



WEST SHORE SETTLEMENT AREA COMMERCIAL NEEDS

Retail/Service Market Demand and Needs Assessment

Township of Severn, Ontario

Prepared for LIV Communities

January 17, 2022



This document is available in alternative formats upon request by contacting:

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January 17, 2022

Sam Badawi, BES, MBA
LIV Communities
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L7P 5B1

Dear Mr. Badawi

RE: West Shore Settlement Area Commercial Needs – Retail/Service Market Demand and Needs Assessment (Township of Severn, Ontario)

urbanMetrics inc. is pleased to submit this Commercial Market Demand and Needs Assessment Study for your proposed residential development located at the intersection of Menoke Beach Road and Highway 11 in the West Shore Settlement Area of the Township of Severn, in Simcoe County.

The purpose of this study is to determine the need, if any, for the inclusion of convenience commercial uses as part of your proposed residential development. In addition, if these uses are not warranted from a market demand perspective, we have determined if existing commercial facilities in the area are able to conveniently fulfil the consumer needs of local residents and specifically residents living in your proposed residential community.

It has been a pleasure conducting this Study on your behalf, and we look forward to discussing our findings with you.

Yours truly,

A handwritten signature in black ink, appearing to read "D. R. Annand".

Doug Annand, CMC, PLE
Partner
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Executive Summary

The future needs of the Study Area can be more than adequately met through absorption of existing vacant space and the development of even a small portion of the currently vacant *Highway Commercial Lands*.

The Study Area is currently over-served by commercial space by approximately 20,600 square feet in the relevant local-serving categories. Based on the expected future population of 4,882, the Study Area could warrant approximately 9,100 square feet of new commercial space. Most of the needs of the growing population can be met through existing establishments.

The types of convenience or specialty food commercial uses likely to within the proposed development are already adequately provided for within the Study Area at a level capable of supporting projected population growth.

While a convenience or specialty food store is the best fit for a commercial block on the subject site, residents' commercial needs can be met elsewhere. Incorporating an additional convenience store on the subject site would likely have a negative impact on existing businesses in the Study Area.

The Township of Severn has a sizeable seasonal population and the frequent absence of these residents reduces the demand for commercial space and the ability of the proposed development and the aggregate population of the area to support viable commercial businesses.

There is adequate space to meet the retail and service commercial needs of residents after considering potential population growth in the Study Area. After discounting a portion of population-related demand due to seasonal residents, which are expected to comprise between 27% and 30% of the population in future years, growth is unlikely to warrant the designation of additional commercial lands. The same is true for the proposed development specifically, where the likely absence of seasonal residents for much of the year will reduce demand for commercial space on the subject site.

A commercial block located within the proposed development would likely face difficulty finding tenants as there are locations with superior visibility and access available elsewhere in the Study Area and beyond.

The proposed development is not a viable location for an internal commercial block as the Study Area is currently oversupplied by commercial space, the majority of which is comprised of direct competitors to the types of businesses likely to locate on the site. The existing vacant space and potential development blocks along Highway 11 provide proximity to residents with the added benefit of visibility from the Highway and space for vehicle parking. It is unlikely that a business would choose an internal neighbourhood location over these alternatives.

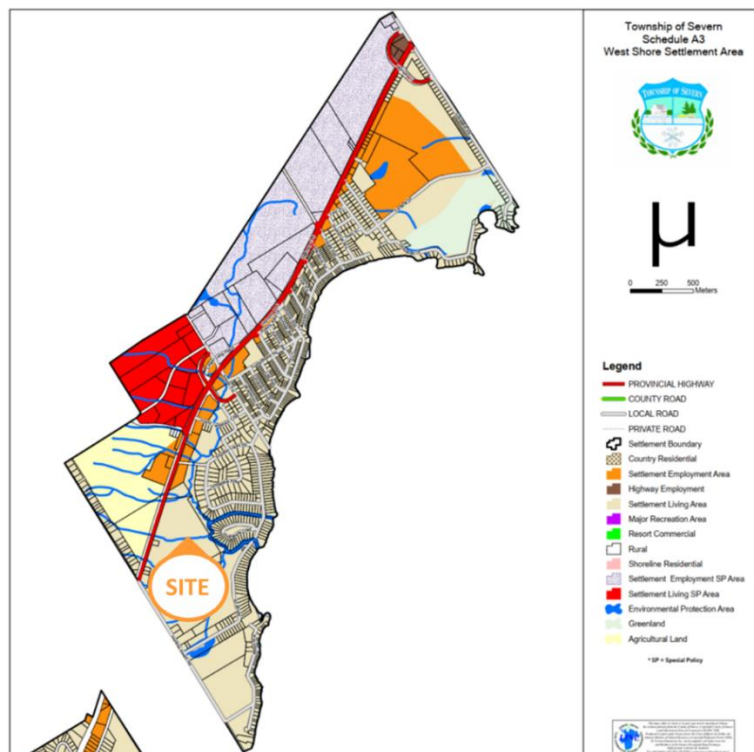
1.0 Introduction

1.1 Background

It is our understanding that the Planning Staff in the Township of Severn have suggested the potential inclusion of commercial uses in your proposed residential development on the subject site in the West Shore Settlement Area, in the Township of Severn. This report summarizes our professional market opinion that addresses the potential need and potential benefits derived from including a commercial block as part of your residential development.

Township of Severn Official Plan Policy C3.4.1 permits Council to require the preparation of a market impact study to assess the impact of new commercial uses on the Township’s commercial structure. As such, the purpose of this Retail/Service Market Impact Study is aligned with these objectives and seeks to determine how the proposed development on the subject site affects the capability of the Township of Severn’s commercial structure to adequately and conveniently fulfill existing and future resident’s consumer needs and specifically those of the new residential population who will live in your proposed development. As shown in Figure 1-1 the subject site is located near the intersection of Menoke Beach Road and Highway 11, adjacent to the commercial plaza anchored by the well-known Webers Restaurant.

Figure 1-1: Location of the Proposed Development



SOURCE: urbanMetrics inc., based on Schedule A3 of the Township of Severn’s Official Plan

1.2 Study Approach

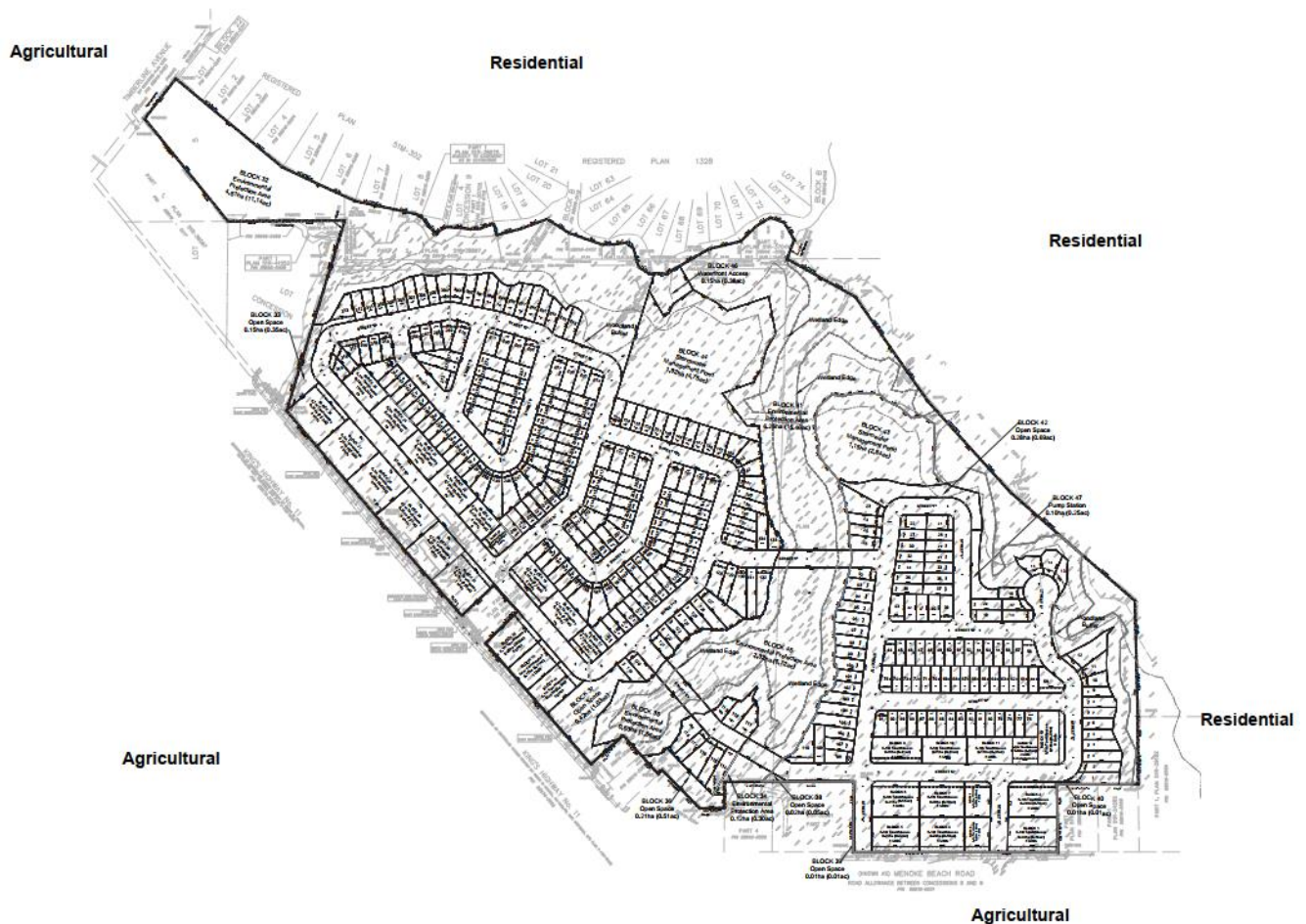
The analysis carried out in this market need and impact study focuses on the following:

