



# NORTHUMBERLAND MALL

## Market Demand and Impact Analysis Brief

Town of Cobourg, Ontario

Prepared for **Trinity Development Group Inc.**

July 24, 2019



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

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July 24, 2019

Mr. Aly Premji  
Director, Development and Planning  
Trinity Development Group Inc.  
77 Bloor Street West, Suite 1601  
Toronto, Ontario M5S 1M2

Dear Mr. Premji:

**RE: Northumberland Mall – Market Demand and Impact Analysis Brief (Town of Cobourg, Ontario)**

urbanMetrics inc. is pleased to submit this Market Demand and Impact Analysis brief in support of a rezoning application for a new 10,000 square foot retail building at the Northumberland Mall. This brief builds on a previous retail market demand and impact analysis (prepared in 2018) for a nearby property located at the western end of DePalma Drive and work completed by Robin Dee in 2012. This 2018 expenditure analysis has been updated to reflect current data; however, the overall methodology and local market assumptions are reasonably consistent with our earlier work.

Based on our analysis, it is our professional opinion that from a market perspective the proposed expansion is supportable and will not compromise or jeopardise the viability of existing commercial facilities in the Town of Cobourg, and in particular the Main Central Area.

We appreciate the opportunity to conduct this assignment on your behalf and we look forward to discussing the results of our report with you.

Yours truly,

A handwritten signature in black ink, reading "D. R. Annand".

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A handwritten signature in black ink, reading "Craig Ferguson".

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## Executive Summary

urbanMetrics inc. has been retained by Trinity Development Group Inc. to conduct a Market Demand and Impact Brief for a 10,000 square foot (930 square metre) commercial expansion to the existing Northumberland Mall. The subject site is located at 111 Elgin Street West in the Town of Cobourg within Northumberland County. This proposal includes:

- A 278 square metre (2,992 square foot) Scotiabank financial institution (a relocation from inside the mall),
- A 190 square metre (2,045 square foot) restaurant, and
- Up to four individual retail and/or service uses ranging in size from 93-139 square metres (1,001-1,496 square feet).

Although this proposal includes service uses (which are already permitted), this study has assumed that all 10,000 square feet of the proposed space will be built-out with Non Food Store Retail (“NFSR”) uses. This is a conservative approach in that it provides for flexibility should the proposed tenant mix noted above change over time.

### Retail Demand

The retail demand analysis completed as part of this study builds on a 2018 Retail Demand and Impact Analysis that was completed by urbanMetrics in support of a nearby development application on the western end of DePalma Drive to the northwest of the subject site.

The Northumberland Mall serves the broader Northumberland County as well as the local Cobourg population and employees. The Primary Trade Area that includes Cobourg is anticipated to grow by about 6,717 people between 2018 and 2034.<sup>1</sup> The broader trade area (which includes all areas in Northumberland County except Trent Hills) is anticipated to grow by 12,981 people over the same period.

As noted in the following table, by 2034, market demand will exist for some 351,400 square feet of Non Food Store Retail (“NFSR”) space in Cobourg. This demand is higher than the 199,532 square feet of NFSR space that potentially could be added to the market by 2034.<sup>2</sup> In fact, there is a shortfall of warranted NFSR space as early as 2021 of 62,269 square feet, which more than supports the 10,000 square feet of space proposed in the new addition to Northumberland Mall. The proposed 10,000 square feet of NFSR space will therefore have no impact on existing commercial facilities, and will not restrict existing commercially designated vacant lands from ultimately developing.

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<sup>1</sup> The 2016 population with net under-coverage for Cobourg was 19,764 and the Official Plan forecast anticipated a 2034 population of 26,105 people.

<sup>2</sup> Anticipated NFSR development includes active development applications, an uptake of vacant retail storefronts and the possible development of vacant commercially designated land.

**Figure ES-1: Warranted NFSR Space Summary**

	<b>2021</b>	<b>2026</b>	<b>2034</b>
Warrented Space (sq. ft.)	96,900	192,500	351,400
Proposed Retail Space (sq. ft.)	34,631	113,732	199,532
Shortfall (Surplus) (sq. ft.)	62,269	78,768	151,868
Proposed Retail on Subject Site (sq. ft.)	10,000	10,000	10,000

SOURCE: urbanMetrics inc.

### Official Plan Market Study Criteria

This study brief has been undertaken to support a zoning by-law amendment that satisfies the Official Plan requirements for a market impact study. New development in existing shopping nodes is evaluated based on criteria (Policy 3.8.3) found in the Cobourg Official Plan (2010). We have summarized how the proposed expansion meets the criteria related to market impacts (Policy 3.8.3.i).

*Applications for official plan amendments for new shopping nodes or expansion of existing nodes, or zoning by-law amendments for the expansion of existing nodes or, zoning by-law amendments for new development within existing nodes shall be evaluated based on conformity with the Growth Management Strategy in Section 3.2 and following criteria:*

- i. *There will be no significant impact by the proposed development on the viability of established commercial areas within the community, particularly the commercial component of the Main Central Area, as demonstrated by a market study in accordance with the requirements of Section 3.8.3.2 and the policies for the Main Central Area including Section 3.7.5.*

Based on our analysis, it is our professional opinion that from a market perspective the proposed retail expansion is supportable and will not compromise or jeopardise the viability of existing commercial facilities in the Town of Cobourg, and particularly those located in the Main Central Area. There is sufficient market demand to support this additional NFSR space, as illustrated above in Figure ES-1.

There is an additional set of Market Impact Study policy criteria in the Cobourg Official Plan that do not necessarily apply to the subject site (Policy 3.8.3.2) because the proposed expansion is less than 15,069 square feet. However, based on a review of our proposed study workplan by Town planning staff, and advice from their peer review consultant, we have addressed these additional market tests in this study.



***i) an assessment of the present and future population to be served by the proposed development including a detailed explanation of the sources, techniques and assumptions used in arriving at any population projections.***

Section 3.4 of this study outlines the current and forecast population for the trade area, which are based on Statistics Canada Census data and the official Northumberland County population forecast.

***ii) an evaluation of the primary and secondary trade areas to be served by the proposed development, including any assumptions used and an explanation of the characteristics of the population to be served, as may be relevant to the proposal.***

Section 3.1 defines the primary and secondary trade areas (PTA and STA), which were based on license plate surveys from 2016. This license plate survey found that the Northumberland Mall attracted 40% of its customers from Cobourg, 46% from the PTA/STA and 14% from residents living outside the PTA/STA.

***iii) a review and analysis of the existing level of retail commercial space within the community and the basis for the justification of additional floor space in the context of either a new shopping node or the expansion of an existing facility.***

Section 3.2 summarizes the inventory of retail and service in the Main Central Area, while Section 3.6 outlines the expenditure analysis that has been used to assess the future warranted NFSR space in the Primary Trade Area. Based on this analysis the proposed expansion can be supported as there is a NFSR shortfall throughout the study period based on the expenditure patterns of a growing population.

***iv) the amount, mix, location and phasing of the proposed retail floor space and the implications for the Main Central Area with respect to any use which has been or has the potential to be an anchor use for the Main Central Area.***

Given the small size of the proposed retail expansion, and considerations regarding the amount, mix, and location of this space, plus the small size of any individual tenant, it is very unlikely that any of the potential tenants could become a major anchor for the Main Central Area. In terms of the tenant mix, this retail market analysis brief has taken a conservative approach by assuming that the entire 10,000 square feet will be occupied by Non-Food Store Retail uses, when it is very likely that much of this space will be occupied by a number of services (which are permitted).

The only potential anchor being proposed is the existing Scotiabank, which is actually being relocated from inside the mall to this standalone space. In addition to this being a relocation, there is already a Scotiabank located in the Main Central Area, so this specific bank could not have been a potential anchor in downtown Cobourg.



***v) verification through such studies that the proposal will not jeopardize the viability of the Main Central Area and thus undermine the intent of this Plan, particularly where such a use has been or has the potential to be an anchor use for the Main Central Area.***

As discussed, the proposed addition represents a very small amount of retail space and is supported based on our warranted NFSR space analysis (62,269 square feet in the PTA by 2021).

Policy 3.7.5 (Anchor Uses) restricts some uses to the Main Central Area. Restricted uses include: banks, government facilities, cultural and entertainment uses and certain specialized retail uses (e.g. LCBO, drug stores, minor department and/or food stores under 1,400 sq. m.). A bank is proposed in the expansion; however, this is not a new use and rather a relocation from the inside of the mall, and as noted above Scotiabank is already an anchor tenant in the Main Central Area. In addition, none of the tenants noted above would likely locate in the amount of space provided through the expansion, and even a food store of less than 1,400 square metres would be too small to act as an anchor in the Main Central Area.

### ***Conclusion***

In summary, based on our study findings there will be no impact created by the proposed development on the viability of established commercial areas within the community, and particularly the Main Central Area. Furthermore, the commercial space included as part of the proposed development will support local businesses and enhance the range of retail uses and services available to local employees and employers located in the vicinity of Northumberland Mall.

