RETAIL MARKET DEMAND ANALYSIS FOR THE SOUTH WEST AREA PLAN (SWAP), CITY OF LONDON, ONTARIO

PREPARED FOR:
THE CORPORATION OF THE CITY OF LONDON, ONTARIO

KIRCHER
Research Associates Ltd.

Land Use & Retail Economists

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May 15th, 2012

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Toronto, May 15, 2012

Mr. John M. Fleming
Director of Land Use Planning
Planning Division
P.O.Box 5035
206 Dundas Street
London, ON
N6A 4L9

Dear Mr. Fleming,

Re: South West Area Plan (SWAP), London, Ontario
Retail Market Demand Analysis.

We are pleased to submit to you the Retail Market Demand Analysis for SWAP. The study was based on demographic, income and retail expenditure research. It includes an inventory of competitive retail space located in the southern part of the City of London. We have also conducted license place surveys at the Wonderland Power Centres, south of Southdale Road West, and at the Costco store, located south of Highway 401. The surveys assisted in determining the area of influence of these retail facilities, which are located in SWAP.

SWAP is a very large planning area, covering the south western portion of the City of London. It includes some 2,700 ha (6,672 acres) of land. Approximately half of this area remains to be zoned, designated and developed. The shape and size of SWAP, and its context within the south London area, made it necessary to study the retail potential for an area larger than SWAP. For this reason, we have delineated the area south of the Thames River, in the City of London, as the Study Area.

Two Development Concept Plans have been prepared by the city, both containing significant amounts of potential retail/commercial space. There are a large number of approved, designated and proposed retail developments in SWAP, and in the Balance of the Study Area. These have been listed and classified in Appendix A.

The results of our market demand analysis found in Section 15, 'Findings and Recommendations', indicate the warranted total retail and related service space, by specific target years, as follows:

2014 - 570,000 square feet
2016 - 685,000 square feet
2021 - 925,000 square feet
2026 - 995,000 square feet

It should be emphasized that we focused our market demand analysis on the warranted retail and related service commercial space within SWAP. Such developments would rely not only on the local demand, generated within that specific market segment, but also that derived from the

Balance of the Study Area and beyond. The recommended space reflects the residual demand, as well as potential transfers from existing competitive facilities, and the expected impact generated by the replacement of some physical retail space by consumer purchases made on the Internet. The recommended total space is substantially less than reflected by current plans and retail development proposals. We appreciate the fact that market demand is a significant but not the sole determinant of the future development of retail facilities. However, substantial overbuilding can be costly and inefficient, as clearly illustrated by the history of Westmount Mall and Pond Mills Square, both located in the Study Area.

Commercial developments frequently include components that are complementary to the retail space, such as local office space, medical offices, hotels/motels, entertainment, recreational and educational facilities, as well as residential developments of different types. The warranted space for such complementary facilities should be given consideration as planning proceeds. It is not included in the recommended retail commercial space.

Future research should address the most appropriate types and formats of commercial developments. In our opinion, single use developments, e.g. those containing only one use, for example retail, are becoming less desirable for a number of ecological and planning reasons. The observed trend clearly leads to a preference for mixed-use developments, and where warranted, higher densities than single level projects. Not all of the potential future commercial sites may be able to include all, or even most, of such complementary mixed-use components. However, we would recommend that each site that comes forward for retail commercial development be tested for such uses.

The SWAP development concepts reflect, in part, a potential future 'Wonderland Gateway' to the City of London, facilitated by an interchange of Wonderland Road South with Highway 401. Our research has indicated that the draw of such a gateway, pertaining to retail commercial services, is moderate, likely accounting for less than 15% of volume inflow from outside the city. Nevertheless, the benefit of such an interchange for industrial facilities located in SWAP could be quite substantial but these have not been evaluated in this retail study.

We appreciate the opportunity to present this Retail Market Demand Analysis for your consideration and would be pleased to discuss our research findings and recommendations with you.

Yours truly,
Kircher Research Associates Ltd.

Hermann J. Kircher
President

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SECTION 1

INTRODUCTION

SECTION 1
INTRODUCTION

This Retail Demand Analysis has been prepared for the City of London, Ontario. The study is dated May 15th, 2012. Its focus is the South West Area Plan (SWAP) of the City of London, Ontario. It includes the Urban Growth Area south of Southdale Road, east of Dingman Creek, and north of Highways 401/402 and includes the Brockley Planning Area. SWAP comprises some 2,700 ha (6,672 acres). A map delineating SWAP is included in Section 2 of this study.

In 2009, London City Council approved initiation of a comprehensive review for the southwest quadrant of the City referred to as the Southwest Area Plan (SWAP). Since then, numerous studies and reports have been prepared for SWAP. One of the issues, that has not yet been analysed in detail, is the future demand for additional retail space in SWAP. That is the purpose of this Retail Demand Analysis.

Approximately half of the total land area of SWAP is already built out or *approved for future residential, commercial and employment land uses and development*. The only major residential area currently existing is the community of Lambeth. There are several 'Box Store' type developments, especially immediately south of Southdale Road. At this time, these would largely rely on customer support from outside SWAP. In order to gain a full understanding of retail trading patterns, we have delineated the southern part of the City, south of the Thames River, as the total Study Area, of which SWAP forms a Sector.

Study Approach

The method used to evaluate the market demand for the retail facilities within SWAP is similar to that used by Kircher Research Associates Ltd. in other studies completed throughout Canada. The research approach employed in this study has proven to be an appropriate means of evaluating future retail demand, employing both quantitative and qualitative considerations. The major components of the study include the following:

- A detailed inventory of existing competitive retail facilities located in the Study Area was prepared in March 2012. We have also identified the expansion space available at existing retail developments, approved and designated commercial properties and noted potential future applications for additional retail space, as currently known.

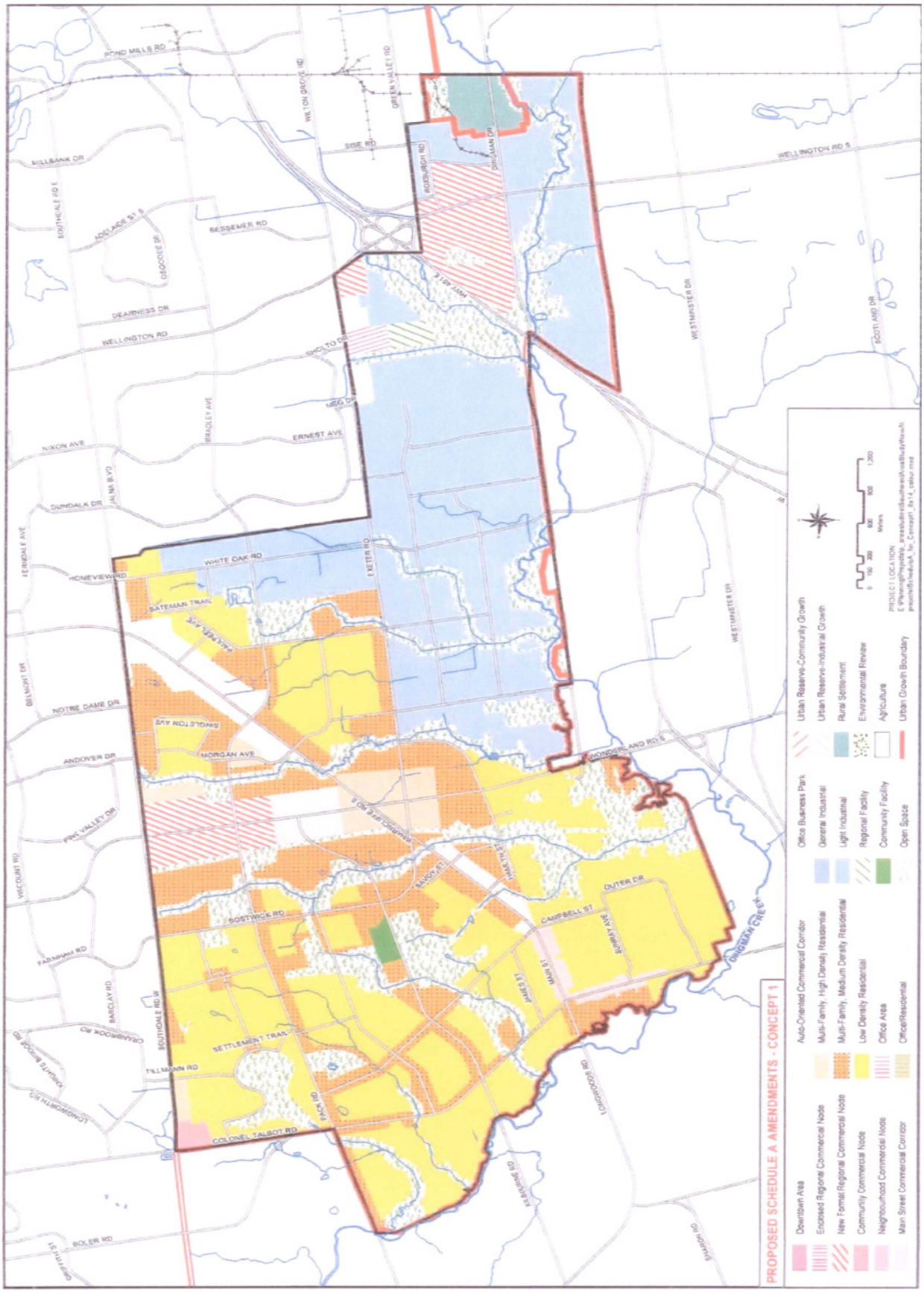
- Historic, current and forecast population levels in the Study Area were determined for selected time intervals between 2001 and 2026.
- The current average per capita income levels of Study Area residents were calculated and were used to estimate their current per capita expenditure levels for various retail categories. Historic real growth rates in retail expenditures were then used to develop future retail expenditure levels in the market area.
- The total retail expenditures of Study and SWAP area residents, for the various retail categories, were calculated by multiplying the current and forecast population levels in the Study Area by the corresponding current and future retail expenditure levels. The residual demand for SWAP was identified und typical volume transfers recognized. The potential effect of e-commerce on future retail space demand was also taken into consideration.
- The proportion of the retail expenditure levels that could be served within SWAP was determined. The available volume was converted into warranted retail space for each of the major retail categories under analysis for selected years to 2026.

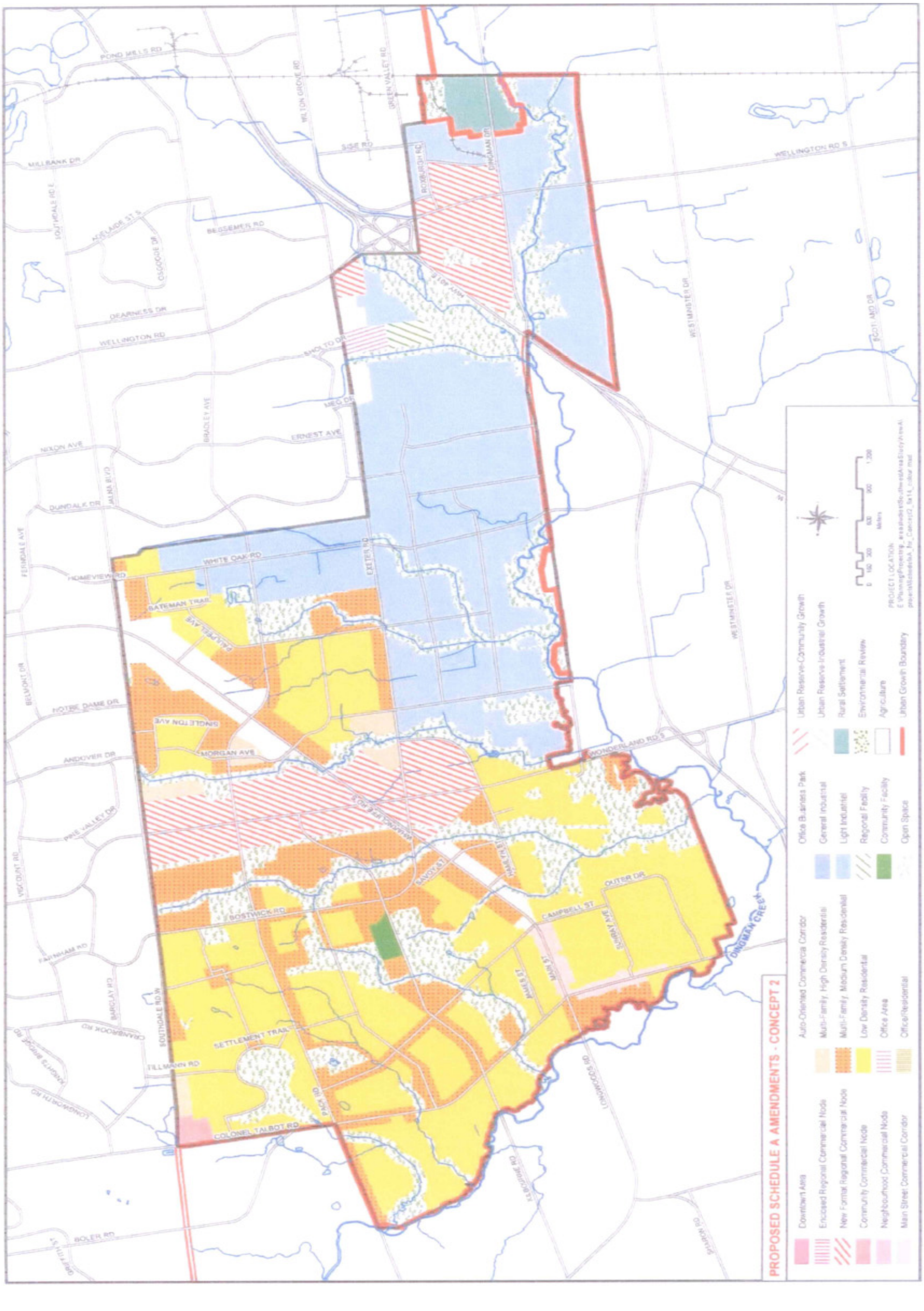
In any study requiring estimates of future conditions, it is necessary to make certain specific assumptions. These have been stated where appropriate in this study. In addition, there are a number of basic and underlying assumptions upon which the validity of many of the findings presented in this study depend. These assumptions and definitions, phrases and concepts used in this study should be fully understood in order to avoid any misunderstandings. They have been summarized in Appendix E.

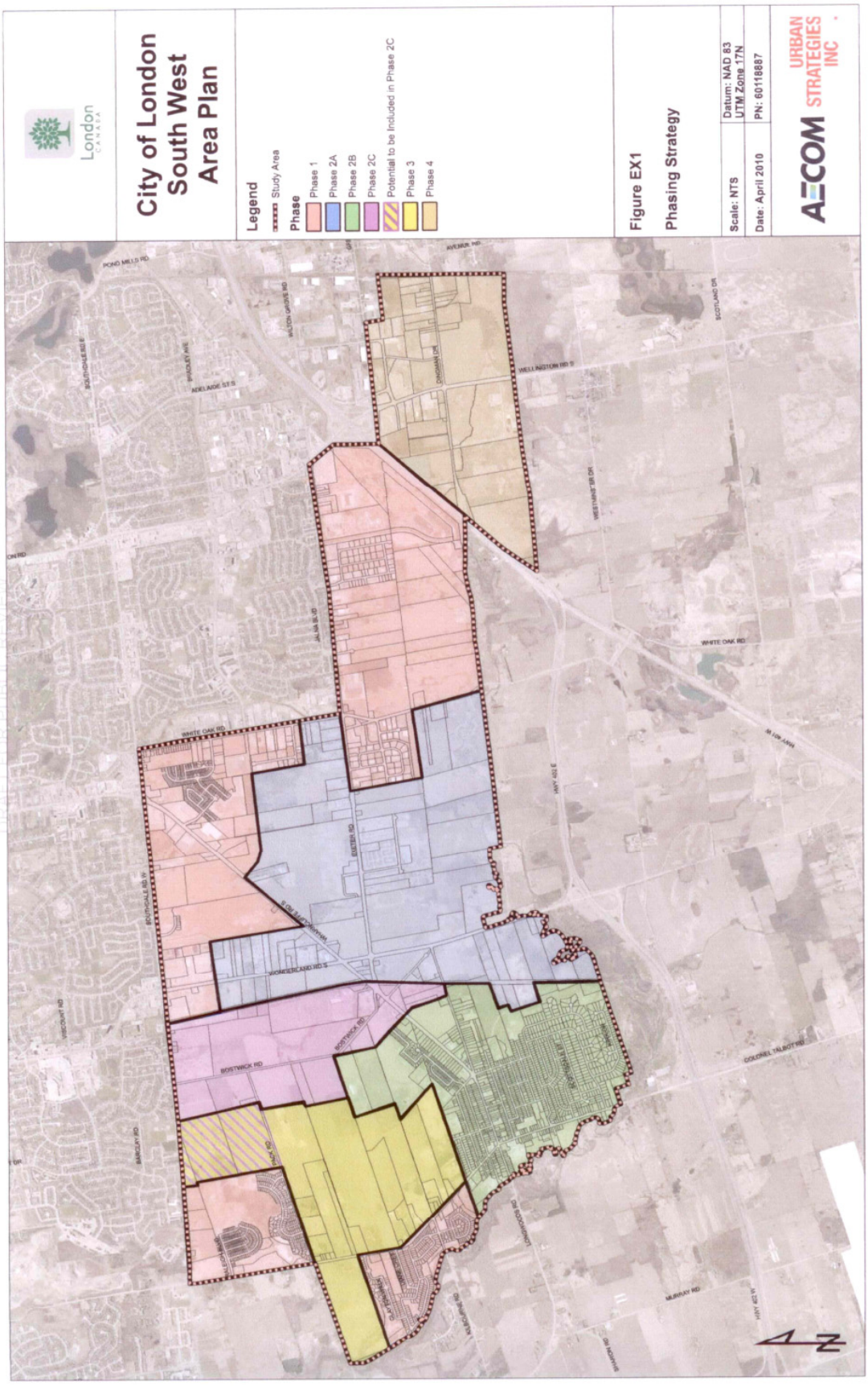
SWAP Development Concepts

There are two SWAP development concepts, usually referred to as Concept 1 and Concept 2. The prime difference between these is the much larger retail/commercial component of Concept 2 compared to Concept 1. These two concepts are illustrated on the attached maps.

This market demand analysis considers the commercial development potential in SWAP over the time period 2011-2021. The full build-out of SWAP will take a much longer period. Figure EX1 in this section of the study illustrates the phasing, by phase number, rather than time frame. We have also attached a map which indicates the potential number of residential units, population, and employment, initially and upon build-out. The 2026 population for SWAP, projected for this study, is equal to 46.1% of the full build out, e.g. 22,500 vs. 48,770 persons.


PROPOSED SCHEDULE A AMENDMENTS - CONCEPT 1
Downtown Area
Enclosed Regional Commercial Node
New Format Regional Commercial Node
Community Commercial Node
Neighbourhood Commercial Node
Main Street Commercial Corridor
Auto-Oriented Commercial Corridor
Multi-Family, High Density Residential
Multi-Family, Medium Density Residential
Low Density Residential
Office Area
Office/Residential
Office Business Park
General Industrial
Light Industrial
Regional Facility
Community Facility
Open Space
Urban Reserve-Community Growth
Urban Reserve-Industrial Growth
Rural Settlement
Environmental Review
Agriculture
Urban Growth Boundary
WHITE OAK RD
BATEMAN TRAIL
NOTRE DAME DR
ANDOVER DR
MORGAN AVE
SOSTWICK RD
SETTLEMENT TRAIL
TILLMANN RD
COLONEL TALBOT RD
WELLINGTON RD S
WELLINGTON RD
BESSEMER RD
ERNEST AVE
OUTER DR
CAMPBELL ST
DINGMAN CREEK


PROPOSED SCHEDULE A AMENDMENTS - CONCEPT 2
Downtown Area
Enclosed Regional Commercial Node
New Format Regional Commercial Node
Community Commercial Node
Neighbourhood Commercial Node
Main Street Commercial Corridor
Auto-Oriented Commercial Corridor
Multi-Family, High Density Residential
Multi-Family, Medium Density Residential
Low Density Residential
Office Area
Office/Residential
Office Business Park
General Industrial
Light Industrial
Regional Facility
Community Facility
Open Space
Urban Reserve-Community Growth
Urban Reserve-Industrial Growth
Rural Settlement
Environmental Review
Agriculture
Urban Growth Boundary


London
CANADA
City of London
South West
Area Plan
Legend
Study Area
Phase
Phase 1
Phase 2A
Phase 2B
Phase 2C
Potential to be Included in Phase 2C
Phase 3
Phase 4
Figure EX1
Phasing Strategy
Scale: NTS
Datum: NAD 83
UTM Zone 17N
Date: April 2010
PN: 60118887
AECOM
URBAN
STRATEGIES
INC
WHITE OAK RD
BOSTWICK RD
WELLINGTON RD S
HWY 401 E
HWY 401 W
COLONEL TALBOT RD
MURRAY RD
N

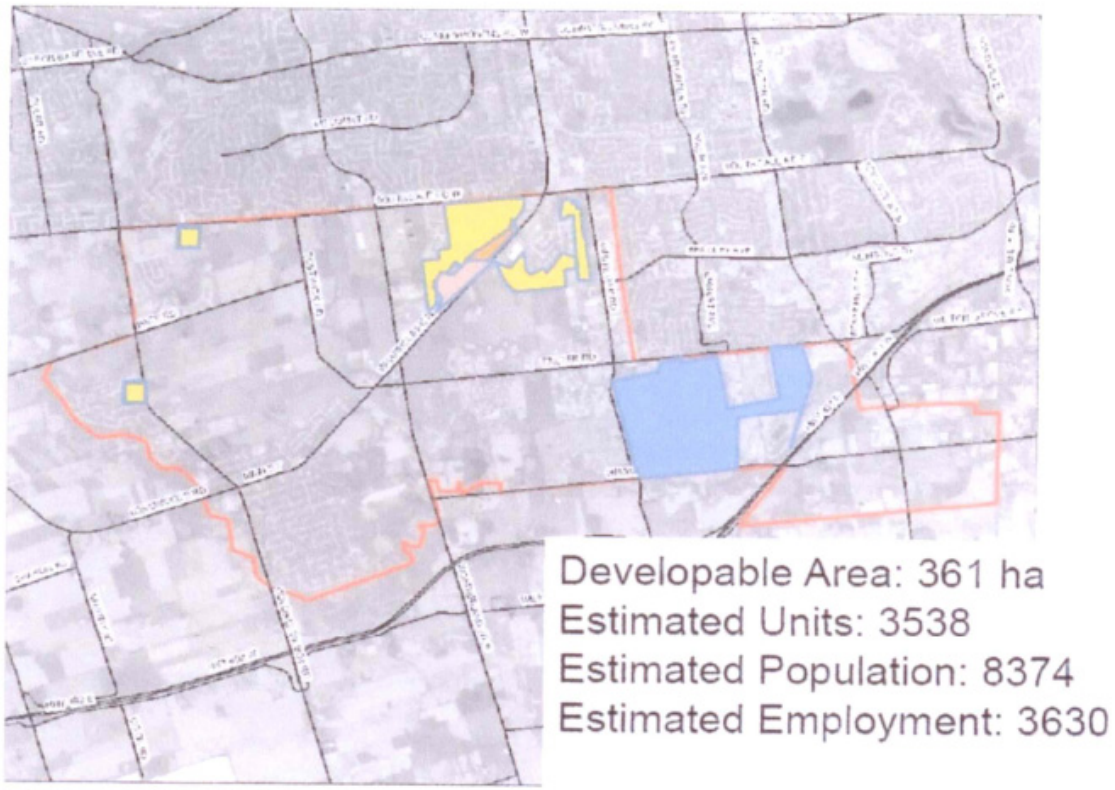


Figure 1 - Option 1, Status Quo

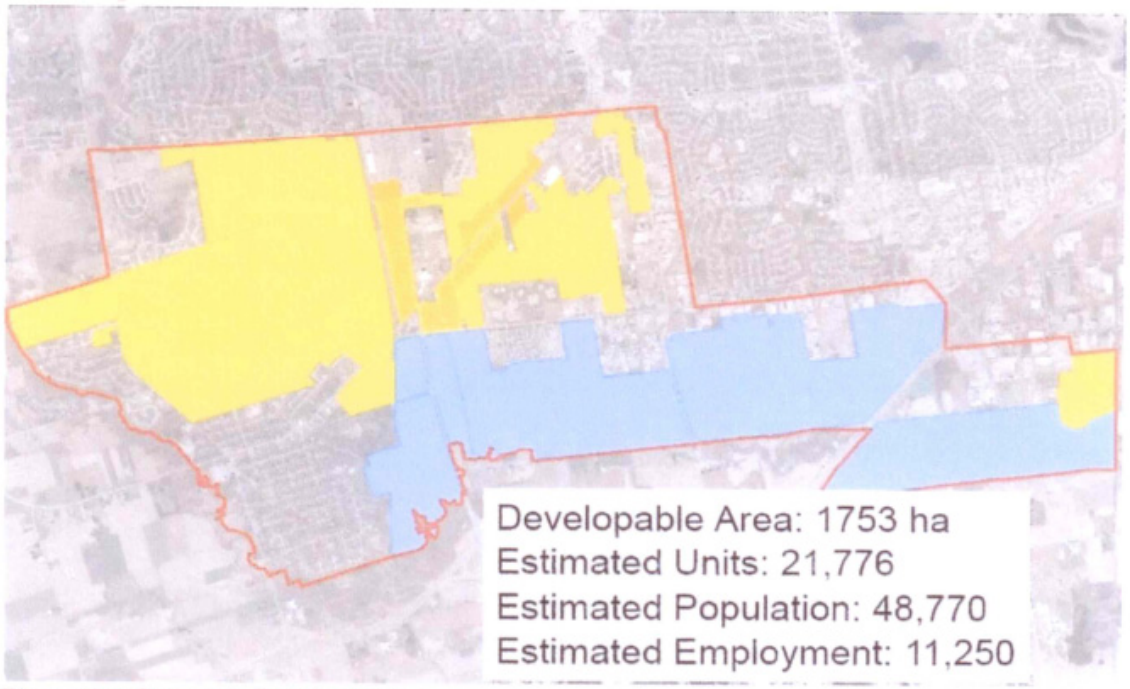
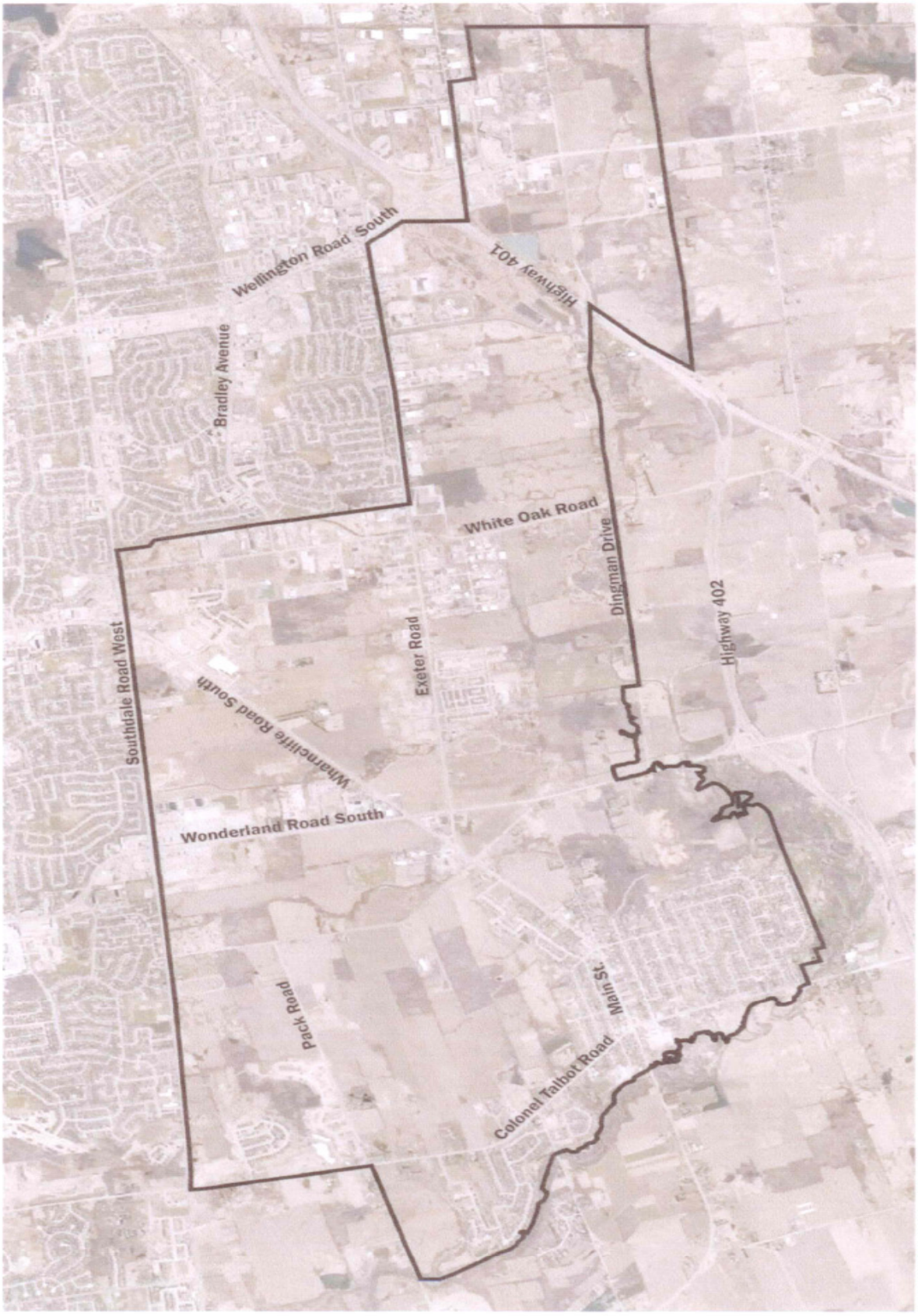


Figure 2 – Option 5, Full Build Out

SECTION 2

SWAP LOCATION AND ACCESS


Wellington Road South
Highway 401
Bradley Avenue
White Oak Road
Dingman Drive
Highway 402
Exeter Road
Southdale Road West
Wharncliffe Road South
Wonderland Road South
Pack Road
Main St.
Colonel Talbot Road
SWAP Study Area boundaries

SECTION 2
SWAP LOCATION AND ACCESS

In order to evaluate the future retail market potential of the Study Area, a general understanding of the area's parameters and access characteristics is necessary. The facing map delineates SWAP and shows the local road network. The Study Area map following provides a regional context for SWAP, showing it in relation to the surrounding regional road and highway network.

SWAP and Surrounding Land Uses

As indicated on the facing map, SWAP is bounded by Southdale Road to the north, Dingman Creek to the west, a line drawn just north of Highway 402, and the Brockley Planning Area just east of Highway 401.

Swap comprises some 2,700 ha (6,672 acres). About half of the area is build out or approved for various types of future developments. There are significant employment areas and an existing residential community, Lambeth. Major existing retail developments are located just south of Southdale Road and south of the interchange of Highway 401 and Wellington Road South.

Surrounding land uses to the north and the east include urban areas of south London. To the west and south, surrounding land uses are largely rural.

Two Development Concepts are being considered. They are generally referred to as Concept 1 and Concept 2. The primary difference between these to concepts is the area set aside for a New Format Commercial Node. This node is significantly larger in Concept 2 compared to Concept 1. Both of the concepts are illustrated on the maps included in this study.

Access Characteristics

Access is an integral part of commercial's site location, particularly for retail developments. Good accessibility and visibility are necessary features for successful retail facilities, making potential customers aware of the potential development sites, and allowing them to travel to and from the area under study with ease.

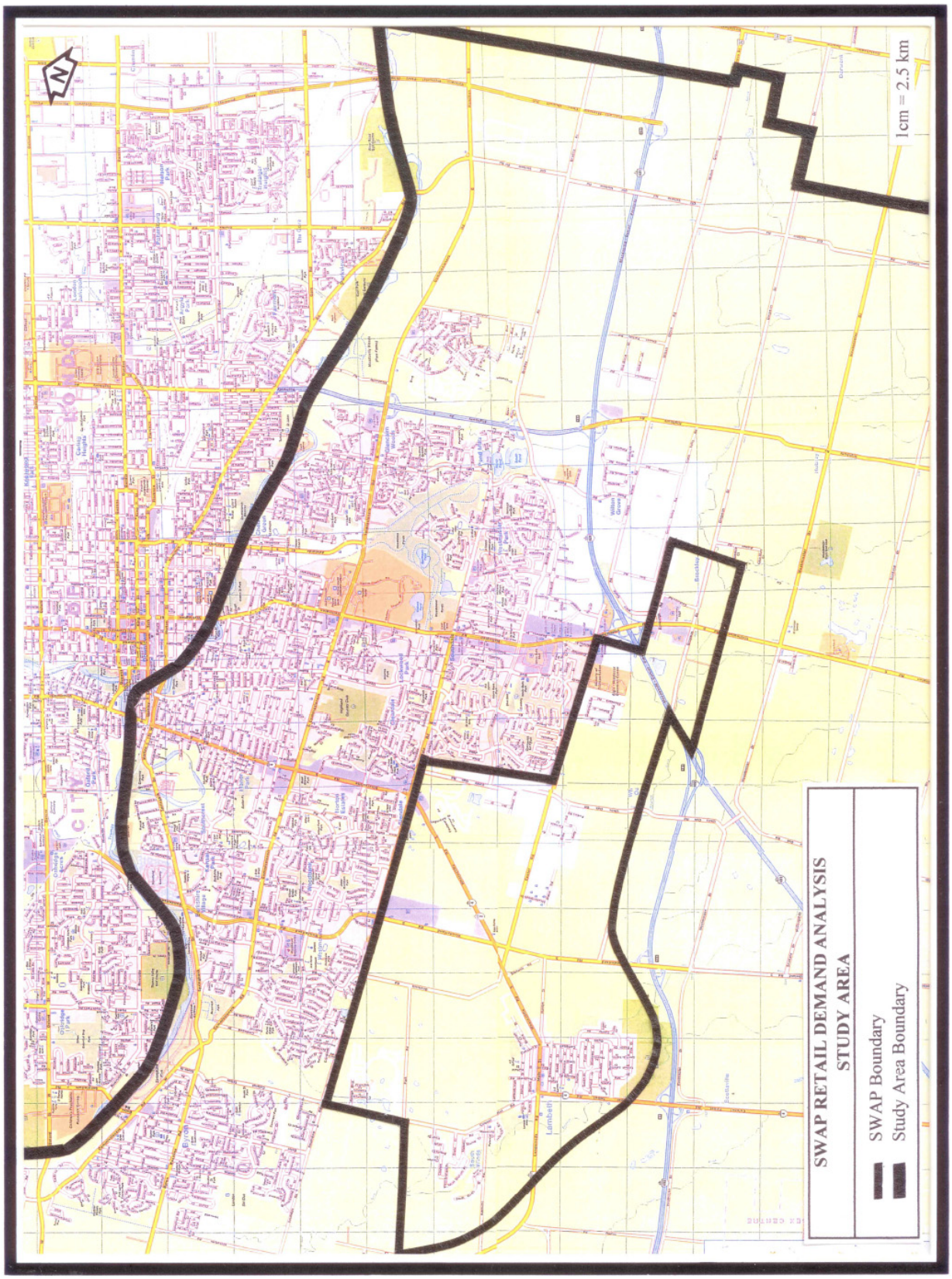
SWAP is very well situated with respect to transportation access and infrastructure, making it a desirable location for employment, residential and commercial uses. Wonderland Road South is the prime north-south transit route which is facilitated by its interchange with Highway 402.

It is one of the gateways to the City from the south. This gateway function would be enhanced with a future interchange with Highway 401. However, it is recognized that the Wellington Road gateway, with direct access to Highway 401, will continue to play a major role. Furthermore, the Wonderland gateway function will primarily serve traffic origination from the west. The nearest major communities lying to the west, include Sarnia (90+km) and Windsor (165+km). However there are also a number of smaller communities and rural residential areas such as Strathroy and Delaware. The nearest town to the south, St. Thomas (25+ km) is most easily reached via Wellington Road.

East-west roads of significance to SWAP development include Southdale Road West, the northern boundary of SWAP, Exeter Road and Dingman Drive. Highway 401 is also of significance particularly in the eastern portion of SWAP. Bradley Avenue is planned to be extended over time, to serve the south-west area, including SWAP. All of the major roads are identified on the Study Area map.

SECTION 3

STUDY AREA


1cm = 2.5 km
SWAP RETAIL DEMAND ANALYSIS
STUDY AREA
SWAP Boundary
Study Area Boundary

SECTION 3
STUDY AREA

In order to evaluate the retail market potential for retail developments, it is necessary to analyze the expenditure patterns of the potential customer base. The market influence attributable to any development extends over a wide area, beyond any precise boundary. However, in order to make reliable estimates of market support, a well defined Study Area must be delineated.

The geographic area of influence from which retail developments could normally expect to derive between 70.0% and 95.0% of their total sales volume is defined as its ***Market***, ***Trade or Study Area***. The extent of a Study Area depends on numerous factors, including:

- the size, type and character of the retail development;
- the accessibility and visibility of retail site provided by the existing and proposed regional and local road network;
- natural or man-made barriers, such as rivers or railway lines, which may inhibit or restrict the movement of customers;
- distance and driving times; and,
- the strength and location of existing and proposed competitive retail facilities.

The remaining 5.0% to 30.0% of sales volume is derived from visitors, tourists and local employees living outside the Study Area. This sales support is referred to as ***inflow*** and has been recognized in this study.

By focusing the market analysis on a well-defined Study Area, specific population, income and expenditure trends can be identified and measured. Furthermore, the most important competitive influences can be identified. From these assessments, the actual market demand can be determined.

Delineation of the Study Area

The facing map illustrates the geographic area which has been delineated as the Study Area. It includes the portion of the City of London located south of the Thames River. This Study Area was delineated in order to assist in the determination of future retail market demand in SWAP, which is the focus of this study. The market analysis is not site specific, dealing with a single retail development, but rather considers the future retail market potential anywhere within SWAP. The area defined as SWAP includes a large portion of the southern part of London. It has a shape and configuration that does not permit a typical retail market demand analysis. This is the reason why we have defined the total area south of the Thames River as the Study Area of which SWAP forms a part.

For market demand determination, SWAP cannot be separated from the balance of the southern part of the City. This is evident by the location of several power centres south of Southdale Road West, which largely rely on customer support from the balance of the delineated Study Area.

This market analysis is based on the future retail market potential in the total Study Area and the portion of that demand which can potentially be served by existing and future retail developments within SWAP. The planned future retail developments in the Study Area outside SWAP will need to be recognized as well, as they will influence the volume potential which can be served by retail facilities located within SWAP.

SECTION 4

STUDY AREA POPULATION

SECTION 4
STUDY AREA POPULATION

Economic Base

London is the seat of Middlesex County. It is located about half way between Toronto and Detroit. It lies on the junction of Highways 401 and 402 connecting Toronto to Windsor/Detroit and Sarnia. London is home of the University of Western Ontario (enrolment 35,800) and Fanshawe College (enrolment 15,000 FT/40,000 PT) which contribute to the city's reputation as an international centre of higher education, scientific research and cultural activity.

London has a large and diversified economic base which is dominated by medical research, insurance, and information technology. Some of the largest employers include the London Health Science Centre (10,500); Thames Valley District School Board (8,000); St. Joseph's Health Care (5,400); University of Western Ontario (3,500); TD Canada Trust (3,200); London Life Insurance Company (2,000); General Dynamics (2,000); Bell Canada (1,050) and many others. Total new investment in London in 2011 amounted to some $310 million generation 750 new jobs.

