEGIC EMPLOYMENT AREAS



- Direction for the allowance for institutional uses within employment areas when identified by the Local Official Plan;

- The requirement that the local municipalities develop and implement intensification strategies to phase in and achieve the intensification targets identified in the Growth Plan, including: incorporating the Growth Plan built boundary, identifying appropriate locations for intensification, including intensification corridors and major transit station areas, and the corresponding policies to guide this growth;

- The policy direction to locate Employment Areas in the vicinity of existing major highway interchanges and rail yards, where appropriate;

- The definitions contained in the Growth Plan (e.g., complete community, major transit station area);

- The objective for Urban Areas to reduce the dependence on the automobile, promote live-work relationships and foster a strong and competitive economy;

- The objective for Urban Areas to provide for an appropriate range and balance of employment uses including industrial, office and retail and institutional uses to meet long-term needs;

- Co-ordinate the planning and approval process of large-scale major retail uses whose primary trade area extends beyond the boundary of the Local Municipality where it is proposed.

- Require the Local Municipalities to direct major office, retail and appropriate major institutional development to Urban Growth Centres, Major Transit Station Areas (including Metrolinx designated Mobility Hubs), areas with existing frequent transit services, or areas with existing or planned higher order transit services.

The Regional Plan utilizes growth forecasts provided in the 2006 Growth Plan and distributes the growth among the lower tier municipalities. The Regional Plan’s population and employment forecasts for the Town of Oakville are presented below in **Table 2-2**, which is consistent with the Livable Oakville Plan. The Regional Official Plan is currently under review and update is expected to incorporate the 2013 Growth Plan forecasts for growth to 2041.

TABLE 2-2 TOWN OF OAKVILLE GROWTH FORECAST COMPARISON

Type	2006	2031	Growth
Population	172,000	255,000	83,000
Employment	82,000	127,000	45,000

Source: Table 1, Halton Region Official Plan, 2009 (Interim Office Consolidation, February 18, 2014).

2.3 Local Policy Context

2.3.1 Town of Oakville Livable Oakville Plan

The Town of Oakville Official Plan, 2009 (Livable Oakville Plan) applies to all lands within the town except the North Oakville East and West Secondary Plan areas. The following subsections outline the important employment and commercial land use policies.

Commercial

Commercial uses are outlined in Section 13 of the Livable Oakville Plan. Commercial areas are intended to ensure that an adequate range and variety of goods and services are available to the Town's residents. Four commercial land use designations are incorporated into the Livable Oakville Plan including: Central Business District, Core Commercial, Community Commercial, and Neighbourhoods Commercial. Section 13 outlines a number of key policy directions for commercial lands, including:

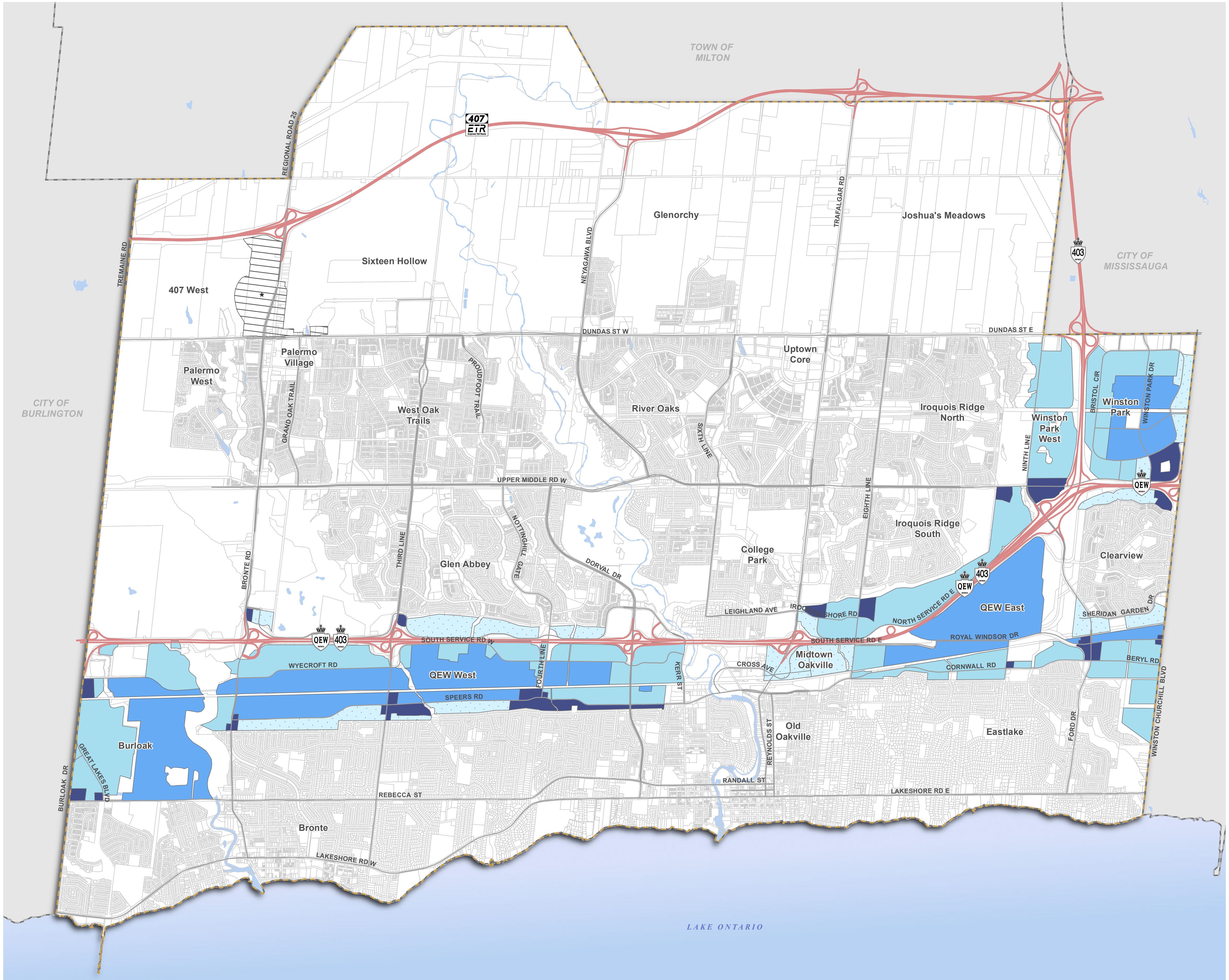
- Commercial areas are to be distributed throughout the Town;
- The primary accommodation of future retail growth is to occur through intensification and redevelopment of existing commercial centres;
- The Core Commercial and Central Business District areas are considered Major Commercial Areas;
- The impact of commercial uses on surrounding residential communities is to be mitigated

KERR VILLAGE COMMERCIAL DISTRICT

through zoning provisions and site plan design; and

- Drive-through facilities may be permitted where service commercial uses are permitted within the Commercial designations unless otherwise not permitted by specific policies in the plan.

Figure 2-4 presents the lands designated under these four land use categories, while Table A2 in **Appendix A** presents the permitted uses.



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TOWN OF OAKVILLE

TOWN-WIDE EMPLOYMENT AND COMMERCIAL REVIEW

LANDS DESIGNATED FOR EMPLOYMENT USE IN THE LIVABLE OAKVILLE PLAN

FIGURE 2-4

- 400 SERIES HIGHWAY
- ARTERIAL ROAD
- SUBJECT TO APPEAL OF NORTH OAKVILLE WEST SECONDARY PLAN (NOWSP)
- PROPERTY PARCELS
- TOWN OF OAKVILLE
- OTHER MUNICIPALITIES

LIVABLE OAKVILLE OFFICIAL PLAN

- OFFICE EMPLOYMENT
- BUSINESS EMPLOYMENT
- INDUSTRIAL
- BUSINESS COMMERCIAL

* SUBJECT AREA IS CURRENTLY SUBJECT TO AN APPEAL, THEREFORE THE NORTH OAKVILLE WEST SECONDARY PLAN DOES NOT APPLY

0 0.5 1 2 km

SCALE 1:50,000

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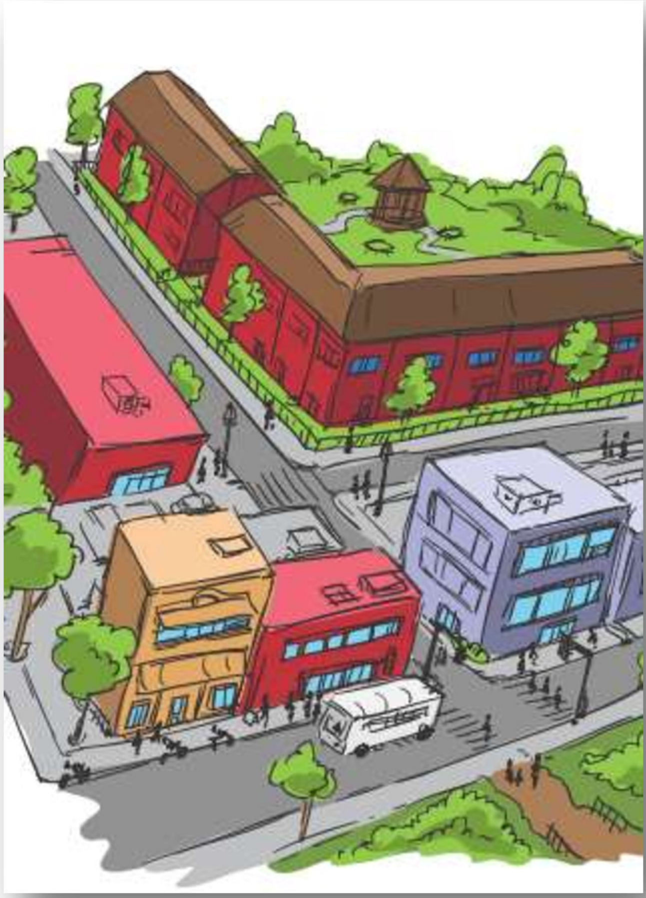
2.3.2 North Oakville East and West Secondary Plans

The North Oakville lands are generally bounded by Highway 407 to the north, Ninth Line to the east, Dundas Street West to the south and Tremaine Road to the west. Two secondary plans were undertaken for the East and West lands to establish a detailed planning framework for the future urban development of the North Oakville lands. North Oakville is being planned as a compact, pedestrian-oriented, urban community containing a broad range of housing and an extensive open space trail system to be enjoyed by residents and employees. It will include a business park located along Highway 407 in North Oakville East and employment areas in North Oakville West, which will provide a range of employment opportunities to residents including prestige employment and office development at Trafalgar Road and the Highway 407.

Commercial Policies

The Urban Core Areas land use designation is intended to provide mixed-use development in North Oakville. The three Urban Core Areas that provide a range of commercial opportunities within the North East Secondary Plan are the Trafalgar Urban Core Area, the Dundas Urban Core Area, and the Neyagawa Urban Core Area. In the North Oakville West Secondary Plan, one Urban Core Area is designated - the Palermo Village North Urban Core Area, however these lands are currently subject to an appeal.

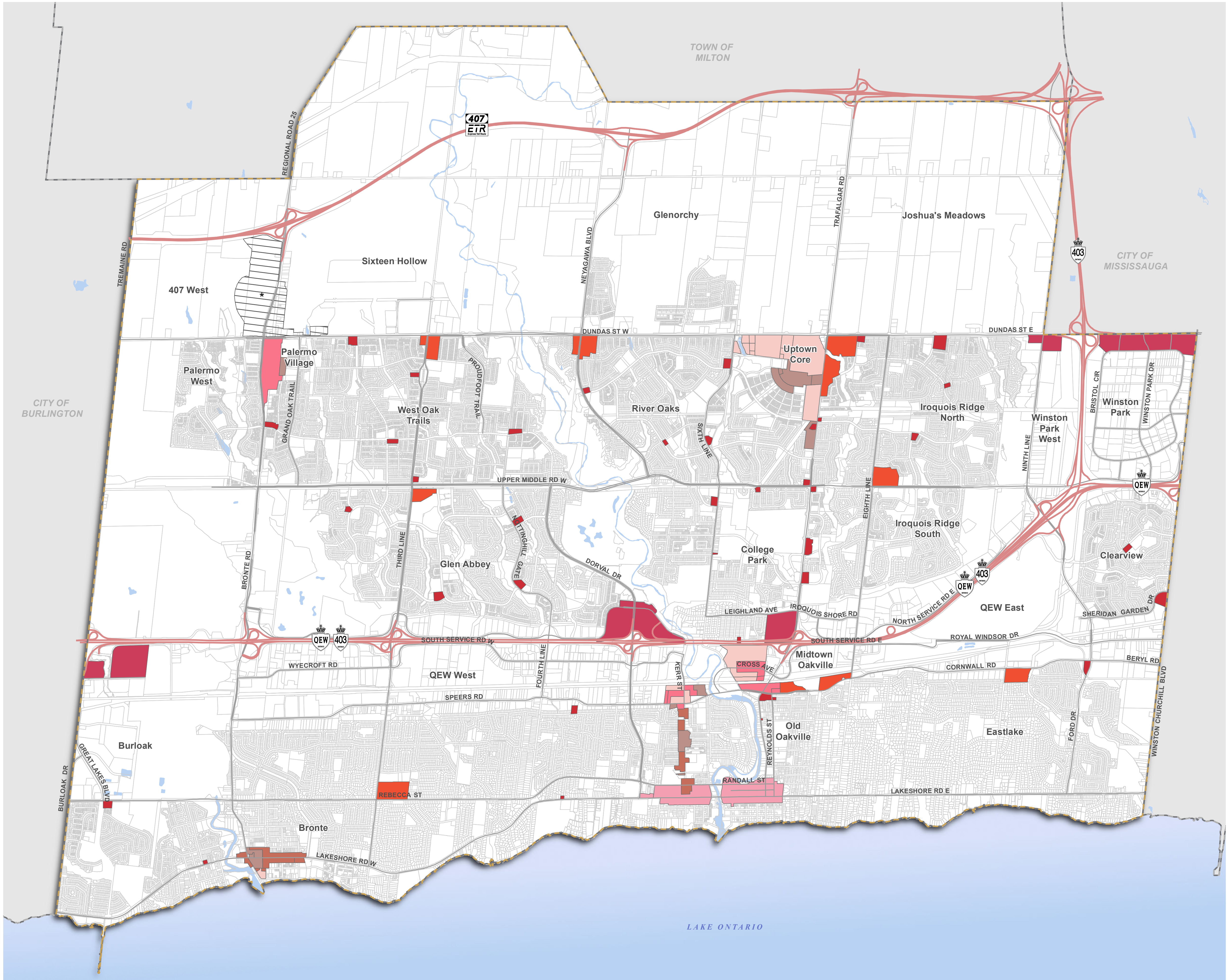


DUNDAS URBAN CORE

The principles for North Oakville's Urban Core Areas include:

- The highest density development should be concentrated on Trafalgar Road in the Trafalgar Urban Core Area;
- Buildings shall be planned on the basis that intensification will occur;
- Development should be designed to be pedestrian and transit friendly; and
- Design excellence shall be promoted and shall convey aspects of the Town's local character throughout the Urban Core Areas.

Figure 2-5 presents the lands designated under these four land use categories within the North Oakville Secondary Plans, while Table A4 of **Appendix A** outlines the permitted uses.



OAKVILLE

TOWN OF OAKVILLE

TOWN-WIDE EMPLOYMENT AND COMMERCIAL REVIEW

LANDS DESIGNATED FOR COMMERCIAL USE IN THE LIVABLE OAKVILLE PLAN

FIGURE 2-5

- 400 SERIES HIGHWAY
- ARTERIAL ROAD
- SUBJECT TO APPEAL OF NORTH OAKVILLE WEST SECONDARY PLAN (NOWSP)
- PROPERTY PARCELS
- TOWN OF OAKVILLE
- OTHER MUNICIPALITIES

LIVABLE OAKVILLE OFFICIAL PLAN

- CENTRAL BUSINESS DISTRICT
- COMMUNITY COMMERCIAL
- CORE COMMERCIAL
- MAIN STREET 1
- MAIN STREET 2
- NEIGHBOURHOOD COMMERCIAL
- URBAN CENTRE
- URBAN CORE

* SUBJECT AREA IS CURRENTLY SUBJECT TO AN APPEAL, THEREFORE THE NORTH OAKVILLE WEST SECONDARY PLAN DOES NOT APPLY

0 0.5 1 2 km

SCALE 1:50,000

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2.3.3 Zoning

The Town of Oakville Zoning By-law 2014-014 was passed by Council on February 25, 2014 and identifies the zoning that regulates land use within the Town (excluding lands north of Dundas Street which are included in the North Oakville Zoning By-law, described below).

The Town's Zoning By-law provides four commercial zones, which are consistent with the land use designations (C1: Neighbourhood Commercial, C2: Community Commercial, C3: Core Commercial, and C4: Service Station). The permitted uses within each of these zones have been included in **Appendix A.**

The North Oakville Zoning By-law 2009-189 regulates the lands that are located north of Dundas Street. Retail and service commercial of various forms are permitted in nine zones (TUC: Trafalgar Urban Core Area, DUC: Dundas Urban Core Area, NUC: Neyagawa Urban Core Area, NC: Neighbourhood Centre, HDR: High Density Residential, LE: Light Employment, GE: General Employment, SA: Service Area - Employment, and AS: Automotive Service). The permitted uses within each of these zones have been included in **Appendix A**.

2.3.4 Other studies

TRAFALGAR ROAD CORRIDOR PLANNING STUDY

The Trafalgar Road Corridor Planning Study identified nine potential intensification sites south of Dundas, five of which are currently used for commercial uses. These are starred in **Figure 2-6**.

The study was completed in March 2014, and Council endorsed its recommendations including the proposed Official Plan Amendment on March 14, 2014. It determined only three of the nine key potential sites warranted specific land use policy modifications to encourage intensification. The study deferred the recommendations of any of the sites that are currently designated commercial to the Employment and Commercial Review. Therefore, this study reviews only the four sites that are currently designated commercial which were deferred from the Corridor Planning Study:

- Site #1 – Oakville Place Mall was identified to have opportunity for intensification and greater diversification of uses in the long-term future. However, the existing lot coverage is at 25%. Intensification of this site would require parking structures or significant redevelopment of the site to provide for underground parking, and is not likely in the near or mid-term future. This site is subject to Halton Region's Employment Lands overlay designation, which Town staff consider to be a mapping

FIGURE 2-6: SITES TO BE CONSIDERED DURING EMPLOYMENT AND COMMERCIAL REVIEW

error. This designation would have to be removed through a Regional Official Plan Amendment before the Town could consider any land use changes on the site.

- Site #7 – South East corner Postridge Drive & Trafalgar Road is currently a commercial plaza with surface parking, and the property is 1.5 hectares. It is designated Community Commercial. The study suggested a future mixed use designation such as Urban Centre which would allow up to 8 storeys and possibly higher through bonusing. The Community Commercial designation permits a variety of retail and service commercial intended to serve the local surrounding community. However it does not permit residential. As both Trafalgar Road and Postridge Drive are bus routes, it would be appropriate to redesignate this property to Urban Centre Area to allow for residential uses, in line with transit-oriented development principles.

- Site #8 – North East corner Postridge Drive & Trafalgar Road offers excellent intensification opportunities. The study recommended a mixed-use designation such as Urban Core Area to allow for taller built form and variety of land use options while continuing the commercial function of the site. The Urban Core Area designation is primarily assigned to the Midtown Oakville and Uptown Core Areas. This site is not within the Uptown Core Area, but is immediately adjacent to it. Given the surrounding commercial built form, the Urban Core Area designation would be appropriate. The Urban Core Area designation allows a height range of 8 to 12 storeys, with provision for additional stories through bonusing policies. Unlike Site #7, Site #8 is not surrounded by low density residential so issues of transition in height would not be a concern.

- Site #9 – South East corner Dundas Street & Trafalgar Road is designated Core Commercial. For the similar rationale as for Site #8, an Urban Core Area designation would be appropriate.

3.0 Macro Economic and Demographic Trends

The following Chapter provides an overview of the macro-economic factors which are anticipated to influence regional and local employment growth trends and corresponding employment and commercial land needs within the Town of Oakville over the next 20 years.

3.1 Ontario's Shifting Economic Structure

The Ontario economy is facing significant structural changes. Over the past decade, the economic base, as measured by gross domestic product (GDP) output, has shifted from goods-producing sectors (i.e. manufacturing, utilities and primary) to service-producing ones. This trend includes growth in financial services, information technology, business services, health care and social services, government, advanced manufacturing, information and cultural industries, education, training and research, agri-business and tourism.

Much of this economic shift has occurred over the past ten years, driven by GDP declines in the manufacturing sector which were most significant immediately following the 2008/2009 global economic downturn. As illustrated in **Figure 3-1**, the relative share of GDP in the manufacturing sector declined from 21% in 2003 to 13% in 2013. The challenges of the manufacturing sector are also reflected in the Ontario labour force, which declined by 31% over the 2004-2014 period in this sector.[1] However, it is important to note that provincial labour force rates in the manufacturing sector have been relatively stable since 2010.

[1] Derived from Statistics Canada Labour Force Survey data by Watson & Associates Economists Ltd.

In contrast, service-based sectors, such as financial and business services, have experienced significant employment increases over the past 10 years. Growth in the service-based sectors has been driven by strong growth in domestic demand, particularly in consumer spending.

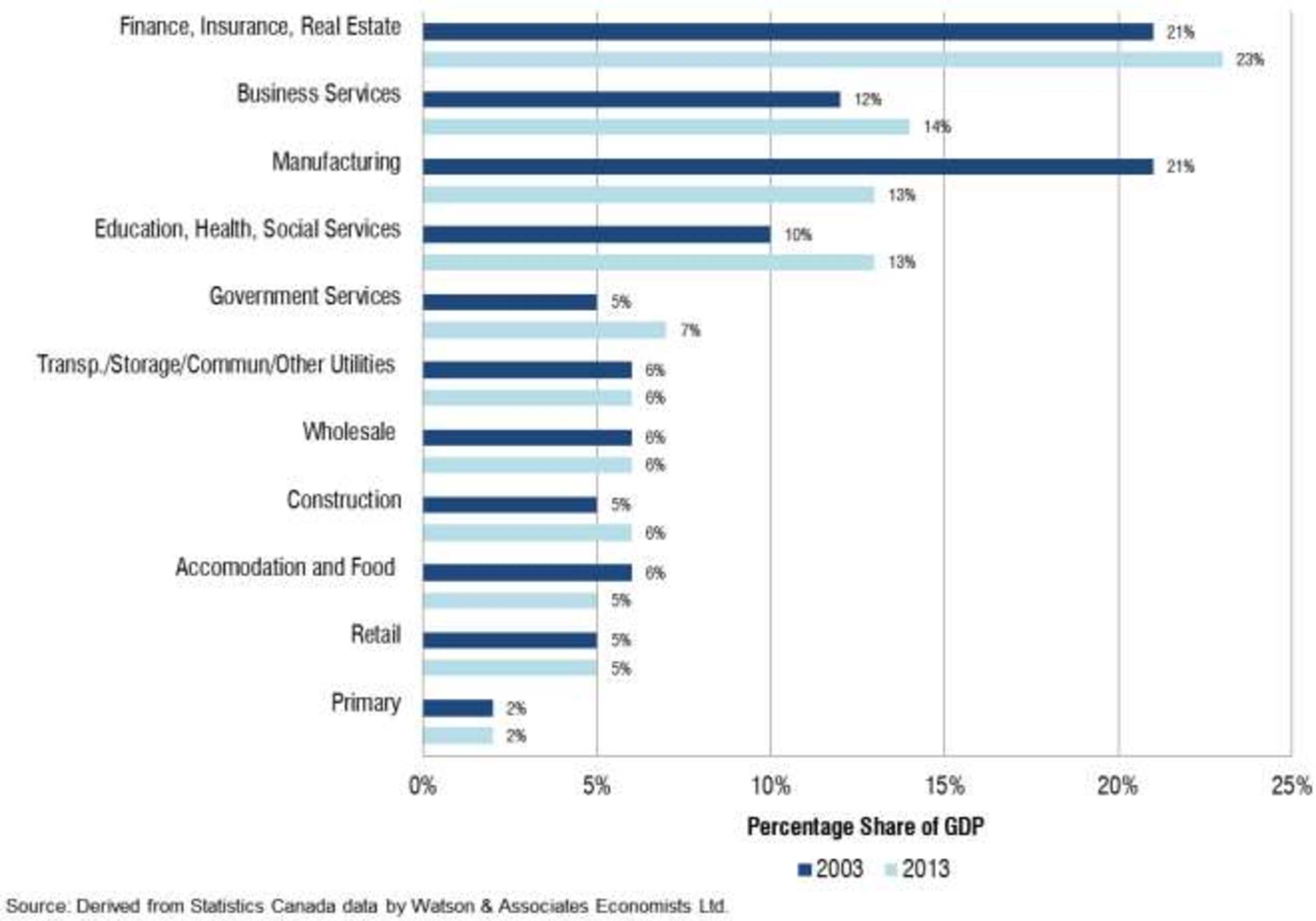


FIGURE 3-1 PROVINCE OF ONTARIO GDP BY SECTOR, 2003 AND 2013

While manufacturing remains vitally important to the provincial economy with respect to jobs and economic output, this sector is not anticipated to support strong domestic labour force growth in the future. Looking forward, there will continue to be a manufacturing focus in Ontario; however, industrial processes have become more capital intensive and automated as local industries are required to streamline production through increased product innovation, specialization and integration of technology. This means that, as the domestic manufacturing sector continues to gradually recover, employment growth is anticipated to be modest.

3.2 The GTHA Employment Base is Highly Diverse and Steadily Increasing

Figure 3-2 summaries the existing composition of the GHTA employment base as of 2014. Manufacturing remains one of the GTHA's largest employment sectors, accounting for 11% of total employment. Next to manufacturing, the GTHA's largest employment sectors are in the service sector.[2] This includes retail trade, health care and social assistance, educational services, professional, scientific and technical services (PSTS) and finance and insurance. The GTHA also has significant employment in a number of industrial sectors including wholesale trade, transportation and warehousing and construction.