# 1.0 Introduction

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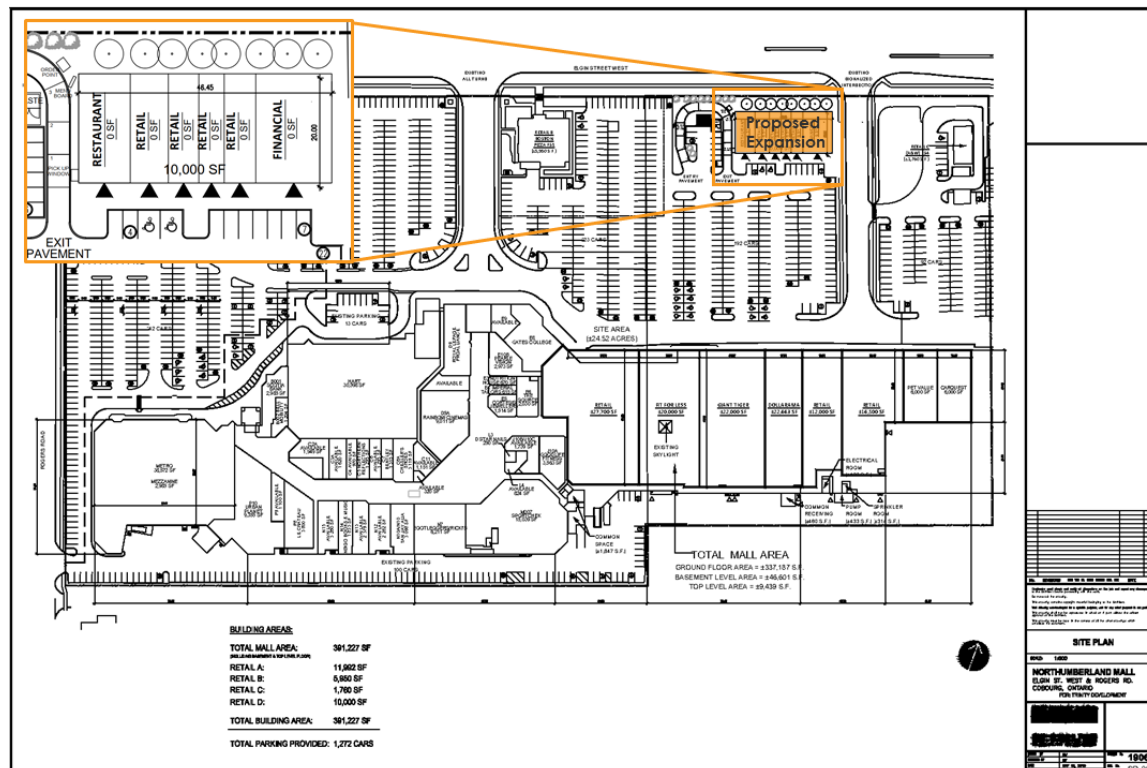
## 1.1 Background

urbanMetrics inc. has been retained by Trinity Development Group Inc. to conduct a Market Demand and Impact Brief for a 10,000 square foot (930 square metre) commercial expansion to the existing Northumberland Mall. The subject site is located at 111 Elgin Street West in the Town Cobourg within Northumberland County. It is located at the northwest town boundary. This proposal includes:

- A 278 square metre (2,992 square foot) financial institution (a relocation of the Scotiabank from inside the mall),
- A 190 square metre (2,045 square foot) restaurant, and
- Up to four individual retail and/or service uses ranging in size from 93-139 square metres (1,001-1,496 square feet).

Although a mix of retail and service uses are proposed, as described above, this market analysis brief has tested the impact of 10,000 square feet of Non-Food Store Retail (NFSR) space, which is a conservative approach that likely overestimates the amount of retail space that will actually locate in the proposed development.

Figure 1-1: Site Plan, May 16, 2019



SOURCE: Petroff Partnership Architects, May 16, 2019.

## 1.2 Approach

The objective of this market impact brief has been to determine the amount of additional retail commercial floor space that can be accommodated in the Town of Cobourg and to assess whether the proposed expansion of Northumberland Mall can be developed without having an undue adverse impact on existing commercial facilities in Cobourg, including the Main Central Area. The following summarizes our approach:

- **Location and Access Characteristics:** We have assessed the location of the expansion space in terms of its suitability for the retail and service uses proposed.
- **Trade Area Delineation:** We have defined a Trade Area applicable to the Town of Cobourg, based on previous license plate research carried out by urbanMetrics and other consultants in May 2016 and 2012.
- **Population Forecast:** Based on Statistics Canada Census data, the official population forecasts for the Town of Cobourg and other portions of Northumberland County that are in the Trade Area, we have calculated the historic, current and future population levels in Cobourg and the balance of the Trade Area to 2034. From these data we have determined the expected population growth that will support new retail facilities in Cobourg, both at Northumberland Mall and elsewhere in the community.
- **Expenditure Analysis:** Utilizing the telephone survey results contained in the *Retail Market Opportunity and Impact Study*, completed by Robin Dee in June 2012, and our previous work undertaken by urbanMetrics in 2016, we have prepared a high-level expenditure analysis that has determined the amount of Non-Food Store Retail (NFSR) space that is warranted in the Trade Area to 2034. The NFSR categories comprise most the retail space that might chose to locate in the proposed expansion space.
- **Main Central Area Inventory:** As the main concern regarding impact is any potential negative affects on the Cobourg Main Central Area, we have updated our 2016 inventory in this important commercial area to include both retail and service uses. We have assessed any changes that have transpired within the Main Central Area between 2016 and 2019. This has helped us establish its current health and its ability to withstand new retail space entering the market. From this inventory we were also able to determine whether the type of retail space that will likely locate in the proposed expansion will be differentiated from the existing retail/service space in the Main Central Area.

- **Policy Review:** Recognizing that the Town has required various floor area restrictions and special parameters in commercial developments located elsewhere in the community, we have assessed whether this approach is warranted or not with this specific proposal. In addition, we have determined whether the proposed expansion meets the various Official Plan test for new and expanded commercial facilities.

## 1.3 Assumptions

There are a number of underlying and basic assumptions upon which the validity of the findings presented in this market study brief depend. Based on our considerable and long-term experience in the retail planning process, we recognize and appreciate the problems associated with making broad and generalized assumptions about future conditions. In undertaking a retail market and impact analysis, the intent is to make future assumptions that are a consultant's best estimate given their market knowledge and use of empirical research. Any prediction of the future is inherently imprecise; however, it is important that the assumptions made are realistic and based on a thorough understanding of existing shopping patterns, inflow sales opportunities, market characteristics, and prevailing economic conditions.

Undoubtedly, deviations from historic and current trends will take place in the future. Nonetheless, basic assumptions are required regarding the possible extent of such deviations. These assumptions include the following:

- During the forecast period discussed in this report, a reasonable degree of economic stability will prevail in the Province of Ontario, and Northumberland County;
- Estimates of future population growth in the Trade Area have been based on available information provided from Northumberland County Official Plan. These are assumed to be acceptable for the purposes of this study;
- The official statistical sources utilized in this report (based largely on Statistics Canada publications, which have been footnoted where utilized) are considered sufficiently accurate for the purposes of this analysis (i.e. for historic population, income and expenditures levels);
- References to the Canadian dollar in this report, dealing with present and future periods, reflect its 2018 value. It is recognized that fluctuations in the absolute value and purchasing power of the dollar will likely occur during the period covered by this report. It is assumed, however, that the relationship between per capita income and expenditure levels and the value of the dollar will remain more or less constant during the period analyzed. Since this report deals with future space additions, inflation must be eliminated

since it has no influence on the physical space used in retail facilities. However, real growth (excluding inflation) in expenditures has been acknowledged in the analysis; and

- The first full year of operation for the proposed commercial development would be 2021.

If for any reason major changes occur which would influence the basic assumptions stated above, the recommendations or conclusions contained in this report should be reviewed in light of such changed conditions and revised, if necessary.

## 2.0 Site Access and Land Use

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## Key Findings

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From a market perspective, the proposed retail expansion would enjoy excellent accessibility and would complement nearby land uses.

- The Northumberland Mall is located in an important retail concentration within the Town, surrounded by a number of retail plazas. Additionally, the accessibility to Highway 401 allows the uses in this area to serve a broad market well beyond the Town limits.
  - In addition to serving the nearby residential communities, the retail activities proposed for the subject site will also serve the nearby employment uses, such as Northumberland Hills Hospital and the Northumberland County administrative headquarters.
  - The Northumberland Mall is served by both Cobourg Transit routes, with two stops near the proposed expansion.
  - The Strathy Road signalized intersection, as well as four additional entrances, provide easy access for people driving to the area.
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## 2.1 Site Location

As illustrated in Figure 2-2, the subject site is located in northwest Cobourg near the Town's boundary. Northumberland Mall is in an important retail node that serves the surrounding residential area, as well as a larger regional population. There is an existing plaza to the west anchored by a Canadian Tire, and three plazas to the north anchored by The Home Depot, Wal-Mart Supercentre and Winners. This is in addition to other smaller plazas located along Elgin Street West and Strathy Road.

**Figure 2-1: Site Photos**



SOURCE: urbanMetrics inc.

**Figure 2-2: Site Location**



SOURCE: urbanMetrics inc., Google Maps.

## 2.2 Surrounding Land Uses

The following provides an overview of the major land uses in proximity to the subject site:

- To the North** – North of Elgin Street there are commercial uses (e.g. car rental and dealerships, and a variety of commercial and retail uses). There is also a proposal for the currently vacant DePalma site, which is proposed to include a mix of commercial (105,000 square feet) and employment uses. The SmartCentres Cobourg development, which includes Walmart and the Home Depot as anchor tenants, includes approximately 282,000 square feet of retail and service GFA. Directly to the south of the Walmart is a site owned by Loblaws Co., that permits an 80,000 square foot supermarket, which has not developed to date. In fact, Loblaw is no longer building stores of this size.

Further east of Home Depot is the Northumberland Hills Hospital, the regional hospital serving Cobourg and the surrounding area.

Highway 401 is located further north of the subject site, which provides accessibility to the subject site from the regional market. Further to the north of Highway 401 are agricultural lands located within the Township of Hamilton.

- **To the East** – To the east of the subject site are retail plazas that include a Staples and multiple smaller stores. East of William Street is a Best Western hotel and the Cobourg Conservation Area.
- **To the West** – West of the subject site is a commercial plaza anchored by a Canadian Tire. Further west is the Town boundary beyond which there are agricultural lands.
- **To the South** – To the south of the subject site is a growing residential neighbourhood with a school and parks. Southwest of the subject site is the New Amherst community, a new community that will benefit from the Northumberland Mall expansion and revitalization.