- **Review of Planning Policies:** We have reviewed planning policies in the current Official Plan that may influence the type and size of commercial uses that may be required, as well as the locational criteria that would influence the potential location of a convenience commercial block if warranted.
- **Subject Site Population:** We have reviewed the current development proposal for the subject site to evaluate the number and type of residential units proposed to assess the local residential population generated by the proposal itself. This analysis also considers the proportion of these residents that can reasonably be expected to be seasonal versus full-time residents.
- **Study Area Delineation:** We have delineated a Study Area that represents the area most likely to be served by any commercial uses warranted on the subject site. This Study Area incorporates the population of the West Shore Settlement Area and considers the significant traffic volumes along Highway 11 as a potential source of demand for any convenience commercial facilities warranted on the subject site.
- **Evaluation of Population Trends:** We have analyzed the historical, current, and projected population for the Study Area based on Census data, Growth Plan and municipal projections, including the proposed development, and other publicly available residential development applications.
- **Commercial Inventory:** We have undertaken an inventory of existing commercial uses within the Study Area. We have also identified un-developed commercial lands that will serve some of the needs of the future Study Area and the full-time and seasonal residential population residing on the subject site.
- **Per Capita Analysis:** We have undertaken a per capita space market analysis to identify the amount and type of convenience commercial space that is required to serve the future subject site and Study Area population.
- **Report Preparation:** We have prepared this report that summarizes our opinion with regards to the amount and type of convenience commercial space that is justified within the proposed development, and the potential impact of this commercial space on the existing commercial hierarchy.

1.3 Proposed Development

The development proposed for the subject site envisions a residential community that recognizes the wetlands and environmental protection areas located on the site. The proposal includes 149 40' lot single-detached units, 171 36' singles, and 215 20' townhome units for a total of 534 units. As shown in Figure 1-2, the townhome units are concentrated on the periphery of the development near the higher traffic areas of Highway 11 and the various access points to Menoke Beach Road. As Highway 11 is a high-traffic provincial highway, there is no planned road access directly from the highway to the subject site, which will reduce the amount of potential retail or service inflow expenditures available to any commercial facilities that could potentially be included as part of the development.

Figure 1-2: Proposed Development



SOURCE: MHBC (January 3, 2022)

2.0 Site & Access

2.1 Site Location

The subject site is located within the West Shore Settlement Area in the Township of Severn, which is located in Simcoe County (Figure 2-1). As a municipality located between the more densely populated Greater Golden Horseshoe to the south and the less populated areas of Muskoka to the north, the Township of Severn offers a blend of rural and urban living. The West Shore Settlement Area provides access to various waterfront recreational amenities on the west shore of Lake Couchiching as well as proximity to Highway 11, which connects the site to the City of Orillia immediately to the south, the Town of Washago to the north, and the significant number of recreational opportunities throughout the region.

Figure 2-1: Site Location

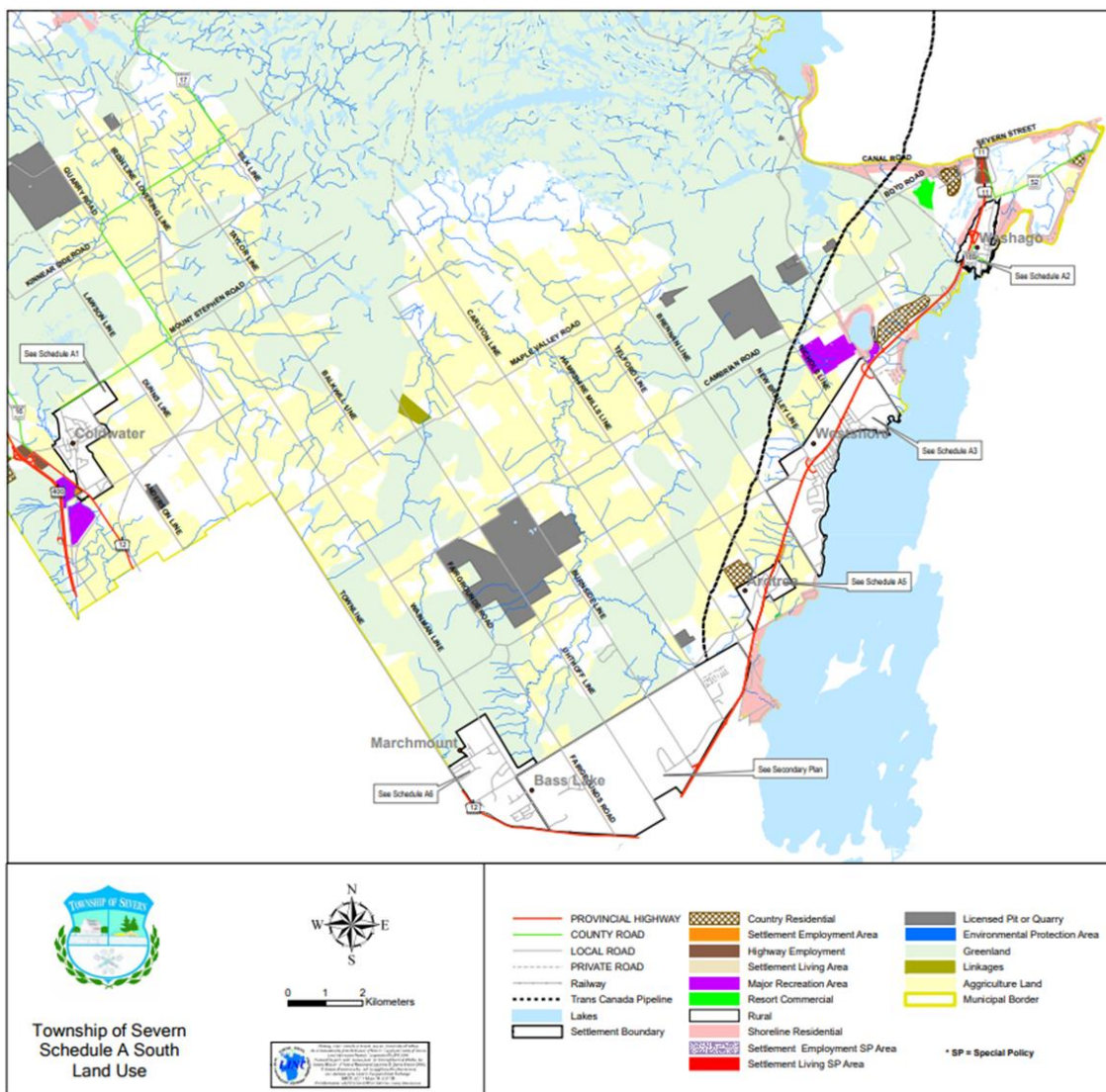


SOURCE: urbanMetrics inc., from ESRI and Google Earth. Site boundaries are approximate. For illustration only.

