

**CUSHMAN &
WAKEFIELD**

**PEEL REGION SETTLEMENT AREA
BOUNDARY EXPANSION (SABE) STUDY
ALTERNATE SCENARIO: NO GTA WEST
HIGHWAY**

**EMPLOYMENT AND COMMERCIAL
OPPORTUNITIES TECHNICAL STUDY**

PREPARED FOR:

REGION OF PEEL





May 26, 2021

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Regarding: Peel Region Settlement Area Boundary Expansion (SABE) Study – Employment and Commercial Opportunities Technical Study – Alternate Scenario: No GTA West Highway

Dear Tara,

Cushman & Wakefield was engaged as a sub-consultant as part of the broader Project Team, led by Hemson Consulting, to execute the Region of Peel's Settlement Area Boundary Expansion (SABE) Study. This *Employment and Commercial Opportunities Technical Study – Alternate Scenario: No GTA West Highway* is one of several studies that inform the SABE analysis. The attached report is divided into two focus areas: (1) Employment Forecast Allocations by Type; and (2) Retail-Commercial Land Needs Analysis.

The purpose of this Technical Study is to provide real estate market insights to guide future land use planning in accommodating anticipated population and employment growth across the identified Focus Study Area (FSA) in the south part of the Town of Caledon. Please refer to the Preamble of this report, which discusses the change in the forecast horizon from 2041 (original) to 2051, and the intent of this supplemental report.

Of importance, this report is a companion to the original *Employment and Commercial Opportunities Technical Study* that was completed in November 2020. The original Technical Study was underpinned by an expectation that the GTA West Corridor would proceed as was envisioned at that time. This supplemental report examines the employment and retail-commercial market opportunities – and related site selection impacts – in the absence of the GTA West Highway.

Respectfully submitted,

Cushman & Wakefield

A handwritten signature in black ink, appearing to read 'Andrew Browning', written over a horizontal line.

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PREAMBLE

The Draft version of the original *Employment and Commercial Opportunities Technical Study* was delivered in June 2020. It was reviewed by staff from the Region of Peel and local municipalities, and made available online as part of the Peel 2041+ process under the Settlement Area Boundary Expansion (SABE) focus area. At the time of this Draft report delivery, the SABE Study forecast horizon was 2041. Subsequent to this date, Growth Plan for the Greater Golden Horseshoe 2019 Schedule 3 (Distribution of Population and Employment for the Greater Golden Horseshoe to 2051) was released by the Province. This Schedule provided updated population and employment figures for Peel Region, and as a result, the forecast horizon for the SABE Study was extended to 2051. Currently, projections at the local municipal level remain preliminary – including the approximately 4,300 hectare SABE (+/-1,200 hectares identified as Employment area, and +/- 3,100 hectares of Community area), which is based on a draft land needs assessment that is presently under review. The final original *Employment and Commercial Opportunities Technical Study* was delivered in November 2020. **The population and employment figures are unchanged in this *Employment and Commercial Opportunities Technical Study – Alternate Scenario: No GTA West Highway*.**

Portions of this report are identical to the original Technical Study, and therefore continue to reference the 2041 forecast horizon. The site section decision-making factors which are a core element of this Technical Study are not impacted by the timing or magnitude of the population and employment forecasts, whether the planning horizon is 2041 or 2051. **Of note, the small geographic areas that are a focus of analysis are unchanged.**

Given the land-extensive nature of some of the recent industrial activity that has occurred in Caledon, Cushman & Wakefield recommends that an additional provision of land be considered to ensure that sufficient lands are incorporated within the SABE to accommodate large industrial buildings that require large sites.

1.0 STUDY OVERVIEW

1.1 Overview of Technical Study

1.1.1 Purpose of the Technical Study

This *Employment and Commercial Opportunities Technical Study – Alternate Scenario: No GTA West Highway* is one of several background studies that inform the Region of Peel's *Settlement Area Boundary Expansion (SABE) Study*. Cushman & Wakefield was engaged as a sub-consultant as part of the broader Project Team, led by Hemson Consulting, to complete this work. This report is divided into two focus areas:

- Employment Forecast Allocations by Type; and,
- Retail-Commercial Land Needs Analysis.

The purpose of this Technical Study is to provide real estate market insights to guide future land use planning in accommodating anticipated population and employment growth across the identified Focus Study Area (FSA) in the south part of the Town of Caledon through the forecast horizon.

This supplemental report is a companion to the original *Employment and Commercial Opportunities Technical Study* that was completed in November 2020. The original Technical Study was underpinned by an expectation that the GTA West Corridor would proceed as was envisioned at that time. This report examines the employment and retail-commercial market opportunities – and related site selection impacts – in the absence of the GTA West Highway.

1.1.2 Caveat Regarding Forecast Revisions and Land Need Projections

The analysis included in this report is based upon population and employment projections provided by Hemson Consulting – and supported by Regional staff – that were current at the time of our work. These figures have been used to derive estimates of the land area required to accommodate employment growth by type, as well as retail-commercial land needs. We understand that aspects of these forecasts may be subject to change, and therefore, the resulting land area requirements may also change. The market analysis that underpins the SABE site selection principles remain valid, and accordingly, this Technical Study's conclusions will remain supportable in light of reasonable adjustments to these forecast assumptions.

1.2 Report Format and AODA

1.2.1 Report Format and Accessibility for Ontarians with Disabilities Act

Sections of this report may not comply to the AODA Information and Communication Standards. Please email planpeel@peelregion.ca to request alternate accessible formats of this document.

2.0 EMPLOYMENT FORECAST ALLOCATIONS BY TYPE

2.1 Introduction

Prior work by the Project Team has identified a Focus Study Area (FSA) that represents the geographic scope of this analysis. **The FSA considered in this Technical Study is the same that was utilized in the original *Employment and Commercial Opportunities Technical Study* completed in November 2020. It is recognized that there is a possibility that the FSA might ultimately be refined, since the GTA West Highway is no longer anticipated in this alternate scenario. Cushman & Wakefield has subdivided the FSA into a series of smaller geographic areas for the purposes of our site selection and real estate market analysis, to enable a comparative assessment. Provided that any FSA boundary changes are not extensive in nature, this does not alter the conclusions of this Technical Study.**

The intent of this portion of the Technical Study is to identify lands that are well-suited to accommodate future employment growth for all types of employment through the original 2041 forecast horizon (recognizing that the later extension of the forecast period to 2051 does not impact the suitability of lands identified – only the timing of land absorption, amount of lands required, population size, and number of jobs). We utilize a projection of employment growth by type to identify the quantum of lands required, explore employment and occupancy trends, and consider the site selection preferences of different land uses in order to inform our recommendations.

2.2 Employment Growth by Type

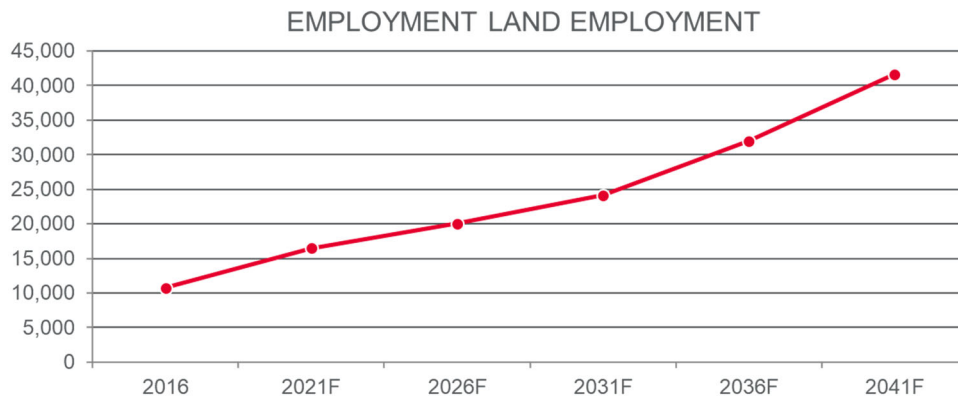
2.2.1 Overview

Hemson Consulting prepared a projection of employment growth by type of employment. There are four categories of employment in Caledon (in descending order of total employment, in 2016 – excluding Work from Home jobs): Employment Land Employment, Rural Employment, Population-Related Employment, and Major Office Employment. The following section presents an overview of each category of employment, along with the projected job growth to 2041 (the original forecast horizon). **For this *Employment and Commercial Opportunities Technical Study – Alternate Scenario: No GTA West Highway*, Cushman & Wakefield was directed to make no adjustment to the forecast number of jobs compared to the original Technical Study.**