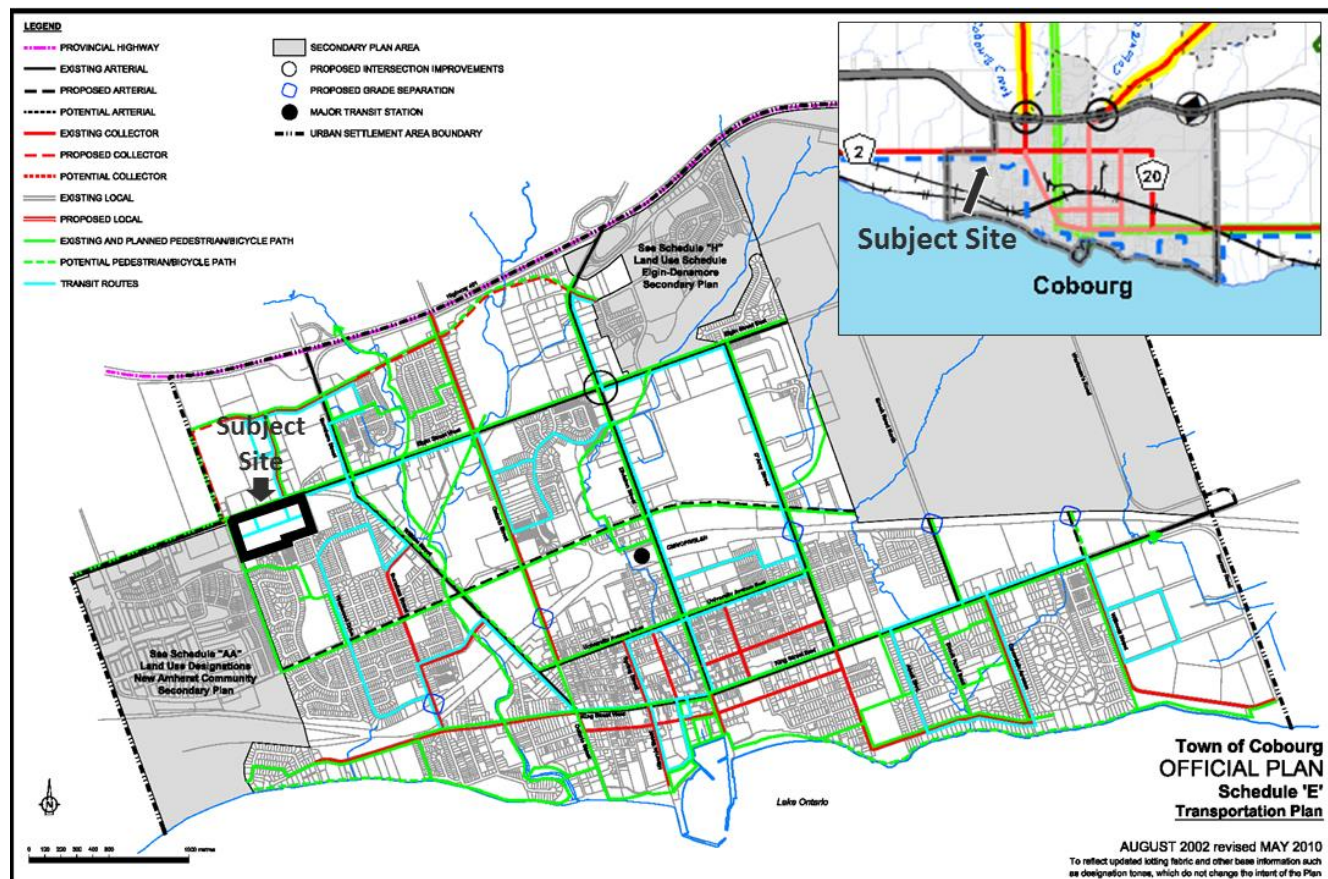
A review of the land uses surrounding the subject site indicates that the proposed expansion on the subject site would be compatible and complementary to the existing surrounding uses, which are largely commercial in nature. The small expansion of Northumberland represents an insignificant increase to the amount of regional serving retail located in this area.

## 2.3 Transportation and Access

Access is an integral part in the evaluation of retail market demand. The subject site has excellent regional accessibility with a location near to the Burnham Street exit off Highway 401. Burnham Road is also identified as a County Arterial Road in the draft Northumberland Official Plan and Elgin Street West is an Arterial Road in the Town of Cobourg Official Plan. In addition to vehicle accessibility, the subject site would also be served by the two Cobourg Transit bus routes, which currently stop at Northumberland Mall, as well as at Elgin Street West and Strathy Road near the proposed expansion.



Figure 2-3: Town of Cobourg Transportation Plan (Schedule E, August 2002)



SOURCE: The Town of Cobourg Official Plan (2010); Northumberland County Official Plan (2016).

## 2.4 Land Use Planning Framework

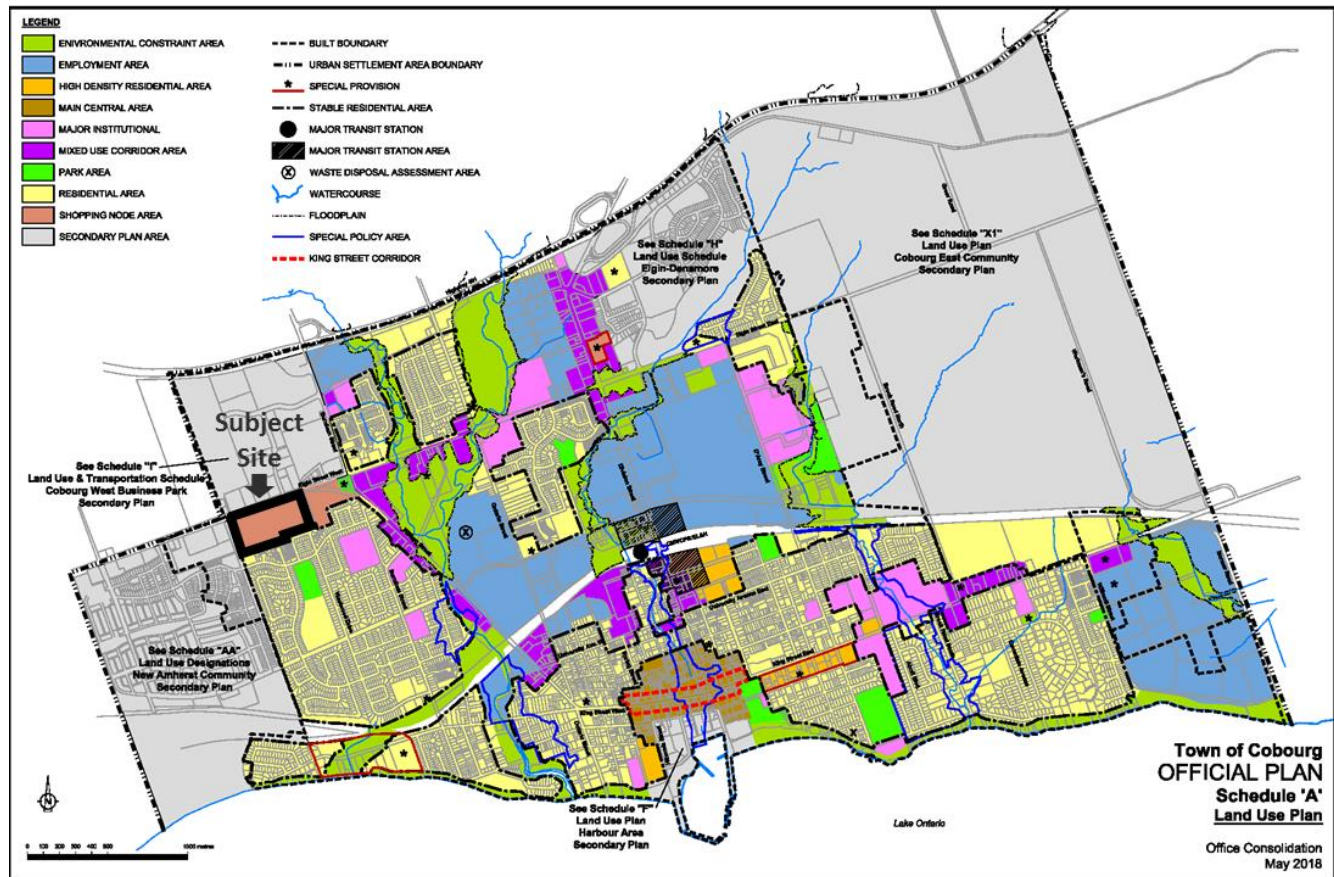
### Northumberland County Official Plan (2014)

The subject site is identified in Schedule A of the Northumberland County Official Plan as being within the Built Boundary.

### Town of Cobourg Official Plan (2018)

The subject site is designated *Shopping Node Area*. This designation permits “commercial including department stores and supermarkets.”

Figure 2-4: Cobourg Official Plan Land Use (2018)



SOURCE: Town of Cobourg, Official Plan, May 2018.

Expansions of existing Shopping Node Areas are subject to Policy 3.8.3.1, which outlines five criteria that must be assessed, detailed below.

### 3.8.3 Land Use Policies

#### 3.8.3.1 New Shopping Node Facilities

*The Shopping Node Area designation applies to only those lands currently developed or for which approval has been received to develop shopping facilities. Proposals for new shopping nodes shall require an amendment to the Official Plan. Applications for official plan amendments for new shopping nodes or expansion of existing nodes, **or zoning by-law amendments for the expansion of existing nodes** or, zoning by-law amendments for new development within existing nodes shall be evaluated based on conformity with the **Growth Management Strategy in Section 3.2** and the following criteria:*

- i) there will be no significant impact by the proposed development on the viability of established commercial areas within the community, particularly the commercial component of the Main Central Area, as demonstrated by a market study in accordance*

*with the requirements of Section 3.8.3.2., and the policies for the Main Central Area including Section 3.7.5;*

*ii) the site is located on an arterial road or collector road and traffic volumes generated by the proposal can be safely accommodated by the existing or proposed transportation network as demonstrated by the submission of a traffic impact study;*

*iii) adequate off-street parking, service and loading areas will be provided for all permitted uses, and access points to and from such areas shall be limited in number and designed in a manner which will minimize the danger to both pedestrian and vehicular traffic as demonstrated by the submission of a traffic impact study;*

*iv) the proposed development can be appropriately integrated with adjacent existing and proposed uses and can be buffered from any adjacent Stable Residential Areas as demonstrated by the submission of a conceptual site plan;*

*v) the proposed development incorporates a mixed use component including high density residential and/or office uses; and,*

*vi) the development is street and transit oriented with parking being kept to the minimum.*

Section 3.8.3.2 of the Town's Official Plan requires the completion of a comprehensive retail market analysis for new shopping nodes that would result in an additional 1,400 square metres (15,069 square feet) or more of gross floor area. Section 3.8.3.2 goes on to specify the matters that the retail market analysis must include:

*i. An assessment of the present and future population to be served by the proposed development including a detailed explanation of the sources, techniques and assumptions used in arriving at any population projections;*

*ii. An evaluation of the primary and secondary trade areas to be served by the proposed development, including any assumptions used and an explanation of the characteristics of the population to be served, as may be relevant to the proposal;*

*iii. A review and analysis of the existing level of retail commercial space within the community and the basis for the justification of additional floor space in the context of either a new shopping node or the expansion of an existing facility;*

*iv. The amount, mix, location and phasing of the proposed retail floor space and the implications for the Main Central Area with respect to any use which has been or has the potential to be an anchor use for the Main central Area; and*

*v. Verification through such studies that the proposal will not jeopardize the viability of the Main Central Area and thus undermine the intent of this Plan, particularly where such a use has been or has the potential to be an anchor use for the Main Central Area.*

Since the proposed expansion is 10,000 square feet, Policy 3.8.3.2 does not apply. Although this policy does not apply to the proposed expansion due to its limited size, based on their review of our study work plan Town planning staff and their peer review consultant have requested that our study address the various impact tests that are set out in Policy 3.8.3.2. We have summarized our opinions as to whether our study meets these tests below:

- Section 3.4 of this report summarizes the current and forecast population for the trade area (Policy 3.8.3.2.i)
- Section 3.1 outlines the primary and secondary trade areas (Policy 3.8.3.2.ii)
- Section 3.2 summarizes the existing retail/service in the Main Central Area and identifies any recent changes that have occurred since 2016, and Section 3.6 includes an expenditure analysis that has been used to assess the future warranted NFSR space in the Primary Trade Area (Policy 3.8.3.2.iii)
- Section 4.0 outlines our recommendations regarding the proposed expansion (Policy 3.8.3.2.iv and v).

