January 13, 2017

Fairfield and Gonzales Retail Demand Analysis

Victoria, BC

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Executive Summary

The City of Victoria retained Colliers International Consulting (CIC) to conduct a retail demand study outlining retail market characteristics, activity, and future demand for Cook Street Village and Ross Bay Village in the Fairfield and Gonzales neighbourhoods. An understanding of the current and future retail landscape helps frame discussions about how neighbourhoods could incorporate a mix of land uses that is conducive to a more liveable city, while creating an environment that allows local serving busineses to be successful. 20,000 people are anticipated to move into the City of Victoria over the coming decades. To help guide this growth, the City will be creating ten new neighbourhood plans, two of which include the Fairfield and Gonzales neighbourhoods. A robust understanding of retail demand will help the community to shape neighbourhood plans that reflect the neighbourhood identity as well as the community's future aspirations, and help guide investment in infrastructure, housing, and other development for the next 25 years.

The Fairfield and Gonzales neighbourhoods are desirable areas due to their established residential character, close proximity to downtown, high degree of walkability, and availability of shops and services. On average, households have greater incomes in the Fairfield and Gonzales neighbourhoods relative to the city as a whole. Of the two villages, Cook Street should be the focus of retail and residential intensification because Ross Bay Village already has a grocery anchor (Thrifty Foods) and there is little room for further retail intensification. Concentrating retail and residential intensification along Cook Street between Oscar Street and Park Boulevard further strengthens Cook Street's retail reputation and attractiveness. This concentration of retail in the future would align with successful retail villages that have, over time, seen mixed-use development forms. Cook Street Vilage is a vibrant retail village evidenced from its high lease rates and low vacancy.

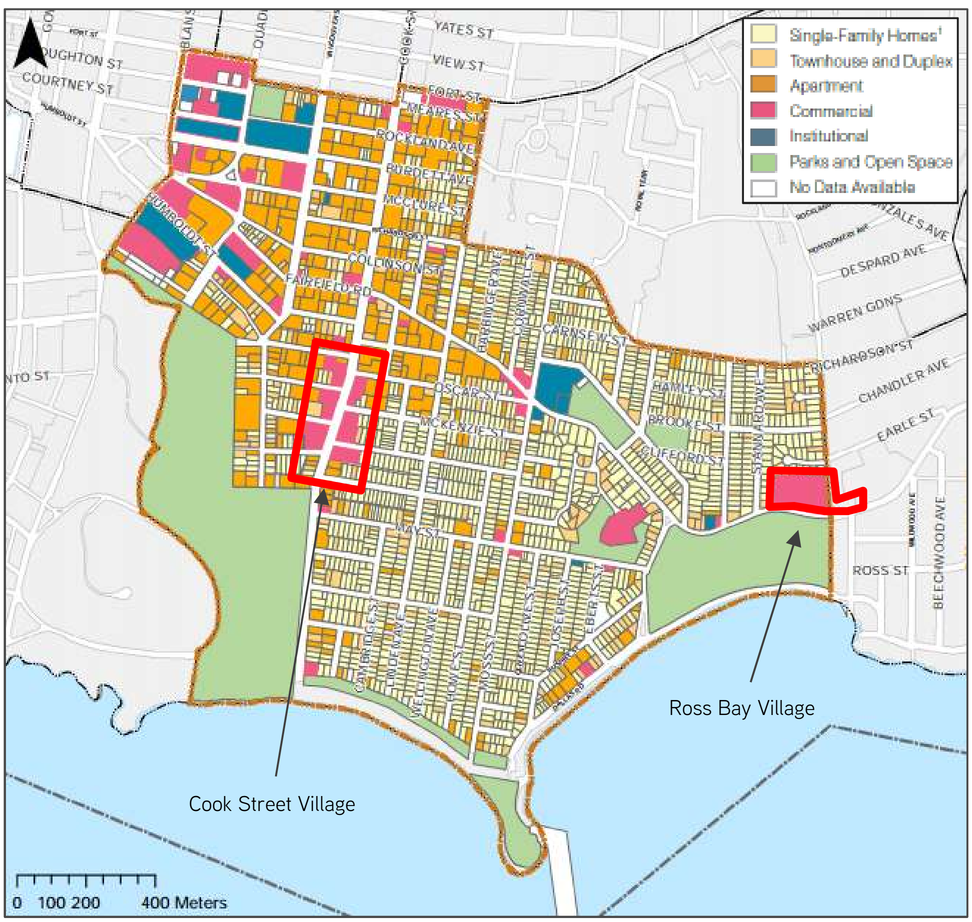
To reveal the current demographic and economic landscape, an economic overview of the Province of British Columbia and Victoria Census Metropolitan Area (VCMA), regional demographic analysis, and breakdown of retail categories breakdown were compiled for each village retail area. This overview was projected to 2026 to illustrate future trends in retail demand. To understand the viability of the retail villages, the Primary Trade Area (PTA) was delineated which captures the current area from which 50 to 70% of customers originate.

From 2016 to 2026, increases in population and personal disposable income (PDI) will cause growth in retail demand to support 220,000 square feet of retail area. In 2016, the Victoria Census Metropolitan Area (VCMA) was also the one of the most underserved by retail square footage per capita compared to 10 other Canadian cities. As 1,300 more people are anticipated to move in to these neighbourhoods by 2026, this is also an opportunity to incorporate residential density to Cook Street Village which will simultaneously support an increase in retail density and provide housing options in an area that is walkable and close to shops and services.

Project Overview

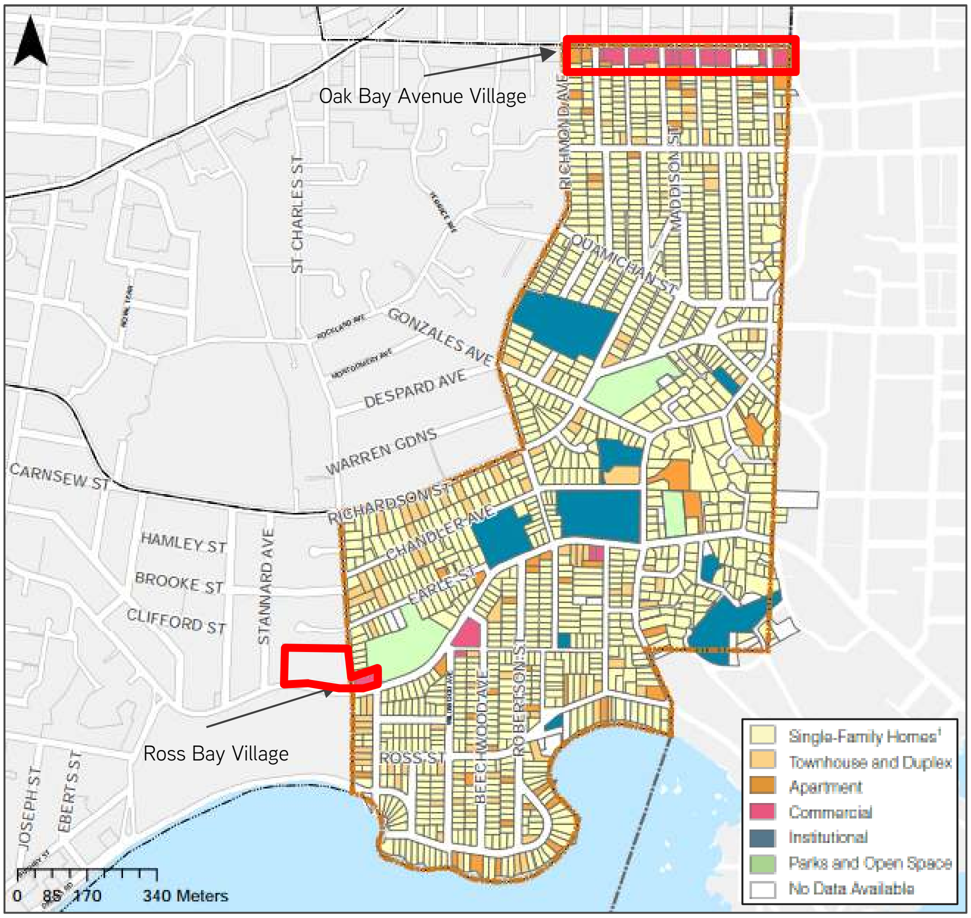
Colliers International Consulting (CIC) was retained by the City of Victoria to complete a retail demand study for the Fairfield and Gonzales neighbourhoods. Specifically, CIC was tasked with looking at the retail demand in Cook Street Village and Ross Bay Village, and to provide insights for retail market characteristics, activity, and future demand. This report is part of the neighbourhood planning process, and is intended to stimulate and frame the discussion around the future of retail and neighbourhood commercial areas as the neighbourhoods grow and change.

The Fairfield neighbourhood is one Victoria's oldest and represents approximately 15% of Victoria's total population. In terms of built form, the neighbourhood is heavily comprised of low-rise apartments and single family homes. The Fairfield neighbourhood is home to some of Victoria's most recognized urban villages, namely Cook Street Village and Ross Bay Village. The following map outlines current land uses within the Fairfield neighbourhood.



Cook Street Village and Ross Bay Village are shown in the map above, outlined in red boxes. These commercial nodes are the main source of retail within the Fairfield neighbourhood.

The Gonzales neighbourhood borders the Fairfield neighbourhood to the east. Gonzales represents approximately 5% of Victoria's total population and is composed primarily of single family residences. With the exception of Oak Bay Avenue Village, which is located at the far north of the neighbourhood, retail-commercial space in the Gonzales neighbourhood is limited to a portion of Ross Bay Village.



As outlined in red boxes in the map above, Ross Bay Village and Oak Bay Avenue Village are the main retail nodes in the Gonzales neighbourhood. It should be noted that the Ross Bay Village is a commercial node that is shared by both the Fairfield and Gonzales neighbourhoods.

Based on the City of Victoria's Official Community Plan, each of these commercial areas has been classified under a Strategic Direction. These Strategic Directions have been developed by the City of Victoria to guide future development. The following table outlines each of the aforementioned retail-commercial nodes and their Strategic Direction classification.

Centre Name	Strategic Direction
Cook Street Village	Large Urban Village
Ross Bay Village	Large Urban Village
Oak Bay Avenue Village	Small Urban Village

Both Cook Street Village and Ross Bay Village have strategic directions aimed at creating large urban villages. This entails developing a local area plan for each village to better understand and explore residential intensification and business and community service enhancements. Oak Bay Avenue Village is classified as a small urban village; the strategic direction for this area is to develop a plan to enhance the Village in conjunction with adjacent neighbourhoods.

The next sections of this study determine the current and future retail-commercial demand in the Fairfield and Gonzales neighbourhoods, translate this demand to understand what (if any) additional retail-commercial space is warranted, and determine the optimal location for this retail-commercial expansion to occur.

Retail Villages

The following profiles outline the retail villages within the Fairfield and Gonzales neighbourhoods. Following this, profiles for other successful retail villages will be reviewed. We have identified several existing Vancouver Lower Mainland commercial villages that exemplify a successful mix of uses and apparent strong local market approval. These areas include Steveston, Horseshoe Bay, Newport Village, and Edgemont Village. Some common trends in most of these areas are:

- Market acceptance with low vacancy
- Village ambience created by local merchants and restaurateurs – few large scale or chain retailers

The purpose of including these case studies is to compare and contrast successful retail villages and their retail composition to Cook Street and Ross Bay Village. A detailed list of business classes and their associated uses has been included in the appendix of this report.

Cook Street Village

Cook Street Village is located in the Fairfield neighbourhood of Victoria. It is a major street with retail frontages, totalling 91,795 square feet. The centre serves local clientele and also attracts residents from surrounding neighbourhoods and tourists. The following table shows the profile of businesses currently located in the Cook Street Village area.

Cook Street Village Profile		
Type	Size (SF)	
Retail		
Furniture and Home Furnishing Stores	1,700	1.9%
Electronics and Appliance Stores	0	0.0%
Building Material and Garden Equipment and Supplies Dealers	0	0.0%
Food and Beverage Stores	22,315	24.3%
Health and Personal Care Stores	5,300	5.8%
Gasoline Stations	0	0.0%
Clothing and Clothing Accessories Stores	3,350	3.6%
Sporting Goods, Hobby, Book, and Music Stores	1,200	1.3%
General Merchandise Stores	0	0.0%
Miscellaneous Store Retailers	5,050	5.5%
Services		
Finance and Insurance	4,000	4.4%
Real Estate and Rental and Leasing	650	0.7%
Professional, Scientific and Technical Services	1,380	1.5%
Educational Services	0	0.0%
Health Care and Social Assistance	11,700	12.7%
Arts, Entertainment and Recreation	0	0.0%
Accommodation	0	0.0%
Food Services	26,050	28.4%
Public Administration	0	0.0%
Other Services	2,100	2.3%
Vacant	7,000	7.6%
Total Leased	91,795	100.0%

Cook Street Village has a particularly high proportion of food and beverage stores and food services. However, the vast majority of food and beverage stores are under 4,000 square feet, implying that there is a wide range of independent and specialized food retailers. Health care and social assistance services, such as doctor and dentist offices also represent approximately 13% of the village's retail space. Vacancy in Cook Street is currently 7.6%. A large portion of this vacancy is attributed to the departure of Cook Street Village Health Centre which was located at 1075 Pendergast Street. Vacancy in Cook Street Village is comparable to other successful retail villages.

