

# 4099 Erin Mills Parkway

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To: Chris White, Principal, Parcel Economics Inc.  
Matt Paziuk, Principal, Parcel Economics Inc.

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Cc: Ida Assogna, Vice President, Queenscorp

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From: Doug Annand, Partner, urbanMetrics inc.

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Date: September 27, 2024

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Re: 4099 Erin Mills Parkway Retail Market Study – Peer Review Response

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Chris, Matt,

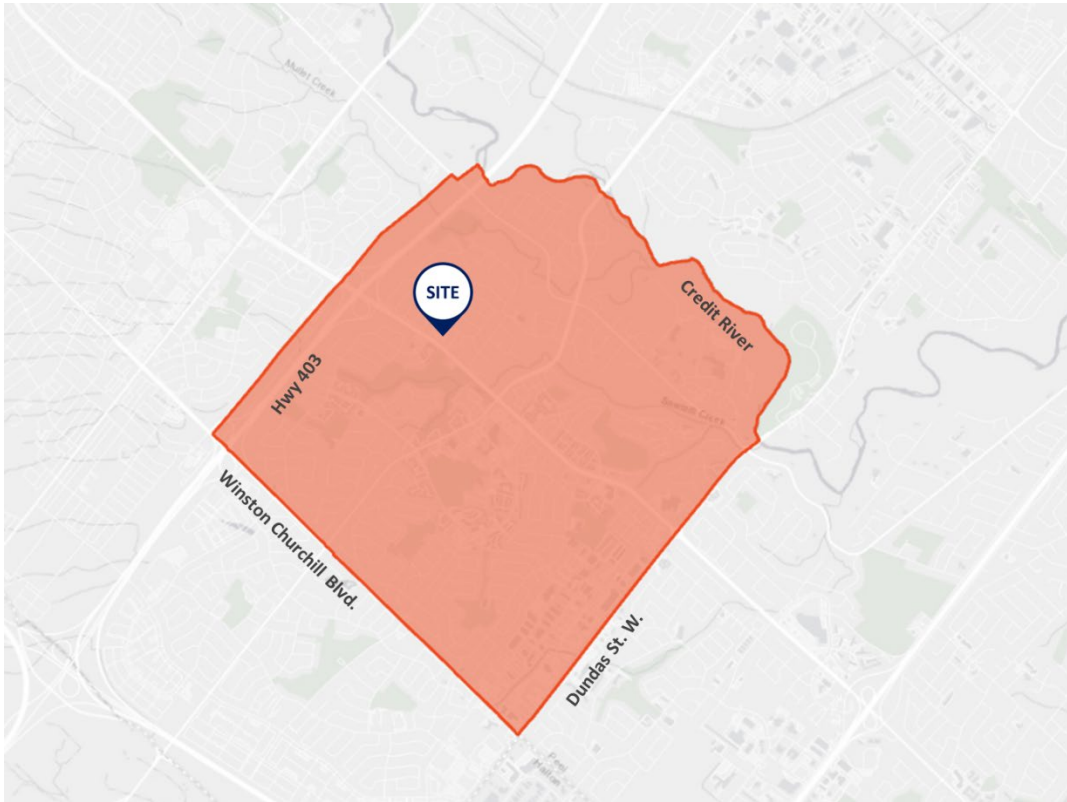
Based on the comments and recommendations included in your peer review, which is dated March 15, 2024, we have provided an updated analysis of our retail market study for the commercial component of Queenscorp’s proposed mixed-use development that will be located at 4099 Erin Mills Parkway. We note that this review is based on the proposed plan as of September, 2024. This memo summarizes our responses to each of your comments.

## Trade Area

- Given the proposed local-serving nature of new space contemplated on the subject site, we recommend that a more local Study Area also be analyzed, which considers an area more closely aligned to a distance of 2 kilometres from the site.*

*This would specifically correspond with the portion of the original uMi Study Area situated south of Highway 403 (i.e., comprising 6 Census Tracts). This would more appropriately recognize the “barrier effect” that Highway 403 exerts on consumers’ everyday travel patterns and shopping habits, particularly those arriving by foot or by bicycle.*

As you recommended, the Study Area for the commercial component of the proposed development has been modified to include an approximate two-kilometre local area, limited to areas located south of Highway 403. The revised Study Area is bounded by Highway 403 in the north, Winston Churchill Boulevard to the west, Dundas Street West to the south, and the Credit River to the east. This revised Study Area is illustrated below.