Given the small size of the retail expansion, and considerations regarding the amount, mix, and location of the proposed retail space, plus the small size of any individual tenant, it is very unlikely that any of the potential tenants could become a major anchor for the Main Central Area. In terms of the tenant mix, this retail market analysis brief has taken a conservative approach by assuming that the entire 10,000 square feet will be occupied by non-food store retail uses, when it is very likely that much of this space will be occupied by services (which are permitted).

The only potential anchor being proposed is the existing Scotiabank, which is being relocated from inside the mall to this standalone space. In addition to this being a relocation, there is already a Scotiabank located in the Main Central Area, so this specific bank would never be a potential anchor in downtown Cobourg.



## 3.0 Retail Impact Analysis

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## Key Findings

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The proposed retail expansion on the subject site can be supported based on the forecast population growth and associated increase in NFSR expenditures.

- The delineation of the primary and secondary trade areas has been based on a 2012 study completed by Robin Dee, and a May 2016 license plate survey.
  - The Primary Trade Area, which includes Cobourg, is anticipated to grow by about 6,717 people between 2018 and 2034. The broader trade area (which includes all areas in Northumberland County except Trent Hills) is anticipated to grow by 12,981 people over the same period. As a result, there will be significant increased demand for additional retail and service space to serve this new population.
  - The Main Central Area (MCA) attracts both local Cobourg residents as well as regional residents due to its diversity in retail and service offerings. The MCA is characterized by its fine-grained storefronts and heritage buildings. This pedestrian friendly downtown is also strategically located near Cobourg Beach, Victoria Park and the marina, which are regional attractions.
  - Based on our updated inventory the health of the Main Central Area is similar to what was apparent when our last inventory was undertaken in 2016. Over this three-year period, the vacancy rate increased slightly by 0.5%, but the addition of new tenants in the downtown (e.g. the new building at 169 Division Street) indicates that the MCA remains an attractive retail/service environment.
  - By 2034, market demand will increase for some 351,400 square feet of additional non-food store retail space (NFSR) in Cobourg. This is above the 199,532 square feet of NFSR space that potentially could be added to the market, in other projects that are either approved or designated. This shortfall in NFSR space will result in a need for additional commercial development of some 151,868 square feet of NFSR to serve growth to 2034, a portion of which can be supplied by the proposed expansion.
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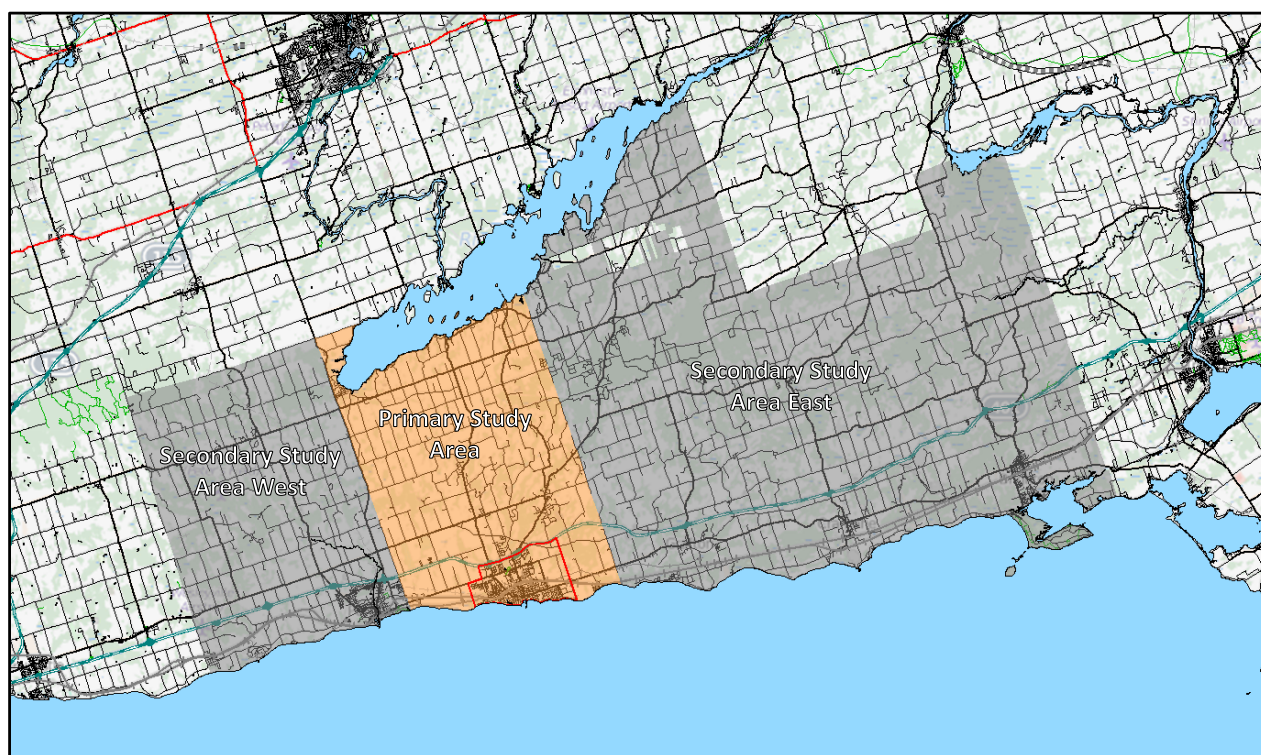
## 3.1 Trade Area

The total market influence attributed to a retail commercial development typically extends over a wide area beyond any precise boundary that can be drawn. In many cases, the existing retail chain representation in a market, the shopping environment and the range of goods and services offered in a project will affect the extent of this market influence. For the purpose of making reliable estimates of the market support available to support the proposed commercial expansion of Northumberland Mall, a specific Trade Area has been defined based on prior work undertaken by urbanMetrics in

Cobourg—*Retail Market Demand and Impact Analysis* (2018) for the DePalma site—and a 2012 study completed by Robin Dee.

The primary and secondary trade areas have been delineated based on a 2012 study completed by Robin Dee, which was later re-validated by a May 2016 license plate survey completed by urbanMetrics inc. For the purposes of this analysis, three Trade Area zones have been delineated; a Primary Trade Area (PTA), a Secondary Trade Area East (STA East) and a Secondary Trade Area West (STA West), as illustrated in Figure 3-1.

**Figure 3-1: Trade Area**



SOURCE: urbanMetrics inc, based on MapInfo.

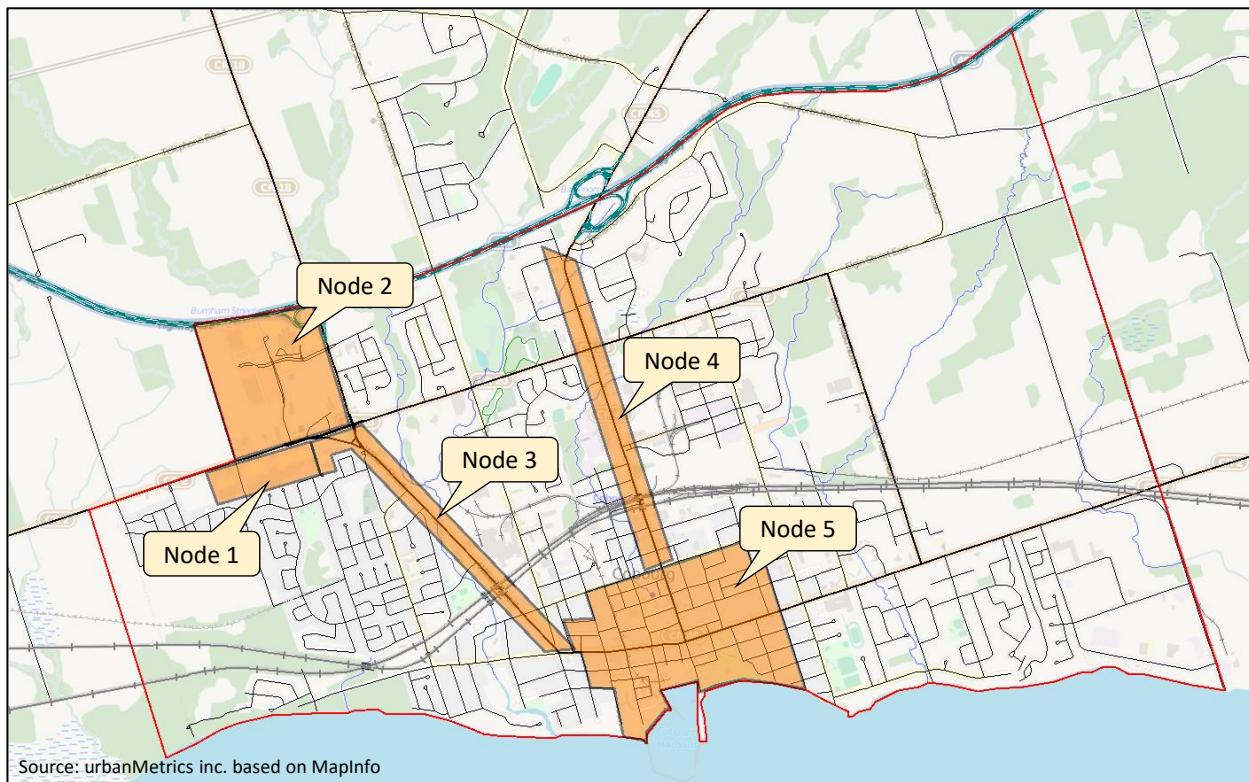
## 3.2 Inventory

A comprehensive review of competitive retail/service facilities is an essential component of a retail market and impact analysis and provides an understanding of the current commercial environment. A complete retail and service space inventory was conducted by urbanMetrics inc. in the Primary Trade Area during March 2016. The Main Central Area (MCA) retail and service inventory was updated in July 2019 as part of this study. Although this study focuses on non-food store retail, a complete

inventory was undertaken in the MCA to assess the current vacancy rate, and the general health of the MCA.