Ross Bay Village

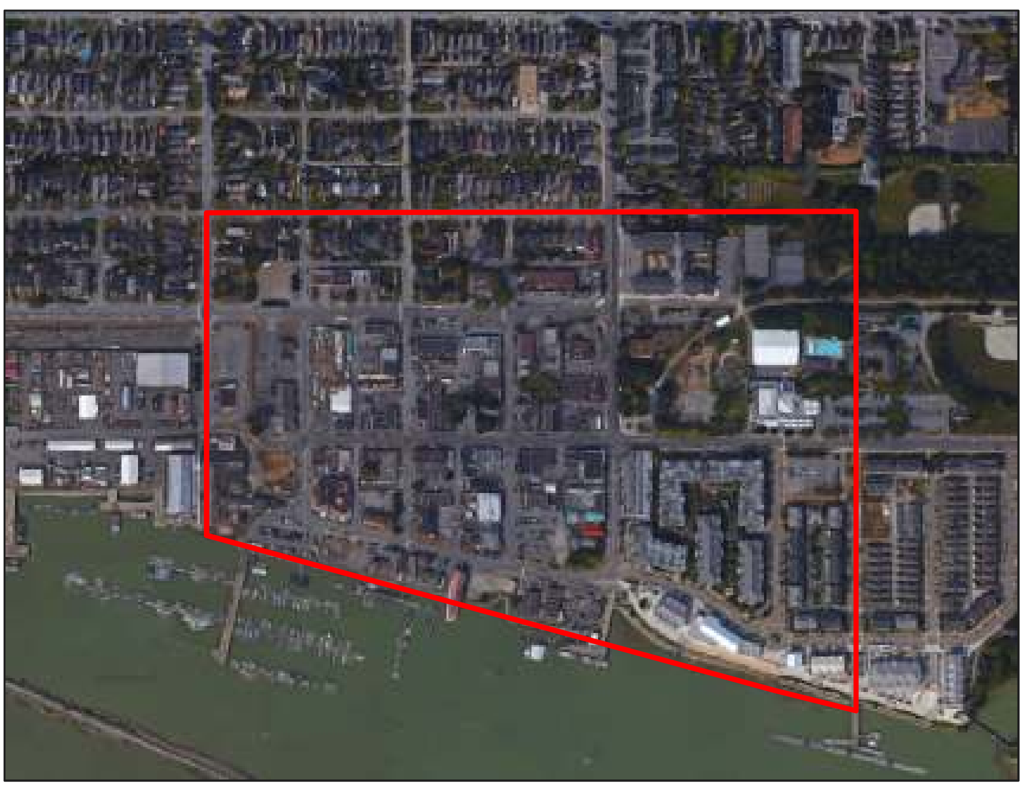
Ross Bay Village is a retail node located in the southern portion of the Gonzales neighbourhood in Victoria. The centre is home to Thrifty Foods, which is one of the only full service grocery stores in the area. As such, the village is typically busy and has a wide range of retail and service offerings. The following table shows the profile of businesses currently located in Ross Bay Village.

Fairfield Village Profile		
Type	Size (SF)	
Retail		
Furniture and Home Furnishing Stores	0	0.0%
Electronics and Appliance Stores	1,508	2.5%
Building Material and Garden Equipment and Supplies Dealers	4,274	7.0%
Food and Beverage Stores	27,597	45.4%
Health and Personal Care Stores	6,452	10.6%
Gasoline Stations	3,000	4.9%
Clothing and Clothing Accessories Stores	2,133	3.5%
Sporting Goods, Hobby, Book, and Music Stores	0	0.0%
General Merchandise Stores	0	0.0%
Miscellaneous Store Retailers	600	1.0%
Services		

Finance and Insurance	3,410	5.6%
Real Estate and Rental and Leasing	0	0.0%
Professional, Scientific and Technical Services	0	0.0%
Educational Services	0	0.0%
Health Care and Social Assistance	726	1.2%
Arts, Entertainment and Recreation	0	0.0%
Accommodation	0	0.0%
Food Services	6,388	10.5%
Public Administration	0	0.0%
Other Services	4,688	7.7%
Vacant	0	0.0%
Total Leased	60,776	100.0%

Ross Bay Village has a wide range of offerings; while the above table shows that approximately 50% of the village is food and beverage services, this is skewed due to the presence of Thrifty's Foods, which is 22,000 square feet. Currently, Ross Bay Village has a vacancy rate of zero, indicating a high demand for retail space in the Fairfield and Gonzales neighbourhoods.

Steveston Village



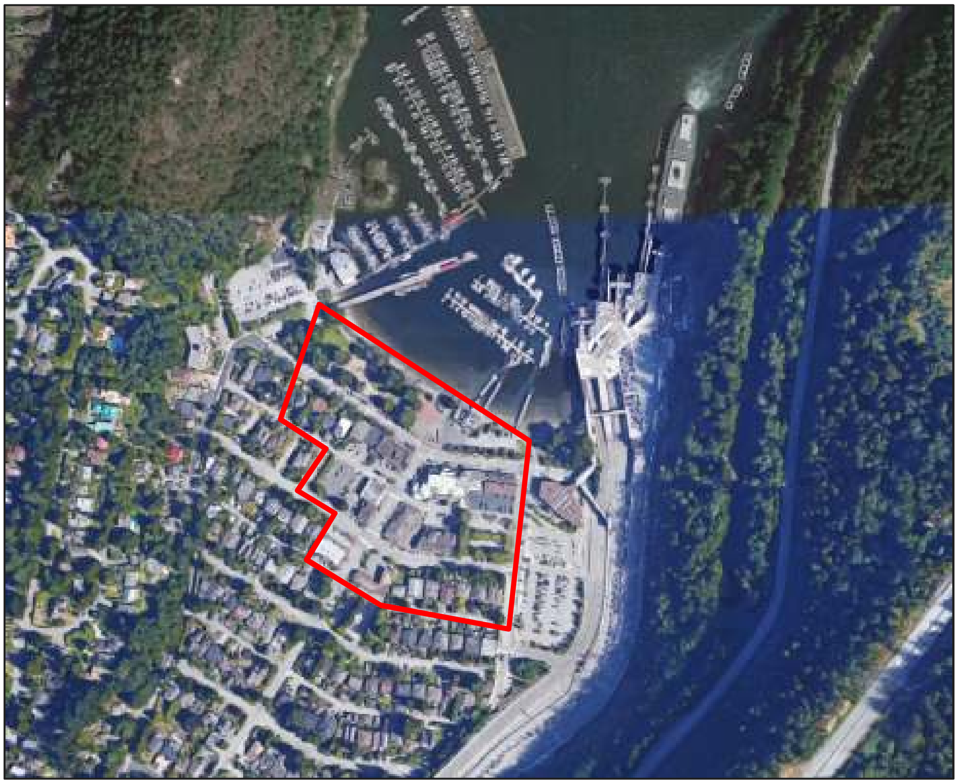
Steveston Village is a historic community located on the southwest edge of Richmond. The village, once the principal port on the Fraser River, is still home to Canada's largest commercial fishing fleet. This fishing village has become a tourist destination offering plenty for visitors to see and do. The total retail floor space in Steveston is 290,000 square feet. Steveston is home to many unique shops located along the waterfront of the historic village. The table below shows a categorized breakdown of businesses in Steveston.

Steveston Village Profile		
Type	Size (SF)	
Retail		
Furniture and Home Furnishing Stores	2,559	0.9%
Electronics and Appliance Stores	5,160	1.8%
Building Material and Garden Equipment and Supplies Dealers	7,500	2.6%
Food and Beverage Stores	29,163	10.1%
Health and Personal Care Stores	5,431	1.9%
Gasoline Stations	0	0.0%
Clothing and Clothing Accessories Stores	16,083	5.6%
Sporting Goods, Hobby, Book, and Music Stores	26,235	9.1%
General Merchandise Stores	1,392	0.5%
Miscellaneous Store Retailers	15,757	5.5%
Services		
Finance and Insurance	16,011	5.6%
Real Estate and Rental and Leasing	800	0.3%
Professional, Scientific and Technical Services	6,685	2.3%
Educational Services	1,068	0.4%
Health Care and Social Assistance	18,542	6.4%
Arts, Entertainment and Recreation	4,140	1.4%
Accommodation	0	0.0%
Food Services	77,771	27.0%
Public Administration	1,000	0.3%
Other Services	52,826	18.3%
Total Leased	288,121	100.0%

It should be noted that vacancy was not accounted for at Steveston Village due to unoccupied retail units in the Imperial Landing building, located along Bayview Street. The units are currently unoccupied due to an ongoing zoning dispute between the developer and the City of Richmond. Currently, vacancy for the village is estimated to be approximately 7%.

Based on the table above it is clear that food and beverage establishments, in addition to food services, comprise a major portion of all retail offerings in Steveston. Namely, restaurants and food related services make up approximately 40% of all retail offerings in the village. Other services make up approximately 20% of the total retail; this category is heavily comprised of hair, nail, and beauty salons.

Horseshoe Bay



Horseshoe Bay is located on Vancouver's North Shore; it serves as a ferry terminal for travelers to Snug Cove on Bowen Island, Langdale on the Sunshine Coast and Departure Bay, Nanaimo. A local resident population supports the limited convenience good offerings. Restaurants such as Troll's are largely supported by inflow trade. The following table shows the profile of businesses currently located in the Horseshoe Bay business area.

Horseshoe Bay Profile		
Type	Size (SF)	
Retail		
Furniture and Home Furnishing Stores	2,000	3.2%
Electronics and Appliance Stores	0	0.0%
Building Material and Garden Equipment and Supplies Dealers	0	0.0%
Food and Beverage Stores	4,489	7.1%
Health and Personal Care Stores	809	1.3%
Gasoline Stations	0	0.0%
Clothing and Clothing Accessories Stores	600	1.0%
Sporting Goods, Hobby, Book, and Music Stores	0	0.0%
General Merchandise Stores	3,265	5.2%
Miscellaneous Store Retailers	2,121	3.4%

Services		
Finance and Insurance	152	0.2%
Real Estate and Rental and Leasing	600	1.0%
Professional, Scientific and Technical Services	2,824	4.5%
Educational Services	0	0.0%
Health Care and Social Assistance	5,307	8.4%
Arts, Entertainment and Recreation	0	0.0%
Accommodation	9,000	14.3%
Food Services	23,448	37.3%
Public Administration	1,497	2.4%
Other Services	1,389	2.2%
Vacant	5,355	8.5%
Total Leased	62,856	100.0%

Similar to Steveston Village, Horseshoe Bay is heavily invested in food services. Many notable restaurants, such as Troll's and Olive and Anchor, have made Horseshoe Bay a destination for fine dining, attracting residents from around Vancouver. The village also features a number of professional offices and a 9,000 square foot motel. The vacancy rate for Horseshoe Bay is current 8.5%.

Edgemont Village

Edgemont Village is located in North Vancouver on Edgemont Boulevarlvd between Queens Road and Ridgewood Drive. It is an alpine-themed village near the base of Grouse Mountain. Its close proximity to the mountain makes Edgemont a highly appealing area. The village contains 65 shops and restaurants.

The following table shows the profile of businesses currently located in the Edgemont Village business area.

Edgemont Village Profile		
Type	Size (SF)	
Retail		
Furniture and Home Furnishing Stores	0	0.0%
Electronics and Appliance Stores	0	0.0%
Building Material and Garden Equipment and Supplies Dealers	0	0.0%
Food and Beverage Stores	9,617	7.4%
Health and Personal Care Stores	1,922	1.5%
Gasoline Stations	2,500	1.9%
Clothing and Clothing Accessories Stores	6,289	4.9%
Sporting Goods, Hobby, Book, and Music Stores	1,855	1.4%
General Merchandise Stores	0	0.0%
Miscellaneous Store Retailers	7,750	6.0%
Services		
Finance and Insurance	21,259	16.5%
Real Estate and Rental and Leasing	4,747	3.7%
Professional, Scientific and Technical Services	15,522	12.0%
Educational Services	0	0.0%
Health Care and Social Assistance	13,667	10.6%
Arts, Entertainment and Recreation	1,800	1.4%
Accommodation	0	0.0%
Food Services	10,898	8.4%
Public Administration	0	0.0%
Other Services	18,775	14.5%
Vacant	12,545	9.7%
Total Leased	129,146	100.0%

Edgemont Village is currently undergoing major renovations, with multiple upcoming new mixed-use developments. Namely, SuperValue grocer and a medical building are currently being redeveloped by Grosvenor. The Village is diversified with respect to retail offerings and accordingly there is not one specific dominant type of retail use or service. Professional services with smaller office sizes are prominent in the village and this has been spurred on by the development of mixed-use office and retail buildings, such as 3053 Edgemont Boulevard, which was developed by Kevington Building Corporation in 2013.

Newport Village

Newport Village is located in Port Moody. It is a small, unenclosed neighbourhood centre with approximately 45 stores covering 117,500 square feet. The centre serves a local clientele base in the residential towers on-site, and it is also the closest shopping opportunity for residents of the affluent Anmore and Belcarra neighbourhoods. The following table shows the profile of businesses currently located in the Newport Village business area.

Newport Village Profile		
Type	Size (SF)	
Retail		
Furniture and Home Furnishing Stores	2,200	1.9%
Electronics and Appliance Stores	900	0.8%
Building Material and Garden Equipment and Supplies Dealers	0	0.0%
Food and Beverage Stores	8,900	7.6%
Health and Personal Care Stores	2,890	2.5%
Gasoline Stations	0	0.0%
Clothing and Clothing Accessories Stores	5,400	4.6%
Sporting Goods, Hobby, Book, and Music Stores	2,000	1.7%
General Merchandise Stores	0	0.0%
Miscellaneous Store Retailers	4,300	3.7%

Services		
Finance and Insurance	14,500	12.3%
Real Estate and Rental and Leasing	0	0.0%
Professional, Scientific and Technical Services	1,500	1.3%
Educational Services	0	0.0%
Health Care and Social Assistance	33,300	28.3%
Arts, Entertainment and Recreation	0	0.0%
Accommodation	0	0.0%
Food Services	17,700	15.1%
Public Administration	9,500	8.1%
Other Services	8,710	7.4%
Vacant	5,700	4.9%
Total Leased	117,500	95.1%

Evident from the table above, Newport Village contains a high concentration of retail services, specifically in the health care and social assistance category. A large portion of these businesses operate out of the office tower, which was the most recent addition to the village and added approximately 45,000 square feet of retail and office space. Food services also make up a large portion of retail offerings in the village. Currently, Newport Village's vacancy is 4.9%.

Retail Floor Space Context

One metric for comparing retail space between CMAs is the total square feet per capita. Cities that have a below average shopping centre and power centre square foot per capita typically have a higher reliance on other forms of retail. To put Victoria's retail space into context, the following table compares the shopping centre square footage across 10 Canadian CMAs.