2.2.2 Employment Land Employment

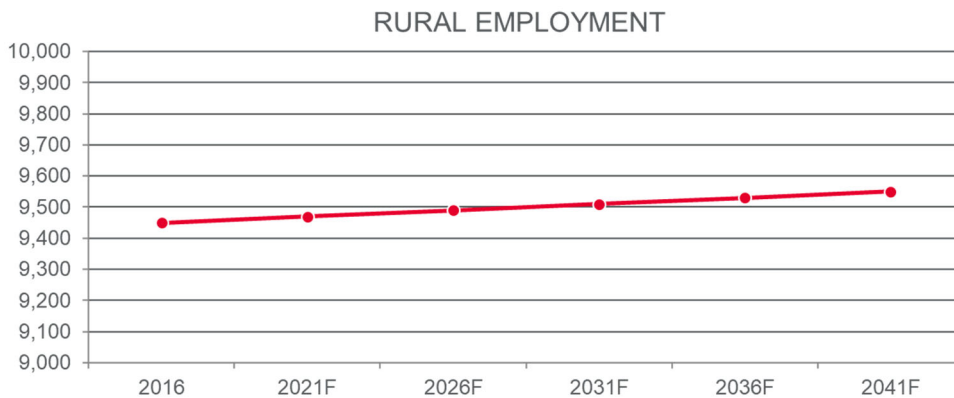
The phrase “Employment Land Employment (ELE)” refers principally to industrial-type jobs, and covers sectors including manufacturing; research and development; warehousing and distribution; and wholesale trade. A land-extensive form of development, these jobs are overwhelmingly located in single-storey buildings, with a small office component which may be multi-storey. These functions are generally planned in distinct areas separate from other uses, given the nature of these businesses (which may generate noise, produce odours, are associated with truck traffic, and are often aesthetically unappealing).

Employment Land Employment is estimated to be almost 10,800 jobs in Caledon in 2016, representing a 40% share of total employment. Hemson Consulting has projected that Employment Land Employment will account for the greatest share of the total employment increase by 2041, adding almost 31,000 jobs. The forecast indicates that ELE jobs will represent almost 60% of the total job growth in Caledon from 2016-2041. As a relatively low-density form of employment (compared to other categories), this will translate to considerable demand for employment land in the coming decades.



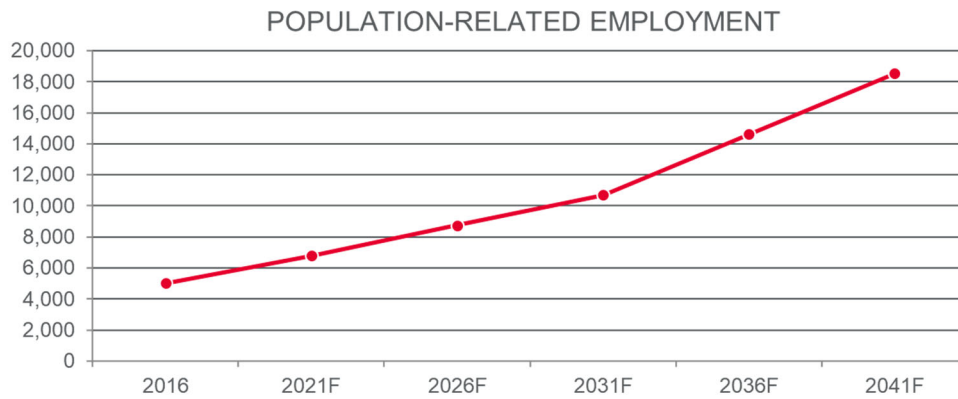
2.2.3 Rural Employment

Rural Employment is predominantly related to natural resources, agriculture, tourism, and recreation, and is found in rural areas outside of Settlement Areas. While it accounts for a sizable component of current overall employment in Caledon (9,500 jobs), it is not anticipated to meaningfully increase over time. With employment growth occurring in other categories, Rural Employment’s share of total employment will decline from roughly 35% in 2016 to just 12% by 2041. Since this Technical Study is focused on Settlement Area Boundary Expansion – and by definition, Rural Employment is not a component of a Settlement Area – it does not require any further analysis.



2.2.4 Population-Related Employment

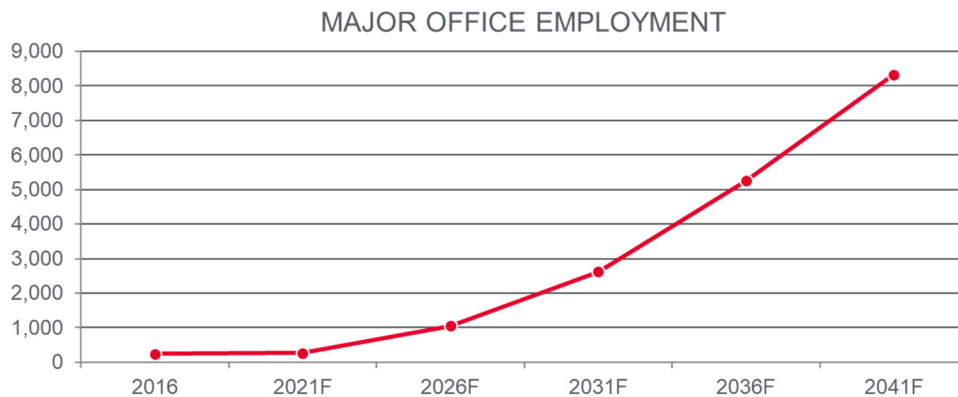
The “Population-Related Employment” category of employment is that which exists in response to a resident population, and is not primarily located in employment areas. Some commercial, institutional, and accessory retail uses – and increasingly, community facilities/population-related functions (such as private educational institutions and places of worship) – may be located (or seek to locate) on employment lands. The extent of population-related land uses in employment areas varies among municipalities, and contributes to the mix of land uses and amenities within these areas. Predominantly, however, Population-Related Employment is accommodated across the non-employment lands within a municipality (in residential mixed-use settings, commercial designations, institutional sites, and various other locations).



2.2.5 Major Office Employment

In its population projections, Hemson Consulting considers Major Office Employment as “employment occurring in freestanding office buildings of 1,860 m² (20,000 sf) or more.” In this report, the phrase “Major Office” is used in regard to buildings that accommodate Major Office Employment, as described by Hemson Consulting – which is aligned with the office inventories monitored by the major brokerage firms (including Cushman & Wakefield).

Major Office functions typically concentrate in downtown areas or established suburban office parks, but developers may also pursue pioneering sites in complementing other existing commercial/retail properties or planned projects. Increasingly, office uses are being encouraged to locate in “centres and corridors”. These are focal points of activity (both nodal “centres”, and linear “corridors”), where land use intensification is sought, and where transportation/transit investments can be leveraged. While this type of development is not currently a notable feature of the built landscape in Caledon, Hemson Consulting anticipates considerable growth in this form of employment over the next few decades. With only a few hundred jobs of this type in 2016, Major Office is projected to account for over 8,300 jobs by 2041.



2.3 Land Need by Type

2.3.1 Overview

The following section provides a discussion of recent trends, and the impact on real estate requirements for each sector – including site selection principles that are influencing location decision-making. In order to determine the future lands that are required to accommodate each type of employment, it is necessary to identify a benchmark of employment density by type of employment, and link that to overall employment growth by type.

2.3.2 Employment Land Employment

Key Trends

Employment Land Employment is the most land-extensive category of employment, because it requires the most floor space per worker. This is also due to building function/design, which typically requires a relatively high land area relative to building space to accommodate truck turning and on-site parking, materials storage, and other factors.

The amount of industrial floor space per worker continues to increase. This is due to the growing prevalence of automation, which is impacting traditional manufacturing employment environments, as well as the warehousing/distribution sector. In many markets (including Caledon) warehousing and distribution is the dominant component of industrial growth, and it has a relatively low employment density compared to traditional manufacturing and assembly-type operations, which are more labour-intensive.

Another trend influencing industrial employment demand relates to building design. The taller ceiling clear height found in modern industrial buildings means that floor space is being replaced by vertical space – in some cases, without a corresponding increase in a requirement for labour. In particular, the flourishing eCommerce sector is generating significant demand for warehousing facilities – particularly as consumer spending patterns have changed during the COVID-19 pandemic.

Due to their large building footprint (and accordingly, land cost), warehousing and logistics uses are typically attracted to large sites on the urban periphery, which feature ready access to multiple highways. This has been a factor in the emergence of the Bolton/Caledon and Milton industrial markets over the past 10-15 years as a key source of new industrial supply in the GTA.