2.2 Surrounding Land Uses

The subject site is located in the southeastern portion of the Township of Severn and is on the southern boundary of the West Shore Settlement Area. As shown in Figure 2-2 and Figure 2-3 the lands to the south and west of the subject site are currently designated *Agricultural Land*. The northwest boundary of the site borders Highway 11, a provincial highway, and the southeastern boundary of the site borders wetlands and other lands designated as *Environmental Protection*, which limit access to the subject site from the adjacent residential areas east and north of the site.

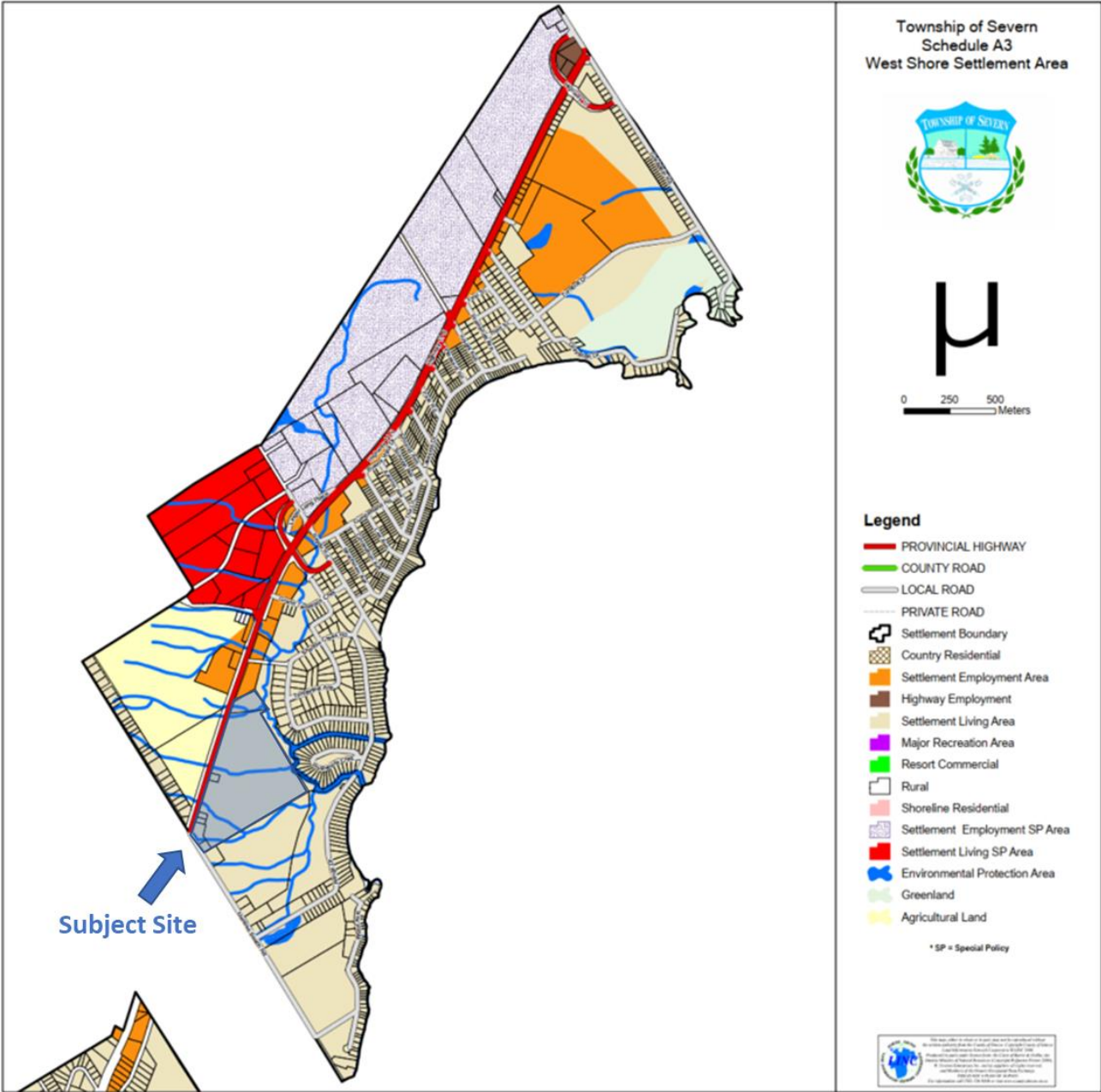
Figure 2-2: Surrounding Land Uses - Township of Severn South Land Use



SOURCE: urbanMetrics inc., Township of Severn Official Plan Schedule A

To the north and northwest of the subject site are *Highway Commercial* uses that predominantly take the form of quick-service restaurants, gas stations, and convenience stores. As shown in Figure 2-3, further north along Highway 11 there is a large collection of parcels designated *Settlement Employment Area*. There are also several small commercial outlets fronting onto Highway 11, and road access to the Orillia Gun Club. The majority of these lands are either vacant or used for low-intensity commercial uses.

Figure 2-3: Surrounding Land Uses – West Shore Settlement Area Land Use



SOURCE: urbanMetrics inc., Township of Severn Official Plan Schedule A3

3.0 Retail Context

3.1 Study Area

To evaluate the retail needs of a given community we have defined a Study Area that represents the main area from which any commercial outlets potentially warranted on the subject site could expect to draw the majority of their customers, as well as the area in which we can identify accurate population statistics to quantify demand. This process is complicated when we consider the *Highway Commercial* lands and facilities in the Study Area, as a significant component of their customer base is not from the local area or even the region as much of this traffic is pass-through traffic heading to cottage country locations further north.

Figure 3-1: Study Area



SOURCE: urbanMetrics inc., based on West Shore Settlement Area in Severn Official Plan. For illustrative purposes only.

As shown in Figure 3-1, the Study Area is comprised of the West Shore Settlement Area as defined in the Township of Severn’s Official Plan. As a defined Settlement Area, the majority of residential

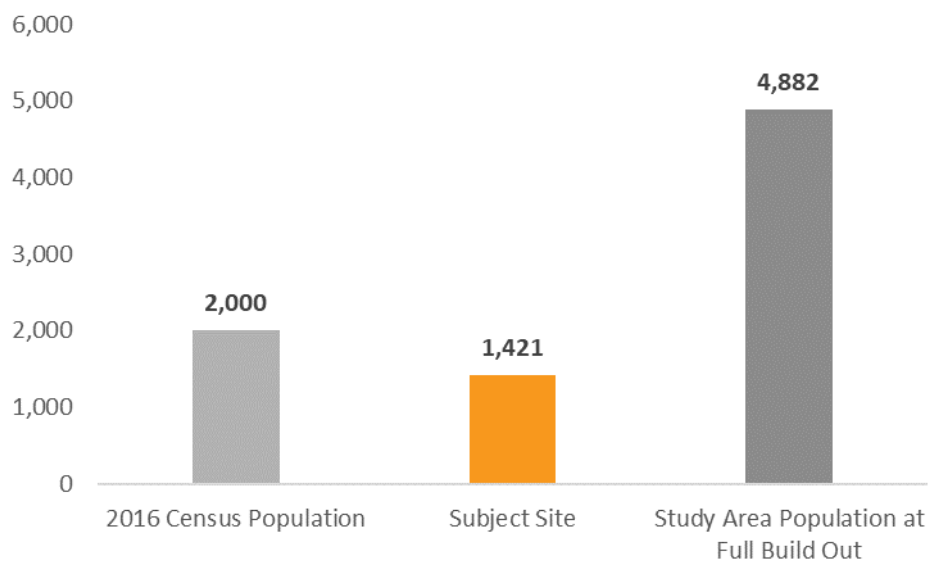
growth in the vicinity of the subject site is planned to locate within these boundaries. By recognizing the existing and potential future permanent and seasonal population in this Study Area, we can determine the existing and potential future commercial service level in the Settlement Area, and any potential future need for additional commercial facilities as part of the subject development.