Square Footage and Per Capita for Shopping Centres and Power Centres in 10 Selected CMAs

CMA Name	Square Feet (000's)			Population 2016	Square Feet Per Capita		
	Shopping Mall	Power Centre	Total		Shopping Mall	Power Centre	Total
Halifax	6,932	3,826	10,758	416,070	16.7	9.2	25.9
Montréal	43,320	19,400	62,719	4,092,126	10.6	4.7	15.3
Ottawa - Gatineau	16,187	9,807	25,994	1,338,729	12.1	7.3	19.4
Toronto	102,331	31,097	133,428	6,168,677	16.6	5.0	21.6
Winnipeg	9,768	4,765	14,533	796,364	12.3	6.0	18.2
Saskatoon	4,277	1,833	6,110	306,794	13.9	6.0	19.9
Calgary	21,989	11,219	33,208	1,465,539	15.0	7.7	22.7
Edmonton	21,834	13,743	35,577	1,372,093	15.9	10.0	25.9
Vancouver	29,147	6,965	36,112	2,526,685	11.5	2.8	14.3
Victoria	4,827	1,212	6,039	364,445	13.2	3.3	16.6
						Average	19.3

Source: CSCA Shopping Centre Database, 2016 (released January 2016), Environics 2016

The Victoria CMA currently has approximately 16.6 square feet of shopping centre space per capita. Compared to other CMAs, the Victoria CMA ranks seventh in terms of retail supply per capita and is below the national average of 19.3 square feet of shopping centre space per capita. Overall this indicates that the Victoria CMA is relatively underserved by shopping centres and power centres. This also indicates that Victoria has a stronger reliance on other forms of retail, notably streetfront retail. While the square footage of streetfront retail businesses is smaller, they provide convenient access to a local offering of shops and services.

It should be noted that the above inventory only considers shopping centres meaning that street front retail is exempt. However, this comparison still offers a valuable insight with respect to retail intensity across the 10 CMAs.

Trade Area Delineation

The first step in gauging potential on-site market support for retail-commercial uses within the Gonzales and Fairfield neighbourhoods is to delineate an appropriate trade area – the geographic area within which the proposed retail component of the project can be expected to generate the majority of its retail sales volume. CIC determines trade areas based on a range of factors, including:

- Proximity to residential concentrations and residential growth areas;
- Relative proximity, scale and quality of competitive retail projects and nodes (both existing and planned);
- Quality of local and regional accessibility;
- Visibility and exposure to traffic volumes;
- Site size and general scale of envisioned retail-commercial component;
- Physical (e.g. bodies of water, other geographic features with no man-made crossings) and psychological (e.g. railroad tracks, bridges) barriers affecting travel patterns.

The Primary Trade Area (PTA) is the area whose residents are expected to generate the majority of sales to the particular site (typically 70%-75%). Drive times, competition, and future development plans were analyzed to determine the trade areas.

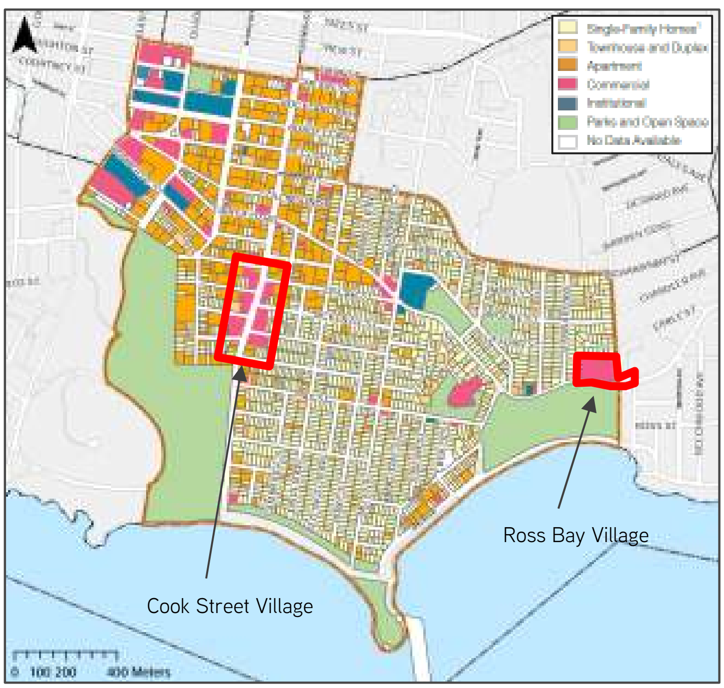
The following map outlines the estimated PTA (subject sites are depicted with yellow stars).

Retail Market Analysis

A general neighbourhood tour was conducted by CIC staff. The following section outlines findings regarding the area's visibility, exposure, local and regional access characteristics, proximity to residential and employment areas, and proximity to competitive retail nodes. An economic and demographic overview at the provincial, regional and municipal level are also located in the Appendix of this report.

Cook Street Village

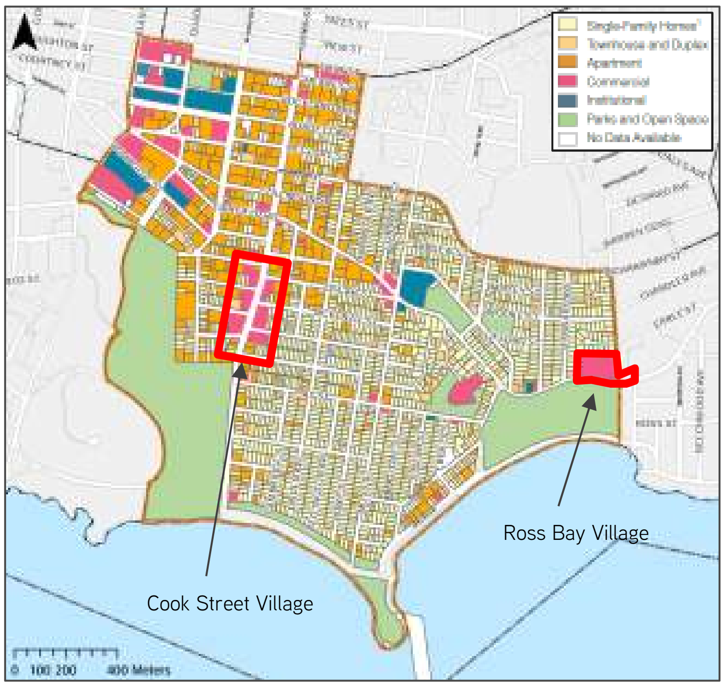
Within the Fairfield neighbourhood, Cook Street Village is a primary retail boulevard. Cook Street supplies the surrounding neighbourhood with smaller scale retail and food and beverages. Shops in the village have visibility along Cook Street, which is a busy street, in a residential neighbourhood context. The Fairfield Neighbourhood Plan categorizes the northern portion of Cook Street as arterial, with traffic counts above 18,000 vehicles a day, while the southern portion of Cook Street (south of Southgate Street) is considered a secondary arterial with traffic counts of over 5,000 vehicles per day. However, while Cook Street has substantial traffic, it has limited accessibility to regional traffic routes, especially when compared to retail nodes located along larger arterial roads.



There are no substantial employment areas in close proximity, however the village is surrounded by the Fairfield neighbourhood. From our visit, it is evident that Cook Street Village is frequented predominately by locals from the surrounding neighbourhood and we assume that this population makes up the majority of customers. Aside from Ross Bay Village, there are no other retail nodes in close proximity to Cook Street Village; residents of the area would have to travel north of Fort Street or across Beacon Hill Park to the west to find other retail centres. It should also be noted that there is no major retail to the south.

Ross Bay Village

Predominately located in the Fairfield neighbourhood, Ross Bay Village is a retail node anchored by a Thrifty Foods grocery store. The Village is located along Fairfield Road, which is one of the more significant transit routes in the south Victoria area. Individual shops' visibility is limited to the Village's signage at the entrance, as store fronts are relatively hidden in the façade of the complex. While Fairfield Road is a major road in the neighbourhood, it is classified as a collector road, with daily traffic volumes in the range of 3,000 to 8,000 vehicles per day; traffic in the area is not substantial when compared to arterial roads. Moreover, in comparison to Cook Street, traffic counts are much smaller. As such, regional accessibility is limited.



Similar to Cook Street Village, there are no substantial employment areas nearby. With respect to retail nodes, there are no other substantial sites within the immediate vicinity. Residents would have to travel north to Oak Bay Avenue or west, to Cook Street Village to find any retail concentrations. It should be noted that there are no retail nodes to the south or east. From our visit, it is evident that Ross Bay Village is frequented predominantly by locals from the surrounding neighbourhood and we assume that this population makes up the majority of customers.

Lease Rates

Lease rates for Cook Street Village were collected from CIC's Victoria office. The following tables outline both lease comparables and current asking rates.

Lease Comparables				
Street	Area (SF)	Average Annual Rent(/SF)	Operating Costs and Taxes	Lease Term (Months)
Cook Street	985	$37.50	$17.00	60
Cook Street	4,944	$40.00	$17.00	120
Cook Street	962	$38.75	$17.00	120
	Weighted Average Lease Rate:	$36.17		

Current Listings				
Street	Area (SF)	Net Asking Rent	Operating Costs and Taxes	Gross Rent
Cook Street	1,044	$37.50	$17.00	$54.50
Cook Street	891	$50.00	$27.50	$77.50
	Weighted Average Lease Rate:	$43.26		

Based on the tables above and from conversations with experienced brokers in the Cook Street area, lease rates typically range between $35 - $45 per square foot. This puts the Cook Street Village area within the top lease rates across the Victoria CMA and a direct comparable to lease rates in Victoria's downtown core.

Vacancy

CIC does not track vacancy on such a granular level that exact rates can be derived for Cook Street Village or Ross Bay Village. However, based on broker feedback in interviews and our site visit, vacancy for Cook Street is very low. This means that at any given time, only two or three units are vacant along Cook Street. This vacancy rate is below what is normally desired in retail nodes. Typically vacancy rates of around 7% or higher are desirable as it allows for tenants to move around as their stores expand or contract and it also allows landlords to renovate and redeveloped buildings. To this point, Cook Street is composed of top quality (A) and low quality (C and D) retail space; there is not much in the way of mid quality space (B). If additional space is added, these C and D spaces could be renovated and redeveloped, thus improving the overall appeal of retail along Cook Street. Additional supply would also help ease demand for space in the area, which could cause lease rates to moderate.

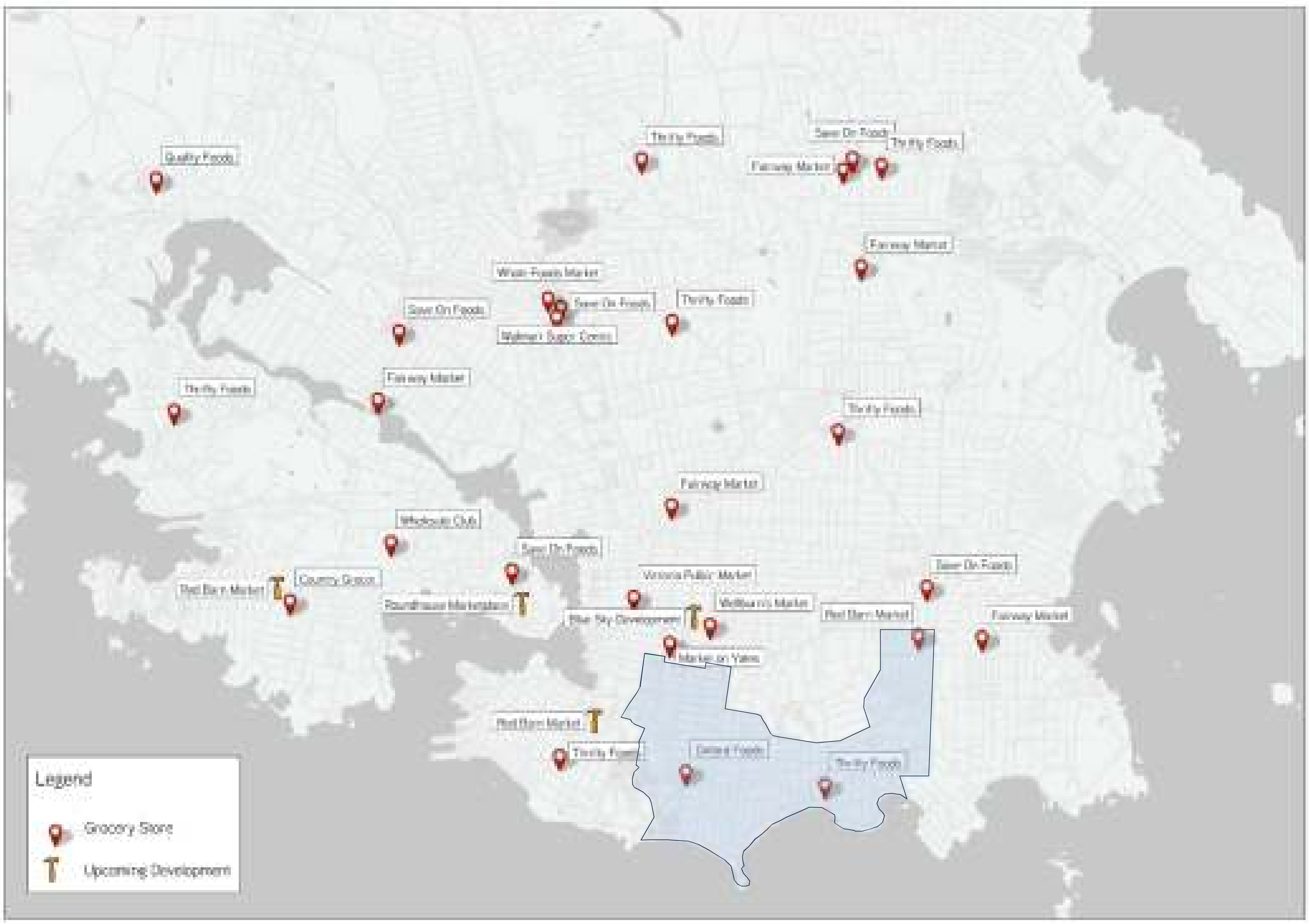
Overview

The Fairfield and Gonzales neighbourhoods are primarily served by Cook Street Village and Ross Bay Village. Cook Street Village has some of the highest lease rates across the Victoria CMA and vacancy rates are very low. Retail brokers at CIC Victoria noted that grocery requirements for most residents in the Fairfield and Gonzales neighbourhoods would require a car. While Cook Street Village does have an Oxford Foods serving the neighbourhood, it has limited offerings and is not full service, meaning that Thrifty Foods in Ross Bay Village is the primary grocery offering for residents in the Fairfield and Gonzales neighbourhoods. As grocery stores are typically the anchor tenants in retail nodes in the surrounding area, the following analysis will focus on grocery stores and grocery anchored retail areas.