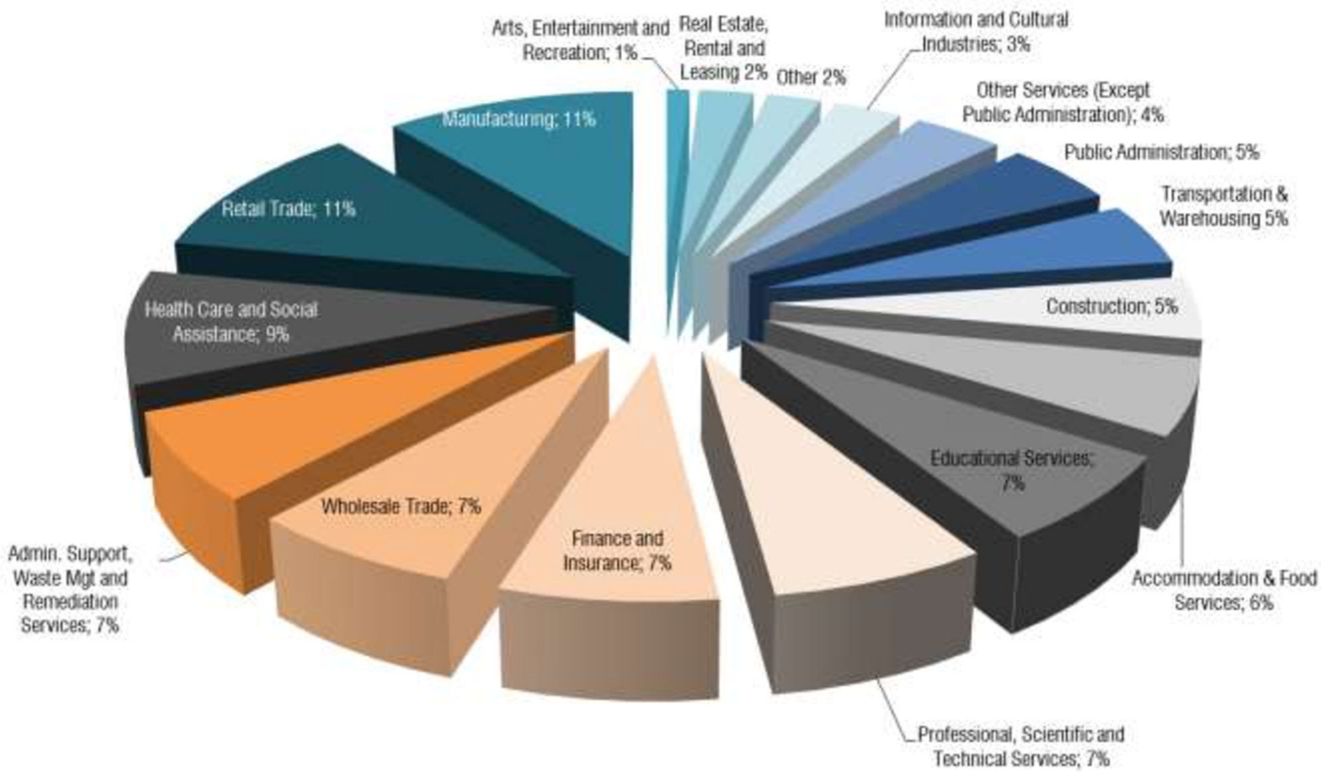


FIGURE 3-2 GTHA EMPLOYMENT BY SECTOR, 2014

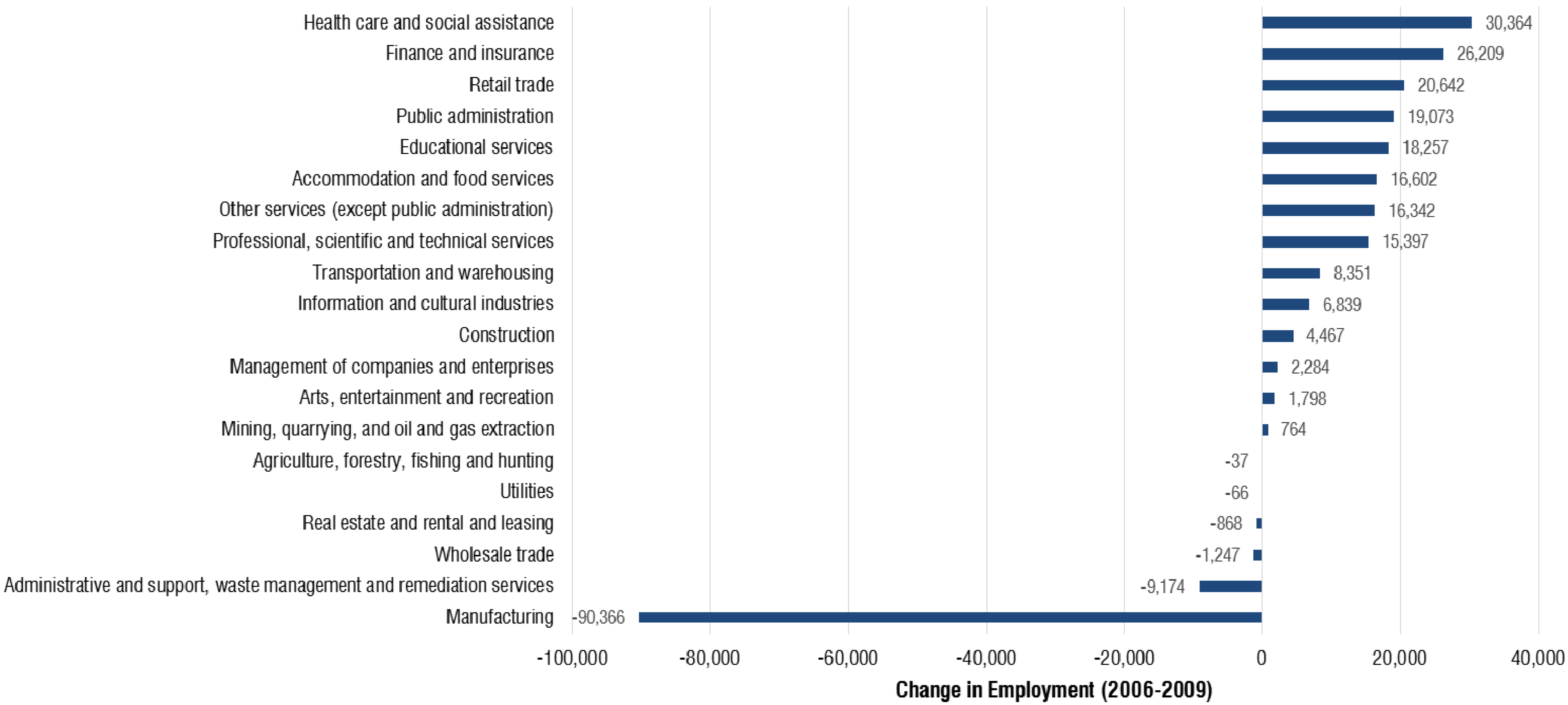
[2] Based on employment

Similar to the provincial economy as a whole, the nature of the GTHA economy is changing. Over the past 20+ years, the composition of GTHA employment has gradually shifted from a goods-producing economy to a service-producing economy. **Figures 3-3** and **3-4** summarize recent GTHA employment growth trends by sector over the 2006-2009 and 2010-2014 periods, respectively. During both of these selected periods, GTHA employment levels steadily increased in almost all major sectors of the service sector economy. A number of the "knowledge-based" uses within the service sector are permitted on employment lands across the GTHA and represent a growing share of the employment base on employment lands, most notably in the most heavily populated urban GTHA municipalities.

GROWTH EXPECTED IN ALL SECTORS OF THE SERVICE SECTOR ECONOMY

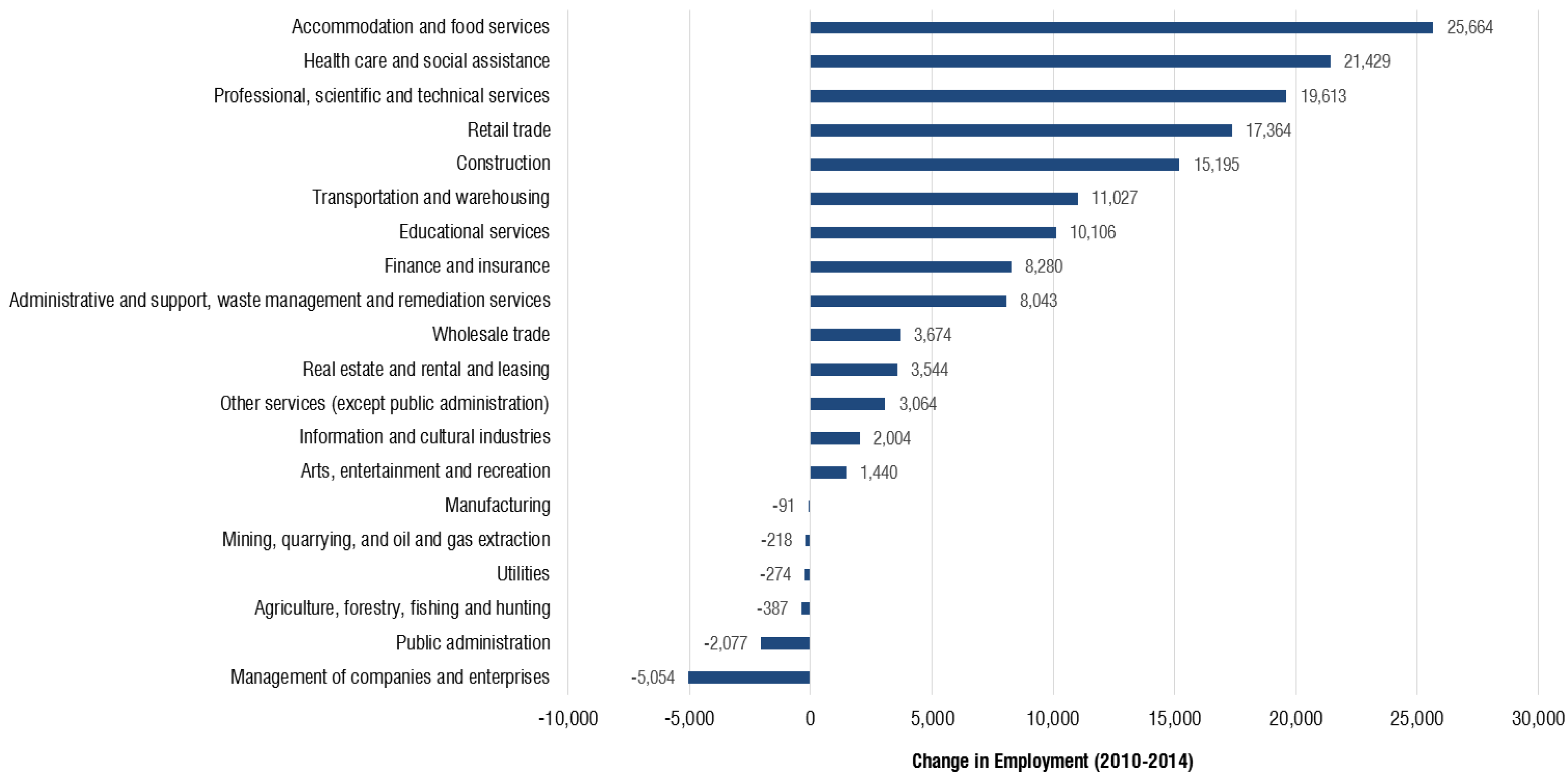
Strong population growth across the GTHA has also fueled steady growth in population-related employment sectors including retail and accommodation and food services. Lastly, a steady rebound in non-residential development activity has supported strong employment growth in the construction sector.

The GTHA has also experienced significant employment growth in the goods movement sector over the past decade. Structural changes in the global economy continue to drive the need for new consolidated, land-extensive warehousing facilities in competitively priced markets with adequate potential for future expansion (typically located in greenfield areas) to store and manage the distribution/transportation of goods. This trend continues to pose challenges regarding land utilization and intensification in established industrial areas, which generally have been negatively impacted by the decline in the manufacturing sector.



Source: Derived from EMSI data by Watson & Associates Economists Ltd.

FIGURE 3-3 GTHA EMPLOYMENT GROWTH BY SECTOR, 2006-2009



Source: Derived from EMSI data by Watson & Associates Economists Ltd.

FIGURE 3-4 GTHA EMPLOYMENT GROWTH BY SECTOR, 2010-2014

Over the next 30 years, considerable new residential and non-residential growth is anticipated across the GTHA. In accordance with the Provincial Growth Plan (Places to Grow)[3], the population of the GTHA is forecast to increase from 6.84 million in 2011 to 10.13 million in 2041, an increase of 3.3 million persons. The area is also forecast to add approximately 1.4 million jobs over the same time period. This represents a substantial increase in population and employment relative to other North American metropolitan regions of comparable population. The strong growth potential anticipated for the GTHA is largely tied to the strength and diversity of the area's industry clusters.

Ultimately, the aggregate indicators of the GTHA's economic performance are determined in large measure by the competitiveness of its industry clusters[4]. An expanding export base is a key component to the economic prosperity of the local economy and surrounding area, because exports bring money into the local market to be circulated among local-serving enterprises and their employees. While the GTHA faces increasing global competition, the regional economy is comprised of a highly diverse mix of industry clusters related to manufacturing, technology and services. This diversity is a key strength of the GTHA economy, with most of the top traded industry clusters throughout North America having a strong presence in this region.

3.3 GTHA Trends in Industrial/Office Development Activity

3.3.1 GTHA Industrial Development Activity

Over the past five years, industrial development has been largely oriented to large-scale industrial buildings housing wholesale trade, transportation/warehousing and multi-tenant industrial condominiums, accommodating a range of industrial and non-industrial uses. **Figure 3-5** summarizes new industrial building completions in the GTHA during the 2006-2014 period, expressed in gross floor area (GFA). As illustrated, the GTHA experienced significant growth in industrial development between 2006 and 2009, peaking at 8.8 million sq.ft. (~ 818,000 sq.m.) in 2008. With the onset of the 2008/2009 global economic recession, development activity dropped sharply in 2009 to 5.0 million sq.ft. (~465,000 sq.m.) and declined further in 2010 to 1.4 million sq.ft. (~130,000 sq.m.).

Since bottoming out in 2010, the GTHA industrial sector has been steadily rebounding; however, recent industrial development activity (2011 to 2014) remains below pre-recession

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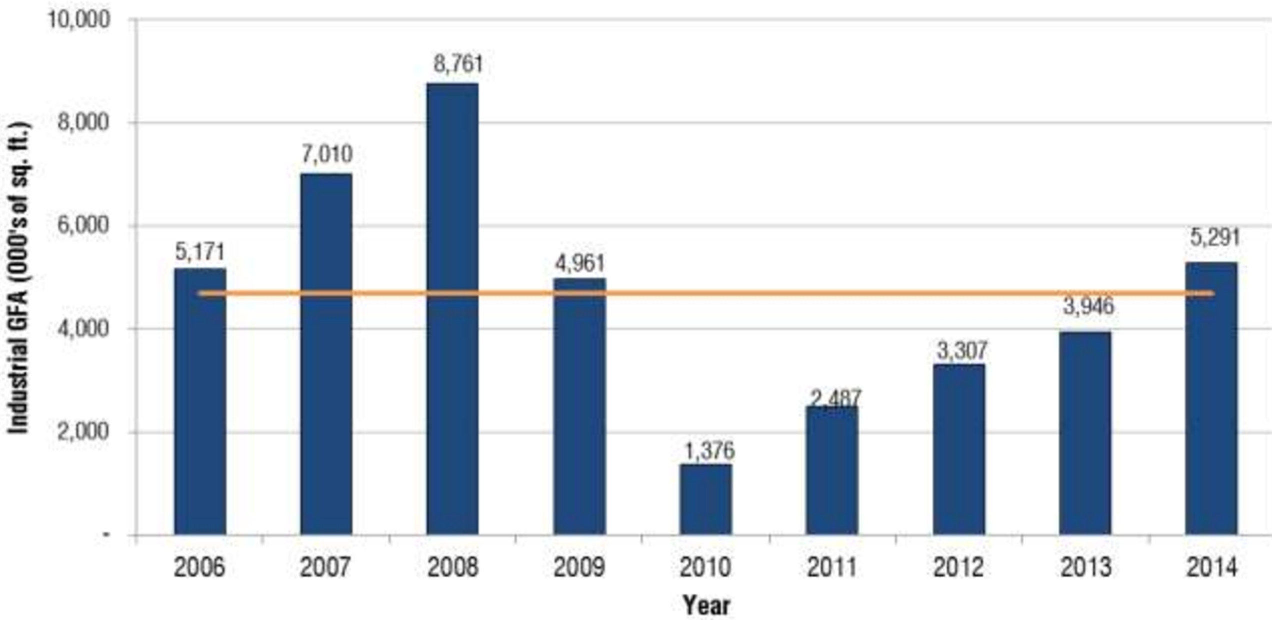
[3] Growth Plan for the Greater Golden Horseshoe, 2006. Office Consolidation, June 2013. Ontario Ministry of Infrastructure.
[4] A cluster is a set of inter-linked private sector industries and public sector institutions, whose final production reaches markets outside of the local market.

levels. Coinciding with the increase in industrial development activity since 2010, vacancy rates have declined gradually and net market rents have risen, albeit at a marginal rate.



Source: Data from DTZ Barnicke and Colliers International, compiled by Watson & Associates Economists Ltd.

FIGURE 3-5: INDUSTRIAL DEVELOPMENT WITHIN THE GTHA ('000S GFA), 2006-2014

Over the 2006-2014 period, Peel Region accommodated nearly half (48%) of GTHA industrial development. Halton Region accounted for 21% of industrial development activity during this time, followed by York Region (16%), City of Toronto (6%), Durham Region (4%) and the City of Hamilton (5%).

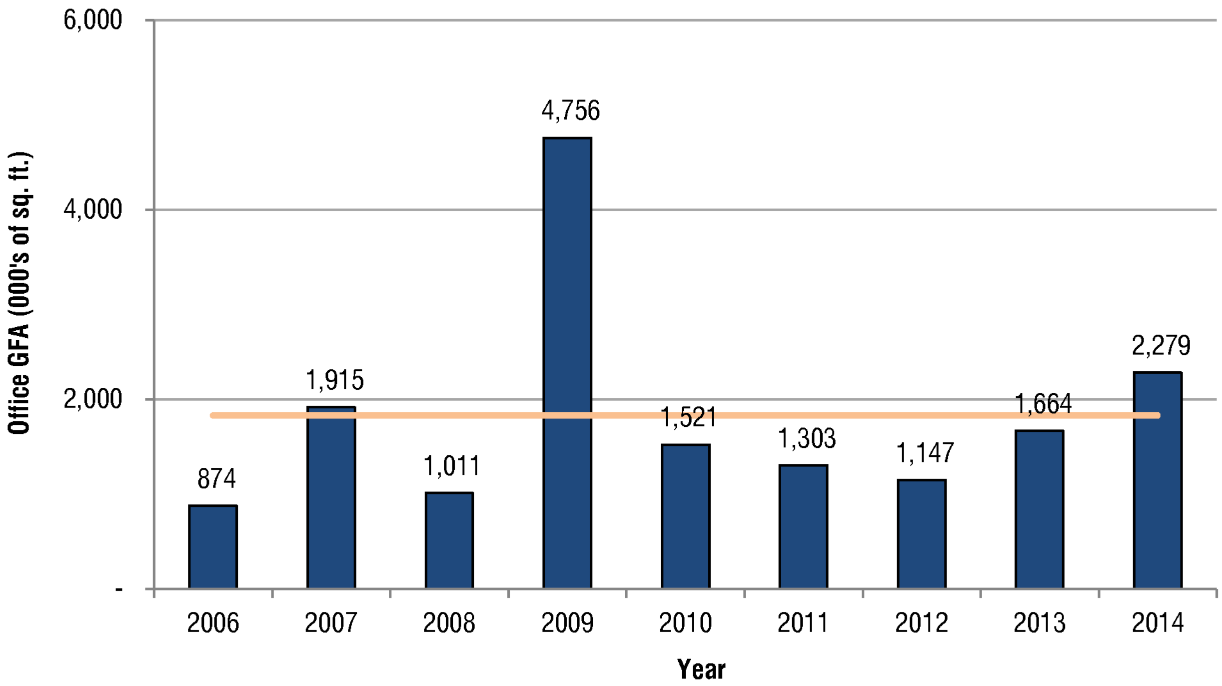
The majority of recent industrial development in the GTHA has been focused largely along the Highway 401 corridor in Mississauga, Brampton and Milton, and in the Highway 400/407 area of Vaughan.

3.3.2 GTHA Office Development Activity

Figure 3-6 summarizes new office building completions (expressed in GFA) in the GTHA during the 2006-2014 period.[5] As shown, office development has exhibited strong growth since 2006, despite the recent economic downturn, averaging between approximately 1 and

[5] Excludes City of Hamilton for which data was unavailable.

2 million sq.ft. (~186,000 sq.m.) per year except in 2009.[6] In 2014, office development activity totalled 2.3 million sq.ft. (~214,000 sq.m.), moderately higher than the historical annual average over the 2006-2014 period. During this period, close to 50% of office development has occurred within the City of Toronto, primarily the downtown core. Since 2006, Halton Region has accounted for approximately 12% of new office construction within the GTHA, which has been primarily concentrated along the Queen Elizabeth Way (QEW) corridor in the Town of Oakville and the City of Burlington.



Source: Data from DTZ Barnicke and Colliers International, compiled by Watson & Associates Economists Ltd.

FIGURE 3-6 OFFICE DEVELOPMENT WITHIN THE G.T.H.A. (G.F.A.), 2006-2014

3.3.3 GTHA Market Trends

This subsection of the report addresses retail development trends and activity in the GTHA. The data summarized was provided by the Centre for the Study of Commercial Activity at Ryerson University (CSCA). The data represents total retail and vacant space, for each municipality in the GTHA. It has been compiled from 2007 to 2013, the most recent year

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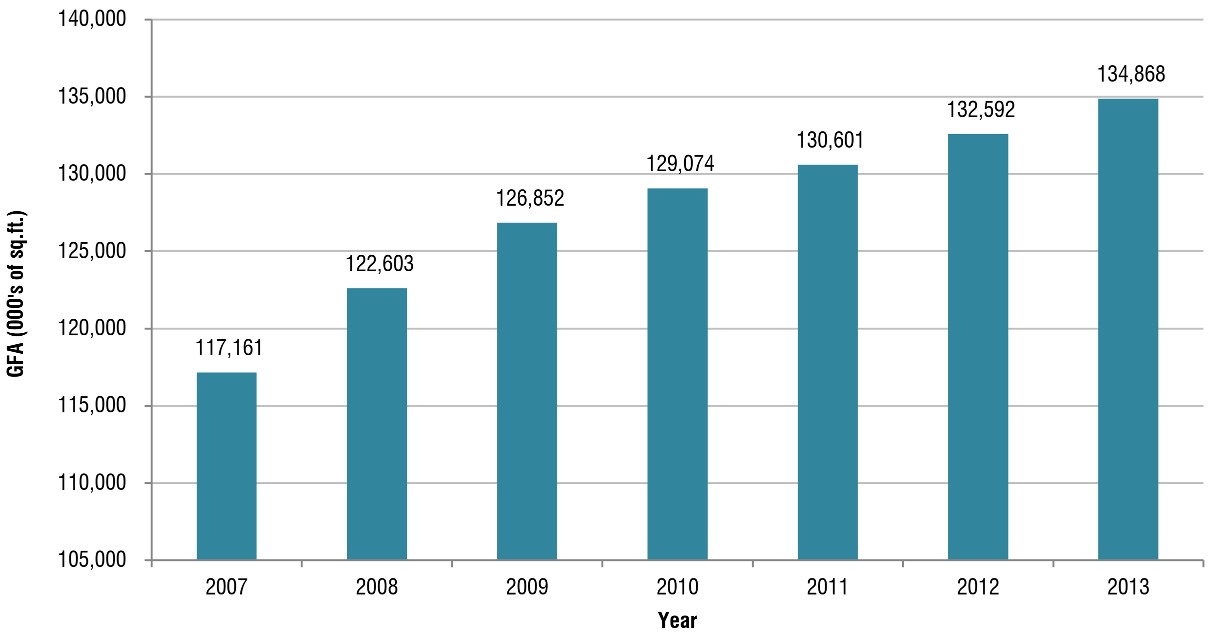
[6] The significant amount of office development in 2009 (compared to other years) is largely attributed to two large-scale office towers (over 1 million sq.ft. or roughly 93,000 sq.m. each) developed in the Toronto core.

available from CSCA. The data is summarized in **Figure 3-7**, below. It is based on the overall amount of retail and vacant space in each component municipality of the GTHA.

The data indicates that the amount of retail and vacant space has been experiencing annual increases since the beginning of the study period, 2007. There was approximately 117 million square feet (~1.08 million square metres) of retail and vacant space in 2007. This figure increased to approximately 135 million square feet (~1.25 million square metres) by 2013.

Growth over this time period was influenced by various forms of retail development. The earlier portions of the study period were influenced most directly by the proliferation of power centres. More recently, the GTHA has experienced an intensification of regional scale shopping centres, downtown mixed use development and the introduction and expansion of factory outlets.

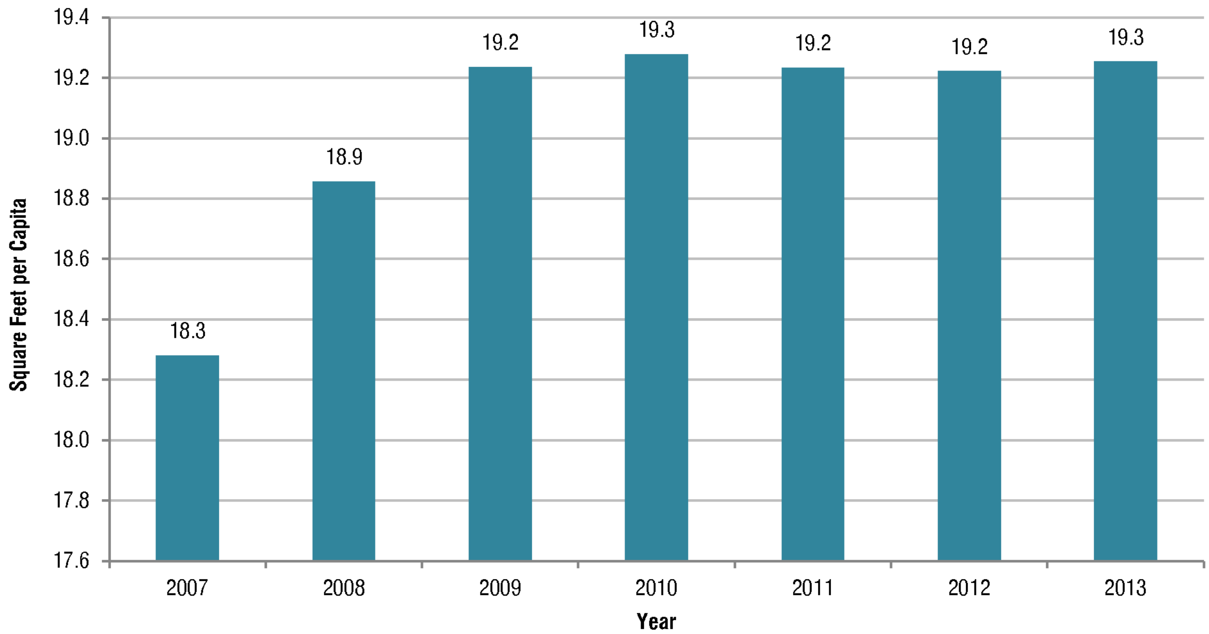


Source: Retail Database 2007-2013, Centre For the Study of Commercial Activity (CSCA)

FIGURE 3-7: GTHA RETAIL AND VACANT SPACE (GFA), 2007-2013

The per capita amount of retail and vacant space is indicated in **Figure 3-8**, below. The data indicates an increase from 18.3 square feet (~1.7 million square metres) per capita in 2007 to 19.3 square feet (~1.8 million square metres) per capita by 2013. However, the average per capita figure has remained relatively constant from 2009 to 2013, between 19.2 and 19.3 square feet (~1.8 million square metres) per capita.

These figures are indicative of the tightening of the supply of commercial land which has been, at least partially, influenced by the Growth Plan. These figures are also influenced by the reduction of the number of Greenfield sites, and conversely, the intensification of downtown, mixed use sites which typically include retailers with smaller formats than Greenfield sites. The requirement for retail space has also been impacted by e-commerce, which, according to Statistics Canada, accounted for 1.5% of retail sales in 2012. Consumer and industry trends that are impacting demand for retail space are further discussed in Chapter 4.



Source: Retail Database 2007-2013 (CSCA) and Estimates of Population, *Table 051-0062*, Statistics Canada.

FIGURE 3-8: GTHA RETAIL AND VACANT SPACE PER CAPITA, 2007-2013

3.4 Planning for Growth in the Town of Oakville

In many respects, Oakville's long-term employment potential is largely tied to the success of the GTHA as a whole. The GTHA represents the economic powerhouse of Ontario and the centre of much of the economic activity in Canada. With a robust economy and diverse mix of export-based employment sectors, the GTHA region is highly attractive on an international and national level to new businesses and investors. The area also has a strong appeal given its proximity to regional infrastructure, including the Toronto Pearson International Airport (TPIA), an international airport in the City of Hamilton, access to provincial highways, inter-modal facilities, and proximity/access to skilled labour and post-secondary institutions. The above attributes of the GTHA have produced a highly competitive and diverse employment market. As a result, all of the upper-tier/single-tier municipalities across the GTHA have been successful, to varying degrees, in attracting a variety of industries within a broad range of industrial, office, retail and institutional sectors. In turn, this continues to support strong population growth levels largely driven by international and inter-provincial net migration.

The strength of the regional GTHA economy has presented, and continues to present, a tremendous opportunity for the Town of Oakville. Historically, population growth within the Town of Oakville has steadily increased largely as a result of local business growth as well employment opportunities within the surrounding market area. Between 1996 and 2016 it is estimated that the Town's population and employment base will increase by 62,300 persons and 35,600 jobs, as summarized in **Figure 3-9**. This represents an annual population and employment growth rate of 2.0% and 3.1%, respectively.