While London has traditionally seen steady and stable growth in its economy, the last four years have been more difficult. Employment is Essex County stood at 318,000 in March 2012. At that time, unemployment, at 8.1%, was above the Ontario average, as it has been every year since 2008. Total annual housing starts have declined every year from 2,385 units in 2008 to 1,680 units in 2011.

The City of London, together with other levels of government, are addressing some of the issues that will facilitate future growth by trying to stabilize operating costs and establishing more predictable investment and business conditions. This will impact the local tax structure, utility rates as well as investments in public facilities and infrastructure. Some aspects of economic competitiveness, such as the value of the Canadian dollar, which influences manufacturing activity, is beyond local control but a highly educated labour force will facility the shift from one sector of the economy to another.

TABLE 1
HISTORIC, CURRENT AND PROJECTED TRADE AREA POPULATION (1

	2001	2006	2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)							
Population	**4,700**	**5,800**	**8,200**	**9,800**	**10,800**	**16,500**	**22,500**
Periodic Growth		1,100	2,400	1,600	1,000	5,700	6,000
Average Annual Growth		220	480	533	500	1,140	1,200
Balance of Study Area							
Population	**142,200**	**145,800**	**147,800**	**149,300**	**150,300**	**152,600**	**155,000**
Periodic Growth		3,600	2,000	1,500	1,000	2,300	2,400
Average Annual Growth		720	400	500	500	460	480
TOTAL STUDY AREA							
Population	**146,900**	**151,600**	**156,000**	**159,100**	**161,100**	**169,100**	**177,500**
Periodic Growth		4,700	4,400	3,100	2,000	8,000	8,400
Average Annual Growth		940	880	1,033	1,000	1,600	1,680
CITY OF LONDON							
Population	**351,000**	**366,600**	**383,200**	**392,800**	**399,400**	**416,200**	**433,200**
Periodic Growth		15,600	16,600	9,600	6,600	16,800	17,000
Average Annual Growth		3,120	3,320	3,200	3,300	3,360	3,400
LONDON CMA							
Population	**449,600**	**476,200**	**496,900**	**512,000**	**522,100**	**547,300**	**572,800**
Periodic Growth		26,600	20,700	15,100	10,100	25,200	25,500
Average Annual Growth		5,320	4,140	5,033	5,050	5,040	5,100

SOURCE: Kircher Research Associates Ltd.

1) The historic populations for 1991 to 2006 represent revised intercensal population estimates. These figures are based on data derived from Statistics Canada, *Annual Demographic Estimates: Census Metropolitan Areas, Economic Regions and Census Divisions, Age and Sex,* 2001 to 2006 and 2001 to 2006 (Catalogue #91-214); and Statistics Canada, *Annual Demographic Estimates:Subprovincial Areas 2004 to 2011* (Catalogue #91-214). These figures are based on data for the City of London, that have been applied to their local zones that are within the study area. Figures from Middlesex and Elgin Counties have also been compiled to determine population of the London CMA. These figures include adjustments to the corresponding Census population figures in order to adjust for the Census undercount. Undercount figures used for all areas in the London CMA include 3.962% in 2001, 4.029% in 2006. and 4.66% in 2011 (for City of London London CMA only, based on Statistics Canada 2011 Census population released in March, 2012).
The population estimates for 2011 and the population projections for 2014 to 2026 are Kircher Research Associates Ltd. Estimates, based on the 2006 population levels; growth forecasts prepared by City of London and Middlesex and Elgin County governments; and a review of of historic trends in population growth for the study area. The population figures have been rounded to the nearest 100 persons.

Population

The current and future population residing in the Study Area is one of the most important factors in determining the sales potential available to existing and proposed retail facilities in the area under study. Forecast population levels for the Study Area are based on a number of factors, including:

- the future economic development potential within the Study Area;
- the availability of suitable lands and necessary services to accommodate new residential development;
- historic and forecast trends in population growth and family formation, which will affect the demand for housing; and,
- municipal planning targets.

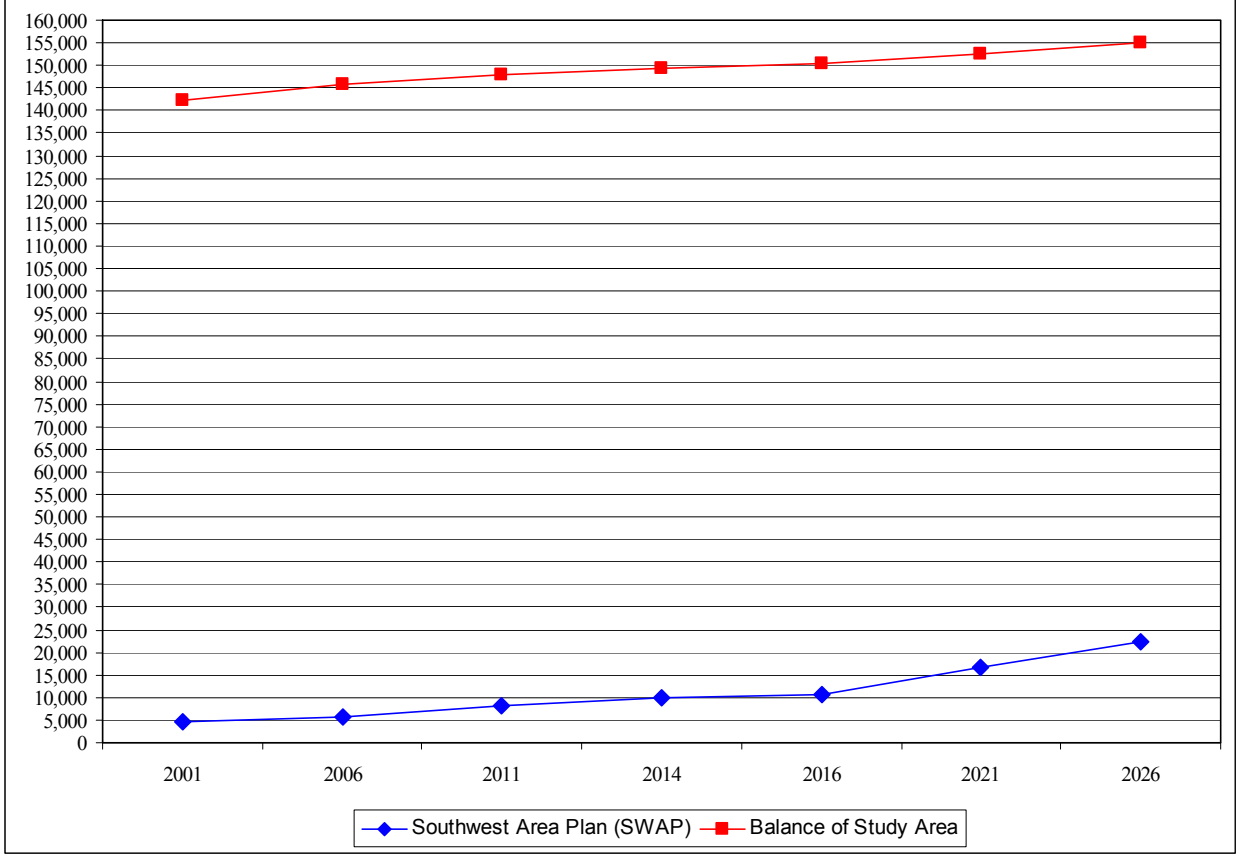
In the following discussion we review the historic population growth in the market area since 2001 and examine projections of future population levels in the market area for selected years to 2026.

Historic, Current and Projected Study Area Population

Table 1 and Figure 1, on the following page, present the historic, current and projected population levels for the Study Area and SWAP. The population figures for 2001, 2006 and 2011 are based on revised intercensal population estimates which include the different components of the market area, as explained in the footnote to Table 1.

The revised intercensal population estimates include an adjustment to the Census population figures in order to make them conform to the revised definition of population employed by the 2001, 2006, and 2011 Census. This revised definition includes several groups that previously had been excluded from the Census, notably non-permanent residents like refugee claimants and persons holding student or employment authorizations or Minister's permits.

FIGURE 1: HISTORIC, CURRENT AND PROJECTED POPULATION



A further adjustment has then been made to the population figures for 2001, 2006 and 2011 in order to correct for what Statistics Canada has termed the net "under coverage" or "undercount" of population reported by the Census. This refers to the under-reporting of actual population levels due to the failure to survey all individuals who should be included in the Census.

The forecast populations for 2014 to 2026 that are indicated in Table 1 for the Study Area and SWAP are Kircher Research Associates Ltd. estimates based on City of London projections. The footnote to Table 1 explains the sources and adjustments made regarding population levels.

Based on the data shown in Table 1, the total Study Area population increased from 146,900 persons in 2001 to an estimated 156,000 persons in 2011. This represents an increase of about 6.2% and reflects a total increase of 9,100 persons during this 10-year period, or an average increase of about 910 persons per year. The population projection for 2014 is 159,100 persons, with further population growth expected thereafter, resulting in 177,500 persons by 2026.

The SWAP population increased from 4,700 in 2001 to 8,200 by 2011. It is expected to grow at an annual rate similar to the recent past and reach 10,800 persons by 2016. Thereafter, population growth is expected to accelerate resulting in 22,500 persons by 2026. At ultimate build-out SWAP may include 48,770 persons.

The City of London increased its population from 351,000 persons in 2001 to 383,200 persons by 2011. This indicated an annual growth of 0.9% per year or just over 3,000 persons. Future grow is expected at a similar rate resulting in some 433,200 persons by 2026.

The population of the London Census Metropolitan Area (CMA) is also shown on Table 1. It stood at 496,900 in 2011 and is expected to reach 572,800 by 2026.

SECTION 5

STUDY AREA INCOME

TABLE 2
PERSONAL PER CAPITA INCOME

Year	Canada Per Capita Income (1	Canada Percentage Increase	Ontario Per Capita Income (2	Ontario Percentage Increase	Ontario as a % of Canada
1991	$21,428	--	$23,751	--	110.8
1992	$21,718	1.4%	$24,010	1.1%	110.6
1993	$22,097	1.7%	$23,960	-0.2%	108.4
1994	$22,301	0.9%	$24,095	0.6%	108.0
1995	$22,937	2.9%	$24,785	2.9%	108.1
1996	$23,208	1.2%	$24,930	0.6%	107.4
1997	$23,924	3.1%	$25,786	3.4%	107.8
1998	$24,814	3.7%	$26,801	3.9%	108.0
1999	$25,755	3.8%	$27,959	4.3%	108.6
2000	$27,384	6.3%	$29,751	6.4%	108.6
2001	$28,256	3.2%	$30,360	2.0%	107.4
2002	$28,668	1.5%	$30,553	0.6%	106.6
2003	$29,450	2.7%	$31,132	1.9%	105.7
2004	$30,812	4.6%	$32,363	4.0%	105.0
2005	$32,116	4.2%	$33,480	3.5%	104.2
2006	$33,977	5.8%	$34,956	4.4%	102.9
2007	$35,672	5.0%	$36,430	4.2%	102.1
2008	$36,867	3.3%	$37,050	1.7%	100.5
2009	$36,428	-1.2%	$36,722	-0.9%	100.8
2010	$37,506	3.0%	$37,803	2.9%	100.8
2011	$38,616	3.0%	$38,406	1.6%	99.5

	2011 Per Capita Income (3	2011 Index to Ontario (4	2011 Per Household Income (3	2011 Index to Ontario (5
Province of Ontario	$38,406	100.0	$101,390	100.0
Sthwest. Area Plan (SWAP)	$48,390	126.0	$133,555	131.7
Balance of Study Area	$37,830	98.5	$92,685	91.4
Total Study Area	**$38,405**	**100.0**	**$94,475**	**93.2**
CITY OF LONDON	$38,020	99.0	$91,250	90.0
LONDON CMA	$37,830	98.5	$93,060	91.8

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2011 are based on Statistics Canada, *National Income and Expenditure Accounts, Data Tables, Fourth Quarter 2011* (Catalogue #13-019).

2) The figures for 1991 to 2005 are based on Statistics Canada, *Provinciall and Territorial Economic Accounts, Data Tables 2008 Estimates* (Catalogue #13-018). The figures for 2006 to 2011 are based on Ontario Ministry of Finance, *Ontario Economic Accounts, Third Quarter 2011.*

3) Rounded to the nearest $5.00.

4) These indices are Kircher Research Associates Ltd. estimates, based on Statistics Canada,*2006 Census of Canada,* which reports 2005 income; and on a review of Canada Revenue Agency, *Locality Code Statistics, 2002 to 2009* .

5) These indices are Kircher Research Associates Ltd. estimates, based on Statistics Canada, *2001* and *2006 Census of Canada,* average household size data for the Province, the study area , City of London and London CMA.

SECTION 5
STUDY AREA INCOME

In addition to the future population, Study Area residents' income levels are also important in determining the future retail sales potential available to the existing and any additional retail facilities in the Study Area. This section of the study contains a discussion of the income levels of Study Area residents.

It has been our experience, based on previous market research, that average per capita income levels provide a reasonable guide to the expenditure habits of the population living within a defined market area. Although there are several intervening variables influencing consumer habits and shopping preferences, population groupings with similar income characteristics tend to exhibit similar expenditure habits for broad merchandise categories.

Study Area Per Capita and Average Household Income

The average personal per capita income for Canada and Ontario has been indicated in the upper portion of Table 2 for the years 1991 to 2011. The relationship between the per capita income levels for Canada and Ontario has also been summarized in this table. These income levels reflect the revised intercensal population estimates.

The upper portion of Table 2 indicates that the average per capita income for Canada, in nominal dollar values, has increased from $21,428 in 1991 to an estimated $38,616 during 2011. Similarly, the average per capita income for Ontario has increased from $23,751 in 1991 to an estimated $38,406 in 2011. These figures represent total personal income before tax from all sources, based on the definitions used in Statistics Canada, *National Income and Expenditure Accounts* (Catalogue #13-001).

Between 1991 and 2011, Ontario's average income level generally grew at a slower rate than Canada's. Ontario's average income level has fallen below the national average by 2011. It is currently estimated at 0.5 % below the national average.

The lower portion of Table 2 indicates the 2011 average personal per capita income levels for Ontario, the Study Area and SWAP. This information was calculated from data published in the

2006 Census of Canada and more recent Revenue Canada taxation statistics. The per capita income levels are used in the expenditure calculations presented in subsequent sections of this study.

The 2011 average per capita income level for Study Area residents is estimated at $38,405, which is identical to the provincial average. The SWAP average income at $ 48,390 lies substantially above the Ontario Average. This is solely caused by the income of Lambeth residents. It is likely that as the SWAP area population growths in future years, the average income for that area may approach the Study Area average. However, it should be noted that we have not made such an adjustment in the study. Since income levels have a direct effect on retail expenditures, this suggests that the future retail volume potential identified for SWAP may be somewhat overstated.

The lower portion of Table 2 also indicates the 2011 average household income for Ontario, the Study Area and SWAP. The average household income for Ontario is estimated at $ 101,390. Study Area residents have an average household income of $ 94,475, some 6.8 % below the provincial average. SWAP area average household income was $133,555, 31.7% above the provincial level. Again, it must be stressed again that this is related to a relatively small population base.

SECTION 6

STUDY AREA FOOD STORE EXPENDITURE POTENTIAL

SECTION 6
STUDY AREA FOOD STORE EXPENDITURE POTENTIAL

The food store category can be divided into two major components: supermarkets and grocery stores; and convenience and specialty food stores. We define supermarkets and grocery stores as food stores that sell a wide selection of produce and grocery items, dairy products and fresh meat, as well as household cleaning supplies and have a central check-out area. Convenience and specialty food stores include jug milk stores, bakeries, delicatessens, meat and fish markets, produce markets and other similar stores.

In the past, our definition of the food store category also included the food and grocery components of Costco. This necessitated the transfer of a portion of the sales at warehouse membership clubs from the general merchandise category into the food store category. However, with the increasing complexity of the merchandise mix in other store types (i.e. Wal-Mart and Zellers now carry more food items, Shoppers Drug Mart has a food department and large Loblaws stores carry non-food GAFO items), such adjustments between retail store categories have not been made in this study. We have analyzed retail sales as reported by Statistics Canada under the North American Industry Classification System (NAICS) as indicated above.

The food store category does not include food service facilities such as restaurants or fast food outlets, wholesale food distributors, or the food and grocery components of warehouse membership clubs, general merchandise stores (including Wal-Mart Supercentres), general stores, variety stores and drug stores. The method used to calculate per capita food store expenditures from Statistics Canada data is presented in Table E-1. A comprehensive list of all stores in the food store category is shown in Table E-6 of Appendix E. This section of the study shows the calculation of the food store expenditure potential in the Study Area.

TABLE 3
PER CAPITA FOOD STORE EXPENDITURE POTENTIAL

	1991	1996	2001	2006	2011
Province of Ontario					
Per Capita Income	$23,751	$24,930	$30,360	$34,956	$38,406
Per Capita Food Store Expenditures (1	$1,476	$1,457	$1,607	$1,943	$2,187
% of Income	6.2%	5.8%	5.3%	5.6%	5.7%

	2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)					
Per Capita Income	$48,390				
Per Capita Food Store Expenditures (2	$2,415	$2,415	$2,415	$2,415	$2,415
% of Income	5.0%				
Population	8,200	9,800	10,800	16,500	22,500
Total Food Store Expenditure Potential ($Millions)	**$19.8**	**$23.7**	**$26.1**	**$39.8**	**$54.3**
Balance of Study Area					
Per Capita Income	$37,830				
Per Capita Food Store Expenditures (2	$2,175	$2,175	$2,175	$2,175	$2,175
% of Income	5.7%				
Population	147,800	149,300	150,300	152,600	155,000
Total Food Store Expenditure Potential ($Millions)	**$321.5**	**$324.7**	**$326.9**	**$331.9**	**$337.1**
TOTAL STUDY AREA					
Total Food Store Expenditure Potential ($Millions)	**$341.3**	**$348.4**	**$353.0**	**$371.7**	**$391.4**

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2011 are based on Statistics Canada, *Retail Trade* (Catalogue #63-005). These figures include supermarket and grocery stores and convenience and specialty food store expenditures.

2) The figures for 2011 have been estimated by Kircher Research Associates Ltd., based on the income relationship for each component of the study area to the province, using an elasticity of 0.40 These figures have been forecast to increase in real terms (i.e. excluding inflation) in future years at 0.0% per year. Rounded to the nearest $5.00.

Calculation of Food Store Expenditure Potential

The relationship between per capita income and per capita food store expenditures has been summarized in Table 3 for the Province of Ontario and the Study Area. The upper portion of this table shows the relationship between per capita income and per capita food store expenditures in Ontario for selected years between 1991 and 2011. The per capita food store expenditures shown in Table 3 reflect the revised intercensal population estimates discussed in Section 4 of this study and are consistent with the per capita income levels derived from Table 2.

Between 1991 and 2011, per capita income growth in Ontario has been accompanied by increased per capita food store expenditures. However, the share of income represented by food store expenditures has generally declined since 1991. In 1991, Ontario residents spent an average of $1,476 per person in food stores, or about 6.2% of their per capita income of $23,751. By 2011, per capita food store expenditures in Ontario had increased to $2,187, but as a share of the per capita income of $38,406 they had declined to 5.7 %. It should be stressed again that the fact that Costco grocery sales and those of Wal-Mart Supercentres are not included in the food store category tends to distort actual expenditure patterns.

The 2011 per capita food store expenditures for each sector of the market area have been indicated in the lower portion of Table 3. These estimates have been calculated based on the income relationship between the province and each market area component, using an income elasticity factor of 0.40. This means that an income differential of 10% results in an expenditure differential of 4.0%. The derivation of this income elasticity factor has been explained in Appendix D.

Recognizing the varying income levels between the two sectors and the province, the current per capita food store expenditures are estimated at $2,415 in SWAP and $2,175 in the Balance of the market Area. These expenditures have been forecast to remain constant during the study period. As expressed in the assumptions underlying this study, future changes in expenditure patterns that are solely due to inflation have not been recognized in our analysis. Future expenditure levels, therefore, reflect the 2011 value of the Canadian dollar. A detailed analysis of historic real growth in food store expenditures is presented in Appendix C.

The total food store expenditure potential has then been calculated for each sector of the market area and each year of the study period by multiplying the per capita food store expenditure level by the corresponding population. The population level was previously calculated in Table 1 in

Section 4 of this study. Based on these calculations, the total food store expenditure potential for the total market area is estimated at $341.3 million in 2011. It is expected to increase to $371.7 million by 2021 with further increases expected by 2026. Future volume potential is, expressed in constant 2011-dollar values.

Inflow and Outflow

The total food store expenditure potential calculated in Table 3 represents expenditures made by market area residents at all food stores located inside and outside the market area. Additional sales support for stores in the market area will also be derived from persons whose residence is located outside the market area. These additional sales are termed ***inflow***. Inflow expenditures are made by visitors, tourists and local employees living beyond the defined market area boundary. Inflow has been recognized in the supermarket and grocery store residual demand analysis.

Market area residents also make a portion of their retail purchases at food stores located outside the market area. These expenditures are referred to as ***outflow***. Outflow is recognized in the determination of SWAP market shares.

SECTION 7

SUPERMARKET AND GROCERY STORE RESIDUAL DEMAND ANALYSIS

TABLE 4
DISTRIBUTION OF TOTAL FOOD STORE EXPENDITURE POTENTIAL (%)

HISTORIC DISTRIBUTION OF TOTAL FOOD STORE EXPENDITURES FOR ONTARIO (1		
Year	**Supermarket and Grocery Store**	**Convenience and Specialty Food Store**
1991	84.4%	15.6%
1992	86.5%	13.5%
1993	86.8%	13.2%
1994	86.3%	13.7%
1995	83.2%	16.8%
1996	85.7%	14.3%
1997	86.2%	13.8%
1998	86.6%	13.4%
1999	85.9%	14.1%
2000	86.8%	13.2%
2001	85.8%	14.2%
2002	86.8%	13.2%
2003	87.4%	12.6%
2004	88.6%	11.4%
2005	88.7%	11.3%
2006	88.1%	11.9%
2007	87.2%	12.8%
2008	87.5%	12.5%
2009	87.7%	12.3%
2010	86.9%	13.1%
2011	87.1%	12.9%

DISTRIBUTION OF ONTARIO TOTAL FOOD STORE EXPENDITURES FOR 2011 (1		
Food Store Category	**Expenditures**	**Distribution**
Supermarket and Grocery Store	$1,906	87.1%
Convenience and Specialty Food Store	$281	12.9%
TOTAL	**$2,187**	**100.0%**

DISTRIBUTION OF STUDY AREA TOTAL FOOD STORE EXPENDITURES FOR 2011 (2		
Zone	**Supermarket and Grocery Store**	**Convenience and Specialty Food Store**
SWAP	90.0%	10.0%
Balance of Study Area	92.5%	7.5%
Total Study Area	**92.4%**	**7.6%**

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2011 are Kircher Research Associates Ltd. estimates based on Statistics Canada, *Retail Trade* (Catalogue #63-005) data.
2) These figures are Kircher Research Associates Ltd. estimates based on: the historic trends for Ontario; and an evaluation of the existing Study Area food store competition.

SECTION 7
SUPERMARKET AND GROCERY STORE RESIDUAL DEMAND ANALYSIS

This section of the study presents our analysis of the expenditure potential available for supermarkets and grocery stores located within SWAP.

The market area inventory of competitive retail and service space includes a complete inventory of food stores located in the Study Area. There are three supermarkets in SWAP totalling 177,000 square feet and nine supermarkets in the Balance of the Study Area with 370,000 square feet. The 547,000 square feet of supermarket space in the Study area represents a service ratio of 3.5 square feet per capita. This ratio lies at the upper end of a normal service ratio and it but does not include the additional grocery services provided by Costco.

Distribution of Total Food Store Expenditures

Supermarket and grocery store expenditures account for the majority of total food store expenditures, with the balance attributable to convenience and specialty food stores. The portion of total food store expenditures made at supermarkets and grocery stores is termed the supermarket and grocery store share of total food store expenditures. The portion made at convenience and specialty food stores is termed the convenience and specialty food store share.

The top part of Table 4 presents the percentage distribution of total food store expenditures between supermarkets and grocery stores and convenience and specialty food stores in Ontario for 1991 to 2011. As indicated, the supermarket and grocery store share in Ontario increased from 84.4% in 1991 to 87.1% in 2011, while the convenience and specialty food store share declined from 15.6% to 12.9% during this period. The middle part of Table 4 presents a detailed calculation of the 2011 distribution.

Based on the historic trends for Ontario and the inventory of existing food store space in the market area, we have estimated the current distribution applicable to the Study Area. These figures are presented in the lower part of Table 4. The supermarket and grocery store share for SWAP is estimated at 90.0 % for 2011, while the convenience and specialty food store share is estimated at 10.0%. In the Balance of the Study Area, the supermarket share is slightly higher, reflecting the competitive structure.

TABLE 5
DISTRIBUTION OF TOTAL FOOD STORE EXPENDITURE POTENTIAL ($Millions)

					2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)									
Total Food Store Expenditure Potential					$19.8	$23.7	$26.1	$39.8	$54.3
Supermarket and	@ Current Level	@	90.0%	(1	$17.8	$21.3	$23.5	$35.8	$48.9
Grocery Store Share	@ Forecast Level	@	85.0%	(2		$20.1	$22.2	$33.8	$46.2
Convenience and	@ Current Level	@	10.0%	(1	$2.0	$2.4	$2.6	$4.0	$5.4
Specialty Food Share	@ Forecast Level	@	15.0%	(2		$3.6	$3.9	$6.0	$8.1
Balance of Study Area									
Total Food Store Expenditure Potential					$321.5	$324.7	$326.9	$331.9	$337.1
Supermarket and	@ Current Level	@	92.5%	(1	$297.4	$300.3	$302.4	$307.0	$311.8
Grocery Store Share	@ Forecast Level	@	90.0%	(2		$292.2	$294.2	$298.7	$303.4
Convenience and	@ Current Level	@	7.5%	(1	$24.1	$24.4	$24.5	$24.9	$25.3
Specialty Food Share	@ Forecast Level	@	10.0%	(2		$32.5	$32.7	$33.2	$33.7
TOTAL STUDY AREA									
Total Food Store Expenditure Potential					$341.3	$348.4	$353.0	$371.7	$391.4
Supermarket and Grocery Store Share					**$315.2**	**$312.3**	**$316.4**	**$332.5**	**$349.6**
As a % of Total Food Store Expenditure Potential					**92.4%**	**89.6%**	**89.6%**	**89.5%**	**89.3%**
Convenience and Specialty Food Store Share					**$26.1**	**$36.1**	**$36.6**	**$39.2**	**$41.8**
As a % of Total Food Store Expenditure Potential					**7.6%**	**10.4%**	**10.4%**	**10.5%**	**10.7%**

SOURCE: Kircher Research Associates Ltd.

1) The current supermarket and grocery store and convenience and specialty food expenditures shares are based on: Statistics Canada, *Retail Trade* (Catalogue #63-005); a special tabulation of *Retail Trade* data obtained from Statistics Canada; and an evaluation of the existing study area supermarket and grocery store and convenience and specialty food store competition.

2) The forecast supermarket and grocery store and convenience and specialty food expenditure shares are Kircher Research Associates Ltd. estimates.

Distribution of Market Area Total Food Store Expenditure Potential

The total food store expenditure potentials that were previously calculated in Table 3 for each market area components and each year of the study period have been transferred to Table 5. These volumes have then been distributed between supermarkets and grocery stores and convenience and specialty food stores based on the estimated shares indicated in Table 4.
SWAP residents are estimated to have a supermarket and grocery store expenditure potential of $17.8 million in 2011, while their convenience and specialty food store expenditure potential is calculated at $ 2.0 million, based on total food store expenditures of $19.8 million. Similar calculations have been made for residents of the Balance of the study Area. Based on these calculations, the total supermarket and grocery store volume of all market area residents is estimated at $ 315.2 million in 2011, while their convenience and specialty food store volume is estimated at $26.1 million, as indicated in Table 5.

The distribution of expenditures between the two food store categories is expected to change slightly because current supermarket shares are above normal levels. Based on the forecasts calculated in Table 5, the supermarket and grocery potential of all market area residents is estimated to increase from $ 315.2 million in 2011 to $ 332.5 million by 2021 with a further increase to the end of the study period. The convenience and specialty food store potential of all market area residents is also expected to grow, from $26.1 million to $ 39.2 million by 2021 and to $41.8 million by 2026.

Supermarket and Grocery Store Residual Demand Analysis

Table 6 examines the expenditure potential available for supermarkets and grocery stores within SWAP. The supermarket and grocery store expenditure potentials that were calculated in Table 5 for each market area component and each year of the study period have been transferred to Table 6. SWAP shares have been applied to these volume potentials in order to determine the portion of market area residents' expenditures spent at supermarkets and grocery stores in SWAP. The estimated 2011 SWAP shares for each market area component are expected to increase in the future, due to the additional supermarket and specific store brand likely to be added in SWAP.

The second page of Table 6 summarizes the results for the total market area. Based on the calculations presented on the first page of the table, the total Study Area potential, generated from Study Area residents, is estimated at $ 94.3 million in 2011 and is expected to increase to about $ 118.3 million by 2021 and to $ 130.3 million by 2026. The inflow from outside the defined Study Area is estimated to average 10.0%. The total volume potential available in SWAP is divided by a normal range of sales per square foot, as shown on Table 6. At the mid point of the range employed it indicates 175,000 square feet of warranted space which is similar to the inventoried space.

The residual space is determined by deducting existing space from the range of future warranted space, as indicated at the bottom of Table 6. By 2021, for example, it ranges between 25,000 and 62,000 square feet.

TABLE 6
SUPERMARKET AND GROCERY STORE RESIDUAL DEMAND ANALYSIS ($Millions)

				2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)								
Supermarket and Grocery Store Expenditure Potential				$17.8	$20.1	$22.2	$33.8	$46.2
SWAP Share	@ Current Level	@	70.0% (1	$12.5	$14.1	$15.5	$23.7	$32.3
	@ Forecast Level	@	85.0% (2		$17.1	$18.9	$28.7	$39.3
Less: Effective Competition				$12.5	$12.5	$12.5	$12.5	$12.5
Residual Potential					$4.6	$6.4	$16.2	$26.8
Balance of Study Area								
Supermarket and Grocery Store Expenditure Potential				$297.4	$292.2	$294.2	$298.7	$303.4
SWAP Share	@ Current Level	@	27.5% (1	$81.8	$80.4	$80.9	$82.1	$83.4
	@ Forecast Level	@	30.0% (2		$87.7	$88.3	$89.6	$91.0
Less: Effective Competition				$81.8	$81.8	$81.8	$81.8	$81.8
Residual Potential					$5.9	$6.5	$7.8	$9.2

TABLE 6 (Continued)
SUPERMARKET AND GROCERY STORE RESIDUAL DEMAND ANALYSIS ($Millions)

	2011	2014	2016	2021	2026
TOTAL STUDY AREA					
Supermarket and Grocery Store Expenditure Potential	$315.2	$312.3	$316.4	$332.5	$349.6
SWAP Share	$94.3	$104.8	$107.2	$118.3	$130.3
As a % of Supermarket Expenditure Potential	29.9%	33.6%	33.9%	35.6%	37.3%
Less: Effective Competition	$94.3	$94.3	$94.3	$94.3	$94.3
Residual Potential		$10.5	$12.9	$24.0	$36.0
Plus: Inflow from Outside the Study Are @ 10.0% (3	$10.5	$11.6	$11.9	$13.1	$14.5
TOTAL SALES VOLUME	**$104.8**	**$116.4**	**$119.1**	**$131.4**	**$144.8**

Total Warranted Space (4		**Square Feet GLA (5**				
@	$550 Per Sq. Ft. GLA	191,000	212,000	217,000	239,000	263,000
@	$600 Per Sq. Ft. GLA	175,000	194,000	199,000	219,000	241,000
@	$650 Per Sq. Ft. GLA	161,000	179,000	183,000	202,000	223,000

Residual Space	**Square Feet GLA (5**			
Base 2011	35,000	40,000	62,000	86,000
177,000	17,000	22,000	42,000	64,000
	2,000	6,000	25,000	46,000

SOURCE: Kircher Research Associates Ltd.

1) The SWAP shares are based on an evaluation of the existing / future study area supermarket and grocery store competition.

2) The forecast SWAP shares are Kircher Research Associates Ltd. estimates.

3) The inflow level has been estimated as a percentage of the total sales volume,.

4) Actual: 177,000 sq. ft.

5) Rounded to the nearest 1,000 square feet GLA.

Convenience and Specialty Food Store Residual Demand

The warranted space calculation for this store category uses a similar methodology as explained in the supermarket category. The SWAP shares reflect the existing inventory and typical shopping patterns. The inflow estimate is 5.0% reflecting the minimal regional effect of specialty food stores in suburban areas. The sales per square food employed are significantly lower than those applicable in the supermarket category. As indicated at the bottom of Table 7, by 2021 some 11,000 – 15,000 square feet of specialty food store space are warranted in SWAP.

TABLE 7
CONVENIENCE AND SPECIALTY FOOD STORE TOTAL DEMAND ANALYSIS ($Millions)

				2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)								
Convenience & Specialty Food Store Expenditure Potentia				$2.0	$3.6	$3.9	$6.0	$8.1
SWAP Share	@ Current Level	@	75.0% (1	$1.5	$2.7	$2.9	$4.5	$6.1
	@ Forecast Level	@	80.0% (2			$3.1	$4.8	$6.5
Less: Effective Competition				$1.5	$1.5	$1.5	$1.5	$1.5
Residual Potential					$1.2	$1.6	$3.3	$5.0
Balance of Study Area								
Convenience & Specialty Food Store Expenditure Potentia				$24.1	$32.5	$32.7	$33.2	$33.7
SWAP Share	@ Current Level	@	5.0% (1	$1.2	$1.6	$1.6	$1.7	$1.7
	@ Forecast Level	@	5.0% (2		$1.6	$1.6	$1.7	$1.7
Less: Effective Competition				$1.2	$1.2	$1.2	$1.2	$1.2
Residual Potential					$0.4	$0.4	$0.5	$0.5

TABLE 7 (Continued)
CONVENIENCE AND SPECIALTY FOOD STORE TOTAL DEMAND ANALYSIS ($Millions)

	2011	2014	2016	2021	2026
TOTAL STUDY AREA					
Convenience & Specialty Food Store Expenditure Potenti	$26.1	$36.1	$36.6	$39.2	$41.8
SWAP Share	$2.7	$1.6	$4.7	$6.5	$8.2
As a % of Convenience & Specialty Food Store Expenditu	10.3%	4.4%	12.8%	16.6%	19.6%
Less: Effective Competition	$2.7	$2.7	$2.7	$2.7	$2.7
Residual Potential	$0.0	$1.6	$2.0	$3.8	$5.5
Plus: Inflow from Outside the Study Are @ 5.0% (3	$0.1	$0.2	$0.2	$0.3	$0.4
TOTAL SALES VOLUME	**$2.8**	**$4.5**	**$4.9**	**$6.8**	**$8.6**

Total Warranted Space (4		**Square Feet GLA (5**				
@	$275 Per Square Foot (	10,000	16,000	18,000	25,000	31,000
@	$300 Per Square Foot (	9,000	15,000	16,000	23,000	29,000
@	$325 Per Square Foot (	9,000	14,000	15,000	21,000	26,000

Residual Space	**Square Feet GLA (5**			
Base 2011	6,000	8,000	15,000	21,000
10,000	5,000	6,000	13,000	19,000
	4,000	5,000	11,000	16,000

SOURCE: Kircher Research Associates Ltd.

1) The SWAP shares are based on an evaluation of the existing / future study area convenience. and specialty food store competition.

2) The forecast SWAP shares are Kircher Research Associates Ltd. estimates.

3) The inflow level has been estimated as a percentage of the total sales volume.

4) Actual: 9,900 sq. ft.

5) Rounded to the nearest 1,000 sq. ft.

SECTION 8

STUDY AREA GAFO STORE EXPENDITURE POTENTIAL

SECTION 8
STUDY AREA GAFO STORE EXPENDITURE POTENTIAL

The term GAFO has been adopted by the shopping centre industry to describe non-food store categories, usually found in malls. GAFO stores represent a broad selection of retailers such as general merchandise stores; apparel and accessories stores; furniture, home furnishings and electronics stores; and other non-food retailers. For analytical purposes, we differentiate between department stores and other types of general merchandise stores, thus resulting in the following five major GAFO store categories:

- Department Stores;
- Other General Merchandise Stores;
- Apparel and Accessories Stores;
- Furniture, Home Furnishings and Electronics Stores; and,
- Other Retailers.

It should be noted that ``other general merchandise stores`` include warehouse membership clubs such as Costco and home and auto supply stores such as Canadian Tire. A comprehensive list of all stores in each of these major store categories is shown in Table E-6 of Appendix E. GAFO stores exclude food stores; pharmacies and personal care stores; beer, wine and liquor stores; and building and outdoor home supply stores. Furthermore, financial institutions, food services, personal and laundry services, as well as all other services are also excluded from the GAFO store category. The calculation of per capita GAFO store expenditures from Statistics Canada data is presented in Table E-2 of Appendix E.

GAFO facilities occupy a large part of the existing retail space in the market area. Future retail space in the Study Area may include a substantial amount of GAFO space. Therefore, we have examined the GAFO group separately, in order to estimate the market potential for such retail facilities.

TABLE 8
PER CAPITA GAFO EXPENDITURE POTENTIAL

	1991	1996	2001	2006	2011
Province of Ontario					
Per Capita Income	$23,751	$24,930	$30,360	$34,956	$38,406
Per Capita GAFO Expenditures (1	$2,202	$2,421	$3,211	$3,650	$3,722
% of Income	9.3%	9.7%	10.6%	10.4%	9.7%

	2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)					
Per Capita Income	$48,390				
Per Capita GAFO Expenditures (2	$4,510	$4,715	$4,850	$5,185	$5,525
% of Income	9.3%				
Population	8,200	9,800	10,800	16,500	22,500
Total GAFO Expenditure Potential ($Millions)	**$37.0**	**$46.2**	**$52.4**	**$85.6**	**$124.3**
Balance of Study Area					
Per Capita Income	$37,830				
Per Capita GAFO Expenditures (2	$3,865	$4,040	$4,155	$4,445	$4,735
% of Income	10.2%				
Population	147,800	149,300	150,300	152,600	155,000
Total GAFO Expenditure Potential ($Millions)	**$571.2**	**$603.2**	**$624.5**	**$678.3**	**$733.9**
TOTAL STUDY AREA					
Total GAFO Expenditure Potential ($Millions)	**$608.2**	**$649.4**	**$676.9**	**$763.9**	**$858.2**

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2011 are based on Statistics Canada, *Retail Trade* (Catalogue #63-005).

2) The figures for 2011 has been estimated by Kircher Research Associates Ltd., based on the income relationship for each component of the study area to the province, using an elasticity of 0.60. These figures have been forecast to increase in real terms (i.e. excluding inflation) in future years at 1.5% per year. Rounded to the nearest $5.00.

Calculation of GAFO Store Expenditure Potential

The relationship between per capita income and per capita GAFO store expenditures has been summarized in Table 8 for the Province of Ontario and the Study Area. The upper portion of this table shows the relationship between per capita income and per capita GAFO store expenditures in Ontario for selected years between 1991 and 2011. The per capita GAFO store expenditures shown in Table 8 reflect the revised intercensal population estimates discussed in Section 4 of this study and are consistent with the per capita income levels derived from Table 2.