**Figure 1: New Study Area**

SOURCE: urbanMetrics

## Population

2. *The 2021 Census population of the 2-km Local Area (i.e., the portion of the uMi Study Area south of Highway 403, shown in Figure 2.3) is estimated at 31,800 residents. This is approximately half the uMi Study Area population. We note that between 2016 and 2021, the population of this area grew on average 3% annually, nearly double the average annual growth across the entire uMi Study Area.*

*We recommend that the current and future population of the 2-km Local Area be considered in a more local-focused analysis (see Section 2.5 herein).*

As of 2021, the revised Study Area's population was approximately 31,800 persons, adjusted for net undercount. There have been no new residential developments within the Study Area since 2021. Based on the current development pipeline, the population in this Study Area is expected to grow by approximately 1,600 persons by 2031. Other than the subject site, there are currently no other residential development applications located within the revised Study Area.

We do note however that there are a few proposed residential developments on Dundas St W, located just south of the Trade Area. These include two seniors homes, two condominium buildings and a townhouse project which may provide additional support for the retail/service commercial space located within the Study Area and at the subject site. These have been accounted for as inflow in our revised per capita space demand analysis.

## Inventory

- 3. Given that the inventory was conducted more than 2 years ago, at a very different period of the COVID-19 pandemic, it is recommended that uMi undertake an updated inventory of commercial space.*

*Ideally, this should include validations of tenancies and vacant spaces via in-person fieldwork.*

As part of this updated analysis and response memo, we conducted in-person field work in February 2024 to validate the results of our original inventory and recognize any changes largely to reflect the revised Study Area. This revised inventory has been recognized in our revised market needs analysis which is included below in Figure 2.

Recognizing that the revised Study Area is more localized and excludes certain regional-serving facilities (e.g., Erin Mills Town Centre), the square feet per capita ratio is lower than in our previous inventory. Certain store categories which typically locate in larger commercial nodes (e.g., Apparel and Accessories, Building and Outdoor Supply) comprise a smaller percentage of the total retail/service space, resulting in a smaller square foot per capita ratio in the revised Study Area.

Under half of the updated inventory consists of NFSR space. Compared to the previous inventory, FSR and Services comprise a slightly larger percentage of the total commercial space. In addition, at 5%, the vacancy rate is lower than the 8.7% in the previous inventory, which would suggest less need for additional commercial space in the Study Area and specifically in the subject development.

Figure 2: Retail/Service Commercial Space Per Capita (2021 vs 2024 Inventory)

FSR	2024 Inventory			2021 Inventory		
	SF	%	SF/Capita	SF	%	SF/Capita
Convenience & Specialty Food	25,200	2.7%	0.8	40,600	1.8%	0.7
Supermarkets & Grocery	149,800	15.8%	4.7	308,600	13.6%	5.0
<b>FSR Total</b>	<b>175,000</b>	<b>18.4%</b>	<b>5.4</b>	<b>349,200</b>	<b>15.4%</b>	<b>5.7</b>
<b>BWL</b>	<b>1,300</b>	<b>0.1%</b>	<b>0.0</b>	<b>22,700</b>	<b>1.0%</b>	<b>0.4</b>
<b>NFSR</b>						
Apparel and Accessories	10,900	1.1%	0.3	251,500	11.1%	4.1
Automotive	700	0.1%	0.0	4,800	0.2%	0.1
Building and Outdoor Home Supply	13,100	1.4%	0.4	83,100	3.7%	1.3
Furniture, Home Furnishings & Electronics Store	160,000	16.8%	5.0	362,200	16.0%	5.9
General Merchandise	169,000	17.8%	5.2	319,800	14.1%	5.2
Miscellaneous Retailers	17,600	1.9%	0.5	62,500	2.8%	1.0
Pharmacies & Personal Care	49,100	5.2%	1.5	77,600	3.4%	1.3
<b>NFSR Total</b>	<b>420,400</b>	<b>44.2%</b>	<b>13.1</b>	<b>1,161,500</b>	<b>51.3%</b>	<b>18.9</b>
<b>SERVICES</b>						
Cultural, Entertainment & Recreation	36,700	3.9%	1.1	61,000	2.7%	1.0
Finance	17,500	1.8%	0.5	56,000	2.5%	0.9
Food Services & Drinking Places	90,700	9.5%	2.8	171,100	7.6%	2.8
Health Care	67,900	7.1%	2.1	103,700	4.6%	1.7
Insurance and Real Estate	8,100	0.9%	0.3	16,600	0.7%	0.3
Personal & Household Goods Repair & Maintenance	8,100	0.9%	0.3	7,700	0.3%	0.1
Personal Care	28,300	3.0%	0.9	59,700	2.6%	1.0
Professional, Scientific & Technical Services	13,900	1.5%	0.4	18,400	0.8%	0.3
Selected Educational Services	21,600	2.3%	0.7	29,800	1.3%	0.5
Selected Office Administrative Services	3,300	0.3%	0.1	1,800	0.1%	0.0
Social Services	6,400	0.7%	0.2	4,000	0.2%	0.1
Transportation	3,400	0.4%	0.1	3,400	0.2%	0.1
<b>SERVICES Total</b>	<b>305,900</b>	<b>32.2%</b>	<b>9.5</b>	<b>533,200</b>	<b>23.6%</b>	<b>8.7</b>
<b>VACANT</b>	<b>47,500</b>	<b>5.0%</b>	<b>1.5</b>	<b>196,400</b>	<b>8.7%</b>	<b>3.2</b>
<b>Grand Total</b>	<b>950,100</b>	<b>100.0%</b>	<b>29.5</b>	<b>2,263,000</b>	<b>100.0%</b>	<b>36.7</b>