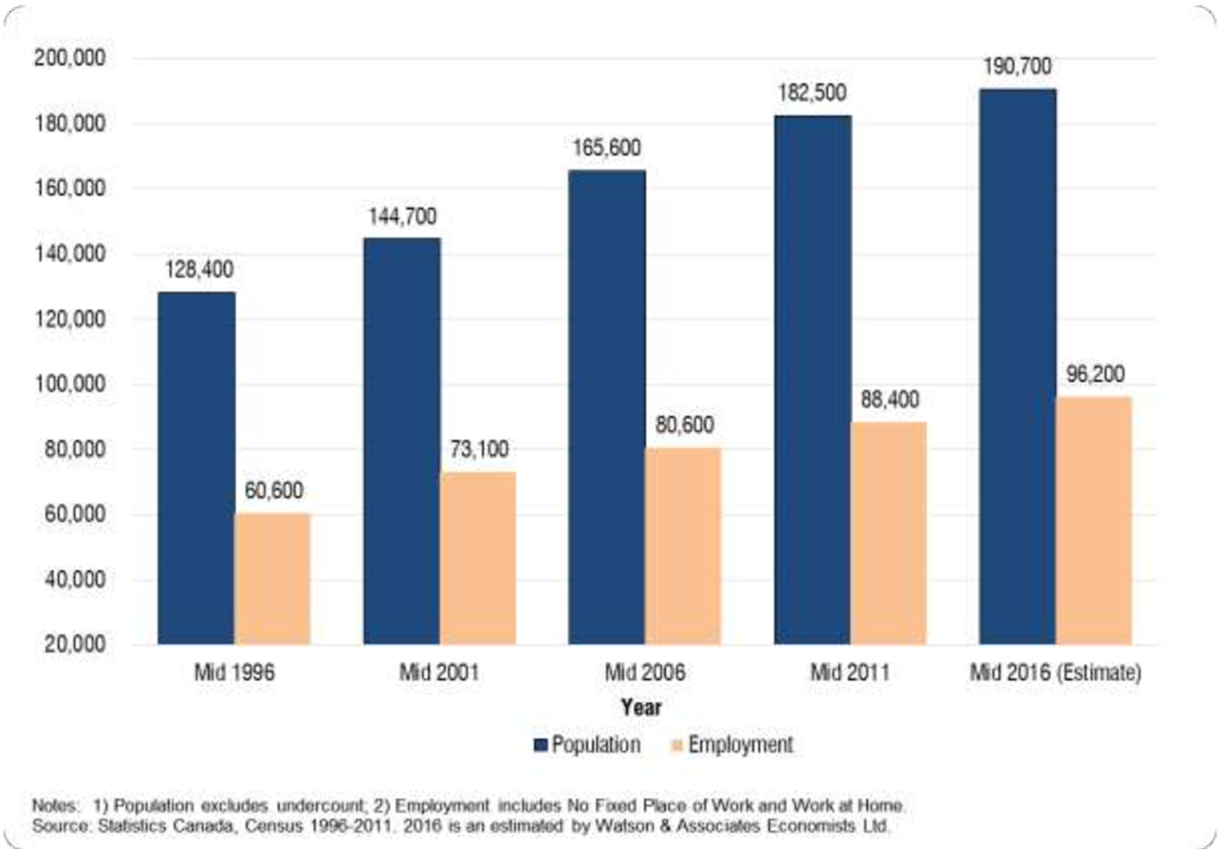
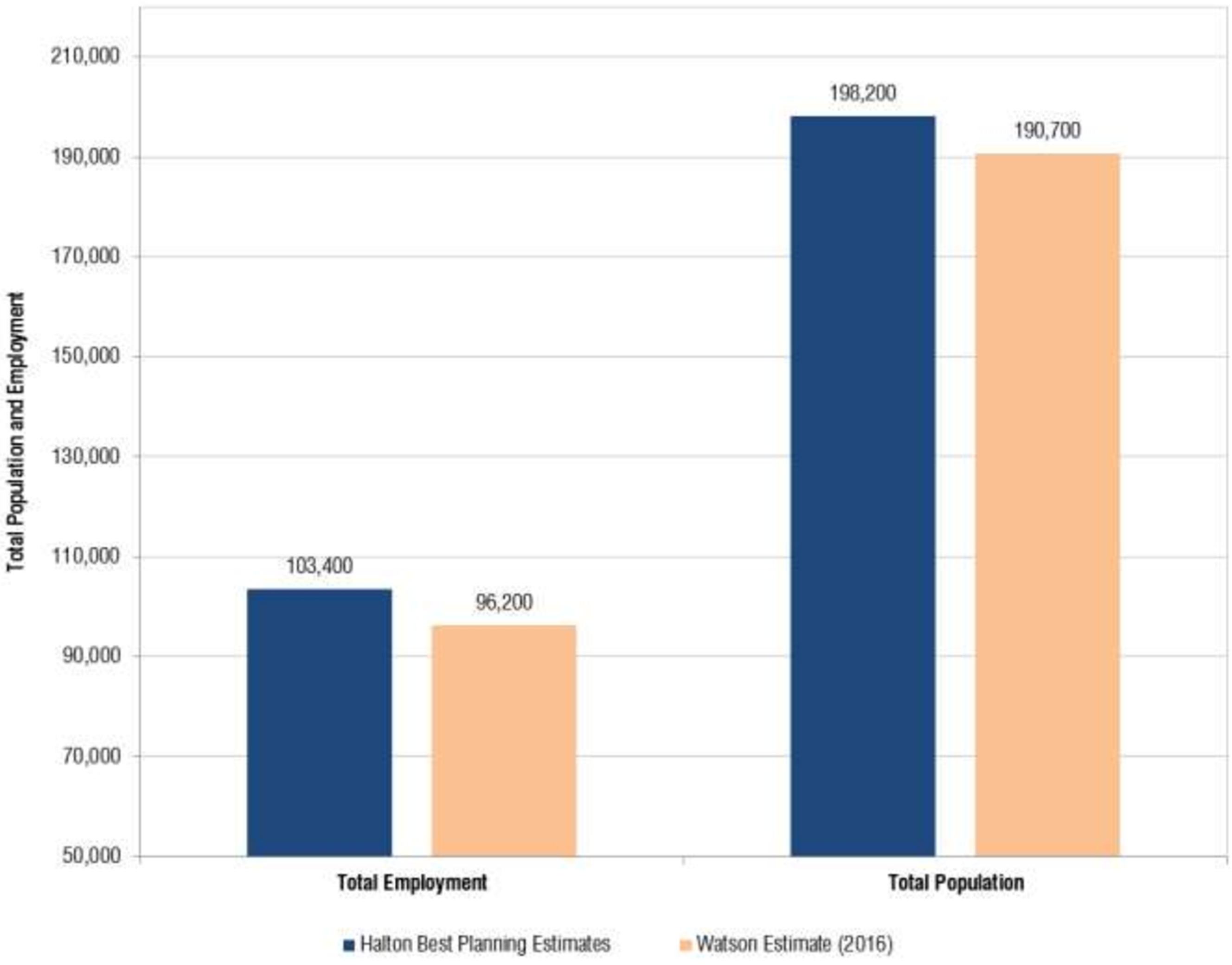


FIGURE 3-9 TOWN OF OAKVILLE, POPULATION GROWTH, 1996 - 2016

While Oakville has historically experienced steady population and employment growth, the Town's 2016 population estimates are expected to fall short of the 2016 population forecast for the Town as set out in the June 2011 Best Planning Estimates (BPE) by approximately 7,500 people as summarized in **Figure 3-10**. This shortfall is largely due to development delays in North Oakville as opposed to a lack of market demand. Looking forward to 2031, it is anticipated that the Town will remain on track to achieving the long-term population growth projections set out in the Halton BPE.



Source: Halton Region Best Planning Estimates, 2011 and Watson & Associates Economists Ltd.

FIGURE 3-10 COMPARISON OF HALTON REGION B.P.E. 2016 FORECAST TO 2016 POPULATION AND EMPLOYMENT ESTIMATES

Current (2016) employment estimates are also well below the 2016 Halton BPE employment forecast for the Town of Oakville. Based on current estimates, the 2016 employment base for the Town of Oakville is approximately 96,200, approximately 7,200 fewer jobs than the 2016 Halton BPE employment estimate. This shortfall is a result of lower job growth in the industrial sector in Oakville than what was forecasted in the Halton BPE. While the industrial sector in Halton Region and the Town of Oakville is gradually recovering from the 2008/2009 global economic downturn, it is anticipated that forecast industrial growth for the Town of Oakville will fall short of the 2031 Halton BPE forecast. This shortfall is anticipated to be offset by stronger than anticipated long-term employment growth in the office, retail and institutional sectors.

By 2031, Oakville's population and employment base are forecast to reach 246,400 and 128,400 respectively.[7] This represents an increase of approximately 64,000 persons and 40,000 jobs from 2011. By 2041 the Town's population and employment base could reach 265,000 and 136,000, people and jobs respectively.[8]

Given the steady rate of future population and employment forecast for the Town of Oakville, it is important that the Town's long-term commercial and employment land needs are assessed in a comprehensive manner. This includes a review of opportunities to accommodate long-term employment growth on designated and future non-residential areas through intensification and Greenfield development. While the 2014 PPS limits municipalities to a 20-year time horizon regarding the designation of urban land, it does permit planning authorities the ability to plan beyond a 20-year period regarding the long-term protection of employment areas, provided that lands are not designated beyond the identified planning horizon.

Employment uses on employment lands (i.e. manufacturing, warehousing and logistics) typically require large tracts of land with good access to trade corridors near major highway interchanges and other major transportation facilities (such as ports, rail yards, intermodal facilities and airports). Both the Growth Plan and the PPS contain policies which protect employment areas in proximity to major goods movement facilities and corridors which require those locations. As such and knowing Oakville's boundaries are fixed, consideration should be given to reserving strategically important land for future employment purposes throughout the Town of Oakville, no matter how long in the future they may be needed.

3.5 How Does Population Growth Impact Demand for Commercial and Employment Lands?

Population growth impacts the need for non-residential lands in different ways. Population-related development (i.e. retail commercial, personal service uses and institutional uses) is automatically attracted to locations convenient to local residents. Generally, as the population grows, the demand for population-related development also increases to service the needs of the local community (subject to available services within the surrounding market area).

Industrial development (i.e. export-based industries), on the other hand, are not directly linked to local population growth and tend to be more influenced by broader market conditions (i.e. regional economic competitiveness, transportation access and distance to employment markets), as well as local site characteristics such as servicing, highway

[7] In accordance with the June 2011. Halton Region Best Planning Estimates (B.P.E.).
[8] Watson & Associates Economists Ltd. 2015.

access and exposure, site size/configuration, physical conditions and site location. As a result, industrial employment is not necessarily anticipated to increase in direct proportion to population growth. For these reasons, considerable effort has been undertaken in Chapter 7 to provide a detailed assessment of local historical employment trends and the competitive position of the Town's employment within the surrounding market area, as well as the strengths and weaknesses of the Town's designated employment areas.

3.6 Conclusions

The Ontario economy has experienced significant volatility over the past decade, including a period of strong economic growth followed by an economic recession and subsequent gradual recovery. This recovery has been more pronounced within the GTHA relative to the remaining Province of Ontario as a whole. This has largely been a result of the ability of the GTHA's economy to adapt to an economy which is increasingly driven by the service sector. Looking forward, the export-based employment sectors within the GTHA are forecast to steadily increase, especially those tied to "knowledge-based" sectors.

As a result of the Town's strong attractiveness to knowledge-based sectors, the distribution of employment on employment land in Oakville has been, and will continue to be, highly concentrated in the office sector. Locational qualities that support office sector growth, such as proximity to transit, amenities and services, play a significant role in the attraction and retention of office investment. Employment growth within the Town's employment areas will ultimately be driven by demand from a broad range of goods producing, knowledge-based and employment supportive sectors. In turn, this drives local population growth within the Town and the need for population-related employment (i.e. retail commercial, personal services and institutional uses).

Notwithstanding the economic growth potential for the Town, regional competition within the GTHA for the talent necessary to support innovation, investment and entrepreneurship are fierce. As the GTHA and broader Ontario economy becomes more premised on knowledge-based activities, Oakville will need to continue to position itself as a hub for innovation to capitalize on the human capital that currently exists while encouraging ongoing entrepreneurship, innovation, business development and investment retention.

The Town's growth outlook and long-term land needs related to commercial retail employment is discussed in detail in Chapters 4, 5 and 6. Chapters 7 and 8 provide a detailed assessment of the Town's long-term growth potential on employment lands and associated land needs.

4.0 Commercial Market Demand

4.1 Commercial Market Demand Methodology

For this review, a work plan based on consumer research was designed which included field inspections and a detailed commercial market demand analysis in the Town of Oakville. **Appendix B** provided at the end of this report summarizes the research and analysis that was conducted in February 2015. The approach used is outlined below in greater detail.

- *Review and Assessment of Retail Trends in Ontario*
  A review of the shopping centre and retail development industries trends influencing the future supply of retail space in the Town was undertaken. This information is useful as a guideline to plan for long term retail needs.

- *Study Area Delineation*
  For the purpose of the retail commercial market demand analysis, the Study Area was delineated by dividing the Town into three zones that are identified as South Oakville, Northwest Oakville and Northeast Oakville.

- *Inventory of Existing Commercial / Retail and Service Space*
  An inventory of the Town's retail, service and vacant commercial space was undertaken. This information was used to determine the base year level of supply and the competitive mix of retail and services in the Town.

- *Consumer Research*
  Various survey methods were used involving over 4,500 data points. These surveys included a licence plate survey of vehicles to assess the customer draw of existing centres, an in-home consumer telephone survey to determine Town residents' current shopping and expenditure patterns, and an on-street customer survey to determine shopping patterns in the town's "Main Street" Growth Areas - Bronte Village, Kerr Village and Downtown Oakville.

- *Population and Expenditure Forecast*
  Population levels were forecast for the study period from 2014 to 2041. Based primarily

on Census and Statistics Canada information, Non-Food Oriented Retail (NFOR)[9] and Food Oriented Retail (FOR)[10] expenditure volumes were also forecast for the study area over this period.

- *Retail Space Market Demand Analysis*
  Based on existing and anticipated shopping patterns identified from the consumer research, retail trends and the expenditure volumes determined above, the long-term market demand and opportunity for retail commercial floor space in the Town was determined.

- *Service Space Opportunity Analysis*
  In addition to the retail space market demand analysis, a forecast of the opportunity for additional service uses in the Town was undertaken. Demand for service space over the study period (to 2041) has been forecast based on per capita space benchmarks.

- *Estimate of Commercial / Retail Land Needs*
  Based on the results of the retail and service space market demand analysis outlined above and various development coverage ratios, a forecast of future retail commercial space requirements was prepared for a range of land supply options.

This methodology resulted in identification of the market demand and opportunity for retail commercial floor space that could be supported in the Town, which is summarized in the following chapters.

4.2 Commercial Trends

The retail sector is dynamic and constantly changing in response to the marketplace. Changes in the way consumers are shopping, where they are shopping, socio-economic conditions, diversifying lifestyles patterns and evolving population and household demographics, are some of the many factors that are influencing Canadian retailing. The following discusses some of the trends that influence the future development of Oakville's retail sector.

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[9] For the purpose of this analysis NFOR is comprised of the following merchandise categories: Department Stores; General Merchandise; Clothing & Accessories; Furniture, Home Furnishings & Electronics; Pharmacies & Personal Care; Building & Outdoor Home Supplies; Miscellaneous Retailers and Automotive Parts, Accessories & Tire stores.
[10] For the purpose of this analysis FOR is comprised of the following merchandise categories: Supermarkets & Other Grocery Stores; Convenience Stores; and Specialty Food Stores such as meat markets, fish and seafood markets, fruit and vegetable markets and other specialty food stores.

4.2.1 Urban Intensification Pressures

Oakville, like many other urban Canadian municipalities, has a limited amount of Greenfield development land available. Growth targets and land constraints have resulted in increasing densities for all types of development, including commercial. The following chapter provides an overview of various real estate related market trends that may influence the development of new retail commercial space in Oakville in the future.

Throughout the Province and in Oakville in particular, the supply of available Greenfield retail sites is tightening, particularly in those municipalities under the jurisdiction of the Growth Plan. Accordingly, the pressure to maximize retail development opportunities, particularly in the best commercial locations, is increasingly resulting in developers seeking opportunities to intensify sites with new urban format centres.

The underlying principle of retailing, "location, location, location" continues as the primary factor behind retail intensification. The locations which offer the best access, visibility and exposure characteristics remain the most valuable for shopping centres/retail nodes in general, and for intensification opportunities in particular.

CONSUMER ACCESSIBILITY WILL CONTINUE TO BE A LEADING FACTOR IN THE SUCCESS OF RETAIL NODES

The success of shopping centres/retail nodes are driven by location and, therefore, consumer accessibility. As population densities are increased and public transit infrastructure initiatives are realized, the emphasis on catering to the automobile-oriented customer will be diminished for some shopping formats. The potential for intensification is related to accessibility in the form of roads, transit or nearby residential / employment populations.

The tightening supply of retail space has some tenants achieving higher sales performance levels, and operating smaller stores in fewer locations. In terms of large space users, retailers such as Walmart, Costco, Canadian Tire, Home Depot and others have introduced new urban format stores. These concepts include multi-level stores with a large floor plate operating above ground level, placing the retail building on 'stilts' to accommodate ground level parking underneath the store. With increasing land costs, retailers are investigating new format centres designed to achieve greater levels of intensification, including a focus on mixed use development.

In the Oakville context, multi-level retailing exists primarily in Oakville Place. Multi-level retailing includes a single store operating on more than one level, such as the department stores in Oakville Place. It can also include retail operators on the second level of retail centres. Multi-level retailing for mid-box tenants will become more prevalent in the future. Examples of a mid-box, second level anchor tenant include Whole Foods at Lansdowne Park in Ottawa, and Winners and Loblaws on Queen Street West in Toronto.

Multi-level retail also exists as a component of mixed-use development. This type of development is more prevalent in the major urban centres of Toronto and Vancouver. However, this development does provide insight into the future development patterns anticipated in Oakville.

Ultimately, intensification is a direct result of land economics. Increased customer accessibility leads to the potential to achieve greater investment returns through more efficient land uses. Accessibility, in the forms outlined above, provides incentive for intensification of shopping centre sites and other sites within retail nodes.

4.2.2 Tenant Trends Influencing Future Demand for Retail Space

The following subsection provides an overview of recent trends in the Canadian retail sector that may influence the demand for new retail space in Oakville in the future.

WALMART HAS HAD SIGNIFICANT SUCCESS BY EXPANDING THE RANGE OF MERCHANDISE AVAILABLE WITHIN ITS STORES

BLURRING OF RETAIL CHANNELS

In the past, most retailers tended to focus on one particular line of merchandise. For example, grocery stores focused on food and drug stores focused on health related products. Recent changes in retailing have resulted in a tendency to create a 'one-stop shopping' experience in order to increase market share. Many retailers, which previously offered specific product lines, now offer a much wider range of merchandise. These retailers include Shoppers Drug Mart, Walmart, Canadian Tire and Winners, as well as many others.

CONSOLIDATION

Many major Canadian chains have increased their scale even further through acquisitions. Examples include:

- Canadian Tire Limited $0.8 billion acquisition of the Forzani Group;
- Sobeys Inc. $5.8 billion purchase of Canada Safeway Inc.;
- Leon's' Furniture Ltd. $0.7 billion purchase of The Brick Ltd.; and
- Loblaw Companies Limited $12.4 billion purchase of Shoppers Drug Mart Corporation.

THE LOBLAW COMPANIES LIMITED PURCHASE OF SHOPPERS DRUG MART WAS A RECORD CONSOLIDATION AS IT MERGED THE COUNTRY'S LARGEST GROCERY CHAIN WITH CANADA'S BIGGEST PHARMACY BUSINESS

The Centre for the Study of Commercial Activity (CSCA) at Ryerson University has noted that the top three retail organizations account for more than 25% of all retail sales in Canada. These acquisitions which have resulted in such large retail companies may result in more limited demand for new retail locations, as retailers may choose to serve a broader market from fewer locations offering a wider range of merchandise.

CATEGORY KILLERS

The recent announcements of store closures in chains such as Best Buy/Future Shop and Staples have been due, at least partially, to the influence of the internet. However, we note that these closures were overdue and instead are indicative of the evolutionary process of streamlining these business models.

These types of mid-box retailers will continue to operate in the Canadian marketplace. The best retailing locations in the largest markets will continue to be serviced by larger format retailing venues providing greater product selection, more customization options, showrooming, on-site pick up and interactive service.

DEPARTMENT STORES

The department store continues to be an important component of the retail sector. Walmart's dominance in this category has reshaped the Canadian retail landscape and the department store industry continues to evolve.

Target entered the Canadian market through the purchase of the Zellers chain from Hudson's Bay Company in 2011. Target's first Canadian stores opened in 2013 and were the first new department stores in Canada since Walmart's purchase of Woolco in 1994.

TARGET CLOSURE IS EXPECTED TO PROVIDE NEW OPPORTUNITIES FOR OTHER RETAILERS

The closure of Target in early 2015 is viewed by many industry experts not to be an indication of a decline in the Canadian market, but rather the shortfall of a poorly executed plan by Target.

The exit of Target is providing new opportunities for other retailers. Walmart, Canadian Tire and Lowes will operate in 38 of the former Target locations. Other former Target spaces are being remerchandised into other retail uses, and some will become non-retail space such as offices. Discussions with South Oakville Centre management have indicated that the former Target space will remain in operation as retail space; however, the format has not been finalized.

Target's exit from Canada has created approximately 15 million square feet (~1.4 million square metres) of available space and it will take considerable time for the Canadian market to adapt and re-use this volume of space.

Nordstrom's entry into Canada has been more strategic than Target's. Nordstrom's has opened stores in Calgary and Ottawa. Other locations under development include two in Toronto, one in Vancouver and one at Mississauga Square One. In addition, Nordstrom has also announced its plans to open between 12 to 15 of its discount chain stores, Nordstrom Rack, in Canada.

In July 2013, Hudson Bay Company (HBC) purchased Saks Inc. HBC announced the first Saks Fifth Avenue luxury department stores will be opening at Toronto Eaton Centre and Sherway Gardens in early 2016. In addition, HBC is also planning to convert other Hudson Bay locations to the Saks format. No plans have been announced for the Oakville Place location. HBC has also reported its plans to open up to 25 Saks Off Fifth outlets in Canada in the future[11].

Other department store chains that have shown interest in the Ontario market include: JC Penny, Kohl's and Bloomingdales. However, given Target's exit from Canada in 2015,

[11] Since the time of this commercial review, a number of Saks Off Fifth locations are now open.

these department stores may no longer be as aggressive with their Canadian expansion plans.

'FOREIGN' RETAILERS IN CANADA

There is a long history of foreign retailers operating in the Canadian marketplace, particularly from the United States. Major retailers such as Walmart, Sears, Costco, IKEA, Home Depot, Staples, and most recently, Target have influenced the Canadian retail market. The stability of the Canadian marketplace in recent years has made Canada one of the more attractive locations for the expansion plans of various major international retailers including Marshall's, Lowe's, Zara, H&M, J. Crew, Restoration Hardware and Crate & Barrel.

The CSCA identified that approximately 150 new retail chains have opened in Canada since 2005. The majority of these chains are foreign operated. The expansion of these retailers continues to drive demand for retail space.

ALTERNATIVE RETAIL ANCHOR TENANTS

The space formerly occupied by a single user such as a department store is being replaced with retailers such as a clothing/sporting goods store and home furnishing retailer or a supermarket with a fitness centre/physio clinic. This approach is under consideration for various centres which recently lost Target as an anchor. Some of the impacts of this trend are as follows:

- Increase customer traffic flow through a retail site;
- A combination of anchor tenants pose less risk to the performance of the centre should one close;
- It allows opportunity for some tenants to operate smaller formats in more locations;
- Provides shopping centre operators greater flexibility in leasing large vacant spaces;
- Can be less susceptible to lease covenant and other restrictions; and,
- Collectively these tenants can function as a major attraction, often attracting greater customer traffic and sales than the anchor they replaced.

4.2.3 Trends Influencing Bricks and Mortar Retail Space

The impact of the internet and smart device shopping continues to be a topic of discussion amongst retailers, shopping centre developers, landlords and industry experts as consumer shopping patterns

CONSUMER SHOPPING PATTERNS CONTINUE TO BE INFLUENCED BY TECHNOLOGY continue to be influenced by technology. Although this form of shopping has become more mainstream, it remains uncertain what its actual impact will be on the bricks and mortar side of retailing.

Two obstacles which online retailing has yet to fully compensate for are the in-person shopping experience and the convenience of point of sale purchases. To address these issues, some retailers are focusing more on servicing the customer by allocating a larger share of existing store space to 'showroom' presentation as well as adding in-store pick up services for online purchases. Some retailers are reducing stores sizes while increasing their number of locations. Overall, these trends have had little impact on retail vacancy levels of existing retail space to date.

IT IS YET TO BE DETERMINED HOW E-RETAILING WILL INFLUENCE DEMAND FOR DISTRIBUTION, LOGISTICS AND WAREHOUSING SPACE IN THE FUTURE

Internet shopping has had an impact on some areas of the retail spectrum in terms of physical store space. This impact is particularly evident with the reduction of space previously occupied by soft goods categories and services like print media, movie rental and travel services. However, online shopping still represents a small share of overall retail trade in Canada, and many foreign retailers have yet to provide direct access to their e-commerce services for the Canadian market.

The most recent Statistics Canada data available indicates that e-commerce represented approximately 1.5% of Canadian retail sales in 2012. This figure compares to 5.2% for the United States in 2012. The Canadian figure is forecast to increase to 10% by 2021, and in the longer term additional increases are anticipated.

In addition, it is yet to be determined how this retail platform will influence demand for distribution, logistics and warehousing space in the future. One of the trends in retail store design is an increasing portion of a store being dedicated to warehousing. Some retailers are delivering merchandise from stores or having customers pick up merchandise that has been ordered online at their local store. This trend has had little effect on overall demand for retail space.

Retail vacancy rates have not been seen to have increased as a result of internet shopping. Rather, the rate at which new retail space supply is being added in the market place has declined. Retail space will continue to increase in the future; however, we anticipate that the rate of increase will be reduced from historic levels. It is expected that this trend will continue to influence the development of new shopping centre/retail space in the future resulting in some reduction in the demand for new space. Nonetheless, the locations with the best site characteristics will continue to remain in highest demand.

4.2.4 Downtowns and Mainstreets

Oakville has three vibrant downtown and mainstreet areas: Downtown Oakville, Kerr Village and Bronte Village. Each of these areas is represented by a Business Improvement Area (BIA). Each area contains a broad range of retail and service facilities.

Retailing represents one amenity of a vibrant mainstreet or downtown. Often a challenge to sustaining the retail component is to create a compact highly accessible core while addressing the parking requirements and automobile orientation of most retail businesses. Often services are better suited and play a larger role in downtowns and mainstreets than traditional retail uses.

BRONTE VILLAGE, OAKVILLE

Downtowns and mainstreets tend to transition slowly. This trend, in part, is based on land ownership tending to be individual site holdings. Therefore, making significant changes in these areas requires significant consensus amongst land owners. Conversely, this characteristic tends to insulate these areas from drastic change in response to market swings, thus contributing to the resilience of these areas. However, we note that ownership consolidation is occurring in Downtown Oakville, which may provide significant opportunities for redevelopment and intensification in the future.

The more successful downtowns and mainstreets are those that have transitioned over time to accommodate the fullest range of uses, including retail, service commercial, cultural, recreation, entertainment, business and professional, government, institutional, community, employment and residential uses. In Oakville, unique attributes such as waterfront access, parks and historical features assist in fulfilling the multi-faceted role of these nodes.

4.3 Existing Retail Market Characteristics

This section provides a summary of Oakville's existing retail market characteristics determined through the Retail Study, with further detail of the results of this research provided in **Appendix B.**

4.3.1 The Oakville Study Area

The geographic boundary of the Retail Study is the municipal boundary of the Town of Oakville. For the purposes of the demand analysis, the Town has been divided into three geographic Retail Study Area zones. **Figure 4-1** provides a map illustrating these zones. These zones are generally described as follows:

- South Zone: This zone includes the portion of the Town of Oakville that is located south of the QEW.
- Northwest Zone: This zone includes the portion of the Town of Oakville located north of the QEW and west of Neyagawa Road / Sixteen Mile Creek.
- Northeast Zone: This zone includes the portion of the Town located north of the QEW and east of Neyagawa Road / Sixteen Mile Creek.

These zones have been included in the analysis that follows to reflect different demographic and locational characteristics that influence current and forecast shopping patterns.

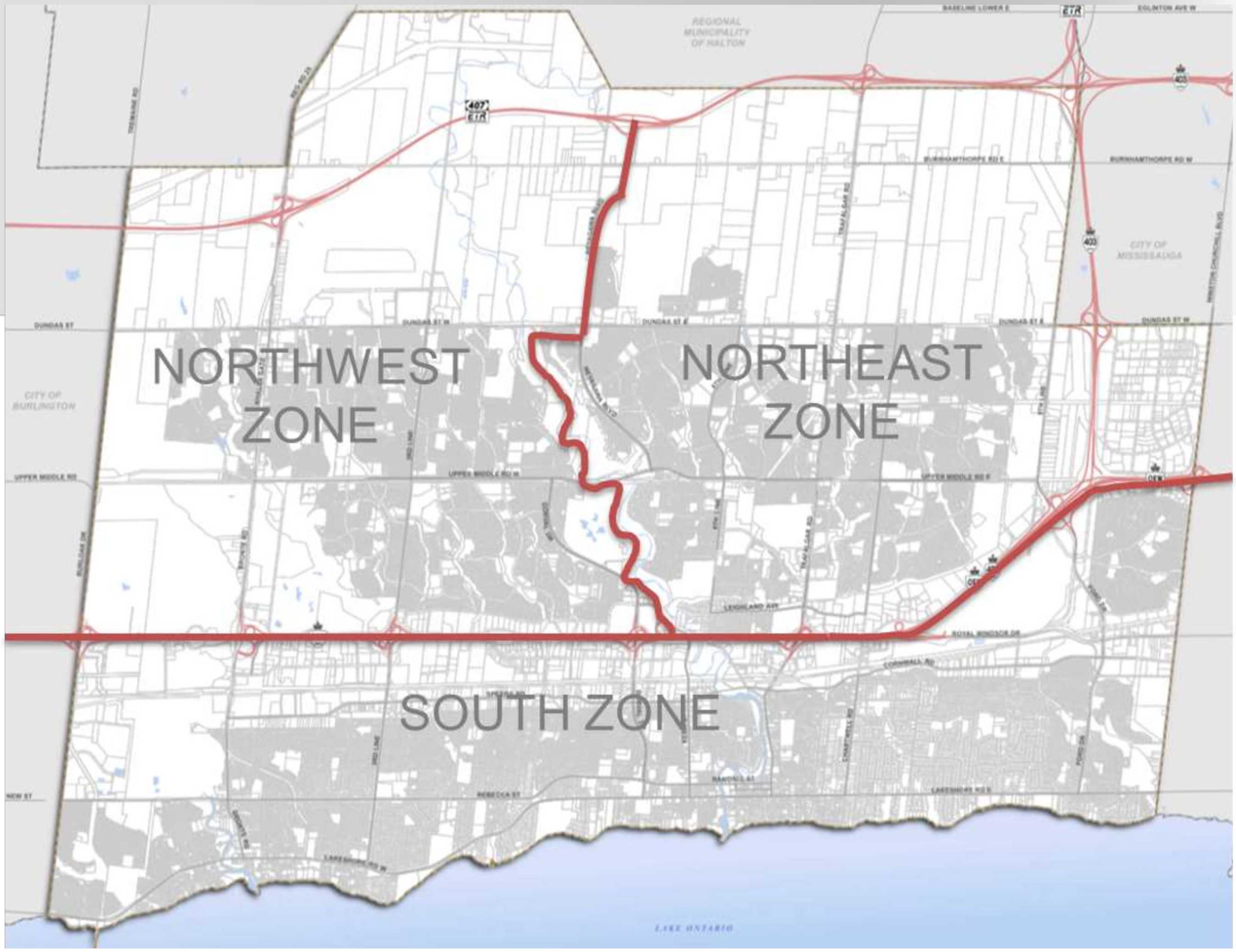


FIGURE 4-1: OAKVILLE RETAIL STUDY AREA ZONES

4.3.2 Inventory of Competitive Retail Space in Oakville

A complete inventory of all retail, service, and vacant commercial space in the Town of Oakville was undertaken in October/November 2014. This subsection of the report provides a summary of all existing retail space in the Town.

Figure 4-2 presents a map including each of the retail nodes within Oakville. **Figure 4-3** presents a summary of Oakville's major retail establishments. **Appendix B** includes further details on Oakville's 2014 inventory base.