Over time, older industrial areas with buildings that no longer meet the requirements of contemporary business (i.e. lower ceiling clear height, and less functional site layout for truck movements/distribution, etc.) may convert to alternate uses – although there is uncertainty and complexity in anticipating the adaptive re-use of employment lands. While this may displace/replace industrial-type employment, such adaptive re-use of buildings could include more office-type functions – particularly firms seeking low-cost environments that do not need conventional office space (such as high-tech start-ups, and other “new economy” uses).

Providing flexibility in planning policy (such as permissive zoning, context-appropriate parking standards, etc.) to accommodate alternative, compatible uses will be important in attracting such opportunities for intensification of employment within established business parks. However, given the relatively young age of industrial stock in Bolton/Caledon versus other more established parts of the GTA, this is not an issue that will likely play a meaningful role in planning for accommodation of Employment Land Employment within the FSA. However, this is a trend that Peel should monitor over time to understand its impact on employment land supply/demand.

Site Selection Principles

A number of site selection principles are of importance in industrial location decision-making. These include:

- Real estate factors – geographic location; availability and cost of business premises, or cost of land and new building construction; and location of customers and suppliers;
- Economic factors – availability of raw materials and intermediate goods (production inputs); labour force availability; labour cost; and government incentives; and,
- Infrastructure factors – transportation; telecommunications; and utilities.

The majority of these factors are considered to be relatively uniform across the Town of Caledon, and would not influence site selection decisions within the FSA; they are more applicable when considering site selection within a broader region (say, the GTA, or Southern Ontario).

From a geographic perspective, Caledon is on the GTA's periphery. There is relatively limited labour availability to the north and west (largely rural), compared to the south and east (which is highly urbanized). Therefore, employers with significant labour requirements may prefer a more central GTA location – or one in southeast Caledon (Bolton), which has superior access to labour compared to other locations in the municipality.

Employment Density and Land Need

In its prior work for the Region of Peel's Land Budget exercise, Hemson Consulting has developed a benchmark for ELE employment density. This figure of 33 ELE jobs per net hectare is based upon an assumed 80% site utilization factor (net to gross land area), and a 45% site coverage.

The projection of an additional 30,900 ELE jobs from 2016-2041 generates a requirement for some 936 net hectares of land (1,170 gross hectares). Importantly, only a portion of this land will need to be designated within the Settlement Area Boundary Expansion, as there are existing designated employment lands in Caledon that will absorb ELE employment over time, and some of this growth has already been accounted for via development that has taken place since 2016. Based on the current forecasts, Hemson Consulting has concluded that new lands amounting to **405 net hectares/506 gross hectares** (at an 80% net to gross factor, to account for local roads and utilities) are required to accommodate future Employment Land Employment growth through 2041 on employment lands in Caledon.

2.3.3 Major Office Employment

Key Trends

An important trend when contemplating the amount of future lands required to accommodate long-term office space demand is the densification of office space. This is a reference to the changing office environment in the workplace, which (pre-pandemic) was seeing smaller allocations of space per employee. At present, there is considerable uncertainty regarding the future of the office workplace – although an emerging consensus is that there will be a greater mix of in-office and work-from-home arrangements in the future. This will vary by employee role/function and workforce management preferences among organizations. If this model of work is embraced, it would diminish the need for office space going forward on a per employee basis. However, there is also a view that the office densification trend will reverse, which would offset some of this decline.

The office of the future will become a place for connectivity – both virtual and physical. Businesses will need to create an environment that people will want to spend time in, as opposed to seeing it as a daily chore. This will impact space layouts, amenities, and location (given the pain of employee commutes). Employees are getting used to and want the ability to work from anywhere. The next generation of office buildings will require a very connected workplace wherein the user has the ability to move seamlessly while sustaining high-performance connectivity. While the need for personal office space will reduce, the demand for other kinds of spaces will increase – both within and outside the office. People will always need physical space, and will always want to meet face-to-face. As we spend more time working virtually, the demand for better quality physical environments and experiences will increase. Office space will become more varied, with much fewer desks, and many more spaces to meet, eat, exercise, and unwind.

The positive experience that many office occupiers are having with working from home is now being considered a potential major turning point in how they think about real estate. Some companies are talking about a return to a “hub and spoke” model, with a higher quantity of smaller offices in suburban locations. Whatever the future holds, the discussion about office real estate has shifted from strictly urban to a broader range of alternatives, including the suburbs. As the suburban population continues to increase, it is likely that more and more suburban dwellers will seek to work locally. Millennials, in particular, are more focused than their older peers on proximity and convenience when looking for a new home. The result is likely to be more demand for suburban office space, as companies seeking to attract and retain talent will see some benefit from locating at least a portion of their regional occupancy in the suburbs. All of the above factors would have a positive impact on the outlook for the Town of Caledon in attracting Major Office uses in the future.

Site Selection Principles

From a site selection perspective, the following characteristics are of importance for prospective office occupiers:

- Occupancy costs – the availability and cost of office premises, or cost of land and new building construction.
- Access to an educated workforce – post-secondary facilities are a vital source of skilled workers for local businesses.
- Public transportation accessibility – in many urban areas, opportunities to travel via public transit is becoming an increasingly important option as an alternative to automobile-oriented commuting (although during the pandemic, automobile-focused suburban offices have seen higher occupancy levels compared to Toronto’s Central Business District).
- Proximity to clients and competitors – having easy access to clients is an important attribute for many office occupiers that are in the business services industry, while a location in proximity to competitors may help ensure that a market area is well-served (and not an overlooked opportunity).
- Desire for urban, mixed-use environments – office users that are seeking to attract employees in the competitive jobs market recognize that offering a workplace with proximity/accessibility to restaurants/bars, retail opportunities, recreation spaces, and a high-quality public realm, is critical.
- Telecommunications – availability of broadband infrastructure is vital in the modern business environment.

Currently, there is no significant presence of major office activity in Caledon. However, this is anticipated to change over the coming decades, as the population grows, and the nature of work evolves. Ensuring that Caledon’s employment areas offer conditions that are conducive to meeting the needs of office users is critical to successfully capturing a share of Suburban office market demand in the GTA.

Employment Density and Land Need

Hemson Consulting’s Major Office employment growth projection for Caledon envisions 8,090 new jobs through 2041, which translates to demand for approximately 1.5 million sf of office space (net rentable area). For comparative purposes, this is equal to the amount of new office space added in the City of Brampton from 2000-2015 (1.54 million sf), or roughly one-half of the total office inventory currently tracked by Cushman & Wakefield in the Mississauga City Centre submarket (3.42 million sf). In the Brampton example, of the 15 new office buildings, 10 are within a range of roughly 20,000 to 85,000 sf in size.

The Major Office employment growth projection can be translated into an estimate of future land need by using a benchmark employment density. This figure takes into account the amount of office space per worker, and site coverage ratio for office buildings – along with a stabilized market vacancy rate. Hemson Consulting has utilized a range of assumptions to arrive at a land need for Major Office employment in Caledon, including a Floor Space Index of 0.6 (ratio of floor area to total site area); an assumption that 80% of new supply occurs on lands currently considered vacant; and an employment density equal to 190 sf per employee (on an occupied net rentable area basis, with a stabilized vacant level). Based on the current forecasts, these assumptions result in land demand of **25 net hectares/31 gross hectares** (at an 80% net to gross factor, to account for local roads and utilities) to accommodate future Major Office employment growth through 2041 on employment lands.