The most recently obtained provincial traffic data for this portion of Highway 11 is from 2016. It indicated that the annual average daily traffic count (AADT) for the stretch of highway between north Orillia at the Laclie Street interchange and the New Brailey Line/Bayou Road interchange to the north of the subject site was approximately 26,600 vehicles. However, it is important to note that the likelihood of this traffic entering the subject development is very unlikely due to limited access and minimal visibility.

3.2 Population

The most recent reliable population data for the Study Area is based on the census profile data collected as part of the 2016 Census of Canada. Aggregation of several dissemination blocks results in a 2016 total Study Area population of 2,000 residents, as shown in Figure 3-2.

Figure 3-2: Census and Projected Study Area Population



SOURCE: urbanMetrics inc., based on 2016 Census Profiles by Dissemination Block, Township of Severn Official Plan, Development Applications Information provided by the County of Simcoe and Township of Severn. The future population includes residents of the subject site.

Based on a total development yield of 319 single detached homes and 215 townhome units, with persons per unit assumptions based on the in-force Official Plan, the proposed development on the subject site could accommodate approximately 1,421 full time and seasonal residents, as shown in Figure 3-3. Also included are the housing units built since 2016, plus any other active development applications located in the Study Area. This results in an additional 556 units that will likely be built in other parts of the Study Area, which equates to a potential new population of approximately 1,461 residents in addition to the new residents of the subject site.

In aggregate, the active development applications in the Study Area, including the subject site are expected to add some 2,882 new residents to the area in addition to the 2016 baseline population. Recognizing the existing population estimates at 2,000 in 2016, this brings the total population of the Study Area to 4,882 persons at full build-out.

It is important to note that a significant portion of residents in the Study Area are seasonal and a significant portion of their commercial needs are predominantly met closer to their primary residence. The Township of Severn estimates that the proportion of seasonal residents residing in the Township will decline from 33% in 2016 to 29% by 2031.

Figure 3-3: Population Assumptions

	Single	Town	Apartment	Total
PPU ¹	2.86	2.37	-	2.7
Subject Site Units ²	319	215	-	534
Future Subject Site Population	912	509	-	1,421
Existing Study Area Population	-	-	-	2,000
Study Area Unit Pipeline ³	447	77	32	556
Study Area Population Growth	1278	182	-	1,461
Total Future Study Area Population				4,882
Expected Future Study Area Seasonal Population (30%) ⁴				1,465
Expected Future Study Area Permanent Population (70%) ⁴				3,417

SOURCE: urbanMetrics inc. from:

¹Township of Severn Official Plan

²MHBC January 3rd, 2022

³Development Applications Information from County of Simcoe and Township of Severn Public Works Report No W21-032

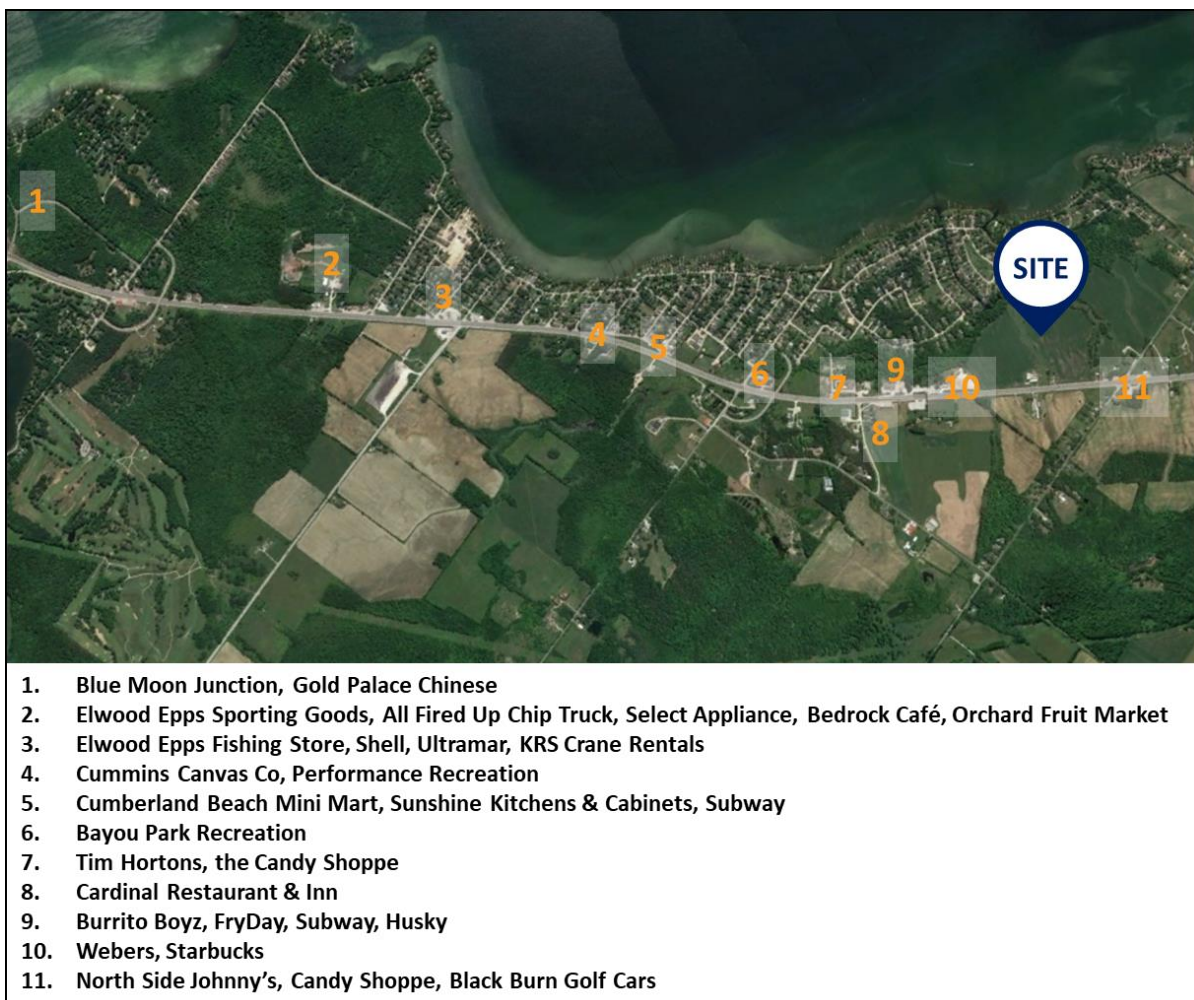
⁴Seasonal population estimates from Township of Severn Recreation Master Plan Preliminary Report

We acknowledge that there is the potential for additional development activity in the Study Area which could increase this population beyond what we have assumed herein. Population increases

significantly above our assumption of 4,882 could have the potential to increase the amount of commercial space required above and beyond what is calculated in the following sections.

The Study Area currently supports commercial uses along the north and south sides of Highway 11 in 11 different locations as shown in Figure 3-4. The majority of the businesses currently in operation are convenience retail, quick and full-service restaurants, gas stations, as well as recreational and sporting goods stores. The information presented in this section is based on an in-person inventory conducted by urbanMetrics in November 2021.