The existing retail structure of the Town of Oakville can be summarized as follows:

- Overall, the Town of Oakville contains approximately 8.9 million square feet (approximately 827,000 square metres) of retail, service and vacant space.
- There are approximately 1.0 million square feet (approximately 93,000 square metres) of space occupied by FOR uses, 3.8 million square feet (approximately 353,000 square metres) of space occupied by NFOR uses, and another 3.8 million square feet (approximately 353,000 square metres) of space occupied by other retail and service oriented uses. Approximately 0.4 million square feet (approximately 37,000 square metres) is vacant.
- The 2014 commercial/retail space per capita level in Oakville is estimated to be 47.8 square feet (4.4 square metres) per capita. This level is considered within industry norms.
- This space is not evenly distributed throughout the Town. The following points summarize its distribution:
  - 4.6 million square feet in South Oakville (70.8 square feet per capita or ~427,000 square metres).
  - 1.2 million square feet in Northwest Oakville (20.8 square feet per capita or ~111,000 square metres).
  - 3.0 million square feet in Northeast Oakville (48.6 square feet per capita or ~279,000 square metres).

Figure 4-2 and **4-3** indicate that Northwest Oakville is understored relative to the Town overall, and particularly relative to South Oakville.

- The vacancy level In Oakville is estimated at 4.3%. A balanced market is typically between 5.0% and 7.5%. Oakville's vacancy levels are below this typical range, which is indicative of demand for additional retail space.

- There are three historic retail concentrations in Oakville. These are Downtown Oakville with 678,000 square feet (~63,000 square metres), Kerr Village with 732,000 square feet (~68,000 square metres) and Bronte Village with 342,000 square feet (~32,000 square metres). These concentrations are all located in South Oakville. Kerr Village and Bronte Village are anchored by supermarkets. Service space accounts for more than 50% of the total commercial space in all three areas.

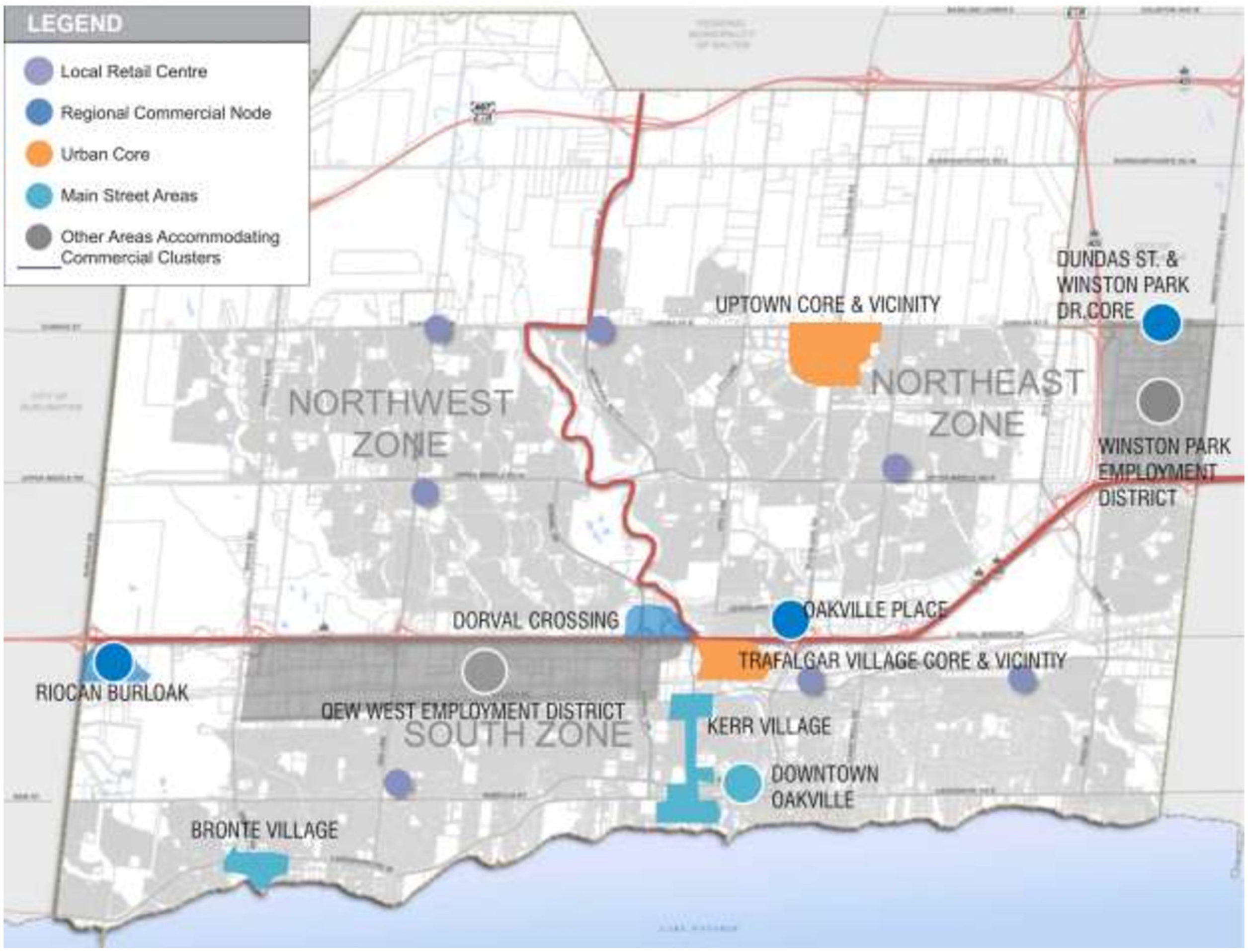


FIGURE 4-2: SNAPSHOT OF RETAIL NODES AND CENTRES IN OAKVILLE

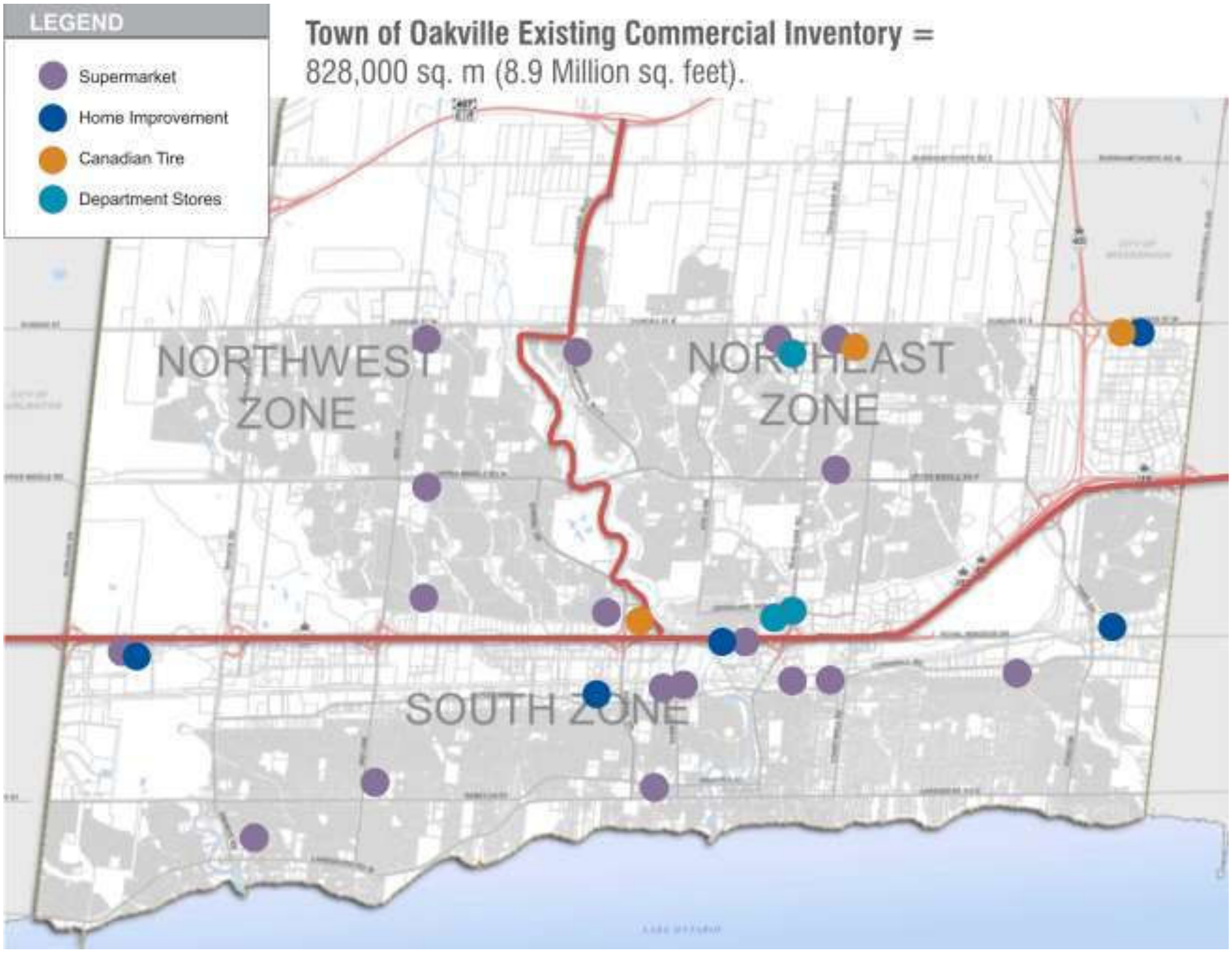


FIGURE 4-3: CONSOLIDATED SUMMARY OF OAKVILLE COMMERCIAL INVENTORY

- There are two enclosed shopping centres in Oakville. They are South Oakville Centre, totalling 334,000 square feet (~31,000 square metres), which was formerly known as Hopedale Mall, and Oakville Place, which totals 455,000 square feet (~41,000 square metres). South Oakville Centre is anchored by a Metro supermarket and includes a large vacancy that was formerly Oakville's only Target department store. No detailed plans have been announced for re-tenanting the former Target space. Oakville Place is anchored by Hudson's Bay and Sears. It is currently undergoing a renovation that will include the addition of Pusateri's, an upscale supermarket.
- The Uptown Core Area, which includes 884,000 square feet (~82,000 square metres), and RioCan Burloak, which includes 547,000 square feet (~51,000 square metres) comprise the Town's largest concentration of large format or big-box retailing. The Uptown Core Area is anchored by a Real Canadian Superstore,

Walmart Supercentre, Longo's, Canadian Tire and others. RioCan Burloak is anchored by Home Depot, Cineplex and Longo's.

- There is a significant concentration of retail commercial space located within Oakville's employment areas. In South Oakville, the QEW West Employment District includes approximately 902,000 square feet (~84,000 square metres) of retail commercial uses. Approximately 50.4% of this total is retail and the balance is service space. The Winston Park Employment Area, in Northeast Oakville, includes 401,000 square feet (~37,000 square metres) of retail commercial uses, of which 75.9% is service space. This amount of space is indicative of adjacent commercial serving employment areas.

4.3.3 Food Oriented Retail and Supermarket Competition

FOR stores tend to be convenience oriented, typically serving a localized market area and provide residents with their day-to-day necessities. Supermarkets comprise the majority of FOR space. Supermarkets commonly function as an anchor tenant in shopping centres or within larger shopping areas. The following points summarize FOR competition in Oakville.

- There are 18 supermarkets and 104 other food retailers in Oakville. These tenants occupy 1,000,400 square feet (~93,000 square metres).
- Supermarkets account for approximately 80% of the Study Area's FOR space.
- All of the Canadian major supermarket chains (Loblaws, Sobeys, Longo's and Metro) are located in Oakville. Loblaws operates four locations, (Fortino's, Real Canadian Superstore and two No Frills), Metro operates five locations (three Metro and two Food Basics), Sobeys operates four locations (three Sobeys and one FreshCo.) and Longo's operates three locations. The remaining two supermarkets/grocery stores are Whole Foods Market and Organic Garage.
- Overall, Oakville is well represented with its selection of supermarkets. However, Northwest Oakville is under represented in terms of supermarkets.

4.3.4 Major Non-Food Oriented Retail Competition

Businesses in the NFOR category range from major retailers offering brand name merchandise and product lines to ancillary uses serving the day-to-day shopping needs of local residents to unique, specialty operators that attract customers from a wide area. Major retailers under this category typically function as anchor tenants. The following points summarize NFOR competition in Oakville.

Department Stores

There are three department stores operating in Oakville. These stores consist of a 119, 400 square foot (~11,000 square metre) Hudson Bay and a 104,200 square foot (~9,700 square metre) Sears at Oakville Place and a 203,600 square foot (~19,000 square metre) Walmart SuperCentre in the Uptown Core Area. As stated previously, at the time of this report, Target had vacated its premises at South Oakville Centre.

Building and Outdoor Home Supply

There are 118 Building and Outdoor Home Supply (BOHS) retailers occupying 598,900 square feet (~56,000 square metres) of space in Oakville. In terms of home improvement centres, there are three Home Depot stores and two Rona stores.

Canadian Tire

Canadian Tire operates three locations in Oakville.

Costco Warehouse Membership Club

There are no Warehouse and Membership Clubs (WMC) operating in Oakville; however, there are Costco locations serving Oakville residents from nearby locations in Burlington and Mississauga.

Pharmacies and Personal Care Stores

Pharmacies and Personal Care Stores occupy 288,700 square feet (~27,000 square metres) of space in Oakville. Drug stores often function as anchor tenants for local and neighbourhood commercial centres. The two largest retail chains, Shoppers Drug Mart and Rexall, each operate multiple stores in Oakville.

Other NFOR

For the purpose of this study, other NFOR businesses consists of retailers categorized in the following retail categories: clothing, shoes and accessories; furniture, home furnishings and electronics; miscellaneous retailers; and automotive parts, accessories and tires. Other NFOR consists of 523 businesses occupying 2,039,300 square feet (~189,000 square metres) of space in Oakville.

4.3.5 Other Retail and Service Competition in the Study Area

Services can often play a significant role in defining the planned function of a commercial area. Service uses can provide residents with convenient access to routine daily activities such as banking and financial services, personal services, restaurant and fast food establishments and entertainment. However they can also have a regional function in terms of providing access to social and health services, municipal government and public amenities such as libraries and postal services. The following points summarize the service space competition in Oakville.

- There are 1,488 service tenants operating in Oakville. These tenants occupy approximately 3.7 million square feet (~344,000 square metres).
- Food related services, such as restaurants and fast food, total approximately 945,000 square feet (~88,000 square metres).
- Medical, dental and health and legal services and account for 835,000 square feet (~78,000 square metres).
- Other Retail uses consist of Beer, Liquor and Wine retailers. These uses occupy 103,400 square feet (~9,600 square metres) in Oakville. There are 14 Beer, Liquor & Wine stores in Oakville.
- The estimated 2014 Other Retail and Service Space per capita level in the Town of Oakville is 20.2 square feet (1.9 square metres) per capita. This figure is within normal ranges.

4.3.6 Inventory of Competitive Space – Conclusion

The estimated 2014 retail commercial space per capita level in Oakville is 47.8 square feet (4.4 square metres) per capita. This is considered within typical ranges and is reflected in the vacancy level, which is below normal levels. The majority of retail uses are located in South and Northeast Oakville. The majority of population growth is forecast to occur in Northeast Oakville. As the population of the Town continues to increase, increased demand for additional retail uses will be generated in these growth areas.

4.4 Consumer Research Results

Three surveys were conducted, designed to provide a greater understanding of the Oakville consumer's shopping behavior. The surveys included:

- In-home telephone consumer survey of 600 randomly selected households, from the three zones of the Study Area;
- Licence plate surveys undertaken at 12 shopping centre locations throughout Oakville, involving the recording of licence plates from 3,600 vehicles; and
- On-street personal interviews of 400 respondents, conducted in both Bronte Village and Downtown Oakville.

These surveys were all conducted in 2014. The results were tabulated and summarized and are included in **Appendix B**. The following points summarize the findings of each individual survey type.

4.4.1 Oakville Residents Shopping Patterns

As part of the research program undertaken for this report, 600 in-home consumer telephone surveys were completed of Oakville residents in November 2014. This research provides an indication of Town residents' shopping patterns influencing demand for retail space in the Town. **Figure 4-4** and the following points summarize the key findings of the survey:

- In terms of department store shopping, Walmart is the most shopped department store. It is followed, in order, by Hudson Bay, Sears and Target (which was operating at the time of the survey).
- Oakville residents are frequent shoppers at Costco, although Costco is not located within the Town. The most frequented Costco is located in Mississauga, near the Oakville/Mississauga border.
- Residents remain primarily within Oakville for their Building and Outdoor Home Supply shopping, which reflects the three Home Depot and three Canadian Tire locations in the Town.
- In terms of Clothing, Shoes and Accessories shopping, Oakville Place is the most frequently shopped location for Oakville residents. The Uptown Core area is the second most shopped in this category. Outside of Oakville, residents shop most frequently at Mapleview Mall in Burlington, Square One in Mississauga and Sherway Gardens in Toronto for Clothing, Shoes and Accessories.
- The Miscellaneous Retail or Specialty Store category is well represented locally. South Oakville residents make 80.3% of their expenditures in this category in Oakville, Northwest Oakville residents make 82.8% and Northeast Oakville residents, 75.1%. Dorval Crossing, given its concentration of stores such as Chapters, Toys R Us and Staples in this category, is the most frequently shopped location.
- In the Furniture, Home Furnishings and Electronics Store category, survey results indicate that more than 60% of Oakville residents' expenditures are made at stores located outside of Oakville. Northeast Oakville residents make 25.5% of expenditures within Oakville. A large portion of expenditures in this category is made in Mississauga, primarily near Winston Churchill Boulevard and Dundas Street. This expenditure pattern reflects the lack of availability in this retail category within Oakville in conjunction with the concentration of these store types in Mississauga.

- Pharmacies and Personal Care store shopping is primarily done locally. Overall, Oakville residents make 90.3% of their expenditures in this category at stores within Oakville, reflecting the localized, convenience oriented nature of typical shopping in this store category.
- Similarly, shopping is done locally within the Supermarket and Other Food category, with 91.6% of Oakville residents' Supermarket expenditures and 85.3% of Other Food expenditures made at stores located in Oakville.

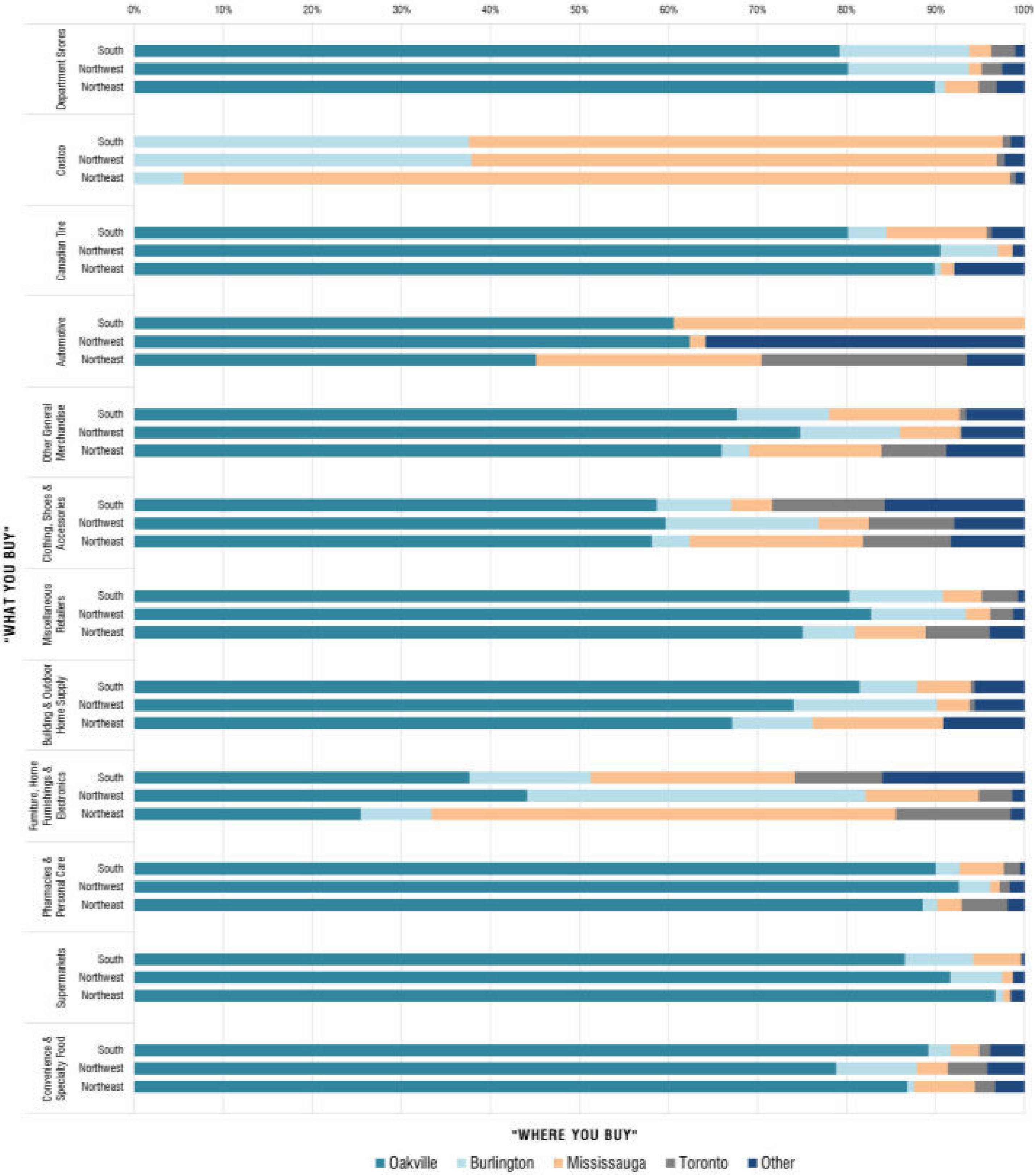


FIGURE 4-4: OAKVILLE RESIDENTS' SHOPPING PATTERNS

4.4.2 Comparison with Historic Shopping Patterns

Previous in-home consumer telephone research was conducted on behalf of the Town of Oakville in 1994 and 2005. This research has been summarized and compared with the current research in **Figure 4-5**. The following summarizes the key observations:

- Research indicates that categories such as Department Stores and Supermarkets have experienced consistent expenditure patterns, over time.
- The Clothing, Shoes and Accessories category indicates a decrease in the portion of Oakville shoppers' expenditures that are made in Oakville. This result is indicative of the increase in competitive opportunities outside of Oakville, relative to the product offerings within Oakville.
- A decline in the Furniture, Home Furnishings and Electronics category is also noted. This decline may indicate the opportunity for new Oakville retailers to capture a greater share of expenditures in this category, as more expenditures are leaving Oakville than in the past.

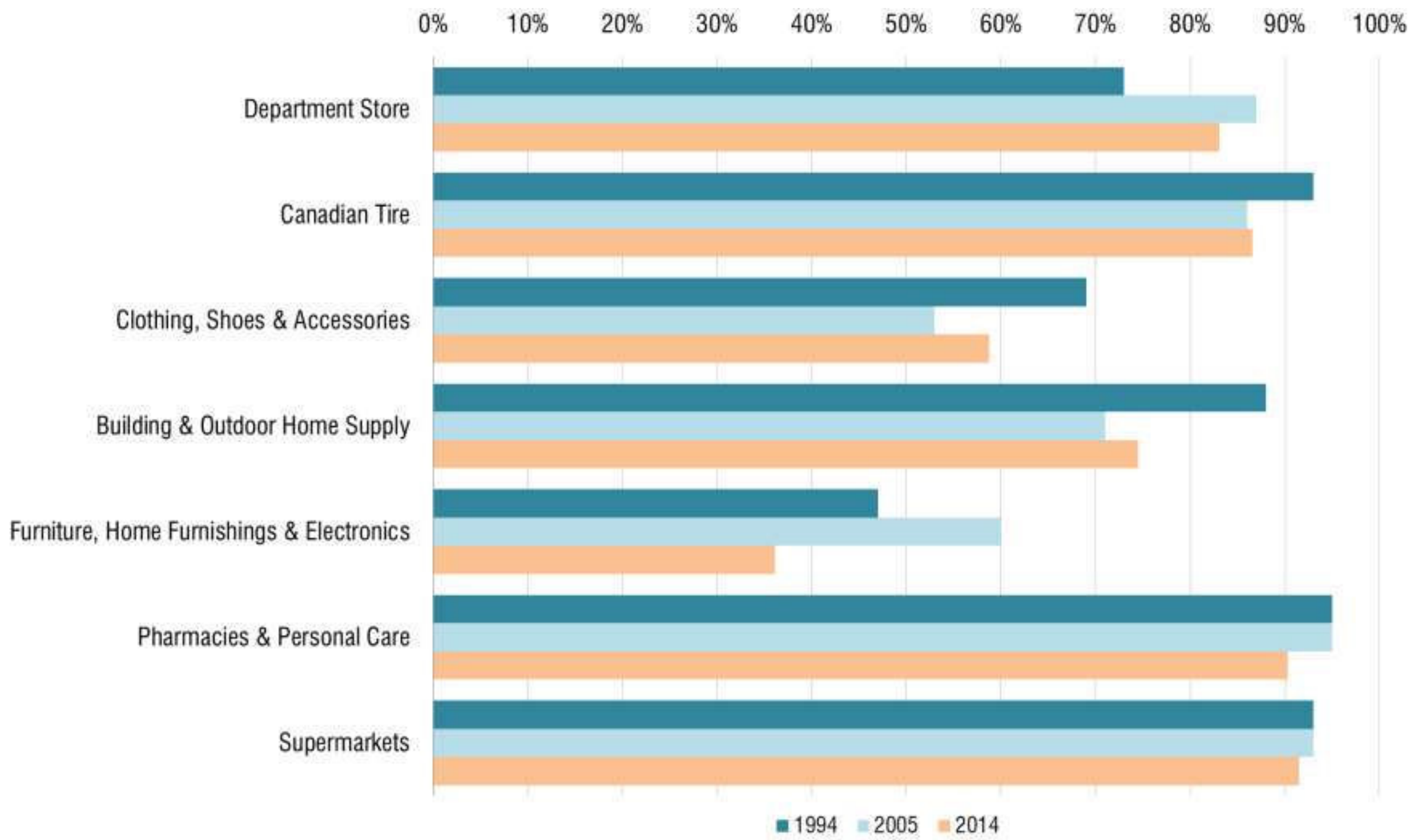


FIGURE4-5: OAKVILLE SHARE OF EXPENDITURES IN SELECTED RETAIL CATEGORIES OVER TIME

4.4.3 Customer Draw Survey Results

Licence plate surveys are commonly employed to determine the customer draw of a single retail location, retail shopping plaza/centre, or retail node. Typically, the results are used as one of the inputs into the delineation of a Study Area as well as to provide estimates of the portion of customers who reside beyond the Study Area, known as inflow.

Licence plate surveys consist of recording the licence plates of vehicles in, or leaving, a retail parking lot or a designated parking area along commercial main streets. Once the licence plates have been recorded, they are submitted to the Ministry of Transportation (MTO). The MTO provides the corresponding geographic location where the vehicle is registered. The results of the information obtained from the MTO have been summarized and mapped. More details about the methodology and the limitations of licence plate surveys are provided in **Appendix B**.

Figure 4-6 and the following points summarize the key findings of the customer draw research conducted in Oakville.

- Although the results indicate that Oakville retail locations typically serve Oakville residents, there is considerable inflow of customers from other municipalities. Inflow, which is non-Oakville responses, ranges from 74.7% of customers at the Dundas Street and Winston Churchill Boulevard Node to 12.5% at Dundas Street and Third Line.
- Retail locations on the periphery of the Town tend to attract larger portions of customers from neighbouring municipalities. For example, 53.5% of customers at Dundas Street and Winston Churchill Boulevard come from Mississauga, and 37.9% of customers at RioCan Burloak Centre come from Burlington.
- There is limited inflow of customers from Milton. The locations with the highest portion of shoppers from Milton are the Uptown Core and RioCan Burloak, both attracting 3.1% of customers from Milton.
- Oakville Place attracts 39.5% of its customers from outside of Oakville. This figure reflects the easily accessible location of this centre and its tenant mix.
- In comparison, South Oakville Centre attracts only 21.5% of its customers from beyond Oakville, and Burlington residents represent 11.1% of that total.
- **Figure 4-6** also indicates historic customer location research results. In a general sense, the customer distribution has not change dramatically over time.

Figure 4-6 also compares the current research with previous data gathered in 1994 and 2005.