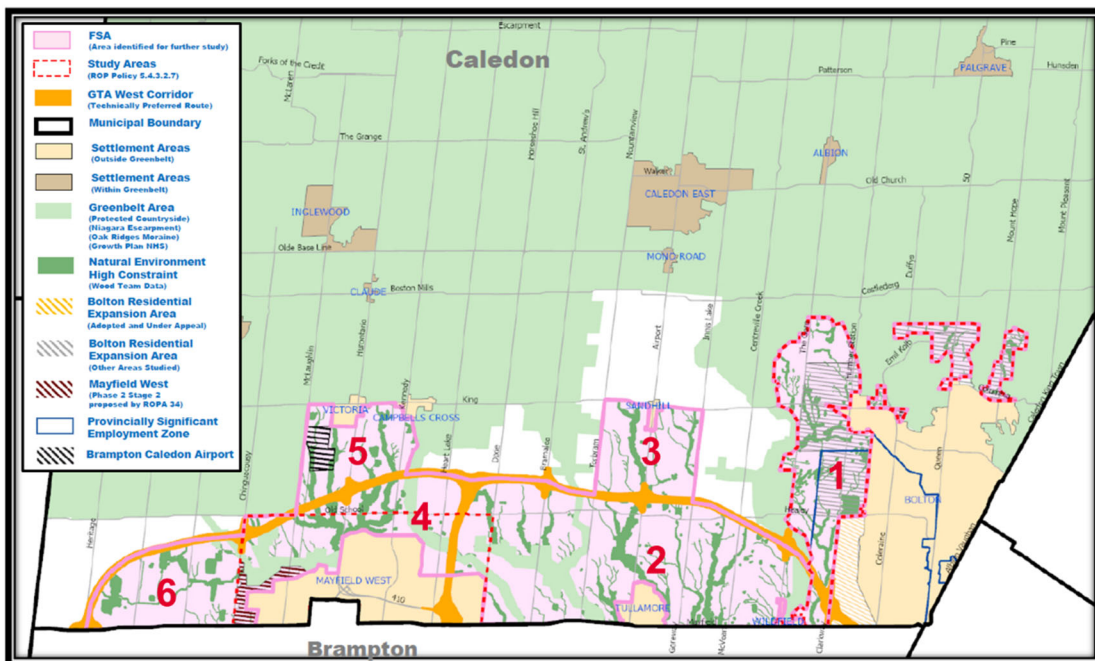
2.3.4 Population-Related Employment

Population-Related Employment is a wide-ranging category of employment that is accommodated in a variety of settings, including shopping centres, schools, community facilities, and public administration buildings. With the exception of retail-commercial employment, future lands to accommodate PRE jobs are generally addressed through the designation of institutional-type lands that must be identified in any potential expansion areas in a community, as well as through the expansion of existing facilities. Importantly, *the lands required to meet future retail-commercial growth are described in Section 3 below, as part of a separate analysis.* With this notable exception, this Technical Study does not draw a conclusion regarding the preferred location and land demand associated with Population-Related Employment, since the need is closely linked with the location of future residential growth areas, which is being determined separately.

2.4 Potential Locations to Accommodate Employment Land Needs

2.4.1 Introduction

In order to provide an assessment of the potential location(s) of future lands to accommodate employment growth across Caledon, Cushman & Wakefield identified six areas that are considered in our analysis, guided by their locational characteristics. These are marked on the map below. For each, we discuss local issues of significance, and explore their strengths and weaknesses, from a site selection perspective. As well, we provide an opinion regarding the timing of the market opportunity for each location.



2.4.2 Area 1: Bolton’s Provincially Significant Employment Zone

The Province of Ontario has identified a Provincially Significant Employment Zone (PSEZ) on the west side of Bolton. This Zone encompasses an area bounded by Mayfield Road to the south, Highway 50 to the east, roughly midway between Healey Road and King Street West to the north, and roughly midway between Humber Station Road and The Gore Road to the west.

The Provincially Significant Employment Zone in Bolton totals 1,335 developable hectares (1,105 net hectares). It can be segmented into three components:

1. The area which represents already built-up or designated employment lands within the current Settlement Area of Bolton – approximately 714 net hectares (excluding ROPA 30 Settlement Area lands which are addressed below). This includes the mostly developed area east of Coleraine Drive situated within the PSEZ, as well as the developing area west of Coleraine Drive within the PSEZ (including the Canadian Tire site, and lands to the north and south within the existing Settlement Area boundary).
2. The ROPA 30 Settlement Area lands – on the east side of Humber Station Road, south of Healey Road – approximately 148 net hectares (assumed to accommodate planned residential growth [123 net hectares], with some employment component (2,500 jobs) as well [26 net hectares]).
3. The area on the west side of the PSEZ, adjacent to the built-up employment area and ROPA 30 lands – approximately 243 net hectares.

Accounting for the already occupied lands (with absorption estimated up to 2021 provided by Hemson Consulting), we have concluded that the vacant developable employment land area within the PSEZ totals approximately 540 net hectares, of which 175 net hectares are already within the Settlement Area (including lands for employment uses within the ROPA 30 Settlement Area). This leaves a remainder of 365 net hectares of available employment land within the FSA.

From a location perspective, ongoing employment land development in southwest Bolton would complement planned employment lands in northeast Brampton (the Highway 427 Industrial Secondary Plan Area). The area benefits from proximity to Highway 50, Highway 427, Pearson International Airport, and the CP Vaughan intermodal facility – all notable transportation infrastructure elements which facilitate a high level of goods movement. From a site selection/market demand perspective, there is no apparent weakness to this area, in terms of accommodating employment uses (it is a proven employment area that continues to attract significant new supply). Significant new industrial supply has been attracted to the area over the past decade or more – far in advance of a conceptual (on-again, off-again) GTA West Corridor.

Planning for future employment lands on Bolton’s west side within the PSEZ has the ability to provide location alternatives for existing local business to expand, keeping supplier and customer networks more or less intact, and preserving jobs in the community. As well, increasing the number of jobs in Bolton has the benefit of concentrating employment, which can lead to opportunities for improved transit service. Finally, providing future jobs in Bolton supports the concept of a “complete community”; with anticipated population growth being added through the BRES process, these jobs are needed to ensure balanced growth. Cushman & Wakefield anticipates that Bolton’s PSEZ area would accommodate employment growth in the near term and throughout this study’s planning horizon (and perhaps beyond, depending upon the rate of land absorption).

There are additional FSA lands surrounding Bolton, to the north and northwest of the existing Settlement Area. Compared to the location of the PSEZ lands, these remaining FSA lands are considered inferior for prospective employment uses, from a site selection point of view. This is due to their separation from significant existing employment uses, and comparably longer distance to vital transportation infrastructure that is already in place (including the Highway 427 Expansion to Major Mackenzie Drive, which is scheduled to open this year).

2.4.3 Area 2: Tullamore

Tullamore is a small Settlement Area located at the intersection of Mayfield Road and Airport Road. There are a few industrial and commercial uses in the area, including two large warehouse and distribution facilities on the east side of Airport Road – a short distance north of Mayfield Road – and various properties on Perdue Court (an area identified as “Tullamore Industrial Park” on local signage). However, apart from these developments, the lands (in Caledon) are largely undeveloped. To the south (in Brampton) is an existing residential subdivision, and planned commercial and service employment uses. Lands to the west, north, and east form part of the Focus Study Area for the purposes of this analysis. The relative absence of development in this area is an advantage in terms of siting future prospective employment lands, as land use conflicts can be avoided in planning for growth.

The adjacent Vales North Secondary Plan Area in Brampton is home to Executive Residential and Low Density Residential uses. Highway/Service Commercial, Service Employment, and other retail-commercial uses identified along Airport Road, north of Lacoste Boulevard, have been sized to accommodate the demand forecast of neighbourhood residents and visitors within the catchment area (largely vacant today). As well, the intersection of Mayfield Road and Airport Road is identified as a major entry point into the city, and designated as a Gateway in the Brampton Official Plan.

The presence of established industrial uses in Tullamore – some of which are relatively new construction (past 5-10 years) – suggests that additional employment land demand could emerge in the near to medium term. In this *No GTA West Highway* scenario, however, Tullamore’s distance to existing major highways (Highway 427 to the east and Highway 410 to the west) makes this location less favourable from an employment lands perspective compared to the improved accessibility the GTA West Highway interchange at Airport Road would have generated.

2.4.4 Area 3: Sandhill

Sandhill is situated at the intersection of King Road and Airport Road. Presently, there are a few industrial and small-scale commercial properties developed, but no critical mass of activity. This area shares certain site selection characteristics with the Tullamore Settlement Area located to the south, in terms of its modest existing built-up area, and location on Airport Road.

Currently, the Settlement Area is far removed from urban development that has occurred in the south part of the Town of Caledon, and along the northern edge of the growing City of Brampton. The “blank slate” nature of lands around Sandhill are appealing from a planning perspective. However, there is concern that this location is distant from established employment areas, as well as the labour pool that would be needed to fulfil jobs, which are weaknesses from a site selection perspective. It is the view of Cushman & Wakefield that Sandhill represents one of the most peripheral locations within the FSA to accommodate employment land, and is therefore a long-term opportunity that may only occur once better situated lands are absorbed. The absence of the previously planned GTA West Highway (including an Airport Road interchange) magnifies these concerns from a site selection point of view.

2.4.5 Area 4: Mayfield West

Mayfield West is a Settlement Area situated on the north side of Mayfield Road, between Chinguacousy Road and Dixie Road. Irregular in shape, its northern edge extends most of the way to Old School Road.