For the purpose of summarizing the Primary Trade Area inventory, we have utilized the commercial nodes identified by Robin Dee in his analysis, which are illustrated in Figure 3-2. Node 5 delineates the Main Central Area, and Northumberland Mall is located in Node 1.

**Figure 3-2: Cobourg Primary Trade Area Commercial Nodes**



SOURCE: urbanMetrics inc., based on MapInfo.

As the main concern in this market brief is the potential impact of the proposed expansion on the health of the MCA, in Figure 3-3 we have compared the 2016 inventory with the current inventory of space undertaken in July, 2019. Figure 3-3 through Figure 3-5 (below) summarizes the Main Central Area inventory (Node 5), comparing 2016 to 2019.

**Figure 3-3: Main Central Area Trade Area Commercial Service Space (Square Feet), 2016 and 2019**

Store Category	2016		2019		Change	
	#	%	#	%	#	%
Convenience & Specialty Food	15,700	3.8%	10,100	2.4%	- 5,600	-35.7%
<b>FSR Total</b>	<b>15,700</b>	<b>3.8%</b>	<b>10,100</b>	<b>2.4%</b>	<b>- 5,600</b>	<b>-35.7%</b>
Clothing Stores	17,600	4.2%	19,600	4.6%	2,000	11.4%
Furniture	3,800	0.9%	3,800	0.9%	-	0.0%
Home Electronics & Appliance Stores	1,100	0.3%	1,100	0.3%	-	0.0%
Home Furnishings Stores	3,700	0.9%	2,300	0.5%	- 1,400	-37.8%
Miscellaneous Store Retailers	44,200	10.6%	44,600	10.4%	400	0.9%
Other General Merchandise Stores	8,500	2.0%	-	0.0%	- 8,500	-100.0%
Pharmacies & Personal Care Stores	26,600	6.4%	27,800	6.5%	1,200	4.5%
Shoe, Clothing Accessories & Jewellery Stores	6,500	1.6%	8,700	2.0%	2,200	33.8%
Specialized Building Materials & Garden Stores	8,500	2.0%	5,100	1.2%	- 3,400	-40.0%
Sporting Goods, Hobby, Music & Book Stores	4,700	1.1%	3,500	0.8%	- 1,200	-25.5%
<b>NFSR Total</b>	<b>125,200</b>	<b>30.0%</b>	<b>116,500</b>	<b>27.3%</b>	<b>- 8,700</b>	<b>-6.9%</b>
Beer, Wine & Liquor	3,800	0.9%	3,800	0.9%	-	0.0%
<b>Other Total</b>	<b>3,800</b>	<b>0.9%</b>	<b>3,800</b>	<b>0.9%</b>	<b>-</b>	<b>0.0%</b>
Banks/Credit Unions	23,100	5.5%	23,100	5.4%	-	0.0%
Cultural, Entertainment & Recreation	7,100	1.7%	6,800	1.6%	- 300	-4.2%
Food Services & Drinking Places	59,500	14.3%	66,400	15.5%	6,900	11.6%
Health Care	26,100	6.3%	31,500	7.4%	5,400	20.7%
Insurance & Real Estate	16,300	3.9%	15,600	3.6%	- 700	-4.3%
Other Financial	15,000	3.6%	18,700	4.4%	3,700	24.7%
Personal Care	30,400	7.3%	34,700	8.1%	4,300	14.1%
Professional, Scientific & Technical Services	24,900	6.0%	22,700	5.3%	- 2,200	-8.8%
Selected Civic & Social Organizations	1,300	0.3%	1,300	0.3%	-	0.0%
Selected Educational Services	3,400	0.8%	1,200	0.3%	- 2,200	-64.7%
Selected Office Administrative Services	6,000	1.4%	4,900	1.1%	- 1,100	-18.3%
Social Services	1,600	0.4%	1,600	0.4%	-	0.0%
<b>Services Total</b>	<b>214,700</b>	<b>51.5%</b>	<b>228,500</b>	<b>53.5%</b>	<b>13,800</b>	<b>6.4%</b>
<b>Vacant</b>	<b>57,400</b>	<b>13.8%</b>	<b>61,100</b>	<b>14.3%</b>	<b>3,700</b>	<b>6.4%</b>
<b>Not Retail/Services</b>		<b>0.0%</b>	<b>7,400</b>	<b>1.7%</b>	<b>7,400</b>	
<b>Grand Total</b>	<b>416,800</b>		<b>427,400</b>		<b>10,600</b>	<b>2.5%</b>

SORUCE: urbanMetrics inc., based on 2016 inventory and 2019 Main Central Area inventory update.

The vacancy rate and the total number of vacant units has slightly increased over the past three years, from 13.8% (31 units) to 14.3% (34 units) in the Main Central Area (MCA). Services are the primary store type in the MCA (over 50% of GLA), and the amount of service space has actually increased since



2016. This is a trend in downtowns throughout the province where the offerings tend to be oriented more towards services than retail facilities.

As shown in Figure 3-4 the amount of occupied retail and service space in the MCA has remained about the same indicating a reasonably healthy and stable commercial area. However, vacancy has increased slightly since 2016.

**Figure 3-4: Main Central Area (Node 5) Inventory Summary, 2016 and 2019**

	2016	2019
Occupied Commercial Space (Square Feet)	359,400	358,900
Vacancy Rate	13.8%	14.3%
Vacant Units	31	34
Average Size of Units (Square Feet)	1,900	1,900
Average Size of Vacant Units (Square Feet)	2,500	1,800

SOURCE: urbanMetrics inc.

We should emphasize that it is not uncommon for older Main Central Areas to have above average vacancy levels owing to a number of factors, such as difficulties in demising space to suit tenant needs, awkward space configurations, absentee landlords, lack of certainty with regards to parking, traffic, general store hours, etc. A vacancy rate of 14% in a Main Central Area setting is not unusual and not necessarily representative of an unhealthy commercial area. Furthermore, some of the vacant units identified in the MCA are anticipated to be occupied in the near future due to evidence of posted building permits and/or active renovations (e.g. 169 Division Street new construction and 148 Third Street renovations). Additionally, there are some atypical vacant spaces in the Main Central Area (e.g. the Park Theatre and a vacant auto shop), which will be difficult to re-lease as illustrated in Figure 3-5 below.

**Figure 3-5: Examples of Vacant Storefronts in the Main Central Area, 2019**



### 3.3 Proposed NFSR

Based on discussions with Town of Cobourg planning staff, the following summarizes any approved and proposed commercial developments plus any vacant designated commercial sites in Cobourg without active applications. Recognizing that some of these designated or approved sites may not build-out during the study period, our analysis of future warranted space can be considered as extremely conservative.

**Figure 3-6: Proposed NFSR**

	<b>2021</b>	<b>2026</b>	<b>2034</b>
Vacant Space Uptake	10,000	22,000	54,000
Active Development Applications	24,631	31,732	58,032
Vacant Commercial Sites Not Under Application	-	60,000	87,500
<b>Total</b>	<b>34,631</b>	<b>113,732</b>	<b>199,532</b>

SOURCE: Town of Cobourg.

### 3.4 Population Growth

To determine the potential demand and market support for retail uses on the subject site, it is necessary to estimate the future population within the defined Trade Area. Population changes, in addition to income, represent the most significant factor influencing the level of future retail sales in an area and the retail space warranted in a market. Figure 3-7 summarizes historic population for 2006 to 2016, the current year 2018, and forecast population to 2034 for the Primary Trade Area (Cobourg and Hamilton Township) and the Secondary Trade Area East and the Secondary Trade Area West. The population levels in this Figure have been adjusted to include net undercoverage in the Census.

The forecast population in the Trade Area is based on Statistics Canada Annual Demographic Estimates, and Tables A and C in the Northumberland County Official Plan. This section of the Official Plan provides forecasts for the Urban Areas and Rural Areas of the County to 2034. Population growth rates in the intermediate years have been based on the forecasts of population growth in Northumberland County from the Greater Golden Horseshoe Growth Forecast to 2041, prepared by Hemson Consulting. In our opinion the 2034 population forecasts are considered reasonable for the purposes of this analysis.



**Figure 3-7: Historic and Future Population in the Primary and Secondary Trade Areas**

	Historic <sup>1</sup>			Current <sup>2</sup>	Forecasts <sup>3</sup>		
	2006	2011	2016	2018	2021	2026	2034
<b>Primary Trade Area</b>	30,105	30,268	30,898	31,743	33,010	35,150	38,460
Average Annual Growth		33	126	422	387	428	414
Average Annual Growth Rate		0.1%	0.4%	1.4%	1.2%	1.3%	1.1%
<b>Secondary Trade Area West</b>	16,908	16,795	17,047	17,612	18,460	19,890	22,150
Average Annual Growth		-23	50	283	257	286	283
Average Annual Growth Rate		-0.1%	0.3%	1.6%	1.4%	1.5%	1.4%
<b>Secondary Trade Area East</b>	23,354	24,464	25,504	25,574	25,680	26,410	27,300
Average Annual Growth		222	208	35	130	146	111
Average Annual Growth Rate		0.9%	0.8%	0.1%	0.5%	0.6%	0.4%
<b>Total Trade Area</b>	70,367	71,528	73,449	74,929	77,150	81,450	87,910
Average Annual Growth		232	384	740	774	860	808
Average Annual Growth Rate		0.3%	0.5%	1.0%	1.0%	1.1%	1.0%

<sup>1</sup> Based on the 2006, 2011 and 2016 Census of Canada and adjusted for net undercoverage.