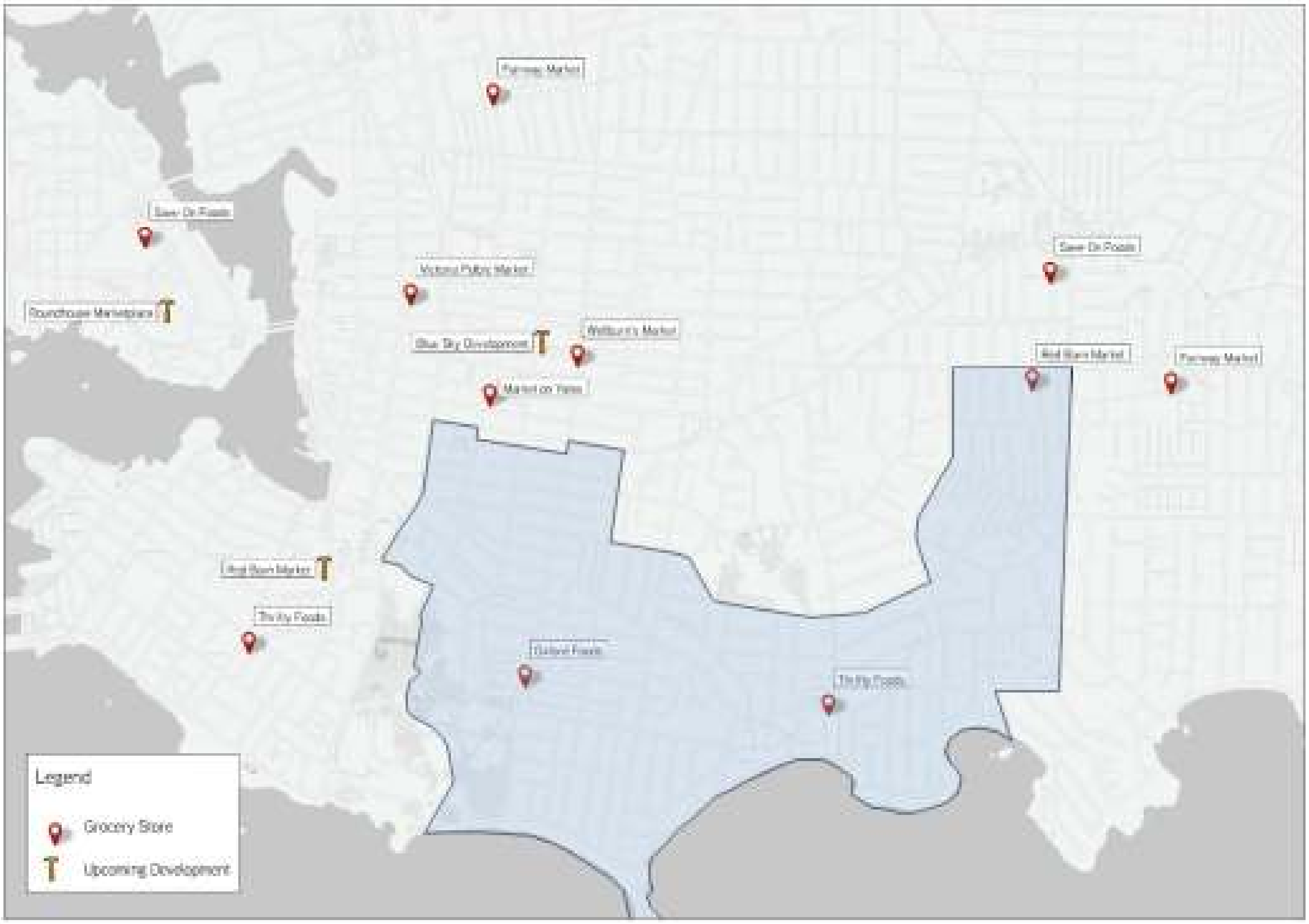
Retail Demand Analysis

Competitive Supply Review

In order to properly establish how potential retail uses may ideally be positioned in the planned mixed-use area, the following competitive supply review will assess both the current and anticipated competitive retail climate. The below map illustrates all grocery stores in Victoria (over 5,000 square feet), which affect the size of the trade areas. The Fairfield and Gonzales neighbourhoods are outlined in blue.



The following map focuses on grocery stores closer to Cook Street Village and Ross Bay Village. With respect to Cook Street Village, the only grocery store within immediate proximity is Oxford Foods; Ross Bay Village has a Thrifty Foods located in it, however, there are no other grocery centres in the immediate vicinity.



The table below describes the grocery anchors within the PTA's general vicinity. Individual descriptions for each grocery store are included on the following pages.

Name	Address	Size	Type
Save-On-Foods	174 Wilson Street	32,000 SF	National Grocery Chain
Save-On-Foods	1950 Foul Bay Road	45,000 SF	National Grocery Chain
Thrifty Foods	475 Simcoe Street	22,500 SF	Provincial Grocery Chain
Thrifty Foods	1590 Fairfield Road	24,000 SF	Provincial Grocery Chain
Fairway Market	2635 Quadra Street	32,000 SF	Local Grocery Chain
Fairway Market	2187 Oak Bay Avenue	9,000 SF	Local Grocery Chain
Victoria Public Market	1701 Douglas Street	18,000 SF	Specialty Foods
Red Barn Market	1933 Oak Bay Avenue	6,000 SF	Neighbourhood Grocery
Market on Yates	903 Yates Street	15,000 SF	Neighbourhood Grocery
Wellburn's Market	1058 Pandora Avenue	10,000 SF	Neighbourhood Grocery
Oxford Foods	271 Cook Street	10,000 SF	Neighbourhood Grocery
U/C Red Barn Market	Victoria Park	6,000 SF	Neighbourhood Grocery

Picture	Description
	<u>Save-On-Foods:</u> Located in Westside Village, Save-On-Foods is a 32,000 square feet, Save-On-Foods offers a full service grocery with pharmacy and floral departments. Additionally, there is ample parking in Westside Village and other tenants include Starbucks and Lifelabs.
	<u>Save-On-Foods:</u> At 45,000 square feet, the Save-On-Foods located on Foul Bay Road is one of the larger grocery anchors in Victoria. It is located in a plaza with tenants such as BC Liquor Stores, Starbucks, and Island Savings. This Save-On-Foods location also has a full service pharmacy.
	<u>Thrifty Foods:</u> Located in James Bay, the Thrifty Foods on Simcoe Street is approximately 22,500 square feet. The store has ample parking and three access points: one along Simcoe Street and two along Menzies Street. Equipped with a pharmacy, the store offers full service and is open 24 hours, seven days a week.
	<u>Thrifty Foods:</u> Part of Ross Bay Village, Thrifty Foods is located at 1590 Fairfield Road. At 24,000 square feet, this Thrifty's location is the primary grocery store for residents in the Fairfield and Gonzales neighbourhoods. Other tenants in the Village include Ross Bay Pub, Starbucks, Home Hardwear, BC Liquor Store, TD Canada Trust, and Canada Post.

Fairway Market:

Fairway Markets are a grocery chain operating exclusively on Vancouver Island. They have six locations in Victoria. Located in Quadra Village towards the north end of Victoria's downtown, Fairway Market is approximately 32,000 square feet. It is a full service grocery store but does not have a pharmacy or postal service.

Fairway Market:

Fairway Foods Oak Bay is located in Athlone Court, which was built in 1985. At 9,000 square feet, Fairway Market is one of the smaller grocery stores in the area. The site is not particularly ideal for a grocery store as parking and access is limited.

Victoria Public Market:

Located in the Hudson Building in downtown Victoria, the Victoria Public Market is an 18,000 square foot specialty food centre offering a wide range of goods. The market operates with some permanent vendors, such as The Grocer, but also has a Day Vendor program which allows smaller local producers to rent vendor space on a daily basis.

Red Barn Market:

Newly opened in February 2016, Red Barn Market is a 6,000 square foot neighbourhood grocery store located on Oak Bay Avenue. The location offers fresh produce and groceries along with a full service deli. The site has limited parking at the rear of the building and along the street front.

Market on Yates:

The Market on Yates has been around for some time and is a well identified supermarket in the neighbourhood. At approximately 15,000 square feet, the supermarket offers produce, meats, dairy, and has a floral centre. There is no pharmacy on premises. Additionally, the Market on Yates also offers home delivery for personal shopping.

Wellburn's Market:

Originally opened in 1914, Wellburn's Market has significant historical meaning to the local community. The building in which the store is located was built in 1911 and is heritage registered. Wellburn's is approximately 10,000 square feet and offers a bakery, meat/deli, produce, frozen foods, dairy and groceries. They also offer home delivery.

Oxford Foods:

Oxford F~~f~~oods is a 10,000 square foot supermarket located in the Fairfield area. It offers basic staple grocery products at discount prices, however is not considered to be a high quality retailer. Like Wellburn's Market, the grocer has historical ties to the community having opened pre-1970.

Upcoming - BlueSky Development:

BlueSky properties is currently in the process of developing an 85,000 square foot site on Pandora Avenue in Victoria. The project is set to have upwards of 195 rental units and 50,000 square feet of retail space. The project is planning to incorporate a 35,000 square foot anchor grocery store.

<u>Upcoming - Red Barn Market:</u>
Scheduled to open in 2018, Red Barn Market will be opening their 7th store in an upcoming Concert and Jawl Development at Capital Park.

<u>Upcoming – Roundhouse Marketplace:</u>
Scheduled to open in 2018, Focus Equities is currently working on plans to construct a 24,000 square foot grocery store in Roundhouse Marketplace as part of the Bayview Place development.

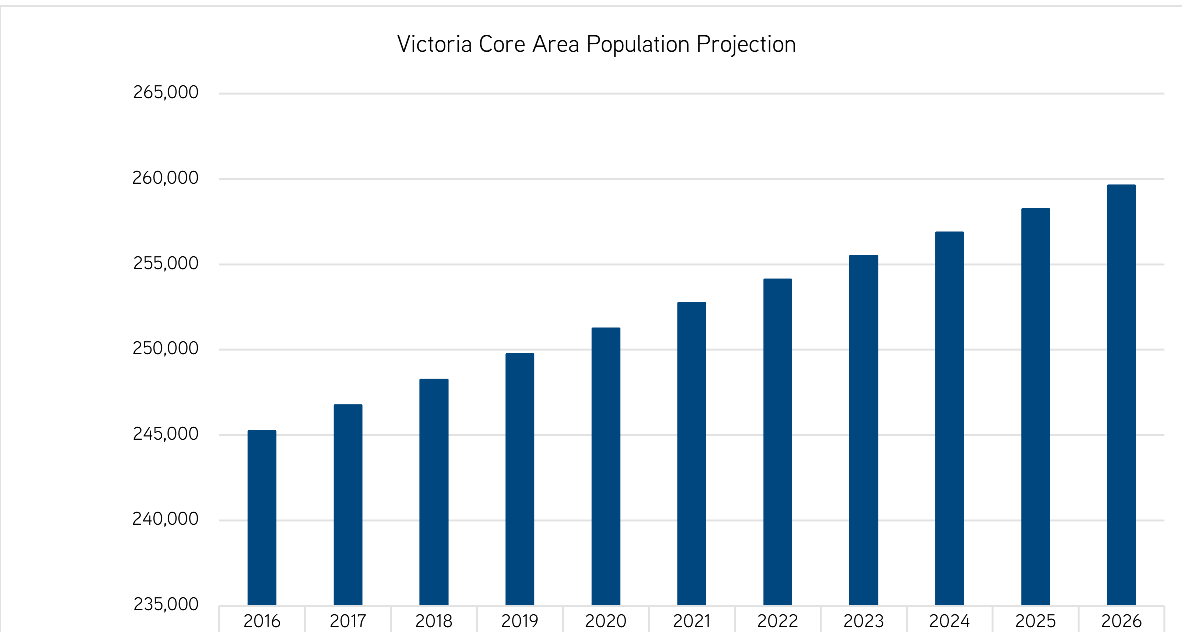
Population Projections

Population figures and projections were calculated using statistics and projections from PCensus, Urban Futures and BC Stats. It should be noted that 2016 Environics statistics were used in the demographic section to illustrate the most up-to-date figures.

To project the PTA populations, growth rates from BC Stats, BC Transit Authority, Urban Futures Consulting's "*Regional, Sub-regional & TAZ-level Projections for the Capital Regional District"* report were analyzed and compared. Two growth rates were established for the Victoria (Core Area) for the periods of 2016 to 2021 and 2021 to 2026. These growth rates were applied to current population figures for the PTA to arrive at the population forecasts for 2021 and 2026.

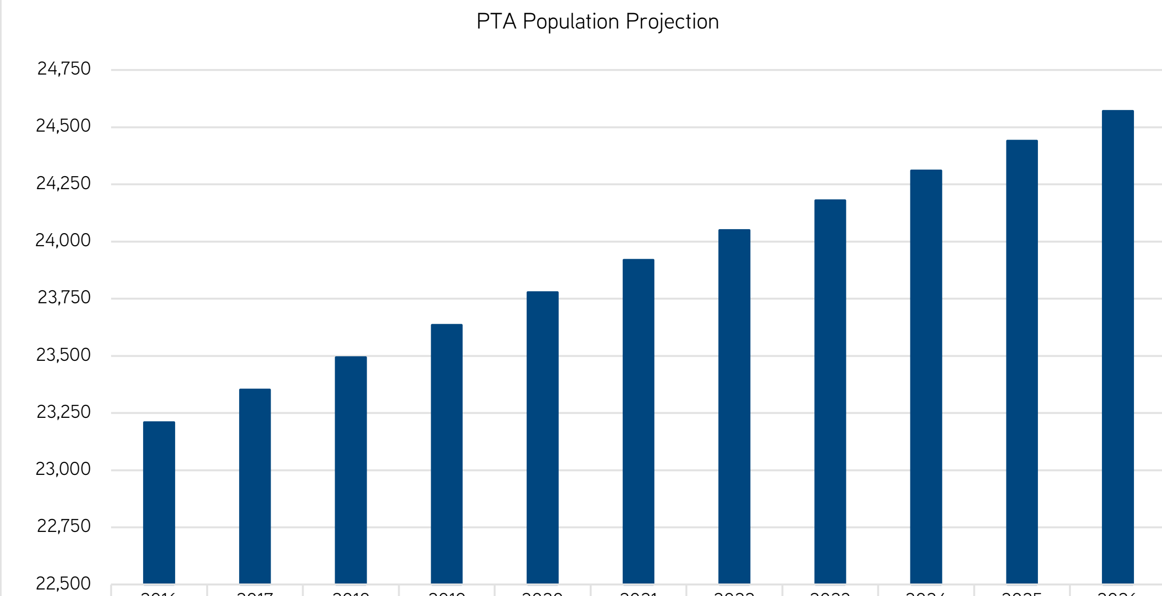
Area	2016	2021	2026
Victoria (Core Area)	245,243	252,746	259,623
Growth Rate 2016 – 2021		3.06%	
Growth Rate 2021 - 2026			2.72%
PTA	23,210	23,920	24,571

The following charts outline population growth for years from 2016 to 2026 for both Victoria (Core Area) and the PTA.