Between 1991 and 2011, per capita income growth in Ontario has been accompanied by increased per capita GAFO store expenditures. The share of income represented by GAFO store expenditures has generally increased since 1991. In 1991, Ontario residents spent an average of $2,202 per person in GAFO stores, or about 9.3% of their per capita income of $23,751. By 2011, per capita GAFO store expenditures in Ontario had increased to $3,722, which represents 9.7% of the per capita income of $38,406.

The 2011 per capita GAFO store expenditures for each sector of the market area are shown in the lower portion of Table 8. These estimates have been calculated based on the income relationship between the province and each Study Area component, using an income elasticity factor of 0.60. This means that an income differential of 10% results in an expenditure differential of 6.0%. The derivation of this income elasticity factor has been explained in Appendix D.

Recognizing the varying income levels between the two Study Area segments and the province, current per capita GAFO store expenditures are estimated at $4,510 in the SWAP Zone, and $3,865 in the Balance of the Study Area. These expenditures have been forecast to increase in real terms (i.e. excluding inflation) at 1.5% per year after 2011. Annual growth might be slightly below this estimate in the next year or two, but is expected to average out over the total study period. As expressed in the assumptions underlying this study, future changes in expenditure patterns that are solely due to inflation have not been recognized in our analysis. Future expenditure levels, therefore, reflect the 2011 value of the Canadian dollar. A detailed analysis of historic real growth in GAFO store expenditures is presented in Table C-2, in Appendix C.

The total GAFO store expenditure potential has then been calculated for each sector of the Study Area and each year of the study period by multiplying the appropriate per capita GAFO store expenditure level by the corresponding population level. The population level was previously calculated in Table 1 in Section 4 of this study. Based on these calculations, the total GAFO

store expenditure potential for the total market area is estimated at $608.2 million in 2011. It is expected to increase to $676.9 million by 2016 and grow to $858.2 million by 2026, expressed in constant 2011 dollar values.

Inflow and Outflow

The total GAFO store expenditure potential indicated in Table 8 represents expenditures made by Study Area residents at all such stores located inside and outside the delineated Study Area. Additional sales support will also be derived from persons whose residence is located outside the Study Area. These additional sales are termed ***inflow***. Inflow expenditures are made by visitors, tourists and local employees living beyond the defined Study Area boundary. Inflow has been recognized in the GAFO store residual demand analysis presented in Table 11 of this study.

Market area residents also make a portion of their retail purchases at GAFO stores located outside the market area. These expenditures are referred to as ***outflow***. The outflow is recognized in the calculation of the SWAP shares. The possible recapture of at least a portion of these outflow expenditures may provide an additional source of market support for new retail facilities in the Study Area and within SWAP.

SECTION 9

GAFO STORE RESIDUAL DEMAND ANALYSIS

TABLE 9
DISTRIBUTION OF TOTAL GAFO STORE EXPENDITURE POTENTIAL (%)

HISTORIC DISTRIBUTION OF TOTAL GAFO STORE EXPENDITURES FOR ONTARIO (1		
Year	**Department Store**	**Non-Department Store GAFO**
1991	21.7%	78.3%
1992	21.8%	78.2%
1993	21.4%	78.6%
1994	20.8%	79.2%
1995	21.1%	78.9%
1996	21.6%	78.4%
1997	22.0%	78.0%
1998	21.6%	78.4%
1999	21.5%	78.5%
2000	20.7%	79.3%
2001	21.3%	78.7%
2002	21.3%	78.7%
2003	20.9%	79.1%
2004	20.8%	79.2%
2005	21.0%	79.0%
2006	20.5%	79.5%
2007	20.0%	80.0%
2008	20.0%	80.0%
2009	20.0%	80.0%
2010	-	-
2011	21.1%	78.9%

DISTRIBUTION OF STUDY AREA TOTAL GAFO STORE EXPENDITURES FOR 2011 (2		
Zone	**Department Store**	**Non-Department Store GAFO**
SWAP	15.0%	85.0%
Balance of Study Area	21.0%	79.0%
Total Study Area	**20.7%**	**79.3%**

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2004 are Kircher Research Associates Ltd. estimates, based on Statistics Canada, *Retail Trade* (Catalogue #63-005) data. The figures for 2005 to 2009 are Kircher Research Associates Ltd. estimates, based on third quarter 2005 data and our projections. 2010 figures are confidential. The 2011 figures are based on Statistics Canada, *Retail Trade* (Catalogue #63-005).
2) These figures are Kircher Research Associates Ltd. estimates, based on: the historic trends for Ontario; and an evaluation of the existing Study Area GAFO store competition.

SECTION 9
GAFO STORE RESIDUAL DEMAND ANALYSIS

This section of the study presents our analysis of the expenditure potential available to GAFO stores within SWAP for selected time intervals. We have recognized the GAFO volume served by department stores in the following analysis. We have also considered the demand for non-department store GAFO retailers, which include general merchandise stores; apparel and accessories stores; furniture, home furnishings and electronics stores; and other retailers.

Distribution of Total GAFO Store Expenditures

As discussed in Section 6 and detailed in Appendix E of this study, GAFO facilities are comprised of department stores and non-department store GAFO retailers. Department stores are usually large-space retailers offering a broad selection of merchandise. In Canada departments stores include The Bay, Sears, Wal-Mart, and Zellers. Most of the Zellers stores will become Target stores in 2013. However, 35 of the Zellers stores will become Wal-Mart stores. Statistics Canada generally defines a department store as a retail outlet that sells the following broad lines of merchandise: family clothing and apparel; furniture, appliances and home furnishings; and miscellaneous other goods. Non-department store GAFO facilities are specialty stores that are normally, but not always, much smaller than department stores and usually specialize in narrow lines of merchandise, such as women's apparel or jewellery.

The portion of total GAFO store expenditures that are made in department stores is referred to as the department store share of GAFO store expenditures. This includes all expenditures made at discount and traditional department stores. The portion of total GAFO store expenditures that are not made in department stores is termed the non-department store GAFO share.

The top portion of Table 9 presents the historic department store and non-department store GAFO shares in the Province of Ontario for 1991 to 2011. These figures indicate that the department store share has generally been declining between 1991 and 2009 but has increased again in 2011. This reflects the supermarket component of Wal-Mart stores which is included in the department store category. Conversely, the non-department store GAFO share has been increasing until 2009. The historic decline in the department store share and the associated increase in the non-department store GAFO share are due to a number of factors, including:

- the ability of specialty stores to react more quickly to changing consumer demands and preferences;
- an increase in the number of large format specialty stores, including "category killers," warehouse membership clubs and other "big box" stores;
- the take-overs and amalgamations in the department store sector, which have reduced the number of department store chains and stores in operation; and,
- the increasing use by consumers of alternative channels of distribution of retail goods, such as mail order, catalogue and Internet shopping.

Despite the long-term decline in the department store share, the aggressive expansion of Wal-Mart in the Ontario market and the addition of their grocery component have led to increases in shares. Wal-Mart's acquisition of former Woolco stores has more than quadrupled the sales volume of these previously existing facilities, which has also influenced the department store share. The imminent conversion of Zellers to Target stores and the Wal-Mart acquisition of some of the Zellers stores will likely stabilize the department store share of GAFO in the future.

Based on the historic trends for Ontario, as well as our previous market experience, we have estimated the department store and non-department store GAFO shares applicable to the Study Area and SWAP in 2011. These estimates are presented in the bottom portion of Table 9.

SWAP residents are estimated to have a department store share of 15.0% and a non-department store GAFO share of 85.0% in 2008. In the Balance of the Study Area the department store share is estimated at 21.0% and the non-department store share at 79.0%.

TABLE 10
DISTRIBUTION OF TOTAL GAFO EXPENDITURE POTENTIAL ($Millions)

		2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)						
Total GAFO Expenditure Potential		$37.0	$46.2	$52.4	$85.6	$124.3
Department Store Share	@ 15.0% (1	$5.6	$6.9	$7.9	$12.8	$18.6
Non-Department Store GAFO Share	@ 85.0% (1	$31.4	$39.3	$44.5	$72.8	$105.7
Balance of Study Area						
Total GAFO Expenditure Potential		$571.2	$603.2	$624.5	$678.3	$733.9
Department Store Share	@ 21.0% (1	$120.0	$126.7	$131.1	$142.4	$154.1
Non-Department Store GAFO Share	@ 79.0% (1	$451.2	$476.5	$493.4	$535.9	$579.8
TOTAL STUDY AREA						
Total GAFO Expenditure Potential		$608.2	$649.4	$676.9	$763.9	$858.2
Department Store Share		**$125.6**	**$133.6**	**$139.0**	**$155.2**	**$172.7**
As a % of Total GAFO Expenditure Potential		**20.7%**	**20.6%**	**20.5%**	**20.3%**	**20.1%**
Non-Department Store GAFO Share		**$482.6**	**$515.8**	**$537.9**	**$608.7**	**$685.5**
As a % of Total GAFO Expenditure Potential		**79.3%**	**79.4%**	**79.5%**	**79.7%**	**79.9%**

SOURCE: Kircher Research Associates Ltd.

1) The current department store and non-department store GAFO shares for study area residents are based on: Statistics Canada, *Retail Trade* (Catalogue #63-005); a special tabulation of *Retail Trade* data obtained from Statistics Canada; and an evaluation of the study area inventory of competitive space.

Distribution of Market Area Total GAFO Store Expenditure Potential

The total GAFO store expenditure potentials that were previously calculated in Table 8 (see Section 6) for each component of the market area and each year of the study period have been transferred to Table 10. These volumes have then been distributed between department stores and non-department store GAFO retailers based on the estimated shares indicated in Table 9.

Applying the previously discussed shares, SWAP residents' department store expenditure potential is estimated at $ 5.6 million in 2011, all of which is currently spent outside SWAP. Their non-department store GAFO expenditure potential is calculated at $ 31.4 million, reflecting total GAFO store expenditures of about $ 37.0 million that were calculated in Table 8. Similar calculations have been made for residents of the Balance of the Study area. In this Sector, the department store component totals $ 120.0 million and the non-department store share $ 451.2 million. The total department store volume of all Study Area residents is estimated at $ 125.6 million in 2011, while their non-department store GAFO volume is estimated at $ 482.6 million.

We do not expect a material change in the distribution between department store and non-department store expenditures during the study period, for the reasons explained above. However, due to continuing market growth. the total volume available in each category will increase as indicated on Table 10. For example, by 2021 the volume in the department store category will grow by some $ 29.6 million or 23.6%, and that in the non-department store category will grow by about $ 126.1 million to 2021 expressed in constant 2011 dollar values.

Department Store Residual Demand Analysis

Table 11 contains a residual demand analysis of the potential department store volume available for department stores locating within SWAP. Although there are no department stores located in SWAP, its residents currently spent some $ 5.6 million in department stores located in other areas as noted on Table 10. The SWAP share of the department store potential is directly influenced by the market entry timing of a potential future department store. We have tested the market for 2014 but assume that the first full year of operation of a future department store is more likely the year 2016.

As discussed in Appendix A, there are four department store brands operating in London. SWAP may be able to attract one such tenant, likely a discount format. When that takes place, we estimate that the SWAP's store share of total, locally generated, department store potential may be about 40.0%. Such a store located in SWAP would also attract volume from the Balance of the Study Area, estimated at approximately 25.0% of the volume generated in that market segment. The market share calculations are shown on Table 11. As indicated on the second page of Table 11, the Study Area department store volume potential is estimated at $ 34.5 million in 2014, increasing to $ 45.9 million by 2026. The most likely department store tenant would be a Wal-Mart, because the future Target Store will be located directly north of the SWAP boundary, at Westmount and The Bay or Sears are not expected to build a store within SWAP, because they can serve that area well from White Oaks.

Wal-Mart currently has three department stores in London, two in the north and one in the south. A fourth store will open in the north, consisting of the conversion of the Zellers store at Northland. Wal-Mart has made an application to build an additional store at Commissioners Road and Medowlily Road, which is located in the Balance of the Study Area. Wal-Mart also operates department stores in St.Thomas and Strathroy. The number of Wal-Mart stores in the greater London market area would influence the 'inflow' of volume from outside the defined Study Area. We have estimated this inflow at about 25% of total volume, as indicated in Table 11. Based in the existing and likely future competitive structure of that retailer, we consider this inflow to be generous but appropriate, if such a store would have a supermarket component.

By adding the inflow to the locally generated volume potential, we have determined the total available volume. This has been converted to warranted space, through the application of sales per square foot volumes applicable in this case, as shown on Table 11. For example, in 2021 it ranges between 109,000 and 136,000 sq. ft.

TABLE 11
DISTRIBUTION OF TOTAL DEPARTMENT STORE EXPENDITURE POTENTIAL ($Millions)

		2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)						
Total Department Store Expenditure Potential		$5.6	$6.9	$7.9	$12.8	$18.6
SWAP Share	@ Current Level @ 0.0% (1	$0.0	$0.0	$0.0	$0.0	$0.0
	@ Forecast Level @ 40.0% (2		$2.8	$3.2	$5.1	$7.4
Less: Effective Competition		$0.0	$0.0	$0.0	$0.0	$0.0
Residual Potential			$2.8	$3.2	$5.1	$7.4
Balance of Study Area						
Total Department Store Expenditure Potential		$120.0	$126.7	$131.1	$142.4	$154.1
SWAP Share	@ Current Level @ 0.0% (1	$0.0	$0.0	$0.0	$0.0	$0.0
	@ Forecast Level @ 25.0% (2		$31.7	$32.8	$35.6	$38.5
Less: Effective Competition		$0.0	$0.0	$0.0	$0.0	$0.0
Residual Potential			$31.7	$32.8	$35.6	$38.5

TABLE 11 (Continued)
DISTRIBUTION OF TOTAL DEPARTMENT STORE EXPENDITURE POTENTIAL ($Millions)

	2011	2014	2016	2021	2026
TOTAL STUDY AREA					
Total Department Store Expenditure Potential	$125.6	$133.6	$139.0	$155.2	$172.7
SWAP Share	$0.0	$34.5	$36.0	$40.7	$45.9
As a % of Department Store Expenditure Potential	0.0%	25.8%	25.9%	26.2%	26.6%
Less: Effective Competition	$0.0	$0.0	$0.0	$0.0	$0.0
Residual Potential		$34.5	$36.0	$40.7	$45.9
Plus: Inflow from Outside the Study A @ 25.0% (3		$11.5	$12.0	$13.6	$15.3
TOTAL SALES VOLUME		**$46.0**	**$48.0**	**$54.3**	**$61.2**

Total Warranted Space						
			Square Feet GLA (4			
@	$400 Per Sq. Ft. GLA	NA	115,000	120,000	136,000	153,000
@	$450 Per Sq. Ft. GLA	NA	102,000	107,000	121,000	136,000
@	$500 Per Sq. Ft. GLA	NA	92,000	96,000	109,000	122,000

SOURCE: Kircher Research Associates Ltd.

1) The SWAP shares are based on an evaluation of the existing / future study area department store competition.

2) The forecast SWAP shares are Kircher Research Associates Ltd. estimates.

3) The inflow level has been estimated as a percentage of the total sales volume,.

4) Rounded to the nearest 1,000 sq. ft.

Study Area Total Non-Department Store GAFO Expenditure Potential

The non department store retail categories include:

- Other General Merchandise Stores;
- Apparel and Accessories Stores;
- Furniture, Home Furnishings and Electronics Stores; and,
- Other Retailers.

A comprehensive list of all stores in each of these categories is shown in Table E-6 in Appendix E of this study. In this market study, the non-department store categories have been combined in the analysis.

The estimated 2011 non-department store GAFO distributions for each sector of the Study Area have been transferred to Table 12. The current SWAP shares reflect the fact that both Costco and Canadian Tire already operate stores within SWAP. This is important in the market assessment because they are largest stores within the non-department store GAFO store category.

The SWAP share, shown on Table 12, is the estimated volume served by non-department store GAFO retailers located within SWAP. For example, the volume available from SWAP residents, in 2011, totals $ 31.4 million. We estimate that about 40.0% or $12.6 is currently being served by such stores located in SWAP. As the SWAP area continues to develop, we expect this share to increase in future years, as indicated on Table 12. from 40.0% to 70.0%.

Most of the volume generated by stores located in SWAP, particularly the large scale stores, is currently being generated by residents living in the Balance of the Study Area and beyond. We estimate that non-department stores GAFO stores located in SWAP obtain some 55.0% of their volume from the Balance of the Study Area. This share is estimate to remain relatively constant since the largest stores in this category, i.e. Costco and Canadian Tire, are already located in SWAP.

The estimated current and the residual volumes in this store category are shown on the second page of Table 12. They total $260.8 million in 2011 and are project to increase to some $345.7 million by 2021 with further increases expected to the end of the study period. Due to the fact that some of the largest furniture stores located in London, which serve the total regional market, are also located within SWAP, such as Leon's, the Brick and Teppermans, we decided to test the

total market as well as the residual potential, because the inflow implications are very significant. As indicated in Appendix B, we conducted license plate surveys at the Wonderland power centres and at Costco south of Highway 401. The Wonderland surveys most closely reflect the future overall draw of retail facilities located in SWAP but we had to recognize the effect of the major furniture cluster. Thus, even though the inflow at the Wonderland sites totalled 42.4 %, in our market analysis we have used a higher initial inflow, i.e. 47.5 %. This inflow ratio is expected to decline to about 40.0% by 2026, as the future competitive structure in SWAP reflects a more normal balance.

The total volume determined for 2011, as shown on the second page of Table 12, amounting to about $496.8 million has been divided by a range of sales per square foot levels, which we consider to be appropriate, reflecting the current mix of existing retailers. At the mid point of this range, the warranted space indicated totals 1,169,000 square feet. This is almost identical to the existing inventoried space.

In order to determine the residual potential, we have deducted from the space determined for future years the current space. The results are shown at the bottom of Table 12. Using 2021 as an example, the table indicates warranted non-department store space totalling 262,000-436,000 square feet at that time.

TABLE 12
NON-DEPARTMENT STORE GAFO RESIDUAL DEMAND ANALYSIS ($Millions)

		2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)						
Non-Department Store GAFO Expenditure Potential		$31.4	$39.3	$44.5	$72.8	$105.7
SWAP Share	@ Current Level @ 40.0% (1	$12.6	$15.7	$17.8	$29.1	$42.3
	@ Forecast Level @ 60.0% (2			$26.7	$43.7	$63.4
	@ Forecast Level @ 70.0% (2				$51.0	$74.0
Less: Effective Competition		$12.6	$12.6	$12.6	$12.6	$12.6
Residual Potential			$3.1	$14.1	$38.4	$61.4
Balance of Study Area						
Non-Department Store GAFO Expenditure Potential		$451.2	$476.5	$493.4	$535.9	$579.8
SWAP Share	@ Current Level @ 55.0% (1	$248.2				
	@ Forecast Level @ 55.0% (2		$262.1	$271.4	$294.7	$318.9
Less: Effective Competition		$248.2	$248.2	$248.2	$248.2	$248.2
Residual Potential			$13.9	$23.2	$46.5	$70.7

TABLE 12 (Continued)
NON-DEPARTMENT STORE GAFO RESIDUAL DEMAND ANALYSIS ($Millions)

	2011	2014	2016	2021	2026
TOTAL STUDY AREA					
Non-Department Store GAFO Expenditure Potential	$482.6	$515.8	$537.9	$608.7	$685.5
SWAP Share	$260.8	$262.1	$271.4	$345.7	$392.9
As a % of Non-Department Store GAFO Exp. Potentia	54.0%	50.8%	50.5%	56.8%	57.3%
Less: Effective Competition	$260.8	$260.8	$260.8	$260.8	$260.8
Residual Potential	NA	$17.0	$37.3	$84.9	$132.1
	47.5%	45.0%	45.0%	45.0%	40.0%
Plus: Inflow from Outside the Study Area (3	$236.0	$227.3	$243.9	$282.8	$261.9
TOTAL SALES VOLUME	**$496.8**	**$505.1**	**$542.0**	**$628.5**	**$654.8**

Total Warranted Space (4			**Square Feet GLA (5**				
@	$400	Per Sq. Ft. GLA	1,242,000	1,263,000	1,355,000	1,571,000	1,637,000
@	$425	Per Sq. Ft. GLA	1,169,000	1,188,000	1,275,000	1,479,000	1,541,000
@	$450	Per Sq. Ft. GLA	1,104,000	1,122,000	1,204,000	1,397,000	1,455,000

Residual Space		**Square Feet GLA (5**			
	Base 2011	128,000	220,000	436,000	502,000
	1,135,000	53,000	140,000	344,000	406,000
		-13,000	69,000	262,000	320,000

SOURCE: Kircher Research Associates Ltd.

1) The SWAP shares are based on an evaluation of the existing / future study area non-department store GAFO competition.

2) The forecast SWAP shares are Kircher Research Associates Ltd. estimates.

3) The inflow level has been estimated as a percentage of the total sales volume,.

4) Existing: 1,135,000 sq. ft.

5) Rounded to the nearest 1,000 sq. ft.

SECTION 10

PHARMACY AND PERSONAL CARE STORE RESIDUAL DEMAND ANALYSIS

TABLE 13
PER CAPITA PHARMACY AND PERSONAL CARE STORE EXPENDITURE POTENTIAL

	1991	1996	2001	2006	2011
Province of Ontario					
Per Capita Income	$23,751	$24,930	$30,360	$34,956	$38,406
Per Capita Pharmacy & Personal Care Store Expenditures (1	$434	$490	$602	$826	$950
% of Income	1.8%	2.0%	2.0%	2.4%	2.5%

	2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)					
Per Capita Income	$48,390				
Per Capita Pharmacy & Personal Care Store Expenditures (2	$1,185	$1,275	$1,335	$1,480	$1,630
% of Income	2.4%				
Population	8,200	9,800	10,800	16,500	22,500
Total Pharmacy & Personal Care Store Expenditure Potential ($Millions)	**$9.7**	**$12.5**	**$14.4**	**$24.4**	**$36.7**
Balance of Study Area					
Per Capita Income	$37,830				
Per Capita Pharmacy & Personal Care Store Expenditures (2	$935	$1,005	$1,050	$1,170	$1,285
% of Income	2.5%				
Population	147,800	149,300	150,300	152,600	155,000
Total Pharmacy & Personal Care Store Expenditure Potential ($Millions)	**$138.2**	**$150.0**	**$157.8**	**$178.5**	**$199.2**
TOTAL STUDY AREA					
Total Pharmacy & Personal Care Store Expenditure Potential ($Millions)	**$147.9**	**$162.5**	**$172.2**	**$202.9**	**$235.9**

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2011 are based on Statistics Canada, *Retail Trade* (Catalogue #63-005).

2) The figures for 2011 have been estimated by Kircher Research Associates Ltd., based on the income relationship for each component of the study area to the province, using an elasticity of 0.95 These figures have been forecast to increase in real terms (i.e. excluding inflation) in future years at 2.5% per year. Rounded to the nearest $5.00.

SECTION 10
PHARMACY AND PERSONAL CARE STORE RESIDUAL DEMAND ANALYSIS

Future retail developments in SWAP may be suitable for a pharmacy and personal care stores. This section of the study examines the expenditure potential that would be available to such facilities.

Several store types have pharmacy and health and beauty aid departments, although the sales generated by these departments are not recorded in the pharmacy and personal care store category as defined by Statistics Canada. Typical examples are the pharmacy departments located in supermarkets or department stores. This analysis will focus on the pharmacy and personal care store category as defined by Statistics Canada.

Calculation of Pharmacy and Personal Care Store Expenditure Potential

The pharmacy and personal care store category includes expenditures at drug stores, cosmetics stores, opticians; health supplements retailers and medical aid and equipment stores. The method used to calculate per capita pharmacy and personal care store expenditures from Statistics Canada data is presented in Table E-3 in Appendix E. The analytical approach used to examine the pharmacy and personal care store category is similar to the approach used for the GAFO and food store categories in preceding sections of this study.

The relationship between per capita income and per capita pharmacy and personal care store expenditures has been summarized in Table 13 for the Province of Ontario and the Study Area. The upper portion of the table shows the relationship between per capita income and per capita pharmacy and personal care store expenditures in Ontario for selected years between 1991 and 2011. As with the GAFO and food store categories analyzed in previous sections of this study, the per capita pharmacy and personal care store expenditures shown in Table 13 reflect the revised intercensal population estimates discussed in Section 4 of this study and are consistent with the per capita income levels derived from Table 2.

Between 1991 and 2011, per capita income growth in Ontario has been accompanied by higher per capita pharmacy and personal care store expenditures. The share of income represented by pharmacy and personal care store expenditures has increased substantially during this period. In

1991, Ontario residents spent an average of $434 per person on pharmacy and personal care store expenditures, or about 1.8% of their per capita income of $23,751. By 2011, per capita pharmacy and personal care store expenditures in Ontario had increased to $ 950, which as a share of the per capita income of $38,406 had grown to about 2.5%.

The 2011 per capita pharmacy and personal care store expenditures for each sector of the Study Area have been indicated in the lower portion of Table 13. These estimates have been calculated based on the income relationship between the province and each market area component, using an income elasticity factor of 0.95. This means that an income differential of 10% results in an expenditure differential of 9.5%. The derivation of this income elasticity factor has been explained in Appendix D.

Recognizing the varying income levels between the Study Area segments and the province, current per capita pharmacy and personal care store expenditures are estimated at $1,185 in SWAP and $ 935 in the Balance of the Study Area. These expenditures are forecast to increase in real terms (i.e. excluding inflation) at 2.5% per year after 2011. As expressed in the assumptions underlying this study, future changes in expenditure patterns that are solely due to inflation have not been recognized in our analysis. Future expenditure levels, therefore, represent the 2011 value of the Canadian dollar. A detailed analysis of historic real growth in pharmacy and personal care store expenditures is presented in Appendix C.

The total pharmacy and personal care store expenditure potential has then been calculated for each Study Area component, and every year of the study period, by multiplying the appropriate per capita pharmacy and personal care store expenditure level by the corresponding population level. The population level was previously calculated in Table 1 in Section 4 of this study. Based on these calculations, the pharmacy and personal care store expenditure potential for the total Study Area is estimated at $ 147.9 million in 2011. It is expected to increase to $ 202.9 million by 2021 and reach $ 235.9 million by 2026, expressed in constant 2011-dollar values. Similar to the other store categories analysed, inflow and outflow estimates have also been applied to the pharmacy and personal care store category

Pharmacy and Personal Care Store Residual Demand Analysis

Table 14, illustrates the residual demand for pharmacies and personal care stores within SWAP. It follows a similar approach as that previously used for the GAFO and food store categories.

The pharmacy and personal care store expenditure potentials that were calculated in Table 13 for each market area component and every year of the study period have been transferred to Table 14. SWAP shares have been applied to these volume potentials in order to calculate the portion of Study Area residents' pharmacy and personal care store expenditures that may be spent at such facilities located in SWAP. The SWAP shares for each market area component are expected to increase from the 2011 level in the future, as additional pharmacies and personal care stores are developed.

The second page of Table 14 summarizes the results for the total Study Area. Based on the calculations presented on the first page of the table, Study Area residents' total expenditures at pharmacies and personal care stores located within SWAP are estimated at $ 29.5 million. This represents about 19.9% of their total expenditures at all such stores, which amounts to $ 147.9 million in 2011. The remaining expenditures are spent at pharmacies and personal care stores located outside SWAP.

The total volume available in this category, including an inflow of 5.0%, is estimated at $31.1 million, in 2011, increasing to $ 54.8 million by 2021, with further increases expected by the end of the study period. Dividing the volume potential by an appropriate productivity range, in terms of dollars per square foot, indicates the warranted space. At the mid point of the range, it totals 35,000 square feet, in 2011. This is similar to the existing competition.

The future residual space is derived by deducting the existing competitive space from the future space. For example, in 2021 warranted additional space in the pharmacy and personal care category ranges between 22,000 and 36,000 square feet.

TABLE 14
PHARMACY AND PERSONAL CARE STORE RESIDUAL DEMAND ANALYSIS ($Millions)

				2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)								
Pharmacy & Personal Care Store Expenditure Potential				$9.7	$12.5	$14.4	$24.4	$36.7
SWAP Share	@ Current Level	@	20.0% (1	$1.9	$2.5	$2.9	$4.9	$7.3
	@ Forecast Level	@	40.0% (2		$5.0	$5.8	$9.8	$14.7
	@ Forecast Level	@	60.0% (2				$14.6	$22.0
Less: Effective Competition				$1.9	$1.9	$1.9	$1.9	$1.9
Residual Potential					$3.1	$3.9	$12.7	$20.1
Balance of Study Area								
Pharmacy & Personal Care Store Expenditure Potential				$138.2	$150.0	$157.8	$178.5	$199.2
SWAP Share	@ Current Level	@	20.0% (1	$27.6	$30.0	$31.6	$35.7	$39.8
	@ Forecast Level	@	21.0% (2		$31.5	$33.1	$37.5	$41.8
Less: Effective Competition				$27.6	$27.6	$27.6	$27.6	$27.6
Residual Potential					$3.9	$5.5	$9.9	$14.2

TABLE 14 (Continued)
PHARMACY AND PERSONAL CARE STORE RESIDUAL DEMAND ANALYSIS ($Millions)

	2011	2014	2016	2021	2026
TOTAL STUDY AREA					
Pharmacy & Personal Care Store Expenditure Potential	$147.9	$162.5	$172.2	$202.9	$235.9
SWAP Share	$29.5	$36.5	$38.9	$52.1	$63.8
As a % of Pharmacy & Pers. Care Store. Exp. Potential	19.9%	22.5%	22.6%	25.7%	27.0%
Less: Effective Competition	$29.5	$29.5	$29.5	$29.5	$29.5
Residual Potential		$7.0	$9.4	$22.6	$34.3
Plus: Inflow from Outside the Study Area @ 5.0% (3	$1.6	$1.9	$2.0	$2.7	$3.4
TOTAL SALES VOLUME	**$31.1**	**$38.4**	**$40.9**	**$54.8**	**$67.2**

Total Warranted Space (4		**Square Feet GLA (5**				
@	$800 Per Sq. Ft. GLA	39,000	48,000	51,000	69,000	84,000
@	$900 Per Sq. Ft. GLA	35,000	43,000	45,000	61,000	75,000
@	$1,000 Per Sq. Ft. GLA	31,000	38,000	41,000	55,000	67,000

Residual Space	**Square Feet GLA (5**			
Base 2011	15,000	18,000	36,000	51,000
33,000	10,000	12,000	28,000	42,000
	5,000	8,000	22,000	34,000

SOURCE: Kircher Research Associates Ltd.

1) The SWAP shares are based on an evaluation of the existing / future study area pharmacy and personal care store competition.

2) The forecast SWAP shares are Kircher Research Associates Ltd. estimates.

3) The inflow level has been estimated as a percentage of the total sales volume.

4) Actual: 33,200 sq. ft.

5) Rounded to the nearest 1,000 sq. ft.

SECTION 11

BEER, WINE AND LIQUOR STORE RESIDUAL DEMAND ANALYSIS

TABLE 15
PER CAPITA BEER, WINE & LIQUOR STORE STORE EXPENDITURE POTENTIAL

	1991	1996	2001	2006	2011
Province of Ontario					
Per Capita Income	$23,751	$24,930	$30,360	$34,956	$38,406
Per Capita Beer, Wine & Liquor Store Expenditures (1	$363	$364	$443	$500	$548
% of Income	1.5%	1.5%	1.5%	1.4%	1.4%

	2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)					
Per Capita Income	$48,390				
Per Capita Beer, Wine & Liquor Store Expenditures (2	$605	$615	$620	$635	$650
% of Income	1.3%				
Population	8,200	9,800	10,800	16,500	22,500
Total Beer, Wine & Liquor Store Expenditure Potential ($Millions)	**$5.0**	**$6.0**	**$6.7**	**$10.5**	**$14.6**
Balance of Study Area					
Per Capita Income	$37,830				
Per Capita Beer, Wine & Liquor Store Expenditures (2	$545	$555	$560	$570	$585
% of Income	1.4%				
Population	147,800	149,300	150,300	152,600	155,000
Total Beer, Wine & Liquor Store Expenditure Potential ($Millions)	**$80.6**	**$82.9**	**$84.2**	**$87.0**	**$90.7**
TOTAL STUDY AREA					
Total Beer, Wine & Liquor Store Expenditure Potential ($Millions)	**$85.6**	**$88.9**	**$90.9**	**$97.5**	**$105.3**

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2011 are based on Statistics Canada, *Retail Trade* (Catalogue #63-005).

2) The figures for 2011 have been estimated by Kircher Research Associates Ltd., based on the income relationship for each component of the study area to the province, using an elasticity of 0.40. These figures have been forecast to increase in real terms (i.e. excluding inflation) in future years at 0.5% per year. Rounded to the nearest $5.00.

SECTION 11
BEER, WINE AND LIQUOR STORE RESIDUAL DEMAND ANALYSIS

Future SWAP retail developments may include a suitable location for beer, wine or liquor store space. This section of the study examines the expenditure potential that would be available for such facilities.

Calculation of Beer, Wine and Liquor Store Expenditure Potential

The method used to calculate per capita beer, wine and liquor store expenditures from Statistics Canada data is presented in Table E-4 in Appendix E. The analytical approach used to examine the beer, wine and liquor store category is similar to the approach used for other retail categories in the preceding sections of this study.

The relationship between per capita income and per capita beer, wine and liquor store expenditures has been summarized in Table 15 for the Province of Ontario and the Study Area. The upper portion of the table shows the relationship between per capita income and per capita beer, wine and liquor store expenditures in Ontario for selected years between 1991 and 2011. As with the other retail categories analyzed in previous sections of this study, the per capita beer, wine and liquor store expenditures shown in Table 15 reflect the revised intercensal population estimates discussed in Section 4 of this study and are consistent with the per capita income levels derived from Table 2.

Between 1991 and 2011, per capita income growth in Ontario has been accompanied by higher per capita beer, wine and liquor store expenditures. The share of income represented by beer, wine and liquor store expenditures has remained relatively constant during this period. In 1991, Ontario residents spent an average of $363 per person on beer, wine and liquor store expenditures, or about 1.5% of their per capita income of $23,751. By 2011, per capita beer, wine and liquor store expenditures in Ontario had increased to $548, which as a share of the per capita income of $38,406 is about 1.4%.

The 2011 per capita beer, wine and liquor store expenditures for each sector of the Study Area have been indicated in the lower portion of Table 15. These estimates have been calculated based on the income relationship between the province and each market area component, using

an income elasticity factor of 0.40. This means that an income differential of 10.0% results in an expenditure differential of 4.0%. The derivation of this income elasticity factor has been explained in Appendix C.

Recognizing the varying income levels between the Study Area and the province, current per capita beer, wine and liquor store expenditures are estimated at $605 in SWAP and $545 in the Balance of the Study Area. These expenditures are forecast to increase in real terms (i.e. excluding inflation) at 0.5% per year after 2009. As expressed in the assumptions underlying this study, future changes in expenditure patterns that are solely due to inflation have not been recognized in our analysis. Future expenditure levels, therefore, represent the 2011 value of the Canadian dollar. A detailed analysis of historic real growth in beer, wine and liquor store expenditures is presented in Appendix C.

The total beer, wine and liquor store expenditure potential has then been calculated for each Study Area component, and every year of the study period, by multiplying the appropriate per capita beer, wine and liquor store expenditure level by the corresponding population level. The population level was previously calculated in Table 1 in Section 4 of this study. Based on these calculations, the beer, wine and liquor store expenditure potential for the total Study Area is estimated at $ 85.6 million in 2011. It is expected to increase to $ 97.5 million by 2021 and reach $ 105.3 million by 2026, expressed in constant 2011 dollar values.

Beer, Wine and Liquor Store Residual Demand Analysis

Table 16 illustrates the residual demand for analysis for the beer, wine and liquor store category. It follows a similar approach as that previously used for other retail categories analysed.

The beer, wine and liquor store expenditure potentials that were calculated in Table 15 for each Study Area component and every year of the study period have been transferred to Table 16. SWAP shares have been applied to these volume potentials in order to calculate the portion of Study Area residents' beer, wine and liquor store expenditures that may be spent at such facilities located in SWAP. The 20011 SWAP shares for each Study Area component are estimates based on a review of existing competitive facilities in the market area. These shares are expected to increase in the future, due to the additional space likely to be developed in SWAP.

The second page of Table 16 summarizes the results for the Study Area. Based on the calculations presented on the first page of the table, Study Area residents' total expenditures at beer, wine and liquor stores in SWAP, plus an inflow of 10.0%, are estimated to grow from $ 31.3 million in 2011 to about $ 41.3 million in 2021 and to $46.6 million by 2026.

By dividing the volume calculated for future years by an appropriate range of sales per square foot, we have determined the total space demand for this category. In 2011, it totals 28,000 square feet which reflects the current inventory. The future residual space is determined by deducting the existing competition from the warranted range of future space. For example, in 2021 it ranges between 6,000 and 13,000 square feet.

TABLE 16
BEER, WINE AND LIQUOR STORE RESIDUAL DEMAND ANALYSIS ($Millions)

				2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)								
Beer, Wine & Liquor Store Expenditure Potential				$5.0	$6.0	$6.7	$10.5	$14.6
SWAP Share	@ Current Level	@	80.0% (1	$4.0	$4.8	$5.4	$8.4	$11.7
	@ Forecast Level	@	85.0% (2				$8.9	$12.4
Less: Effective Competition				$4.0	$4.0	$4.0	$4.0	$4.0
Residual Potential					$0.8	$1.4	$4.9	$8.4
Balance of Study Area								
Beer, Wine & Liquor Store Expenditure Potential				$80.6	$82.9	$84.2	$87.0	$90.7
SWAP Share	@ Current Level	@	30.0% (1	$24.2	$24.9	$25.3	$26.1	$27.2
	@ Forecast Level	@	32.5% (2				$28.3	$29.5
Less: Effective Competition				$24.2	$24.2	$24.2	$24.2	$24.2
Residual Potential					$0.7	$1.1	$4.1	$5.3

TABLE 16 (Continued)
BEER, WINE AND LIQUOR STORE RESIDUAL DEMAND ANALYSIS ($Millions)

	2011	2014	2016	2021	2026
TOTAL STUDY AREA					
Beer, Wine & Liquor Store Expenditure Potential	$85.6	$88.9	$90.9	$97.5	$105.3
SWAP Share	$28.2	$0.0	$0.0	$37.2	$41.9
As a % of Beer,Wine & Liquor Store Exp. Potential	32.9%	0.0%	0.0%	38.2%	39.8%
Less: Effective Competition	$28.2	$28.2	$28.2	$28.2	$28.2
Residual Potential		$1.5	$2.5	$9.0	$13.7
Plus: Inflow from Outside the Study Are @ 10.0% (3	$3.1	$3.3	$3.4	$4.1	$4.7
TOTAL SALES VOLUME	**$31.3**	**$33.0**	**$34.1**	**$41.3**	**$46.6**

Total Warranted Space			Square Feet GLA (4				
@	$1,000	Per Sq. Ft. GLA	31,000	33,000	34,000	41,000	47,000
@	$1,100	Per Sq. Ft. GLA	28,000	30,000	31,000	38,000	42,000
@	$1,200	Per Sq. Ft. GLA	26,000	28,000	28,000	34,000	39,000

Residual Space (4	Square Feet GLA (5				
	Base 2011	5,000	6,000	13,000	19,000
	28,000	2,000	3,000	10,000	14,000
		0	0	6,000	11,000

SOURCE: Kircher Research Associates Ltd.

1) The SWAP shares are based on an evaluation of the existing / future study area beer, wine and liquor store competition.

2) The forecast SWAP shares are Kircher Research Associates Ltd. estimates.

3) The inflow level has been estimated as a percentage of the total sales volume.

4) Actual: 27,700 sq. ft.

5) Rounded to the nearest 1,000 sq. ft.