<sup>2</sup> urbanMetrics inc. estimates based on the annual growth anticipated based on the 2016 and 2021 population.

<sup>3</sup> Forecasts based on Northumberland County Official Plan (2016) and Growth Plan (2019).

## 3.5 Per Capita Income

Per capita income levels provide a reasonable guide for determining the expenditure habits of the local population living within a defined Trade Area. Although certain intervening variables such as age and geographic location can influence consumer expenditure habits and shopping preferences, population groupings with similar income characteristics tend to exhibit similar expenditure habits for broad merchandise groupings. As detailed in Figure 3-8, we have calculated per capita income levels for residents of the Trade Area based on 2016 Statistics Canada Census data.

**Figure 3-8: Trade Area Per Capita Income, 2015**

Zone	2015	Income Index to
	Per Capita Income	Province
Primary Trade Area	\$38,548	102.5
Secondary Trade Area West	\$37,392	99.4
Secondary Trade Area East	\$34,300	91.2
Province of Ontario	\$37,614	100.0

SOURCE: Statistics Canada, Census of Population, 2016.

## 3.6 NFSR Demand Analysis

In this section, we have analyzed the requirements for additional warranted NFSR space to serve the Trade Area based on an expenditure approach. This approach is limited to NFSR expenditures, which includes: pharmacy and personal care stores, building and outdoor home supplies stores and GAFO stores (General Merchandise, Apparel & Accessories, Furniture & Appliances, and Other Specialty Retail). The full list of stores included in the NFSR category are illustrated in Appendix A. We have focused our analysis on the NFSR store types as these are the most likely type of tenants that will occupy the proposed expansion space at Northumberland Mall.

Utilizing Statistics Canada Retail Trade data, we have estimated the per capita expenditures in Ontario for Non-Food Store Retail (NFSR) in accordance with the North American Industry Classification System (NAICS). These data have been utilized as the basis for the per capita expenditure estimates for the various zones of the Trade Area.

This section of the report details the estimated retail expenditures of Trade Area residents, taking into consideration per capita expenditure patterns and population estimates. This analysis has been used to determine the incremental impact of the NFSR component of the proposed expansion on existing and other proposed commercial facilities in the PTA, and particularly those located in the Main Central Area.

Based on Statistics Canada Retail Trade data, the 2018 average per capita NFSR expenditure in Ontario is estimated at \$6,680. For each Trade Area zone, per capita NFSR expenditures for 2018 have been estimated based on their per capita income levels relative to the province and regression equations. These regression equations have been developed utilizing Statistics Canada 2014 Household Survey data for Ontario residents by income quartile. The use of the regression equation recognizes that spending by store category can vary based on income levels.

**Figure 3-9: Trade Area Base Year (2018) NFSR Expenditures**

Zone	Income Index to Province	NFSR Index	2018 NFSR Per Capita
Primary Trade Area	102.5	101.0	\$6,747
Secondary Trade Area West	99.4	99.8	\$6,666
Secondary Trade Area East	91.2	96.5	\$6,446
Province of Ontario	100.0		

SOURCE: urbanMetrics inc., based on Statistics Canada, 2016 Census.

An average annual real growth rate, excluding inflation, has been applied to the base year (2018) per capita expenditures for each Trade Area zone. We have assumed an average annual real growth of 1.0% for NFSR.

We also note that merchants in the Trade Area also obtain sales from persons residing outside the Trade Area, such as visitors, tourists, and local employees living outside this area. These expenditures by non-Trade Area residents at stores in the Primary Trade Area are termed inflow. We also recognize that Trade Area residents will continue to make expenditures in stores located outside the Trade Area. These expenditures are termed outflow. We have recognized both outflow and inflow in our market demand analysis in the following sections of the report.

The total NFSR expenditure potential of Trade Area residents over the study period has been calculated by multiplying the annualized average per capita NFSR expenditures for each zone by the current and projected population residing in the Trade Area. As indicated in Figure 3-9, the total NFSR expenditure potential available from Trade Area residents is estimated at \$496.5 million in 2018, increasing to \$676.4 million by 2034. This represents a growth of \$179.9 million (expressed in 2018 dollars).

**Figure 3-10: Trade Area NFSR Expenditure Potential**

<b>2018 Dollars</b>	<b>2018</b>			
<b>Province of Ontario</b>				
Per Capita NFSR Expenditures	\$ 6,680 (1)			
<b>2018 Dollars</b>	<b>2018</b>	<b>2021</b>	<b>2026</b>	<b>2034</b>
<b>Primary Trade Area</b>				
Income Index to Province	102.5			
NFSR Expenditure Index to Province	101.0			
Per Capita NFSR Expenditures 2)	\$ 6,747	\$ 6,949	\$ 7,287	\$ 7,827
Population	31,743	33,010	35,150	38,460
Total NFSR Expenditures (\$Millions)	\$ 214.2	\$ 229.4	\$ 256.1	\$ 301.0
<b>Secondary Trade Area West</b>				
Income Index to Province	99.4			
NFSR Expenditure Index to Province	99.8			
Per Capita NFSR Expenditures 2)	\$ 6,666	\$ 6,866	\$ 7,199	\$ 7,733
Population	17,612	18,460	19,890	22,150
Total NFSR Expenditures (\$Millions)	\$ 117.4	\$ 126.7	\$ 143.2	\$ 171.3
<b>Secondary Trade Area East</b>				
Income Index to Province	91.2			
NFSR Expenditure Index to Province	96.5			
Per Capita NFSR Expenditures 2)	\$ 6,446	\$ 6,639	\$ 6,962	\$ 7,477
Population	25,574	25,680	26,410	27,300
Total NFSR Expenditures (\$Millions)	\$ 164.9	\$ 170.5	\$ 183.9	\$ 204.1
<b>TOTAL TRADE AREA</b>				
Total NFSR Expenditures (\$Millions)	\$ 496.5	\$ 526.6	\$ 583.2	\$ 676.4
Cumulative Growth		\$ 30.1	\$ 86.7	\$ 179.9

SOURCE: urbanMetrics inc.

1) Based on Statistics Canada, *Retail Trade* data, 2018.

2) Real Growth in Per Capita NFSR Expenditures is based on 1.0% growth.

We have slightly increased the capture rates in each of the Trade Area Zones over the forecast period to recognize the addition of a number of new stores in the PTA, including those at the subject site/other developments. These changes in the PTA shares result in an overall increase in the Primary Trade Area share to 77% by 2018, a 4.7% increase from the estimated current level (72.3%). The increase in the PTA and the two STA shares reflect the ability to recapture spending in NFSR store categories such as clothing, shoes and accessories, general merchandise stores, and home furnishings and electronics stores, where a large share of expenditures are made outside of the PTA. Therefore, there is the ability to recapture some of these expenditures if these types of stores were to locate in new NFSR space in the Primary Trade Area, and specifically in the proposed expansion of Northumberland Mall.

**Figure 3-3: NFSR Analysis**

2018 Dollars	2018	2021	2026	2034
<b>Primary Trade Area</b>				
NFSR Expenditures (\$Millions)	\$ 214.2	\$ 229.4	\$ 256.1	\$ 301.0
Estimated Primary Trade Area Share (%) (1)	72.3%	77.0%	77.0%	77.0%
Estimated Primary Trade Area Share (\$Millions)	\$ 154.9	\$ 176.6	\$ 197.2	\$ 231.8
Residual Potential (\$Millions)		\$ 21.7	\$ 42.3	\$ 76.9
<b>Secondary Trade Area West</b>				
NFSR Expenditures (\$Millions)	\$ 117.4	\$ 126.7	\$ 143.2	\$ 171.3
Estimated Primary Trade Area Share (%) (1)	47.9%	50.0%	50.0%	50.0%
Estimated Primary Trade Area Share (\$Millions)	\$ 56.2	\$ 63.4	\$ 71.6	\$ 85.7
Residual Potential (\$Millions)		\$ 7.2	\$ 15.4	\$ 29.5
<b>Secondary Trade Area East</b>				
NFSR Expenditures (\$Millions)	\$ 164.9	\$ 170.5	\$ 183.9	\$ 204.1
Estimated Primary Trade Area Share (%) (1)	39.8%	42.0%	42.0%	42.0%
Estimated Primary Trade Area Share (\$Millions)	\$ 65.6	\$ 71.6	\$ 77.2	\$ 85.7
Residual Potential (\$Millions)		\$ 6.0	\$ 11.6	\$ 20.1
<b>TOTAL TRADE AREA</b>				
NFSR Expenditures (\$Millions)	\$ 496.5	\$ 526.6	\$ 583.2	\$ 676.4
Total Estimated Primary Trade Area Share (\$Millions)	\$ 276.7	\$ 311.6	\$ 346.0	\$ 403.2
Estimated Primary Trade Area Share (%)	55.7%	59.2%	59.3%	59.6%
Existing Sales from Trade Area Residents (\$Millions)	\$ 276.7	\$ 276.7	\$ 276.7	\$ 276.7
<b>Residual Potential (\$Millions)</b>		<b>\$ 34.9</b>	<b>\$ 69.3</b>	<b>\$ 126.5</b>
Inflow to Existing Stores (%) (2)	20.0%			
Total Size of Existing Stores (square feet GLA)	891,800			
Sales Per Square Foot at Existing Stores (including inflow)	\$ 388			
Existing NFSR (891,800 sq. ft.) Sales per Square Foot Levels (including average inflow of 20%):				
	\$ 388			
<b>WARRANTED ADDITIONAL SPACE - Primary Trade Area (including inflow, excluding sales transfers)</b>				
Additional Residual Potential Available		\$ 34.9	\$ 69.3	\$ 126.5
Plus Inflow Sales @ 20.0% (2)		\$ 8.7	\$ 17.3	\$ 31.6
<b>TOTAL ADDITIONAL SALES POTENTIAL AVAILABLE</b>		<b>\$ 43.6</b>	<b>\$ 86.6</b>	<b>\$ 158.1</b>
<b>WARRANTED ADDITIONAL SQUARE FEET (3)</b>				
@ \$400 per sq. ft.		109,100	216,600	395,300
@ \$450 per sq. ft.		96,900	192,500	351,400
@ \$500 per sq. ft.		87,200	173,300	316,300

SOURCE: urbanMetrics inc.

1) urbanMetrics inc. estimates, based on an evaluation of our March 2016 inventory of commercial space in the Primary Trade Area (and a 2019 update in the Downtown) and previous consumer survey research.