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Victoria Core Area	245,243	246,743	248,243	249,743	251,243	252,746	254,121	255,496	256,871	258,246	259,623

It is forecasted that the population in Victoria's Core Area will grow from 245,243 to 259,623, an increase of approximately 14,300 residents.



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
PTA	23,210	23,352	23,494	23,636	23,778	23,920	24,050	24,180	24,310	24,440	24,571

It is forecasted that the population in the PTA will increase from 23,210 in 2016 to 24,571 by 2026, an increase of approximately 1,300 people.

Retail Demand Model Overview

CIC's retail demand model calculates the retail expenditure potential from a population based on socio-economic variables, Provincial data, and retail industry benchmarks. Expenditures are then split amongst the retail categories using the most recent Provincial profile of retail sales data from Statistics Canada.

The model uses Personal Disposable Income (PDI) as a basis to calculate the total retail expenditure potential within a given area. PDI is defined as the amount of money that households or individuals have available for spending after income taxes have been deducted.

On the following pages, CIC calculates the annual expenditure potential for the PTA residents. Incomes are assumed to grow by 1% per year, net of inflation. CIC has calculated annual expenditure potential for each of the major three-digit NAICS retail trade categories as tracked by Statistics Canada. More detailed subcategories have been included for the Retail Food category (445) as this category is instrumental in supporting neighbourhood- and community-level shopping nodes. As Statistics Canada retail categories do not include food and beverage facilities such as restaurants, cafes and bars, CIC calculates these separately using data from Environics which is derived from Statistics Canada's Survey of Household Spending.

It should be noted that the following demand has been calculated at a 100% capture rate in order to analyze the change in demand based on projected population growth.

Retail Expenditure Potential

CIC calculates the following annual retail and food and beverage expenditure potential for the PTA residents. The table outlines current and future population figures and the associated retail expenditure for each. The 2016 scenario represents expenditures arising from the PTA based on current population information. The 2021 and 2026 scenarios represents future projected expenditures arising from the PTA.

PTA Resident Expenditure Potential	2016	2021	2026
Population	23,210	23,778	24,425
INCOME (PDI)	$41,131	$43,229	$45,434
TOTAL INCOME POTENTIAL	$954,654,620	$1,027,905,830	$1,109,735,420
RETAIL SALES / INCOME	42.9%	42.9%	42.9%
TOTAL RETAIL POTENTIAL	$409,185,686	$440,582,744	$475,656,682
Motor vehicle and parts dealers [441]	$91,845,022	$98,892,344	$106,764,972
Furniture and home furnishings stores [442]	$14,390,384	$15,494,567	$16,728,059
Electronics and appliance stores [443]	$13,782,829	$14,840,393	$16,021,808
Building material and garden equipment and supplies dealers [444]	$23,798,814	$25,624,911	$27,664,860
Food and beverage stores [445]	$101,398,107	$109,178,444	$117,869,928
Grocery stores [4451]	$73,097,597	$78,706,419	$84,972,084
Supermarkets and other grocery (except convenience) stores [44511]	$68,665,336	$73,934,067	$79,819,815
Convenience stores [44512]	$4,432,261	$4,772,352	$5,152,269
Specialty food stores [4452]	$5,699,449	$6,136,771	$6,625,307
Beer, wine and liquor stores [4453]	$22,601,062	$24,335,255	$26,272,537
Health and personal care stores [446]	$28,537,746	$30,727,464	$33,173,618
Gasoline stations [447]	$39,815,132	$42,870,171	$46,282,982
Clothing and clothing accessories stores [448]	$25,974,441	$27,967,475	$30,193,912
Sporting goods, hobby, book and music stores [451]	$10,548,319	$11,357,698	$12,261,863
General merchandise stores [452]	$47,447,186	$51,087,836	$55,154,840
Miscellaneous store retailers [453]	$11,647,705	$12,541,441	$13,539,840
TOTAL - MAJOR RETAIL CATEGORIES (3-Digit NAICS Codes)	$409,185,686	$440,582,744	$475,656,682
Food/Drink Establishment Spending per Capita	$1,434	$1,523	$1,600
TOTAL - FOOD & BEVERAGE ESTABLISHMENT SPEND POTENTIAL	$33,289,399	$36,202,151	$39,084,134
TOTAL EXPENDITURE POTENTIAL	$442,475,085	$476,784,895	$514,740,816

The PTA is expected to grow from 23,210 residents to 24,425 in 2026. The PTA expenditure potential will grow from $442 million in 2016 to $515 million in 2026. Grocery store sales currently have an expenditure potential of approximately $73.1 million. This will grow by approximately $12 million in 2026, reaching $85 million. Food and beverage establishments will also see a substantial increase in expenditure potential, increasing from $33 million currently to $39 million by 2026. This six million dollar expenditure increase in food and beverage establishments is particularly important for businesses in Cook Street Village.

Net Warranted Floor Area

The projected sales volumes can now be converted into warranted floor area by dividing the net expenditures by sector-specific sales per square foot productivity targets – a metric used in the retail industry to evaluate sales performance and development potential. The following table provides an overview of the growth in floor area demand from 2015 to 2026 attributed to population growth and spending growth in the PTA. As noted previously, 100% capture rates have been used in order to focus the analysis on the growth attributed to population increases in the PTA.

PTA Resident Floor Area Support By Category	Sales Reqm't ($/Sq. Ft.)	2016	2021	2026
Major Retail Category				
Motor vehicle and parts dealers [441]	$300	306,150	329,641	355,883
Furniture and home furnishings stores [442]	$350	41,115	44,270	47,794
Electronics and appliance stores [443]	$700	19,690	21,201	22,888
Building material and garden equipment and supplies dealers [444]	$300	79,329	85,416	92,216
Food and beverage stores [445]				
Grocery stores [4451]				
Supermarkets and other grocery (except convenience) stores [44511]	$800	85,832	92,418	99,775
Convenience stores [44512]	$800	5,540	5,965	6,440
Specialty food stores [4452]	$650	8,768	9,441	10,193
Beer, wine and liquor stores [4453]	$1,000	22,601	24,335	26,273
Health and personal care stores [446]	$750	38,050	40,970	44,231
Gasoline stations [447]	$400	99,538	107,175	115,707
Clothing and clothing accessories stores [448]	$450	57,721	62,150	67,098
Sporting goods, hobby, book and music stores [451]	$400	26,371	28,394	30,655
General merchandise stores [452]	$350	135,563	145,965	157,585
Miscellaneous store retailers [453]	$400	29,119	31,354	33,850
Food and Beverage Establishments	$650	51,214	55,696	60,129
Service Commercial (40%)		330,941	355,783	384,106
NET WARRANTED FLOOR AREA - Above Categories		1,337,544	1,440,175	1,554,824

Between 2016 and 2026, retail demand from PTA residents will grow enough to support an additional 220,000 square feet of retail floor area. Key major retail categories in the table above that have significant relevance to the future of Cook Street Village and Ross Bay Village include supermarkets, health and personal care stores, and food and beverage establishments. The warranted floor area for supermarkets will increase by over 13,000 square feet by 2026.

The warranted floor area for food and beverage establishments will increase by approximately 9,000 square feet by 2026. This is an important metric as Cook Street Village is heavily invested in unique food and beverage establishments.

Health and personal care stores are important for the PTA because of the current population demographics: approximately 40% of the population in the PTA is currently aged 55 years and up. As the population in the PTA continues to age, demand for health and personal care stores will increase. Between 2016 and 2026, the warranted floor area for health and personal care stores will increase by approximately 6,000 square feet. It should also be noted that health and personal care stores can be incorporated into supermarkets and grocery stores in the form of full-service pharmacies.

Cook Street Village has a capture rate of approximately 8.0%, based on current retail floor area. This was dervired from dividing the current retail square footage of Cook Street Village by the current net warranted floor area. Assuming this capture rate remains constant and considering the forecasted growth in demand of 220,000 square feet (as demonstrated in the retail model), Cook Street Village should be commited to adding approximately 18,000 square feet of retail space by 2026. The most appropriate way to add this space to Cook Street Village would be in the form of a mixed-use development, with retail space at grade and residential units above.

Conclusions

Based on the retail demand analysis above, CIC's findings for the Fairfield and Gonzales neighbourhoods are as follows:

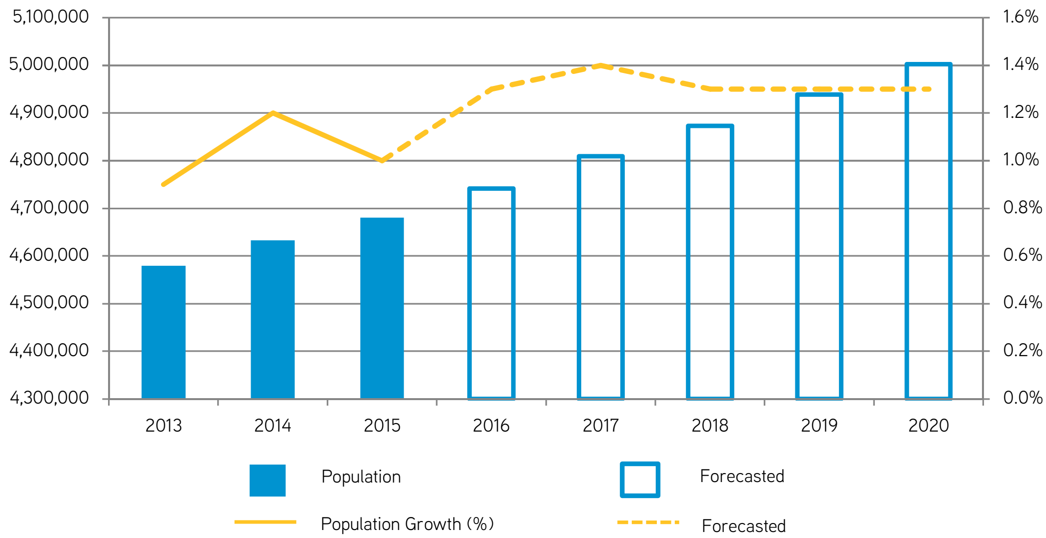
1. The Victoria CMA is generally underserved by retail, and Fairfield and Gonzales residents support significantly more retail outside the neighbourhood boundary than inside it.
2. The capacity of the roads that run through Cook Street Village and Ross Bay Village limit the amount of regional traffic that can easily access businesses in the area. Retail demand in these villages is heavily driven by the local population and is expected to stay that way over the foreseeable future.
3. Of the two villages, Cook Street should be the focus of retail and residential intensification because Ross Bay Village already has a grocery anchor (Thrifty Foods) and there is little room for further retail intensification. Concentrating retail and residential intensification along Cook Street further strengthens Cook Street's retail reputation and attractiveness. This concentration of retail in the future would align with successful retail villages that have, overtime, seen mixed-use development forms.
4. Lease rates for Cook Street Village are some of the highest in the Victoria CMA, and low vacancy rates coupled with businesses for sale (rather than simply closed) are all indicators of a thriving business strip. These lease rates also bode well for successful mixed use forms of development with thriving retail shops and services at grade and residential uses above.
5. Vacancy rates are extremely low in the PTA. Adding new inventory will allow businesses to relocate, increase the likelihood of the redevelopment of C and D class (older) retail buildings. Rental rates are anticipated to either remain constant or drop slightly in the short term if new supply is added.
6. Cook Street Village currently exemplifies a successful and diverse business profile compared to other successful retail villages and contains many of the key ingredients that result in popular retail destinations (length of street, scale of development, streetscape, convenient parking, a range of shops and services).
7. Despite the rapid growth of online and omni-channel shopping, the effects of those sales leaving bricks and mortar retailers is being felt most at regional shopping malls and department stores. While some businesses (i.e. travel agencies, music stores, etc.) have been significantly impacted by online sales, neighbourhood village zones will be largely unaffected for the foreseeable future.
8. Cook Street Village has a capture rate of approximately 8.0%, based on current retail floor area. Assuming this capture rate remains constant and considering the forecasted growth in demand demonstrated in the retain model, Cook Street Village should be commited to adding approximately 18,000 square feet of retail space. The most appropriate way to add this space to the Cook Street Village would be in the form of a mixed-use development, with retail space at grade and residential units above.
9. With respect to future growth and redevelopment, from a retail perspective the preferred form fo development would be mixed-use on Cook Street so as to enhance and retain retail continuity while allowing for minor population growth. In many other instances this form of development has proved to be successful in providing a desirable neighbourhood form from a resident's perspective and an attractive retail environment that both retains existing retailers and accommodates new retailers.

Appendix A: Economic Overview

Province of British Columbia

Population

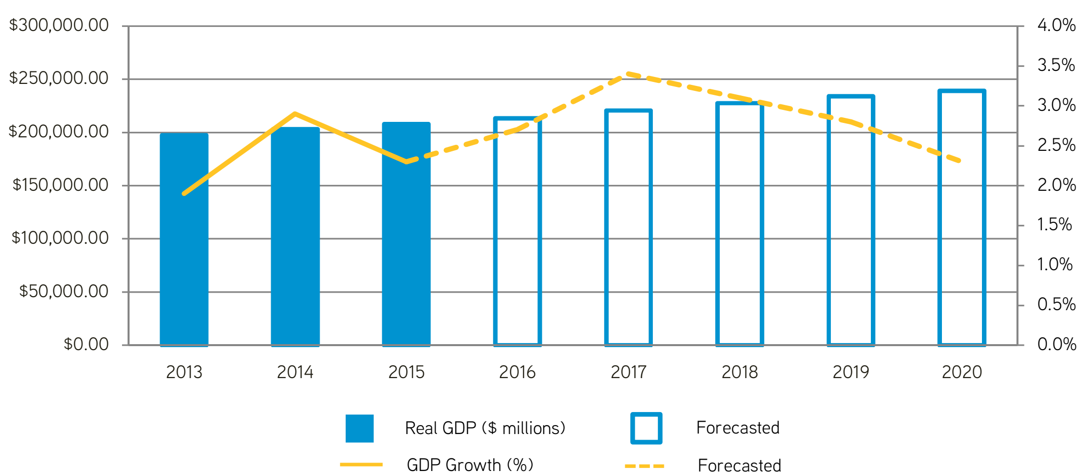
In 2015, British Columbia's population grew by 1.0%. This is moderately lower than previous years, namely 1.2% in 2014. The Conference Board projects that population growth will jump to 1.4% in 2017 before stabilizing at 1.3% until 2020.