An opportunity to expand employment land uses in this area would leverage its adjacency to Highway 410. A notable challenge with this area is the presence of Greenbelt lands on both the northwest and northeast/east sides of the current Settlement Area, which may inhibit the development of large, contiguous blocks for development. Existing nearby employment uses include a large industrial warehouse facility occupied by Acklands Grainger at the northwest corner of Mayfield Road and Dixie Road (21 Merchant Road – a 537,000 sf building, on a 12.5 hectare site, constructed in 2015); UPS Canada's largest package sorting and delivery facility which occupies 850,000 sf of newly-completed industrial space immediately to the north; and a number of automotive dealerships clustered on the south side of Mayfield Road (in Brampton), west of Dixie Road.

Given the presence of Highway 410, lands adjacent to the Mayfield West Settlement Area provide both near-term and long-term opportunities to accommodate employment growth in Caledon. While the GTA West Highway would have enhanced accessibility to this area, it still offers sought-after employment land site selection characteristics making it well suited to accommodate future growth.

2.4.6 Area 5: Brampton Caledon Airport Area

This portion of the Focus Study Area includes lands in the vicinity of the Settlement Areas of Victoria and Campbell's Cross. This general location includes the Brampton Caledon Airport property.

This location shares some site selection characteristics with Sandhill, in that it is far removed from urban development activity that has occurred to the south. However, the "blank slate" nature of these lands are appealing from a planning perspective, and land use conflicts can be avoided/managed. The presence of the airport may present an opportunity to attract related employment (some of which exists today, and may have the potential for expansion).

Given its location and associated site selection attributes, Cushman & Wakefield views the Brampton Caledon Airport Area as among the most peripheral locations within the FSA to accommodate employment land. It is therefore likely a medium to longer-term opportunity that may only occur once better situated lands are absorbed. Notwithstanding this statement, airport-related employment land uses could emerge, and it would be prudent to allocate some employment lands in this area to capitalize on this sector. Of note, given the presence of the Airport (and its presumed ongoing operations), some surrounding lands are not appropriate for sensitive land uses such as residential, and are in effect preserved for potential employment use (or another permitted, non-sensitive use).

Of note, in this *No GTA West Highway* scenario, the appeal of the Brampton Caledon Airport Area location for employment land use is arguably improved relative to several other areas under consideration. While the GTA West Highway would have provided greatly enhanced mobility across the Town of Caledon – particularly at interchange locations – proximity to Highway 410 benefits this area already. Since the enhanced mobility that would have been realized elsewhere across the FSA with the completion of the GTA West Highway is no longer accounted for in this alternate scenario, future employment lands are considered supportable in this area.

2.4.7 Area 6: Southwest Caledon

We have identified the portion of the Focus Study Area that lies west of Chinguacousy Road as "Southwest Caledon", for the purposes of this report. There are presently no significant employment uses on these lands, which are rural in character.

The potential of this area is linked to activities in the Heritage Heights community – the lands within the Mount Pleasant West and Huttonville North Secondary Plan Areas in northwest Brampton, for which land use planning remains ongoing – as well as the largely built-up Mount Pleasant community. Land use planning best practice demands that growth not “leapfrog” into new greenfield areas, and bypass other lands that abut existing settlements. Accordingly, any future growth in Southwest Caledon – including lands identified for prospective employment uses – should be mindful of the timing of the development in Heritage Heights. Given that land use planning in Heritage Heights remains in progress, it is advised that employment land planning for Southwest Caledon be put on hold to a future time that is more appropriate. In this *No GTA West Highway* alternate scenario, the comparative distance from highway infrastructure in Southwest Caledon relative to other FSA locations is detrimental to its prospects of attracting employment uses.

2.5 Conclusions

2.5.1 Recommended Locations for Employment Land Employment

Bolton has attracted significant industrial growth over the past decade or more – in fact, Caledon as a whole accounted for the sixth most new industrial supply of any GTA municipality over the past decade (after Mississauga, Milton/Halton Hills, Brampton, and Vaughan). While the PSEZ will support future employment land opportunities that can be captured in west Bolton (including 2,500 jobs within the Bolton Residential Expansion Area), it is important to consider the impact of concentrating growth in one area, at the expense of another. Caledon’s population is anticipated to increase to 160,000 by 2041, which represents growth of approximately 91,000 residents over 2016 levels. It is necessary to ensure that other parts of Caledon are not strictly a “bedroom community”, and that employment opportunities are distributed appropriately.

Vacant employment lands in Bolton – located within the established Settlement Area (including employment uses within the Bolton Residential Expansion Area, as well as across the remainder of the PSEZ) – total 540 net hectares (when incorporating anticipated absorption through 2021). This is sufficient to accommodate all of Caledon’s ELE demand through 2041. However, demand for ELE uses will continue to emerge in the vicinity of Mayfield West and Tullamore, as well as Bolton’s designated employment lands within the current Settlement Area. This guidance is aligned with the conclusions of the Enterprise Zone background studies related to the goods movement sector, which identified Tullamore as the preferred location to further investigate the feasibility of an Enterprise Zone as an innovative concept for employment areas in Peel Region.

In this *No GTA West Highway Scenario*, it is acknowledged that the prospects of attracting Employment Land Employment to the Brampton Caledon Airport Area are arguably enhanced. Since the significantly improved mobility that would have emerged across southern Caledon via the GTA West Highway is no longer a factor, proximity to Highway 410 is therefore a vital connection to support land development opportunities in the Brampton Caledon Airport Area.

The three areas most detrimentally impacted from an ELE suitability perspective in this *No GTA West Highway Scenario* are as follows:

- Tullamore – it remains comparatively distant from major highway access versus some other FSA options.
- Lands northeast of Mayfield West (at the east-west portion of the GTA West Highway that would have intercepted the north-south link to Highway 410) – this had the potential to emerge as a prime ELE location, from a mobility point of view; and,
- Southwest Caledon – like Tullamore, its distance from major highway infrastructure is considered inferior to some other FSA options.

From a market demand and site selection perspective, Cushman & Wakefield recommends that the preceding guidance be considered in planning for ELE growth in Caledon in the coming decades. In this *No GTA West Highway* scenario, proximity to established major highway infrastructure is of heightened importance to facilitate the required labour access and goods movement to enable successful employment areas. In our view, there is sufficient flexibility in terms of land suitable to accommodate ELE uses in many of these areas that other planning considerations should be taken into account in the final decision-making regarding the quantum of employment land that is required – albeit with the recognition that Bolton is the most well-located of all of the FSA options, and can be expected to attract the largest share of demand.

2.5.2 Recommended Locations for Major Office Employment

Future successful suburban office nodes will look highly urban in character – rather than the single-use corporate business parks that we are familiar with today. They will constitute a mix of land uses, including office buildings (at varying scales), retail-commercial amenities, residential buildings, a high-quality public realm – and very commonly, a higher-order transit station. It is possible to create such an environment in Caledon, but it will require considerable up-front planning.

Inventory size is one measure of the success of an office submarket. The Airport (including Airport Corporate Centre) – Mississauga/Toronto (13.0 million sf); Highway 7 & Highway 404 – Markham/Richmond Hill (8.9 million sf); North Yonge Corridor – Toronto (9.0 million sf); Steeles & Highway 404 – Toronto/Markham (6.4 million sf); and Meadowvale – Mississauga (6.0 million sf) are the GTA's five largest Suburban office concentrations, as tracked by Cushman & Wakefield. They all feature superior accessibility given their adjacency/proximity to multiple 400-series highways (or in the case of North Yonge Corridor – access to TTC subway).

The Major Office employment component of growth cannot be taken for granted, as all suburban GTA municipalities are competing for those sought-after jobs. The Major Office employment that is forecast for Caledon could emerge in the latter portion of the forecast horizon, aligned with population growth. Post-pandemic office location decision-making could see a renaissance of new suburban office construction, as firms seek to diversify their workforce locations. However, we caution that this is not yet an observed trend – it is only a prediction among some market participants. Should this shift in demand materialize, Caledon could capitalize on such an opportunity.

From the perspective of land use planning, providing fewer, larger employment areas is more transit-supportive compared to multiple smaller development nodes. Cushman & Wakefield believes that there are three areas in Caledon that offer superior site selection attributes compared to other locations, and which feature the potential to plan for an office cluster: undeveloped lands on the west side of Bolton's PSEZ; the lands in proximity to a future Bolton GO Station; and lands surrounding the current Mayfield West Settlement Area.