2) urbanMetrics inc. estimates, based on licence plate survey results.

3) Rounded to the nearest 100 square feet.

- **PTA Residual Potential** – Based on the opportunity to recapture sales from elsewhere in the Trade Area and beyond, as well as market growth, we have estimated there will be \$21.7 million of additional sales volume available by 2021 for new/existing NFSR stores in the

Primary Trade Area, increasing to \$76.9 million by 2034 (expressed in 2018 dollars). This additional sales volume is referred to as “residual potential”.

- **Inflow** – For the warranted space calculation, an average inflow of 20% has been assumed over the study period, which is in line with the average inflow rate identified in the license plate survey results. Average inflow sales have also been estimated at 20% for new NFSR on the subject site and other new NFSR space in the Primary Trade Area.
- **Total Sales Potential Available Based on Residual** – Based on residual sales potential and estimated inflow sales, an estimated \$43.6 million would be available for existing/new NFSR space in the PTA/STA by 2021, increasing to \$158.1 million by 2034 (expressed in 2018 dollars). This would exclude any sales transfers from existing stores in the Primary Trade Area, but includes sales recapture of Trade Area residents’ expenditures made outside the Primary Trade Area.
- **Additional Space Warranted** – The average sales performance for new NFSR space has been tested at various sales levels ranging between \$400 and \$500 per square foot. It should be recognized that NFSR store sales by specific store type and store can vary. These average sales levels are intended to represent typical industry averages as we are not aware of any specific tenants at the subject site or other proposed sites in the PTA.

At these sales levels and excluding any sales transfers from existing Primary Trade Area NFSR stores, up to 96,900 square feet of additional NFSR space would be warranted in the Primary Trade Area by 2021 (at \$450 per square foot), increasing to 351,400 square feet by 2034 at the same sales level.

Therefore, with some 34,631 square feet of NFSR space potentially being added in the PTA by 2021, based on existing plans and designated sites, there is sufficient opportunity to accommodate the 10,000 square feet of NFSR space in the proposed expansion. Our analysis demonstrates that there is the potential to accommodate an additional 62,269 square feet of NFSR space in 2021 without transferring sales from existing stores.

**Figure 3-4: Warranted NFSR Space Summary**

	<b>2021</b>	<b>2026</b>	<b>2034</b>
Warrented Space (sq. ft.)	96,900	192,500	351,400
Proposed Retail Space (sq. ft.)	34,631	113,732	199,532
Shortfall (Surplus) (sq. ft.)	62,269	78,768	151,868
Proposed Retail on Subject Site (sq. ft.)	10,000	10,000	10,000

SOURCE: urbanMetrics inc.

It is also notable that the additional space assumptions we have used in our analysis are very conservative. We have assumed full build-out of the remaining space in the SmartCentres development and uptake of additional vacant space in the PTA. It is unlikely that both of these assumptions will take place over the study period, therefore, any potential impact would be reduced, beyond what we have indicated.



## 4.0 Conclusions and Recommendations

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## 4.1 Summary of Conclusions

- The Northumberland Mall is located in northwest Cobourg near the Town's boundary, and is located in an important retail node that serves the surrounding residential area, as well as a larger regional population. The accessibility of the subject site to Highway 401 allows the uses in this area to serve a broad market well beyond the Town limits.
- The Primary Trade Area, which includes Cobourg, is anticipated to grow by about 6,717 people between 2018 and 2034. The broader trade area (which includes all areas in Northumberland County except Trent Hills) is anticipated to grow by 12,981 people over the same period.
- The 2016 license plate survey found that the Northumberland Mall attracted 40% of its customers from Cobourg, 46% from the broader trade area and 14% from outside the Trade Area.
- The only potential anchor being proposed in the expansion is the existing Scotiabank, which is being relocated from inside the mall to this standalone space. In addition to this being a relocation, there is already a Scotiabank located in the Main Central Area, so this specific bank could not become a potential anchor in downtown Cobourg.
- By 2034, market demand will exist for some 351,400 square feet of non-food retail space (NFSR) in Cobourg. This is in comparison to 199,532 square feet of NFSR space that we have assumed will be added to the market. This shortfall in NFSR space will result in a need for additional commercial development of some 151,868 square feet of NFSR space to serve the market growth to 2034. A portion of this space could effectively be developed on the subject lands without impacting existing commercial facilities and without restricting existing vacant lands from ultimately developing. In fact, by 2021, when the proposed expansion is likely to be open for its first full year of operation, additional demand for over 62,000 square feet will be available that will support the subject proposal.
- The Main Central Area (MCA) attracts both local Cobourg residents as well as regional residents because of its diversity of retail and service facilities. The MCA is characterized by its fine-grained storefronts and heritage buildings. This pedestrian friendly downtown is strategically located near Cobourg Beach, Victoria Park and the marina, which is a regional attraction. The 2019 Main Central Area retail health is relatively consistent with the 2016 inventory. Over this three-year period, the vacancy rate increased by 0.5%. However, new tenants in the downtown (e.g. the new building at 169 Division Street) indicate that the MCA remains an attractive retail environment.

## 4.2 Recommendation

Given the small size of the retail expansion, and considerations regarding the amount, mix, and location, plus the small size of any individual tenant, it is very unlikely that any of the potential tenants could become a major anchor for the Main Central Area. In terms of the tenant mix, we note that this retail market analysis brief has taken a conservative approach by assuming that the entire 10,000 square feet will be occupied by Non-Food Store Retail uses, when it is very likely that much of this space will be occupied by services (which are permitted).

Based on our analysis there will be no significant impact created by the proposed development on the viability of established commercial areas within the community, and particularly the Main Central Area. Furthermore, the commercial space included as part of the proposed development will support local businesses and enhance the range of retail uses and services available to local employees and employers.

Based on our analysis and the findings of this study, it is our professional opinion from a market perspective that the proposed expansion of Northumberland Mall should be approved.

## Appendix A NACIS

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**Figure A-1: North American Industry Classification System (NAICS) Categories**

Trade Group	NAICS	Description
<b>FOOD STORE RETAIL (FSR)</b>		
90	<b>Supermarkets</b>	
	44511	Supermarkets and Other Grocery (except Convenience) Stores
100	<b>Convenience and Specialty Food Stores</b>	
	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
<b>BEVERAGE STORES</b>		
110	<b>Beer, Wine and Liquor Stores</b>	
	44531	Beer, Wine and Liquor Stores
<b>NON-FOOD STORE RETAIL (NFSR)</b>		
<b>Automotive</b>		
20	<b>Used and Recreational Motor Vehicle and Parks Dealers (Tires, Batteries, Automotive Accessories component)</b>	
	44131	Automotive Parts and Accessories Stores
	44132	Tire Dealers
<b>Furniture, Home Furnishings and Electronics Stores</b>		
30	<b>Furniture Stores</b>	
	44211	Furniture Stores
40	<b>Home Furnishings Stores</b>	
	44221	Floor Covering Stores (excludes retailers or only ceramic or only hardwood flooring which are in Building Supply)
	44229	Other Home Furnishings Stores (e.g. window treatments, fireplace/accessories, kitchen and tableware, bedding and linens, brooms and brushes, lamps and shades, and prints and picture frames).
50	<b>Computer and Software Stores</b>	
	44312	Computer and Software Stores (includes retailing new computers, computer peripherals, pre-packaged software, game software and related products)
60	<b>Home Electronics and Appliance Stores</b>	
	44311	Appliance, Television and other Electronics Stores
	44313	Camera and Photographic Supplies Stores
<b>Building and Outdoor Home Supplies Stores</b>		
70	<b>Home Centres and Hardware Stores</b>	
	44411	Home Centres
	44413	Hardware Stores (includes tool stores)
80	<b>Specialized Building Materials and Garden Stores</b>	
	44412	Paint and Wallpaper Stores
	44419	Other Building Material Dealers (excluding manufacturing and construction firms) (includes doors, windows, kitchen cabinets, electrical, glass, plumbing, ceramic floor, roofing materials, fencing)
	44421	Outdoor Power Equipment Stores (lawn mowers, tractors, hedge trimmers, snow blowers)
	44422	Nursery Stores and Garden Centres
<b>Pharmacies and Personal Care Stores</b>		
120	<b>Pharmacies and Personal Care Stores</b>	
	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)

SOURCE: urbanMetrics inc., based on the North American Industry Classification System ('NAICS').

**Figure A-1: North American Industry Classification System (NAICS) Categories (*continued...*)**

Trade Group	NAICS	Description
<b>NON-FOOD STORE RETAIL (NFSR) (Continued)</b>		
<b>Clothing and Accessories Stores</b>		
140	<b>Clothing Stores</b>	
	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	<b>Shoe, Clothing Accessories and Jewellery Stores</b>	
	44815	Clothing Accessories Stores
	44821	Shoe Stores (includes athletic shoe retailers)
	44831	Jewellery Stores
	44832	Luggage and Leather Goods Stores
<b>General Merchandise Stores</b>		
170	<b>Department Stores</b>	
	45211	Department Stores
175	45211	Department Stores with a Large food component (i.e. Walmart Supercentres)
180	<b>Other General Merchandise Stores</b>	
	45291	Warehouse Clubs and Superstores
	45299	All Other General Merchandise Stores: <i>Home &amp; Auto (i.e. Canadian Tire)</i> <i>Other General Merchandise Stores (e.g. general stores, variety stores, "dollar" stores)</i>
<b>Miscellaneous Retailers</b>		
160	<b>Sporting Goods, Hobby, Music and Book Stores</b>	
	45111	Sporting Goods Stores (excludes athletic shoe retailers)
	45112	Hobby, Toy and Game Stores (excludes computer games and software)
	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	<b>Miscellaneous Store Retailers</b>	
	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 (excludes art galleries)
	45399	All Other Miscellaneous Store Retailers (e.g. tobacco supplies, artist supplies, collectors items, beer & wine making, swimming pool/spas/accessories, religious goods and accessories)

SOURCE: urbanMetrics inc., based on the North American Industry Classification System ('NAICS').