SECTION 12

BUILDING AND OUTDOOR HOME SUPPLY STORE RESIDUAL DEMAND ANALYSIS

TABLE 17
BUILDING AND OUTDOOR HOME SUPPLIES STORE EXPENDITURE POTENTIAL

	1991	1996	2001	2006	2011
Province of Ontario					
Per Capita Income	$23,751	$24,930	$30,360	$34,956	$38,406
Building & Outdoor Home Supplies Store Expenditures (1	$289	$338	$475	$665	$720
% of Income	1.2%	1.4%	1.6%	1.9%	1.9%

	2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)					
Per Capita Income	$48,390				
Per Capita Bldg & Outdoor Home Supplies Store Exp. (2	$945	$1,000	$1,040	$1,135	$1,230
% of Income	2.0%				
Population	8,200	9,800	10,800	16,500	22,500
Total Building & Outdoor Home Supplies Store Expenditure Potential ($Millions)	**$7.7**	**$9.8**	**$11.2**	**$18.7**	**$27.7**
Balance of Study Area					
Per Capita Income	$37,830				
Per Capita Bldg & Outdoor Home Supplies Store Exp. (2	$705	$745	$775	$845	$915
% of Income	1.9%				
Population	147,800	149,300	150,300	152,600	155,000
Total Building & Outdoor Home Supplies Store Expenditure Potential ($Millions)	**$104.2**	**$111.2**	**$116.5**	**$128.9**	**$141.8**
TOTAL STUDY AREA					
Total Building & Outdoor Home Supplies Store Expenditure Potential ($Millions)	**$111.9**	**$121.0**	**$127.7**	**$147.6**	**$169.5**

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2011 are based on Statistics Canada, *Retail Trade* (Catalogue #63-005).

2) The figures for 2011 have been estimated by Kircher Research Associates Ltd., based on the income relationship for each component of the study area to the province, using an elasticity of 1.20 These figures have been forecast to increase in real terms (i.e. excluding inflation) in future years at 2.0% per year. Rounded to the nearest $5.00.

SECTION 12
BUILDING AND OUTDOOR HOME SUPPLY STORE
RESIDUAL DEMAND ANALYSIS

SWAP may also be able to attract an additional home improvement centre or other outdoor home supply store during the study period. The market potential for this store category and SWAP capture is evaluated in this section of the study.

Calculation of Building and Outdoor Home Supply Store Expenditure Potential

The building and outdoor home supply store category includes home improvement centres, hardware stores, specialized building material outlets and garden centres. The calculation of per capita expenditures in this store category from Statistics Canada data is shown in Table E-5 of Appendix E.

Similar to the other store categories analysed in this study, per capita expenditures in this category have been illustrated in Table 17 for the Province and the Study Area components. Based on the income differences between the various sectors of the Study Area, the applicable expenditures for each sector are shown in the lower portion of Table 17. An elasticity factor of 1.2 has been recognized, while the expected real growth in per capita building and outdoor home supply store expenditures is estimated to average 2.0% per year in the future.

The total Study Area expenditure potential in this category is summarized at the bottom of Table 17. It amounts to $ 111.9 million in 2011, and is estimated to increase to $ 147.6 million by 2021 and to $ 169.5 million by 2026, expressed in 2011 dollar values.

Building and Outdoor Home Supply Store Residual Demand Analysis

Table 18 presents the residual demand analysis for the building and outdoor home supply store category. It follows the same methodology as described for the other store categories examined in this study.

The SWAP share has been calculated for all years under study and all zones of the market area. The SWAP share for future years is expected to increase only slightly due to the existing competition which includes a large Home Depot and several hardware stores.

The total volume generated from Study Area residents is summarized on the second page of Table 18. In this case, we have added an estimated future inflow of 40.0%. This is similar to the current inflow generated at the Wonderland power centre where the Home Depot is located.

The total 2011 SWAT volume in this category is estimated at $ 70.5 million. This volume is projected to increase to about $ 112.3 million by 2021 and $ 122.9 million by 2026. The total warranted space is determined through the application of typical performance levels. At the mid-point of the sales per square foot range, this indicates warranted space of some 201,000 square feet in 2011, slightly below the actual current space.

The future residual demand is determined by deducting the current inventory from the future space. For example, the warranted additional Building and Outdoor Home Supply store space in 2021 ranges between 91,000 and 138,000 square feet.

As noted earlier, Home Depot operates a large scale store within SWAP and Rona has an 115,000 square foot store at the Summerside shopping centre, in the Balance of the Study Area. It is unlikely that, during the study period, either of these two retailers would develop a second store in south London. If any additional large scale retailer in this store category can be attracted to the Study Area, it would be Lowe's, a retailer that currently operates a store in the northern part of London. If that retailer cannot be attracted, then the actual additional future space developed in this store category may be less than indicated in the analysis.

TABLE 18
BUILDING AND OUTDOOR HOME SUPPLY RESIDUAL DEMAND ANALYSIS ($Millions)

				2011	2014	2016	2021	2026
Southwest Area Plan (SWAP)								
Building and Outdoor Home Supply Expenditure Potential				$7.7	$9.8	$11.2	$18.7	$27.7
SWAP Share	@ Current Level	@	75.0% (1	$5.8	$7.4	$8.4	$14.0	$20.8
	@ Forecast Level	@	80.0% (2			$9.0	$15.0	$22.2
Less: Effective Competition				$5.8	$5.8	$5.8	$5.8	$5.8
Residual Potential					$1.6	$3.2	$9.2	$16.4
Balance of Study Area								
Building and Outdoor Home Supply Expenditure Potential				$104.2	$111.2	$116.5	$128.9	$141.8
SWAP Share	@ Current Level	@	35.0% (1	$36.5	$38.9	$40.8	$45.1	$49.6
	@ Forecast Level	@	45.0% (2			$52.4	$58.0	$63.8
Less: Effective Competition				$36.5	$36.5	$36.5	$36.5	$36.5
Residual Potential					$2.4	$15.9	$21.5	$27.3

TABLE 18 (Continued)
BUILDING AND OUTDOOR HOME SUPPLY RESIDUAL DEMAND ANALYSIS ($Millions)

	2011	2014	2016	2021	2026
TOTAL STUDY AREA					
Building and Outdoor Home Supply Expenditure Potential	$111.9	$121.0	$127.7	$147.6	$169.5
SWAP Share	$42.3	$46.3	$61.4	$73.0	$86.0
As a % of Bldg. & Outdoor Home Supply Exp. Potential	37.8%	38.3%	48.1%	49.5%	50.7%
Less: Effective Competition	$42.3	$42.3	$42.3	$42.3	$42.3
Residual Potential	$0.0	$4.0	$19.1	$30.7	$43.7
	40.0%	40.0%	40.0%	35.0%	30.0%
Plus: Inflow from Outside the Study Area @ 40.0% (3	$28.2	$30.9	$40.9	$39.3	$36.9
TOTAL SALES VOLUME	**$70.5**	**$77.2**	**$102.3**	**$112.3**	**$122.9**

Total Warranted Space (4		**Square Feet GLA (4**				
@	$325 Per Sq. Ft. GLA	217,000	238,000	315,000	346,000	378,000
@	$350 Per Sq. Ft. GLA	201,000	221,000	292,000	321,000	351,000
@	$375 Per Sq. Ft. GLA	188,000	206,000	273,000	299,000	328,000

Residual Space	**Square Feet GLA (5**				
	Base 2011	30,000	107,000	138,000	170,000
	208,000	13,000	84,000	113,000	143,000
		-2,000	65,000	91,000	120,000

SOURCE: Kircher Research Associates Ltd.

1) The SWAP shares are based on an evaluation of the existing/future study area bldg. and outdoor home supply store competition.

2) The forecast SWAP shares are Kircher Research Associates Ltd. estimates.

3) The inflow level has been estimated as a percentage of the total sales volume.

4) Actual: 208,100 sq. ft.

5) Rounded to the nearest 1,000 sq. ft.

SECTION 13

MOVIE THEATRE MARKET DEMAND

SECTION 13
MOVIE THEATRE MARKET DEMAND

We have considered the demand for movie theatres in SWAP. At the present time there are three movie theatres in the Study Area, as well as a Dive-In theatre on the boundary. These are listed on Table A-7, in Appendix A. These theatres operate 17 screens. The largest theatre complex is the Empire Theatres, at Wellington South Plaza, with 8 screens, followed by Cineplex, at Westmount, with 6 screens.

Movie theatre demand is usually determined by the number of screens serving the market or Study Area population. The normal service ratio is one screen per 10,000 persons. Since the Study Area includes some 156,000 persons in 2011, there is a slight oversupply at this time. Even by 2021, with a Study Area population of just over 169,000 persons, there would be enough screens to satisfy typical demand for such facilities in the total Study Area.

Nevertheless, there are no movie theatres in SWAP. By the end of the study period, a dual screen theatre may be warranted in this market segment. Furthermore, the Drive-In and one of the smaller theatres may cease operation during the study period which could increase the replacement demand. On balance, however, we do not consider that there is near term demand for an additional movie theatre, unless it is a relocation.

SECTION 14

E-COMMERCE IMPACT ON RETAIL SPACE REQUIREMENTS

SECTION 14
E-COMMERCE IMPACT ON RETAIL SPACE REQUIREMENTS

The proportion of income available for retail expenditures is relatively inflexible. Most retail sales continue to be store based but in recent years, E-Commerce has increased its share of some retail product categories significantly and is doing so at an increasing rate, for a much broader range of products and services. E-Commerce, particularly the business to consumer part, can be defined as non-store retailing.

Consumers may use the internet to become knowledgeable about a product of interest and then target that specific product in their store of choice, without 'shopping around' reducing the chance of 'impulse' shopping. This leads to reduced sales. The consumer may also use a purchase method referred to as 'Showrooming'. In this case the shopper researches and inspects a product of interest in a store, notes the product code, and then uses the internet to find the cheapest supplier. The store records no sales. However, increasingly, consumers avoid retail stores altogether, instead, they do their research and shopping directly on the web.

This has and is continuing to lead to store closures or the downsizing of retail facilities, both old and new. Examples of this store closure trend are illustrated by the difficulties encountered by Borders, Blockbuster, Best Buy, Rogers Video, Rona, Sears, Best Buy, Travel Agents, and many others. About half of all major retailers are now planning smaller stores. Not all of these results are solely related to E-Commerce but it is contributing to this trend.

Research in the U.S has indicated that the proportion of internet sales as a percent of total sales has grown from 1.2% in 2002 to 4.5% by 2011 and is continuing to grow at about 10% per year, a far higher rate than the growth in total retail demand. At this time, the U.S. substitution effect of E-Commerce pertaining to 'bricks and mortar' is about 2 square feet per capita. This is equal to some 10% of all shopping centre space and approximately 5% of total retail space. U.S. Research indicates that this trend is continuing and the substitution effect is likely to grow by an additional 2-5 square feet per capita within the next 10 years.

In Canada, the retail space substitution effect generated by E-Commerce is currently estimated at 1.2 square feet per capita, increasing to 2.0 square feet by 2015. In a research study published in 2011, by Ryerson University estimated the 'virtual' retail space in Toronto, which is the retail space already made redundant by E-commerce at about 4.6 million square feet.

Based on our own research, we expect that the replacement of retail space by E-Commerce, in Canada, will increase by at least two square feet between 2011 and 2021, and likely by more. The retail service ratio in the southern part of London was calculated in the *Commercial Policy Review Phase II* report dated July 5, 2007, which was prepared by Meridian-bmi-pace-urbanMetrics. For the southern part of London, it averaged 39.75 square feet per capita. That was the amount of retail and related service space in place on a per capita basis. We expect that this ratio has declined since 2007, in part for the reasons outlined above.

The substitution of E-Commerce for physical retail space is now so well established that it can not be ignored, when researching future retail space demand. For planning purposes, we would recommend to recognize the reduction in future retail space demand at a rate of at least an additional 2 square feet per capita, by 2021, over and above the current level. This means that the replacement effect of E-Commerce will reduce the traditional retail space demand by some 340,000 square feet, reflecting a 2021 population base in the Study Area of approximately 169,000 persons.

SECTION 15

FINDINGS & RECOMMENDATIONS

TABLE 19
SWAP WARRANTED RETAIL SPACE (Square Feet)

STORE TYPE	2014	2016	2021	2026
Supermarket	17,000	22,000	42,000	64,000
Specialty Food	5,000	6,000	13,000	19,000
Department Store	102,000	107,000	121,000	136,000
Non-Department Store GAFO	53,000	140,000	344,000	406,000
Pharmacy & Personal Care	10,000	12,000	28,000	42,000
Beer, Wine & Liquor	2,000	3,000	10,000	14,000
Building & Outdoor Home Supply	13,000	84,000	113,000	143,000
TOTAL RETAIL	**202,000**	**374,000**	**671,000**	**824,000**
Services (1	*28,000*	*50,000*	*94,000*	*116,000*
TOTAL RETAIL & SERVICES (2	**230,000**	**425,000**	**765,000**	**940,000**
(+) Assumed Impact (3	*500,000*	*500,000*	*500,000*	*500,000*
(-) E-Commerce Replacement (4	*(1)*	*(1.5)*	*(2.0)*	*(2.5)*
	160,000	*240,000*	*340,000*	*445,000*
GRAND TOTAL	**570,000**	**685,000**	**925,000**	**995,000**

SOURCE: Kircher Research Associates Ltd.
1) 12.5% of grand total
2) Rounded to the nearest 5,000
3) 10% of existing Study Area occupied space
4) Per square foot, based on Study Area population

SECTION 15
FINDINGS & RECOMMENDATIONS

The results of our market demand analysis are summarized in this section of the study. On the facing Table 19, we have indicated the results of the residual analysis for each major retail category analysed and for the selected years. For years not shown, the demand statistics can be interpolated between the two bordering years.

A residual study approach assumes that all existing competitive retail stores remain in business and continue to perform at their current sales levels. Our review of the existing competitive structure, tenant availability and distribution of stores, as well as vacancy levels, indicates that most stores located in the Study Area appear to be operating within normal performance levels. However, the vacancy level in the Study Area is somewhat elevated, a finding similar to that contained in the 2007 Commercial Policy Review Phase II report, prepared by urbanMetrics/Meridian/bmi/pace.

This finding is also supported by the difficulties encountered by Westmount Mall, which is located in the Study Area. This mall lost many tenants when the Wonderland power centres, south of Southdale Road, were built. In fact, this enclosed mall no longer has retail stores on its second level, except for the major tenants. In our inventory, we have only recognized a portion of the upper level as vacant retail space, since part of it appears to be used for non-retail uses.

Pond Mills Square, also located in the Study Area, has encountered similar difficulties and its central portion has, in fact, been demolished. Our inventory has not considered this as vacant space. Nevertheless, these two examples clearly indicate the fact that new retail space may lead to store closures. Such difficulties encountered by two enclosed malls in the south London Study Area suggests that the planning for future retail space should, more diligently, take into account actual market demand. Total retail expenditures are relatively inflexible and overbuilding and store closures will result, if substantially more space is developed than the market can support.

We recognize that the retail market is constantly evolving and that existing retail facilities can be replaced by better located or more efficient developments. Nevertheless, a balanced consideration of ‘demand’ and ‘supply’ will be beneficial for public infrastructure planning and effective retail service levels.

The residual demand on Table 19 indicates some 202,000 square feet of retail space warranted by 2014, increasing to 671,000 square feet by 2021, and about 824,000 square feet at the end of the study period in 2026. It should be stressed that this retail space demand calculation is time sensitive because that is the very foundation of the analysis. We shall focus some of our discussion on the year 2021, because it covers a 10 year time frame, which is a reasonable planning period.

The market study has been focused on retail space. Shopping centres and other retail areas usually include other commercial facilities, usually referred to as 'Service' space. This may include eating and drinking facilities, financial institutions, and personal services, such as barber shops/beauty parlours, dry cleaning establishments etc., as well as small scale office space which could consist of medical-dental facilities or real estate, insurance or other offices. Such space typically accounts for approximately 10-15% of total commercial space. Based on our inventory, such space accounts for some 12 % within SWAP. In the Table 19 we have used an average of 12.5% of total space as comprising the services portion. Nevertheless, in highly urbanized commercial developments, this ratio could increase in the future to 20-25%.

By adding the service space, the total retail/commercial space is identified as shown on the table. As noted earlier, the study approach is a 'Residual Analysis', which assumes the continued unimpaired operation of all existing competitive facilities. In reality, any new retail development will impact existing stores and that fact must be recognized in the determination of total warranted space. Normal impacts are part of a competitive market economy. The consideration of 'Impact' has been a frequent issue at Ontario Municipal Board Hearings. The Board has been more concerned with the issue of 'blight' than the transfer of volume between retailers. In a balanced market, where performance levels and vacancies are normal, a potential volume transfer of 10-15% is usually considered acceptable, in a competitive market economy. Due to the vacancy issue discussed above, we would consider an impact of about 10% to be appropriate in this Study Area. Based on the inventory of existing competitive occupied space in this Study Area, this would be equal to about 500,000 square feet. This space is added to the residual demand.

The replacement of physical retail space by E-Commerce can no longer be ignored, as discussed in Section 13. We have taken a conservative approach to recognize this fact. In Table 19, we have recognized an additional E-Commerce replacement factor (additional compared to the base year, 2011) of 1 square foot per capita a by 2014, increasing in regular increments to 2.5 square

feet per capita by 2026. There is a great probability that the actual replacement effect will be larger than this estimate.

The total demand identified as being warranted in SWAP amounts to about 570,000 square feet, by 2014. At that time, the largest component of the warranted space consists of the 'impact' portion. Between 2011 and 2021, approximately 925,000 square feet of new commercial space will be warranted in SWAP, increasing to 995,000 square feet by 2026.

We have tested the warranted space for 2021 by considering population changes and service levels. For example, between 2011 and 2021 the Study Area population is projected to increase by 8.4%. The total inventoried space includes about 5.3 million square feet. Applying a growth of 8.4% to the existing inventory would indicate additional demand of about 445,000 square feet (compared to 925,000 square feet indicated in the market analysis). At this level, the 2021 commercial space would mirror current service levels.

The Commercial Policy Review Phase II, referred to earlier, includes an estimate of per capita retail space service levels. For the city in total, in 2007, it was estimated at 43.3 square feet, with an average of 39.75 square feet applying to south London. In our opinion, the E-Commerce replacement effect of physical retail space during since 2007 would likely have reduced that service ratio. Nevertheless, for testing purposes, we have assumed a service level of 40 square feet per capita. This would indicate total demand of about 6.8 million square feet for the total Study Area by 2021. Deducting the existing inventory of 5.3 million square feet would suggest total warranted additional space of some 1.5 million square feet for the total Study Area. Our analysis showed 925,000 square feet for SWAP. Thus, the Balance of the Study Area would warrant about 575,000 square feet. As noted in Appendix A, there are two large scale retail developments contemplated for the Balance of the Market Area. We should emphasize again that the 40 square feet per capita retail service ratio is likely optimistic.

The results of these two different tests indicate that the study findings may be generous, when compared to population growth alone. Nevertheless, the study results appear to be similar to retail space demand calculations reached by employing a per capita retail service ratio.

The terms of reference for this study dealt with the demand for retail and related service space in the geographic area defined as SWAP. This area is not a typical trade or market area for a standard retail study. This is the reason why the market analysis was based on the southern part

of the total City of London, an area that would contain most of future retail store customers for SWAP developments.

This market study did not address the most appropriate type and format of future commercial developments. In our opinion single use developments, e.g. those containing only one use, for example retail, are becoming less desirable. The observed trend clearly leads to a preference for mixed-use developments, and where warranted, higher densities than single level projects. Mixed-use developments could include, in addition to retail, office and institutional space, educational and medical facilities, hotels/motels, entertainment and recreational facilities as well as residential buildings of different types. Not all of the potential future commercial sites may be able to include all, or even most, of such complementary mixed-use components. However, we would recommend that each retail commercial site that comes forward be tested for such uses.

APPENDIX A

REVIEW OF COMPETITIVE RETAIL FACILITIES

APPENDIX A
REVIEW OF COMPETITIVE RETAIL FACILITIES

An inventory of competitive retail, service and vacant space was conducted in the Study Area in March 2012. The inventory was used to measure and categorize the amount of competitive retail space existing in the Study Area.

Table A-1 summarizes the inventory by geographic location/cluster and store category. The competitive space is distributed between 18 geographically defined groupings of related retail space, or ***retail clusters*** of which 6 are located within SWAP. These retail clusters represent individual shopping centres, retail plazas or groups of retail facilities that are generally located in proximity to each other, serve a common area, and may have other similar characteristics. The locations of these retail clusters have been illustrated on the accompanying map. The individual store types that comprise each store category are listed in Table E-6 of Appendix E.

In Regional Shopping Centres, Power Centres and in Supermarket anchored centres as well in Lambeth, all retail and related service space was inventoried. At other locations, all GAFO space was inventoried and other stores exceeding about 10,000 square feet in size. Significant vacant space was also inventoried. It should be noted that in unanchored retail strips, small stores and services or vacant space was not included in the inventory.

In the SWAP area, total inventoried space was about 1.8 million square foot. The vacancy level was in the normal range in the newly developed areas, Clusters 1, 2, 3, and 6 but extensive in cluster 5, Wellington South. Cluster 6 includes the largest collection of Furniture stores in the City, such as Leon's and Teppermans and Bad Boy. This fact must be recognized when considering the 'inflow' ratio in the analysis.

In the Balance of the Study Area, the inventoried space totalled some 3.2 million square feet and the vacancy level at about 8.7% was above normal 5.0-7.5% range found in a balanced market. For Westmount Mall, we included the three demolished pads as vacant, reflecting the owner's web-site. This two level mall has experienced some difficulties in the past and at this time; there is no retail space on the upper level, except for the anchor stores. Furthermore, approximately one half of the upper level appears to have been leased to non retail uses. We have included the other half in the vacant space reflecting the conversion of the Zellers store to a Target, which will

undoubtedly strengthen this centre and may permit additional leasing of vacant space. For Pond Mills Square, the demolished central part of the former mall is not included in the vacant space.

To gain a full understanding of the current retail structure serving the Study Area, we have indicated the name and size of major tenants, by retail category, in Tables A-2 to A-7 including only stores of approximately 10,000 square feet in size. All of these stores are included in Table A-1.

For example, Table A-2 indicates that there are 5 Department stores in the Study Area comprising some 622,600 square feet. Both Canadian traditional Department Stores are represented as well as both current Discount Department Stores. The Zellers at Westmount will become a Target by 2013. The Zellers' at Pond Mills future is uncertain, as it was not selected by either Target or Wal-Mart. Table A-2 also lists the Costco, a store classified by Statscan as a General Merchandise Store.

Table A-3 lists Building and Outdoor Home Supply Stores as well as Home and Auto and Electronic Stores. The SWAP Area contains some 727,000 square feet, well beyond not only the market requirements of SWAP, but of the total Study Area because it includes several very large stores serving the whole London Market Area. The Balance of the Study Areas includes an additional 470,000 square feet of such space.

There are 12 supermarkets in the Study Area of which 3 are located in SWAP. Their combined size is 547,100 square feet. Loblaws is represented with four stores, one Loblaws and three No-Frills discount stores (250,300 square feet). Metro is represented by 6 stores, three Metro and three Food Basics discount stores (257,400 square feet). Sobeys's is represented by their discount outlet, FreshCo, with one store, and Foodland a convenience Supermarket (39,400 square feet). There is no Sobeys's corporate store in the Study Area.

Competitive large scale Drug Stores and LCBO outlets are listed on Table A-5, totalling 184,900 square feet. There Are 9 large scale Shoppers Drug Marts, and two Pharma Plus. There is a new format LCBO in both SWAP and in the Balance of the Study Area.

All other large scale retail stores are shown in Table A-6. There is 358,600 square feet of such space in SWAP and an additional 549,300 square feet in the Balance of the Study Area. Movie Theatres are shown in Table A-7. All of them are located in the Balance of the Study Area. They include 17 screens.

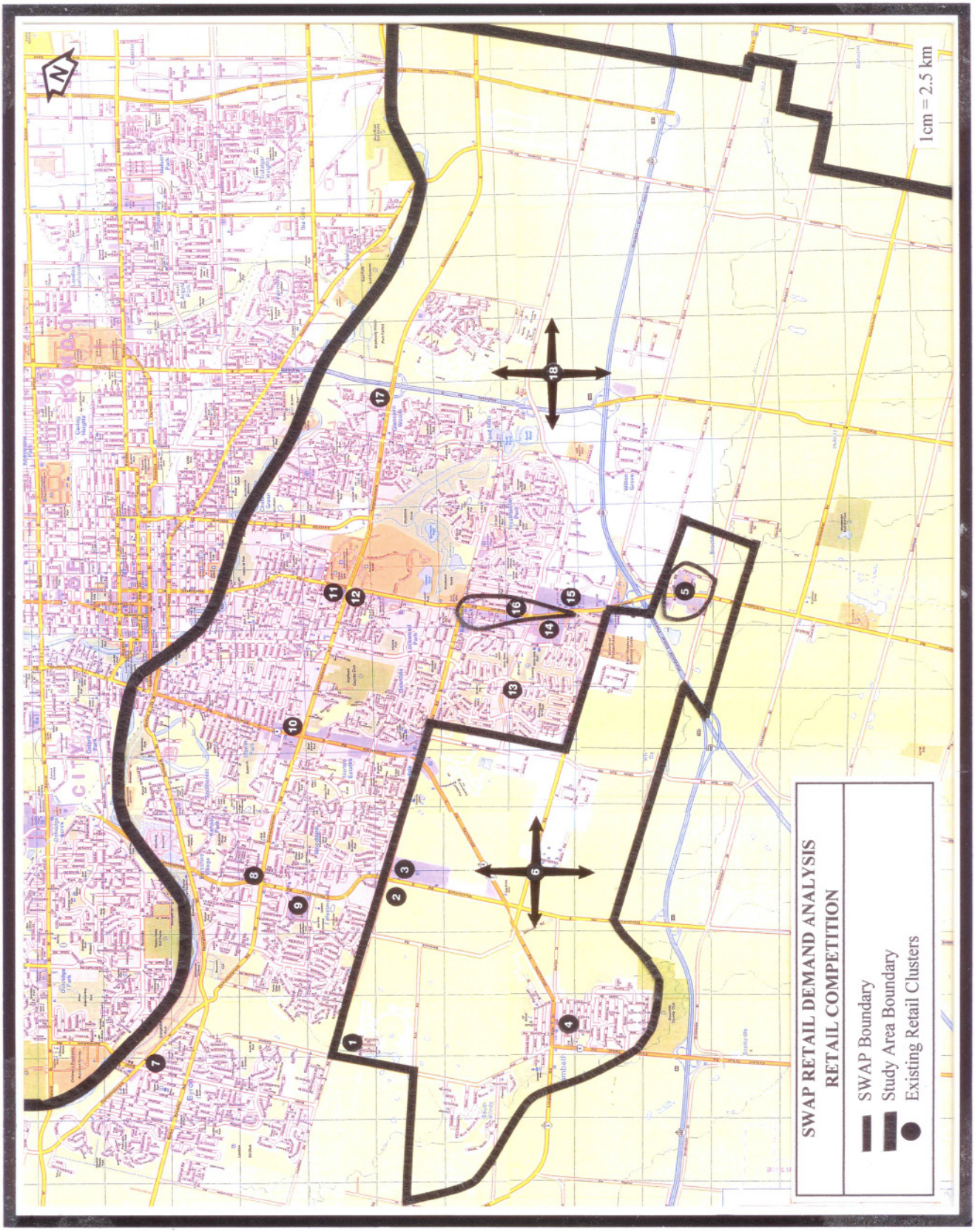

1cm = 2.5 km
SWAP RETAIL DEMAND ANALYSIS
RETAIL COMPETITION
SWAP Boundary
Study Area Boundary
Existing Retail Clusters

TABLE A-1
INVENTORY OF COMPETITIVE RETAIL AND SERVICE (Square Feet GLA) (1

MAP KEY / CLUSTER NAME	1 Southwood Crossing	2 Westwood PC (6	3 Wonderland Corners	4 Lambeth	5 Wellington South	6 Other SWAP	TOTAL SWAP
STORE CATEGORY (2							
FOOD STORES							
Supermarkets and Grocery Stores	40,600	0	127,200	9,200	0	0	**177,000**
Convenience and Specialty Food Stores	0	1,700	1,600	6,600	NA	NA	**9,900**
TOTAL FOOD STORES	**40,600**	**1,700**	**128,800**	**15,800**	**0**	**0**	**186,900**
PHARMACIES AND PERSONAL CARE STORES							
Pharmacies and Cosmetics Stores	20,400	0	0	6,900	NA	NA	**27,300**
Personal Care Stores	2,200	3,700	0	0	NA	NA	**5,900**
TOTAL PHARMACIES AND PERSONAL CARE STORES	**22,600**	**3,700**	**0**	**6,900**	**0**	**0**	**33,200**
BEER, WINE AND LIQUOR STORES							
Beer	0	6,500	0	2,800	0	0	**9,300**
Wine	0	0	0	0	NA	NA	**0**
Liquor	0	0	10,700	7,700	0	0	**18,400**
TOTAL BEER, WINE AND LIQUOR STORES	**0**	**6,500**	**10,700**	**10,500**	**0**	**0**	**27,700**
GAFO STORES							
Traditional Department Stores	0	0	0	0	0	0	**0**
Discount Department Stores	0	0	0	0	0	0	**0**
Warehouse Membership Clubs	0	0	0	0	136,900	0	**136,900**
All other Gafo	2,200	187,400	130,600	62,600	141,200	474,100	**998,100**
TOTAL GAFO STORES	**2,200**	**187,400**	**130,600**	**62,600**	**278,100**	**474,100**	**1,135,000**
BUILDING AND OUTDOOR HOME SUPPLY STORES							
Home Centres and Hardware Stores	0	130,000	0	20,800	22,000	32,700	**205,500**
Specialized Building Materials and Garden Stores	0	0	0	2,600	NA	NA	**2,600**
TOTAL BUILDING AND OUTDOOR HOME SUPPLY STORES	**0**	**130,000**	**0**	**23,400**	**22,000**	**32,700**	**208,100**
SERVICES (3							
Financial Institutions	13,400	21,200	7,600	7,200	NA	NA	**49,400**
Other Lending Services	0	0	0	0	NA	NA	**0**
Consumer Rental Services	0	0	0	0	NA	NA	**0**
Professional Services	0	10,500	0	2,000	NA	NA	**12,500**
Administrative Services	0	0	0	2,200	NA	NA	**2,200**
Educational Services	0	3,000	0	8,400	NA	NA	**11,400**
Health Care Services	2,200	0	1,600	16,700	NA	NA	**20,500**
Social Services	0	0	0	0	NA	NA	**0**
Arts, Entertainment and Recreation Facilities	24,000	0	0	0	NA	NA	**24,000**
Food Services	8,600	27,700	15,800	20,100	9,000	NA	**81,200**
Automotive, Repair and Maintenance Services	0	0	0	4,700	NA	NA	**4,700**
Personal Goods Repair and Maintenance Services	0	0	0	900	NA	NA	**900**
Personal and Laundry Services	0	0	0	18,000	NA	NA	**18,000**
TOTAL SERVICES	**48,200**	**62,400**	**25,000**	**80,200**	**9000**	**0**	**224,800**
OTHER SPACE (NON-RETAIL)							
Other	0	0	0	2,200	NA	NA	**2,200**
TOTAL OTHER SPACE (NON-RETAIL)	**0**	**0**	**0**	**2,200**	**0**	**0**	**2,200**
TOTAL OCCUPIED SPACE	**113,600**	**391,700**	**295,100**	**201,600**	**309,100**	**506,800**	**1,817,900**
VACANT SPACE	5,100	13,800	0	11,400	25,000	NA	**55,300**
VACANCY RATE (4	**4.3%**	**3.4%**	**0.0%**	**5.4%**	**7.5%**	**NA**	**3.0%**
CRU VACANCY RATE (5	**6.5%**	**3.4%**	**0.0%**	**5.6%**	**7.5%**	**NA**	**3.3%**
GRAND TOTAL	**118,700**	**405,500**	**295,100**	**213,000**	**334,100**	**506,800**	**1,873,200**

SOURCE: Kircher Research Associates Ltd.
1) Based on the inventory of competitive retail and service space in and around the trade area, which was conducted in March 2012. Rounded to the nearest 100 square feet gross leasable area (GLA).
2) A detailed listing of individual store types in each category can be found in Appendix E.
3) NA = Not Available.
4) The vacancy rate expresses vacant space as a percentage of total space.
5) The CRU vacancy space expresses vacant space as a percentage of total space, excluding supermarkets and grocery stores and department stores.
6) Does not include adjacent sports facilities of +/- 125,000 Sq. Ft.

TABLE A-1 (Continued)
INVENTORY OF COMPETITIVE RETAIL AND SERVICE (Square Feet GLA) (1

MAP KEY / CLUSTER NAME	7 Byron Village	8 Commissioners Plaza	9 Westmount Mall (7	10 Wharncliffe Centre	11 Riocan Centre	12 Wellington Corners	13 Bradley SC	14 White Oaks Mall	15 Wellington Commons	16 Wellington Strip	17 Pond Mills Square (8	18 Other South London	TOTAL OTHER SOUTH LONDON	TOTAL INVENTORIED SPACE
STORE CATEGORY (2														
FOOD STORES														
Supermarkets and Grocery Stores	39,800	58,400	37,000	40,100	55,700	30,200	29,300	0	0	42,400	37,200	0	**370,100**	**547,100**
Convenience and Specialty Food Stores	0	0	5,200	0	1,500	1,600	2,000	6,700	0	NA	0	NA	**17,000**	**26,900**
TOTAL FOOD STORES	**39,800**	**58,400**	**42,200**	**40,100**	**57,200**	**31,800**	**31,300**	**6,700**	**0**	**42,400**	**37,200**	**0**	**387,100**	**574,000**
PHARMACIES AND PERSONAL CARE STORES														
Pharmacies and Cosmetics Stores	20,200	0	2,200	0	0	14,000	0	15,600	0	NA	0	108,800	**160,800**	**188,100**
Personal Care Stores	0	0	3,000	0	0	5,000	0	6,700	0	NA	0	NA	**14,700**	**20,600**
TOTAL PHARMACIES AND PERSONAL CARE STORES	**20,200**	**0**	**5,200**	**0**	**0**	**19,000**	**0**	**22,300**	**0**	**0**	**0**	**108,800**	**175,500**	**208,700**
BEER, WINE AND LIQUOR STORES														
Beer	0	0	0	0	0	0	0	0	0	4,500	0	10,100	**14,600**	**23,900**
Wine	0	0	0	0	0	0	0	0	0	NA	0	NA	**0**	**0**
Liquor	8,300	0	0	0	0	0	0	0	0	10,800	0	3,500	**22,600**	**41,000**
TOTAL BEER, WINE AND LIQUOR STORES	**8,300**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**15,300**	**0**	**13,600**	**37,200**	**64,900**
GAFO STORES														
Traditional Department Stores	0	0	128,400	0	0	0	0	165,000	0	0	0	0	**293,400**	**293,400**
Discount Department Stores	0	0	112,400	0	0	0	0	151,000	0	0	65,800	0	**329,200**	**329,200**
Warehouse Membership Clubs	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**136,900**
All other Gafo	8,800	13,000	61,500	1,400	20,800	2,200	0	327,100	115,300	342,100	11,000	565,800	**1,469,000**	**2,467,100**
TOTAL GAFO STORES	**8,800**	**13,000**	**302,300**	**1,400**	**20,800**	**2,200**	**0**	**643,100**	**115,300**	**342,100**	**76,800**	**565,800**	**2,091,600**	**3,226,600**
BUILDING AND OUTDOOR HOME SUPPLY STORES														
Home Centres and Hardware Stores	0	0	0	0	0	0	0	0	0	NA	0	115,200	**115,200**	**320,700**
Specialized Building Materials and Garden Stores	0	0	0	0	0	0	0	0	0	NA	0	NA	**0**	**2,600**
TOTAL BUILDING AND OUTDOOR HOME SUPPLY STORES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**115,200**	**115,200**	**323,300**
SERVICES (3														
Financial Institutions	8,200	0	5,500	4,700	0	0	0	12,200	0	NA	0	NA	**30,600**	**80,000**
Other Lending Services	0	0	700	0	1,800	1,300	0	200	0	NA	0	NA	**4,000**	**4,000**
Consumer Rental Services	0	0	0	0	0	0	0	0	0	NA	0	NA	**0**	**0**
Professional Services	0	2,700	56,700	0	3,300	0	0	100	0	NA	0	NA	**62,800**	**75,300**
Administrative Services	0	1,000	0	1,300	1,300	0	0	1,000	0	NA	15,700	NA	**20,300**	**22,500**
Educational Services	0	3,800	0	0	0	0	0	0	0	NA	0	NA	**3,800**	**15,200**
Health Care Services	2,700	3,600	0	0	0	2,100	1,400	2,700	0	NA	0	NA	**12,500**	**33,000**
Social Services	0	0	0	0	0	0	0	0	0	NA	0	NA	**0**	**0**
Arts, Entertainment and Recreation Facilities	0	0	41,000	0	4,300	0	0	0	0	56,500	0	NA	**101,800**	**125,800**
Food Services	2,300	8,900	6,200	4,400	36,900	11,300	3,600	11,900	5,000	NA	2,800	NA	**93,300**	**174,500**
Automotive, Repair and Maintenance Services	0	0	0	0	0	4,000	0	0	0	NA	0	NA	**4,000**	**8,700**
Personal Goods Repair and Maintenance Services	0	0	1,000	0	0	0	0	500	0	NA	0	NA	**1,500**	**2,400**
Personal and Laundry Services	0	3,600	3,300	2,500	5,300	5,700	4,600	2,600	0	NA	0	NA	**27,600**	**45,600**
TOTAL SERVICES	**13,200**	**23,600**	**114,400**	**12,900**	**52,900**	**24,400**	**9,600**	**31,200**	**5,000**	**56,500**	**18,500**	**0**	**362,200**	**587,000**
OTHER SPACE (NON-RETAIL)														
Other	0	0	0	1,800	2,500	0	0	400	0	NA	20,900	NA	**25,600**	**27,800**
TOTAL OTHER SPACE (NON-RETAIL)	**0**	**0**	**0**	**1,800**	**2,500**	**0**	**0**	**400**	**0**	**0**	**20,900**	**0**	**25,600**	**27,800**
TOTAL OCCUPIED SPACE	**90,300**	**95,000**	**464,100**	**56,200**	**133,400**	**77,400**	**40,900**	**703,700**	**120,300**	**456,300**	**153,400**	**803,400**	**3,194,400**	**5,012,300**
VACANT SPACE	0	2,200	97,700	4,600	0	0	18,000	3,200	13,100	58,700	11,600	NA	**209,100**	**264,400**
VACANCY RATE (4	**0.0%**	**2.3%**	**17.4%**	**7.6%**	**0.0%**	**0.0%**	**30.6%**	**0.5%**	**9.8%**	**11.4%**	**7.0%**	**NA**	**6.1%**	**5.0%**
CRU VACANCY RATE (5	**0.0%**	**5.7%**	**34.4%**	**22.2%**	**0.0%**	**0.0%**	**60.8%**	**0.8%**	**9.8%**	**12.4%**	**18.7%**	**NA**	**8.7%**	**6.4%**
GRAND TOTAL	**90,300**	**97,200**	**561,800**	**60,800**	**133,400**	**77,400**	**58,900**	**706,900**	**133,400**	**515,000**	**165,000**	**803,400**	**3,403,500**	**5,276,700**

SOURCE: Kircher Research Associates Ltd.
7) Vacant space includes vacant pads 15,000 Sq. Ft. and vacant 2nd floor 60,000 Sq. Ft.
8) Pond Mills Square demolished portion +/- 50,000 Sq. Ft. is not included