- Bolton's PSEZ lands are appealing, given that there is an adjacent work force already in place in the community. Also, with the closest proximity to Highway 427 of any FSA lands, this area features the best connectivity to the labour pool across the broader central GTA. Sites adjacent to natural areas and the Greenbelt would provide an amenity that is not available in many suburban GTA office parks today.
- The opportunity to situate office space in proximity to Bolton's possible future GO Station (contemplated for post-2041 – although the timing remains uncertain) is obvious, from a labour accessibility perspective. This assumes that the GO Station area is planned with higher densities to provide a nearby labour pool, and required amenities for office workers and local residents alike.

- Lands surrounding Mayfield West present a third location that may be considered appropriate for office uses. While the original *Employment and Commercial Opportunities Technical Study* indicated particular support for lands in the vicinity of the east-west portion of the GTA West Highway that would have intercepted the north-south link to Highway 410, the absence of the new highway infrastructure therefore diminishes the appeal of this location from a site selection perspective. Nonetheless, proximity to Highway 410 offers superior labour force accessibility compared to other FSA options.

Other locations that feature opportunities to capitalize on future public transportation and integrate new employment lands will be an important component of land use planning decision-making for siting Major Office uses.

In addition to potentially planning for one or more office clusters as described above, Caledon can anticipate some diffused Major Office space to emerge where its population growth is most concentrated. These offices will likely be smaller in scale, and multi-tenanted, as opposed to the larger single-occupant and multi-tenanted properties that may appear in Bolton's PSEZ, in proximity to Bolton's possible future GO Station, and on lands surrounding Mayfield West. Recognizing the likely longer-term prospects of attracting Major Office uses in Caledon, opportunities to designate lands for office uses at sites where future transit enhancements are being considered should be preserved.

2.5.3 Decision-Making Factors

This Technical Study is one of several that inform the Settlement Area Boundary Expansion analysis in Caledon/Peel. Drawing from the preceding recommendations regarding the preferred locations (and timing) for accommodating Employment Land Employment and Major Office Employment, the following is a list of factors can be considered in the final SABE decision-making process:

- Does the site provide good **access to labour** – both within Caledon, and across the Region and broader GTA – today, and in the future?
- Is the site in **proximity to other established employment areas**, in order to promote supplier-customer dynamics, and provide an opportunity for expansion of existing businesses?
- Does the location **complement planned employment uses nearby** – in Caledon, and/or to the south in Brampton?
- Does the site offer **proximity to transportation infrastructure** such as 400-series highways, intermodal facilities, and Pearson International Airport?
- Does the site offer **visibility on arterial roads**?
- Does the site connect future employment – particularly higher-density employment uses – with **opportunities to access public transit**?
- Is the area large enough to provide opportunities for **significant contiguous blocks of land** for employment uses?
- Does the area provide sufficient land to **accommodate land-extensive users**, such as manufacturing, warehousing, and logistics properties?
- Are there any **existing land uses that can be leveraged** for a spin-off economic effect?
- Are there any **physical features that could preclude/inhibit development**, such as Greenbelt lands, or undulating lands?
- Can employment uses be added in a way that **land use conflicts can be managed/avoided** – such as proximity to residential and any sensitive land uses?

3.0 RETAIL-COMMERCIAL LAND NEEDS ANALYSIS

3.1 Introduction

Hemson Consulting has developed a forecast of population growth for the Town of Caledon for the 2016-2041 period. This projection envisions the population reaching 160,000 persons by 2041, compared to 69,000 in 2016, representing an increase of 91,000 (an increase of 1.3 times the 2016 figure). The proportion of the population growth that is associated with lands required as part of the Settlement Area Boundary Expansion amounts to an anticipated nearly **51,500 residents** to be accommodated across the Focus Study Area. New retail-commercial developments will accompany this growing population, in order to serve day-to-day and destination-shopping consumer demand. **For this *Employment and Commercial Opportunities Technical Study – Alternate Scenario: No GTA West Highway*, we were directed to make no adjustment to the forecast population compared to the original Technical Study prepared in November 2020.**

The purpose of this portion of the Technical Study is to identify lands that are well-suited to accommodate future retail-commercial uses, as well as to identify the types of uses that may occur, as well as the quantum of lands that may be required. This analysis will be informed by our understanding of typical retail-commercial space demand per capita; the current and planned local retail-commercial landscape; and potential influences on inflow or outflow consumer spending within the FSA.

As a reminder, the FSA considered in this Technical Study is the same that was utilized in the original *Employment and Commercial Opportunities Technical Study* completed in November 2020. It is recognized that there is a possibility that the FSA might ultimately be refined, since the GTA West Highway is no longer anticipated in this alternate scenario. Cushman & Wakefield has subdivided the FSA into a series of smaller geographic areas for the purposes of this analysis, to enable a comparative assessment. Provided that any FSA boundary changes are not extensive in nature, this does not alter the conclusions of this Technical Study.

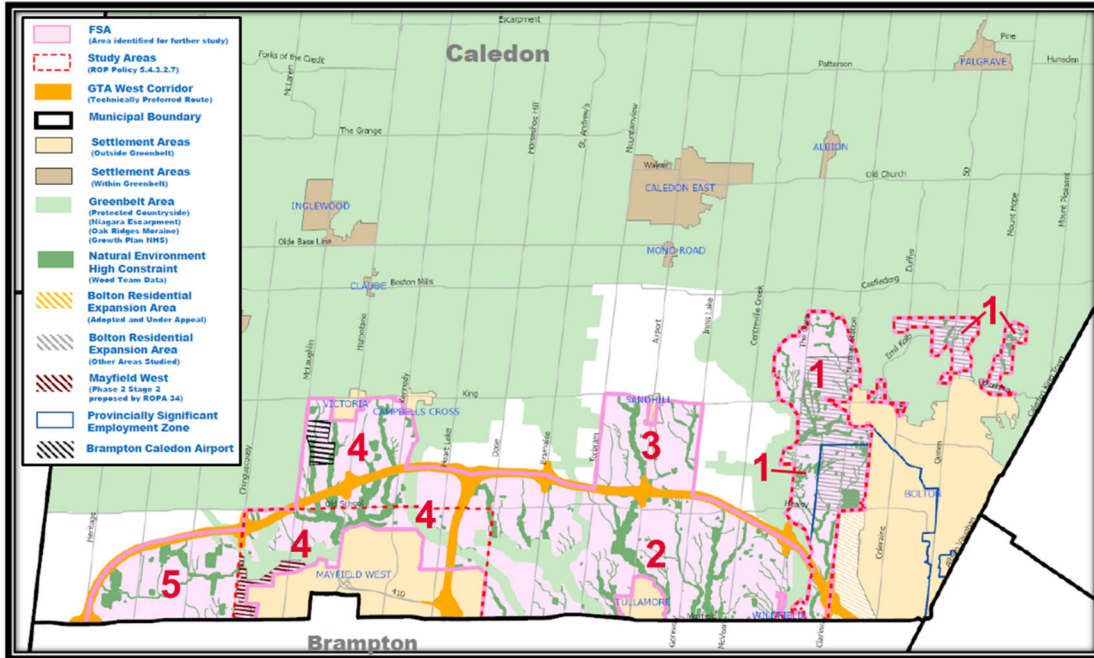
Since the location of future population growth within the FSA is currently unknown – it is one of the key outcomes of the Settlement Area Boundary Expansion project – it is presently not possible to be precise about the amount and type of retail-commercial space that will be demanded by future residents. This is because new retail-commercial development is predicated on drawing consumers across a primary and secondary trade area, within which the majority of spending is derived, and the scale of population growth by location within the FSA isn't known at this time. Once the SABE has been identified, additional work is required to assess the amount of lands for retail-commercial uses, as well as the type/scale of development that is supportable. Refined planning to include retail-commercial land designations within the SABE will come at a later time. Rather, the approach we will take is to envision the likely retail-commercial outcomes based on different location decision-making with respect to the siting and orientation of eventual settlement development/growth in different areas within the FSA.

The present COVID-19 pandemic poses considerable challenges for land use planners seeking to make long-term allocations by asset class. The retail, food and beverage, and hospitality sectors in particular have been severely impacted by lockdown mandates and travel restrictions, and the recovery process will likely be protracted and uneven. Post-pandemic consumer preferences should be taken into account in planning for future retail-commercial land requirements.

3.2 Potential Locations to Accommodate Retail-Commercial Lands

3.2.1 Introduction

In order to provide an assessment of the potential location(s) of future lands to accommodate retail-commercial uses across the Focus Study Area, Cushman & Wakefield identified five areas that are considered in our analysis, guided by their locational characteristics. These are marked on the map below. We discuss issues that might influence the suitability of each location from a market perspective.