Figure 3-4: Existing Commercial Outlets in Study Area



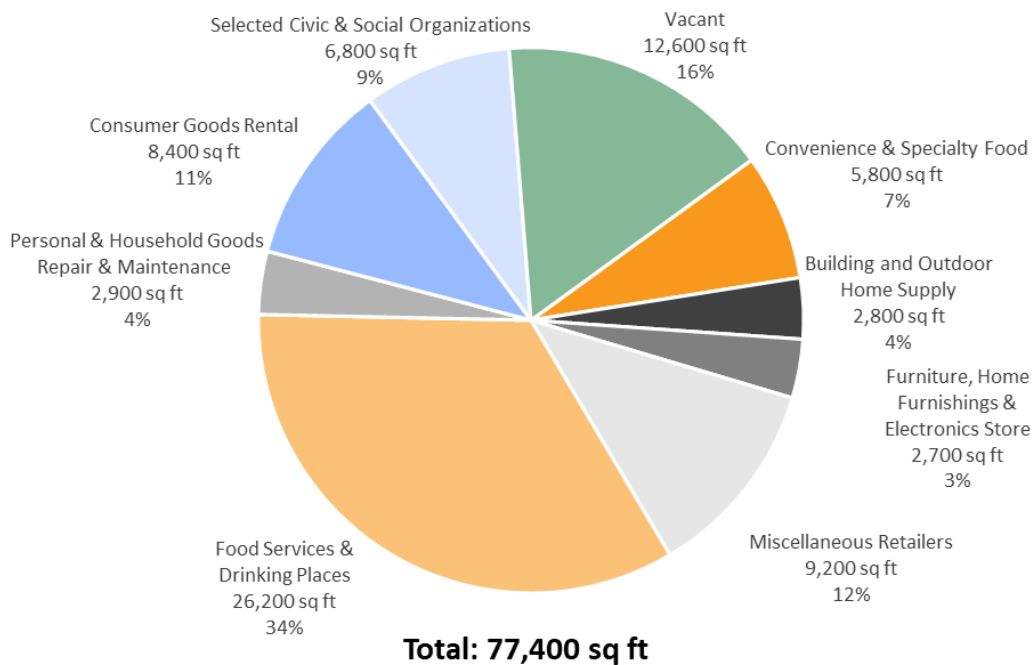
SOURCE: urbanMetrics inc., for illustrative purposes only.

The types of businesses operating in the Study Area are mainly serving the needs of vehicular traffic on Highway 11. The types of commercial uses typically serving full-time and seasonal residents in the

immediate local area comprise a smaller proportion of the inventory. As shown in Figure 3-5, 34% of the total space in the Study Area is currently occupied by Food Services & Drinking Places compared to only 9% for Civic & Social Organizations and 7% in the Convenience & Specialty Food category.

Several uses are not typically found in local or neighbourhood serving retail nodes. As shown, 11% of the current space is occupied by Consumer Goods Rental, 4% by Building and Outdoor Home Supply stores, and 3% occupied by Furniture, Home Furnishings & Electronic Stores. These types of commercial enterprises typically draw customer support from a larger sub-regional or regional market area as they are not typically the beneficiary of repeat transactions to the same degree as a retailer such as a convenience store. The presence of these types of commercial outlets within the Study Area indicates that many of the businesses are reliant on vehicular traffic and customers from a broader area.

Figure 3-5: Study Area Commercial Inventory Summary



SOURCE: urbanMetrics inc., based on 2011 NAICS classifications

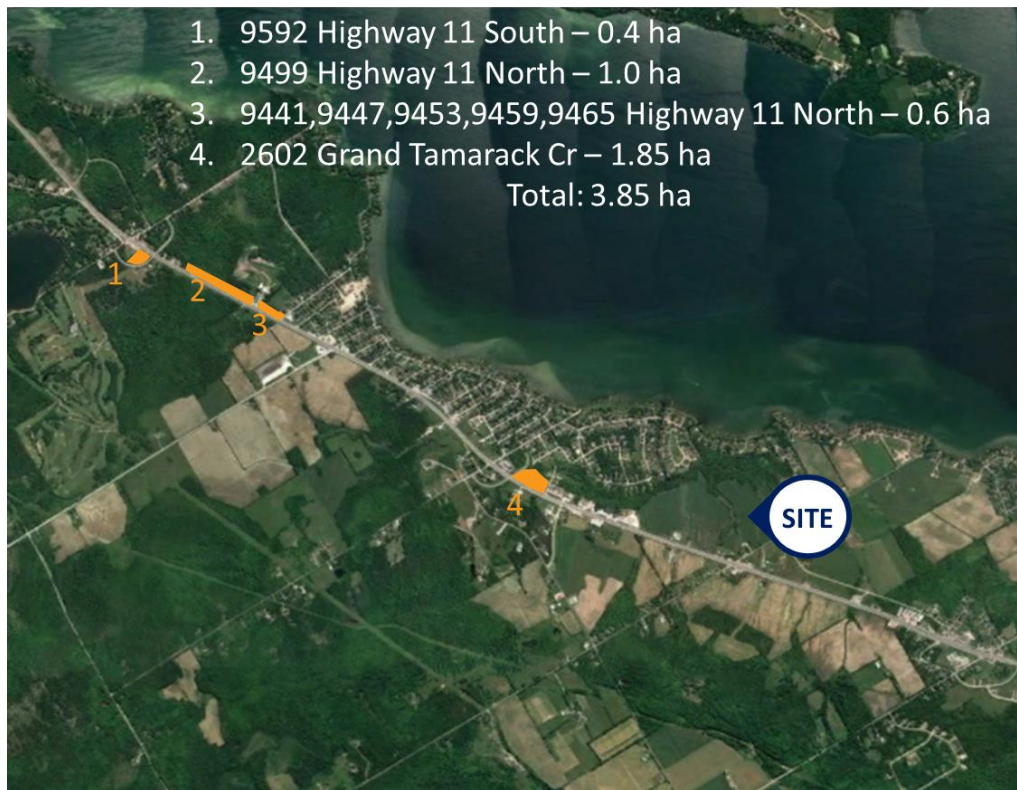
In addition, there is a significant amount of vacant space currently located within the Study Area. Based on on-site visits by urbanMetrics, approximately 16% of the total commercial space is vacant. This vacancy rate is approximately double the 6-8% vacancy range that is typically considered as a “healthy” market rate where a lower rate indicates reasonably strong business performance, of existing retailers, which also allows for tenant turnover. The high vacancy rate within the Study Area

potentially indicates that the Study Area’s population and vehicular traffic along Highway 11 is not sufficient to support the amount of existing space and suggests that limited if any new commercial space is warranted in the area, let alone as part of the subject development.

3.3 Potential for Additional Retail/Service Commercial Space

Another potential reason for high vacancy rates is the unsuitability of the existing space. It is possible that there is unmet demand for commercial uses within the Study Area but a misalignment between the type of businesses capable of meeting this demand and the available commercial facilities these businesses can occupy. A review of the parcel fabric layer on the County of Simcoe’s GIS mapping tool combined with urbanMetrics’ inventory of potential commercial sites in the Study Area identified 4 parcels or vacant blocks that are designated to accommodate commercial land uses. These blocks are shown in Figure 3-6.

Figure 3-6: Vacant Settlement Employment Area and Highway Employment Parcels



SOURCE: urbanMetrics inc., site boundaries for illustrative purposes only.

As illustrated, there are approximately 3.85 hectares of vacant commercial land within the Study Area. This total does not include the Special Policy Areas identified in the Official Plan to the northwest of the subject site. These Special Policy Areas are being held from development until full municipal servicing is provided and in the absence of any concrete plans for an extension of services these sites have not been considered in our analysis. However, the Settlement Employment Special Policy Area comprises a large amount of land that could accommodate significant employment accommodating uses that potentially could include some retail and service commercial facilities.

Figure 3-7 estimates the potential gross floor area (GFA) that could be supported through the development of the four identified vacant sites. These estimates are calculated based on a reduction from the maximum lot coverage ratios of 0.45 for *Highway Commercial* zoned lands in the Township’s Zoning Bylaw to some 0.35, plus an efficiency assumption of 80% to derive the actual buildable area. These assumptions are conservative and reflect the existing low-density character of uses in the Study Area and the potential that local environmental features will further limit the buildable area of a lot below the maximum lot coverage ratio of 0.45. It is also important to note that these vacant commercial sites are highway oriented and are not located in existing or proposed residential communities.

Figure 3-7: GFA Potential of Vacant Lands

Assumptions	Square Feet	Square Metres
Combined Lot Area	414,411 sq ft	38,500 sq m
Highway Commercial Lot Coverage	0.35	0.35
Buildable Area	145,044 sq ft	13,475 sq m
Efficiency Assumption	80%	80%
Potential GFA	116,035 sq ft	10,780 sq m

SOURCE: urbanMetrics inc., based on County of Simcoe Mapping, Township of Severn Zoning Bylaw January 1, 2020 Consolidation

As shown, we estimate that the vacant lands within the Study Area could accommodate an additional 116,035 square feet or 10,780 square metres of additional commercial space. This is in addition to the estimated 12,600 square feet of currently vacant space.