Source: Conference Board of Canada

GDP

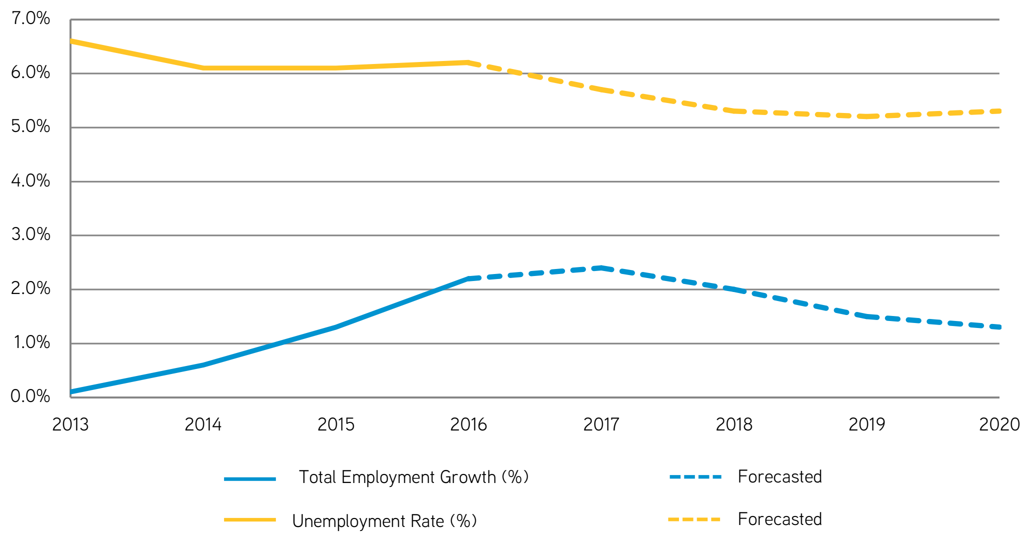
In 2015, British Columbia's GDP growth was 2.3%; this is forecasted to reach 2.7% in 2016 before climbing to 3.4% in 2017. With this level of GDP growth, British Columbia will lead all Canadian provinces with respect to growth over the next two years. This growth has been propelled by gains in manufacturing, construction, and real estate industries.



Source: Conference Board of Canada *Real GDP at basic prices (2007)

Employment vs. Unemployment Growth

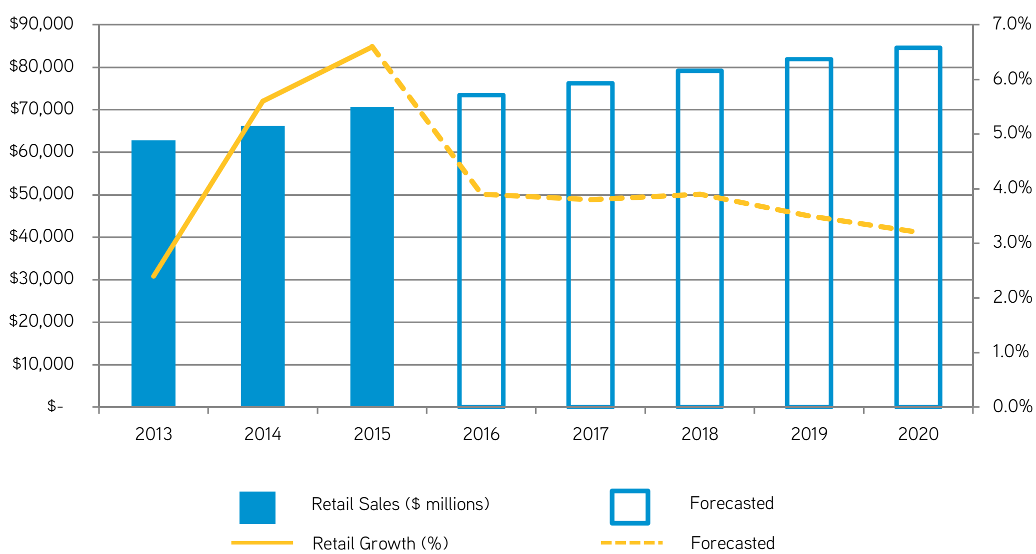
The unemployment rate in British Columbia is expected to increase from 6.1% in 2015 to 6.2% in 2016. This is due to a large number of job seekers moving into the province in hopes of finding work. The Conference Board is forecasting that unemployment rates will drop in 2018 to 5.3%, putting British Columbia's unemployment rate one per cent below the national average.



Source: Conference Board of Canada

Retail Sales

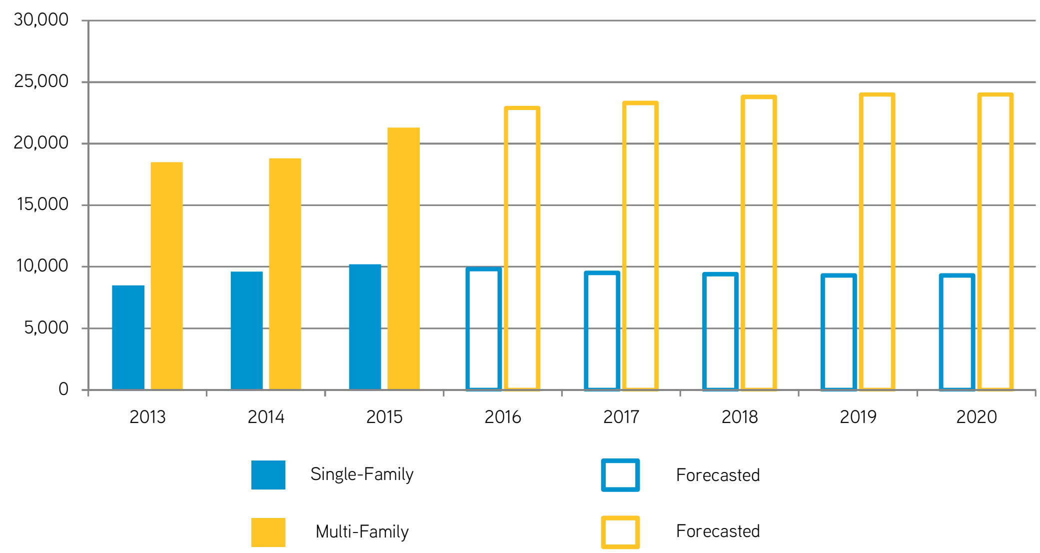
Due to a flourishing labour market, retail spending will continue to increase in British Columbia. The Conference Board is forecasting that retail spending will grow by 3.9% in 2016 and while this is down from 2015 growth, it is indicates that British Columbian's household disposable income is increasing on annual basis. By 2020, British Columbia is forecasted to have approximately $84.5 billion in retail sales.



Source: Conference Board of Canada

Housing Starts

New home construction continues to rise in British Columbia; housing starts increased from 28,400 in 2014 to 31,500 in 2015 and are projected to further increase to 32,700 in 2016. Single family starts are projected to level off, while multifamily starts are expected to increase annually to 2020.



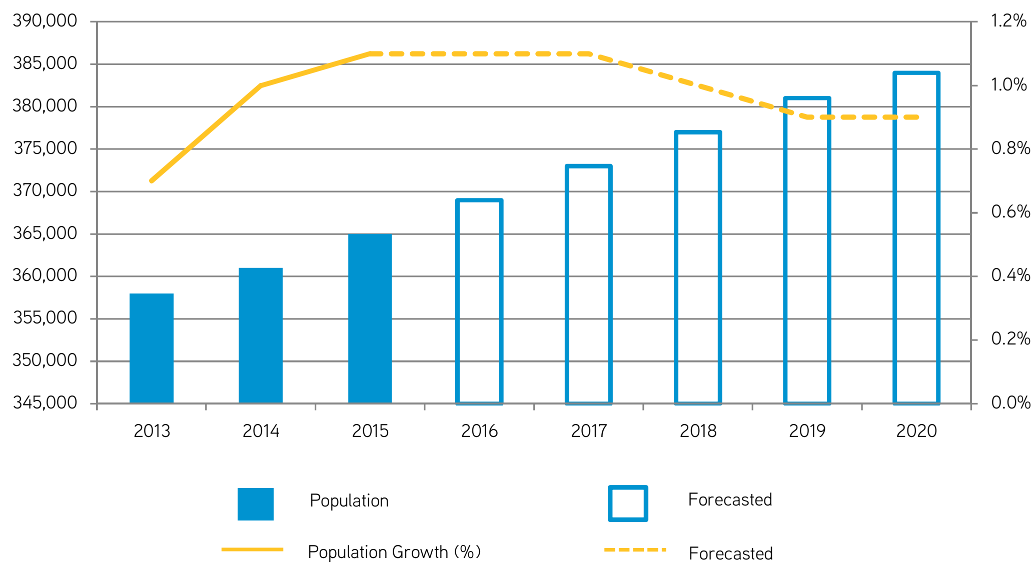
Source: Conference Board of Canada

Victoria CMA

The Victoria Central Metropolitan Area (CMA) consists of multiple Census Subdivisions (CSD's) located in the southern portion of Vancouver Island. Some of these CSD's include Saanich, Victoria, Langford and Oak Bay. In total, the Victoria CMA is composed of 22 CSD's.

Population

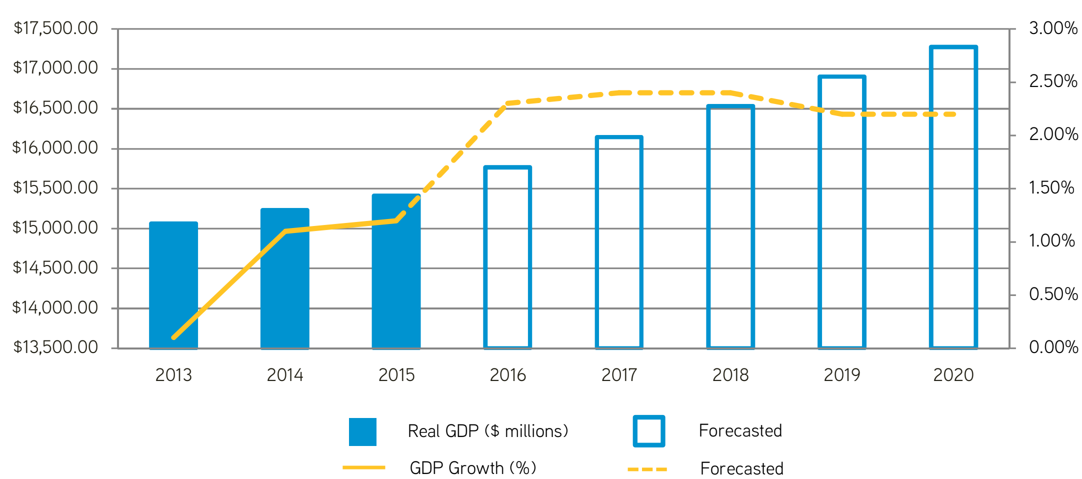
Since 2013, Victoria CMA has experienced positive population growth each year. In 2015, the population grew by 1.1% to 365,000 people. This trend is expected to continue until 2020, with growth rates fluctuating between 1.1% and 0.9%. By 2020, the population of Victoria will reach 384,000.



Source: Conference Board of Canada

GDP

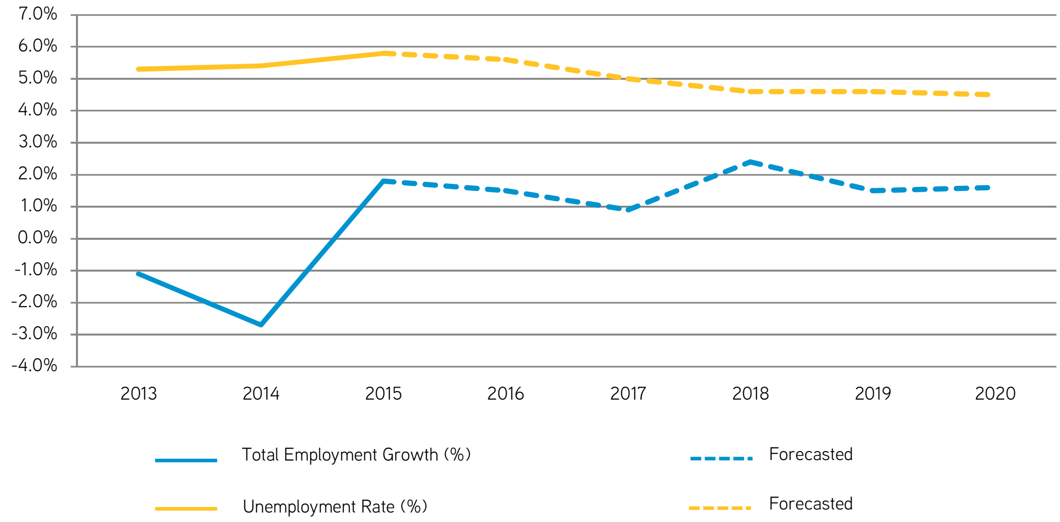
Victoria CMA's GDP grew by 1.1% in 2015 to over $15.2 billion* and is projected to grow by 2.3% in 2016 to over $15.7 billion*. Economic growth is forecasted to continue to grow until 2020, with growth rates fluctuating between 2.2% and 2.4%. By 2020, Victoria's GDP will reach $17.3 billion.