TABLE A-2
COMPETITIVE DEPARTMENT STORES AND WAREHOUSE MEMBERSHIP CLUBS

Map Key	Store Name	Location / Shopping Centre / Community	Size (Sq. Ft.)
SWAP AREA			
5	Costco	Wellington S of 401	136,900
TOTAL SWAP AREA			**136,900**
OTHER SOUTH LONDON			
9	Sears	Wonderland & Viscount (Westmount Shopping Centre)	128,400
9	Zellers	Wonderland & Viscount (Westmount Shopping Centre)	112,400
14	The Bay	Wellington & Bradley (White Oaks Mall)	165,000
14	Wal-Mart	Wellington & Bradley (White Oaks Mall)	151,000
17	Zellers	Commissioners & Deveron (Pond Mills Square)	65,800
TOTAL OTHER SOUTH LONDON			**622,600**
GRAND TOTAL			**759,500**

SOURCE: Kircher Research Associates Ltd.
1) Based on inventory conducted in March 2012

TABLE A-3
LARGE SPACE USERS
COMPETITIVE HOME CENTRES/HARDWARE, HOME AND AUTO, FURNITURE AND ELECTRONICS STORES

Map Key	Store Name	Location / Shopping Centre / Community	Size (Sq. Ft.)
SWAP AREA			
2	Home Depot	SW Southdale & Wonderland (Westwood PC)	130,000
2	HomeSense	SW Southdale & Wonderland (Westwood PC)	26,400
2	JYSK Linen & Furniture	SW Southdale & Wonderland (Westwood PC)	18,100
2	Bouclair Home	SW Southdale & Wonderland (Westwood PC)	10,700
2	Tiger Direct.ca	SW Southdale & Wonderland (Westwood PC)	16,100
3	Canadian Tire	E Wonderland S of Southdale (Wonderland Corners)	63,800
4	Copp's Buildall	W Colonel Talbot S of Main	20,800
4	Sacwell Flooring	S Main E of Colonel Talbot	10,200
4	Superior Computers	S Main E of Colonel Talbot	9,900
5	Car Quest	W Wellington N of Roxborough	13,000
5	Lumbertria Home Hardware BC	W Wellington S of 401	22,000
5	Carpet One	W Wellington S of 401	14,100
6	Napa	N Exeter W of White Oak Sdrd	10,400
6	TSC	W Wonderland N of Exeter	32,700
6	Leon's	SW Southdale & Wharncliffe	94,600
6	Teppermans	E Wharncliffe S of Southdale	93,300
6	Bad Boy	E Wharncliffe S of Southdale	36,700
6	The Brick	E Wharncliffe S of Southdale	36,700
6	Children's Furniture Outlet	E Wharncliffe S of Southdale	16,400
6	Table & Chair Co	SE Exeter & Meg	11,800
6	Goeman's Applicance	E Wharncliffe S of Southdale	28,600
6	Mattress Depot	N Exeter W of White Oak Sdrd	11,000
TOTAL SWAP AREA			**727,300**
OTHER SOUTH LONDON			
15	Home Outfitters	NE Exeter & Wellington (Wellington Commons)	30,000
15	Pier 1	NE Exeter & Wellington (Wellington Commons)	10,800
16	Canadian Tire	S Wellington S of White Oaks	98,600
16	Best Buy	E Wellington N of Dearness	41,000
16	Future Shop	W Wellington S of Montgomery Gate	26,900
18	Rona	SE Commissioners & Highbury (Summerside SC)	115,200
18	La Z Boy	E Wharncliffe N of Southdale	23,500
18	DOT Patio & Home	E Adelaide N of Commissioners	17,500
18	Lover's Office Furniture	E Adelaide N of Commissioners	16,800
18	Sears Home	E Wharncliffe N of Southdale	48,300
18	Patio Palace	W Adelaide S of Thompson	21,200
18	World Class Carpet	W Adelaide S of Thompson	20,100
TOTAL OTHER SOUTH LONDON			**469,900**
GRAND TOTAL			**1,197,200**

SOURCE: Kircher Research Associates Ltd.
1) Based on inventory conducted in March 2012

TABLE A-4
COMPETITIVE SUPERMARKETS

Map Key	Store Name	Location / Shopping Centre / Community	Size (Sq. Ft.)
SWAP AREA			
1	No Frills	Southdale & Colonel Talbot (Southwood Crossing)	40,600
3	Loblaw	Wonderland & Southdale (Wonderland Corners)	127,200
4	Lambeth Foodland	Main & Campbell / Lambeth	9,200
TOTAL SWAP AREA			**177,000**
OTHER SOUTH LONDON			
7	Metro	Commissioners & Boler (Byron Village)	39,800
8	Food Basics	Wonderland & Commissioners (Commissioners Plaza)	58,400
9	Metro	Wonderland & Viscount (Westmount Shopping Centre)	37,000
10	No Frills	Wharncliffe & Commissioners (Wharncliffe Centre)	40,100
11	Metro	Wellington & Commissioners (Riocan Centre)	55,700
12	FreshCo	Wellington & Commissioners (Wellington Corners)	30,200
13	Food Basics	Bradley & Ernest (Bradley SC)	29,300
16	No Frills	Southdale & Montgomery	42,400
17	Food Basics	Commissioners & Deveron (Pond Mills Square)	37,200
TOTAL OTHER SOUTH LONDON			**370,100**
GRAND TOTAL			**547,100**

SOURCE: Kircher Research Associates Ltd.
1) Based on inventory conducted in March 2012

TABLE A-5
LARGE SPACE USERS
COMPETITIVE DRUG AND LCBO STORES

Map Key	Store Name	Location / Shopping Centre / Community	Size (Sq. Ft.)
SWAP AREA			
1	Shoppers Drug Mart	SE Southdale & Colonel Talbot (Southwood Crossing)	20,400
3	LCBO	E Wonderland S of Southdale (Wonderland Corners)	10,700
TOTAL SWAP AREA			**31,100**
OTHER SOUTH LONDON			
7	Pharma Plus	SW Commissioners & Boler (Byron Village)	11,000
7	Shoppers Drug Mart	SW Commissioners & Boler (Byron Village)	9,200
12	Shoppers Drug Mart	SW Wellington & Commissioners (Wellington Corners)	14,000
16	LCBO	NW Wellington & Bradley (Century Centre)	10,800
18	Shoppers Drug Mart	NW Wonderland & Southdale	27,000
18	Shoppers Drug Mart	SW Southdale & Jalna	19,100
18	Shoppers Drug Mart	SE Southdale & Adelaide	16,800
18	Shoppers Drug Mart	S Commissioners & Frontenac	12,600
18	Shoppers Drug Mart	SE Wonderland & Commissioners	12,000
18	Shoppers Drug Mart	W Wharntcliffe @ Base Line (Wharncliffe Plaza)	11,800
18	Pharma Plus	SW Southdale & Ernest	9,500
TOTAL OTHER SOUTH LONDON			**153,800**
GRAND TOTAL			**184,900**

SOURCE: Kircher Research Associates Ltd.
1) Based on inventory conducted in March 2012

TABLE A-6
LARGE SPACE USERS
OTHER LARGE SPACE USERS

Map Key	Store Name	Location / Shopping Centre / Community	Size (Sq. Ft.)
SWAP AREA			
1	Goodlife	SE Southdale & Colonel Talbot (Southwood Crossing)	24,000
2	Dollarama	SW Southdale & Wonderland (Westwood PC)	9,800
2	Winners	SW Southdale & Wonderland (Westwood PC)	30,300
2	Toys R Us	SW Southdale & Wonderland (Westwood PC)	61,000
3	Marks Work Warehouse	E Wonderland S of Southdale (Wonderland Corners)	12,600
3	Staples	E Wonderland S of Southdale (Wonderland Corners)	23,700
3	Michael's	E Wonderland S of Southdale (Wonderland Corners)	26,800
5	Liquidation World	E Wellington S of 401 (Superstore Mall)	45,900
5	Crazy Al's Power Sports Supply	W Wellington N of Roxborough	15,400
5	Hockey World	E Wellington S of 401 (Superstore Mall)	14,900
5	Value Village	W Wellington S of 401	27,800
6	Liquidation Nation	SW Wellington & Exeter (Crossroads Centre)	13,500
6	Factory Direct	SW Wellington & Exeter (Crossroads Centre)	12,200
6	Winners	SW Wellington & Exeter (Crossroads Centre)	29,700
6	Factory Shoe	SE Wharncliffe & Southdale	11,000
TOTAL SWAP AREA			**358,600**
OTHER SOUTH LONDON			
9	Urban Planet	Wonderland & Viscount (Westmount Shopping Centre)	10,600
11	Dollarama	W Wellington N of Commissioners (Riocan Centre)	9,400
11	Mandarin	W Wellington N of Commissioners (Riocan Centre)	14,900
14	Dollarama	Wellington & Bradley (White Oaks Mall)	13,400
14	Jacob	Wellington & Bradley (White Oaks Mall)	15,000
14	H&M	Wellington & Bradley (White Oaks Mall)	18,100
14	Urban Behaviour	Wellington & Bradley (White Oaks Mall)	15,000
14	The Gap	Wellington & Bradley (White Oaks Mall)	10,600
14	Sport Chek	Wellington & Bradley (White Oaks Mall)	20,000
15	Old Navy	NE Exeter & Wellington (Wellington Commons)	14,900
15	Mountain Equipment Coop	NE Exeter & Wellington (Wellington Commons)	10,000
15	PetSmart	NE Exeter & Wellington (Wellington Commons)	17,000
16	Dollar Tree	SE Wellington & Bradley	12,300
16	Tag	W Wellington S of Montgomery Gate	38,300
16	Giant Tiger	SW Southdale & Montgomery (Montgomery Plaza)	32,700
16	Marks Work Warehouse	S Wellington S of White Oaks	11,200
16	Chapters	W Wellington S of Montgomery Gate	27,700
17	Dollarama	Commissioners & Deveron (Pond Mills Square)	11,000
18	Dollar Tree	SW Southdale & Adelaide (Adelaide Southdale Centre)	13,700
18	Giant Tiger	S Springbank & Kemohan (Southcrest Centre)	27,000
18	XS Cargo	W Wharntcliffe @ Base Line (Wharncliffe Plaza)	10,300
18	Collin's Formal & Men's Wear	W Adelaide S of Thompson	17,200
18	Athlete's World	W Wharntcliffe @ Base Line (Wharncliffe Plaza)	10,600
18	National Sports	NE Wellington & Base Line (Westminster Centre)	19,300
18	Sander's Pro	W Adelaide S of Thompson	17,200
18	Len's Mill	N Exeter E of White Oak Sdrd	28,900
18	Fabricland	E Wonderland N of Commissioners	12,600
18	Staples	NE Wellington & Base Line (Westminster Centre)	43,800
18	Rags 2 Riches Thrift Store	S Thompson & King Eddy (Glencairn Plaza)	12,100
18	Party Packagers	NE Wonderland & Southdale	11,000
TOTAL OTHER SOUTH LONDON			**525,800**
GRAND TOTAL			**884,400**

SOURCE: Kircher Research Associates Ltd.
1) Based on inventory conducted in March 2012

TABLE A-7
COMPETITIVE MOVIE THEATRES

Map Key	Store Name	Location / Shopping Centre / Community	Screens	Size (Sq. Ft.)
SWAP AREA				
NA	No Theatre	NA	NA	NA
TOTAL SWAP AREA				
OTHER SOUTH LONDON				
9	Cineplex	Wonderland & Viscount (Westmount Shopping Centre)	6	41,000
16	Empire Theatres	SW Wellington & Southdale (Wellington Southdale Plaza)	8	33,000
18	Highland Cinema	Wharncliffe Rd.	1	NA
NA	Mustang Drive-In	Westchester & Wilton Grove (OTA)	2	NA
TOTAL OTHER SOUTH LONDON			17	**74,000**
GRAND TOTAL			**17**	**74,000**

SOURCE: Kircher Research Associates Ltd.
1) Based on inventory conducted in March 2012

Data Provided by London

The Corporation of the City of London Planning Department has prepared an overview of existing and potential retail commercial properties located in the SWAP and in the total Study Area. This information has been assembled at our request. It is limited to existing and potential commercial properties that could accommodate 50,000 square feet or more retail space.

The data is provided on the following 10 tables. Each of the parcels is identified on the 21 maps that follow the tables. Both the tables and the maps are largely self explanatory. A brief explanation follows. The first four tables deal with properties located in SWAP and tables 9 and 10 summarize the SWAP data for the two different development concepts. For a description of the 'Designation' of the properties, Official Plan Section 4 should be consulted.

Table 1

This table identifies existing commercial parcels located in SWAP that could be potentially expanded, if normal land coverage of 30% were applied. Parcels that exceed the 30% ratio have been listed as well. It is assumed that any such parcels would remain 'as is'. Existing space comprises some 2,226,994 square feet. If all parcels would be developed to the maximum 30% coverage, an additional 730,777 square feet of retail space could theoretically be built. It is highly unlikely that all of these properties would be totally built-out, due to land configurations, development costs, access characteristics, soil conditions and lack of market potential. Nevertheless, some of the larger expansion opportunities will need to be taken into consideration when determining potential existing supply.

Table 2

This table lists vacant commercial parcels, located in SWAP, on which no application for development has been received. At the 30% coverage, these parcels could potentially accommodate 639,378 square feet of retail commercial space.

Table 3

There are a number of parcels in SWAP where applications for retail developments have been received or where such applications are pending. The four actual proposals submitted include

1,603,937 square feet in total. At a 30% coverage, some 384,805 square feet of additional space could result.

Table 4

Two vacant parcels in SWAP have been identified as potential commercial sites that have not been designated for such use. The proposed retail floor space size of these two parcels total 1,007,758 square feet. At 30% coverage, these parcels could include an additional 354,216 square feet.

Table 5

Similar to Table 1 for SWAP existing retail properties, Table 5 includes a listing of existing commercial properties located in the Balance of the Study Area, outside SWAP. These properties currently comprise 3,136,013 square feet of existing retail space. AT 30% coverage, they could accommodate an additional 402,777 square feet of retail space.

Table 6

This table identifies two vacant commercial parcels in the Balance of the Study Area for which no applications have been received. They total 387,741 square feet.

Table 7

There are two commercial parcels in the Balance of the Study Area that are currently vacant but for which applications have been received or are pending. The specific applications call for 397,671 square feet of retail space. At the 30% coverage rate, these parcels could potentially accommodate an additional 118,083 square feet of retail space.

Table 8

One parcel in the Balance of the Study Area is a potential commercial property which is not designated but for which an application has been received. The application calls for 275,000 square feet of retail space. If the property had 30% coverage, an additional 49,433 square feet of retail space would result.

Tables 9 and 10

As indicated in the body of the study, there are two development concepts being evaluated for SWAP. The principal difference between these is the proportion of total development considered for commercial purposes. Table 9 summarizes the proposed Commercial plus expansions and applications for Concept 1. It totals 3,257,131 square feet.

Concept 2 includes a large amount of potential additional commercial space. It increases the space considered for Concept 1 by more than 2.5 million square feet, resulting in a total of 5,867,376 square feet.

TABLE 1: SWAP AREA EXISTING COMMERCIAL (with potential expansion)

Key Number	Designation	Developer	Parcel m2	Parcel sqft	30% Coverage	Existing GFA	Existing Coverage	30% vs. existing sqft (Total Potential New Commercial)	NOTES
3	NFRCN	-	16,177	174,070	52,221	51,808	29.76%	413	[3]
4	NFRCN	-	76,303	821,020	246,306	261,228	31.82%	-	[1]; [3]
5	NFRCN	-	47,422	510,265	153,080	129,281	25.34%	23,799	[2]; [3]
6	NFRCN	-	95,924	1,032,145	309,644	225,079	21.81%	84,565	[2]; [3]
7	NFRCN	-	40,241	432,994	129,898	135,302	31.25%	-	[1]; [2]; [3]
8	NFRCN	-	55,512	597,313	179,194	98,494	16.49%	80,700	[2]; [3]
9	NFRCN	-	32,012	344,452	103,336	130,182	37.79%	-	[1]; [2]; [3]
10	NFRCN	-	46,461	499,920	149,976	125,146	25.03%	24,830	[2]; [3]
11	NFRCN	-	61,719	664,101	199,230	196,802	29.63%	2,428	[3]
12	NFRCN	-	44,960	483,770	145,131	137,180	28.36%	7,951	[3]
13	NFRCN	-	17,481	188,098	56,429	8,115	4.31%	48,314	[3]
14	NFRCN	-	17,987	193,539	58,062	11,864	6.13%	46,198	[3]
15	NFRCN	-	19,394	208,684	62,605	19,088	9.15%	43,517	[3]
16	NFRCN	-	41,502	446,558	133,967	126,012	28.22%	7,955	[3]
26	CCN	-	54,749	589,100	176,730	46,886	7.96%	129,844	[3]
38	AOCC	-	40,892	439,994	131,998	85,056	19.33%	46,942	[3]
39	AOCC	-	46,295	498,134	149,440	152,805	30.68%	-	[1]; [2]; [3]
41	AOCC	-	60,593	651,978	195,593	196,731	30.17%	-	[1]; [3]
43	AOCC	-	20,304	218,467	65,540	14,288	6.54%	51,252	[3]
44	AOCC	-	18,987	204,300	61,290	40,319	19.73%	20,971	[4]
45	AOCC	-	16,292	175,302	52,591	16,404	9.36%	36,187	[3]
46	AOCC	-	29,069	312,783	93,835	18,923	6.05%	74,912	[3]
						2,226,994		**730,777**	

Notes:

[1] These parcels exceed 30% coverage. They are not included in the total available for expansion amount.

[2] These parcels comprise the large big box mall at Wonderland/Southdale.

[3] These parcels are not included in the SWAP Concept 1 & 2 commercial numbers on Tables 9 & 10 below.

[4] This parcel (Key #44) is located along the Wonderland Road S. corridor, and is included in the SWAP Concept 1 & 2 commercial "Proposed GFA" numbers on Tables 9 and 10 below (assumed the 30% coverage figure).

TABLE 2: SWAP AREA VACANT - NO APPLICATION

Key Number	Designation	Developer	Parcel m2	Parcel sqft	30% Coverage	Proposed GFA	Proposed Coverage	30% vs.proposed sqft (Total Potential New Commercial)	NOTES
A	NFRCN	-	84,368	907,803	272,341	0	0.00%	272,341	-
L	AOCC	Decade/Westbury	19,520	210,035	63,011	0	0.00%	63,011	[1]
M	AOCC	-	43,038	463,091	138,927	0	0.00%	138,927	[1]
O	AOCC	-	51,146	550,330	165,099	0	0.00%	165,099	[2]
						0		639,378	

Notes:

[1] These parcels are not included in the SWAP Concept 1 & 2 commercial numbers on Tables 9 & 10 below.

[2] This parcel is included in the SWAP Concept 1 & 2 numbers on Tables 9 & 10 below.

TABLE 3: SWAP AREA VACANT - APPLICATION RECEIVED/PENDING

Key Number	Designation	Developer	Parcel m2	Parcel sqft	30% Coverage	Proposed GFA	Proposed Coverage	30% vs. proposed sqft (Total Potential New Commercial)	Proposed GFA + Total Potential New	NOTES
B	NFRCN	Westwood Phase II	42,300	455,149	136,545	123,200	27.07%	13,345	136,545	[1]; [5]
C, D, E, F, G	NFRCN	Pen Equity	326,597	3,514,184	1,054,255	788,705	22.44%	265,550	1,054,255	[2]; [5]
P	CCN	Sifton - Andover	106,711	1,148,210	344,463	320,325	27.90%	24,138	-	[3]; [5]
N	NFRCN	Decade/Westbury	140,483	1,511,598	453,479	371,707	24.59%	81,772	-	[4]; [5]
						1,603,937		384,805	1,988,742	

Notes:

[1] This parcel is a phase of the big box mall at Wonderland/Southdale.

[2] These parcels are all included in the Pen Equity proposal (will likely be assembled into 1 large parcel).

[3] Sifton's propcsal includes the redesignation of high density residential lands to commercial. It also includes a parcel belonging to Decade/Westbury. The parcel m2/sqft represents all parcels that would comprise the proposed Sifton site.

[4] Decade/Westbury represents the proposed AOCC parcels. The office parcel and lands to be included in the Sifton proposal are not included in the above numbers.

[5] These parcels are not included in the SWAP Concept 1 & 2 commercial numbers on Tables 9 & 10 below.

TABLE 4: SWAP AREA VACANT - NOT DESIGNATED, PROPOSAL RECEIVED

Key Number	Designation	Developer	Parcel m2	Parcel sqft	30% Coverage	Proposed GFA	Proposed Coverage	30% vs. proposed sqft (Total Potential New Commercial)	Proposed GFA + Total Potential New	NOTES
R	URIG	SmartCentres (Greenhills)	222,280	2,391,733	717,520	414,000	17.31%	303,520	717,520	[1]; [2]
Q	URCG	York Developments (Soufan)	199,645	2,148,180	644,454	593,758	27.64%	50,696	644,454	[3]
						1,007,758		354,216	1,361,974	

Notes:

[1] The SmartCentres (Greenhills) parcel represents the combined area of parcels bounding Wonderland Road, Exeter Road and the proposed Hamlyn St extension. This represents the maximum area that has been included in their commercial proposals (remnant lands would be for industrial, environmental and stormwater management uses).

[2] This parcel is included in the SWAP Concept 1 & 2 commercial numbers on Tables 9 & 10 below. For Concept 1, the parcel is proposed for residential uses except for 47,774 sqft of commercial space. The entire parcel would be commercial under Concept 2.

[3] These parcels are included in the SWAP Concept 1 & 2 commercial numbers on Tables 9 & 10 below. For Concept 1, the parcel is proposed for residential and office uses. The entire site would be commercial under Concept 2.

TOTAL POTENTIAL EXPANDED AND NEW COMMERCIAL, SWAP AREA (DESIGNATED AND PROPOSED, EXCLUDING SWAP COMMERCIAL AMOUNTS IN TABLES 9 &10)	4,720,871

TABLE 5: Non-SWAP South of Thames Existing Commercial (with potential expansion)

Key Number	Designation	Developer	Parcel m2	Parcel sqft	30% Coverage	Existing GFA	Existing Coverage	30% vs. existing sqft (Total Potential New Commercial)	NOTES
1	NFRCN	-	41,911	450,964	135,289	135,252	29.99%	37	-
2	NFRCN	-	23,781	255,881	76,764	57,721	22.56%	19,044	-
17	ERCN	-	186,504	2,006,783	602,035	779,185	38.83%	-	[1]
18	ERCN	-	35,412	381,028	114,308	106,772	28.02%	7,536	-
19	CCN	-	73,336	789,099	236,730	182,856	23.17%	53,874	-
20	CCN	-	32,302	347,569	104,271	107,535	30.94%	-	[1]
21	CCN	-	61,862	665,630	199,689	138,203	20.76%	61,486	-
22	CCN	-	55,769	600,073	180,022	135,772	22.63%	44,250	-
23	CCN	-	25,062	269,666	80,900	55,292	20.50%	25,608	-
24	CCN	-	36,265	390,216	117,065	99,191	25.42%	17,874	-
25	CCN	-	127,008	1,366,609	551,988	494,760	-	57,228	[2]
27	NCN	-	18,294	196,842	59,053	48,722	24.75%	10,331	-
28	NCN	-	20,788	223,684	67,105	73,196	32.72%	-	[1]
29	NCN	-	23,035	247,859	74,358	75,221	30.35%	-	[1]
30	NCN	-	22,133	238,151	71,445	49,795	20.91%	21,650	-
31	NCN	-	22,400	241,026	72,308	64,701	26.84%	7,607	-
32	AOCC	-	16,628	178,918	53,675	61,780	34.53%	-	[1]
33	AOCC	-	23,781	255,888	76,766	68,425	26.74%	8,342	-
34	AOCC	-	20,256	217,955	65,387	62,699	28.77%	2,687	-
35	AOCC	-	17,404	187,268	56,180	48,966	26.15%	7,215	-
36	AOCC	-	34,672	373,075	111,923	65,282	17.50%	46,641	-
37	AOCC	-	22,138	238,210	71,463	60,097	25.23%	11,366	-
40	AOCC	-	24,919	268,123	80,437	85,639	31.94%	-	[1]
42	AOCC	-	22,846	245,827	73,748	78,953	32.12%	-	[1]
						3,136,013		**402,777**	

Notes:

[1] These parcels exceed 30% coverage. They are not included in the total available for expansion amount.

[2] The "Existing GFA" number for Westmount Mall is derived from their most recent (2010) site plan. The GFA number is also less the maximum square footage of office space that could be constructed according to the Zone (10%). The number under "30% Coverage" (551,988) represents the maximum GFA permitted for the site based on the amount permitted under the Zone, not on permissable site coverage (the Zone GFA cap is lower than the potential coverage yield -- 614,975 sqft at 45%).

TABLE 6: NON-SWAP AREA VACANT - NO APPLICATION

Key Number	Designation	Developer	Parcel m2	Parcel sqft	30% Coverage	Proposed GFA	Proposed Coverage	30% vs.proposed sqft (Total Potential New Commercial)	NOTES
H	CCN	-	55,772	600,112	180,034	0	0.00%	180,034	-
I	CCN	-	64,345	692,355	207,707	0	0.00%	207,707	-
						0		**387,741**	

TABLE 7: NON-SWAP VACANT - APPLICATION RECEIVED/PENDING

Key Number	Designation	Developer	Parcel m2	Parcel sqft	30% Coverage	Proposed GFA	Proposed Coverage	30% vs. proposed sqft (Total Potential New Commercial)	Proposed GFA + Total Potential New	NOTES
J	CCN	Sifton - Riverbend Heights	116,316	1,251,560	375,468	276,066	22.06%	99,402	375,468	-
K	CCN	Sifton - Riverbend South	43,459	467,619	140,286	121,605	26.01%	18,681	140,286	[1]
						397,671		118,083	515,754	

Notes:

[1] The parcels will be part of a future commercial proposal. No application has been received, but the proposed site plan for J included conceptual building footprints and square footage for the parcels south of Oxford St. The southeast parcel is currently designated for residential uses; thus an application to amend the Official Plan and a re-zoning will be required.

TABLE 8: NON-SWAP AREA VACANT - NOT DESIGNATED, PROPOSAL RECEIVED

Key Number	Designation	Developer	Parcel m2	Parcel sqft	30% Coverage	Proposed GFA	Proposed Coverage	30% vs. proposed sqft (Total Potential New Commercial)	Proposed GFA + Total Potential New	NOTES
S	URCG	SmartCentres (Meadowlily)	100,506	1,081,445	324,433	275,000	25.43%	49,433	324,433	[1]
						275,000		49,433	324,433	

Notes:

[1] The SmartCentres (Meadowlily) proposal includes the right-of-way to the north of the property that is proposed to be assembled with the parcel fronting Commissioners Road.

TOTAL POTENTIAL EXPANDED AND NEW COMMERCIAL, SOUTH OF THAMES AREA (NOT INCLUDING SWAP COMMERCIAL AMOUNTS IN TABLES 9 & 10)			1,630,705

TABLE 9: SWAP Concept 1

SWAP Concept 1: Proposed Commercial plus expansions and applications		Notes
SWAP Concept 1 Proposed GFA	675,717	[1]; [4]
ADD: SWAP Area Potential expansions (Table 1)	709,806	[2]
ADD: SWAP Area Vacant -- no application (Table 2)	639,378	-
ADD: SWAP Area Vacant -- application received/pending (excludes Key #N) (Table 3)	1,232,230	[3]; [5]
Total	**3,257,131**	

Notes:

[1] The "Proposed GFA" represents new commercial development that could be constructed along the Wonderland Road S corridor based on land use designations that are being proposed through SWAP. Commercial coverage was assumed at 30% (single storey).

[2] This commercial amount excludes the parcel Key #44 that is included in the "Concept 1 Proposed GFA" number (therefore 730,777-20,971=709,806).

[3] Key #N is removed since it is located along the Wonderland Road S corridor and potential commercial build out is included in "Concept 1 Proposed GFA" (therefore, 1,603,937-371,707=1,232,230)

[4] The sites proposed by developers ("SWAP Area Vacant, not designated, proposal received) in Table 4 are located along the Wonderland Road S corridor. These sites are not included separately since the build out of these lands is based on the proposed land use designations, which may be different from what the developers have proposed. Potential commercial construction for these sites is captured in the number for "Concept 1 Proposed GFA."

[5] The GFA number provided (1,232,230 sqft) is based on the proposed commercial square footage, not the combined amount of the proposed commercial square footage AND potential expansion of these sites.

TABLE 10: SWAP Concept 2

SWAP Concept 2: Proposed Commercial plus expansions and applications		Notes
SWAP Concept 2 Proposed GFA	3,285,962	[1]; [4]
ADD: SWAP Area Potential expansions (Table 1)	709,806	[2]
ADD: SWAP Area Vacant -- no application (Table 2)	639,378	-
ADD: SWAP Area Vacant -- application received/pending (excludes Key #N) (Table 3)	1,232,230	[3]; [5]
Total	**5,867,376**	

Notes:

[1] The "Proposed GFA" represents new commercial development that could be constructed along the Wonderland Road S corridor based on land use designations that are being proposed through SWAP. Commercial coverage was assumed at 30% (single storey).

[2] This commercial amount excludes the parcel Key #44 that is included in the "Concept 2 Proposed GFA" number (therefore 730,777-20,971=709,806).

[3] Key #N is removed since it is located along the Wonderland Road S corridor and potential commercial build out is included in "Concept 2 Proposed GFA" (therefore, 1,603,937-371,707=1,232,230)

[4] The sites proposed by developers ("SWAP Area Vacant, not designated, proposal received) in Table 4 are located along the Wonderland Road S corridor. These sites are not included separately since the build out of these lands is based on the proposed land use designations, which may be different from what the developers have proposed. Potential commercial construction for these sites is captured in the number for "Concept 2 Proposed GFA."

[5] The GFA number provided (1,232,230 sqft) is based on the proposed commercial square footage, not the combined amount of the proposed commercial square footage AND potential expansion of these sites.


TIGERLILY RD
WESTDEL BRNE
RIVERBEND RD
KIRKPATRICK WAY
KIRKPATRICK GATE
LOGANS WAY
LOGANS RUN
KAINS RD
KAINS RD
JIM ALLEN WAY
SHORE RD
RIVERBEND RD
GATENBY ST
ASHGROVE CRT
J
COMMISSIONERS RD W
K
K
OXFORD ST W
RIVERBEND RD
SUMAC WAY
WARBLER WOODS WALK
GIDEON DR
MAP 1
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
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MAP 2
29
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
COMMISSIONERS RD W
RIVERSIDE DR
BOLER RD
HALLS MILL RD
HALLS MILL PL
SANATORIUM RD
PLYMOUTH AVE
CHALFONT CRES
CHALFONT RD
STONEHAVEN PL
HARTSON RD
GREEN HEDGE LANE
ALDER GROVE
SPRINGBANK AVE
NORMAN AVE
HELENA MONTAGUE AVE
STEPHEN ST
BROCK ST
REYNOLDS RD
GUEST AVE
BYRON BLVD
FOYSTON RD
COLVILLE BLVD
GLENROSE DR
LYNDEN CRES
WILLARD CRES
NASHUA AVE
LANSING AVE
BYRON BASELINE RD
BROCK LANE
GRIFFITH ST
SEPTEMBER LANE