If local permanent and seasonal residents are to be a significant component of the demand for commercial businesses within the Study Area, the new population expected to reside in the subject site’s residential development should help to absorb a portion of the existing vacant space, as well as support the future development of the currently vacant sites before additional commercial lands are designated/required.

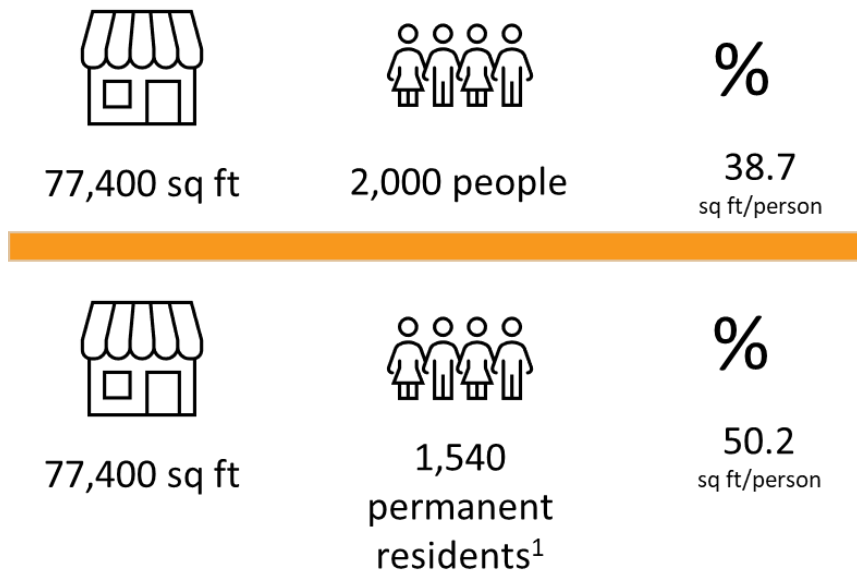
4.0 Retail/Service Commercial Needs Analysis

4.1 Existing Space Per Capita

The existing retail/service level in the Study Area can be calculated by comparing the existing and projected population in the Study Area to the existing and potential inventory of commercial space located within the Study Area. This analysis must also reflect Study Area residents’ access to major retail commercial nodes located outside the Study Area that will help satisfy their commercial needs. A commonly used methodology for estimating the current and future retail commercial space needs of a Study Area is by using a per capita space ratio methodology. This technique is helpful and informative in providing general market guidance and is used widely by market analysts. A typical ratio for a given market is between 39 and 42 square feet per capita for all types of retail and service commercial space.

Based on our inventory of existing Study Area retail and service space and the existing and forecast population, the Study Area is currently served by approximately 38.7 square feet of commercial space per capita, including vacant space. This ratio is slightly below market averages in other jurisdictions. However, when we only consider the potential 1,540 permanent residents of the Study Area this ratio increases to more than 50 square feet per person. This is substantially higher than a typical market and is additional evidence of the significant commercial focus on vehicular traffic and travellers through the region.

Figure 4-1: Baseline Per Capita Service Ratios



SOURCE: urbanMetrics inc, with data from Statistics Canada

¹ Based on Township of Severn 2019 estimate 23%

The high per capita ratio for permanent residents paired with a high vacancy rate indicates that there is insufficient demand to support a significant amount of new commercial space in the delineated Study Area. Potential factors creating this oversupply are the number of seasonal residents in the Study Area as well as traffic patterns. Using the 2016 census population of 2,000 likely overstates the number of potential customers residing in the area. This seasonality is also a factor in vehicular traffic, as AADT scores are averages for the full year. We would expect significantly above average traffic volumes on weekends as seasonal residents from the Golden Horseshoe travel north, and significantly below average volumes during the week, particularly during the off season. It is very difficult to accommodate seasonal variability as a business owner/operator as your overhead is constant, but revenue fluctuates significantly at different times of the year. This is often a deterrent in attracting retail/service tenants in an area with a large seasonal population.

4.2 Per Capita Space Analysis

The per capita space analysis can be broken down further into commercial categories based on the various NAICS sectors to identify potential gaps that are not currently being met when compared to a typical market area. Given the small size of the Study Area and the focus on retail and services serving the local convenience needs of the permanent and seasonal residents in the Study Area, fewer NAICS store categories are required to support the needs of the Study Area population than are typically found in other market areas. As noted above, in our opinion, only a small number of locally oriented convenience retail and service categories would be likely candidates for locating on the subject site.

Existing Study Area Per Capita Analysis

In this section of the report, we have applied urbanMetrics' per capita retail/service space model to the Study Area population based on our review of the commercial market in this portion of the Township of Severn. A description of this methodology follows:

- It employs a typical per capita ratio that varies by store category.
- Adjusts for a target capture rate that reflects what proportion of residents total commercial needs in each store category could be expected to be met in the Study Area. This reflects Study Area residents' access to other retail/services in other areas that are easily accessible to Study Area residents, as well as the increasing popularity of online shopping.
- Incorporates an inflow rate estimated by urbanMetrics based on the location of the subject site, the local area context and our professional experience. This rate is intended to account for the non-residents travelling along Highway 11, though the lack of access to the subject development from Highway 11 would reduce the opportunity for any commercial facilities on-site to take advantage of this expenditure potential.

- Calculate the residual demand for space in each sector on a per capita basis.

The Study Area is currently over-served with commercial space, with the surplus concentrated in retail categories that might have been suitable as part of an internal neighbourhood commercial block.

Figure 4-2: Per Capita Analysis Applied to 2016 Census Population

Commercial Needs - Retail Category - 2016	Typical Space Per Capita (Sq Ft)	Total Required by Residents (Sq Ft)	Target Capture	Space Required (Sq Ft)	Inflow	Total Warranted Space (Sq Ft)	Less: Existing Space	Total Net New Space Required								
Existing Study Area Population	2,000	A	=	B	x	C	=	D	x	E	=	F	-	G	=	H
Store Categories																
Selected Food Store Retail																
Convenience & Specialty Food	1.0	2,000	60%	1,200	50%	2,400	5,800	-3,400								
Non-Food Store Retail																
General Merchandise	1.0	2,000	40%	800	20%	1,000	0	1,000								
Miscellaneous Retailers	1.0	2,000	25%	500	20%	600	9,200	-8,600								
Pharmacies & Personal Care	1.5	3,000	60%	1,800	30%	2,600	0	2,600								
Services																
Cultural, Entertainment & Recreation	2.0	4,000	25%	1,000	50%	2,000	0	2,000								
Food Services & Drinking Places	1.5	3,000	70%	2,100	80%	10,500	26,200	-15,700								
Personal Care	1.5	3,000	40%	1,200	20%	1,500	0	1,500								
Total Net New Space Required								-20,600 sq ft								

SOURCE: urbanMetrics inc., based on data by Statistics Canada, professional experience, and Study Area inventory undertaken in November 2021.

As shown in Figure 4-2, a typical market area of this size with significant inflow could be expected to provide approximately 2,400 square feet of convenience and specialty food space. Driven by the needs of drivers and passengers on Highway 11 there are currently 5,800 square feet in the Study Area. The same is true in store categories such as Miscellaneous Retailers, which has 8,600 square feet more than the small amount required to serve the local area, and Food Services & Drinking Places, which currently provides 15,700 square feet beyond what would typically be required to meet the needs of approximately 2,000 permanent and seasonal residents, many of whom are only in the Study Area on a part-time basis.

This misalignment between what would typically be observed in a market area and what is currently observed in this Study Area is likely due to the nature of the existing commercial outlets, and their focus on serving vehicular traffic rather than area residents, plus the fact that the needs of both permanent and seasonal residents are being met elsewhere.

Subject Site Retail Needs

The same per capita approach can also be applied to the commercial needs of the permanent and seasonal future residents of the proposed development on the subject site. We have adjusted the inflow and capture rates in line with those of the more local-serving commercial uses which would be the potential tenants that might locate on the subject site. A commercial block within the proposed development would not be able to capture market share from the vehicular traffic travelling along Highway 11 and would also be unlikely to draw significant customer support from residents of other subdivisions or areas of the Study Area, due to the limited access available from these areas.