SOURCE: urbanMetrics inc., based on an in-person inventory conducted in February 2024.

NOTE: Rounded to the nearest 100 square feet. Space per capita is based on 2021 Study Area population, which is likely consistent with the current population level.

- 4. Given their review of active applications was conducted more than 2 years ago, uMi should undertake an update to validate the status of these proposals and/or identify net new applications in parallel with the existing space inventory referenced above.*

Changes to the amount and type of space located in the revised Study Area have been summarized above and there are currently no proposed commercial projects within the revised Study Area. However, we do note that our revised Study Area excludes retail/service commercial properties which immediately surround the Study Area. These include retail plazas located along the south side of Dundas St W, and the retail commercial and big box stores just west of Winston Churchill Blvd. Also, many of the big box stores located on the Peel/Halton border on Dundas St W are regional serving and have been accounted for in our revised analysis as outflow (i.e., illustrated through the target capture rate for residents living within the Trade Area). These stores located outside the Study Area are expected to continue to support the broader shopping needs of residents living on the subject site as well as those living in the rest of the Study Area.

The proposed retail and service uses on the subject site will be local-serving in nature and are not expected to compete with the retail/service space that will be accommodated elsewhere in the Study Area and beyond.

## Analysis

- 5. uMi should undertake a revised analysis of the baseline service levels for the current Study Area, as well as additional analysis for the 2-km Local Area suggested in Section 2.2. These new analyses should include an updated Study Area inventory, updated development pipeline review and the additional store categories suggested by Parcel.  
The analysis could also benefit from additional customer origins data to support the analytical assumptions made, although we appreciate this comes with additional costs.*

Our per capita analysis considered the most likely types of tenants that would normally locate on the ground floor of the proposed mixed-use buildings. Given the amount of commercial space proposed on the subject site (i.e., 8, 500 square feet), supermarkets, general merchandise stores, household goods repair and maintenance are unlikely to locate on the ground floor of this type of mixed-use development.

Our revised per capita analysis, using the new smaller 2km Study Area population and commercial inventory, and including the additional retail and service commercial categories recommended by Parcel (supermarkets and grocery, general merchandise,

educational services, personal and household goods repair and maintenance, and civic social organizations) is detailed below. Target capture rates have been adjusted from our previous analysis to reflect the smaller Study Area. At 2021 population levels, the Study Area is overall oversupplied by 260,900 square feet of retail/service commercial space. Excluding the Walmart Supercentre there is a current oversupply of 127,900 square feet of retail/service commercial space.

Our current inventory and per capita analysis indicates that both small and large-format supermarkets and specialty food stores are well-represented in the Study Area. Within one kilometre of the subject site, there is both a No Frills and a Walmart Supercentre which includes a large grocery component. Within two kilometres there is the Food Basics on Glen Erin Drive. Elsewhere in the Study Area, there is a Longo's and an ethnic grocery store, Kabul Farms Supermarket. According to our client, the current supermarket tenant located on the site—Iqbal Halal Foods—has indicated that they will not be renewing their lease because of insufficient sales being generated at this location. However, even with the loss of this tenant, the surrounding community will continue to be well-served by supermarkets and other specialty food stores. It is our opinion that Walmart Supercentre stores generally have regional trade areas, and do not have the typical inflow rates of smaller supermarkets or general merchandise stores. However, even by removing the 133,000 square feet in the Walmart Supercentre there is still a current oversupply of 23,600 square feet of general merchandise space.