Source: Conference Board of Canada *Real GDP at basic prices (2007)

Employment vs. Unemployment Rate

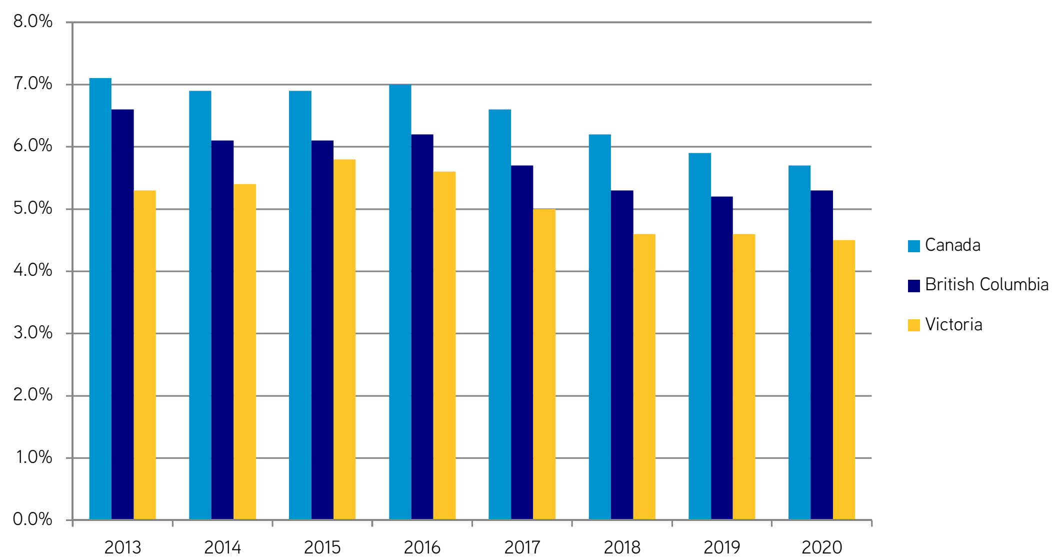
Victoria's labour market contracted between 2013 and 2014, with employment falling by 5,000 units. However, total employment increased in 2015 by 1.8% and is projected to continue to grow until 2020, reaching 193,000 units. Unemployment increased from 2014 to 2015 but is projected to decrease gradually. By 2020, unemployment will reach 4.5%, which is 1.3% below 2015 unemployment figures.



Source: Conference Board of Canada

Unemployment Rate Comparison

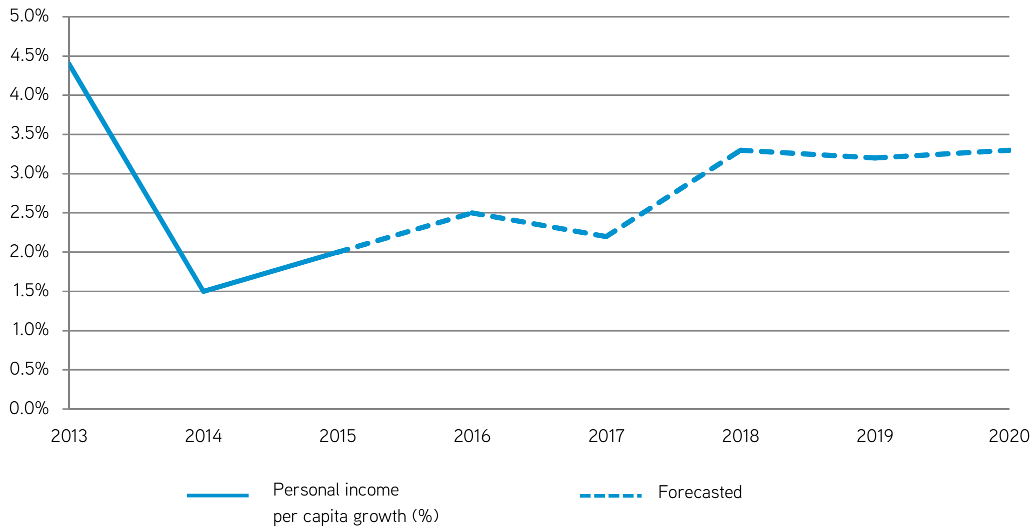
As the chart below illustrates, the unemployment rate in the Victoria CMA has been significantly lower than Canada's and Province of British Columbia as a whole. Victoria's unemployment rate is expected to remain below the Canadian and British Columbian average until 2020.



Source: Conference Board of Canada

Personal Income Per Capita Growth

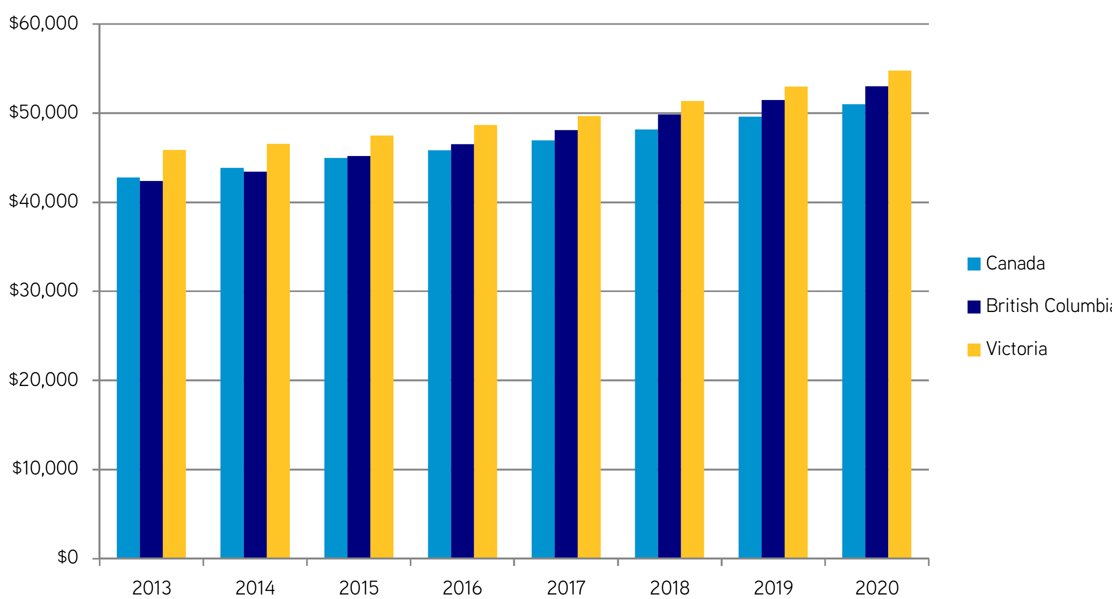
While Victoria's personal income per capita fell from 4.4% in 2013 to 1.5% in 2014, there was a slight rebound in 2015. The Conference Board is forecasting that personal income will further increase in 2016, growing by 2.5% before reaching 3.3% in 2018. By 2020, personal income per capita will be $54,763.



Source: Conference Board of Canada

Personal Income per Capita Comparison

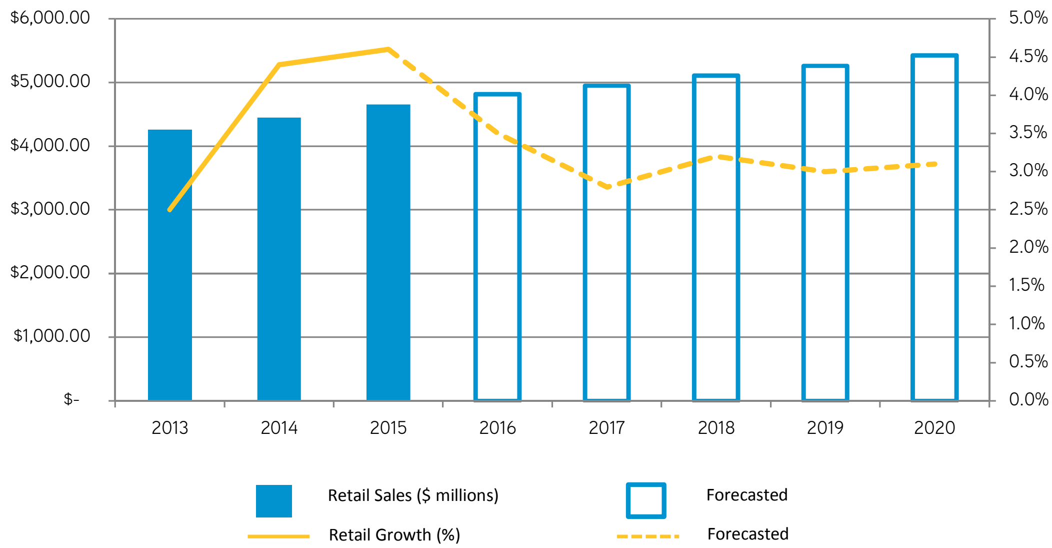
As the chart below shows, personal income per capita averages in Victoria were more than $2,000 higher than for Canada as a whole in 2015. In 2015 the income per capita average for Victoria was equal to that of the Province of British Columbia. The Conference Board forecasts that Victoria's personal income per capita will remain above that of British Columbia and Canada.



Source: Conference Board of Canada

Retail Sales

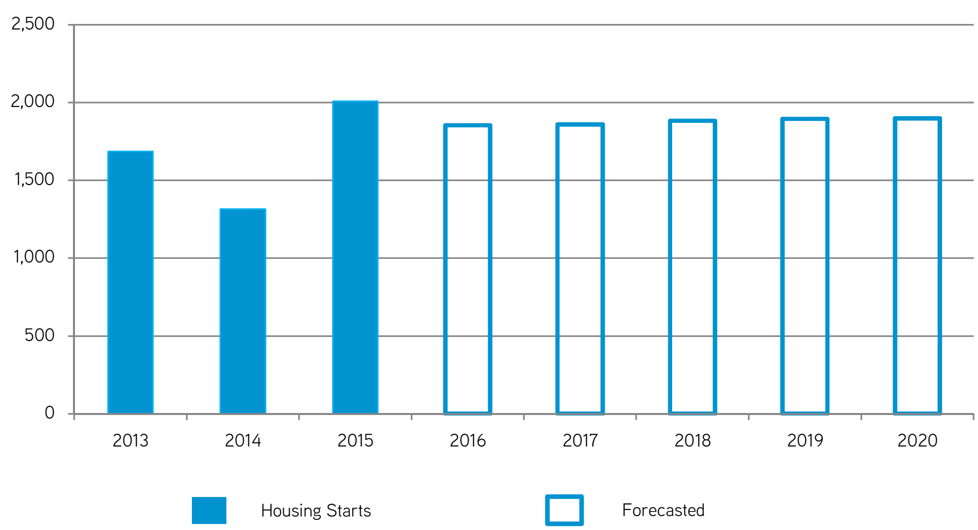
Retail sales in Victoria soared in 2015, growing by 4.6% to reach approximately $4.7 billion. While upcoming years are expected to have lower growth rates, retail spending will reach $5.1 billion in 2018 before topping $5.4 billion in 2020. Between 2016 and 2020, retail spending growth rates will fluctuate between 2.8% and 3.5%.



Source: Conference Board of Canada

Housing Starts

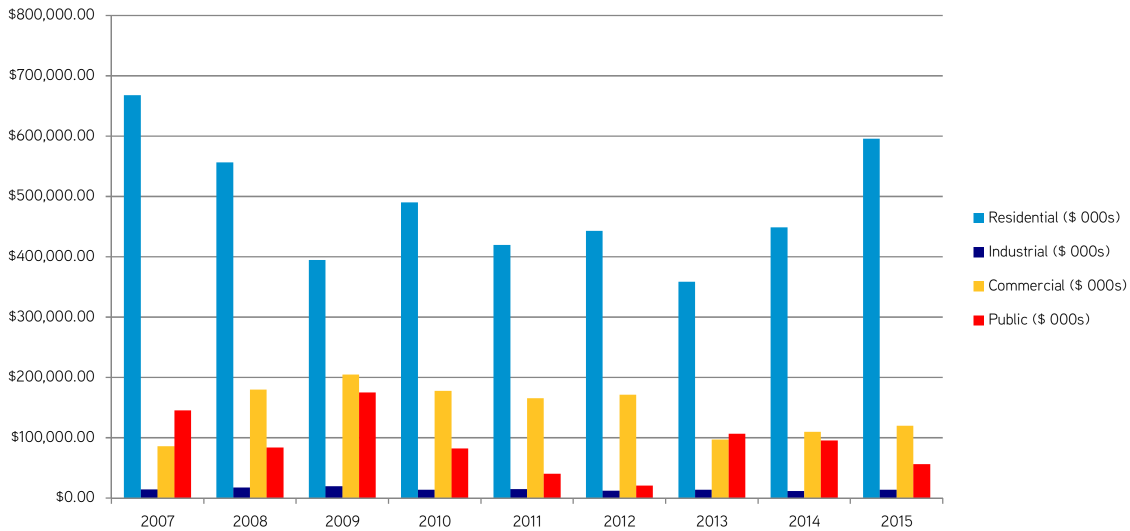
In 2015, Victoria experienced the highest level of housing starts in the past 5 years. Due to a minor slowdown in multifamily starts, housing starts overall will drop in 2016 to 1,850 units. Between 2016 and 2020, home construction will gradually increase, reaching 1,900 in 2020.



Source: Conference Board of Canada

Historical Building Permits

The chart below shows the historical building permit values between 2007 and 2015 for the city of Victoria. Total value of building permits was the highest in 2007 at over $900 million. 2015 marked the highest level of construction since 2007, reaching $785 million. Moreover, residential housing starts in 2015 were $595 million, representing 75% of total building permits in Victoria.



Source: Conference Board of Canada

Appendix B: Regional Demographic Profile

This section presents data from 2016 Environics estimates based on the 2011 Census and National Household Survey, and describes any significant variances between the City of Victoria and the Primary Trade Area (PTA).

Population by Age Profile – 2016 Estimates

Population	City of Victoria		PTA	
2016 Total Population by Age	85,332		23,210	
0 to 4 years	3,000	3.5%	696	3.0%
5 to 19 years	7,388	8.7%	2,166	9.3%
20 to 24 years	5,966	7.0%	1,334	5.7%
25 to 34 years	19,135	22.4%	4,044	17.4%
35 to 44 years	11,755	13.8%	2,857	12.3%
45 to 54 years	10,435	12.2%	2,921	12.6%
55 to 64 years	11,374	13.3%	3,498	15.1%
65 to 74 years	8,629	10.1%	3,091	13.3%
75 years & over	7,650	9%	2,602	11%
Median Age	40.6		46.8	

The median age of the PTA is 46.8 years, which is above that of the City of Victoria. Overall the study areas have similar age distributions, with the PTA having a slightly lower proportion of individuals between the ages of 0 to 24 years. Approximately 30% of the total population in the PTA is between the ages of 25 to 44 years old, which are prime spending years.

Total Daytime Population – 2016 Estimates

Daytime Population	City of Victoria		PTA	
Daytime Population at Home	35,163	26.8%	9,792	63.7%
0 to 14 years	7,895	6.0%	2,077	13.5%
15 to 64 years	15,054	11.5%	3,026	19.7%
65 years and over	12,214	9.3%	4,690	30.5%
Daytime Population at Work	95,948	73.2%	5,588	36.3%

The daytime population at home in the PTA is 9,792, representing 63.7% of the total PTA population. This is a significantly higher proportion of the population at home during daytime hours when compared to the Victoria CMA. The PTA has a daytime work population of 5,588, representing 36.3% of the total PTA population. This is a significantly smaller proportion of the population when compared to the City of Victoria, which has 73.2% of the overall population at work.