QUINELLA DR
QUINELLA PL
TEEPLE TERR
BERKSHIRE CRT
BERKSHIRE DR
WESTWOOD DR
ROSE HIP GATE
ROSE HIP PL
TRELLIS CRES
OLD WONDERLAND RD
MELCREST RD
APPLEWOOD LANE
WESTMORLAND CRT
WESTMORLAND RD
WESTMORLAND PL
EATON PARK DR
TOPPING LANE
JARVIS ST
ROSECLIFFE CRES
ROSECLIFFE TERR
APPLEWOOD CRES
24
COMMISSIONERS RD W
FOREST EDGE RD
GUILDFORD CRT
PADDOCK GREEN CRES
VILLAGE GREEN AVE
BUGLE PL
NOTTINGHILL RD
NOTTINGHILL CRES
JAMAICA CRT
WONDERLAND RD S
HUNTER WOODS CRES
STEEPLECHASE DR
JAMAICA ST
LYNNGATE CRT
LYNNGATE PL
SALEM RD
LYNNGATE GROVE
25
FOX MILL CRT
FOX MILL CRES
FOX MILL GROVE
WOODCREST BLVD
VISCOUNT RD
LELAND RD
LELAND PL
DEER VALLEY CRES
PINE VALLEY DR
VILLAGE GREEN
MAP 3
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
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WONDERLAND RD N
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FOREST HILL AVE
WILDWOOD AVE
DARLENE CRES
PINEWOOD DR
MALCOLM ST
DONNA ST
CHELSEA AVE
RANDOL DR
MARY AVE
CAROL ST
SEAWOOD AVE
CHESSINGTON AVE
GREENWOOD AVE
TROWBRIDGE AVE
SPRINGBANK DR
28
KERNOHAN PKY
COLLEY AVE
RIDGEWOOD CRES
BLOXAM AVE
AUBURN AVE
THORNCREST CRES
WANASEA AVE
LANGARTH ST W
SOUTHCREST DR
EMERY ST W
GARDENWOOD DR
SOUTHVIEW CRES
PHYLLIS ST
BERKSHIRE PL
SOUTHVIEW PL
MAP 4
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
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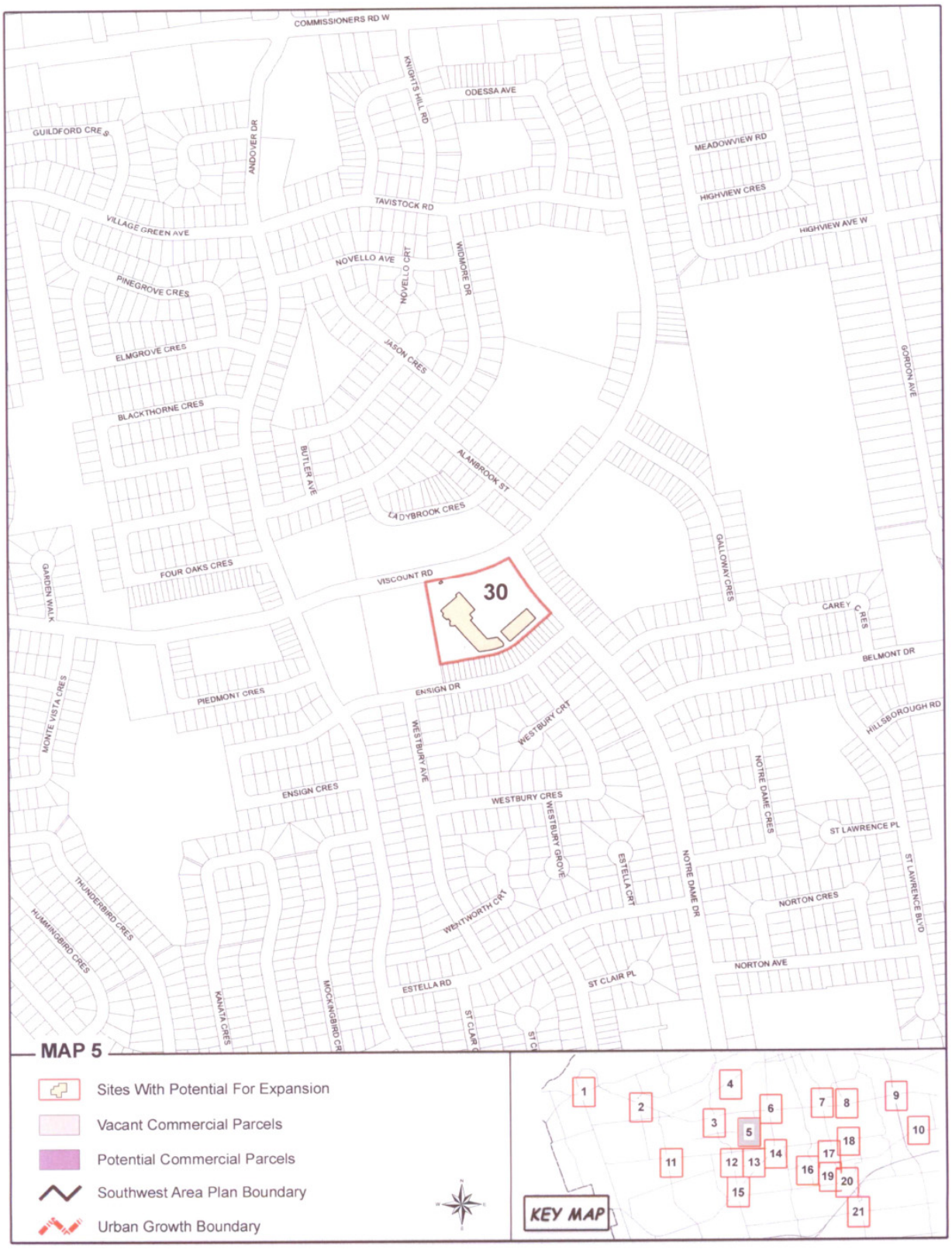
COMMISSIONERS RD W
KNIGHTS HILL RD
ODESSA AVE
GUILDFORD CRES
ANDOVER DR
MEADOWVIEW RD
HIGHVIEW CRES
TAVISTOCK RD
VILLAGE GREEN AVE
HIGHVIEW AVE W
NOVELLO AVE
NOVELLO CRT
WIDMORE DR
PINEGROVE CRES
ELMGROVE CRES
JASON CRES
GORDON AVE
BLACKTHORNE CRES
BUTLER AVE
ALANBROOK ST
LADYBROOK CRES
FOUR OAKS CRES
GARDEN WALK
VISCOUNT RD
30
GALLOWAY CRES
CAREY CRES
BELMONT DR
MONTE VISTA CRES
PIEDMONT CRES
ENSIGN DR
WESTBURY CRT
WESTBURY AVE
HILLSBOROUGH RD
ENSIGN CRES
WESTBURY CRES
WESTBURY GROVE
NOTRE DAME CRES
ST LAWRENCE PL
ESTELLA CRT
NOTRE DAME DR
ST LAWRENCE BLVD
THUNDERBIRD CRES
HUMMINGBIRD CRES
WENTWORTH CRT
NORTON CRES
NORTON AVE
ESTELLA RD
ST CLAIR PL
KANATA CRES
MOCKINGBIRD CR
ST CLAIR CR
MAP 5
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
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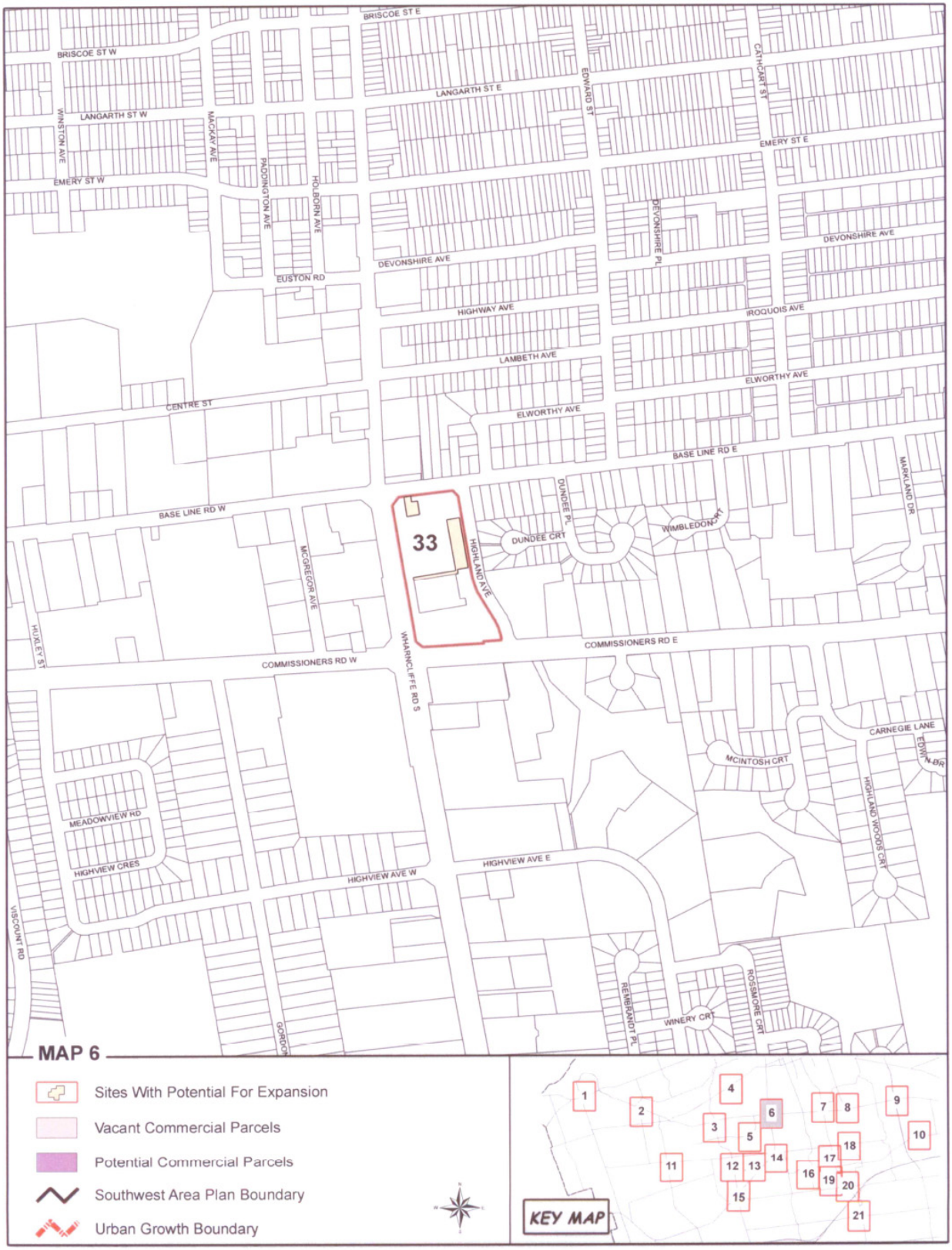
BRISCOE ST E
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MACKAY AVE
PADDINGTON AVE
HOLBORN AVE
EUSTON RD
DEVONSHIRE AVE
DEVONSHIRE PL
HIGHWAY AVE
IROQUOIS AVE
LAMBETH AVE
ELWORTHY AVE
CENTRE ST
BASE LINE RD E
BASE LINE RD W
MARKLAND DR
DUNDEE PL
DUNDEE CRT
WIMBLEDON CRT
33
HIGHLAND AVE
MCGREGOR AVE
HURLEY ST
COMMISSIONERS RD W
COMMISSIONERS RD E
WHARNCLIFFE RD S
CARNEGIE LANE
EDWARD DR
MCINTOSH CRT
HIGHLAND WOODS CRT
MEADOWVIEW RD
HIGHVIEW CRES
HIGHVIEW AVE W
HIGHVIEW AVE E
VISCOUNT RD
REMBRANDT PL
ROSSMORE CRT
WINERY CRT
MAP 6
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
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WINDSOR AVE
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HERKIMER ST
TREVITHEN ST
LINCOLN PL
FAIRVIEW CRT
THOMPSON RD
WESTMINSTER AVE
ADELAIDE ST S
WHETTER AVE
THOMAS JANES DR
HIGH ST
CHESTER ST
WELLINGTON CRT
FAIRVIEW AVE
ROWNTREE AVE
PERCY ST
MARLA CRES
MCKEON AVE
BALDERSTONE AVE
SYLVAN ST
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BASE LINE RD E
AVERILL GATE
AVERILL CRES
AVERILL PL
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KINGSFORD CRES
ADARE CRES
WELLINGTON RD
COMMISSIONERS RD E
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TORRINGTON CRES
HUNTINGDON DR
COWAN CRES
COWAN CRT
COWAN AVE
COWAN PL
ROCKINGHAM CRT
HUNTINGDON PL
CHIDDINGTON PL
CHIDDINGTON AVE
WATERMAN AVE
COMPTON PL
MAP 7
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
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BASE LINE RD E
EMERSON AVE
CHESTERFIELD AVE
WESTLAKE ST
GLADSTONE AVE
DIEPPE ST
SHIRL ST
MARION ST
HELENA AVE
SCENIC DR
DOVER PL
BURLINGTON ST
KING EDWARD AVE
ECHO PL
BUCKINGHAM ST
RENFRO CRES
ARLINGTON CRES
VERMONT AVE
CHIPPENDALE CRES
LEATHORNE ST
EAGLE DR
EAGLE CRT
EAGLE CRES
SUMNER RD
FRONTENAC RD
COMMISSIONERS RD E
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MAP 8
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
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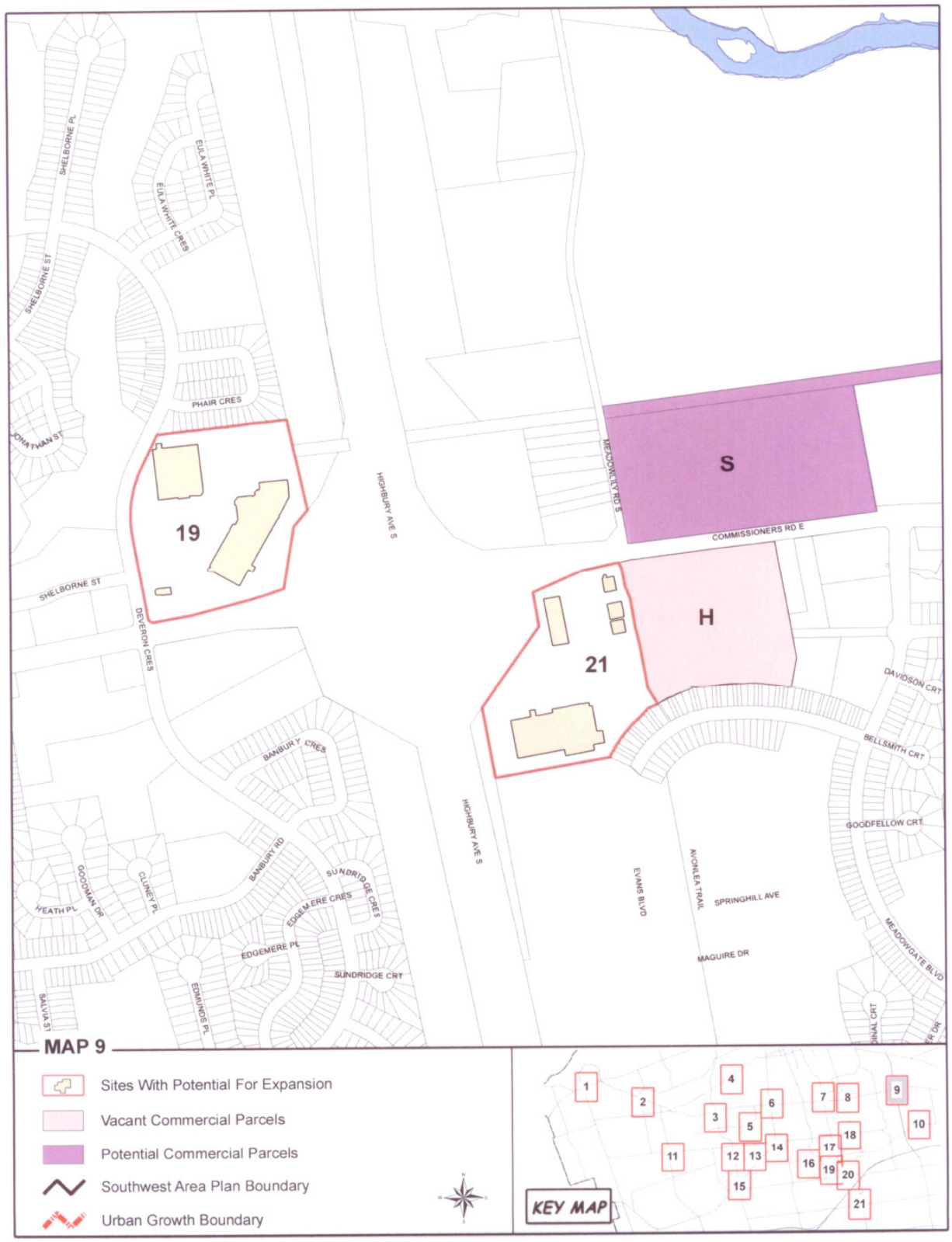
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COMMISSIONERS RD E
SHELBORNE ST
DEVERON CRES
BANBURY CRES
BANBURY RD
SUNDRIDGE CRES
EDGEMERE CRES
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SUNDRIDGE CRT
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CLUNEY PL
HEATH PL
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EDMUNDS PL
EVANS BLVD
AVONLEA TRAIL
SPRINGHILL AVE
MAGUIRE DR
DAVIDSON CRT
BELLSMITH CRT
GOODFELLOW CRT
MEADOWGATE BLVD
MAP 9
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
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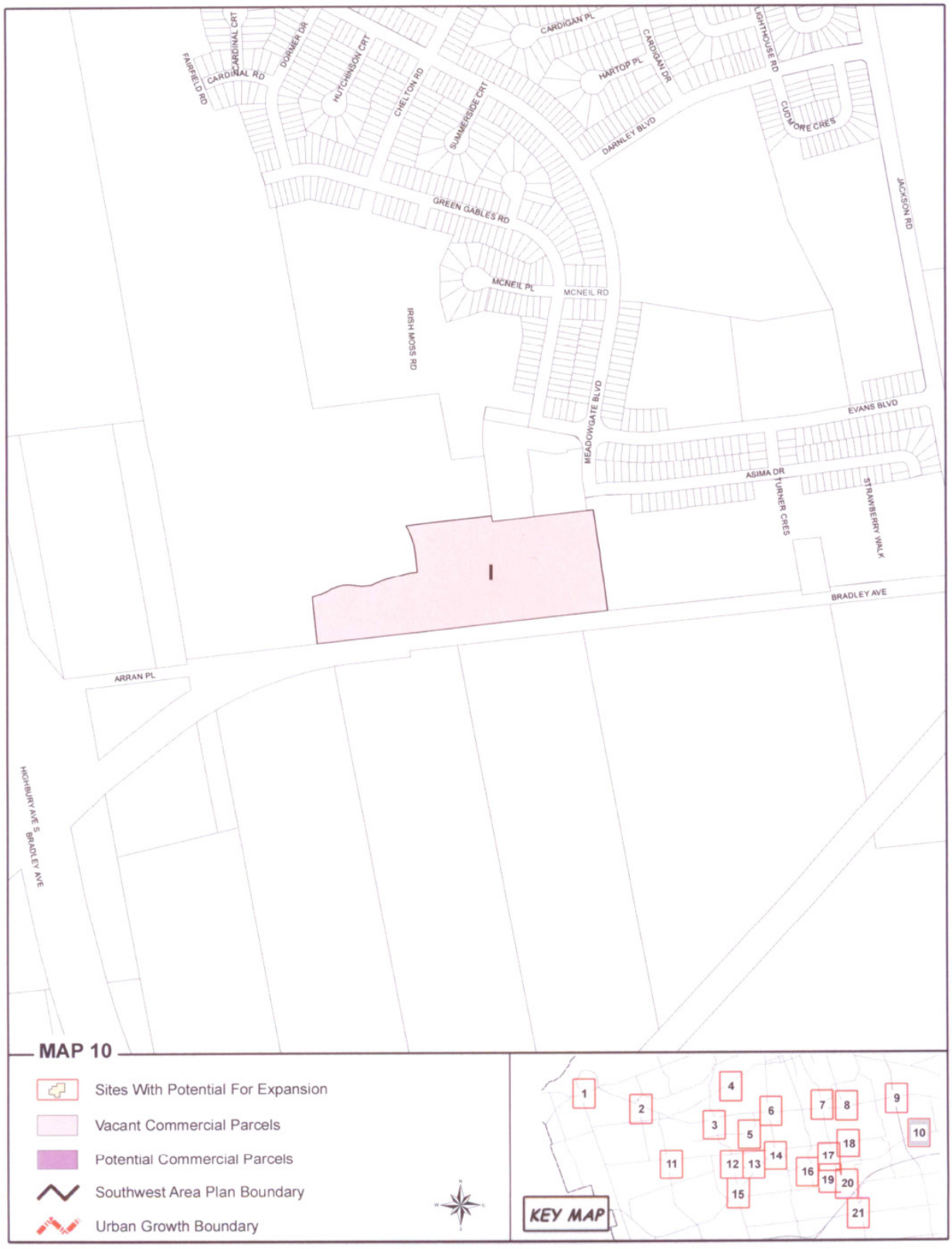
CARDINAL CRT
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CARDINAL RD
DORNER DR
HUTCHINSON CRT
CHELTON RD
SUMMERSIDE CRT
CARDIGAN PL
HARTOP PL
CARDIGAN DR
LIGHTHOUSE RD
DARNLEY BLVD
CUDMORE CRES
JACKSON RD
GREEN GABLES RD
MCNEIL PL
MCNEIL RD
IRISH MOSS RD
MEADOWGATE BLVD
EVANS BLVD
ASIMA DR
TURNER CRES
STRAWBERRY WALK
BRADLEY AVE
ARRAN PL
HIGHBURY AVE S
BRADLEY AVE
MAP 10
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
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SOMERSET CRES
FOURWINDS RD
OLD OAK LANE
COLONEL TALBOT RD
CHERRYGROVE DR
APRICOT PL
APRICOT DR
BYRONMANOR RD
CHERRYHAVEN DR
BYRONHILLS DR
GABOR CRT
GABOR ST
FARMINGTON WAY
THORNLEY ST
BARCLAY RD
GAGEL ST
CRANBROOK RD
SCHRAEDER ST
ROBERTSON PL
COLLINS DR
BUTTONBUSH CRES
TILLMANN RD
SOUTHDALE RD W
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POMEROY LANE
NAVIN CRES
VALLAS CIR
UPPER CANADA CROSS
RALEIGH BLVD
TILBURY LANE
GRISTMILL LANE
MAIDSTONE LANE
BATHAM LANE
SETTLEMENT TRAIL
ROMNEY LANE
MAP 11
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
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MCMASTER DR
MCMASTER CRES
DALHOUSIE DR
PINE VALLEY GATE
HUMMINGBIRD CRES
THUNDERBIRD CRES
KANATA CRES
MOCKINGBIRD CRES
ESTELLA RD
ANDOVER DR
PINE VALLEY DR
PINE VALLEY LANE
PINE VALLEY BLVD
SOUTHDALE RD W
SINGLETON AVE
PINCOMBE DR
MORGAN CRES
MORGAN AVE
BRADLEY AVE W
WONDERLAND RD S
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MAP 12
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
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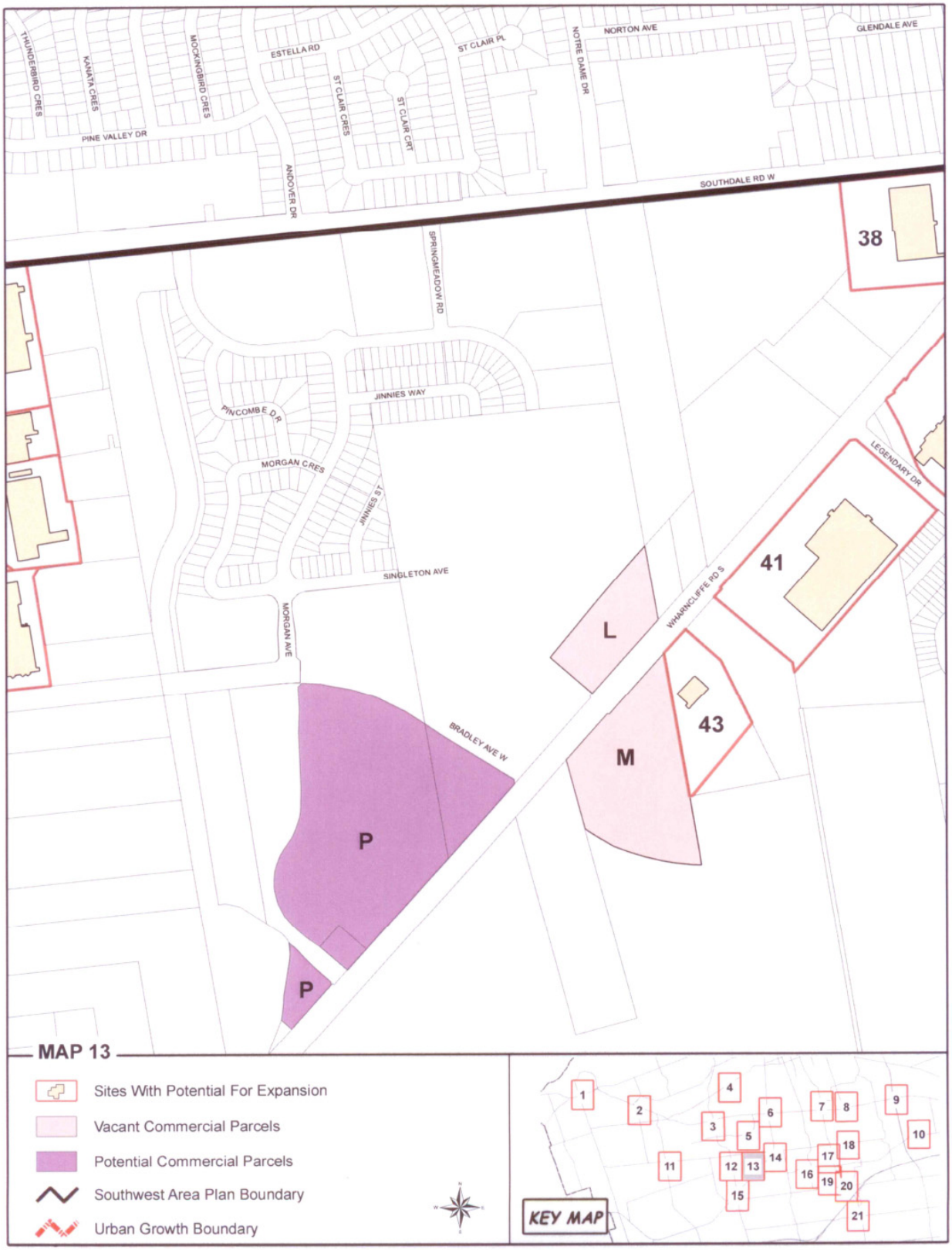
THUNDERBIRD CRES
KANATA CRES
MOCKINGBIRD CRES
ESTELLA RD
ST CLAIR CRES
ST CLAIR CRT
ST CLAIR PL
NOTRE DAME DR
NORTON AVE
GLENDALE AVE
PINE VALLEY DR
ANDOVER DR
SOUTHDALE RD W
SPRINGMEADOW RD
JINNIES WAY
PINCOMBE DR
MORGAN CRES
JINNIES ST
SINGLETON AVE
MORGAN AVE
BRADLEY AVE W
WHARNCLIFFE RD S
LEGENDARY DR
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MAP 13
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
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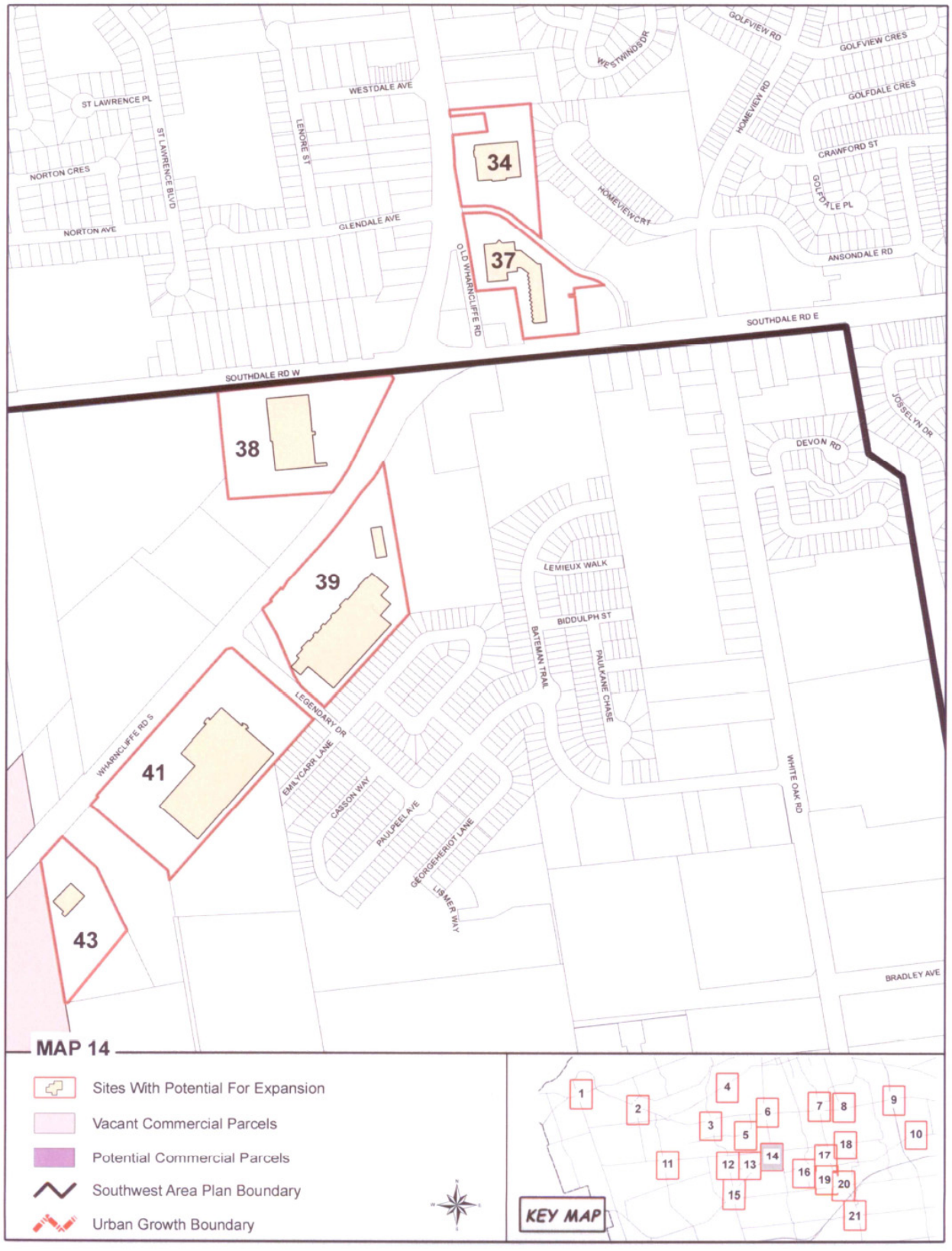
ST LAWRENCE PL
NORTON CRES
NORTON AVE
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LENORE ST
GLENDALE AVE
WESTWINDS DR
GOLFVIEW RD
GOLFVIEW CRES
HOMEVIEW RD
GOLFDALE CRES
CRAWFORD ST
GOLFDALE PL
HOMEVIEW CRT
ANSONDALE RD
OLD WHARNCLIFFE RD
SOUTHDALE RD E
SOUTHDALE RD W
JOSSELYN DR
DEVON RD
LEMIEUX WALK
BIDDULPH ST
BATEMAN TRAIL
PAULKANE CHASE
WHARNCLIFFE RD S
LEGENDARY DR
EMILY CARR LANE
CASSON WAY
PAULPEEL AVE
GEORGE HERIOT LANE
LISMER WAY
WHITE OAK RD
BRADLEY AVE
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MAP 14
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
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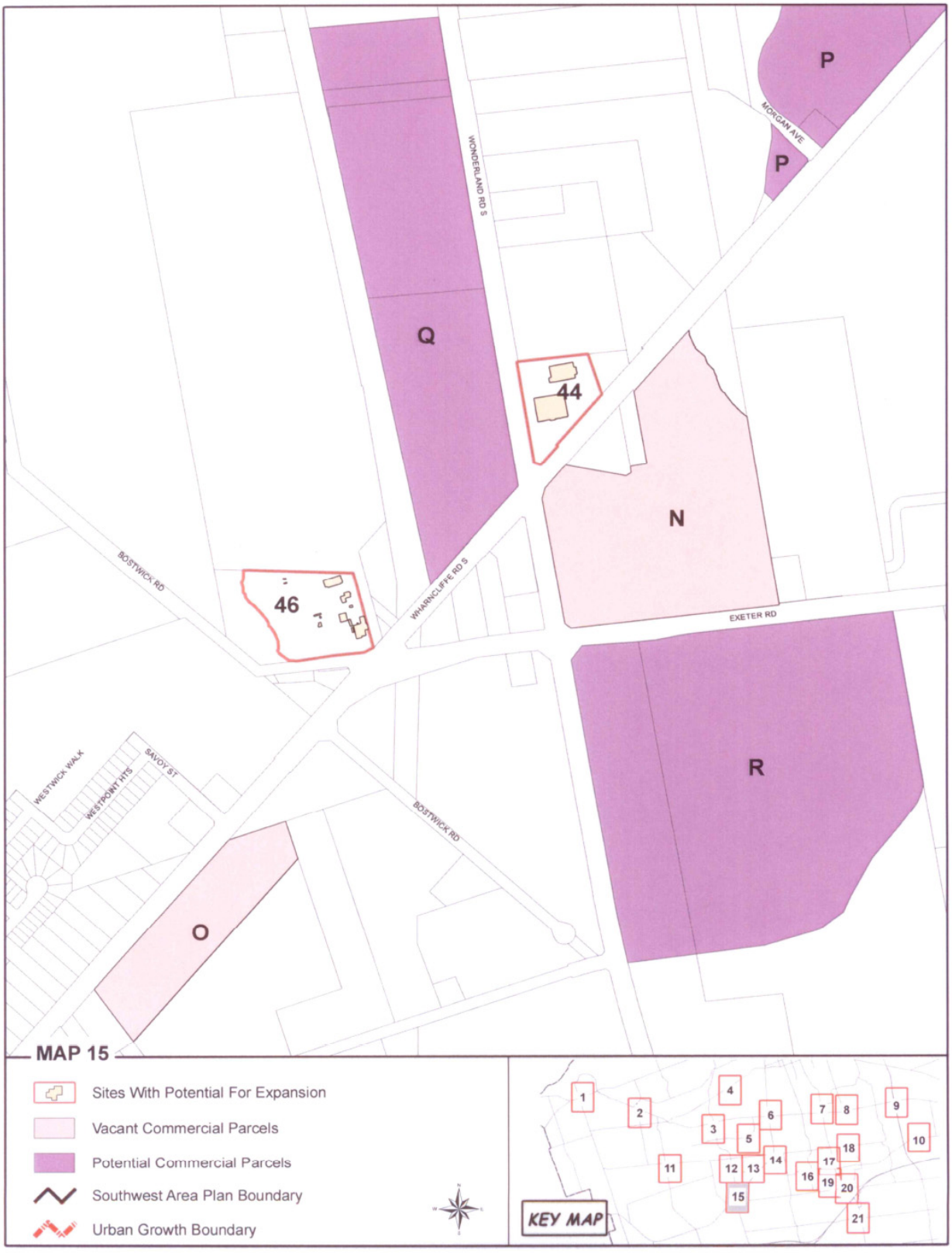
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MAP 15
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
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KRISTINA CRES
JALNA BLVD
JOSSELYN DR
JITTA CRES
COLETTE DR
ERICA CRES
ASHLEY CRES
SASHA CRES
ELVIRA CRES
ROSAMOND CRES
TUMBLEWEED CRES
PONDEROSA CRES
MURIEL CRES
PAULINE CRES
PATIENCE CRES
LOCUST CRES
BRADLEY AVE
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CONWAY CRT
CONWAY LANE
CHESWICK CIR
SARAH CRES
LACEY CRES
FINCH CRES
FENNELL CRES
PENNY CRES
ALAYNE CRES
CONWAY DR
CHALK CRT
FAIRCHLD CRES
CLARA CRES
AUGUSTA CRES
ERNEST AVE
NICHOLAS CRES
ARCHER CRES
SCOTCHMERE CRES
MAP 16
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
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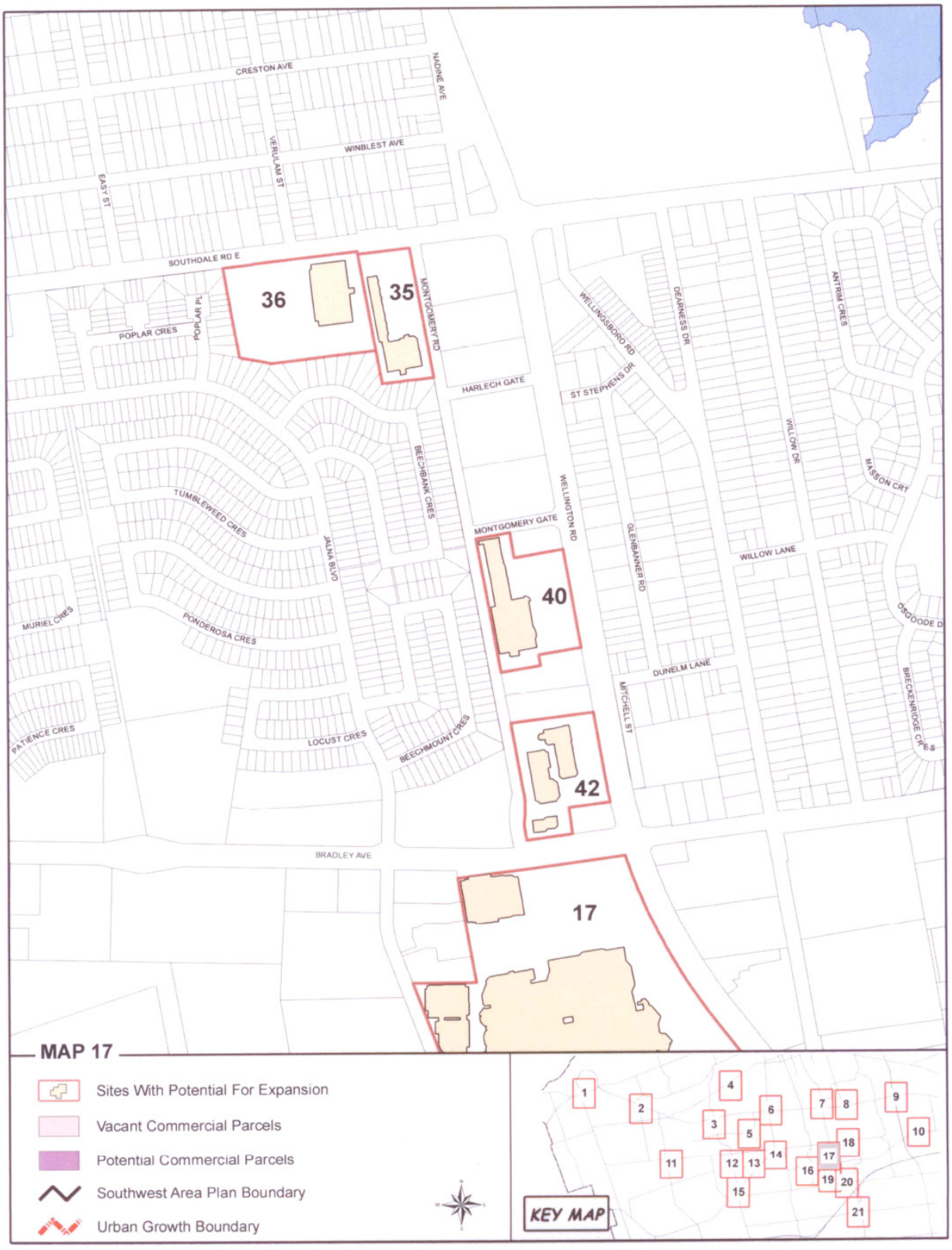
CRESTON AVE
NADINE AVE
VERULAM ST
WINBLEST AVE
EASY ST
SOUTHDALE RD E
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MONTGOMERY RD
POPLAR CRES
POPLAR PL
HARLECH GATE
WELLINGSBORO RD
DEARNESS DR
ANTRIM CRES
ST STEPHENS DR
WILLOW DR
MASSON CRT
BEECHBANK CRES
TUMBLEWEED CRES
JALNA BLVD
WELLINGTON RD
MONTGOMERY GATE
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GLENBANNER RD
WILLOW LANE
MURIEL CRES
PONDEROSA CRES
DUNELM LANE
MITCHELL ST
BRECKENRIDGE CRES
PATIENCE CRES
LOCUST CRES
BEECHMOUNT CRES
42
BRADLEY AVE
17
MAP 17
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
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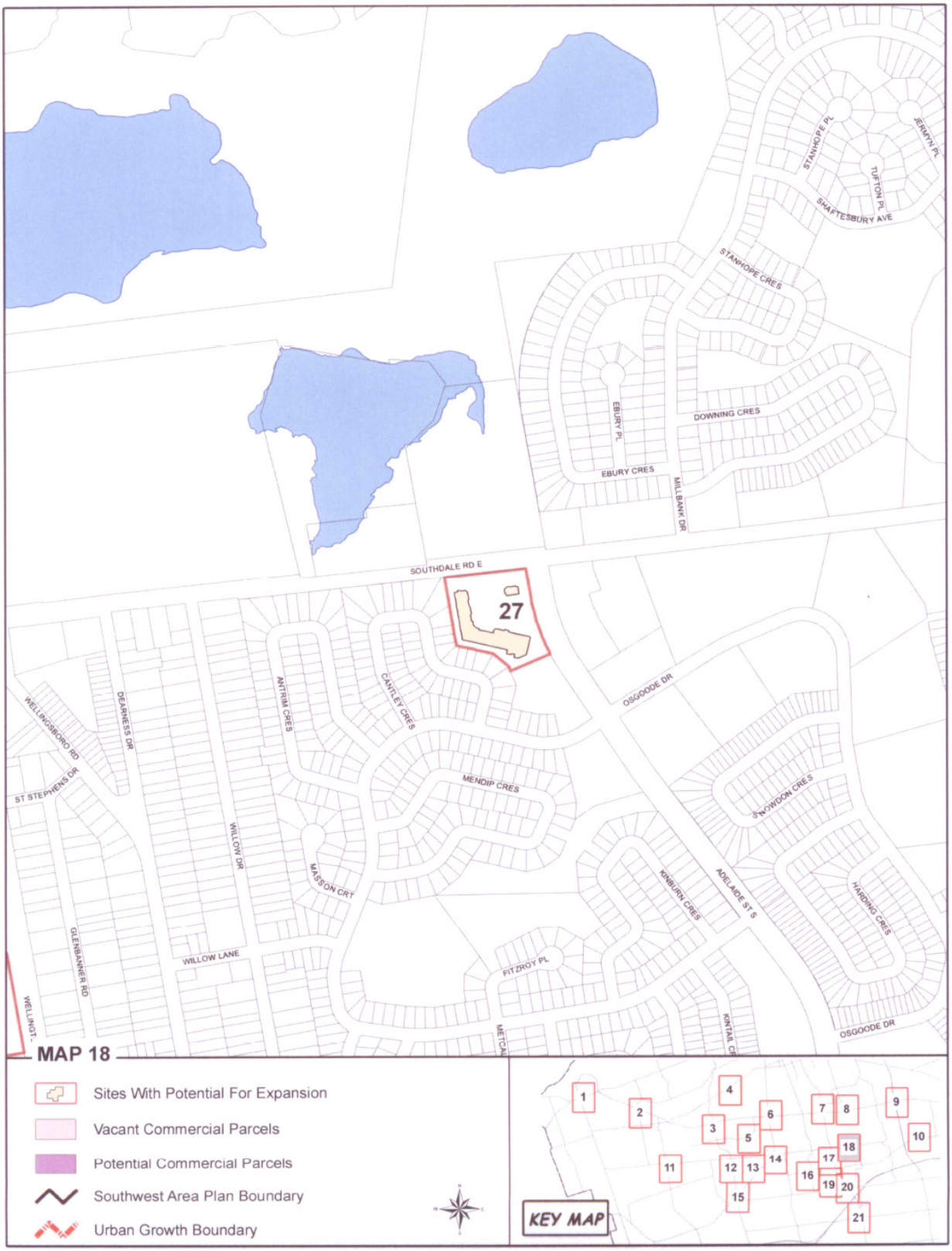
STANHOPE PL
JERMYN PL
TUFTON PL
SHAFTESBURY AVE
STANHOPE CRES
EBURY PL
DOWNING CRES
EBURY CRES
MILLBANK DR
SOUTHDALE RD E
27
OSGOODE DR
WELLINGSBORO RD
DEARNESS DR
ANTRIM CRES
CANTLEY CRES
ST STEPHENS DR
MENDIP CRES
SNOWDON CRES
WILLOW DR
MASSON CRT
KINBURN CRES
ADELAIDE ST S
HARDING CRES
GLENBANNER RD
WILLOW LANE
FITZROY PL
WELLINGT
OSGOODE DR
MAP 18
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
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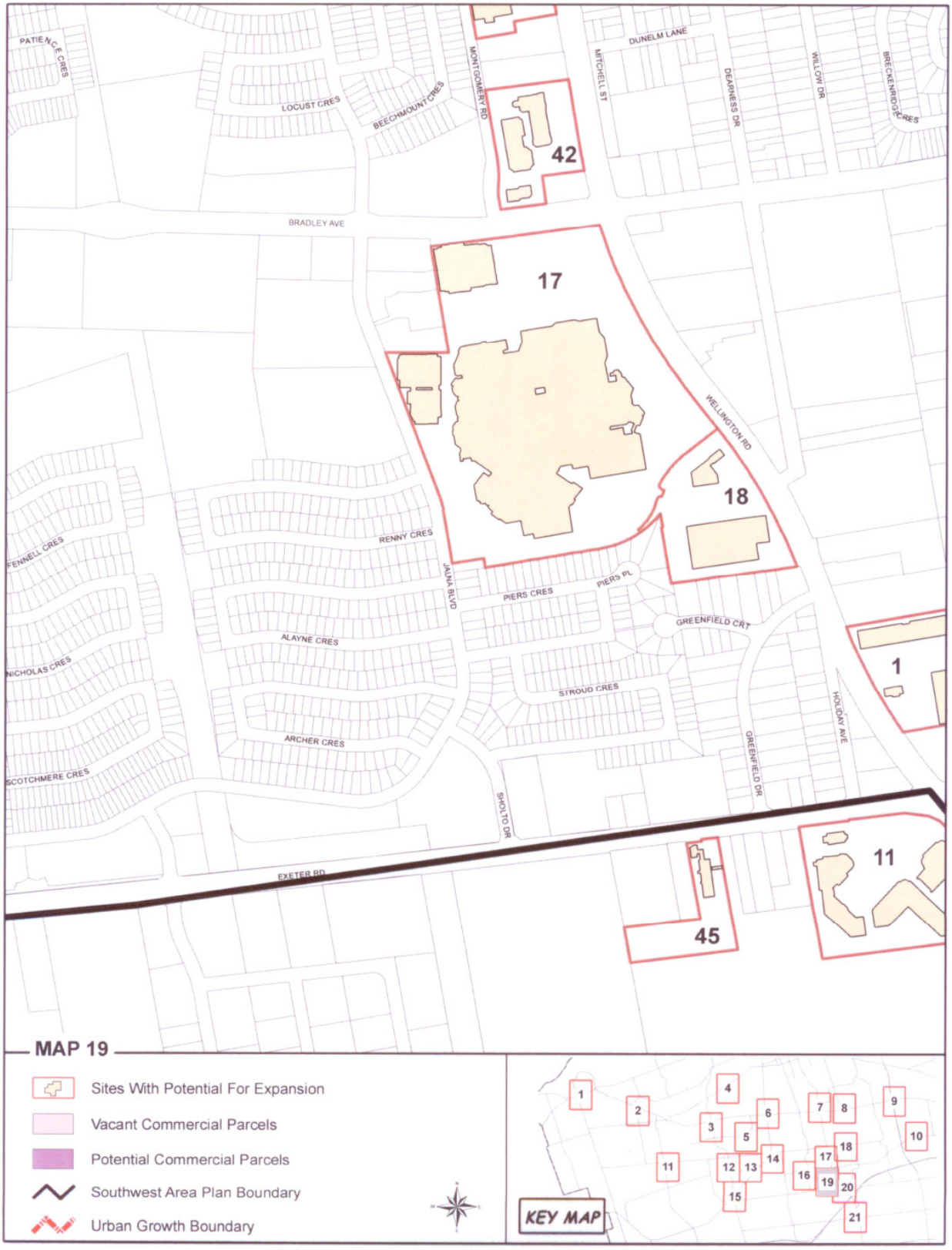
PATIENCE CRES
LOCUST CRES
BEECHMOUNT CRES
MONTGOMERY RD
MITCHELL ST
DUNELM LANE
DEARNESS DR
WILLOW DR
BRECKENRIDGE CRES
42
BRADLEY AVE
17
WELLINGTON RD
18
FENNELL CRES
RENNY CRES
JALNA BLVD
PIERS CRES
PIERS PL
GREENFIELD CRT
1
NICHOLAS CRES
ALAYNE CRES
STROUD CRES
HOLIDAY AVE
ARCHER CRES
GREENFIELD DR
SCOTCHMERE CRES
SHOLTO DR
EXETER RD
11
45
MAP 19
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP


BRADLEY AVE
DEARNESS DR
NEWBOLD CRT
NEWBOLD ST
ADELAIDE ST S
HARGRIEVE RD
BESSEMER CRT
BESSEMER RD
ROYCE CRT
17
18
1
PIERS CRES
PIERS PL
GREENFIELD CRT
STROUD CRES
HOLIDAY AVE
GREENFIELD DR
SHOLTO DR
EXETER RD
2
11
45
HWY 401 W
HWY 401 W
WELLINGTON RD S
HWY 401 E
WALTON GROVE RD
MAP 20
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP
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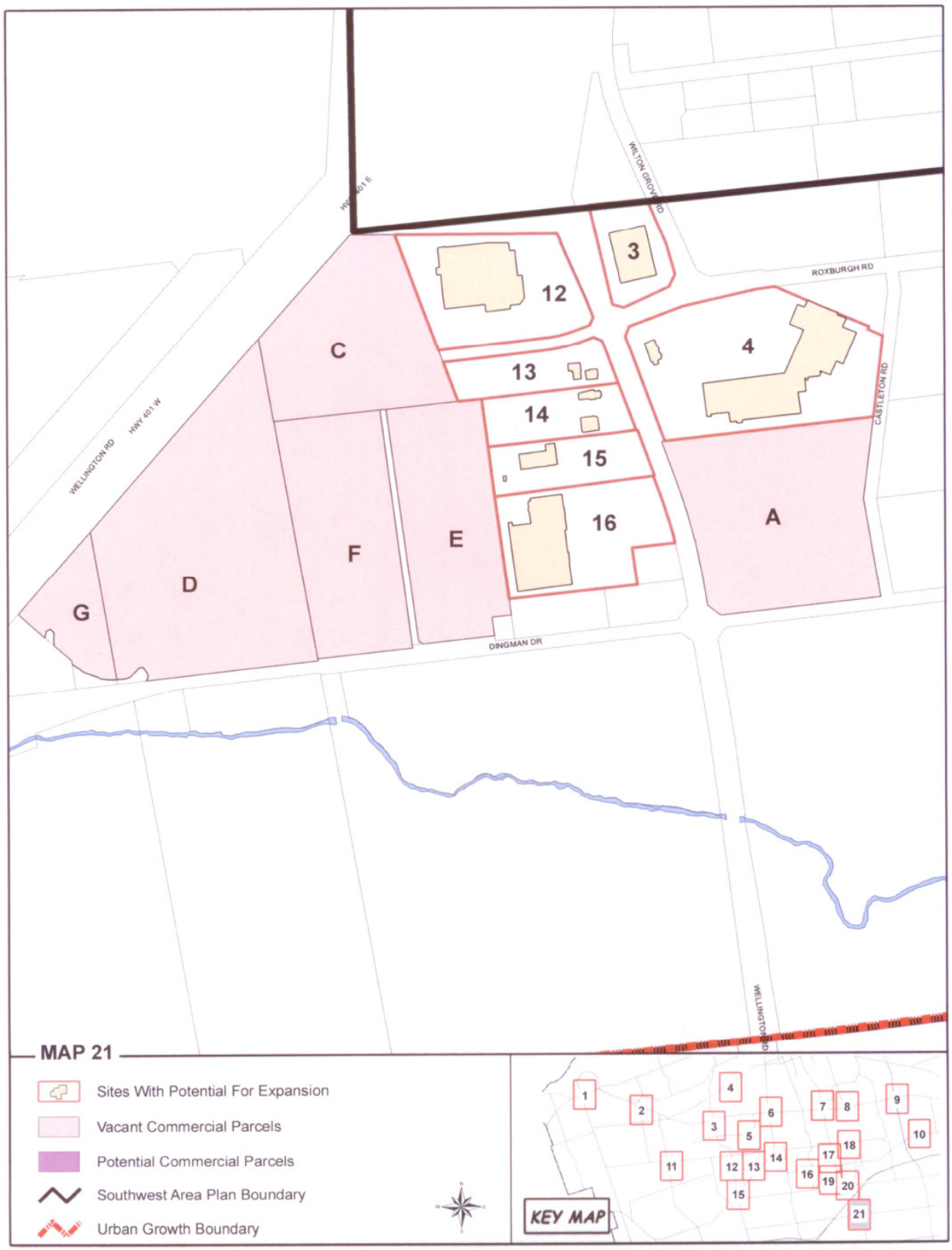
HWY 401 E
WILTON GROVE RD
ROXBURGH RD
CASTLETON RD
WELLINGTON RD
HWY 401 W
DINGMAN DR
WELLINGTON RD
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A
C
D
E
F
G
MAP 21
Sites With Potential For Expansion
Vacant Commercial Parcels
Potential Commercial Parcels
Southwest Area Plan Boundary
Urban Growth Boundary
KEY MAP

APPENDIX B

LICENCE PLATE SURVEYS

APPENDIX B
LICENSE PLATE SURVEYS

License Plate Surveys were conducted at the Power Centres on Wonderland Road South, and at the Costco Store at Wellington Road, south of Highway 401, between Thursday March 29 and Saturday March 31, 2012.

The surveys were undertaken during all opening hour segments of these retail areas. The surveys consisted of recording the license plate numbers of private vehicles exiting the parking areas of these developments. On Wonderland Road South, approximately 50% of the surveys were conducted at the Power Centre on the east side of the road and the balance on the west side. The vehicles that had their license plate numbers recorded were selected based on a random sample distribution by specific time period. A total of 603 usable surveys were obtained at Wonderland Road and 615 at Costco. These samples are considered adequate to obtain a reliable indication of retail traffic orientation.

The recorded vehicle license plates were submitted to the Ontario Ministry of Transportation. It provided the Dissemination Area (DA) of the registered owners of each vehicle surveyed. DAs are the smallest level of geography identified by Statistics Canada and represent the most detailed level of data currently available from the Ministry of Transportation.

The results of the license plate surveys allowed us to observe the pattern of automobile traffic generated by these retail locations and to estimate general customer distribution patterns. We recognize that the customer base of these facilities also include those who use other means of travel that are not counted in a license plate survey. Due to the suburban locations of the properties surveyed this is not considered significant in this case. The distribution of automobiles provides a representative customer distribution.

Costco License Plate Survey

Table B-1 shows the license plate survey results for this location. Due to its adjacency to Highway 401, this store has a very wide regional draw. Only 3.3% of the customers for this location came from SWAP, and 32.8 % from the Balance of the Study Area. Approximately 63.9% of customers came from outside the Study Area. The largest inflow came from the northern portion of London and St.Thomas.

The Costco license plate survey has also been used to determine the customer derivation from areas west of the Wellington Road – Highway 401 intersection. In total, some 13.3 % came from this area, which is shown on the last map in this section. The result of this part of the survey provides an indication of the potential total retail customer derivation from the west, if Wonderland Road intersects with Highway 401, which is expected at some future date, as well as Highway 402, which is the current highway interchange of Wonderland Road. Connecting this road to both regional highways will generate a stronger 'Gateway' for the city. However, for retail traffic, this gateway will likely be secondary in comparison with the Wellington gateway. Nevertheless, the Wonderland gateway could be of considerable benefit to existing and future industrial areas in SWAP.

Wonderland Power Centres License Plate Survey

Table B-2 shows the survey results for the Wonderland Power Centres. Some 9.8% of customers came from SWAP and 47.8% from the Balance of the Study Area. Thus, the Study Area in total accounted for 57.6 %, and inflow from outside the Study Area, 42.4%. This inflow has been considered in the analysis. The license plate survey at this location cannot recognize the probable inflow at the large concentration of major furniture stores that are located in SWAP. These furniture stores serve the total City and their inflow is expected to be larger than that applying to Home Depot and Canadian Tire anchored centres, where the license plate surveys were conducted, because these retailers have other locations in the City of London.

COSTCO LICENCE PLATE SURVEY
CUSTOMER DISTRIBUTION

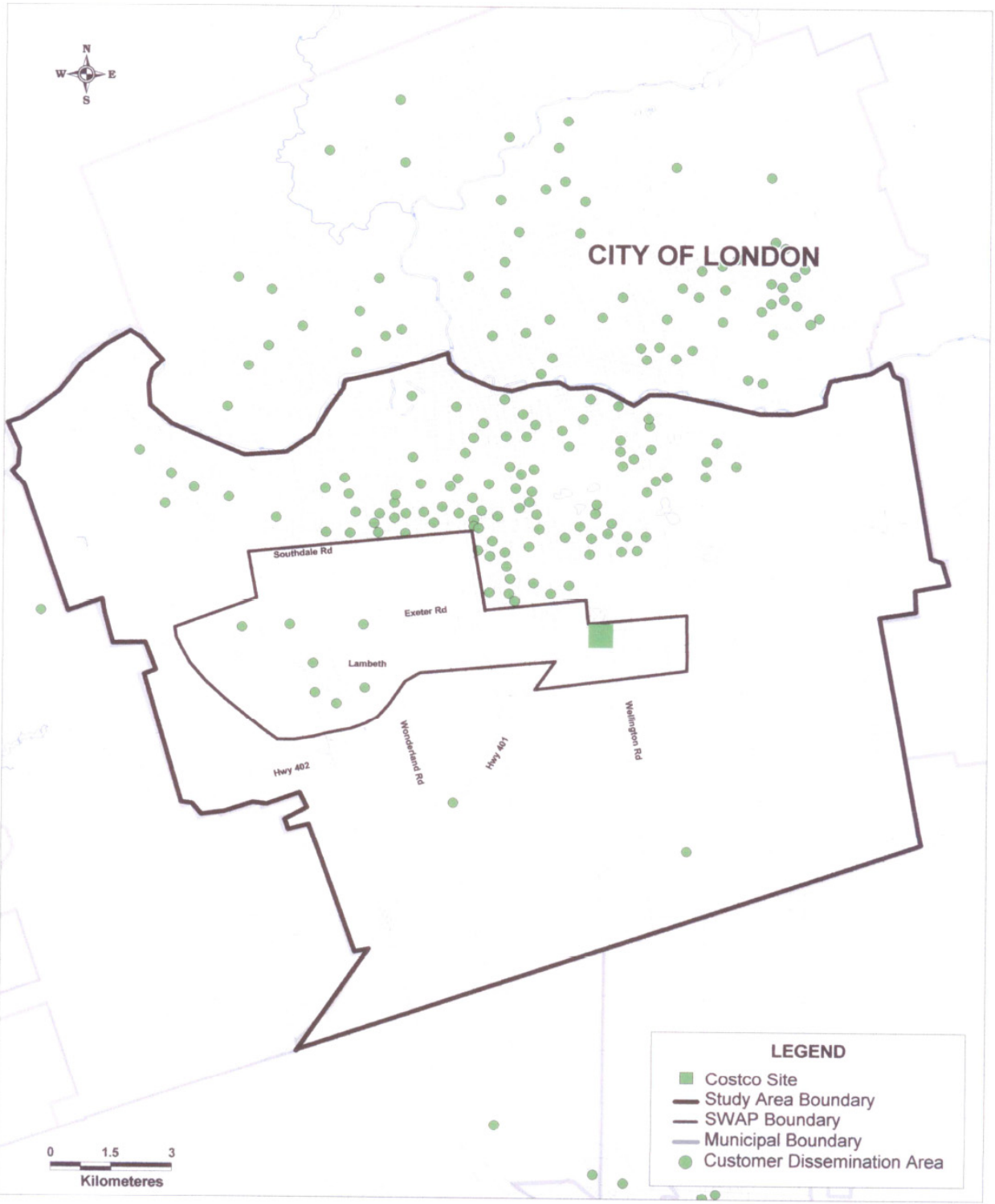


TABLE B-1
COSTCO LICENCE PLATE SURVEY
PLACE OF RESIDENCE OF SURVEYED VEHICLES' REGISTERED OWNERS

PLACE OF RESIDENCE	FREQUENCY	PERCENT
STUDY AREA		
SWAP AREA		
London Portion	20	3.3%
TOTAL SWAP AREA	20	3.3%
OTHER STUDY AREA		
London Portion	202	32.8%
TOTAL OTHER STUDY AREA	202	32.8%
TOTAL STUDY AREA	**222**	**36.1%**
OUTSIDE STUDY AREA		
Balance of London	83	13.5%
St. Thomas	46	7.5%
Aylmer	16	2.6%
Woodstock	15	2.4%
Ingersoll	11	1.8%
Tillsonburg	7	1.1%
Strathroy	5	0.8%
Other Middlesex County	59	9.6%
Other Wellington County	42	6.8%
Other Oxford County	9	1.5%
Kent County	19	3.1%
County of Lambton	21	3.4%
Other Ontario	60	9.8%
TOTAL OUTSIDE STUDY AREA	**393**	**63.9%**
GRAND TOTAL	**615**	**100.0%**

SOURCE: Kircher Research Associates Ltd.

WONDERLAND POWER CENTRES LICENCE PLATE SURVEY
CUSTOMER DISTRIBUTION

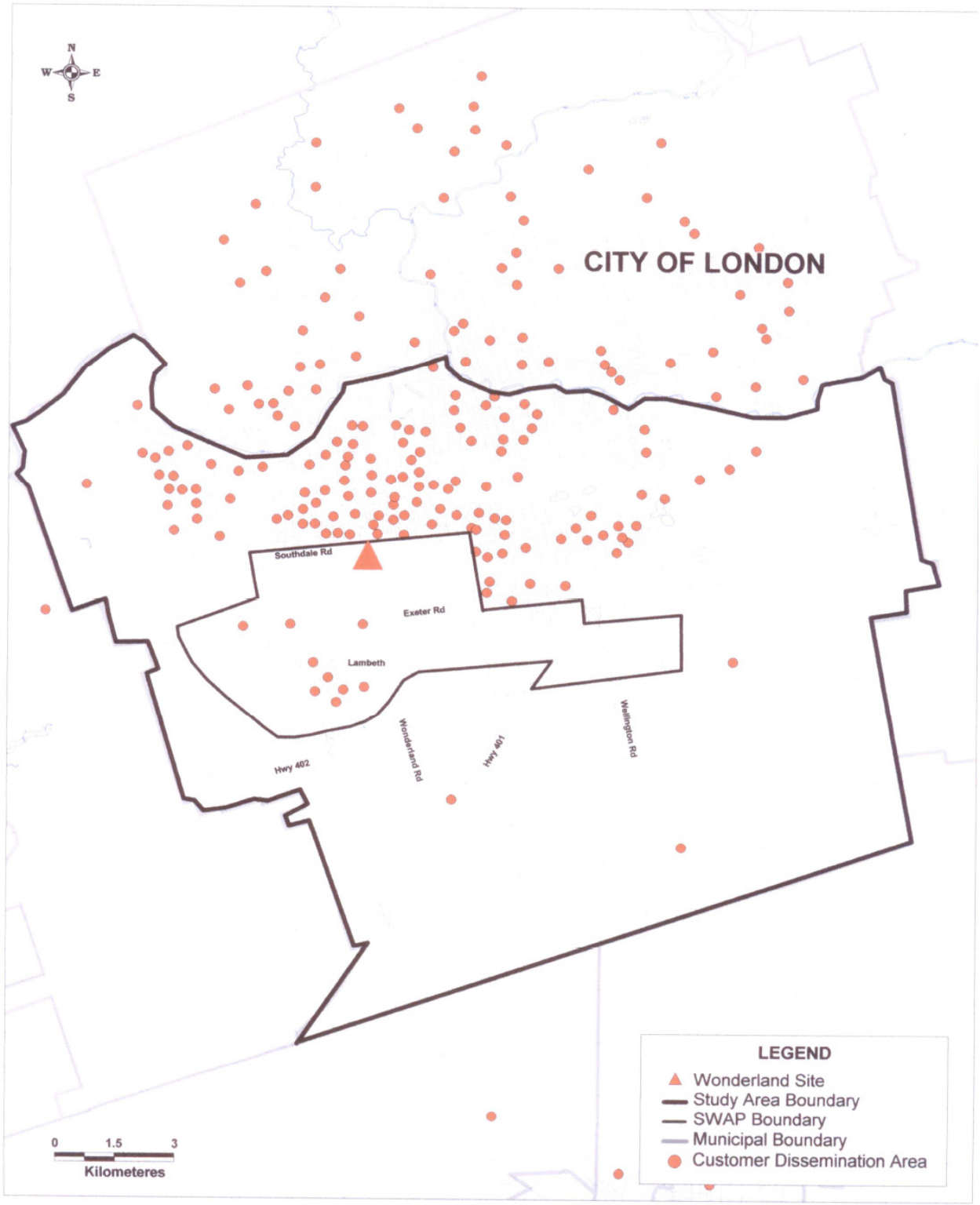
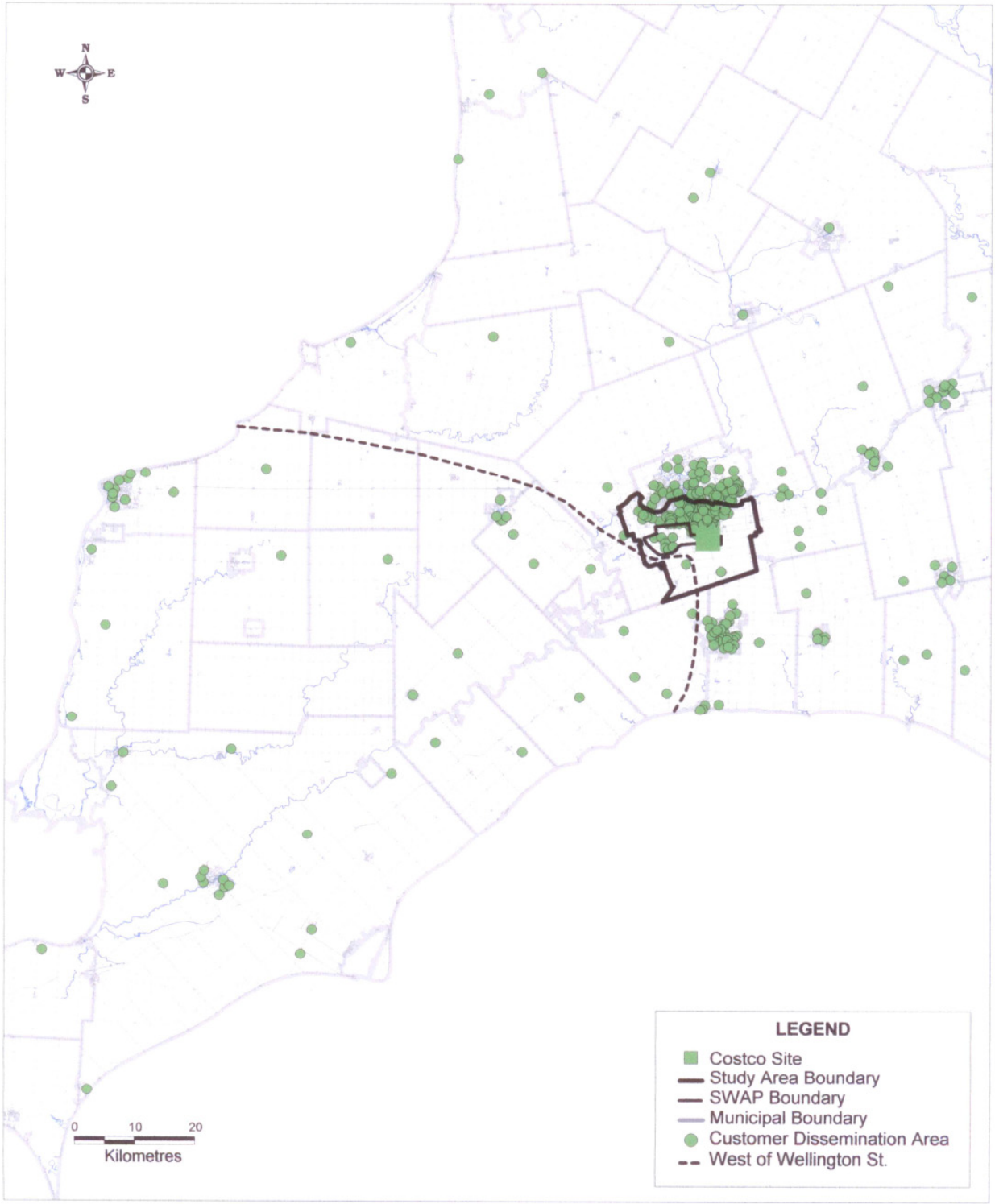


TABLE B-2
WONDERLAND POWER CENTRES LICENCE PLATE SURVEY
PLACE OF RESIDENCE OF SURVEYED VEHICLES' REGISTERED OWNERS

PLACE OF RESIDENCE	FREQUENCY	PERCENT
STUDY AREA		
SWAP AREA		
London Portion	59	9.8%
TOTAL SWAP AREA	59	9.8%
OTHER STUDY AREA		
London Portion	288	47.8%
TOTAL OTHER STUDY AREA	288	47.8%
TOTAL STUDY AREA	**347**	**57.6%**
OUTSIDE STUDY AREA		
Balance of London	82	13.6%
St. Thomas	18	3.0%
Strathroy	8	1.3%
Woodstock	5	0.8%
Aylmer	4	0.7%
Ingersoll	3	0.5%
Tillsonburg	2	0.3%
Other Middlesex County	44	7.3%
Other Wellington County	28	4.7%
Other Oxford County	6	1.0%
Kent County	5	0.8%
County of Lambton	5	0.8%
Other Ontario	46	7.6%
TOTAL OUTSIDE TRADE AREA	**256**	**42.4%**
GRAND TOTAL	**603**	**100.0%**

SOURCE: Kircher Research Associates Ltd.

COSTCO LICENCE PLATE SURVEY
CUSTOMER DISTRIBUTION



APPENDIX C

HISTORIC REAL GROWTH IN RETAIL EXPENDITURES

APPENDIX C
HISTORIC REAL GROWTH IN RETAIL EXPENDITURES

In order to estimate future retail expenditure levels, we have reviewed the historic changes in consumer spending for the food store, GAFO store, pharmacy and personal care store and beer, wine and liquor store categories, as well as that for Home Improvement Centres. These categories are expected to comprise the largest portion of the retail space that may be developed in SWAP area in future years.

Consumer Price Index (CPI) data published by Statistics Canada have been used in this analysis to remove the effect of inflation on retail expenditures, thereby providing expenditure levels that can be compared between different years. CPI data reflect changes in the cost of goods to consumers, including all sales taxes. The per capita retail expenditure estimates presented in this appendix and throughout this study reflect the population levels discussed in Section 4 of this study.

Historic Real Growth in Food Store Expenditures in Ontario

Table C-1 summarized the real changes in per capita Food Store expenditures in Ontario between 1991 and 2011. Table E-1 shows the calculation of Ontario per capita Food Store expenditures for the year 2011.

The current dollar per capita expenditures are shown in the second column. The consumer price indexes for 1991 and 2002 have been used to illustrate the effects of inflation. Constant dollar expenditures for this retail category are show in column five of Table C-1, based on the 1991 index. The final column indicates the annual change.

Between 1991 and 2011 the change in uninflated expenditures in the Food Store category was negative, totalling – 2.1% and averaging – 0.1%. The average annual decrease between 2004 and 2011 was – 1.1%. The primary reason for this decline reflects the definitions used by Statistics Canada for each retail category. For example Supermarket sales by Costco are included in the General Merchandise category – not the Food Store category! Similarly Supermarket type sales in Wal-Mart Supercentres are also included in the General Merchandise rather than the Food Store category. Furthermore, grocery sales in drug stores or dollar stores are also not reflected in

the Food Store category. These store types have accounted for the decline of per capita traditional Food Store expenditures.

This shift may continue for a few more years but is expected to moderate throughout the study period. Per capita Ontario food store expenditures are expected to remain static, in constant dollar values, for the purposes of this market study at $ 2,187.

Historic Real Growth in GAFO Store Expenditures in Ontario

Table C-2 summarizes the real changes in per capita GAFO store expenditures for the Province of Ontario between 1991 and 2011. The calculation of per capita GAFO store expenditures in Ontario for 2011 has been illustrated in Table E-2 of Appendix E.

The current dollar per capita GAFO store expenditure estimates for each year are shown in the second column of Table C-2. The yearly inflation estimates for Ontario for all items excluding food and energy, using 1991 and 2002 as the base years, have been indicated in the third and fourth columns of Table C-2. Constant 1991-dollar estimates of per capita GAFO store expenditures have been calculated by removing inflation from the current dollar expenditure levels for each year indicated. These constant 1991-dollar estimates are shown in the fifth column of the table. The final column in the table presents the year-to-year percentage change between the constant 1991-dollar expenditure figures. This represents the real growth or decline in per capita GAFO store expenditures between the years analysed.

Between 1991 and 2011, real per capita GAFO store expenditures in Ontario experienced a net increase of about 27.1% resulting in average annual real growth of 1.4% during this period. However, between 2004 and 2011, average annual real growth was only 0.3%, reflecting the effects of the recent recession. Long term future growth in per capita GAFO expenditures is expected to be similar as long term changes in the past. Per capita expenditures for the GAFO category averaged $ 3,900 in 2011 The Future growth in per capita GAFO expenditures for Ontario and the market area is estimated at 1.5% per year.

Real Growth in other analysed Retail Store Expenditures in Ontario

Similar to the Food Store and GAFO categories, we have analysed the retail expenditure change in the other retail categories under study for the 1991-2011 period. These are shown on Tables C-3 through C-5.

The annual growth in Pharmacy and Personal Care Store expenditures averaged 2.8% between 1991 and 2011. It amounted to $ 950 per capita in 2011. It is expected it to increase at about 2.0% in future years.

Beer, Wine and Liquor Store expenditures had an average annual increase in real expenditures of 0.4% per year between 1991 and 2011. It amounted to $ 548 in 2011. The future average growth is estimated at 0.5% per year for this category.

For Building and Outdoor Home Supply Stores, the annual average growth in per capita expenditures was 3.9% between 1991 and 2011, resulting in $ 720 per capita in 2011. We estimate this category to grow by 2.0% per year in future years.

TABLE C-1
HISTORIC REAL GROWTH
IN FOOD STORE EXPENDITURES IN ONTARIO

Year	Per Capita Food Store Expenditures (1 (Current $)	Consumer Price Index (2 1991 Base	2002 Base	Per Capita Food Store Expenditures (Constant 1991 $)	Annual Real Growth
1991	$1,476	100.0	85.3	$1,476	
					0.6%
1992	$1,442	97.1	82.8	$1,485	
					-1.6%
1993	$1,471	100.7	85.9	$1,461	
					3.8%
1994	$1,512	99.7	85.1	$1,517	
					-0.5%
1995	$1,560	103.3	88.1	$1,510	
					-7.0%
1996	$1,457	103.8	88.5	$1,404	
					4.2%
1997	$1,519	103.8	88.5	$1,463	
					1.9%
1998	$1,567	105.1	89.6	$1,491	
					-2.1%
1999	$1,561	106.9	91.2	$1,460	
					0.9%
2000	$1,594	108.2	92.3	$1,473	
					-4.1%
2001	$1,607	113.7	97.0	$1,413	
					1.0%
2002	$1,673	117.2	100.0	$1,427	
					4.0%
2003	$1,763	118.8	101.3	$1,484	
					5.1%
2004	$1,885	120.8	103.0	$1,560	
					-0.3%
2005	$1,937	124.5	106.2	$1,556	
					-1.6%
2006	$1,943	126.9	108.2	$1,531	
					0.4%
2007	$1,994	129.7	110.6	$1,537	
					1.6%
2008	$2,113	135.3	115.4	$1,562	
					-1.3%
2009	$2,194	142.3	121.4	$1,542	
					-3.3%
2010	$2,152	144.3	123.1	$1,491	
					-3.1%
2011	$2,187	151.3	129.1	$1,445	

Net Real Growth, 1991 to 2011	**-2.1%**
Average Annual Real Growth, 1991 to 2011	**-0.1%**
Average Annual Real Growth, 2004 to 2011	**-1.1%**

SOURCE: Kircher Research Associates Ltd.

1) Represents expenditures made in food stores, which include supermarkets, grocery stores, convenience stores and specialty food stores. See Appendix E for a complete list of these stores.

2) Represents the Consumer Price Index (CPI) for Ontario for Food Purchased from Stores, based on Statistics Canada, *Consumer Prices and Price Indices* (Catalogue #62-010) and *The Consumer Price Index* (Catalogue #62-001).

TABLE C-2
HISTORIC REAL GROWTH
IN GAFO STORE EXPENDITURES IN ONTARIO

Year	Per Capita GAFO Store Expenditures (1 (Current $)	Consumer Price Index (2 1991 Base	2002 Base	Per Capita GAFO Store Expenditures (Constant 1991 $)	Annual Real Growth
1991	$2,202	100.0	83.0	$2,202	
1992	$2,209	101.5	84.2	$2,176	-1.2%
1993	$2,241	103.1	85.5	$2,174	-0.1%
1994	$2,388	103.2	85.6	$2,314	6.4%
1995	$2,404	105.6	87.6	$2,277	-1.6%
1996	$2,421	107.3	89.0	$2,256	-0.9%
1997	$2,637	109.8	91.1	$2,402	6.5%
1998	$2,834	111.2	92.3	$2,549	6.1%
1999	$3,020	113.0	93.7	$2,673	4.9%
2000	$3,171	115.1	95.5	$2,755	3.1%
2001	$3,211	117.6	97.6	$2,730	-0.9%
2002	$3,302	120.6	100.0	$2,738	0.3%
2003	$3,377	123.6	102.6	$2,732	-0.2%
2004	$3,446	125.4	104.0	$2,748	0.6%
2005	$3,498	126.9	105.3	$2,757	0.3%
2006	$3,650	128.5	106.6	$2,840	3.0%
2007	$3,764	130.8	108.5	$2,878	1.3%
2008	$3,816	132.4	109.8	$2,882	0.1%
2009	$3,722	133.9	111.1	$2,780	-3.5%
2010	$3,816	136.7	113.3	$2,792	0.4%
2011	$3,900	139.4	115.6	$2,798	0.2%

Net Real Growth, 1991 to 2011	**27.1%**
Average Annual Real Growth, 1991 to 2011	**1.4%**
Average Annual Real Growth, 2004 to 2011	**0.3%**

SOURCE: Kircher Research Associates Ltd.

1) Represents expenditures made in GAFO stores as defined by Kircher Research Associates Ltd. See Appendix E for a complete list of these stores.

2) Represents the Consumer Price Index (CPI) for Ontario for All Items Excluding Food and Energy, based on Statistics Canada, *Consumer Prices and Price Indices* (Catalogue #62-010) and *The Consumer Price Index* (Catalogue #62-001).

TABLE C-3
HISTORIC REAL GROWTH
IN PHARMACY AND PERSONAL CARE STORE EXPENDITURES IN ONTARIO

Year	Per Capita Pharmacy and Personal Care Store Expenditures (1 (Current $)	Consumer Price Index (2 1991 Base	2002 Base	Per Capita Pharmacy and Personal Care Store Expenditures (Constant 1991 $)	Annual Real Growth
1991	$434	100.0	83.0	$434	
					6.2%
1992	$468	101.5	84.2	$461	
					3.0%
1993	$490	103.1	85.5	$475	
					0.0%
1994	$490	103.2	85.6	$475	
					-0.4%
1995	$500	105.6	87.6	$473	
					-3.4%
1996	$490	107.3	89.0	$457	
					-0.4%
1997	$500	109.8	91.1	$455	
					10.1%
1998	$557	111.2	92.3	$501	
					3.2%
1999	$584	113.0	93.7	$517	
					-2.5%
2000	$580	115.1	95.5	$504	
					1.6%
2001	$602	117.6	97.6	$512	
					4.3%
2002	$644	120.6	100.0	$534	
					1.5%
2003	$670	123.6	102.6	$542	
					8.7%
2004	$739	125.4	104.0	$589	
					2.7%
2005	$768	126.9	105.3	$605	
					6.3%
2006	$826	128.5	106.6	$643	
					3.0%
2007	$866	130.8	108.5	$662	
					1.2%
2008	$887	132.4	109.8	$670	
					-0.9%
2009	$889	133.9	111.1	$664	
					-0.6%
2010	$902	136.7	113.3	$660	
					3.2%
2011	$950	139.4	115.6	$681	

Net Real Growth, 1991 to 2011	**56.9%**
Average Annual Real Growth, 1991 to 2011	**2.8%**
Average Annual Real Growth, 2004 to 2011	**2.2%**

SOURCE: Kircher Research Associates Ltd.

1) Represents expenditures made in pharmacies and personal care stores. See Appendix E for a complete list of these stores.

2) Represents the Consumer Price Index (CPI) for Ontario for All Items Excluding Food and Energy, based on Statistics Canada, *Consumer Prices and Price Indices* (Catalogue #62-010) and *The Consumer Price Index* (Catalogue #62-001).

TABLE C-4
HISTORIC REAL GROWTH
IN BEER, WINE AND LIQUOR STORE EXPENDITURES IN ONTARIO

Year	Per Capita Beer, Wine and Liquor Store Expenditures (1 (Current $)	Consumer Price Index (2 1991 Base	2002 Base	Per Capita Beer, Wine and Liquor Store Expenditures (Constant 1991 $)	Annual Real Growth
1991	$363	100.0	80.8	$363	
1992	$356	104.0	84.1	$342	-5.8%
1993	$347	106.4	86.0	$326	-4.7%
1994	$353	107.2	86.6	$329	0.9%
1995	$361	109.0	88.1	$331	0.6%
1996	$364	110.7	89.4	$329	-0.6%
1997	$376	112.2	90.6	$335	1.8%
1998	$396	114.3	92.4	$346	3.3%
1999	$417	116.5	94.2	$358	3.5%
2000	$436	118.9	96.1	$367	2.5%
2001	$443	121.8	98.4	$364	-0.8%
2002	$455	123.8	100.0	$368	1.1%
2003	$469	126.6	102.3	$370	0.5%
2004	$492	130.8	105.7	$376	1.6%
2005	$496	133.5	107.8	$372	-1.1%
2006	$500	134.1	108.3	$373	0.3%
2007	$518	136.7	110.4	$379	1.6%
2008	$525	137.6	111.1	$382	0.8%
2009	$522	139.5	112.7	$374	-2.1%
2010	$531	138.8	112.1	$383	2.4%
2011	$548	138.6	112.0	$395	3.1%

Net Real Growth, 1991 to 2011	**8.8%**
Average Annual Real Growth, 1991 to 2011	**0.4%**
Average Annual Real Growth, 2004 to 2011	**0.7%**

SOURCE: Kircher Research Associates Ltd.
1) Represents expenditures made in beer, wine and liquor stores.
2) Represents the Consumer Price Index (CPI) for Ontario for Alcoholic Beverages, based on Statistics Canada, *Consumer Prices and Price Indices* (Catalogue #62-010) and *The Consumer Price Index* (Catalogue #62-001).

TABLE C-5
HISTORIC REAL GROWTH
IN BUILDING AND OUTDOOR HOME SUPPLY STORE EXPENDITURES IN ONTARIO

Year	Per Capita Building and Outdoor Home Supply Store Expenditures (1 (Current $)	Consumer Price Index (2 1991 Base	2002 Base	Per Capita Building and Outdoor Home Supply Store Expenditures (Constant 1991 $)	Annual Real Growth
1991	$289	100.0	83.0	$289	
1992	$303	101.5	84.2	$299	3.5%
1993	$309	103.1	85.5	$300	0.3%
1994	$341	103.2	85.6	$330	10.0%
1995	$353	105.6	87.6	$334	1.2%
1996	$338	107.3	89.0	$315	-5.7%
1997	$421	109.8	91.1	$383	21.6%
1998	$466	111.2	92.3	$419	9.4%
1999	$494	113.0	93.7	$437	4.3%
2000	$462	115.1	95.5	$401	-8.2%
2001	$475	117.6	97.6	$404	0.7%
2002	$541	120.6	100.0	$449	11.1%
2003	$596	123.6	102.6	$482	7.3%
2004	$600	125.4	104.0	$478	-0.8%
2005	$635	126.9	105.3	$500	4.6%
2006	$665	128.5	106.6	$518	3.6%
2007	$688	130.8	108.5	$526	1.5%
2008	$703	132.4	109.8	$531	1.0%
2009	$728	133.9	111.1	$544	2.4%
2010	$748	136.7	113.3	$547	0.6%
2011	$720	139.4	115.6	$516	-5.7%

Net Real Growth, 1991 to 2011	**78.5%**
Average Annual Real Growth, 1991 to 2011	**3.9%**
Average Annual Real Growth, 2004 to 2011	**1.1%**

SOURCE: Kircher Research Associates Ltd.

1) Represents expenditures made in building and outdoor home supply stores. See Appendix E for a complete list of these stores.

2) Represents the Consumer Price Index (CPI) for Ontario for All Items Excluding Food and Energy, based on Statistics Canada, *Consumer Prices and Price Indices* (Catalogue #62-010) and *The Consumer Price Index* (Catalogue #62-001).

APPENDIX D

ELASTICITY OF RETAIL EXPENDITURES TO INCOME

APPENDIX D
ELASTICITY OF RETAIL EXPENDITURES TO INCOME

Statistics Canada regularly publishes *Retail Trade* statistics on a provincial basis, which permits us to calculate the average retail expenditures of the population residing in each province. Tables E-1 to E-5 in Appendix E illustrate these expenditure calculations, for the retail categories under study, in Ontario for 2011.

In order to conduct a market study for a particular Trade or Market Area, it is necessary to calculate the average per capita retail expenditures of the population residing in that Area. However, statistics comparable to the provincial data produced by Statistics Canada are not readily available for lower levels of geography. It is necessary, therefore, to derive estimates of local average per capita retail expenditures through some other means.