**Figure A-1: North American Industry Classification System (NAICS) Categories (continued...)**

Trade Group	NAICS	Description
<b>SERVICES</b>		
200	<b>Consumer Goods Rental</b>	
	53221	Consumer Electronics and Appliance (Appliance rental and leasing, rental of consumer audio-visual equipment (including rent-to-own), Television rental and leasing, Video recorder and player rental and leasing, Washers and dryers rental)
	53222	Formal Wear and Costume Rental
	53223	Video Tape and Disc Rental
	53229	Other Rental (sporting goods, garden equipment, home health, fitness etc.)
	53231	General Rental Centres (including contractors' and builders' tools and equipment, home repair tools, lawn and garden equipment, moving equipment and supplies, and party and banquet equipment and supplies)
210	<b>Finance</b>	
	52211	Banks
	52213	Credit Unions
215	52239	Other Financial (including cheque cashing, mortgage brokers, other financial services (e.g. Edward Jones))
220	<b>Insurance and Real Estate</b>	
	52421	Insurance Agencies and Brokerages
	53121	Offices of Real Estate Agents and Brokers
	53132	Office of Real Estate Appraisers
230	<b>Professional, Scientific &amp; Technical Services</b>	
	54111	Offices of Lawyers
	54119	Other Legal Services (e.g.. Paralegal, Title search, immigration consultation, notaries)
	54121	Offices of Accountants, Tax Preparation Services, Bookings, Payroll
	54131	Architectural Services
	54132	Landscape Architecture (includes urban planners, industrial development planning, landscape architects)
	54134	Drafting Services
	54137	Survey and Mapping Services
	54138	Testing Labs (excluding medical, auto, veterinary)
	54141	Interior Design Services
	54143	Graphic Design Services (includes art studios)
	54149	Other Specialized Design Services (e.g. clothing, jewellery, fashion)
	54151	Computer Systems Design and Related Services (e.g. computer consulting and programming)
	54161	Management Consulting Services
	54162	Environmental Consulting Services
	54169	Other Scientific and Technical Consulting (e.g. economic, hydrology, safety )
	54171	Research & Development in the Physical, Engineering and Life Sciences (includes medical research labs)
	54172	Research & Development in the Social Sciences and Humanities (e.g.. demographic, education, psychology research)
	54181	Advertising Agencies
	54182	Public Relations Services (e.g. lobbyists, political consultants)
	54191	Marketing Research & Public opinion polling
	54192	Photographic Services (e.g. passport photography, photo studios portrait photography studies)
	54193	Translation and Interpretation Services
	54194	Veterinary Services (excludes pet care (81291))
	54199	All Other Professional, Scientific and Technical Services (includes consumer credit counselling)
240	<b>Selected Office Administrative Services</b>	
	56131	Employment Services (includes placements, executive search, casting agencies etc.)
	56141	Document Preparation Services (proofreading, word processing, desktop publishing etc.)
	56142	Telephone Call Centres
	56143	Business Service Centres (e.g.. printing, copying, mail centres) (excludes commercial printing)
	56144	Collection Agencies
	56145	Credit Bureaus
241	56151	Travel Agencies
	56159	Other Travel Arrangement & Reservation Services (e.g.. ticket sales agency, tourist info, bus ticket offices, etc.)
	56162	Security Systems (includes security system sales, installation and monitoring; locksmiths (excluding key duplication - 81149))
245	<b>Selected Educational Services</b>	
	61161	Fine Arts Schools (e.g. dance, drama, music, art, handicrafts)
	61162	Athletic Instruction (e.g. aerobic dance, gymnastics, judo, karate, martial arts, scuba, swimming) (excludes athletic instruction in sport and recreation facility)
	61163	Language Schools
	61169	All Other Schools and Instruction (e.g. driving instruction, public speaking, Kumon, Oxford)

SOURCE: urbanMetrics inc., based on the North American Industry Classification System ('NAICS').

**Figure A-1: North American Industry Classification System (NAICS) Categories (continued...)**

Trade Group	NAICS	Description
<b>SERVICES (Continued)</b>		
250	<b>Health Care</b>	
	63111	Offices of Physicians
	62121	Offices of Dentists
	62131	Offices of Chiropractors
	62132	Offices of Optometrists (excludes eyeglass stores - 44613)
	62133	Offices of Mental Health Practitioners (psychologists, psychiatric social workers)
	62134	Offices of Physical, Occupational, Speech Therapists and Audiologists
	62135	Offices of Other Health Practitioners (e.g., acupuncturists, dental hygienists, dieticians, naturopath, podiatrists)
	62141	Family Planning Centres
	62142	Outpatient Mental Health and Substance Abuse Centres
	62149	Other Outpatient Care Centres (e.g. public health clinics, hearing testing, dialysis)
	62151	Medical and Diagnostic Laboratories (e.g. medical, x-ray, dental lab (excluding making of dentures, ortho appliances, teeth))
255	<b>Social Services</b>	
	62411	Child and Youth Social Services (e.g. Children's aid, youth centres, adoption)
	62149	Other Individual and Family Services (e.g., AA, marriage counselling, outreach)
	62441	Child Day Care
260	<b>Cultural, Entertainment and Recreation</b>	
261	71312	Amusement Arcades (e.g. indoor play areas, pinball arcades, video game arcades)
262	71394	Fitness & Recreational Sports Centres (includes athletic clubs, spas (w/o accommodation), aerobic dance centres, health clubs)
263	71395	Bowling Centres
264	71399	All other Amusement and Recreation Industries (includes billiards parlours)
265	51213	Motion Picture and Video Exhibition (includes cinemas)
270	<b>Food Services and Drinking Places</b>	
271	72211	Full-Service Restaurants
272	72221	Limited-Service Eating Places
273	72232	Caterers (includes banquet halls)
274	72241	Drinking Places (Alcoholic Beverages) -( includes night clubs, bars (including those with gaming), pubs, taverns
280	<b>Personal and Household Goods Repair and Maintenance</b>	
281	81111	Automotive Mechanical & Electrical Repair & Maintenance (includes engine repair, exhausts, transmission, electrical system repair)
281	81112	Automotive Body, Paint, Interior and Glass Repair (includes collision repair, auto upholstery, paint & body shops)
281	81119	Other Automotive Repair & Maintenance (includes auto detail, washing, diagnostic centres, lube, rust proofing, undercoating, emissions testing)
282	81121	Electronic and Precision Equipment Repair and Maintenance (includes ink jet cartridges (cleaning and refilling), TV repair)
	81141	Home and Garden Equipment and Appliance Repair & Maintenance (e.g. small engine repair)
	81142	Reupholstery and Furniture Repair
	81143	Footwear and Leather Goods Repair (e.g. shoe repair)
282	81149	Other Personal and Household Goods Repair and Maintenance (includes key cutting, china firing/decorating, jewellery repair, sharpening of knives, skate sharpening, watch repair etc.)
290	<b>Personal Care Services</b>	
	81211	Hair care and Esthetic Services (includes barber, beauty, hair salons)
	81219	Other Personal Care services (includes day spa, diet centres, hair removal, massage parlours, tanning salons, tattoo parlours, weight reduction centres)
	81231	Coin-operated Laundries and dry cleaners (self service)
	81232	Dry Cleaning and Laundry services (except coin operated)
	81233	Linen and Uniform Supply (includes work clothing supply services - industrial)
	81291	Pet Care (except veterinary)
	81292	Photofinishing Services
	81299	All other Personal Services (e.g. fortune tellers, dating services, psychic services, shoeshine)
295	<b>Civic and Social Organizations</b>	
	81341	Civic and Social Organizations (includes clubs)
	81391	Business Associations (includes board of trade, real estate boards etc.)
	<b>Transportation</b>	
296	49111	Postal Service (post office)
300	<b>VACANT</b>	
	9999	VACANT RETAIL/SERVICE SPACE

SOURCE: urbanMetrics inc., based on the North American Industry Classification System ('NAICS').

## Appendix B Non-Food Store Retail Expenditure Analysis

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**Figure B-1: Income for Food and Non-Food Retail Expenditure Analysis**

Zone	2015 Per Capita Income	Income Index to Province	NFSR Index	2018 NFSR Per Capita
Primary Trade Area	\$38,548	102.5	101.0	\$6,747
Secondary Trade Area West	\$37,392	99.4	99.8	\$6,666
Secondary Trade Area East	\$34,300	91.2	96.5	\$6,446
Province of Ontario	\$37,614	100.0		

SOURCE: urbanMetrics inc; Statistics Canada, Census of Population, 2016.

**Figure B-2: Province of Ontario Income/Expenditure Regression Equations, 2014**

		(x)	(y1)	(y2)	(y3)
	Average Per Capita Income of Income				
(n)	Quintile	Income	FSR	NFSR	Restaurant
1	\$12,956	37.2	116.3	86.1	65.0
2	\$20,046	57.5	94.0	79.8	69.1
3	\$26,388	75.7	94.7	97.8	86.2
4	\$34,621	99.3	102.3	100.7	112.9
5	\$59,957	172.0	99.0	123.3	133.3
All Classes	\$34,865	100.0	100.0	100.0	100.0

**REGRESSION EQUATIONS:**

FSR  $y1 = -0.06 (x) + 106$

NFSR  $y2 = 0.30 (x) + 70$

Restaurant  $y3 = 0.54 (x) + 46$

where x = income index (independent variable) and y = expenditure index for selected category (dependent variable)

SOURCE: Statistics Canada, Survey of Household Spending.

**Figure B-3: Ontario - Retail Trade, Per Capita, 2018**

	<b>Per Capita Expenditures</b>
<b>TOTAL RETAIL</b>	<b>\$9,103</b>
1 <b>FSR: Food Store Retail</b>	<b>\$2,423</b>
2 <i>Supermarkets and Grocery Stores</i>	\$1,998
3 <i>Convenience and Specialty Food Stores</i>	\$425
4 <b>NFSR: Non-Food Store Retail</b>	<b>\$6,680</b>
5 <i>Health and Personal Care Stores</i>	\$1,267
6 <i>Clothing and Accessories Stores</i>	\$1,005
7 <i>Furniture, Home Furnishings and Electronics Stores</i>	\$1,010
8 <i>Building and Outdoor Home Supply Stores</i>	\$920
9 <i>Department Stores</i>	
10 <i>Other General Merchandise Stores</i>	
11 <i>TOTAL General Merchandise Stores</i>	\$1,799
12 <i>Miscellaneous Retailers</i>	\$678
13 <i>Tires/Batteries/Automotive Accessories</i>	
14 <i>Food Services and Drinking Places</i>	
15 <i>Beer, Wine and Liquor Stores</i>	\$646
16 <i>GAFO (6,7,9,(10),11,12, (13))</i>	

SOURCE: Statistics Canada, Survey of Household Spending.