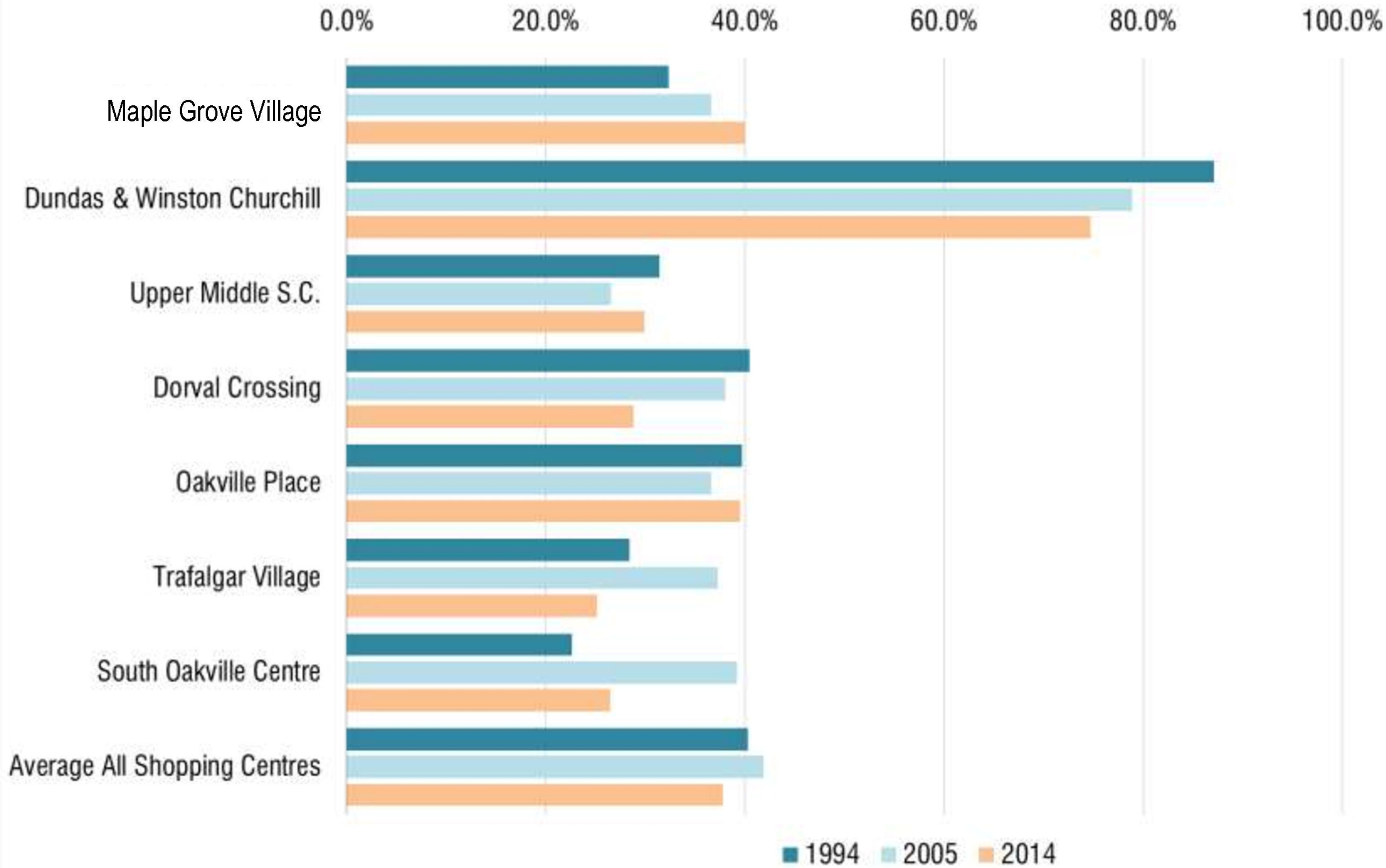


FIGURE 4-6: SHARE(%) OF CUSTOMERS FROM BEYOND OAKVILLE

- Two locations that have indicated a change over time is Dundas and Winston Churchill and Dorval Crossing. Both of these areas attract a larger portion of customers from Oakville then they did in the past. This trend may indicate a decline in relative “uniqueness” of merchandise offered at these locations.

Overall, these customer draw survey results reflect the urbanized nature of retailing in Oakville and its surrounding municipalities. Oakville customers shop beyond the borders of Oakville and residents in nearby municipalities, particularly Burlington and Mississauga, are frequent shoppers in Oakville.

4.4.4 Oakville Downtowns Customer Survey Results

300 on-street surveys were completed in the Main Street Growth Areas - Downtown Oakville, Kerr Village and Bronte Village . These surveys were conducted to gain a better understanding of shoppers’ habits, preferences, desires and other characteristics. The Downtown Customer Survey Results are summarized in **Appendix B**. The following points summarize the most significant customer insights:

- The primary purpose for visiting each of the downtown areas, as outlined in **Figure 4-7**, was “Shopping / Specific Store/Service” or “Restaurant/Coffee”. These results indicate that most shoppers coming to the area with a particular purpose in mind. Patrons utilize the Downtowns for both shopping and dining.

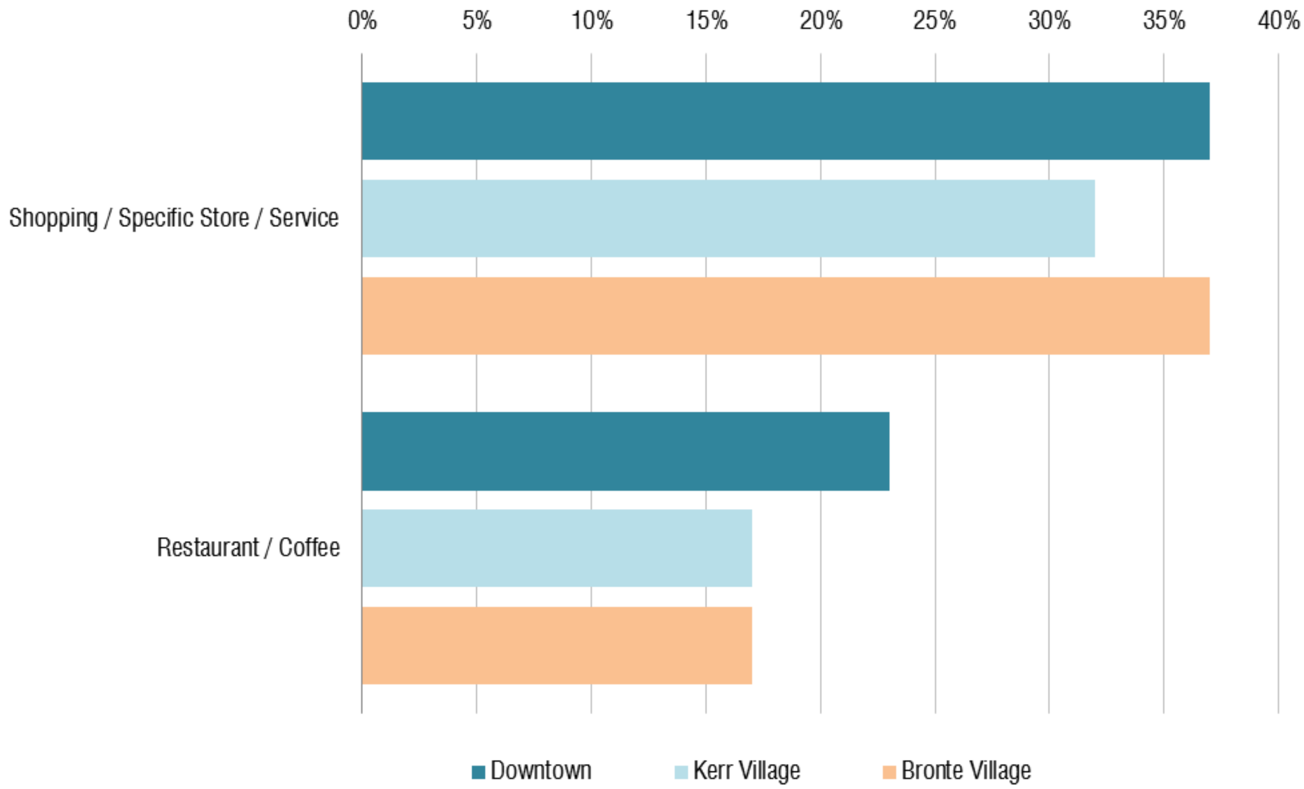


FIGURE 4-7: DOWNTOWN CUSTOMER SURVEY – PURPOSE OF VISIT

- There is also a significant portion of respondents who are "Just Passing Through" the downtown areas. This illustrates the importance of unique storefronts and displays to attract customers who do not have a specific destination planned.
- Most of the survey respondents are frequent shoppers at the downtown areas, which is influenced by the portion of respondents who also live in the immediate area, as presented in **Figure 4-8**.

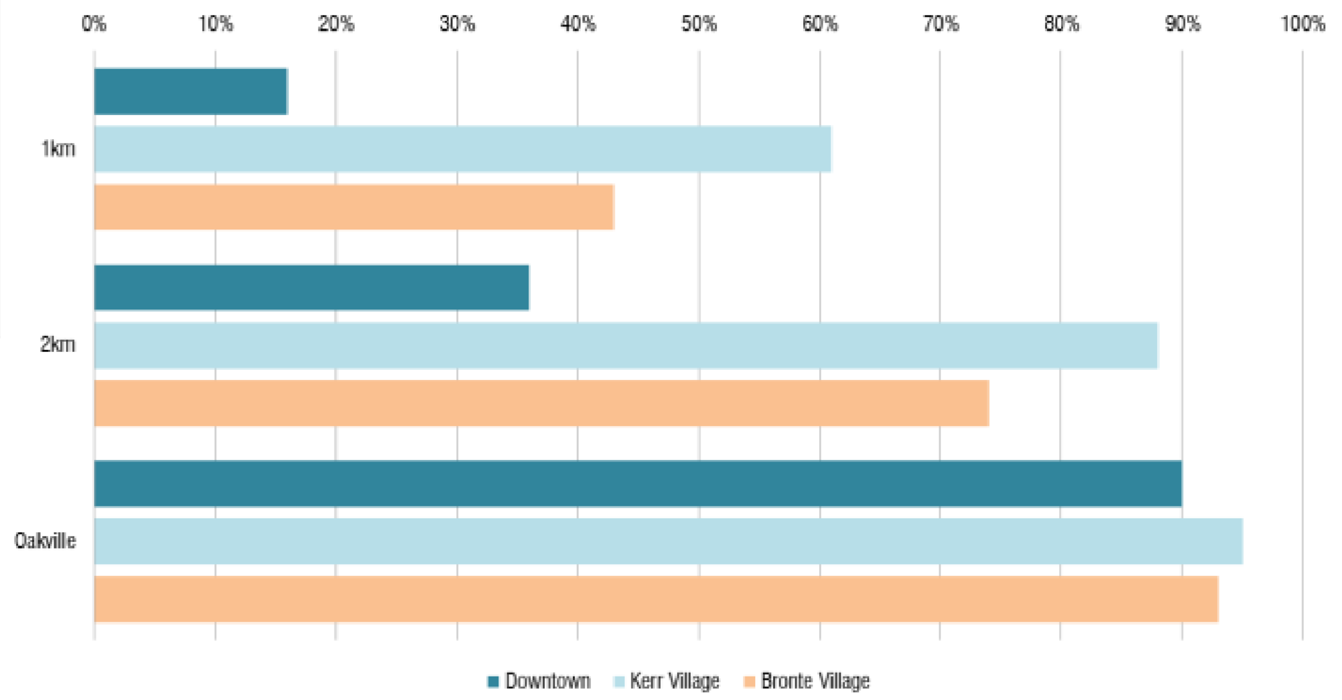


FIGURE 4-8: DOWNTOWN CUSTOMER SURVEY – ORIGIN

- Respondents were asked about what makes each Downtown "Unique". Downtown Oakville and Kerr Village customers' most popular response was the variety of retailers and service providers, followed by the people. Bronte Village customers enjoyed the Neighbourhood/Waterfront Setting of the area. Respondents from all areas commented on the quiet and peaceful nature of the Downtowns and that the Downtowns were "safe". **Figures 4-9**, **4-10** and **4-11** demonstrate the results for each of the downtown areas.

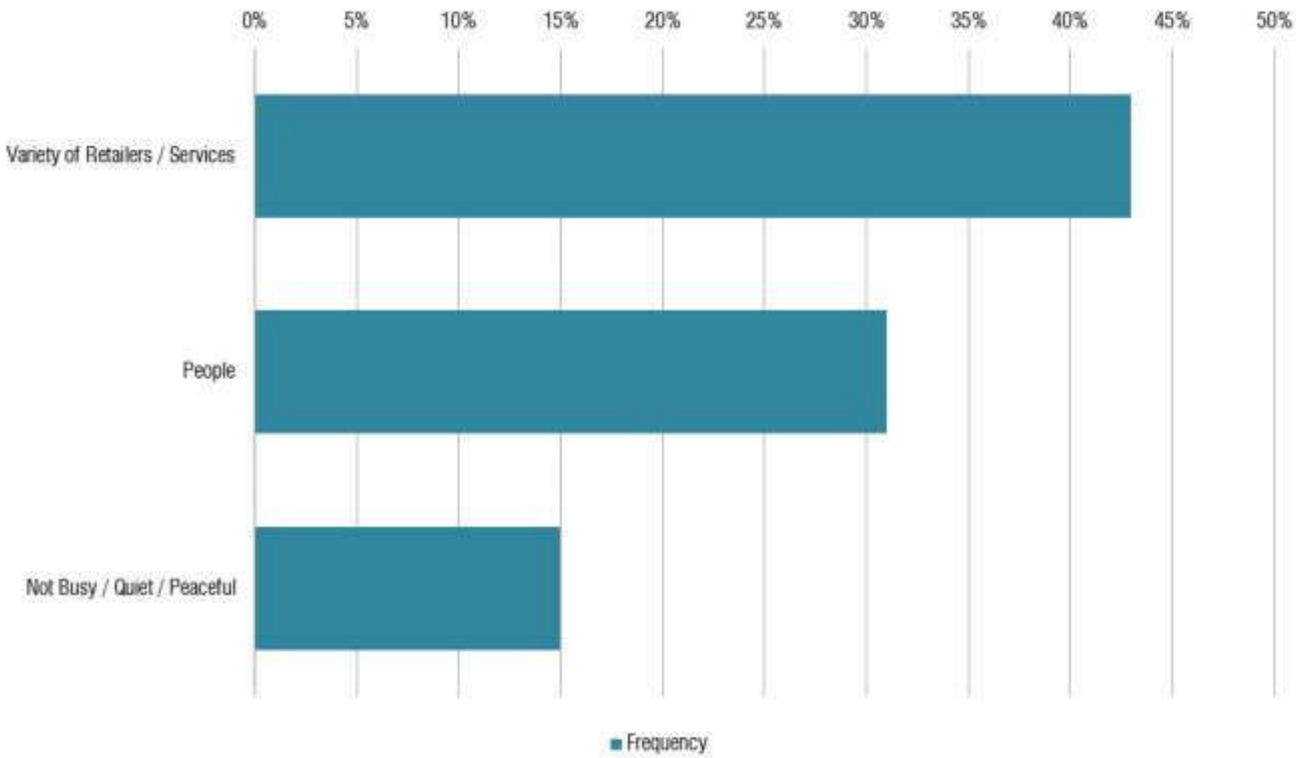


FIGURE 4-9: DOWNTOWN CUSTOMER SURVEY – DOWNTOWN OAKVILLE UNIQUE QUALITIES

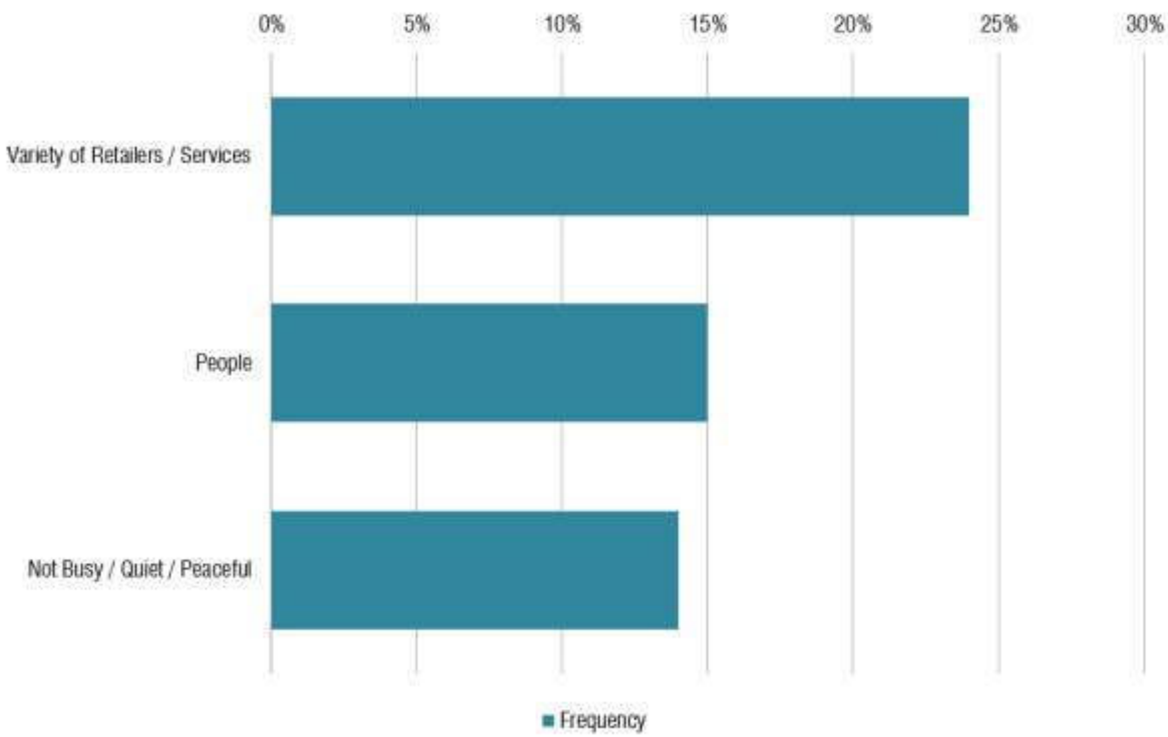


FIGURE 4-10: DOWNTOWN CUSTOMER SURVEY – KERR VILLAGE UNIQUE QUALITIES

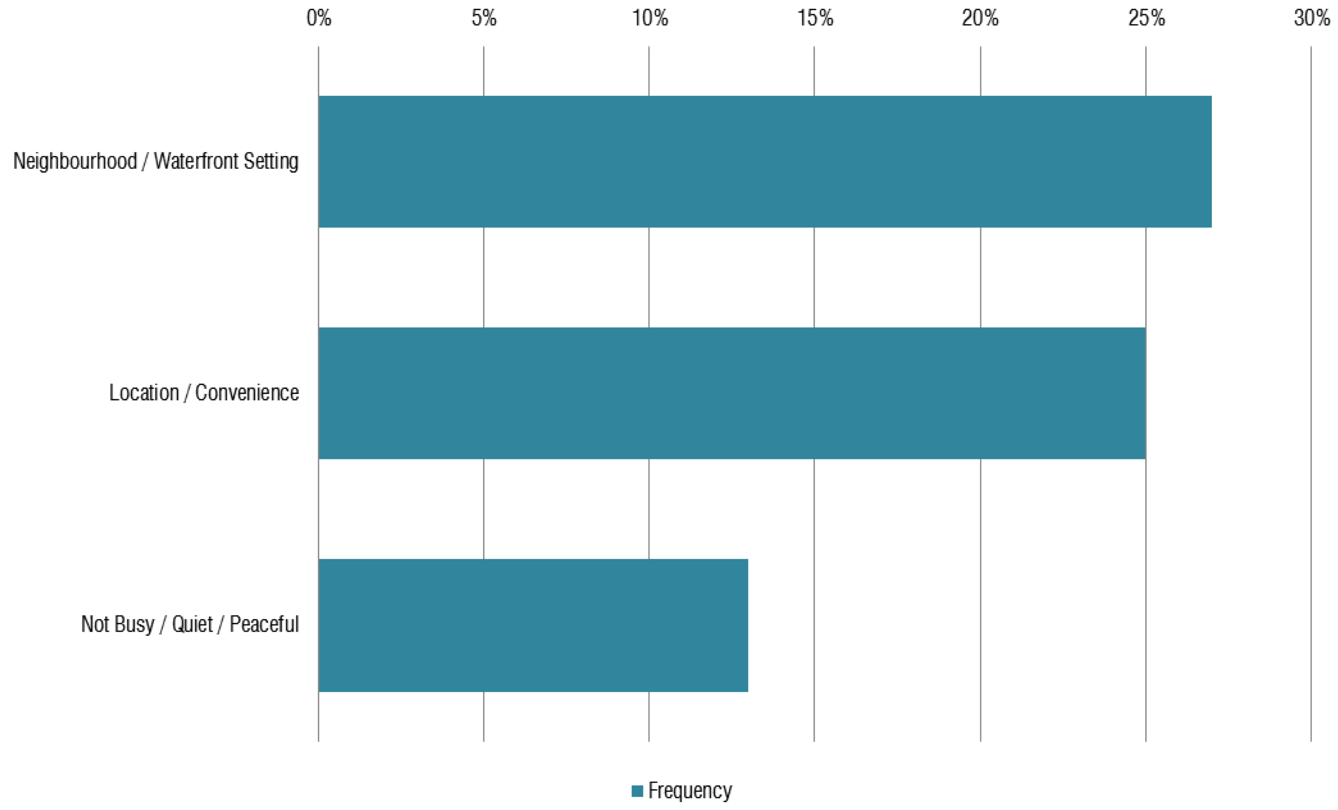


FIGURE 4-11: DOWNTOWN CUSTOMER SURVEY – BRONTE VILLAGE UNIQUE QUALITIES

- Shoppers were asked about the stores and services they would like to see added to the downtown areas. The most frequent response from all areas was additional food services such as restaurants/bars/coffee shops. Second most frequent response was additional clothing stores. Other retailers, such as furniture/electronics, food stores and sporting goods were also requested in all of the downtown areas. **Figure 4-12** presents the results.

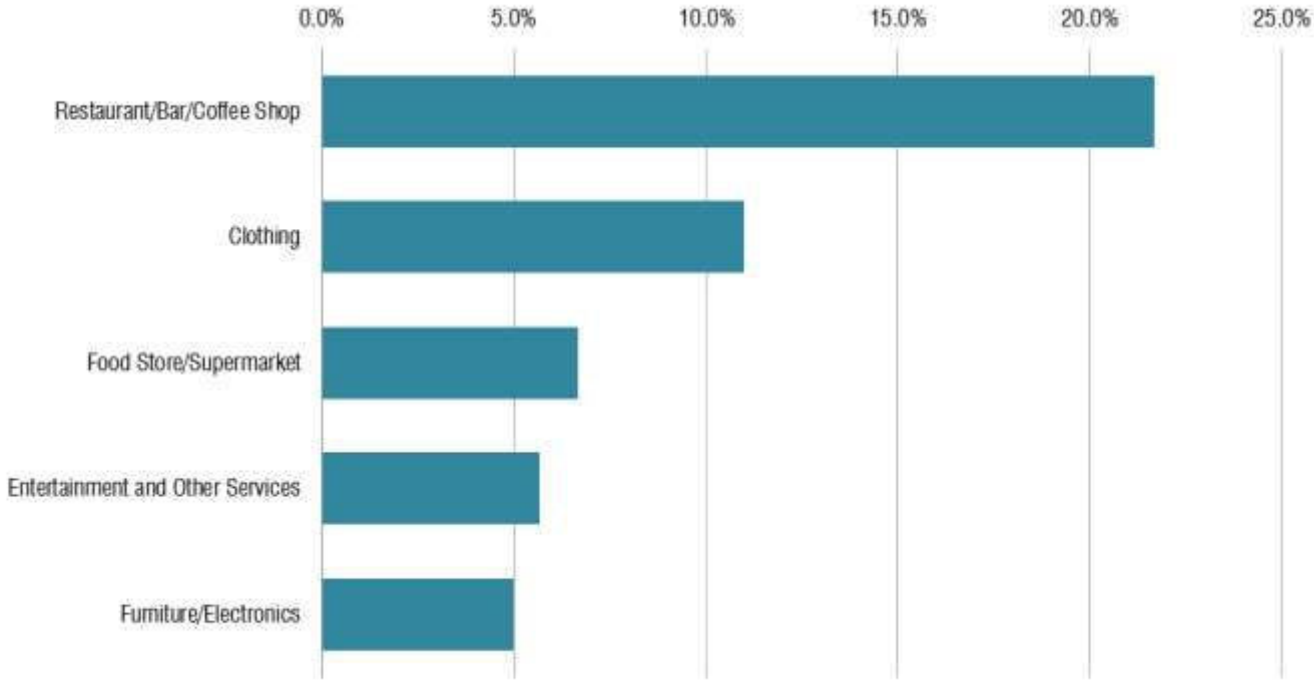


FIGURE 4-12: DOWNTOWN CUSTOMER SURVEY – STORE/SERVICES ADDED TO DOWNTOWNS

- The most frequent mode of transportation to arrive in the area was the car in Downtown Oakville and Kerr Village, and walking in Bronte Village. Overall, cars were used by less than half of the respondents as demonstrated in **Figure 4-13**, indicating the convenience nature of the downtown areas for a significant portion of shoppers.

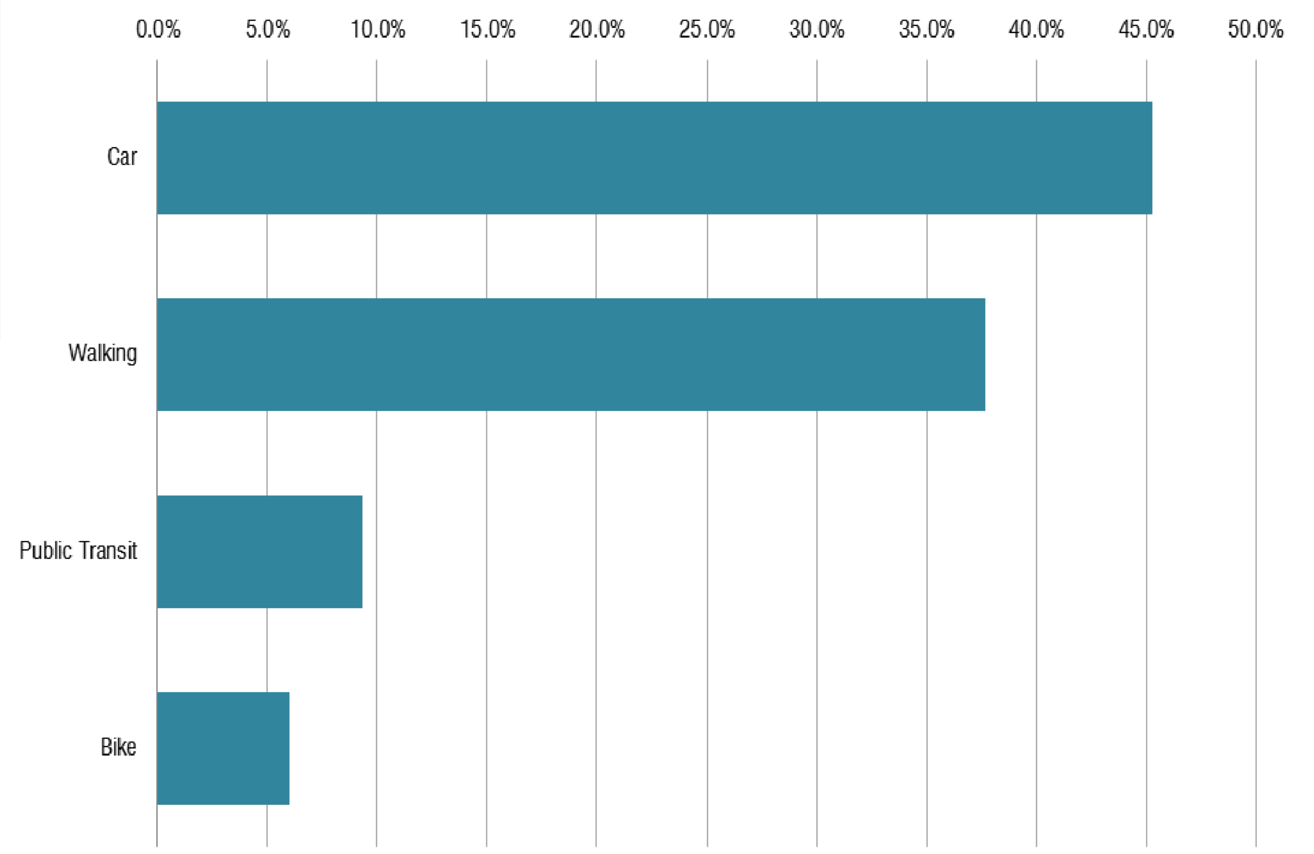


FIGURE 4-13: DOWNTOWN CUSTOMER SURVEY – ARRIVAL MODE

Overall, these survey results indicated that existing customers patronize the downtown areas frequently, use both the retail stores and services, and use a variety of transportation modes. Respondents requested a wider range of food oriented services as well as retailers such as clothing stores.

4.5 Retail Market Demand

This chapter summarizes the demand forecast for retail space in the Town of Oakville to the year 2041. **Appendix B** provides the detailed market demand analysis. Overall this analysis forecasts the warranted additional retail commercial space in Oakville and the corresponding land that this additional retail space would require.

4.5.1 Study Area Population

Table 4-1 summarizes the population forecast for the Town for the period 2014-2041 as previously presented, broken down by each of the three retail zones of the Study Area.

TABLE 4-1 STUDY AREA POPULATION FORECASTS BY RETAIL ZONE

	2014	2021	2031	2041	2014-2041
Oakville South					
Population	65,000	67,250	73,450	77,400	12,400
Average Annual Growth		321	620	395	459
Average Annual Growth %		0.5%	0.9%	0.5%	0.7%
Oakville Northwest					
Population	57,600	57,600	62,550	65,100	7,500
Average Annual Growth		-	495	255	278
Average Annual Growth %		0.0%	0.9%	0.4%	0.5%
Oakville Northeast					
Population	63,800	85,750	110,400	122,500	58,700
Average Annual Growth		3,136	2,465	1,210	2,174
Average Annual Growth %		4.9%	2.9%	1.1%	3.4%
Total Study Area	**186,400**	**210,600**	**246,400**	**265,000**	**78,600**

Town of Oakville Population sources are as follows:

- 2011 – Statistics Canada, Census of Canada
- 2031 - Halton Region 2011 Best Planning Estimates.
- 2014, 2021 and 2041 - Watson & Associates Economists Ltd.