The capture rates and inflow estimates illustrated in the table below are based on urbanMetrics' expertise and extensive experience in conducting retail market studies both in Mississauga, throughout Ontario and in Canada in general.

Figure 3: Per Capita Space Analysis (2021 Population)

Commercial Needs - Retail Category	Typical Space Per Capita (Sq Ft)	Total Space Required by Residents (Sq Ft)	Target Capture	Space Required (Sq Ft)	Inflow	Total Warranted Space (Sq Ft)	Less: Existing Space	Total Net New Space Required
<b>2021 Population</b>	<b>31,800</b>							
<b>SELECTED FOOD STORE RETAIL (FSR)</b>								
FSR: Supermarkets & Grocery	3.5	111,300	80%	89,040	20%	111,300	149,800	<b>-38,500</b>
FSR: Convenience & Specialty Food Stores	1.0	31,800	50%	15,900	15%	18,700	25,200	<b>-6,500</b>
<b>SUB TOTAL</b>	<b>4.5</b>	<b>143,100</b>		<b>104,940</b>		<b>130,000</b>	<b>175,000</b>	
<b>SELECTED NON-FOOD STORE RETAIL (NFSR)</b>								
NFSR: Pharmacies & Personal Care Stores	1.5	47,700	60%	28,620	20%	35,800	49,100	<b>-13,300</b>
NFSR: General Merchandise	1.0	31,800	35%	11,130	10%	12,400	169,000	<b>-156,600</b>
NFSR: Other Miscellaneous Stores	2.0	63,600	35%	22,260	15%	26,200	17,600	<b>8,600</b>
<b>SUB TOTAL</b>	<b>4.5</b>	<b>143,100</b>		<b>62,010</b>		<b>74,400</b>	<b>235,700</b>	
<b>SERVICES</b>								
Finance, Insurance & Real Estate	2.0	63,600	45%	28,620	10%	31,800	25,600	<b>6,200</b>
Food Services & Drinking Establishments	4.0	127,200	55%	69,960	10%	77,700	90,700	<b>-13,000</b>
Personal Care Services	1.5	47,700	50%	23,850	10%	26,500	28,300	<b>-1,800</b>
Cultural, Entertainment & Recreation Establishments	1.5	47,700	50%	23,850	10%	26,500	36,700	<b>-10,200</b>
Health Care Services	2.0	63,600	55%	34,980	20%	43,700	67,900	<b>-24,200</b>
Other Services <sup>1</sup>	2.5	79,500	40%	31,800	10%	35,300	46,900	<b>-11,600</b>
<b>SUB TOTAL</b>	<b>13.5</b>	<b>429,300</b>		<b>213,060</b>		<b>241,500</b>	<b>296,100</b>	
<b>GRAND TOTAL - Neighbourhood Serving</b>	<b>22.5</b>	<b>715,500</b>		<b>380,010</b>		<b>445,900</b>	<b>706,800</b>	<b>-260,900</b>

SOURCE: urbanMetrics inc., based on in-person inventory completed in February 2024. Rounded to the nearest 100 square feet.

<sup>1</sup> Includes Professional, Scientific and Technical Services, Selected Educational Services, Household Goods & Maintenance, Selected Civic and Social Organizations, and Selected Office Administrative Services.

6. *uMi should undertake a revised analysis of the future service levels for the current Study Area, as well as additional analysis for the 2-km Local Area suggested in Section 2.2. These new analyses should include an updated Study Area inventory, updated development pipeline review and the additional store categories suggested by Parcel.*

*Particular attention should be paid to the development pipeline to ensure an accurate estimation of the existing space in 2031.*

Our revised per capita analyses, using the new smaller 2km Study Area population and commercial inventory, and including the additional retail and service commercial categories recommended by Parcel (supermarkets and grocery, general merchandise, educational services, personal and household goods repair and maintenance, and civic social organizations) are detailed below. Target capture rates have been adjusted to reflect the smaller Study Area. As previously identified, there are no commercial projects in the development pipeline within the new Study area. This analysis does not include the existing tenants currently operating on the subject site or the 8,500 square feet of proposed retail/service space on the subject site. At 2031 population levels, there will still be an oversupply of approximately 180,900 square feet throughout the Study Area. Excluding the Walmart Supercentre there is still an oversupply of 47,900 square feet of retail/service commercial space within the Study Area.