3.2.2 Area 1: Lands West and North of Bolton

The Province of Ontario has identified a Provincially Significant Employment Zone (PSEZ) on the west side of Bolton. Remaining lands to the west and north of the PSEZ within the FSA may be suitable to accommodate a portion of the future residential lands needed to achieve the 2041 population projection, as well as lands to the north of Columbia Way, which abut the Greenbelt. If these lands were identified for residential use, there would be associated demand for retail-commercial development – notwithstanding the fact that Bolton is already home to Caledon’s largest concentration of existing retail-commercial space. The provision of lands in these locations for future retail-commercial uses enables the potential to attract consumers from elsewhere in Bolton, plus Caledon East, Palgrave, as well as hamlets and rural areas surrounding Bolton. Together, these areas have an estimated 2016 population approaching 43,000 persons, with forecast growth to nearly 61,500 by 2041, according to Hemson Consulting (excluding any potential lands allocated for growth through this SABE analysis). As well, these west side lands can address daytime demand emanating from employment uses within the PSEZ.

The following comments relate to specific locations within the FSA that surround Bolton:

- Given that the FSA lands on the west side of Bolton are bounded by Greenbelt Area to the west and north, and Greenbelt Area/existing Settlement Area to the east, it would be necessary to carefully consider the precise location of any future retail-commercial land designations in order to ensure that a suitable primary trade area population would exist, depending on the planned scale of any retail-commercial development.

- Lands to the north of the existing Settlement Area that front onto Highway 50 would benefit from significant traffic volumes. However, they are somewhat distant from much of Bolton’s established residential areas, and surrounded by Greenbelt, which impacts the potential trade area draw.
- Lands along Mount Hope Road are comparatively far removed from the majority of the established population in Bolton, and are surrounded by Greenbelt. Accordingly, they are not considered well suited for future retail-commercial uses.

Given the in-place population of Bolton, any future retail-commercial opportunities on the FSA lands would leverage this primary trade area population – particularly to the extent that any novel or larger format-type retailers are attracted. Since Bolton is home to a considerable retail-commercial inventory at present (nearly 1.7 million sf), it will draw from a large secondary trade area in Caledon, and these shoppers may be attracted to new retail opportunities in the FSA, in addition to the well-established Highway 50 commercial corridor. The scale of new residential growth that is planned – including pre-2031 population growth that is being planned for – will dictate the quantum of new retail-commercial space that might arise over time, and the shopping centre formats.

3.2.3 Area 2: Lands Surrounding Tullamore

Tullamore is a small Settlement Area located at Mayfield Road and Airport Road. It had a population of just 20 residents in 2016. The surrounding lands that form this part of the FSA – stretching north to Old School Road/Healey Road, west to Bramalea Road, and east to Wildfield – had a 2016 population of just over 800. To the extent that any future development lands are allocated to this location as part of the SABE process, they should extend north from Mayfield Road, in recognition of planned, designated retail-commercial uses identified in the Countryside Villages and Vales of Castlemore North Secondary Plans, which identify sites at Mayfield Road and Airport Road (southwest and southeast corners), Goreway Drive (southwest corner), McVean Drive (southeast corner), as well as the established SmartCentres shopping centre (280,000 sf) anchored by Walmart, located at Mayfield Road and Bramalea Road (southeast corner). Also, SmartCentres has plans for a future development of approximately 190,000 sf on the northeast corner of Airport Road and Mayfield Road. The extent of future population (if any) that is allocated within this portion of the FSA will dictate demand for any additional retail-commercial uses in Caledon.

3.2.4 Area 3: Lands Surrounding Sandhill

Located at Airport Road and King Street, Sandhill is a hamlet with a 2016 population of less than 100 persons. When the portion of the FSA identified in our analysis is included (extending south to Old School Road/Healey Road), it brings the total 2016 population to almost 500. It is surrounded by Whitebelt lands on all sides, with Greenbelt areas further to the west, north, and east. Even if this part of the FSA was to be allocated lands as part of Caledon’s Settlement Area Boundary Expansion, it is not considered to be well located for retail-commercial uses. This is due to the modest nearly population, and limited planned growth through 2041 (most of which will occur in Caledon East). Other FSA locations that would present an opportunity to capitalize on populations within established and growing Settlement Areas are considered to be better suited to accommodate future retail-commercial demand compared to this area. In the event that this location is identified for growth through the SABE process, any retail-commercial sites should have frontage on Airport Road, in order to take advantage of commuter traffic, in addition to serving the local resident population.

3.2.5 Area 4: Lands Surrounding Mayfield West

For the purposes of this analysis, the portion of the FSA known as “Lands Surrounding Mayfield West” are bounded by Chinguacousy Road to the west, Victoria/Campbell’s Cross to the north, and Bramalea Road to the east. Growth that will occur within the existing Mayfield West Settlement Area (anticipated to be in the range of 20,600 persons from 2016-2041), plus any population that is allocated within the FSA in this area, will generate demand for new retail-commercial uses. As well, new retail-commercial space would potentially draw from Tullamore, Sandhill, Inglewood, Cheltenham, and other nearby hamlets, plus the rural population within the western part of the FSA, and to the north. As well, there is the potential to draw from the nearby population in northern Brampton – depending on the size/scale of the future retail-commercial uses that are included in this area, and the specific retailers that become tenants (influenced by whether they are relatively unique tenants to this area, or are duplicated elsewhere and readily accessible).

The presence of the Walmart-anchored SmartCentres shopping centre (280,000 sf) located relatively close by – at Mayfield Road and Bramalea Road – acts to limit the magnitude of future retail-commercial supply that might be accommodated in this part of the FSA. The potential scale of any prospective development is contingent upon how much (if any) of the forecast population growth within the FSA is planned nearby.

While major highway access is generally only a priority for regional-scale shopping centres (not neighbourhood or community-scale developments), in this *No GTA West Highway* alternate scenario, the lost opportunity to potentially site major retail-commercial uses on lands in the vicinity of the east-west portion of the GTA West Highway that would have intercepted the north-south link to Highway 410 is notable. An upgraded local road network will not create the same ease of access that the GTA West Highway would have provided to act as a pull factor for potential consumers from across a broader market range.

Osmington’s proposed Regional Centre development (located at Mississauga Road and Bovaird Drive, in northwest Brampton) would be a major draw for destination-oriented shopping in this part of Peel Region (southwestern Caledon and northwest Brampton – and even a portion of Halton Region). This project envisions 1.2 million sf of retail-commercial space, including an enclosed mall and movie theatres (plus office, apartment, and hotel uses in later phases). Regardless of the built format that this project ultimately entails upon completion, a development of this magnitude would have to be taken into consideration with respect to siting any larger-scale retail-commercial uses within the FSA.

3.2.6 Area 5: Lands in Southwest Caledon

Cushman & Wakefield has identified the portion of the Focus Study Area west of Chinguacousy Road as “Southwest Caledon”. Excluding the nearby Mayfield West community (population of 6,300 in 2016), the population within this portion of the FSA, plus nearby hamlets, and rural Whitebelt and Greenbelt lands in Caledon, totaled approximately 6,300 in 2016. Based on projections by Hemson Consulting, this nearby population (excluding the portion within FSA Area 5 itself) is anticipated to increase by only about 400 persons by 2041 – without accounting for any potential for allocation of lands through the Settlement Area Boundary Expansion process. The adjacent Secondary Plan areas in Brampton – Mount Pleasant West and Mount Pleasant – had a 2016 population of approximately 11,000 persons. However, these two areas are anticipated to increase to a population of around 76,000 by 2041, which will generate considerable demand for retail-commercial floor space.

From a retail-commercial site selection perspective, this portion of the FSA is limited by the absence of any meaningful population (i.e. trade area draw) to its north and west, given the rural character of the area. The community of Georgetown in Halton Hills is located approximately 5 kilometres to the west. Growth in Brampton’s two adjacent Secondary Plan areas will generate local retail-commercial uses to serve this population – a sizable share of which will occur prior to 2031 (roughly 60%). It is unlikely that residents of these nearby areas would be attracted to small-scale retail-commercial uses in Southwest Caledon, rather than established neighbourhood-scale uses that exist close to home today (or will emerge in the future).

In conclusion, if future population is allocated to this part of the FSA, it is likely to be accompanied by only small-scale shopping centre development that caters to residents in close proximity. Nearby retail-commercial uses that emerge in Brampton – such as those identified in the Mount Pleasant Secondary Plan on sites on the south side of Mayfield Road at Mississauga Road, Creditview Road, and Chinguacousy Road – will represent meaningful competition for trade area consumers in this portion of the FSA.