As can be seen in **Table 4-1**, moderate growth is forecast in South Oakville and Northwest Oakville. The majority of Oakville's population growth is forecast to occur in Northeast Oakville. Overall, Oakville's population is forecast to increase from 186,400 residents in 2014 to 265,000 residents by 2041.

The following sections provide an overview of market demand for retail space in Oakville.

4.5.2 Retail Expenditure Potential Forecast

Retail expenditure forecasts are provided for both the FOR and NFOR store categories. These forecasts result from both population and per capita expenditure growth. As a result, Study Area annual FOR expenditure potential is forecast to increase from $442.7 million in 2014 to $670.7 million in 2041, see **Figure 4-14**. These figures are expressed in constant 2014 dollars and do not reflect inflationary increases. These figures represent all expenditures made in stores located in Oakville.

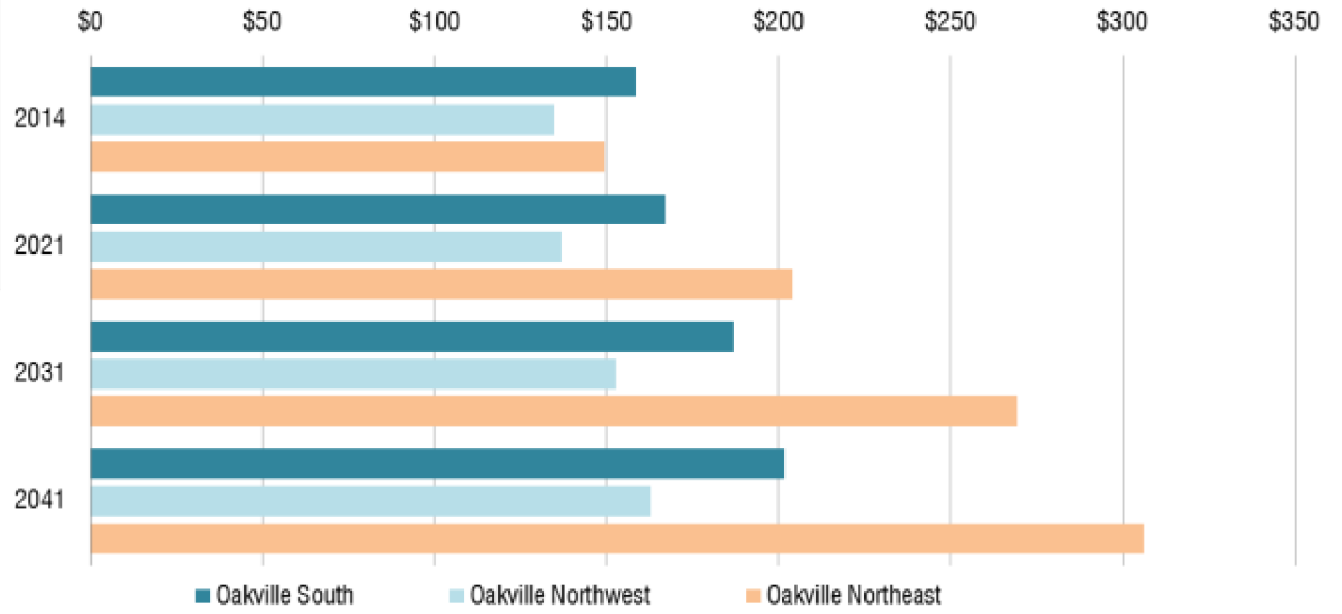


FIGURE 4-14: FOOD ORIENTED RETAIL (FOR) EXPENDITURE POTENTIAL ($MILLION)

Based on the same approach, NFOR expenditures are forecast to increase from $1,225.1 million in 2014 to $2,197.8 million in 2041, see **Figure 4-15**. This growth in expenditures will represent market demand for additional retail space in both the FOR and NFOR categories.

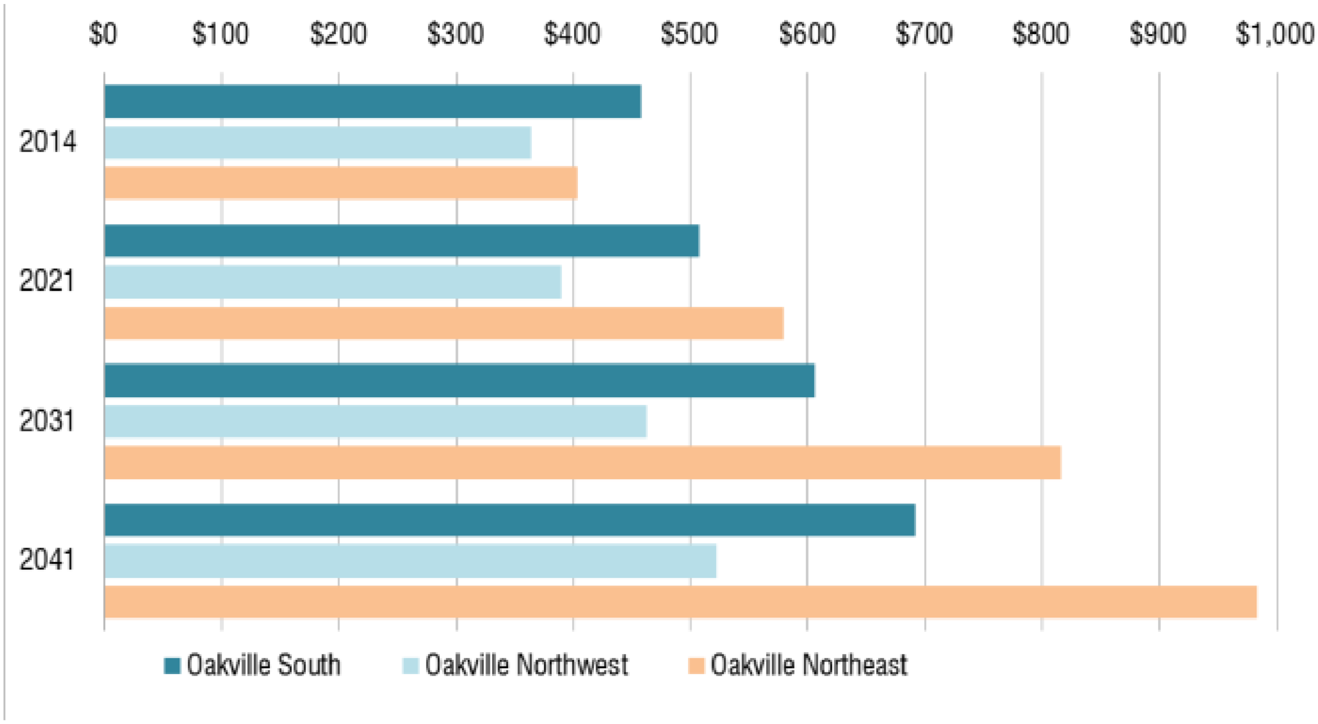


FIGURE 4-15 NON FOOD ORIENTED RETAIL (NFOR) EXPENDITURE POTENTIAL ($MILLION)

4.5.3 Warranted Retail Space

Table 4-2 summarizes the forecast demand for additional retail and service space in Oakville. This table summarizes the results of the detailed retail space demand analysis provided in **Appendix B**. It is important to note that this summary is intended to provide the Town with a guideline for estimating the long term demand for future retail and service space in Oakville. Figures presented in this report, particularly those beyond the year 2031, should not be interpreted as fixed values as a variety of variables may influence the long term demand. The analysis results shown in **Table 4-2** should be interpreted as a guideline for developing a framework to advance the Town's retail commercial structure addressing long term growth of the municipality.

TABLE 4-2 COMMERCIAL DEMAND ANALYSIS SUMMARY (SQ.FT.)

	Inventory Base	Forecast Years		
Retail Space by Major Category	**2014**	**2021**	**2031**	**2041**
Department Store	536,900	86,000	216,000	260,000
Building & Outdoor Home Supply	598,900	72,000	164,000	193,000
Canadian Tire	248,100	43,000	90,000	109,000
Warehouse Membership Club (e.g. Costco)	n/a	140,000	140,000	140,000
Other General Merchandise	64,000	14,000	37,000	44,000
Pharmacies & Personal Care	288,700	49,000	122,000	153,000
Other Non-Food Retail (Clothing, Furniture, Automotive, Miscellaneous)	2,039,300	232,000	511,000	603,000
Sub-Total Non-Food Retail	**3,775,900**	**636,000**	**1,280,000**	**1,502,000**
Supermarket	797,100	121,000	258,000	282,000
Other Food	203,300	29,000	67,000	75,000
Sub-Total Food Retail	**1,000,400**	**150,000**	**325,000**	**357,000**
Other Retail & Service	**3,758,700**	**460,000**	**1,104,000**	**1,420,000**
Vacant Space Contingency (assumed 5%)	**378,900**	**136,000**	**213,000**	**243,000**
Total Existing Space (including Vacant)	**8,913,900**			
Warranted New Space		**1,382,000**	**2,922,000**	**3,522,000**
Plus: Existing Space		8,913,900	8,913,900	8,913,900
Total Existing and Warranted New Space		**10,296,000**	**11,836,000**	**12,436,000**

Source: TATE ECONOMIC RESEARCH INC.

This analysis utilizes a residual demand methodology where demand for future warranted space is estimated based on current base year sales performance levels of existing retailers operating in Oakville, without any future transfers from existing retailers. As a result, this analysis is assumed to not impact the existing sales performance of these retailers.

4.5.4 Overall Demand for Future Commercial/Retail Space

Table 4-2 identifies total demand for approximately 2.9 million square feet (269,000 square metres) of additional retail commercial space in Oakville by 2031. This space has been distributed as follows:

- There is market demand for approximately 325,000 square feet (~30,000 square metres) of FOR uses by 2031. This space includes both supermarkets and other specialty food stores;

- NFOR uses represent the largest portion of forecast demand. There is market demand for approximately 1.3 million square feet (~121,000 square metres) of NFOR uses by 2031. A 140,000 square foot (~13,000 square metre) warehouse membership club is included in this total;

- There is market demand for approximately 1.1 million square feet (~102,000 square metres) of Other Retail and Service uses by 2031;

- The remaining 5% of new warranted space in 2031, totalling 213,000 square feet (~20,000 square metres), has been forecast as part of a vacancy contingency allowing for flexibility in the market[12];

- Over the study period, there will be market demand for additional space. By 2041, there is forecast to be demand for approximately 3.5 million square feet (~325,000 square metres) of retail commercial space, above current levels[13]; and

- In total, the demand, including existing and forecast demand, is forecasted to be approximately 12.4 million square feet (~1.2 million square metres) of commercial space by 2041, as a result of market and expenditure growth.

4.5.5 Demand for Anchor Tenant Space

Typically, major retailers such as department stores, home improvement centres, Canadian Tire, membership (i.e. Costco), drug stores and supermarkets function as anchor tenants for shopping centres or shopping nodes. **Table 4-3** summarizes the number of new/additional potential locations that could be warranted for major anchor tenants in Oakville over the period 2021 – 2041.

TABLE 4-3 : ESTIMATED TOTAL DEMAND FOR MAJOR ANCHOR TENANTS

Major Anchor Tenants	Number of Locations Existing	Number of Locations Warranted		
	2014	2021	2031	2041
Department Store	4	1	1	2
Home Improvement Centre	5	1	1	2
Canadian Tire	3	0	1	1

[12] This vacancy contingency added in the analysis combined with vacant space identified in the inventory equals 5% of the total existing and new warranted space in the Study Area. In a balanced market, a normal vacancy levels is 5% to 7.5%.
[13] The forecast demand for 2041 is based on population projections provided by Watson and Associated to inform this study. These forcasts will need to be reviewed with the Region of Halton following the region's Official Plan Review process currently underway and may be adjusted.

Major Warehouse Membership Club (e.g. Costco)	0	1	1	1
Major Drug Store	10	1	2	3
Supermarket	18	1	2	3

4.5.6 Estimated Land Needs to Accommodate Demand for Future Commercial/Retail Space

Table 4-4 provides an estimate of the land area required to accommodate the additional warranted space identified above. These estimates of warranted space and land requirements reflect the limited amount of greenfield sites located within the Town of Oakville. This limitation is reflected through an increase in coverage ratios and higher sales performance levels for the retail commercial space warranted in the future.

TABLE 4-4 WARRANTED COMMERCIAL LAND REQUIREMENTS SUMMARY

			Years	
		2021	2031	2041
Warranted New Retail and Service Space (Square Feet)		1,382,000	2,922,000	3,522,000
Estimate of Warranted New Space Land Requirements (Acres)				
Coverage ratio	25%	127	268	323
Coverage ratio	30%	106	224	270
Coverage ratio	40%	79	168	202
Coverage ratio	50%	63	134	162
Estimate of Warranted New Space Land Requirements (Hectares)				
Coverage ratio	25%	51	109	131
Coverage ratio	30%	43	91	109
Coverage ratio	40%	32	68	82
Coverage ratio	50%	26	54	65

Source: TATE ECONOMIC RESEARCH INC.

Based on inventory research and experience, we estimate that typical site coverage for existing shopping centres in Oakville is 25%. Based on the current average site coverage ratio of 25%, the Town would require approximately 51 hectares (127 acres) of commercial land by 2021, 109 hectares (268 acres) by 2031 and 131 hectares (323 acres) by 2041 to accommodate the space warranted in this analysis.

Given the trends that influence the supply of retail space summarized previously in this report, including the compact design of higher order shopping facilities, the efficiency of modern store prototypes and the increasing cost of development land, we anticipate that future site development will intensify. This intensification will allow for higher site coverage ratios and lessen the overall land requirements. We also note that a portion of these land requirements can be addressed through the intensification of existing commercial sites throughout the Town, including the downtown areas and open concept retail centres.

In the long term, it is anticipated that the commercial/retail land needs forecast for the Town will be reduced beyond 2021 from the 25% coverage ratio estimated above. At a 40% site coverage ratio, there is demand for approximately 32 hectares (79 acres) of commercial land by 2021, increasing to 82 hectares (202 acres) by 2041.

4.6 Summary of Market Findings

Oakville residents are well served in terms of retail selection. The only major retail store type not represented in Oakville is a warehouse membership club (such as Costco). Some areas of Oakville are better served with commercial space than others. In particular, Northwest Oakville is "under-stored" relative to the Town overall. Oakville also includes three vibrant downtowns that are locally oriented, but also cater to wider based clientele.

Oakville residents tend to shop outside of Oakville for some comparison shopping goods, such as clothing, shoes and accessories, furniture and other miscellaneous retailers. There is an opportunity for Oakville to recapture a portion of these expenditures that are currently leaving the Town. Conversely, Oakville also attracts customers from the surrounding municipalities, particularly Mississauga and Burlington. This cross shopping amongst the local municipalities is expected to continue.

The commercial demand analysis has identified the opportunity for approximately 1.4 million square feet (130,000 square metres) of new commercial/retail space in Oakville by 2021. Development of this amount of space is anticipated to require between 26 and 51 hectares (63 and 127 acres) of land, depending on its built form and density. Long term demand for new commercial/retail space is forecast to increase to approximately 2.9 million square feet (271,000 square metres) by 2031 and approximately 3.5 million square feet (327,000 square metres) by 2041[14] requiring additional supply of commercial lands. Increased pressure on the supply of commercial/retail land expected in the future will result in more intensified developments to meet demand for new retail space over the long term.

[14] 2041 forecasts are based on Watson's population projections which were prepared to inform this study but have not been confirmed with the Region of Halton.

5.0 Commercial Land Supply

5.1 Commercial Land Supply Methodology

The methodology for Commercial Land Supply was to split the Town into two areas, north of Dundas Street and south of Dundas Street due to distinct difference for commercial land supply between these two areas. The south is primarily characterized by existing commercial areas, however the north is largely undeveloped commercial areas.

For the area south of Dundas Street, the commercial land supply was determined through analysis of aerial photographs to identify vacant commercially designated parcels. The identified parcels were then reviewed by Town staff who confirmed the vacant parcels and removed any parcels that had been recently developed or had active and non-commercial applications.

For the area north of the Dundas Street, the draft plans were reviewed to identify where within the mixed-use designations (Neyagawa Boulevard Urban Core Area and Trafalgar Road Urban Core Area), commercial or mix use blocks were planned. From this review, the area of the mixed-use designations remaining with commercial potential was identified.

The location of commercial designated lands is illustrated in **Figure 5-1**.

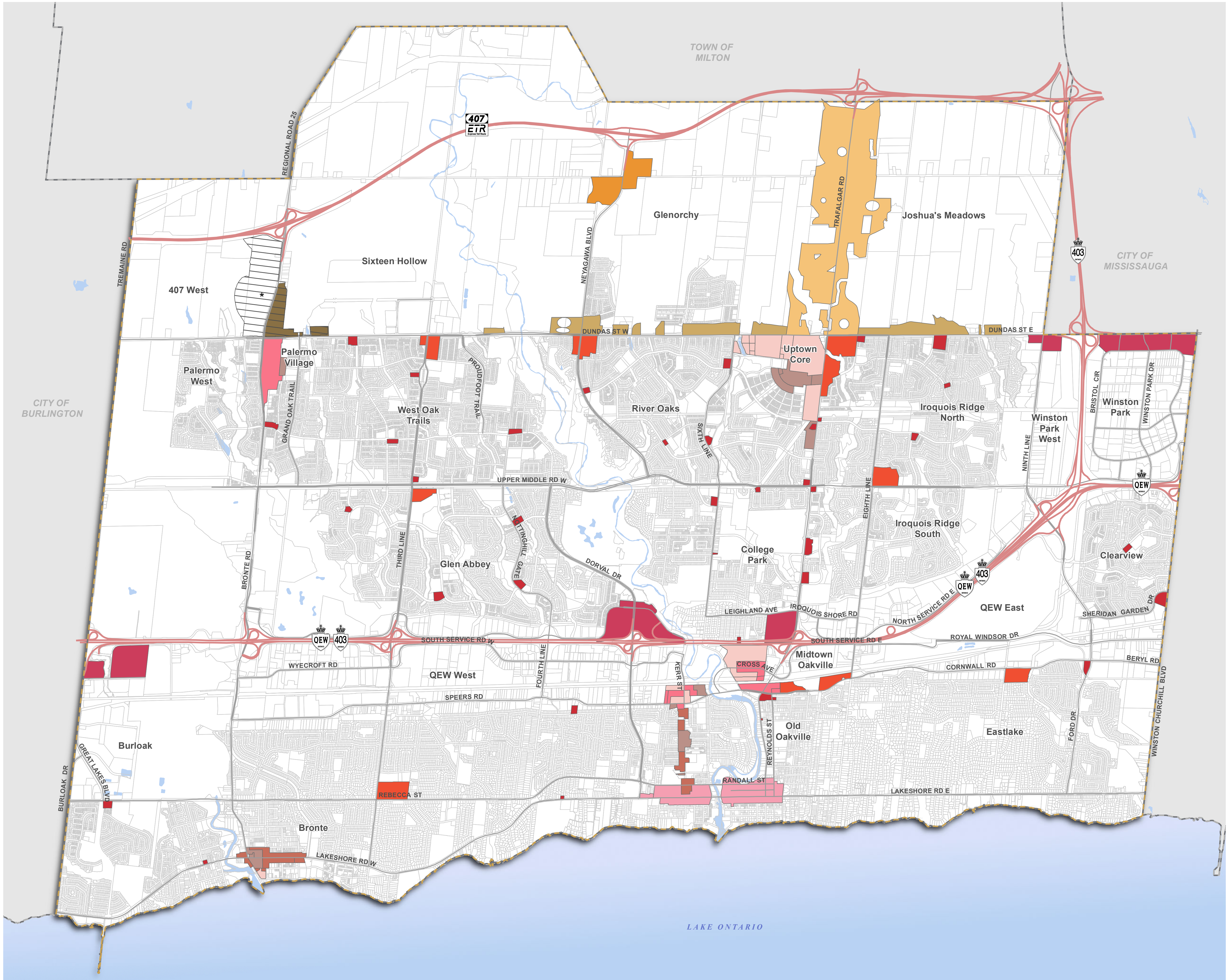
OAKVILLE

TOWN OF OAKVILLE

TOWN-WIDE EMPLOYMENT AND COMMERCIAL REVIEW

LOCATION OF TOWN-WIDE COMMERCIAL DESIGNATED LANDS

FIGURE 5-1



- 400 SERIES HIGHWAY
- ARTERIAL ROAD
- SUBJECT TO APPEAL OF NORTH OAKVILLE WEST SECONDARY PLAN (NOWSP)
- PROPERTY PARCELS
- TOWN OF OAKVILLE
- OTHER MUNICIPALITIES

NORTH OAKVILLE SECONDARY PLAN

- DUNDAS STREET URBAN CORE AREA
- NEYAGAWA BLVD. URBAN CORE AREA
- PALERMO VILLAGE NORTH URBAN CORE AREA
- TRAFALGAR ROAD URBAN CORE AREA

LIVABLE OAKVILLE OFFICIAL PLAN

- CENTRAL BUSINESS DISTRICT
- COMMUNITY COMMERCIAL
- CORE COMMERCIAL
- MAIN STREET 1
- MAIN STREET 2
- NEIGHBOURHOOD COMMERCIAL
- URBAN CENTRE
- URBAN CORE

* SUBJECT AREA IS CURRENTLY SUBJECT TO AN APPEAL, THEREFORE THE NORTH OAKVILLE WEST SECONDARY PLAN DOES NOT APPLY

0 0.5 1 2 km

SCALE 1:50,000

MAP DRAWING INFORMATION:
DATA PROVIDED BY TOWN OF OAKVILLE (2014) AND MNR (2013)

MAP CREATED BY: PFM
MAP CHECKED BY: JG
MAP PROJECTION: NAD 1983 UTM Zone 17N

FILE LOCATION:
G:\GIS\141098 Oakville Empl & Commercial Review\GIS Data\MXDs\Report\5-1 - Town-Wide Commercial.mxd

DILLON CONSULTING

PROJECT: 14-1098

STATUS: FINAL

DATE: 3/4/2016

5.2 Commercial Land Inventory

Vacant commercial designated lands in the Town of Oakville is categorized into two geographic areas:

1. South of Dundas Street, also referred to existing commercial areas and,
2. North of Dundas Street, also referred to as North Oakville.

The characteristics and development opportunities of vacant commercial lands in each geographic area of the Town differ due to surrounding uses and the commercial policy framework in place.

The inventory of vacant commercial designated lands south of Dundas Street can be generally described to be:

- Infill opportunities;
- Vacant lots within the built-up area; and
- Typically small in size.

The inventory of vacant commercial designated lands north of Dundas Street in North Oakville are generally:

- Substantially larger parcels than those south of Dundas Street;
- Consist of blocks in proposed or approved plan of subdivisions or have yet to be subject to a draft plan of subdivision; and
- Permit both residential and commercial development which leads to less certainty in the actual commercial potential on these blocks.

Details of the vacant commercial lands of each geographic area are discussed below.

5.2.1 Vacant Lot Analysis

A vacant lot analysis of commercial lands in Oakville was also conducted. This analysis identified 32 sites making up a total of 20 hectares of commercially designated vacant lands within the area covered by the Livable Oakville Plan. Of these, 25 are less than 0.5 hectares in size, 2 are between 0.5 and 1.0 hectares, 4 are between 1 and 2 hectares and one is approximately 7 hectares in size. These are generally clustered in Palermo and Uptown, and to a lesser extent in Midtown, Downtown and Kerr Street.

Within North Oakville, retail is permitted in mixed-use form, which is directed to the Trafalgar Urban Core Area, Neyagawa Boulevard Urban Core Area, Dundas Urban Core Area and the Palermo Village North Urban Core Area. As of yet, there are no current applications for commercial uses in the Trafalgar Urban Core Area or Neyagawa Urban Core Area.

Within the Dundas Urban Core, the majority of the land in the proposed or approved draft plans is for residential purposes. However, a new Commercial Plaza is located at the northeast corner of Neyagawa Blvd and Dundas Street (approximately 14,000 sq. m. in size), and additional blocks totalling approximately 3.5 hectares with applications in progress may develop for commercial uses. Live works units are also proposed along Dundas Street. There are also approximately 20 hectares of land within this designation that have no draft applications on them, but these lands are not expected to develop entirely as commercial. The total permitted retail space in the Dundas Urban Core is 32,000 square metres plus additional space for service commercial uses.

The remaining North Oakville Urban Core Areas have permission for a maximum of 131,000 square metres of retail commercial floor area plus additional space for service commercial uses and with potential in some areas for a greater amount of retail space subject to a market study.

5.2.2 Existing Commercial Supply South of Dundas

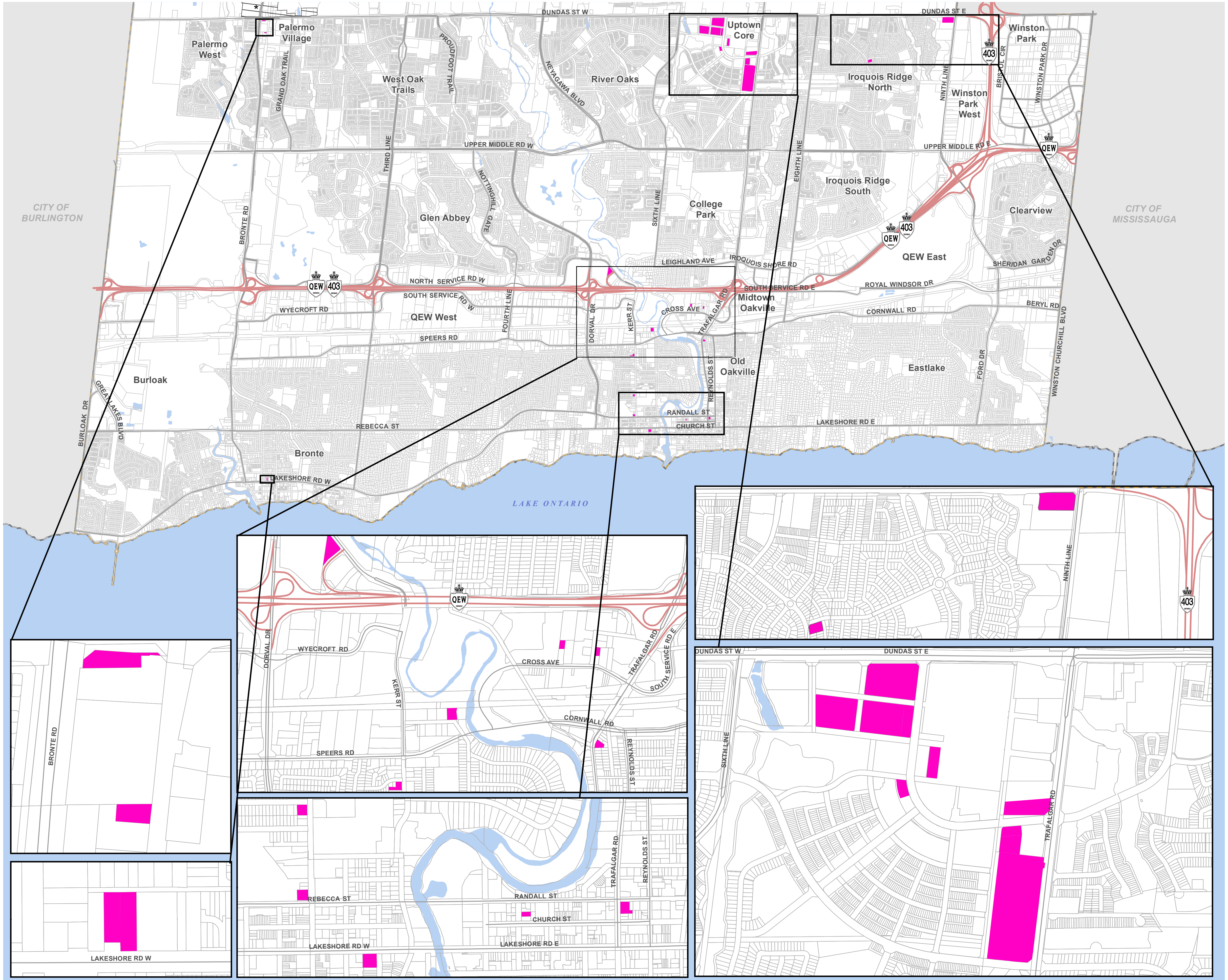
Twenty six (26) sites have been identified as vacant and amount to approximately 20 hectares of land. The sites fall within the following size categories:

- 19 sites < 0.5 hectares
- 2 sites between 0.5 hectares and 1.0 hectares
- 3 between 1.0 hectares and 3.0 hectares
- 1 site approximately 7 hectares

In total, these vacant designated commercial lands could potentially accommodate 60,000 square metres of retail space, based on a 30% lot coverage ratio. At 40% site coverage, approximately 80,000 square metres of retail space could potentially be accommodated on existing vacant commercial lands. At 50% site coverage, approximately 100,000 square metres could potentially be accommodated. 50% site coverage would require structured parking or no parking at all, and is not a realistic assumption given the large number of small parcels of vacant land in the inventory.

Vacant commercial lands are clustered in four general areas (**Figure 5-2**):

- Uptown Core Area
- Lands surrounding the QEW between Trafalgar and Dorval
- Downtown/Kerr Village
- Dundas and 9th Line



OAKVILLE

TOWN OF OAKVILLE

TOWN-WIDE EMPLOYMENT AND COMMERCIAL REVIEW

VACANT COMMERCIAL DESIGNATED LANDS SOUTH OF DUNDAS STREET

FIGURE 5-2

400 SERIES HIGHWAY

ARTERIAL ROAD

SUBJECT TO APPEAL OF NORTH OAKVILLE WEST SECONDARY PLAN (NOWSP)

PROPERTY PARCELS

VACANT

YES

TOWN OF OAKVILLE

OTHER MUNICIPALITIES

* SUBJECT AREA IS CURRENTLY SUBJECT TO AN APPEAL, THEREFORE THE NORTH OAKVILLE WEST SECONDARY PLAN DOES NOT APPLY

0 0.5 1 2 km

SCALE 1:56,000

MAP DRAWING INFORMATION:
DATA PROVIDED BY TOWN OF OAKVILLE (2014) AND MNR (2013)

PROJECT: 14-1098

STATUS: FINAL

DATE: 07/22/2015

Potential Supply in North Oakville

Commercial designated lands in North Oakville are mostly vacant and, as such, the potential supply has been calculated based on the maximum commercial space permitted by the North Oakville Secondary Plan policies. **Table 5-1** below summarizes the maximum total amount of commercial space permitted within distinct areas of North Oakville.