It is our opinion that Walmart Supercentre stores generally have regional trade areas, and do not have the typical inflow rates of smaller supermarkets general merchandise stores. However, even removing the 133,000 square feet in the Walmart Supercentre there is still an oversupply of 23,000 square feet of general merchandise space.

However, there will still be a need for local retail and services to support the 1,600 residents who will reside on the subject site. These shopping and service which will include stores such as personal care services, financial services, and miscellaneous stores can be accommodated within the 8,500 square feet of proposed retail/service space that will be located on the subject site.



Figure 4: Per Capita Space Analysis (2031 Population)

Commercial Needs - Retail Category	Typical Space Per Capita (Sq Ft)	Total Space Required by Residents (Sq Ft)	Target Capture	Space Required (Sq Ft)	Inflow	Total Warranted Space (Sq Ft)	Less: Existing Space	Total Net New Space Required
<b>2031 Population</b>	<b>33,400</b>							
<b>SELECTED FOOD STORE RETAIL (FSR)</b>								
FSR: Supermarkets & Grocery	3.5	116,900	80%	93,520	20%	116,900	117,200	-300
FSR: Convenience & Specialty Food Stores	1.0	33,400	50%	16,700	15%	19,600	22,400	-2,800
<b>SUB TOTAL</b>	<b>4.5</b>	<b>150,300</b>		<b>110,220</b>		<b>136,500</b>	<b>139,600</b>	
<b>SELECTED NON FOOD STORE RETAIL (NFSR)</b>								
NFSR: Pharmacies & Personal Care Stores	1.5	50,100	60%	30,060	20%	37,600	42,600	-5,000
NFSR: General Merchandise	1.0	33,400	35%	11,690	10%	13,000	169,000	-156,000
NFSR: Other Miscellaneous Stores	2.0	66,800	35%	23,380	15%	27,500	17,600	9,900
<b>SUB TOTAL</b>	<b>4.5</b>	<b>150,300</b>		<b>65,130</b>		<b>78,100</b>	<b>229,200</b>	
<b>SERVICES</b>								
Finance, Insurance & Real Estate	2.0	66,800	45%	30,060	10%	33,400	22,300	11,100
Food Services & Drinking Establishments	4.0	133,600	55%	73,480	10%	81,600	85,200	-3,600
Personal Care Services	1.5	50,100	50%	25,050	10%	27,800	25,400	2,400
Cultural, Entertainment & Recreation Establishments	1.5	50,100	50%	25,050	10%	27,800	36,700	-8,900
Health Care Services	2.0	66,800	55%	36,740	20%	45,900	66,500	-20,600
Other Services <sup>1</sup>	2.5	83,500	40%	33,400	10%	37,100	44,200	-7,100
<b>SUB TOTAL</b>	<b>13.5</b>	<b>450,900</b>		<b>223,780</b>		<b>253,600</b>	<b>280,300</b>	
<b>GRAND TOTAL - Neighbourhood Serving</b>	<b>22.5</b>	<b>751,500</b>		<b>399,130</b>		<b>468,200</b>	<b>649,100</b>	<b>-180,900</b>

SOURCE: urbanMetrics inc., based on in-person inventory completed in February 2024. Rounded to the nearest 100 square feet.

<sup>1</sup> Includes Professional, Scientific and Technical Services, Selected Educational Services, Household Goods & Maintenance, Selected Civic and Social Organizations, and Selected Office Administrative Services.

## Subject Site

Based on the most recent site plans, dated September, 2024, site statistics for the subject site are as follows:

	Units	GFA - ft <sup>2</sup>
<b>Retail</b>		8,500
<b>Residential - Townhouses</b>	112	129,881
<b>Residential - Apartments</b>	597	489,085 (Total GFA) 430,508 (Net Saleable)

SOURCE: Turner Fleischer Architects, via Queenscorp

8,500 square feet of retail/service space is proposed on the subject site. This space will be divided between two buildings which will front onto Erin Mills Parkway on the northern portion of the subject site. Approximately 4,400 square feet of this retail/service space will be in one building and 4,100 square feet in a second building.

We estimate that the proposed 709 residential units on the subject site will accommodate approximately 1,600 persons.<sup>1</sup>

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<sup>1</sup> PPU factors based on City of Mississauga 2022 Development Charges Background Study, adjusted for undercoverage.