Since there is a clear correlation between income and retail expenditures, we can use the relationship between the income levels of a particular Trade Area and the province to estimate the average per capita retail expenditures in that Trade Area from the expenditure levels in the province. This allows us to benefit from the general availability of income statistics at lower levels of geography. For example, provincial and local per capita income levels can be calculated from *Census of Canada* data published for all levels of geography by Statistics Canada every five years, as well as from Revenue Canada's *Taxation Statistics* data, which provide income statistics for municipalities on an annual basis.

The relationship between income levels and retail expenditures is not a direct one. It is instead influenced by what is referred to as the ***income elasticity*** factor, which is defined as the degree to which a change in retail expenditures results from a change in income. This appendix examines the income elasticity factors for Food Store, GAFO Store, Pharmacy and Personal Care Store, Beer, Wine and Liquor Stores as well as Home Improvement Centre expenditures in Ontario between 1991 and 2011.

It is important to recognize that retail sales in market analyses deal with sales by store types rather than by product categories. Food Store sales are those made in a specifically defined group of stores. Similarly, GAFO store sales are those made in a separate and distinct group of stores. We have listed the stores that comprise the categories under study in Table D-6 in Appendix D.

Calculation of Elasticity to Income for GAFO Store Expenditures in Ontario

Then GAFO category is used as an example to explain the methodology of determining elasticity levels. For example, Table D-2 presents the calculation of the elasticity of retail expenditures to income for the GAFO store category in Ontario between 1991 and 2011. The current dollar per capita income estimates for each year are shown in the second column of the table, while the third column presents the year-to-year percentage change in the income levels. Similarly, the fourth and fifth columns of the table show the per capita GAFO store expenditures on a retail store basis for each year, as well as the annual changes in these expenditures. By comparing the annual change in income to the annual change in expenditures by store type, we can calculate the income elasticity factor for each year. The results of these calculations are presented in the sixth and final column of the table.

For example, between 1997 and 1998, average per capita income in Ontario increased by 3.9% while average per capita GAFO store expenditures increased by 7.5%. This indicates that GAFO store expenditures during this period increased faster on a percentage basis than income, thereby resulting in an elasticity factor of 1.9. During other periods, incomes increased faster than expenditures, resulting in an elasticity factor of less than 1.0. For example, between 1999 and 2000, income increased by 6.4% while GAFO store expenditures increased by 5.0%, resulting in an elasticity factor of about 0.8.

Between 1991 and 2011, incomes increased by a total of 61.7%, or by 2.4% on an average annual basis. This compares to a GAFO store expenditure increase totalling 77.1% over this time period, or about 2.9% per year. This results in an average income elasticity factor for the GAFO store category in Ontario over this time period of about 1.2.

Calculation of Elasticity to Income for other Retail Store Expenditures in Ontario

The additional tables in this appendix illustrate the elasticity calculations for the other retail categories employing the same methodology, as explained for the GAFO group above. For the Food Store category (Table D-1), the elasticity is calculated at 0.8; for Pharmacy (Table D-3) at 1.9; for alcoholic beverages (Table D-4) at 0.8 and for Home Improvement Centres it is indicated (Table D-5) as 2.4.

Conclusions

There are some limitations to the income elasticity approach outlined above, which can be summarized as follows:

a) Both income and expenditures are expressed in nominal dollar values. If inflation in general varies between total income and expenditures, fluctuations could arise based on that factor.

b) The elasticity factors calculated above are based on different time periods, i.e. 1991 as compared to 1992. The application of an elasticity factor in a market study is usually confined to the same time period.

c) The average annual method employed cannot recognize expenditure variations between income groups during the same time interval.

d) These calculations cannot recognize changes in expenditures resulting from credit purchases, a common occurrence for GAFO stores.

e) Income as defined in this analysis does not recognize the monetary value that consumers may obtain from the sale of assets (i.e. capital gains), by leveraging the equity generated by rapidly rising housing values or from inherited funds. Part of these additional funds may be spent on retail expenditures. To the extent that this occurs, average income levels are likely underestimated.

For these reasons, and based on our long term experience that retail expenditures in general tend to grow at a lesser rate than income, we have selected elasticity rates in this market study at about one half of those calculated in tables D-1-throufgh D-5 for future years. This tends to moderate the differences in income and expenditures between different geographic areas, where incomes may vary from the provincial level.

TABLE D-1
CALCULATION OF ELASTICITY OF RETAIL EXPENDITURES TO INCOME
FOR FOOD STORE EXPENDITURES IN ONTARIO

Year	Per Capita Income (1	Percentage Increase	Per Capita Food Store Expenditures (2	Percentage Increase	Elasticity of Food Store Expenditures to Income (3
1991	$23,751	--	$1,476	--	--
1992	$24,010	1.1%	$1,442	-2.3%	NA
1993	$23,960	-0.2%	$1,471	2.0%	NA
1994	$24,095	0.6%	$1,512	2.8%	4.7
1995	$24,785	2.9%	$1,560	3.2%	1.1
1996	$24,930	0.6%	$1,457	-6.6%	NA
1997	$25,786	3.4%	$1,519	4.3%	1.3
1998	$26,801	3.9%	$1,567	3.2%	0.8
1999	$27,959	4.3%	$1,561	-0.4%	NA
2000	$29,751	6.4%	$1,594	2.1%	0.3
2001	$30,360	2.0%	$1,607	0.8%	NA
2002	$30,553	0.6%	$1,673	4.1%	6.8
2003	$31,132	1.9%	$1,763	5.4%	2.8
2004	$32,363	4.0%	$1,885	6.9%	1.7
2005	$33,480	3.5%	$1,937	2.8%	0.8
2006	$34,956	4.4%	$1,943	0.3%	0.1
2007	$36,430	4.2%	$1,994	2.6%	0.6
2008	$37,050	1.7%	$2,113	6.0%	3.5
2009	$36,722	-0.9%	$2,194	3.8%	NA
2010	$37,803	2.9%	$2,176	-0.8%	NA
2011	$38,405	1.6%	$2,187	0.5%	0.3
For 1991 to 2011:					
Total Growth		61.7%		48.2%	
Average Annual Compound Growth		2.4%		2.0%	
Expenditure Elasticity					0.8

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2005 are based on Statistics Canada, *Provincial and Territorial Economic Accounts: Data Tables, 2008 Estimates* (Catalogue #13-018). The figures for 2006 to 2011 are based on Ontario Ministry of Finance, *Ontario Economic Accounts, Third Quarter of 2011.*

2) The figures for 1991 to 2011 are based on Statistics Canada, *Retail Trade* (Catalogue #63-005).

3) These figures have been calculated by dividing the percentage increase in per capita food store expenditures by the corresponding percentage increase in per capita income.

TABLE D-2
CALCULATION OF ELASTICITY OF RETAIL EXPENDITURES TO INCOME
FOR GAFO STORE EXPENDITURES IN ONTARIO

Year	Per Capita Income (1	Percentage Increase	Per Capita GAFO Store Expenditures (2	Percentage Increase	Elasticity of GAFO Store Expenditures to Income (3
1991	$23,751	--	$2,202	--	--
1992	$24,010	1.1%	$2,209	0.3%	0.3
1993	$23,960	-0.2%	$2,241	1.4%	NA
1994	$24,095	0.6%	$2,388	6.6%	11.0
1995	$24,785	2.9%	$2,404	0.7%	0.2
1996	$24,930	0.6%	$2,421	0.7%	1.2
1997	$25,786	3.4%	$2,637	8.9%	2.6
1998	$26,801	3.9%	$2,834	7.5%	1.9
1999	$27,959	4.3%	$3,020	6.6%	1.5
2000	$29,751	6.4%	$3,171	5.0%	0.8
2001	$30,360	2.0%	$3,211	1.3%	0.7
2002	$30,553	0.6%	$3,302	2.8%	4.7
2003	$31,132	1.9%	$3,377	2.3%	1.2
2004	$32,363	4.0%	$3,446	2.0%	0.5
2005	$33,480	3.5%	$3,498	1.5%	0.4
2006	$34,956	4.4%	$3,650	4.3%	1.0
2007	$36,430	4.2%	$3,764	3.1%	0.7
2008	$37,050	1.7%	$3,816	1.4%	0.8
2009	$36,722	-0.9%	$3,722	-2.5%	2.8
2010	$37,803	2.9%	$3,858	3.7%	1.3
2011	$38,405	1.6%	$3,900	1.1%	0.7
For 1991 to 2011:					
Total Growth		61.7%		77.1%	
Average Annual Compound Growth		2.4%		2.9%	
Expenditure Elasticity					1.2

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2005 are based on Statistics Canada, *Provincial and Territorial Economic Accounts: Data Tables, 2008 Estimates* (Catalogue #13-018). The figures for 2006 to 2011 are based on Ontario Ministry of Finance, *Ontario Economic Accounts, Third Quarter of 2011.*

2) The figures for 1991 to 2011 are based on Statistics Canada, *Retail Trade* (Catalogue #63-005).

3) These figures have been calculated by dividing the percentage increase in per capita GAFO store expenditures by the corresponding percentage increase in per capita income.

TABLE D-3
CALCULATION OF ELASTICITY OF RETAIL EXPENDITURES TO INCOME
FOR PHARMACY AND PERSONAL CARE STORE EXPENDITURES IN ONTARIO

Year	Per Capita Income (1	Percentage Increase	Per Capita Pharmacy and Personal Care Store Expenditures (2	Percentage Increase	Elasticity of Pharmacy and Personal Care Store Expenditures to Income (3
1991	$23,751	--	$434	--	--
1992	$24,010	1.1%	$468	7.8%	7.1
1993	$23,960	-0.2%	$490	4.7%	NA
1994	$24,095	0.6%	$490	0.0%	0.0
1995	$24,785	2.9%	$500	2.0%	0.7
1996	$24,930	0.6%	$490	-2.0%	NA
1997	$25,786	3.4%	$500	2.0%	0.6
1998	$26,801	3.9%	$557	11.4%	2.9
1999	$27,959	4.3%	$584	4.8%	1.1
2000	$29,751	6.4%	$580	-0.7%	NA
2001	$30,360	2.0%	$602	3.8%	1.9
2002	$30,553	0.6%	$644	7.0%	11.7
2003	$31,132	1.9%	$670	4.0%	2.1
2004	$32,363	4.0%	$739	10.3%	2.6
2005	$33,480	3.5%	$768	3.9%	1.1
2006	$34,956	4.4%	$826	7.6%	1.7
2007	$36,430	4.2%	$866	4.8%	1.1
2008	$37,050	1.7%	$887	2.4%	1.4
2009	$36,722	-0.9%	$889	0.2%	NA
2010	$37,803	2.9%	$912	2.6%	0.9
2011	$38,405	1.6%	$950	4.2%	2.6
For 1991 to 2011:					
Total Growth		61.7%		118.9%	
Average Annual Compound Growth		2.4%		4.0%	
Expenditure Elasticity					1.9

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2005 are based on Statistics Canada, *Provincial and Territorial Economic Accounts: Data Tables, 2008 Estimates* (Catalogue #13-018). The figures for 2006 to 2011 are based on Ontario Ministry of Finance, *Ontario Economic Accounts, Third Quarter of 2011.*

2) The figures for 1991 to 2011 are based on Statistics Canada, *Retail Trade* (Catalogue #63-005).

3) These figures have been calculated by dividing the percentage increase in per capita pharmacy and personal care store expenditures by the corresponding percentage increase in per capita income.

TABLE D-4
CALCULATION OF ELASTICITY OF RETAIL EXPENDITURES TO INCOME
FOR BEER, WINE AND LIQUOR STORE EXPENDITURES IN ONTARIO

Year	Per Capita Income (1	Percentage Increase	Per Capita Beer, Wine and Liquor Store Expenditures (2	Percentage Increase	Elasticity of Beer, Wine and Liquor Store Expenditures to Income (3
1991	$23,751	--	$363	--	--
1992	$24,010	1.1%	$356	-1.9%	NA
1993	$23,960	-0.2%	$347	-2.5%	12.5
1994	$24,095	0.6%	$353	1.7%	2.8
1995	$24,785	2.9%	$361	2.3%	0.8
1996	$24,930	0.6%	$364	0.8%	1.3
1997	$25,786	3.4%	$376	3.3%	1.0
1998	$26,801	3.9%	$396	5.3%	1.4
1999	$27,959	4.3%	$417	5.3%	1.2
2000	$29,751	6.4%	$436	4.6%	0.7
2001	$30,360	2.0%	$443	1.6%	0.8
2002	$30,553	0.6%	$455	2.7%	4.5
2003	$31,132	1.9%	$469	3.1%	1.6
2004	$32,363	4.0%	$492	4.9%	1.2
2005	$33,480	3.5%	$496	0.8%	0.2
2006	$34,956	4.4%	$500	0.8%	0.2
2007	$36,430	4.2%	$518	3.6%	0.9
2008	$37,050	1.7%	$525	1.4%	0.8
2009	$36,722	-0.9%	$522	-0.6%	0.7
2010	$37,803	2.9%	$536	2.7%	0.9
2011	$38,405	1.6%	$548	2.2%	1.4
For 1991 to 2011:					
Total Growth		61.7%		51.0%	
Average Annual Compound Growth		2.4%		2.1%	
Expenditure Elasticity					0.8

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2005 are based on Statistics Canada, *Provincial and Territorial Economic Accounts: Data Tables, 2008 Estimates* (Catalogue #13-018). The figures for 2006 to 2011 are based on Ontario Ministry of Finance, *Ontario Economic Accounts, Third Quarter of 2011.*

2) The figures for 1991 to 2011 are based on Statistics Canada, *Retail Trade* (Catalogue #63-005).

3) These figures have been calculated by dividing the percentage increase in per capita beer, wine and liquor store expenditures by the corresponding percentage increase in per capita income.

TABLE D-5
CALCULATION OF ELASTICITY OF RETAIL EXPENDITURES TO INCOME
FOR BUILDING AND OUTDOOR HOME SUPPLY STORE EXPENDITURES IN ONTARIO

Year	Per Capita Income (1	Percentage Increase	Per Capita Building and Outdoor Home Supply Store Expenditures (2	Percentage Increase	Elasticity of Building and Outdoor Home Supply Store Expenditures to Income (3
1991	$23,751	--	$289	--	--
1992	$24,010	1.1%	$303	4.8%	4.4
1993	$23,960	-0.2%	$309	2.0%	NA
1994	$24,095	0.6%	$341	10.4%	17.3
1995	$24,785	2.9%	$353	3.5%	1.2
1996	$24,930	0.6%	$338	-4.2%	NA
1997	$25,786	3.4%	$421	24.6%	7.2
1998	$26,801	3.9%	$466	10.7%	2.7
1999	$27,959	4.3%	$494	6.0%	1.4
2000	$29,751	6.4%	$462	-6.5%	NA
2001	$30,360	2.0%	$475	2.8%	1.4
2002	$30,553	0.6%	$541	13.9%	23.2
2003	$31,132	1.9%	$596	10.2%	5.4
2004	$32,363	4.0%	$600	0.7%	0.2
2005	$33,480	3.5%	$635	5.8%	1.7
2006	$34,956	4.4%	$665	4.7%	1.1
2007	$36,430	4.2%	$688	3.5%	0.8
2008	$37,050	1.7%	$703	2.2%	1.3
2009	$36,722	-0.9%	$728	3.6%	NA
2010	$37,803	2.9%	$756	3.8%	1.3
2011	$38,405	1.6%	$720	-4.8%	NA
For 1991 to 2011:					
Total Growth		61.7%		149.1%	
Average Annual Compound Growth		2.4%		4.7%	
Expenditure Elasticity					2.4

SOURCE: Kircher Research Associates Ltd.

1) The figures for 1991 to 2005 are based on Statistics Canada, *Provincial and Territorial Economic Accounts: Data Tables, 2008 Estimates* (Catalogue #13-018). The figures for 2006 to 2011 are based on Ontario Ministry of Finance, *Ontario Economic Accounts, Third Quarter of 2011.*

2) The figures for 1991 to 2011 are based on Statistics Canada, *Retail Trade* (Catalogue #63-005).

3) These figures have been calculated by dividing the percentage increase in per capita building and outdoor home supply store expenditures by the corresponding percentage increase in per capita income.

APPENDIX E

BASIC ASSUMPTIONS AND DEFINITION OF TERMS

APPENDIX E
BASIC ASSUMPTIONS AND DEFINITION OF TERMS

In this appendix we have itemized the key assumptions on which we have based our analysis. In addition, we have provided a glossary of terms to facilitate understanding of this study.

Basic Assumptions

There are a number of underlying basic assumptions upon which the validity of the findings and recommendations presented in this study depend. We recognize and appreciate the problems associated with making broad and generalized assumptions about future conditions. Undoubtedly, deviations from historic and current trends will take place in future years. However, basic assumptions are required regarding the possible extent of such deviations in order to prepare any estimates of future conditions. These basic assumptions are:

1) During the forecast period covered by this study, a reasonable degree of economic stability will prevail in the Province of Ontario and in the market area. We recognize that the Canadian economy experiences intermittent periods of economic slowdown and recession during which unemployment levels rise, average personal income levels are restrained and retail expenditures decline. Such periods of economic downturn are consistent with longer-term cyclical fluctuations in the economy. They have been experienced many times in the past and have occurred recently. However, over the long term, such periods of economic slowdown tend to be offset by periods of growth. Therefore, for the purposes of this study, we have assumed that, on average, relative economic stability and moderate growth in retail expenditures will prevail throughout the future study period.

2) References to the Canadian dollar dealing with both the present and future period reflect its 2011 value. Since this analysis deals with future retail space additions, inflation has been eliminated. It has no influence on the physical space used by retail facilities. We recognize that fluctuations in the absolute value and purchasing power of the dollar will likely occur in the future. It is assumed, however, that the relationship between per capita income and expenditure levels, the value of the dollar and store operating levels will remain more or less constant during the period analyzed.

3) Historic population estimates used in this study are based on population estimates published by Statistics Canada. Estimates of future population contained in this study are based on recent Census trends and local population forecasts. The forecasts are assumed to be reasonably accurate over the study period.

If major changes should occur that influence the basic assumptions stated above, then the conclusions and recommendations contained in this study should be reviewed in light of such changed conditions and revised if necessary.

Definition of Terms

The following definitions have been prepared in order to acquaint the reader with the intended meaning of various terms, phrases or concepts as used in this study. They have been included in order to avoid misunderstandings of the various items or methodology discussed in the analysis.

1) Market Area

The geographic area of influence from which a retail development could normally expect to derive between 70.0% and 95.0% of its total sales volume is defined as its trade area or market area. The extent of a market area depends on numerous factors, including:

- the size, type and character of the retail development;
- the accessibility and visibility of the site provided by the existing and proposed regional and local road network;
- natural or man-made barriers, such as rivers or railway lines, which may inhibit or restrict the movement of customers;
- distance and driving times; and,
- the strength and location of existing and proposed competitive retail facilities.

The remaining 5.0% to 30.0% of market support, referred to as ***inflow***, is derived from visitors, tourists, local employees living outside the market area.

In order to recognize differing demographic, income and expenditure characteristics of the local population, a market area may be divided into several sectors known as market area zones. This permits a more detailed analysis of the market in which a retail development is operating. In this study the London City area located south of the Thames River is the Study Area. In addition the SWAT area was delineated as a special sector.

2) Per Capita Income

Per capita income represents average total personal income before tax, as defined by Statistics Canada. It has been calculated from Statistics Canada, *National Income and Expenditure Accounts* (Catalogue #13-001) data, as well as Ontario Ministry of Finance, *Ontario Economic Accounts* statistics.

Income indices for the Market area and each of its components are based on the results of the 2006 Census of Canada. Recent changes in these indices, as reflected by Revenue Canada, *Taxation Statistics, Tax Statistics on Individuals* and *Income Statistics* data, have been consulted to update these indices to 2011 levels.

3) Calculation of Per Capita Retail Expenditures

Tables E-1 to E-5, which are presented on the following pages, illustrate the methodology used to calculate the average per capita expenditures for the retail categories examined in this study that are applicable in the Province of Ontario in 2011, the last year for which complete data are available. These tables have been derived from current Statistics Canada *Retail Trade* (Catalogue #63-005) data and reflect the store definitions described in Statistics Canada's *North American Industry Classification System 2002* (Catalogue #12-501).

Based on this information, per capita GAFO store expenditures in Ontario averaged $3,900 in 2011. Similarly, average per capita Food Store expenditures were $2,187 while average Pharmacy and Personal Care Store expenditures amounted to $950, and Beer, Wine and Liquor Store expenditures averaged $548, and Building and Outdoor Home Supply Stores some $ 720 per capita.

4) Retail Expenditure Potential

Retail expenditure potential represents the total annual retail expenditures made by market area residents at stores in a specific retail category. It includes purchases made both inside and outside the market area. It is calculated by multiplying the average per capita expenditure in a particular Trade Area or zone by the total population for that Trade Area or zone.

5) Local Share

The local share is the amount of locally generated volume that is being served in the Study Area.

6) Effective Competition

Effective competition is defined as the sales captured by a competitive store or group of stores from ***market area residents only***. Sales originating from outside the trade area are referred to as ***inflow***.

7) Residual Potential and the Residual Method of Study

Residual potential represents the difference between existing and forecast Market Area or zone shares. It is that portion of the future volume that is in excess of that presently being attracted by existing local stores. Thus, the residual method of study recognizes the existing and continued effectiveness of stores currently operating in the Market Area.

The residual approach does not necessarily maximize the opportunity for a specific retailer. Other factors must be considered in the overall market strategy of a specific tenant.

8) **Site Share of Residual**

The site share of residual is the portion of the residual potential that could be captured by the retail facilities at a specific site.

9) Sales Transfer

Sales transfer refers to the existing sales or potential sales taken away from existing retail Stores by new stores.

10) 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 is measured from the centre line of joint partitions and from outside wall faces.

GLA is the area on which tenants pay rent and is the area that 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.

11) Competitive Retail Inventory

The competitive retail inventory is a detailed classification of competitive retail, service and vacant space, by store type and location. The results of the inventory are illustrated in Appendix A.

12) Retail Cluster

The competitive retail inventory is summarized into geographic areas referred to as retail clusters. These are groups of retail and service outlets that are generally located in close proximity to each other, serve a common market area and have similar characteristics.

13) Retail Store and Service Classification by Type

Table E-6 presents our listing of retail stores and services by category and by individual type. It is based on the store definitions described in Statistics Canada's *North American Industry Classification System 2002* (Catalogue #12-501).

TABLE E-1
CALCULATION OF PER CAPITA
FOOD STORE EXPENDITURES IN ONTARIO, 2011 (1

NAICS Category	2011 Total Sales ($Thousands)
44511 - Supermarkets and Other Grocery (except Convenience) Stores	$25,485,400
44512 - Convenience Stores	$1,820,500
4452 - Specialty Food Stores	$1,943,500
Total Food Stores	$29,249,400
Population (2	13,372,996
2011 PER CAPITA FOOD STORE EXPENDITURES	**$2,187**

SOURCE: Kircher Research Associates Ltd.
1) Based on Statistics Canada, *Retail Trade* (Catalogue #63-005).
2) Based on Statistics Canada, *Annual Demographic Estimates: Canada, Provinces and Territories 2011* (Catalogue #91-215).

TABLE E-2
CALCULATION OF PER CAPITA
GAFO STORE EXPENDITURES IN ONTARIO, 2011 (1

NAICS Category	2011 Total Sales ($Thousands)
4413 - Automotive Parts, Accessories and Tire Stores	$1,583,700
442 - Furniture and Home Furnishings Stores	$5,605,700
443 - Electronics and Appliance Stores	$5,338,300
448 - Clothing and Clothing Accessories Stores	$10,307,400
451 - Sporting Goods, Hobby, Book and Music Stores	$4,133,400
452 - General Merchandise Stores (2	$21,522,000
453 - Miscellaneous Store Retailers	$3,663,700
Total GAFO Stores	$52,154,200
Population (3	13,372,996
2011 PER CAPITA GAFO EXPENDITURES	**$3,900**

SOURCE: Kircher Research Associates Ltd.
1) Based on Statistics Canada, *Retail Trade* (Catalogue #63-005).
2) Includes department stores.
3) Based on Statistics Canada, *Annual Demographic Estimates: Canada, Provinces and Territories 2011* (Catalogue #91-215).

TABLE E-3
CALCULATION OF PER CAPITA
PHARMACY AND PERSONAL CARE STORE EXPENDITURES IN ONTARIO, 2011 (1

NAICS Category	2011 Total Sales ($Thousands)
446 - Health and Personal Care Stores	$12,705,500
Population (2	13,372,996
2011 PER CAPITA PHARMACY AND PERSONAL CARE STORE EXPENDITURES	**$950**

SOURCE: Kircher Research Associates Ltd.
1) Based on Statistics Canada, *Retail Trade* (Catalogue #63-005).
2) Based on Statistics Canada, *Annual Demographic Estimates: Canada, Provinces and Territories 2011* (Catalogue #91-215).

TABLE E-4
CALCULATION OF PER CAPITA
BEER, WINE AND LIQUOR STORE EXPENDITURES IN ONTARIO, 2011 (1

NAICS Category	2011 Total Sales ($Thousands)
4453 - Beer, Wine and Liquor Stores	$7,330,200
Population (2	13,372,996
2011 PER CAPITA BEER, WINE AND LIQUOR STORE EXPENDITURES	**$548**

SOURCE: Kircher Research Associates Ltd.
1) Based on Statistics Canada, *Retail Trade* (Catalogue #63-005).
2) Based on Statistics Canada, *Annual Demographic Estimates: Canada, Provinces and Territories 2011* (Catalogue #91-215).

TABLE E-5
CALCULATION OF PER CAPITA
BUILDING AND OUTDOOR HOME SUPPLY STORE EXPENDITURES IN ONTARIO, 2011 (1

NAICS Category	2011 Total Sales ($Thousands)
444 - Building Material and Garden Equipment and Supplies Dealers	$9,633,300
Population (2	13,372,996
2011 PER CAPITA BUILDING AND OUTDOOR HOME SUPPLY STORE EXPENDITURES	**$720**

SOURCE: Kircher Research Associates Ltd.
1) Based on Statistics Canada, *Retail Trade* (Catalogue #63-005).
2) Based on Statistics Canada, *Annual Demographic Estimates: Canada, Provinces and Territories 2011* (Catalogue #91-215).

TABLE E-6
RETAIL STORE AND SERVICE CLASSIFICATION BY TYPE (NAICS 2002-BASED)

Retail Sector	Store Category	Store Type	NAICS Code	KRA Code
FOOD STORES				
	Supermarkets and Grocery Stores			
		Supermarket	44511	1
		Grocery Store	44511	2
	Convenience and Specialty Food Stores			
		Convenience Store	44512	3
		Meat	44521	4
		Fish and Seafood	44522	5
		Fruits and Vegetables	44523	6
		Bakery	445291	7
		Candy and Nut	445292	8
		Herbs and Spices	445299	9
		Milk / Cheese / Ice Cream / Dairy Products	445299	10
		Coffee and Tea	445299	11
		Soft Drinks	445299	12
		Health Food (not supplements) (e.g. Noah's Natural Foods)	445299	13
		Delicatessen	445299	14
		Bulk Food	445299	15
		Other Specialty Food	445299	16
PHARMACIES AND PERSONAL CARE STORES				
	Pharmacies			
		Pharmacy / Drug Store	44611	17
		Cosmetics / Beauty Supply / Perfume	44612	18
	Personal Care Stores			
		Optician	44613	19
		Health Supplements (not food) (e.g. General Nutrition Centre, Nutrition House)	446191	20
		Medical Aids and Equipment (e.g. hearing aids, orthopaedic aids, oxygen)	446199	21
BEER, WINE AND LIQUOR STORES				
		Beer	44531	22
		Wine	44531	23
		Liquor	44531	24
GAFO: GENERAL MERCHANDISE STORES				
	Department Stores			
		Traditional Department Store	45211	25
		Discount Department Store	45211	26
	Warehouse Membership Clubs			
		Warehouse Membership Club	45291	27
	Home and Auto Supply Stores			
		Home and Auto Supply (e.g. Canadian Tire, TSC Stores)	452991	28
		Automotive Parts and Accessories	44131	29
		Tires	44132	30
	Other General Merchandise Stores			
		Catalogue Sales Showroom (e.g. Sears Catalogue and Sears Dealer stores)	452999	31
		Dollar Store (e.g. Dollarama, Buck or Two)	452999	32
		Variety Store (e.g. Bargain Shop, Giant Tiger, Liquidation World)	452999	33
		General Store (e.g. Co-Op, Country Depot, "farmer's supply" stores)	452999	34

TABLE E-6 (Continued)
RETAIL STORE AND SERVICE CLASSIFICATION BY TYPE (NAICS 2002-BASED)

Retail Sector	Store Category	Store Type	NAICS Code	KRA Code
GAFO: APPAREL AND ACCESSORIES STORES				
	Clothing Stores			
		Men's Clothing	44811	35
		Women's Clothing	44812	36
		Children's and Infants' Clothing	44813	37
		Family Clothing	44814	38
		Athletic Clothing (not uniforms)	448199	39
		Fur	448191	40
		Leather Apparel	448199	41
		Bridal	448199	42
		Lingerie	448199	43
		Maternity	44812	44
		Outerwear	448199	45
		Swimwear	448199	46
		Uniforms and Work Clothing	448199	47
		Other Clothing	448199	48
	Shoe Stores			
		Men's Shoes	44821	49
		Women's Shoes	44821	50
		Children's Shoes	44821	51
		Family Shoes	44821	52
		Athletic Shoes	44821	53
	Clothing Accessories and Jewellery Stores			
		Costume Jewellery	44815	54
		Clothing Accessories (e.g. handbags, hosiery, hats, scarves, ties, gloves, umbrellas)	44815	55
		Jewellery	44831	56
		Luggage and Leather Goods	44832	57
GAFO: FURNITURE, HOME FURNISHINGS AND ELECTRONICS STORES				
	Furniture Stores			
		Household Furniture	44211	58
		Household Furniture and Appliance	44211	59
		Office Furniture (if it sells to consumers)	44211	60
		Outdoor Furniture	44211	61
		Mattress	44211	62
	Home Furnishings Stores			
		Floor Coverings (e.g. carpet, tile, wood, linoleum)	44221	63
		Window Treatments (e.g. drapery, curtain, blinds)	442291	64
		Print and Picture Frame	442292	65
		Bedding / Linen / Bath	442298	66
		China / Glassware / Cutlery / Kitchenware	442298	67
		Housewares	442298	68
		Mirrors	442298	69
		Pottery	442298	70
		Lamps and Lighting Fixtures	442298	71
		Fireplace Accessories	442298	72
	Computer and Software Stores			
		Computer Hardware and Software (e.g. CompuSmart)	44312	73
	Home Electronics and Appliance Stores			
		Household Appliance	44311	74
		Consumer Electronics (e.g. TV, radio, stereo)	44311	75
		Household Appliance and Electronics	44311	76
		Satellite Receivers	44311	77
		Telephone (including cellular phone)	44311	78
		Personal Care Appliance	44311	79
		Sewing Machines	44311	80
		Vacuum Cleaners	44311	81
		Room Air Conditioners	44311	82
		Camera and Photography Supply	44313	83

TABLE E-6 (Continued)
RETAIL STORE AND SERVICE CLASSIFICATION BY TYPE (NAICS 2002-BASED)

Retail Sector	Store Category	Store Type	NAICS Code	KRA Code
GAFO: OTHER RETAILERS				
	Sporting Goods, Hobby, Music and Book Stores			
		Bicycles	45111	84
		Fitness Equipment	45111	85
		Bait and Tackle / Firearms	45111	86
		Other Sporting Goods (including uniforms)	45111	87
		Hobby, Toy and Game (including arts and crafts, console game stores) (e.g. EB Games, MicroPlay)	45112	88
		Sewing, Needlework and Piece Goods (including yarn and fabric)	45113	89
		Musical Instruments and Supplies	45114	90
		Books and News	45121	91
		Pre-Recorded Tapes, Compact Discs and Records	45122	92
	Miscellaneous Store Retailers			
		Florist	45311	93
		Office Supply and Stationery (including office furniture if not selling to consumers)	45321	94
		Gift, Novelty and Souvenir	45322	95
		Greeting Cards	45322	96
		Used Clothing	45331	97
		Used Furniture / Antiques	45331	98
		Used Appliances	45331	99
		Used Books	45331	100
		Other Used Merchandise (not pawnshops)	45331	101
		Pet and Pet Supply	45391	102
		Art Dealer	45392	103
		Beer and Wine-Making Supply	453992	104
		Art Supply	453999	105
		Auctioneering	453999	106
		Hot Tubs / Whirlpools / Swimming Pools	453999	107
		Coins and Stamps	453999	108
		Autographs, Cards and Collectibles	453999	109
		Party Supply	453999	110
		Tobacco	453999	111
		Tombstones	453999	112
		Other Miscellaneous Retailer (including water systems)	453999	113
BUILDING AND OUTDOOR HOME SUPPLIES STORES				
	Home Centres and Hardware Stores			
		Home Improvement Centre	44411	114
		Hardware Store	44413	115
	Specialized Building Materials and Garden Stores			
		Paint and Wallpaper	44412	116
		Kitchen Cabinets / Doors and Windows	44419	117
		Electrical Supply	44419	118
		Plumbing	44419	119
		Lumber	44419	120
		Other Building Materials (e.g. brick and tile, fencing, glass, roofing)	44419	121
		Outdoor Power Equipment (e.g. lawnmowers)	44421	122
		Nursery / Garden Centre (including lawn ornaments)	44422	123

TABLE E-6 (Continued)
RETAIL STORE AND SERVICE CLASSIFICATION BY TYPE (NAICS 2002-BASED)

Retail Sector	Store Category	Store Type	NAICS Code	KRA Code
SERVICES				
	Financial Institutions			
		Bank	52211	124
		Credit Union	52213	125
		Other Depository Institution (e.g. provincial savings and loans)	52219	126
	Other Lending Services			
		Consumer Lending (e.g. personal credit and loan companies)	522291	127
		Pawnbroker	522299	128
		Mortgage and Loan Broker	52231	129
		Cheque Cashing Service	52239	130
	Consumer Rental Services			
		Car Rental	53211	131
		Electronics and Appliance Rental	53221	132
		Formal Wear and Costume Rental	53222	133
		Video Tape and Disc Rental	53223	134
		Other Consumer Goods Rental (e.g. furniture, sports equipment, party supply)	53229	135
		General Rental Centre	53231	136
	Professional Services			
		Investment Advice / Financial Planning	52393	137
		Insurance Agent / Broker	52421	138
		Real Estate Agent / Broker	53121	139
		Legal (e.g. lawyer, notary, paralegal)	5411	140
		Accounting (e.g. accountant, tax preparer, bookkeeper, payroll service)	5412	141
		Photographer	54192	142
		Veterinarian	54194	143
	Administrative Services			
		Employment Service	5613	144
		Business Service Centre (e.g. photocopying service, private mail centre)	56143	145
		Travel Service (e.g. travel agent, tour operator, auto club, ticket agent, tourist bureau)	5615	146
	Educational Services			
		Business and Secretarial School	61141	147
		Computer Training	61142	148
		Athletic Instruction (e.g. gymnastics club, martial arts club)	61162	149
		Other School (e.g. driver training, tutoring)	61169	150
	Health Care Services			
		Physician (including psychiatrist)	6211	151
		Dentist	6212	152
		Other Health Practitioner (e.g. chiropractor, optometrist, psychologist, other therapist)	6213	153
		Out-Patient Care Centre (e.g. family planning,, substance abuse, community health)	6214	154
		Medical and Diagnostic Laboratory	6215	155
	Social Services			
		Individual and Family Service (e.g. family counselling, big brothers and sisters)	6241	156
		Community Food, Housing, Emergency Relief Service (e.g. food bank, meals on wheels)	6242	157
		Vocational Rehabilitation Service	6243	158
		Child Day-Care Service	6244	159
	Arts, Entertainment and Recreation Facilities			
		Movie Theatre / Cinema	51213	160
		Live Theatre	711311	161
		Sports Arena / Stadium	711319	162
		Amusement Arcade	71312	163
		Casino	71321	164
		Lottery Ticket Vendor	713291	165
		Other Gambling Facility (e.g. bingo parlour, off-track betting)	713299	166
		Marina	71393	167
		Fitness and Recreational Sports Centre	71394	168
		Bowling Alley	71395	169
		Billiard Hall	71399	170
		Other Amusement and Recreation Facility (e.g. amusement rides, miniature golf)	71399	171

TABLE E-6 (Continued)
RETAIL STORE AND SERVICE CLASSIFICATION BY TYPE (NAICS 2002-BASED)

Retail Sector	Store Category	Store Type	NAICS Code	KRA Code
SERVICES (Continued)				
	Food Services			
		Full-Service Restaurant	7221	172
		Limited-Service Eating Place (e.g. fast food, take-out, doughnut shop, cafeteria)	7222	173
		Drinking Places (e.g. bars, pubs, lounges, night clubs, taverns)	7224	174
	Automotive Repair and Maintenance			
		Mechanical and Electrical (e.g. general repair, specialty repair of muffler, brake, transmission)	81111	175
		Body, Paint, Interior and Glass	81112	176
		Car Wash	811192	177
		Other Automotive Repair and Maintenance (e.g. lubrication, emission testing, undercoating)	811199	178
	Personal Goods Repair and Maintenance			
		Home and Garden Equipment	811411	179
		Appliance (including consumer electronics)	811412	180
		Reupholstery and Furniture Repair (including furniture refinishing)	81142	181
		Footwear and Leather Goods Repair	81143	182
		Other Personal and Household Goods (e.g. garments, bicycles, jewellery, watches, key duplication)	81149	183
	Personal and Laundry Services			
		Barber Shop (i.e. men only)	812114	184
		Beauty Salon (i.e. women only; includes nail salons, manicures, pedicures)	812115	185
		Unisex Hair Salon (i.e. men and women)	812116	186
		Weight Loss Centre (e.g. Jenny Craig, Herbal Magic)	81219	187
		Hair Removal / Hair Replacement	81219	188
		Ear Piercing / Tattooing / Tanning Salon	81219	189
		Other Personal Care Service (e.g. bath house, massage parlour)	81219	190
		Coin-Operated Laundry	81231	191
		Dry Cleaning	81232	192
		Linen and Uniform Supply	81233	193
		Pet Care (e.g. animal shelter, boarding kennel, pet grooming)	81291	194
		Photo Finishing Service (e.g. one hour photo finishing services, not camera shops)	81292	195
		All Other Personal Service (e.g. party planning, personal shopping, psychic, shoe shine, escorts)	81299	196
VACANT SPACE			NA	200
OTHER NON-RETAIL SPACE			NA	201
GENERAL OFFICE SPACE			NA	202
GAFO: OTHER RETAILERS [EXCLUDED]				
	Miscellaneous Store Retailers [EXCLUDED]			
		Mobile Homes	45393	NA
AUTOMOTIVE [EXCLUDING AUTOMOTIVE PARTS AND ACCESSORIES STORES AND TIRE DEALERS]				
	Vehicle Dealers [EXCLUDING AUTOMOTIVE PARTS AND ACCESSORIES STORES AND TIRE DEALERS]			
		New Cars	44111	NA
		Used Cars	44112	NA
		Recreational Vehicles	44121	NA
		Motorcycles	44122	NA
		Boats	44122	NA
		Other Motor Vehicles (e.g. ATVs, snowmobiles, trailers, aircraft)	44122	NA
	Gasoline Stations			
		Gasoline Station with Convenience Store	44711	203
		Gasoline Station without Convenience Store	44719	NA
NON-STORE RETAILERS				
		Electronic Shopping and Mail-Order Houses	45411	NA
		Vending Machine Operators	45421	NA
		Fuel Dealer	45431	NA
		Other Direct Selling Establishments	45439	NA

SOURCE: Kircher Research Associates Ltd., based on Statistics Canada, *North American Industry Classification System 2002* (Catalogue #12-501).