Occupied Private Dwellings by Structure Type and Tenure – 2016 Estimates

Dwelling Structure	City of Victoria		PTA	
2016 Occupied Private Dwellings by Structure Type	45,849		12,444	
Houses	10,675	23.3%	4,001	32.1%
Single-detached house	7,080	15.4%	3,447	27.7%
Semi-detached house	1,305	2.8%	367	3.0%
Row house	2,290	5.0%	186	1.5%
Apartment, building low and high rise	35,074	76.5%	8,399	67.5%
Less than five	22,918	50.0%	6,522	52.4%
Five or more floors	8,143	17.8%	723	5.8%
Detached duplex	4,013	8.8%	1,154	9.3%
Other Dwelling Types	100	0.2%	44	0.4%
Other single-attached house	94	0.2%	44	0.4%
Movable dwelling	6	0.0%	0	0.0%

Approximately one-quarter of dwelling structures in the City of Victoria are classified as houses, with over 15% being single-detached. This is substantially lower when compared to the PTA, where houses make up 32% of dwelling structures, and only 28% are single-detached. The PTA is primarily composed of apartment buildings, both low and high rise, representing approximately 68% of dwellings in the PTA.

Dwelling by Tenure	City of Victoria		PTA	
2016 Occupied Private Dwellings by Tenure	162,216		12,444	
Owned	18,952	41.3%	6,374	51.2%
Rented	26,897	58.7%	6,070	48.8%
Band housing	0	0.0%	0	0.0%

Approximately 41.3% of occupied dwellings are owned in the City of Victoria. This is much lower compared to the PTA, where approximately half of dwellings are owned, while the other half are rented.

Households by Size – 2016 Estimates

Households and Dwellings	City of Victoria		PTA	
Households by Size of Household	45,849		12,444	
1 person	22,500	49.1%	5,848	47.0%
2 persons	15,882	34.6%	4,374	35.2%
3 persons	4,259	9.3%	1,146	9.2%
4 persons	2,285	5.0%	784	6.3%
5 persons	621	1.4%	206	1.7%
6 or more persons	302	0.7%	86	0.7%
Persons in Households	81,698		22,734	
Persons per household	1.78		1.83	

The average number of persons per household in the PTA is 1.83, which is higher than the City of Victoria. Almost half of the households in the PTA have only 1 person at home and only 17.9% of homes have greater than 2 people. Overall, the PTA is heavily comprised of smaller household sizes.

Marital Status – 2016 Estimates

Marital Status	City of Victoria		PTA	
2016 Population 15 years and over by Marital Status	77,423		21,343	
Single (never married)	27,688	35.8%	6,716	31.5%
Married (not separated)	23,165	29.9%	7,871	36.9%
Living common law	9,833	12.7%	2,547	11.9%
Widowed	5,298	6.8%	1,432	6.7%
Divorced	8,840	11.4%	2,187	10.2%
Separated (legally married)	2,599	3.4%	590	2.8%

Overall, both trade areas have similar marital status distributions. The PTA has a higher proportion of single individuals compared to the Victoria CMA. As such, the Victoria CMA has a higher proportion of married individuals.

Educational Attainment Profile – 2016 Estimates

Education	City of Victoria		PTA	
2015 Household Population 15 years and over by Educational Attainment	73,803		20,656	
No certificate, diploma or degree	7,889	10.7%	1,367	6.6%
High school certificate or equivalent	17,456	23.7%	4,143	20.1%
Apprenticeship or trades certificate or diploma	5,740	7.8%	1,350	6.5%
College, CEGEP or other non-university certificate or diploma	12,273	16.6%	3,158	15.3%
University certificate or diploma below bachelor	4,330	5.9%	1,126	5.5%
University certificate or degree	26,115	35.4%	9,511	46.0%

Approximately 46.0% of residents in the PTA have a university certificate or degree, which is significantly higher when compared to the City of Victoria. Overall, the PTA has a higher proportion of residents with university or college education and a lower proportion of residents with no education compared to the City of Victoria.

Labour Force Profile – 2016 Estimates

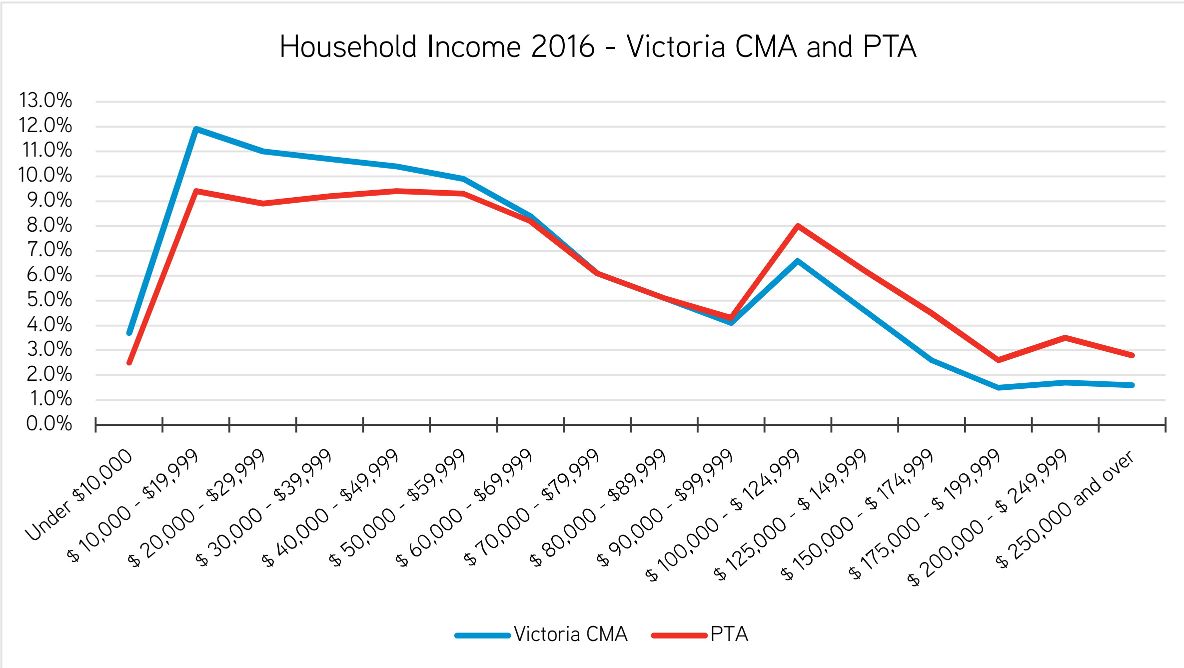
Labour Force, Occupations	City of Victoria		PTA	
2016 Labour Force 15 years and over by Occupation	48,837		13,341	
Occupation - Not applicable	617	1.3%	190	1.4%
All occupations	48,220	98.7%	13,150	98.6%
Management	4,000	8.2%	1,253	9.4%
Business, finance and administration	6,893	14.1%	1,996	15.0%
Natural and applied sciences and related	4,982	10.2%	1,483	11.1%
Health occupations	3,482	7.1%	912	6.8%
Occupations in social science, education, government service and religion	8,170	16.7%	2,643	19.8%
Occupations in art, culture, recreation and sport	2,758	5.6%	871	6.5%
Sales And Service	12,909	26.4%	2,883	21.6%
Trades, transport and equipment operators and related	3,876	7.9%	842	6.3%
Occupations unique to primary industry	452	0.9%	160	1.2%
Occupations unique to processing, manufacturing and utilities	698	1.4%	106	0.8%

All study areas have very similar labour force distributions, with Sales and Service making up approximately one-quarter of all jobs. Occupations in social science, education, government service and religion also make up a slightly higher proportion of occupations in the PTA compared to the City of Victoria.

Household & Per Capita Income Profile – 2016 Estimates

Household Income	City of Victoria		PTA	
2016 Households by Income (Current Year $)	45,849		12,444	
Under $10,000	1,705	3.7%	314	2.5%
$ 10,000 - $19,999	5,464	11.9%	1,170	9.4%
$ 20,000 - $29,999	5,026	11.0%	1,107	8.9%
$ 30,000 - $39,999	4,905	10.7%	1,144	9.2%
$ 40,000 - $49,999	4,783	10.4%	1,166	9.4%
$ 50,000 - $59,999	4,520	9.9%	1,154	9.3%
$ 60,000 - $69,999	3,859	8.4%	1,018	8.2%
$ 70,000 - $79,999	2,778	6.1%	757	6.1%
$ 80,000 - $89,999	2,328	5.1%	633	5.1%
$ 90,000 - $99,999	1,898	4.1%	541	4.3%
$ 100,000 - $ 124,999	3,046	6.6%	999	8.0%
$ 125,000 - $ 149,999	2,127	4.6%	767	6.2%
$ 150,000 - $ 174,999	1,204	2.6%	563	4.5%
$ 175,000 - $ 199,999	685	1.5%	328	2.6%
$ 200,000 - $ 249,999	794	1.7%	431	3.5%
$ 250,000 and over	727	1.6%	353	2.8%
Average income	$72,158		$86,264	
Median Income	$52,304		$61,653	

Resident income levels are a key demographic in assessing retail demand potential as they, along with an area's cost of living, help to determine personal disposable income which is then available for potential spending on retail and services. Evident from the table above, the average and median household income in the PTA area is significantly higher than the City of Victoria.



Travel to Work Profile – 2016 Estimates

Travel to Work	City of Victoria		PTA	
2016 Employed Population 15 Years or Over	42,445		11,417	
Car as driver	18,462	43.5%	4,890	42.8%
Car as passenger	1,365	3.2%	400	3.5%
Public transit	6,322	14.9%	1,485	13.0%
Walked	10,612	25.0%	2,758	24.2%
Bicycle	4,537	10.7%	1,545	13.5%
Other Method	1,147	2.7%	338	3.0%

With respect to mode of travel to and from work, the PTA and the City of Victoria are very similar. Notably, approximately 14% of residents in the PTA use a bicycle as their primary mode of transportation to work and approximately one-quarter of residents in the PTA walk to work, both of which are consistent with the City of Victoria.

Appendix C: Retail Categories

Retail	
Furniture and Home Furnishing Stores	New furniture and home furnishings. These establishments usually operate from showrooms and many offer interior decorating services in addition to the sale of products
Electronics and Appliance Stores	Household appliances, home audio and video equipment, audio and video recordings, cameras, computers and related goods. These establishments may also retail replacement parts and provide repair services
Building Material and Garden Equipment and Supplies Dealers	Specialized or general line of building and home improvement materials, lawn and garden equipment and supplies, outdoor power equipment, and nursery and garden products
Food and Beverage Stores	General or specialized line of food or beverage products. Grocery, specialty foods, and beer/wine/liquor stores
Health and Personal Care Stores	Drug stores and pharmacies, cosmetics, beauty supplies and perfume stores, optical goods stores, food (health) supplement stores and health appliance stores
Gasoline Stations	Primarily engaged in retailing motor fuels, whether or not the gasoline station is operated in conjunction with a convenience store, repair garage, restaurant or other type of operation
Clothing and Clothing Accessories Stores	Clothing and clothing accessories. Clothing stores, shoe stores, and jewelry/luggage/leather goods
Sporting Goods, Hobby, Book, and Music Stores	Sporting goods, games and toys, sewing supplies, fabrics, patterns, yarns and other needlework accessories, musical instruments, and books and other reading materials
General Merchandise Stores	General line of merchandise that may, or may not, include a general line of grocery items - department stores
Miscellaneous Store Retailers	Specialized line of merchandise in other types of specialty stores. Florists, office supplies stores, stationery stores, gift, novelty and souvenir stores, used merchandise stores, pet and pet supplies stores, art dealers and manufactured (mobile) home dealers are included
Service Commercial	
Finance and Insurance	Establishments primarily engaged in financial transactions (that is, transactions involving the creation, liquidation, or change in ownership of financial assets) or in facilitating financial transactions
Real Estate and Rental and Leasing	Establishments primarily engaged in renting, leasing or otherwise allowing the use of tangible or intangible assets. Establishments primarily engaged in managing real estate for others; selling, renting and/or buying of real estate for others; and appraising real estate, are also included
Professional, Scientific and Technical Services	Establishments primarily engaged in activities in which human capital is the major input. These establishments make available the knowledge and skills of their employees, often on an assignment basis. Legal services; accounting, tax preparation, bookkeeping and payroll services; architectural, engineering and related services; specialized design services; computer systems design and related services; management, scientific and technical consulting services; scientific research and development services; and advertising, public relations, and related services

Educational Services	Establishments primarily engaged in providing instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities and training centres. These establishments may be privately owned and operated, either for profit or not, or they may be publicly owned and operated
Health Care and Social Assistance	Establishments primarily engaged in providing health care by diagnosis and treatment, providing residential care for medical and social reasons, and providing social assistance, such as counselling, welfare, child protection, community housing and food services, vocational rehabilitation and child care, to those requiring such assistance
Arts, Entertainment and Recreation	Establishments primarily engaged in operating facilities or providing services to meet the cultural, entertainment and recreational interests of their patrons. These establishments produce, promote or participate in live performances, events or exhibits intended for public viewing; provide the artistic, creative and technical skills necessary for the production of artistic products and live performances; preserve and exhibit objects and sites of historical, cultural or educational interest; and operate facilities or provide services that enable patrons to participate in sports or recreational activities or pursue amusement, hobbies and leisure-time interests
Accommodation	Short-term lodging and complementary services to travelers, vacationers and others, in facilities such as hotels, motor hotels, resorts, motels, casino hotels, bed and breakfast accommodations, housekeeping cottages and cabins, recreational vehicle parks and campgrounds, hunting and fishing camps, and various types of recreational and adventure camps
Food Services	Establishments primarily engaged in preparing meals, snacks and beverages, to customer orders, for immediate consumption on and off the premises
Public Administration	Legislative activities, taxation, national defense, public order and safety, immigration services, foreign affairs and international assistance, and the administration of government programs are activities that are purely governmental in nature
Other Services	Primarily engaged in repairing, or performing general or routine maintenance, on motor vehicles, machinery, equipment and other products to ensure that they work efficiently; providing personal care services, funeral services, laundry services and other services to individuals, such as pet care services and photo finishing services