Osmington’s proposed Regional Centre development in Brampton effectively eliminates the prospects for larger-scale retail-commercial uses in this area of the FSA. Further, given that land use planning in the adjacent Heritage Heights community in Brampton remains in progress, it is advised that the consideration of retail-commercial needs for Southwest Caledon be put on hold to a future time where there is more certainty with respect to activities in the northwest part of Brampton, which would impact the Southwest Caledon lands.

3.3 Inventory Analysis, and Retail Space per Capita

3.3.1 Inventory Analysis

In establishing a current inventory, Cushman & Wakefield has relied upon work by Kircher Research Associates Ltd. (“Kircher”) that was completed in May 2014. The purpose of the Kircher report was to provide a retail market demand analysis to 2031 for the Town of Bolton, as part of the Bolton Residential Expansion Study (BRES) process. This is a useful starting point for an assessment of retail-commercial land needs/demand per capita that could be used to guide growth, at a high level, across the FSA.

The Kircher report identified an inventory of retail and related space of just less than 1.7 million sf in Bolton. Other key findings from the Kircher report include the following:

- “Approximately 50% of the retail sales made in Bolton are derived from customers residing outside the Bolton urban area, reflecting the strong regional customer attraction of the large plate retailers such as the Walmart Supercentre, Canadian Tire, Home Depot, and Zehrs.” (transmittal letter p. 1)
- “As determined in the market analysis contained in the body of this study, the total (future) additional retail and related service space warranted in Bolton totals 656,000 sf. As a minimum, we expect that the traditional demand for retail and related service space in Bolton will be reduced by some 80,000 sf by 2031, due to the effect of internet shopping. This must be considered as a very conservative estimate. It would reduce the amount of warranted retail and related service space determined in the analysis from 656,000 sf to 576,000 sf.” (transmittal letter p. 2)
 - *Cushman & Wakefield note: The COVID-19 pandemic has accelerated the pace of adoption of online retailing, which was already growing steadily pre-pandemic. This rate of growth is substantially greater than would have been foreseeable in 2014 at the time of the Kircher report.*
- “Bolton added some 500,000 sf of modern retail space between 2002 and 2014, while the retail space in the Downtown area remained relatively stable.” (transmittal letter p. 3)

- “Based on a license plate survey... Bolton retail establishments derive about 50% of their current sales from local residents, and 50% from inflow. (p. 6)
- “The total current vacancy level in Bolton is 136,900 sf, or 9.1%, which is above a normal vacancy level.” (p. 50)

It is necessary to update the Kircher inventory to 2020, in order to provide a forward-looking projection of retail-commercial space demand. To accomplish this, Cushman & Wakefield obtained building permit data from the Town of Caledon. The focus was new commercial building permits, as well as additions to existing structures (permits for alterations of premises were not of significance to this analysis). This review yielded only one new property added since 2014 – a small, multi-tenanted neighbourhood shopping centre located at 8865-8905 George Bolton Parkway, totaling 20,185 sf of gross leasable area (according to data from MPAC). This brings the adjusted retail-commercial inventory for Bolton up to a figure of 1,697,885 sf (or 1.7 million sf, rounded) at present.

3.3.2 Retail Space per Capita

The following is a notable observation from the Kircher report:

- “Typical retail service levels (i.e. the amount of retail/service space per capita) range between 30 and 50 sf feet in Canadian urban areas. In the case of Bolton, it is currently about 60 sf per capita (an inventory of 1,677,700 sf, and population of 28,000, estimated in 2013). However, as demonstrated by the license plate survey, a large proportion of the sales achieved by Bolton stores are derived from outside Bolton.” (transmittal letter p. 2)

The Kircher finding that an additional 576,000 sf of new retail-commercial space is required in Bolton through 2031 translates to a rate of about 48 sf per capita, based on the 11,900 new residents that were anticipated to be added in Bolton through 2031 during the report’s forecast horizon. However, Kircher also assumes that a significant component of future demand emanates from outside of Bolton (ranging from 30% to 50%, depending on the specific category of retail, and totaling 45% overall) – an approach which Cushman & Wakefield is in agreement with. Accordingly, this per capita rate needs to be adjusted downward by 45% in order to reflect the share of total estimated spending that is related to inflow customers. This results in a rate of around 27 sf per capita, once the additional square footage that is attributable to inflow spending is accounted for (which is equal to around 260,000 sf, or 45% of total demand).

Estimates of the amount of online activity in household expenditures are provided by Environics Analytics in its “ClickSpend” projection, which suggests that in 2018, 12.5% of expenditures by GTA households occurred online.¹ This is roughly in line with the Kircher estimate. In the early part of the pandemic, Statistics Canada identified a nearly 100% increase in e-commerce sales in the month of May 2020, compared to the month of February 2020 (pre-pandemic); this corresponded with a nearly 30% decline in total retail sales over the same period.²

Guided by the preceding analysis, and a recognition that online shopping will be responsible for an increasing component of total retail spending in the future, Cushman & Wakefield concludes that a rate of **20-25 sf per capita** is an appropriate benchmark for projecting future retail-commercial demand in the FSA.

¹ Commercial Activity in the GTA and the Impact of E-Commerce. Centre for the Study of Commercial Activity. 2019. p. 10.

² <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00064-eng.htm>

3.4 Conclusions

3.4.1 Retail-Commercial Demand Projection

The proportion of Caledon's population growth through 2041 to be accommodated on lands associated with Settlement Area Boundary Expansion totals approximately 51,500 residents. Using 20-25 sf per capita as a benchmark of retail-commercial space demand, this results in a demand range of roughly 1.0-1.3 million sf of floor space. At a typical retail site coverage of 25%, this results in demand for 38-48 net hectares of land. However, the following must be taken into consideration when contemplating the siting of future lands to accommodate growth in Caledon across the FSA, with respect to retail-commercial demand:

- To the extent that SABE lands are located along or in proximity to Mayfield Road, it is critical to consider the impact of existing and planned retail sites in neighbouring Brampton. Our review of Brampton's Secondary Plan areas that abut Mayfield Road identifies at least 12 locations for retail-commercial uses at various scales (Neighbourhood Retail, Service Commercial, Highway/Service Commercial, and District Retail). This includes existing developments such as the Walmart-anchored SmartCentres shopping centre at Bramalea Road (southeast corner), and the Sobeys-anchored Mayfield Plaza at Hurontario Street (southeast corner).
- Where it is decided that lands that border an existing Settlement Area will become part of the SABE, these areas can leverage the existing population and create a broader trade area, which could generate demand for medium and larger scale shopping centres (such as neighbourhood-scale and community-scale shopping centres, as opposed to simply smaller freestanding properties and strip plazas).
- The preceding high-level land demand projection excludes the potential for designated, undeveloped retail-commercial sites within existing Settlement Areas to accommodate growth associated with the future FSA population. This is particularly important should population be added in FSA Area 1 – Lands West and North of Bolton, or FSA Area 4 – Lands Surrounding Mayfield West.

In summary, **the preceding high-level projection of retail-commercial space demand (1.0-1.3 million sf of space across 38-48 net hectares) likely overstates the floor space and lands required to accommodate FSA population growth-related needs.** This is due to two primary factors:

1. The significant presence of existing and designated retail-commercial sites on the south side of Mayfield Road (and our assumption that any SABE growth planned in Areas 2-5 will primarily occur adjacent to existing urban areas of Caledon and Brampton, rather than on "leapfrog" sites).
2. To the extent that any SABE occurs around Bolton, these future residents will underpin sales across the Town's existing retail-commercial inventory, while also generating demand for new shopping centre space.

3.4.2 Decision-Making Factors

As expressed earlier, this Technical Study is one of several that inform the Settlement Area Boundary Expansion analysis in Caledon/Peel. Guided by the preceding analysis, the following is a list of factors that can be considered in the final SABE decision-making process:

- Is the site **adjacent/in proximity to existing Settlement Areas** in order to provide a broader trade area draw?
- To what extent is the **population within nearby Settlement Areas/rural lands anticipated to increase** over time to support the primary/secondary trade area potential of this location?
- Is the site in **proximity to other established or planned retail-commercial nodes or developments**, in order to facilitate consumer cross-shopping behaviour (visiting stores at multiple locations during a single shopping trip)?

- Does the site offer **access and visibility on an arterial road(s)**?
- Does the site connect future retail-commercial sites with **opportunities to access public transit**?
- Is the area large enough to provide opportunities for **significant contiguous blocks of land** for major retail-commercial uses?
- Does the location **complement planned employment uses nearby** – in Caledon, and/or to the south in Brampton?
- Are there any **physical features that could limit the scope of the trade area**, such as Greenbelt lands, or environmental areas?