TABLE 5-1 : MAXIMUM TOTAL COMMERCIAL SPACE PERMITTED IN NORTH OAKVILLE

Area in North Oakville	Maximum total commercial space permitted (sq.m.)
Trafalgar Urban Core Area	93,000 retail and service
Dundas Urban Core Area	32,000 retail and 21,000 service
Neyagawa Urban Core Area	31,000 retail and 21,000 service
Palermo Village North Urban Core Area	7,000
Total North Oakville	**191,000 retail and service commercial**

Most of North Oakville is not yet part of development applications. Current development activity in North Oakville is focused in the Dundas Urban Core Area only, where the majority of the Dundas Urban Core Area is in either proposed or approved draft plans, and consists primarily of residential uses. With regards to commercial development in the Dundas Urban Core Area:

- A commercial plaza at the north-east corner of Neyagawa Boulevard and Dundas Street is under construction (14,000 square metres);
- Additional Dundas Urban Core Area Blocks in proposed or approved draft plans may develop for commercial use (3.5 ha.) (in progress);
- Additional live-work units are proposed along or near Dundas Street; and
- Approximately 20 hectares remain vacant with no draft plan applications. These lands are not expected to develop entirely as commercial.

5.2.3 Potential Town-wide Commercial Supply

In total, the Town has approximately 251,000 square metres of vacant commercial designated lands (excluding existing built commercial space of 14,000 square metres at Dundas Street and Neyagawa Boulevard). **Table 5-2** below summarizes the total amount of potential commercial space available from vacant commercial designated lands in North Oakville and south of Dundas Street combined.

TABLE 5-2 TOTAL TOWN-WIDE VACANT COMMERCIAL DESIGNATED SPACE AVAILABLE

Area	Space (sq.m.)
Trafalgar Urban Core Area	93,000 retail and service
Dundas Urban Core Area	32,000 retail 21,000 service -14,000* built
Neyagawa Urban Core Area	31,000 retail 21,000 service
Palermo Village North Urban Core Area	7,000 retail
Potential on Vacant Land in South Oakville	60,000 retail
Total	**251,000**

5.3 Characteristics of the Commercial Supply

Approximately 251,000 square metres (2.7 million square feet) of retail and service commercial space is theoretically available from vacant commercial designated lands. However, some of the vacant commercial lands south of Dundas Street have characteristics that may limit or reduce the attractiveness of these sites for commercial development.

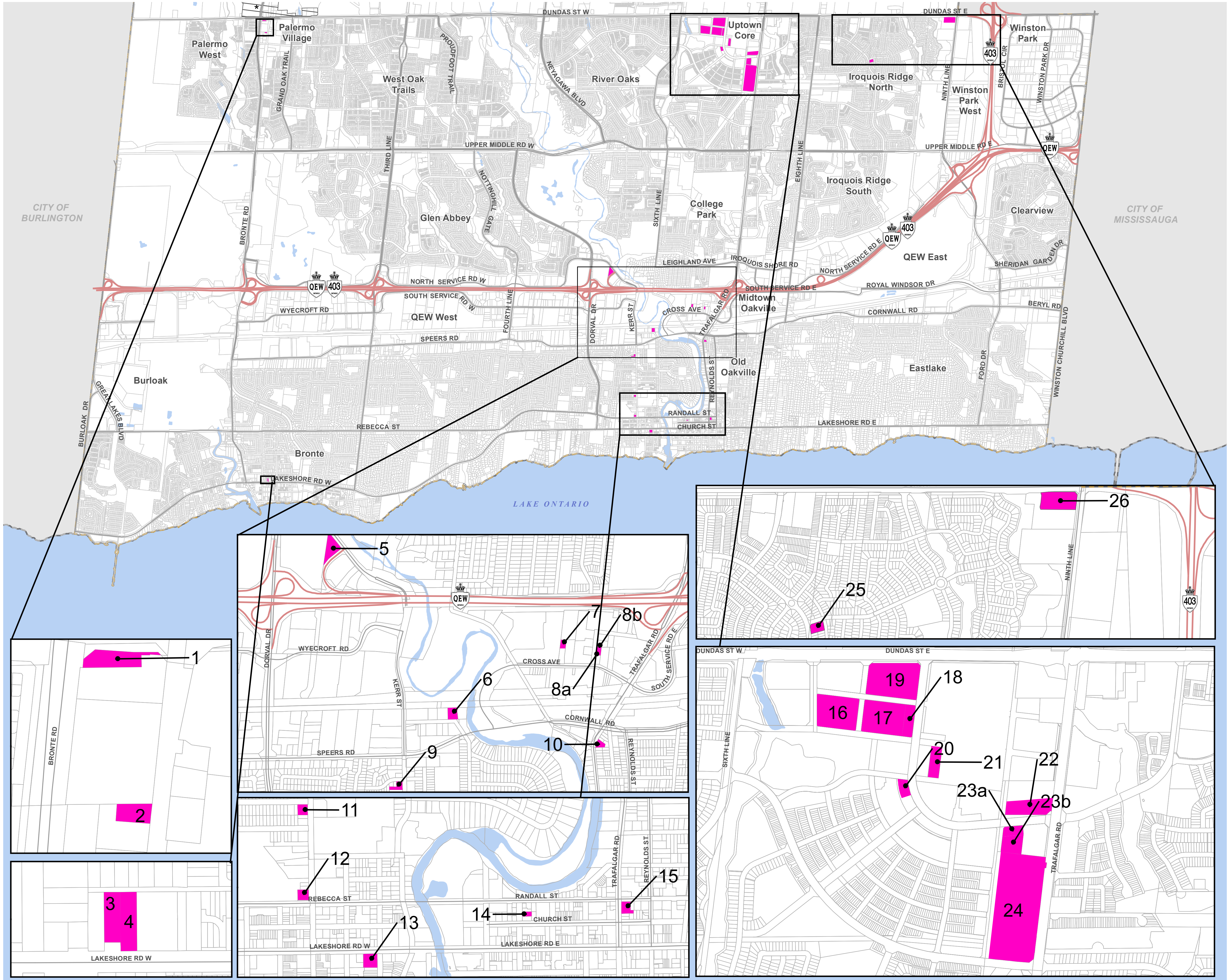
A retail analysis on the desirability of the Town's vacant commercial designated lands located south of Dundas Street (see **Figure 5-3**) was undertaken from an urban planning and retail perspective. Each site was given an overall retail assessment (excellent, good, fair, poor) based on an evaluation of the following factors:

- Site size,
- Land use designation,
- Zoning,
- Potential retail floor area assuming 30% lot coverage,
- Road type which the lot fronts onto,
- Transit accessibility,
- Visibility and exposure,
- Existing adjacent uses,
- Compatibility with adjacent uses,
- Ingress and egress characteristics, and
- Synergies with other adjacent uses in the surrounding area.

Table 5-3 contains the detailed assessment of each vacant commercial site.

The retail assessment determined that of the 26 vacant sites located south of Dundas Street, Site 7 should be removed from the vacant inventory as it is the rear portion of an existing developed site and is not likely to be developed and Site 15 is part of a condominium construction site and should also be removed from the inventory. Of the remaining vacant sites, three (#6, 8a/8b, and 25) are poorly located leading to difficult accessibility and poor visibility. The balance of the vacant commercial lands have fair to excellent retail assessment. However, it's noted that 12 of the 21 infill sites with a Fair, Good, or Excellent overall retail assessment are small and offer potential retail floor area of only between 150 square metres and 500 square metres. The small size of these parcels limits the type of commercial uses that would likely occupy these small sites despite the range of uses permitted in the Official Plan and Zoning By-law.

In addition, there are opportunities for infill and intensification within the existing occupied commercial areas. Intensification beyond 30% coverage will require reductions in parking standards or structured parking. Structured parking is generally not feasible on small to moderately sized sites. It can be feasible on large scale commercial sites depending on the type of retailers and the market being served. On sites that will be intensified for mixed residential / commercial development, generally the amount of retail space will not significantly increase from a traditional sole commercial development due to the space required for residential lobbies, loading and service areas that are required on the ground floor. Determining a specific potential for commercial intensification would require a site by site analysis and even with such detailed review any assumptions on intensification potential would be speculative at best due to the varieties of the market and the owner's intentions.



OAKVILLE

TOWN OF OAKVILLE

TOWN-WIDE EMPLOYMENT AND COMMERCIAL REVIEW

VACANT LOT ANALYSIS - REFERENCE MAP

FIGURE 5-3

400 SERIES HIGHWAY
ARTERIAL ROAD
SUBJECT TO APPEAL OF NORTH OAKVILLE WEST SECONDARY PLAN (NOWSP)
PROPERTY PARCELS

VACANT

YES
TOWN OF OAKVILLE
OTHER MUNICIPALITIES

* SUBJECT AREA IS CURRENTLY SUBJECT TO AN APPEAL, THEREFORE THE NORTH OAKVILLE WEST SECONDARY PLAN DOES NOT APPLY

0 0.5 1 2 km

SCALE 1:56,000

MAP DRAWING INFORMATION:
DATA PROVIDED BY TOWN OF OAKVILLE (2014) AND MNR (2013)

PROJECT: 14-1098
STATUS: FINAL
DATE: 07/22/2015

TABLE 5-3: VACANT COMMERCIAL SUPPLY ANALYSIS (LOT LEVEL RESULTS)

Map Key	1	2	3	4	5	6	7	8a	8b	9	10	11	12	13	14
Address			2377 LAKESHORE RD W			21 SHEPHERD RD	157 CROSS AVE	571 ARGUS RD	571 ARGUS RD	458 KERR ST	445 TRAFALGAR RD	258 KERR ST	164 KERR ST	96 CHISHOLM ST	129 THOMAS ST
Location	SW of Bronte Road and Dundas Street	SW of Bronte Road and Dundas Street	NE of Lakeshore Road and Bronte Road	NE of Lakeshore and Bronte Road	NE of Dorval Road and QEW	NE of Kerr Street and Speers Road	SW of Trafalgar Road and QEW	SW of Trafalgar Road and QEW	SW of Trafalgar Road and QEW	SW of Kerr Street and Speers Road	SW of Speers Road and Trafalgar Road	NW of Rebecca Street and Kerr Street	NW of Rebecca Street and Kerr Street	SE of Kerr Street and Lakeshore Road	SE of Randall Street and Trafalgar Road
Size (ha)	0.13	0.09	0.07	0.08	0.68	0.31	0.13	0.09	0.02	0.20	0.15	0.13	0.14	0.23	0.05
Designation	URBAN CENTRE	URBAN CENTRE	MAIN STREET 1	MAIN STREET 1	CORE COMMERCIAL	MAIN STREET 2	URBAN CORE	URBAN CENTRE	URBAN CORE	MAIN STREET 1	NEIGHBOURHOOD COMMERCIAL	MAIN STREET 1	MAIN STREET 1	CENTRAL BUSINESS DISTRICT	CENTRAL BUSINESS DISTRICT
Zoning	H1-MU3	H1-MU3	H1-MU1	H1-MU1	C3	H1-MU2 sp:342	MTC	MTC	MTC	H1-MU1	ED	H1-MU1	CU sp:326	H15-CBD sp:17	CBD
Coverage	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Max Retail GFA (s.m.)	382.86	255.64	214.29	252.10	2,036.67	934.71	403.35	284.58	62.07	595.13	435.09	381.62	417.49	690.00	152.92
Existing and proposed road network	Fronts onto Bronte Road (7 lanes - Major Arterial), Dundas Street (7 lane - Major Arterial) and Old Bronte Road (4 lane - Minor Collector).	Fronts onto Old Bronte Road (4 lanes - Minor Collector)	Fronts onto Lakeshore Road (3 lanes - Minor Arterial)	Fronts onto Lakeshore Road (3 lanes - Minor Arterial)	Fronts onto Kerr Street (4 lanes - Minor Arterial)	Fronts onto Shepherd Road (2 Lanes - Minor Collector)		Fronts onto Argus Road (2 Lanes - Local Road)	Fronts onto Argus Road (2 Lanes - Local Road)	Fronts onto Kerr Street (2 lane, Minor Collector) and Prince Charles Drive (2 lane, Local Road)	Fronts onto Trafalgar Road (2 Lane, Minor Arterial)	Fronts onto Kerr Street (2 Lanes, Minor Collector) and Westside Drive (2 Lane, Local Road)	Fronts onto Rebecca Street (3 lanes, Minor Arterial) and Kerr Street (2 lane, Minor Collector)	Fronts onto Lakeshore Road West (3 lanes, Minor Arterial) and Chisolm Street (2 lanes, Local Road)	Fronts on Thomas Street (2 lanes, local road)
Transit accessibility	Yes - on transit line	Yes - 200 metres from transit route	Yes - on transit route	Yes - on transit route	Yes - on transit route	Yes - on transit route		Yes - less 100 metres from transit route	Yes - less 100 metres from transit route	Yes - on transit route	Yes - less than 100 metres from transit route	Yes - less than 100 metres from transit route	Yes - on transit route	Yes - on transit route	Yes - less than 100 metres from transit route
Visibility and exposure	Excellent	Fair	Excellent	Excellent	Good	Fair		Poor	Poor	Excellent	Excellent	Excellent	Excellent	Excellent	Good
Existing adjacent uses	Directly abutting commercial, vacant lands, institutional and residential nearby	Predominantly residential, nearby institutional, commercial	Commercial	Commercial	Commercial	Offices		Commercial	Commercial	Commercial, Residential and mixed use.	Commercial and Residential	Commercial and residential	Commercial, recreational	Commercial and residential	Commercial
Compatibility with adjacent uses	Good	Good - Compatibility measures would be required to mitigate impacts on directly adjacent single detached dwellings	Excellent	Excellent	Excellent	Good		Excellent	Good	Good	Excellent, former commercial use	Excellent	Excellent	Excellent	Excellent
Ingress and egress characteristics	Poor. Because of medians, entrance only accessible from certain directions, otherwise backtracking required to access	Poor, single access likely	Fair - single access likely if developed on own, double access possible if developed with adjacent property	Fair - single access likely if developed on own, double access possible if developed with adjacent property	Poor - entrance to site may be too close to other intersections, double entrance unlikely. Could potentially take access from adjacent Town Centre site	Poor - double access may be difficult to accommodate on account of curve in Shepherd Road		Good - Potential for two accesses	Good - Potential for two accesses	Fair - Potential for two accesses, left turns north onto Kerr from site may be difficult	Poor - left turn exiting the site may be difficult	Good - Access from Westside Drive, light at Westside Drive/Kerr intersection	Fair - left hand turns out of site not possible from Rebecca Street unless shared access with recreation centre	Fair - likely access to be taken from Chrisolm Street	Fair - likely access to be taken from Thomas Street, single entrance likely
Synergies with other adjacent uses in the surrounding area.	Vacant lands in immediate area	Vacant	In Bronte Village, established commercial area	In Bronte Village, established commercial area	Commercial uses to east and west	Limited synergies		In commercial area	In commercial area	In Kerr Village, established commercial area	Commercial to the north	In Kerr Village	In Kerr Village	In Kerr Village	In Downtown Oakville
Additional Comments	Would likely share access and parking with existing abutting commercial plaza	Small site	Small site, may be more difficult to develop on it's own and provide loading area, if required for the use. Opportunity to develop together with Site #4 which would improve ingress and egress opportunities and provide a larger site for development.	Small site, may be more difficult to develop on it's own and provide loading area, if required for the use. Opportunity to develop together with Site #3 which would improve ingress and egress opportunities and provide a larger site for development.	Adjacent to retail anchor tenants Canadian Tire and Winners	Somewhat isolated area, draw may be difficult	Removed from analysis, rear portion of existing developed site, unlikely to develop	Same lot as 8b, different designation - Not on retail street	Same lot as 8a, different designation - not on retail street		Cleared site	Currently used for parking		Currently on market	Not contiguous to other retail uses
Overall Retail Assessment	Excellent	Fair	Excellent	Excellent	Good	Poor		Poor	Poor	Excellent	Good	Excellent	Excellent	Excellent	Fair

Map Key	15	16	17	18	19	20	21	22	23a	23b	24	25	26
Address	135 TRAFALGAR RD				20 OAK PARK BLVD		206 HAYS BLVD	260 HAYS BLVD	2339 TAUNTON RD	2339 TAUNTON RD	2320 TRAFALGAR RD		
Location	SW of Randall Street and Trafalgar Road	SW of Dundas Street and Trafalgar Road	SW of Dundas Street and Trafalgar Road	SW of Dundas Street and Trafalgar Road	SW of Dundas Street and Trafalgar Road	SW of Dundas Street and Trafalgar Road	SW of Dundas Street and Trafalgar Road	SW of Dundas Street and Trafalgar Road	SW of Dundas Street and Trafalgar Road	SW of Dundas Street and Trafalgar Road	SW of Dundas Street and Trafalgar Road	SW of Dundas Street and 9th Line	SW of Dundas Street and 9th Line
Size (ha)	0.14	1.79	1.80	0.44	2.39	0.24	0.46	0.94	0.27	0.49	6.63	0.30	1.48
Designation	CENTRAL BUSINESS DISTRICT	URBAN CORE	URBAN CORE	URBAN CORE	URBAN CORE	MAIN STREET 2	MAIN STREET 2	MAIN STREET 2	MAIN STREET 2	URBAN CORE	URBAN CORE	NEIGHBOURHOOD COMMERCIAL	CORE COMMERCIAL
Zoning	CBD sp:322	MU4 sp:38	MU4 sp:38	MU4 sp:38	MU4 sp:37	MU2	MU2 sp:42	MU2 sp:42	MU2	MU4	H19-MU4 sp:307	C1	C3
Coverage	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Max Retail GFA (s.m.)	425.67	5,356.06	5,409.44	1,309.65	7,163.00	721.08	1,371.24	2,809.75	800.36	1,467.79	19,901.37	909.77	4,446.87
Existing and proposed road network	Fronts onto Trafalgar Road (4 lanes, Minor Arterial) and Randall Street (2 lanes, Minor Arterial)	Fronts onto Oak Walk Drive (2 lanes, Major Collector) and Post Road, Minor Collector)	Fronts onto Oak Walk Drive (2 lanes, Major Collector)	Fronts onto Oak Park Boulevard (5 lanes, Major Collector)	Fronts onto Oak Walk Drive (2 lanes, Major Collector), Oak Park Boulevard (5 lanes, Major Collector) and Dundas Street West (5 lanes, Major Arterial)	Fronts onto Oak Park Blvd. (5 lanes, Major Collector) and Central Park Drive (2 lanes, Local Road)	Fronts onto Hays Blvd (2 lanes, Major Collector)	Fronts onto Trafalgar Road (5 lanes, Major Arterial), Oak Park Blvd. (4 lanes, Major Collector) and Taunton Road (2 lanes, Major Collector)	Fronts onto Oak Park Blvd. (5 lanes, Major Collector)	Fronts onto Oak Park Blvd. (5 lanes, Major Collector)	Fronts onto Trafalgar Road (5 lanes, Major Arterial) and Glenashton Drive (5 lanes, Major Collector)	Fronts onto Truxton Drive (2 lanes, Local Road), Arrowhead Road (2 Lanes, Minor Collector) and North Ridge Trail (2 Lanes, Major Collector)	Fronts onto 9th Line (3 Lanes, Major Arterial) and Dundas Street West (5 lanes, Major Arterial)
Transit accessibility	Yes - on transit route	Yes - less than 200 metres from transit route	Yes - less than 200 metres from transit route	Yes - On transit route	Yes - On transit route	Yes - On transit route	Yes - Less than 100 metre transit route	Yes - On transit route	Yes - On transit route	Yes - On transit route	Yes - On transit route	Yes - On transit route	Yes - On transit route
Visibility and exposure		Good	Good	Good	Excellent	Good	Fair	Good	Good	Good	Good	Fair	Excellent
Existing adjacent uses	Commercial and residential	Institutional, Residential, Recreational	Institutional, Residential, Recreational	Commercial, Residential, Recreational	Institutional, Commercial	Commercial, Mixed use, Recreational	Commercial, Recreational	Commercial	Commercial	Commercial	Residential	Residential	Commercial and Institutional (under construction)
Compatibility with adjacent uses	Good	Excellent	Excellent	Excellent	Good	Good	Good	Excellent	Excellent	Excellent	Good	Good	Good
Ingress and egress characteristics	Good - access possible from Reynolds and Randall Street	Good, access to Oak Walk Drive and Post Road, likely two access possible	Good, access to Oak Walk Drive, likely two accesses possible	Good, access to Oak Park Blvd., two accesses likely	Good, access to Oak Park Blvd. and Oak Walk Drive possible	Fair, left hand turns out of site may be difficult	Fair, access to Hays Blvd. May not be able to get two accesses, unless combined with property to the east.	Good, potential access from Taunton Road and Oak Park Blvd.	Good. Potential access from Oak Park Blvd., potential Major Collector proposed off of Oak Park Blvd.	Good. Potential access from Oak Park Blvd., potential Major Collector proposed off of Oak Park Blvd.	Good. Potential access from Trafalgar Road and Glenashton Drive	Good. Potential for multiple ingress/egress	Fair, left turns may be difficult
Synergies with other adjacent uses in the surrounding area.		in Uptown Core, mixed use area	in Uptown Core, mixed use area	in Uptown Core, mixed use area	in Uptown Core, mixed use area	in Uptown Core, mixed use area	in Uptown Core, mixed use area	in Uptown Core, mixed use area	in Uptown Core, mixed use area	in Uptown Core, mixed use area		Residential	
Additional Comments							Adjacent to Walmart	Near Walmart	Same as 23b, different designations, adjacent to Walmart	Same as 23a, different designations, adjacent to Walmart	Large Site	In established residential area, and located on lower order roads	Isolated from other retail development
Overall Retail Assessment	DELETE - CONDO UNDER CONSTRUCTION AT THIS SITE	Good	Good	Good	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Good	Poor	Good

6.0 Reconciling Commercial Supply and Demand

6.1 Commercial Land Supply and Demand

The commercial demand analysis has outlined a commercial demand that is above the existing and planned commercial land supply. The long-term commercial demand for the Town of Oakville (2041) is projected to be approximately 325,000 square metres (3.5 million square feet), however the existing and planned commercial land supply is approximately 251,000 square metres (2.7 million square feet). Assuming a coverage factor of 30%, there is a shortfall of approximately 25 hectares of commercial lands. These forecasts, however, have a number of important limitations:

- **They are not based on approved forecasts:** As 2041 approved population and employment forecasts for the Town of Oakville do not exist, this demand forecast relies upon the forecasts prepared by Watson & Associates to inform this study. These forecasts were prepared using the best available information and are based on a thorough review of the growth context for Oakville. They are intended to inform the Region's forecasts, which will bedeveloped for each of the lower tier municipalities as part of the Region's Official Plan Comprehensive Review process been initiated.
- **They do not include opportunities for intensification and infill**: The existing occupied commercial areas present infill and intensification opportunities. A factor for the portion of the commercial demand that will be accommodated through intensification and infill has not been included.
- **They assume relatively static trends in the retail sector**: We know that retail market trends continue to evolve and have a significant impact on the amount and type of demand. The commercial demand forecasts have been developed with an understanding of the retail trends, as presented in Section 4.2; however, the impact of these trends to traditional retail forms is largely unknown.

The following subsection explores some of the key issues and opportunities with the supply and demand in more detail, in an effort to understand the complex nature of commercial land planning.

6.2 Opportunities and Constraints Assessment

6.2.1 Key Commercial Issues

In addition to the supply being below the anticipated demand, the analysis has uncovered a range of issues related to commercial uses in Oakville. Many of the issues are unique to either the north or the south, where the north is facing issues related to greenfield development and the south is facing challenges related to infill development. The following key issues have been identified:

THE VACANT COMMERCIAL SUPPLY IS UNBALANCED

There is an unbalanced supply of commercial lands in the north and south areas of Oakville. Twenty four percent of the vacant commercial floor (60,000 square metres of the 251,000 total permitted) is located south of Dundas Street resulting in very limited commercial opportunities in the southern portion of the Town. The majority of future demand south of Dundas Street will have to be accommodated through redevelopment and/or intensification of existing commercial lands.

ASSUMPTION OF 100% BUILD OUT OF VACANT COMMERCIAL LANDS MAY NOT BE REALISTIC

Typically some of the available vacant commercial lands are vacant due to site conditions or limitations of the site. It is difficult to achieve 100% build-out, as a number of the vacant sites south of Dundas Street are small or are poorly located, which limits the type of uses that can be located there and may not be as desirable for new commercial uses. As discussed in Section 5.2, many of the vacant infill sites that are well located for commercial uses are small and and offer potential retail floor area of only between 150 square metres and 500 square metres. To a certain extent, the small size of these parcels limits the range of uses and desirability of these lands. As well, although the Livable Oakville Plan directs future retail growth to occur through intensification and redevelopment of existing commercial centres, the size of the properties may limit the potential for commercial intensification.

THE CURRENT POLICY FRAMEWORK PERMITS COMMERCIAL BUT DOES NOT GUARANTEE COMMERCIAL WILL BE BUILT

The current policy for North Oakville permits retail in a mixed use form directed to:

- Trafalgar Urban Core;
- Neyagawa Boulevard Urban Core Area;
- Dundas Urban Core Area; and
- Palermo Village North Urban Core[15].

There are currently no applications for commercial use in the Trafalgar Urban Core Area or Neyagawa Urban Core Area. Within the Dundas Urban Core Area, the majority of land is in proposed or approved draft residential planned areas. Although only one new commercial plaza has been developed at the north-east corner of Neyagawa Boulevard and Dundas Street, blocks within other subdivisions along Dundas Street have been reserved that could be developed for commercial use.

The lack of commercial development to date in North Oakville is largely due to the limited amount of residential development that has been constructed. Commercial development typically lags behind residential development until a significant market threshold is established.

The North Oakville East Secondary Plan permits a considerable amount of retail and service commercial space within the Urban Core Areas, but with the lands being designated as mixed use and permitting both residential and commercial use, there is less certainty that the maximum permitted commercial space will be achieved.

With regards to commercial inventory, currently, Northwest Oakville is under-stored relative to the rest of the Town. Based on 2014 data, Northwest Oakville offers significantly less commercial/retail space per capita compared to the rest of Oakville. The per capita rate for Northwest Oakville is 20.8 sf/capita versus 70.8 sf/capita in South Oakville and 48.6 sf/capita in Northeast Oakville. In comparison, the Town-wide rate is 47.8 sf/capita.

Within the current commercial policy framework of the Livable Oakville Plan and the North Oakville West Secondary Plan, commercial designated lands are located in Palermo Village and the Palermo Village North Urban Core Area. It is in a highly accessible location being located along a Regional arterial road (Bronte Road/Regional Road 25) and directly connected to the Bronte/Hwy 407 interchange. It offers good opportunity to service future employment uses in the Employment Area in Northwest Oakville and the residential areas south of Dundas. However, a

[15] The Palermo Village North Urban Core Area is subject to an appeal. The policies of the North Oakville West Secondary Plan do not currently apply

key issue for this area is the lack of local food retail, and how to encourage the provision of a supermarket to serve the needs of the growing community.

CURRENT POLICY PERMITS LIMITED RETAIL AND SERVICE COMMERCIAL USES IN EMPLOYMENT DESIGNATED AREAS

The existing employment designations do not permit commercial uses with the exception of the Business Commercial designation, which permits service commercial uses for the surrounding employment areas or for the travelling public and the Office Employment designation which permits limited convenience retail, accessory retail and service commercial uses. The Industrial and Business Employment designations only permit accessory retail. Currently approximately 20% of the commercial uses in Oakville are located on employment designated lands. The study has assumed this trend would continue, however market and policy changes could result in a greater interest in allowing for a broader range of commercial supportive uses in traditional single-use employment areas. This may also align with the changing trends in employment uses, see Chapter 7.

6.2.2 Key Commercial Opportunities

The following key opportunities have been identified through the commercial land review:

POPULATION GROWTH WILL PROVIDE NEED FOR NEW SHOPPING FACILITIES

ESTIMATED DEMAND WILL SUPPORT SIGNIFICANT COMMERCIAL INVESTMENT

A number of local and regional serving commercial centres will be needed in North Oakville to accommodate the projected warranted commercial space. This new investment provides opportunities for additional services, market choice and improved facilities. The policies of the North Oakville secondary plans permit a considerable amount of retail and service commercial space to accommodate those needs.

THERE ARE OPPORTUNITIES TO INCREASE STANDARDS TO PROMOTE ATTRACTIVE AND PEDESTRIAN FRIENDLY COMMERCIAL AREAS

With the anticipated demand and investment, there is an opportunity to review the Town's design standards related to promoting a vibrant pedestrian realm along commercial streets and within commercial areas. The existing urban design guidelines provide a good framework for improved design. Increased urban design performance standards should be considered to incentivize urban amenities (i.e. could provide flexibility in aspects of zoning if urban amenities are provided).

In particular, the Downtown surveys completed for this study revealed the two main reasons for patrons to visit the Downtown are for shopping and dining. Further, that a significant portion of survey respondents were “Just Passing Through” the downtowns. This illustrates the importance of unique storefronts and displays to attract customers who do not have a specific destination planned.