As shown in Figure 4-3, we expect that future residents of the subject site could support between 3,000 and 5,000 square feet of local serving commercial space within the proposed development. This reflects the ability of these residents to meet their commercial needs in other locations within the Study Area and by travelling to the various regional-serving retail nodes located in Orillia 5 to 10 minutes directly south on Highway 11.

It is not reasonable to expect that a designated commercial facility on the subject site can attract a range of commercial outlets in every sector identified in Figure 4-3, as the small sizes shown are below the typical size of stores in these various categories.

Figure 4-3: Subject Site Retail Needs at Full Build Out

Commercial Needs - Retail Category	Typical Space Per Capita (Sq Ft)	Total Required by Residents (Sq Ft)	Target Capture	Space Required (Sq Ft)	Inflow	Total Warranted Space (Sq Ft)	Less: Existing Space	Total Net New Space Required
Future Subject Site Population	1,421	A = B x C = D x E =				F	- G =	H
Store Categories								
Selected Food Store Retail								
Convenience & Specialty Food	1.0	1,421	60%	853	5%	900	0	900
Non-Food Store Retail								
General Merchandise	1.0	1,421	15%	213	10%	200	0	200
Miscellaneous Retailers	1.5	2,132	10%	213	5%	200	0	200
Pharmacies & Personal Care	1.5	2,132	30%	639	5%	700	0	700
Services								
Cultural, Entertainment & Recreation	2.0	2,842	20%	568	5%	600	0	600
Food Services & Drinking Places	1.5	2,132	20%	426	5%	400	0	400
Personal Care	1.5	2,132	25%	533	5%	600	0	600
Total Net New Space Required								3,600 sq ft

SOURCE: urbanMetrics inc., based on data by Statistics Canada, professional experience, and Study Area inventory undertaken in November 2021. Only shows relevant retail categories.

Based on an estimated population of 1,421 residents, the proposed development could theoretically support between 3,000 and 5,000 square feet of commercial space.

It is important to recognize however that the per capita model treats all residents as equal. The Township of Severn expects that between 27% and 30% of future residents will be seasonal residents, and the frequent absence of even one-quarter of the projected population residing on the subject site would reduce the demand for commercial space within the proposed development.

Future Study Area Per Capita Analysis

Finally, the per capita space model can be applied in understanding the commercial needs of the expected future population of the entire Study Area. As identified in Figure 3-3, the estimated population of the Study Area at full build-out of all active residential developments is expected to be approximately 4,882 people. As demonstrated in Figure 4-4, applying the same per capita retail model as established in Figure 4-2 results in the estimated amount of commercial space warranted to support this new and existing population.

Figure 4-4: Study Area Retail Needs at Full Build Out of Active Applications

Commercial Needs - Retail Category	Typical Space Per Capita (Sq Ft)	Total Required by Residents (Sq Ft)	Target Capture	Space Required (Sq Ft)	Inflow	Total Warranted Space (Sq Ft)	Less: Existing Space	Total Net New Space Required (Sq Ft)								
Future Study Area Population	4,882	A	=	B	x	C	=	D	x	E	=	F	-	G	=	H
Store Categories																
Selected Food Store Retail																
Convenience & Specialty Food	1.0	4,882	60%	2,929	50%	5,900	5,800	100								
Non-Food Store Retail																
General Merchandise	1.0	4,882	40%	1,953	20%	2,400	0	2,400								
Miscellaneous Retailers	1.0	4,882	25%	1,221	20%	1,500	9,200	-7,700								
Pharmacies & Personal Care	1.5	7,323	60%	4,394	30%	6,300	0	6,300								
Services																
Cultural, Entertainment & Recreation	2.0	9,764	25%	2,441	50%	4,900	0	4,900								
Food Services & Drinking Places	1.5	7,323	70%	5,126	80%	25,600	26,200	-600								
Personal Care	1.5	7,323	40%	2,929	20%	3,700	0	3,700								
Total Net New Space Required								9,100 sq ft								

SOURCE: urbanMetrics inc., based on data by Statistics Canada, professional experience, and Study Area inventory undertaken in November 2021. The population includes projected residents of the subject site.

As shown in Figure 4-4, approximately 9,100 square feet of additional commercial space could potentially be supported at full build-out of the new units in currently active developments, including

the subject proposal. The retail categories that most obviously contribute to this calculation are Pharmacies & Personal Care (6,300 square feet), Cultural Entertainment and Recreation (4,900 square feet) and Personal Care services (3,700 square feet). These categories are unlikely to locate within a subdivision as they often seek locations that provide visibility from a high traffic roadway, making a location along Highway 11 more suitable, or at locations in the existing commercial nodes located in Orillia.

Typically, a commercial block within a residential subdivision is only well situated to meet the needs of the population in a handful of commercial categories such as General Merchandise and Convenience & Specialty Food. In an environment where a local neighbourhood is either particularly dense or isolated from other commercial uses, interior neighbourhood commercial blocks can sometimes support uses such as a convenience store, a Cultural, Entertainment & Recreation Centre and potentially Food Services & Drinking Places.

It is our understanding however that the Township is considering a recreation centre within the Study Area as part of its ongoing Recreation Master Plan. This development, particularly if it accommodates right-sized commercial space within the recreation centre, could potentially address the shortfall of Civic & Social Organizations and Cultural Entertainment & Recreation space in the area. However, in any event, these uses would not be well-suited for a location in a single commercial block within a plan of subdivision that has limited access to the broader Study Area.

5.0 Conclusions

A commercial block located within the proposed development would likely face difficulty finding tenants as there are locations with superior visibility and access available elsewhere in the Study Area and beyond.

Although planning policy plays a role it does not necessarily direct the decisions of commercial or other types of business. The proposed development is not a viable location for an internal commercial block as the Study Area is currently oversupplied by commercial space, the majority of which would be direct competitors to the types of businesses likely to locate on the site. The existing vacant space and potential development blocks along Highway 11 provide proximity to residents with the added benefit of visibility from the Highway and space for vehicle parking. It is unlikely that a business would choose an internal neighbourhood location over these alternatives.

The Township of Severn has a sizeable seasonal population and the frequent absence of these residents reduces the demand for commercial space and the ability of the proposed development and the aggregate population of the area to support viable commercial businesses.

There is adequate space to meet the retail and service commercial needs of residents after considering potential population growth in the Study Area. After discounting a portion of population-related demand due to seasonal residents, which are expected to comprise between 27% and 30% of the population in future years, growth is unlikely to warrant the designation of additional commercial lands in the Study Area. The same is true for the proposed development, where the likely absence of seasonal residents for much of the year will reduce demand for commercial space on the subject site.

The future needs of the Study Area can be more than adequately met through absorption of existing vacant space and the development of even a small portion of the currently vacant *Highway Commercial Lands*.

The Study Area is currently over-served by commercial space, with a surplus of approximately 20,600 square feet in the relevant local-serving categories. Applying this same model to the expected future population of 4,882, the Study Area could warrant approximately 9,100 square feet of new commercial space. Most of the needs of the growing population can be met through existing establishments.

The types of convenience or specialty food commercial uses likely to within the proposed development are already adequately provided for within the Study Area at a level capable of supporting projected population growth.

As such, while a convenience store or specialty food store is the best fit for a commercial block on the subject site, residents' commercial needs can be met elsewhere. Incorporating an additional convenience store on the subject site would likely have a negative impact on those uses that currently exist elsewhere in the Study Area, which would not likely survive with the scale of development expected through the subject development.

Appendix A Background Data and Definitions

Gross Leasable Area (GLA)

Gross leasable area (GLA) is the total retail floor area designed for tenant occupancy and exclusive use, including basements, upper floors, and mezzanines. It is expressed in square feet and measured from the centre line of joint partitions and from outside wall faces. GLA is the area on which tenants pay rent and which produces income for a tenant. Since it lends itself readily to measurement and comparison, GLA has been adopted by the shopping centre industry as its standard for statistical comparison.

Per Capita Income

Per capita income represents average total personal income before tax, as defined by Statistics Canada. The Trade Area income indices to the Province are based on the results of the 2006 Census of Canada, the most recent year for which reliable Census information is available.

Real Growth

Real growth refers to the amount that sales volumes or expenditures would increase in future years, after discounting for inflation. Therefore, references to the Canadian dollar, dealing with both the present and future periods, reflect its 2014 value in this report.

Retail / Service Store Classification

A detailed listing of the retail and service space categories referred to in this report is included in Figure B-2. This classification scheme is based on Statistics Canada's North American Industry Classification System (NAICS).

Appendix B NAICS Classifications

RETAIL/SERVICE STORE CLASSIFICATION (BASED ON NORTH AMERICAN INDUSTRY CLASSIFICATION (NAICS))

Trade Group	NAICS	Description
FOOD (FSR)		
90	Supermarkets	
	44511	Supermarkets and Other Grocery (except Convenience) Stores
100	Convenience and Specialty Food Stores	
	44512	Convenience Stores
	44521	Meat Markets
	44522	Fish and Seafood Markets
	44523	Fruit and Vegetable Markets
	44529	Other Specialty Food Stores, including Baked Goods Stores, & Confectionary & Nut

BEVERAGE STORES

110	Beer, Wine and Liquor Stores	
	44531	Beer, Wine and Liquor Stores

NON-FOOD STORE RETAIL (NFSR)

Automotive

20	Used and Recreational Motor Vehicle and Parks Dealers (Tires, Batteries, Automotive Accessories component)	
	44131	Automotive Parts and Accessories Stores
	44132	Tire Dealers

Furniture, Home Furnishings and Electronics Stores

30	Furniture Stores	
	44211	Furniture Stores
40	Home Furnishings Stores	
	44221	Floor Covering Stores
	44229	Other Home Furnishings Stores (e.g. window treatments, kitchen and tableware, bedding and linens, brooms and brushes, lamps and shades, and prints and picture frames).
50	Computer and Software Stores	
	44312	Computer and Software Stores
60	Home Electronics and Appliance Stores	
	44311	Appliance, Television and other Electronics Stores
	44313	Camera and Photographic Supplies Stores

Building and Outdoor Home Supplies Stores

70	Home Centres and Hardware Stores	
	44411	Home Centres
	44413	Hardware Stores
80	Specialized Building Materials and Garden Stores	
	44412	Paint and Wallpaper Stores
	44419	Other Building Material Dealers <i>Aluminum doors and screens, retail</i> <i>Brick and tile dealers, retail</i> <i>Cabinets, kitchen (to be installed), retail</i> <i>Concrete and cinder block dealers, retail</i> <i>Electrical supplies stores selling primarily to other business but also selling to household consumers</i> <i>Electrical supplies, retail</i> <i>Fencing dealers, retail</i> <i>Garage doors, retail (wood)</i> <i>Glass stores, retail</i> <i>Lumber and planing mill product dealers, retail</i> <i>Plumbing supplies stores selling primarily to other businesses but also selling to household consumers</i> <i>Plumbing supplies, retail</i> <i>Prefabricated house and building dealers, retail</i> <i>Retailers of ceramic floor and wall tiles</i> <i>Roofing material dealers, retail</i> <i>Sales of aluminum doors and installation</i> <i>Tile and brick dealers, retail</i>
	44421	Outdoor Power Equipment Stores
	44422	Nursery Stores and Garden Centres

Pharmacies and Personal Care Stores

120	Pharmacies and Personal Care Stores	
	44611	Pharmacies and Drug Stores
	44612	Cosmetics, Beauty Supplies and Perfume Stores
	44613	Optical Goods Stores
	44619	Other Health and Personal Care Stores (includes stores retailing health and personal care items, such as vitamin supplements, hearing aids, and medical equipment and supplies)

RETAIL/SERVICE STORE CLASSIFICATION (BASED ON NORTH AMERICAN INDUSTRY CLASSIFICATION (NAICS))

NON-FOOD STORE RETAIL (NFSR) (Continued)

Clothing and Accessories Stores

140	Clothing Stores	
	44811	Men's Clothing Stores
	44812	Women's Clothing Stores
	44813	Children's and Infant's Clothing Stores
	44814	Family Clothing Stores
	44819	Other Clothing Stores
150	Shoe, Clothing Accessories and Jewellery Stores	
	44815	Clothing Accessories Stores
	44821	Shoe Stores
	44831	Jewellery Stores
	44832	Luggage and Leather Goods Stores

General Merchandise Stores

170	Department Stores	
	45211	Department Stores
180	Other General Merchandise Stores	
	45291	Warehouse Clubs and Superstores
	45299	All Other General Merchandise Stores:
	452991	<i>Home & Auto (i.e. Canadian Tire)</i>
	452999	<i>Other General Merchandise Stores (e.g. general stores, variety stores, "dollar" stores)</i>

Miscellaneous Retailers

160	Sporting Goods, Hobby, Music and Book Stores	
	45111	Sporting Goods Stores
	45112	Hobby, Toy and Game Stores
	45113	Sewing, Needlework and Piece Goods Stores
	45114	Musical Instrument and Supplies Stores
	45121	Book Stores and News Dealers
	45122	Pre-Recorded Tape, Compact Disc and Record Stores
190	Miscellaneous Store	
	45311	Florists
	45321	Office Supplies and Stationery Stores
	45322	Gift, Novelty and Souvenir Stores
	45331	Used Merchandise Stores
	45391	Pet and Pet Supplies Stores
	45392	Art Dealers
	45399	All Other Miscellaneous Store Retailers:
	453991	<i>Tobacco & Tobacco supplies</i>
	453992	<i>Artist Supplies</i>
	453993	<i>Collectors items (cards, stamps etc.)</i>
	453994	<i>Beer & Wine Making</i>
	453995	<i>Swimming Pool Accessories</i>
	453996	<i>Religious Goods and Accessories</i>

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RETAIL/SERVICE STORE CLASSIFICATION (BASED ON NORTH AMERICAN INDUSTRY CLASSIFICATION (NAICS))

SERVICES

200	Consumer Services Rental	
	5322	Consumer Goods Rental (including formal wear, costume, video, tape & disc rental)
	5323	General Rental Centres (including tools, party rental)
210	Finance and Insurance	
	52211	Banks
	52213	Credit Unions
220	Insurance and Real Estate	
	52421	Insurance Agencies and Brokerages
	53121	Offices of Real Estate Agents and Brokers
230	Professional, Scientific & Technical Services	
	5411	Legal Services
	5412	Accounting, Tax Preparation, Bookkeeping and Payroll Services
	5413	Architectural, Engineering and Related Services
	5414	Specialized Design Services
	5415	Computer Systems Design and Related Services
	5416	Management, Scientific and Technical Consulting Services
	5417	Scientific Research and Development Services
	5418	Advertising and Related Services
	54191	Marketing Research and Public Opinion Polling
	54192	Photographic Services
	54194	Veterinary Services
	54199	All Other Professional, Scientific and Technical Services

240	Selected Office Administrative Services	
	5613	Employment Services
	56143	Business Service Centres (eg. printing, copying, mail centres)
	56144	Collection Agencies
	56145	Credit Bureaus
241	56151	Travel Agencies
250	Health Care Services	
	6211	Offices of Physicians
	6212	Offices of Dentists
	6213	Offices of Other Health Practitioners
	6214	Out-Patient Care Centres (e.g. Family Planning, Community Health)
	6215	Medical and Diagnostic Laboratories
260	Entertainment	
261	71312	Amusement Arcades
262	71394	Fitness & Recreational Sports Centres
263	71399	All other Amusement and Recreation Industries (includes billards parlours)
264	51213	Motion Picture and Video Exhibition (includes cinemas)
270	Food Services and Drinking Places	
271	7221	Full-Service Restaurants
272	7222	Limited-Service Eating Places
273	7224	Drinking Places (Alcoholic Beverages)
280	Personal and Household Goods Repair and Maintenance	
281	8111	Automotive Repair & Maintenance (includes lubrication, diagnostic centre, tire repair, undercoating, car washes etc.)
282	8114	Personal and Household Goods Repair and Maintenance (including appliance repair, reupholstery & furniture repair, shoe repair, key duplication etc.)
290	Personal Care Services	
	8121	Personal Care Services (including hair, beauty, tanning salon, weight reduction centres, electrolysis, estheticians etc.)
	8123	Dry Cleaning and Laundry Services
	8129	Other Personal Services (e.g. pet care (except Veterinary), Photo Finishing)
300	VACANT	
	9999	VACANT RETAIL/SERVICE SPACE