Other important findings are that most Downtown survey respondents who are frequent shoppers also live in the immediate area; and we heard that what made the three Downtowns unique were variety of retailers and service providers, followed by people. Bronte Village customers enjoyed the Neighbourhood/Waterfront Setting of the area.

The above points illustrates the importance of maintaining and protecting Oakville’s historic downtowns with regards to the elements of variety of commercial uses, entertainment/opportunities for people gathering, sense of safety, and the provision of residential mixed with commercial. Much of these can be achieved through strong design policies that require interesting building facades and streetscaping, together with provision for mixed uses, which are adequately addressed in the Urban Design policies of Section 6 in the Livable Oakville Plan. For the most part the historic downtowns are designated Main Street 1 and Main Street 2. These designations are relatively flexible in terms of permitted uses and appear to be working well. However there is opportunity for more explicit design policy direction to preserve and protect the valued elements of the Downtown through clear referencing to the Urban Design policies of Section 6 in the Livable Oakville Plan.

THERE ARE OPPORTUNITIES FOR INTENSIFICATION AND REDEVELOPMENT

While most of the land in the south part of Oakville is built-out, there are a number of opportunities for intensification and infill within the occupied commercial lands. However, it is difficult to predict the likelihood and timing of intensification and redevelopment of existing occupied commercial lands. As well, most of the vacant sites in the south part of Oakville are relatively small, and intensification beyond 30% coverage would require reductions in parking standards or structured parking. Structured parking is generally not feasible on small to moderately sized sites.

EXAMPLE OF COMMERCIAL AREA WITH ENHANCED PUBLIC REALM, KERR VILLAGE

THERE ARE OPPORTUNITIES FOR STRENGTHENING THE POLICIES ON MIXED USE DEVELOPMENT

Mixed-use built forms can improve the public realm and provide amenities, while supporting sustainable urban environments. Council recently endorsed the Livable by Design Manual in 2014 and adopted Official Plan Amendment #8 to update and align the Urban Design policies in Section 6 of the Livable Oakville Plan with the Livable By Design manual. There is opportunity for direct reference to Section 6 of the Livable Oakville Plan and the Livable By Design Manual in the Mixed Use and Commercial policies in the Livable Oakville Plan.

SHOPPING HABITS ARE CHANGING

As shopping habits continue to change, there is an opportunity to consider new built forms. Retail trends such as e-commerce, and demographic trends such as the aging population will have significant impact on retail spending trends. These trends should be carefully reviewed and monitored to ensure built forms meet changing market needs. This will allow Oakville to continue to be successful within an ever-evolving regional marketplace.

7.0 Policy Directions

The Town of Oakville is well suited for significant economic growth and prosperity. The downtowns and existing urban areas are thriving, providing a strong mix of uses, a range of retail and services to support the community needs, and employment to allow live and work opportunities. Within the existing urban area a focus on retaining commercial and employment lands to serve long term needs, promoting intensification and continuing to improve the built environment will position Oakville well for years to come.

In North Oakville, a very different approach is needed. The North Oakville Secondary Plan areas provide 3,160 hectares of new urban land, including 326 hectares of commercial/mixed use lands and 765 hectares of employment lands. This represents a significant opportunity for development, prosperity and community growth.

The following subsection outlines policy directions and recommendations for commercial and employment land planning in the Town of Oakville recognizing these two very different paradigms.

7.1 Commercial Policy Directions

1. **Strengthen design policies for mixed use and commercial development**

   The North Oakville East and West Secondary Plans contain excellent urban design policies for the Urban Core Areas. There is opportunity to apply some of the North Oakville urban design policies to the Mixed Use and Urban Core Area designations of the Livable Oakville Plan. This is particularly important for the Main Street 1 and Main Street 2 designations that govern much of the three historic Downtowns.

   The Urban Core Areas of the North Oakville East Secondary Plan and the Palermo Village North Urban Core Area policies set out urban design requirements to create "main street" style commercial developments.

   It is recommended that the following urban design requirements be addressed by section 6 of the Livable Oakville Plan and the Livable by Design Manual – Urban Design Direction for Oakville:

   - streets, sidewalks and the orientation of buildings shall be designed to create comfortable, enjoyable pedestrian movement in a vibrant public realm;
   - the primary windows and signage should also face the street;

- buildings facing the street should be encouraged to have awnings, canopies, arcades or front porches to provide weather protection;
- no parking, driveways, lanes or aisles should be permitted between buildings and the public sidewalk; and,
- buildings should have a consistent setback and parking lots abutting the street shall be limited and designed in accordance with the provisions of Section 6.13.

2. **Encourage provision of commercial in Northwest Zone**

The Northwest Zone is under-represented in retail commercial space particularly with respect to supermarkets. The only opportunity for significant additional retail space in the Northwest Zone is in Palermo Village, north and south of Dundas Street.

The following points highlight key recommendations for this area:

- Review the policies of Section 22, Palermo Village of the Livable Oakville Plan- to determine whether they are too restrictive and discourage the provision of additional retail space including supermarkets;

- Consider permitting additional commercial development in Palermo Village north of Dundas Street in a neighbourhood/community-scale shopping node that would accommodate a supermarket and other retail uses to serve Palermo Village and northwest Oakville; and

- It is noted that Section 7.6.5.2 of the North Oakville East Secondary Plan provides similar permissions for the lands at the northeast corner of Dundas Street and Neyagawa Boulevard.

3. **Promote intensification and redevelopment of existing built up commercial areas**

Section 13.1.2, Commercial, of the Livable Oakville Plan already directs the majority of new commercial to occur as intensification and redevelopment. Design policies should be provided to ensure that buildings are planned and located on sites such that future phases of intensification are not inhibited.

It is recommended that the Town review the parking standards in the zoning by-law to confirm opportunities for reduced parking standards or promotion of structured and shared parking provisions to support intensification.

4. **Implement policy definition to ensure commercial uses are developed in North Oakville**

In North Oakville, commercial uses are primarily directed to the Urban Core Areas, which are intended to be mixed use. Providing a rather flexible policy regime is important for achieving mixed use. However, there have been some concerns raised that the flexible nature of mixed use areas may result in retail space not being provided.

The following policy definition is recommended:

<u>Trafalgar Urban Core</u>
The North Oakville East Secondary Plan focuses commercial development in Core Areas 2 and 4. The policies should be clarified to require the blocks immediately abutting Trafalgar Road in Urban Core Areas 2 and 4 to provide for commercial development either as part of a mixed use development or as single use commercial development as an initial built form which is similar to what is currently stated in the first paragraph of section 7.6.4.5.

<u>Dundas Urban Core</u>
The current Secondary Plan requires that commercial uses in Dundas Urban Core be clustered in nodes at the intersection of the north-south roads. The policies should be clarified to require that commercial development be provided as part of the development of the reserved blocks at the intersections with north-south collector roads (i.e., Avenue/Transit Corridor and Connector/Transit Corridor) either in single use or mixed use forms. Further the policies should be revised to allow additional supermarkets throughout the Dundas Urban Core.

5. **Develop a monitoring program**

Shopping habits are changing and these changes will continue to affect the built form of commercial areas. It is recommended that the Town develop a monitoring program that includes the monitoring of commercial development and changing trends, including retail and demographics. This would allow the Town to proactively plan for commercial uses and continue to be successful in this competitive marketplace.

Appendix A

TABLE A1: DESIGNATIONS WITHIN THE LIVABLE OAKVILLE PLAN WHICH PERMIT COMMERCIAL USES

Section of OP	Designation	General Description of Permitted Uses	Range of Commercial Uses
13.2	Central Business District	Intended to maintain viability and vitality of the downtown. Permitted uses include retail and service commercial uses appropriate to a main street, pedestrian-oriented function, as well as offices, hotels and convention centres, entertainment and recreation centres. Residential uses are encouraged in forms and at locations that support the primary function of the area.	Full range
13.3	Core Commercial	Provides major concentrations of commercial facilities servicing the broader region. Permitted uses include retail and service commercial uses including restaurants, food stores, automobile service stations. Large format retail, retail warehouse, entertainment and recreational uses may also be permitted.	Full range
13.4	Community Commercial	Intended to provide a variety of retail and service commercial uses to the local surrounding community. Permitted uses include restaurants, food stores and automobile service stations. Recreational uses may also be permitted.	Moderate range
13.5	Neighbourhood Commercial	Intended to provide for retail and service commercial uses serving the local convenience needs of the adjacent neighbourhoods. Permitted uses include a range or retail and service commercial, including restaurants and food stores. Not to exceed a maximum of 2,500 sq. m. of floor area.	Limited

TABLE A2: DESIGNATIONS WITHIN THE NORTH OAKVILLE SECONDARY PLANS WHICH PERMIT SOME COMMERCIAL USES

Section of OP	Designation	General Description of Permitted Uses	Range of Commercial Uses
7.6.4.2 (NE OP)	Trafalgar Urban Core Area	Mixed use development shall be permitted and strongly encouraged throughout the Core Area. Both mixed use and single use buildings are permitted including single use retail and service commercial buildings including supermarket and department stores particularly in Urban Core Area 2 (south of Burnhamthorpe Road). The development in the area of the Trafalgar/Dundas and the	Full range

Section of OP	Designation	General Description of Permitted Uses	Range of Commercial Uses
		Trafalgar/Burnhamthorpe intersections is envisioned as mixed use nodes with a commercial focus that serve to anchor the Trafalgar Urban Core Area. Retail and service commercial development will be encouraged in a “main street” format where retail and service commercial uses are oriented to the street in standalone stores or in the ground floors of mixed use buildings. The entirety of Trafalgar Road shall have a strong street- related built edge but it is anticipated that the areas of retail and service commercial development will be clustered into a few areas. Additional commercial areas may occur throughout subject to specific policies Large scale commercial development is to be planned for the commercial node south of Burnhamthorpe Road (Urban Core Area 2). It is intended that the built form in this area may be primarily single storey but may intensify to a more mixed use, multi-storey character Total retail space is not to exceed 93,000 sq. m. with a minimum of 55,000 sq. m. located in Urban Core Area 2. Additional retail floor area in excess of 93,000 sq. m. may be permitted without amendment through a market study.	
7.6.5.2 (NE OP)	Dundas Urban Core	The intent is to create a band of mixed-use development along Dundas, although retail and service commercial development is to be restricted to nodes at the intersections with Minor Arterials, Avenues and Connectors with Dundas Street. Where retail and service commercial development is permitted it will be encouraged in a “main street” format where retail and service commercial uses are oriented to the street creating a pleasant, pedestrian shopping environment. These retail and service commercial uses may be in stand alone stores or in the ground floor of mixed use buildings. Total retail space is not to exceed 32,000 sq. m. although service commercial space is not subject to the floor area limit. Single use stores are not to exceed 7,000 sq. m.	Moderate
7.6.6 (NE OP)	Neyagawa Urban Core Area	Intended to provide a mixed use area to accommodate a range of commercial, residential and institutional uses as a focal point for the western portion of the Planning Area. Where retail and service commercial	Moderate

Section of OP	Designation	General Description of Permitted Uses	Range of Commercial Uses
		development is permitted, it will be encouraged to be oriented to the street creating a pleasant, pedestrian shopping environment. These retail and service commercial uses may be in standalone stores or in the ground floors of mixed use buildings. Total retail commercial space is not to exceed 31,000 sq. m. although service commercial space is not subject to the floor area limit. Single use stores are not to exceed 7,000 sq. m.	
8.3.2 (NW OP)	Palermo Village North Urban Area	The Core Area will provide a full range of employment, commercial institutional, entertainment and high density residential uses. Mixed use development will be predominately located along Old Bronte Road and designed to be pedestrian friendly and encouraged in a "main street" format. Permitted uses include retail and service commercial, office, institutional and high density residential uses in both mixed use and single use buildings. Total retail space is not to exceed 7,000 sq. m. Additional retail floor area in excess of 7,000 sq. m. may be permitted without amendment through a market study.	Moderate

Permitted Uses in the Commercial Zones (Zoning By-law 2014-014)

	C1	C2	C3	C4
Retail Uses				
Outside display and sales area	✓	✓	✓	✓
Retail propane and transfer facility			✓ (3)	✓(3)
Retail store	✓	✓	✓	✓(5)
Service Commercial Uses				
Commercial school	✓	✓	✓	
Drive-through facility	✓ (1)	✓ (1)	✓ (1)	✓ (1)(2)
Dry cleaning/laundry		✓	✓	
Financial institution	✓	✓	✓	
Food production	✓	✓	✓	
Funeral home		✓		
Outside miniature golf		✓	✓	
Pet care establishment	✓	✓	✓	
Place of entertainment		✓	✓	
Rental establishment		✓	✓	
Restaurant	✓	✓	✓	✓(5)
Service commercial establishment	✓	✓	✓	
Sports facility	✓	✓	✓	
Veterinary clinic	✓	✓	✓	
Office Uses				
Business office	✓	✓	✓	
Medical office	✓	✓	✓	
Community Uses				
Art gallery	✓	✓	✓	
Community centre	✓	✓	✓	
Day care	✓ (1)	✓	✓	
Emergency service facility	✓	✓	✓	
Food bank	✓	✓	✓	
Library	✓	✓	✓	
Museum	✓	✓	✓	
Place of worship	✓ (4)	✓ (4)	✓ (4)	
School, private		✓	✓	
Open Space Uses				
Conservation use	✓	✓	✓	✓
Park, public	✓	✓	✓	✓
Stormwater management facility	✓	✓	✓	✓
Motor Vehicle Uses				

Permitted Uses in the Commercial Zones (Zoning By-law 2014-014)

	C1	C2	C3	C4
Motor vehicle repair facility			✓ (6)	
Motor vehicle service station			✓	✓
Motor vehicle washing facility			✓	✓(5)

1. Permitted only on a lot abutting a major arterial road.
2. A maximum one drive-through facility shall be permitted on a lot
3. Shall not be permitted on a lot abutting any Residential Zone.
4. The maximum lot area shall be 2.5 hectares. The maximum percentage on net floor area permitted to be occupied by a place of worship is 50% of the total net floor area on the lot.
5. Permitted only accessory to a motor vehicle service station.
6. Permitted only accessory to a retail storey.

Permitted Uses in the Commercial Zones (Zoning By-law 2009-189)

	TUC	DUC	NUC	NC	HDR	LE	GE	SA	AS
Commercial, Service and Related Uses									
Retail Store, but not a Convenience Store	✓	✓	✓	✓				✓	
Service Commercial	✓	✓	✓	✓				✓	
Vehicle Dealership; Vehicle Repair Facility								✓	✓
General Office Use or Medical Office or Financial Institution	✓	✓	✓	✓	✓	✓	✓		
Commercial/Residential	✓	✓	✓	✓	✓				
Commercial Fitness Centre	✓	✓	✓	✓	✓			✓	
Convenience Store	✓	✓	✓	✓	✓			✓	
Hotel	✓	✓	✓		✓			✓	
Place of Amusement	✓	✓	✓			✓	✓	✓	
Club	✓	✓	✓		✓	✓	✓	✓	
Nightclub	✓					✓	✓	✓	
Public Hall	✓	✓	✓		✓	✓	✓	✓	
Parking Garage	✓	✓	✓		✓	✓	✓	✓	
Restaurant	✓	✓	✓	✓	✓			✓	
Café	✓	✓	✓	✓	✓			✓	
Service Establishment	✓	✓	✓	✓		✓		✓	
Funeral Home	✓	✓	✓						
Arena, Theatre, Stadium, Trade and Convention Centre	✓	✓	✓			✓	✓	✓	
Veterinary Clinic	✓	✓	✓						
Gas Bar									✓

Appendix B

Nodes	#	Food Oriented Retail (FOR)	Non-Food Oriented Retail (NFOR)	Other Retail & Service	Total Occupied Retail & Service Space	Vacant	Vacancy Rate (%)	Total Retail, Service & Vacant Space
Downtown Oakville	1	12,700	164,900	437,100	**614,700**	63,600	*0.0%*	**678,300**
Kerr Village	2	141,400	181,100	379,800	**702,300**	29,700	*8.7%*	**732,000**
Bronte Vilalge	3	47,200	58,500	193,600	**299,300**	42,500	*8.7%*	**341,800**
Trafalgar Village Core and Vicinity	4	43,100	181,100	114,200	**338,400**	11,200	*12.2%*	**349,600**
RioCan Burloak	5	57,700	366,100	100,900	**524,700**	23,100	*2.0%*	**547,800**
South Oakville Centre	6	45,900	147,400	91,800	**285,100**	48,700	*6.9%*	**333,800**
QEW West Employment District	7	19,700	454,000	428,200	**901,900**	0	*5.4%*	**901,900**
Trafalgar Rd. & Cornwall Rd.	8	81,300	46,500	113,100	**240,900**	15,900	*0.0%*	**256,800**
Maple Grove Village	9	51,500	29,800	33,900	**115,200**	1,200	*13.7%*	**116,400**
Other South Oakville	10	13,800	91,400	263,700	**368,900**	7,900	*0.3%*	**376,800**
Dorval Crossing	11	47,600	401,800	157,400	**606,800**	15,600	*2.5%*	**622,400**
Abbey Plaza	12	47,100	13,300	43,400	**103,800**	0	*0.0%*	**103,800**
Fox Creek Plaza and Vicinity	13	42,200	26,400	55,100	**123,700**	2,600	*2.1%*	**126,300**
Other Northwest Oakville	14	47,400	30,500	262,400	**340,300**	13,400	*3.8%*	**353,700**
Uptown Core and Vicinity	15	177,800	428,700	254,700	**861,200**	23,000	*2.6%*	**884,200**
Oakville Place	16	800	408,700	29,900	**439,400**	15,900	*3.5%*	**455,300**
Dundas St. & Winston Park Dr. Core	17	0	508,600	68,400	**577,000**	26,100	*4.3%*	**603,100**
RioCentre Oakville and Vicinity	18	37,000	19,800	58,200	**115,000**	18,700	*14.0%*	**133,700**
Upper Oakville S.C.	19	59,300	32,300	92,200	**183,800**	2,900	*1.6%*	**186,700**
Winston Park Employment District	20	2,000	83,100	304,300	**389,400**	11,500	*2.9%*	**400,900**
Other Northeast Oakville	21	24,900	101,900	276,400	**403,200**	5,400	*1.3%*	**408,600**
Total		**1,000,400**	**3,775,900**	**3,758,700**	**8,535,000**	**378,900**	***4.3%***	**8,913,900**

TABLE B1 - OAKVILLE RETAIL ZONES – BREAKDOWN OF RETAIL FORMS

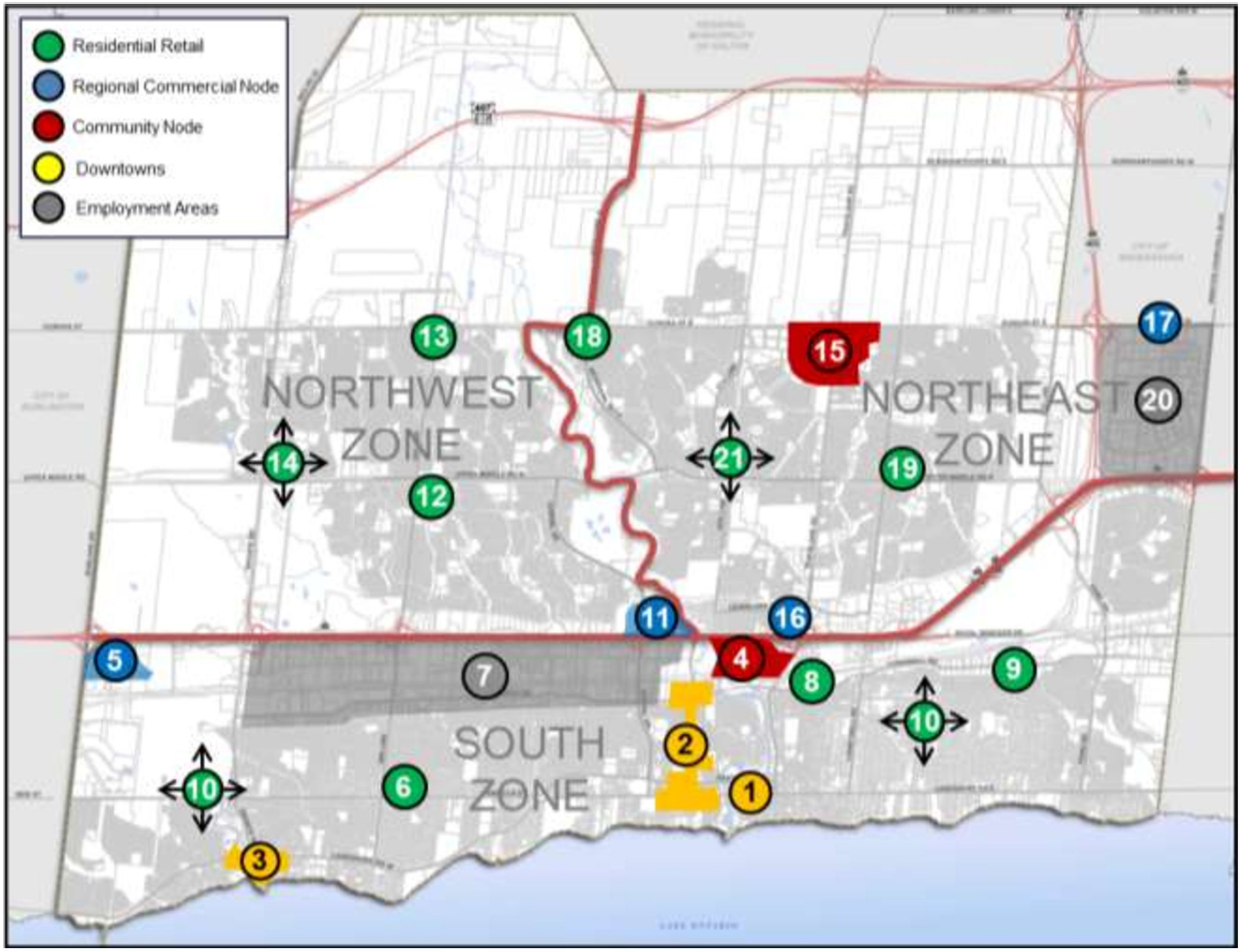


FIGURE B1 - OAKVILLE'S RETAIL ZONES

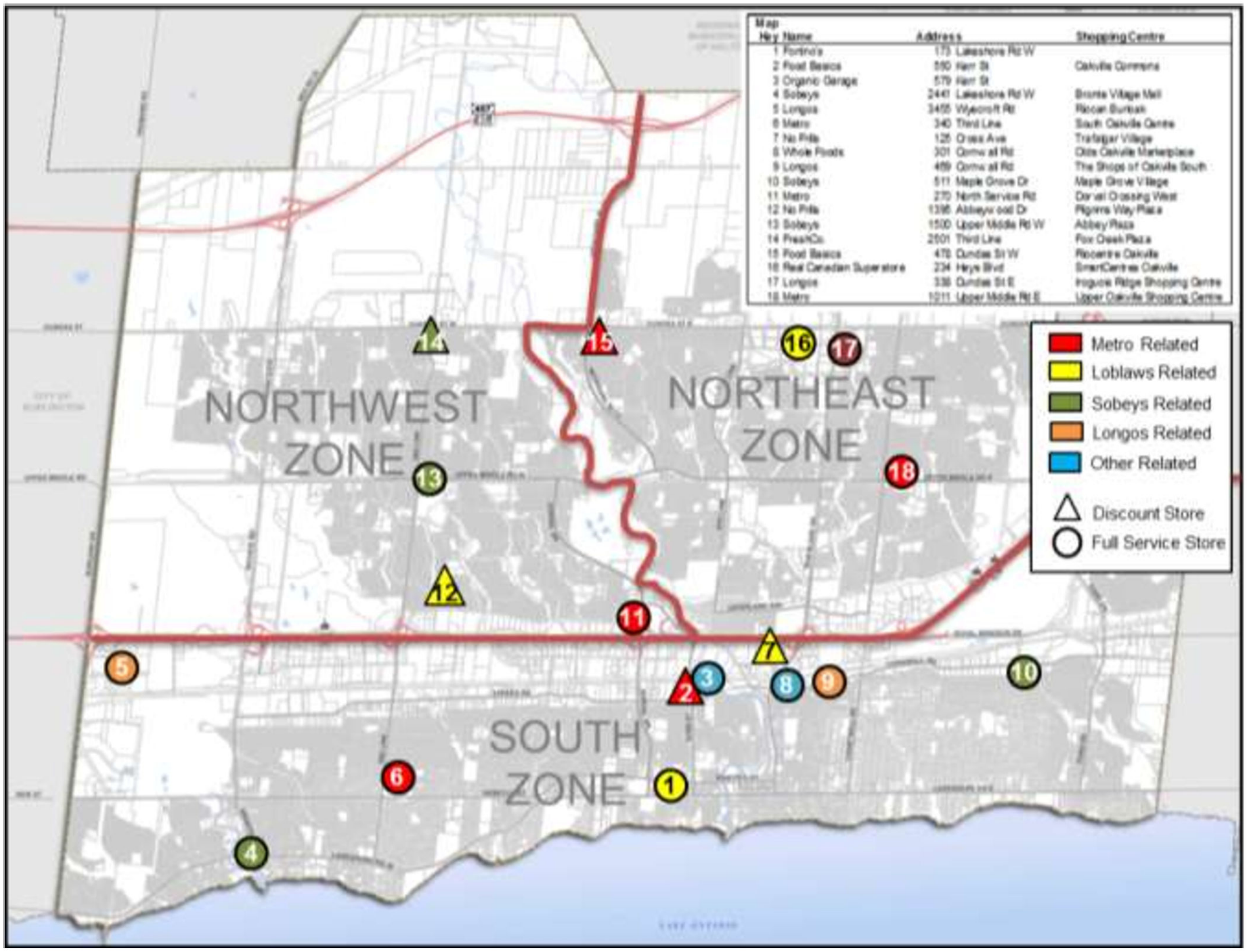


FIGURE B2 - OAKVILLE SUPERMARKETS

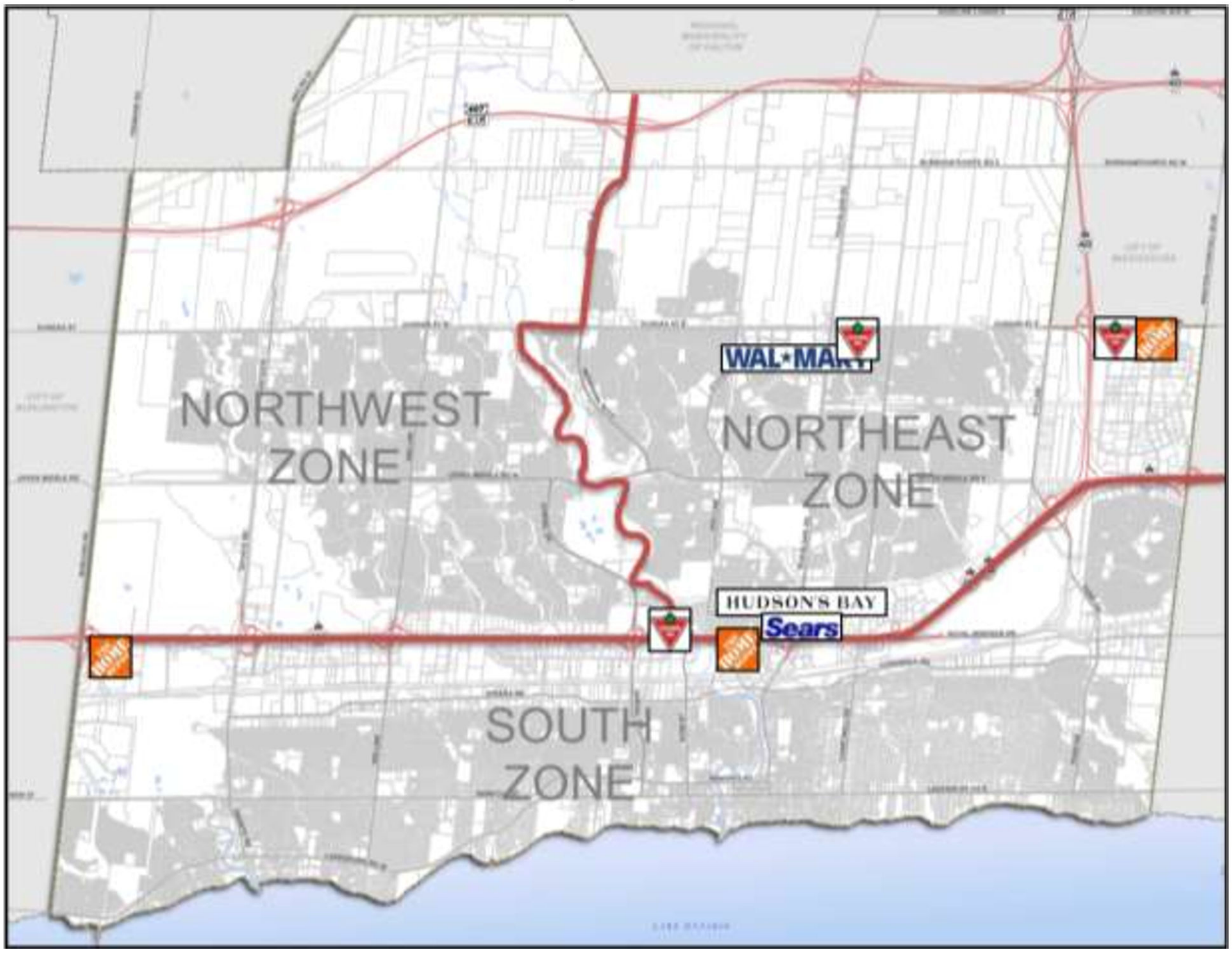


FIGURE B - OAKVILLE DEPARTMENT STORE, CANADIAN TIRE AND HOME DEPOT LOCATIONS