

Preliminary Commercial Needs Assessment

To: Matt Johnston, Principal, UrbanSolutions
Scott Beedie, Planner, UrbanSolutions

From: Doug Annand, Partner, urbanMetrics
Marian Mendoza, Associate Consultant, urbanMetrics

Date: December 12, 2023

Re: White Church Secondary Plan - Preliminary Commercial Needs Assessment

1.0 Background

urbanMetrics inc. (“urbanMetrics”) has been retained by the Whitechurch Landowners Group Inc. (the “Landowners Group”) to prepare a *Preliminary Commercial Needs Assessment* for the White Church Secondary Plan (“White Church SP”, the “Secondary Plan”, the “subject lands”) area in the City of Hamilton, Ontario (the “City”).

Concept Plan

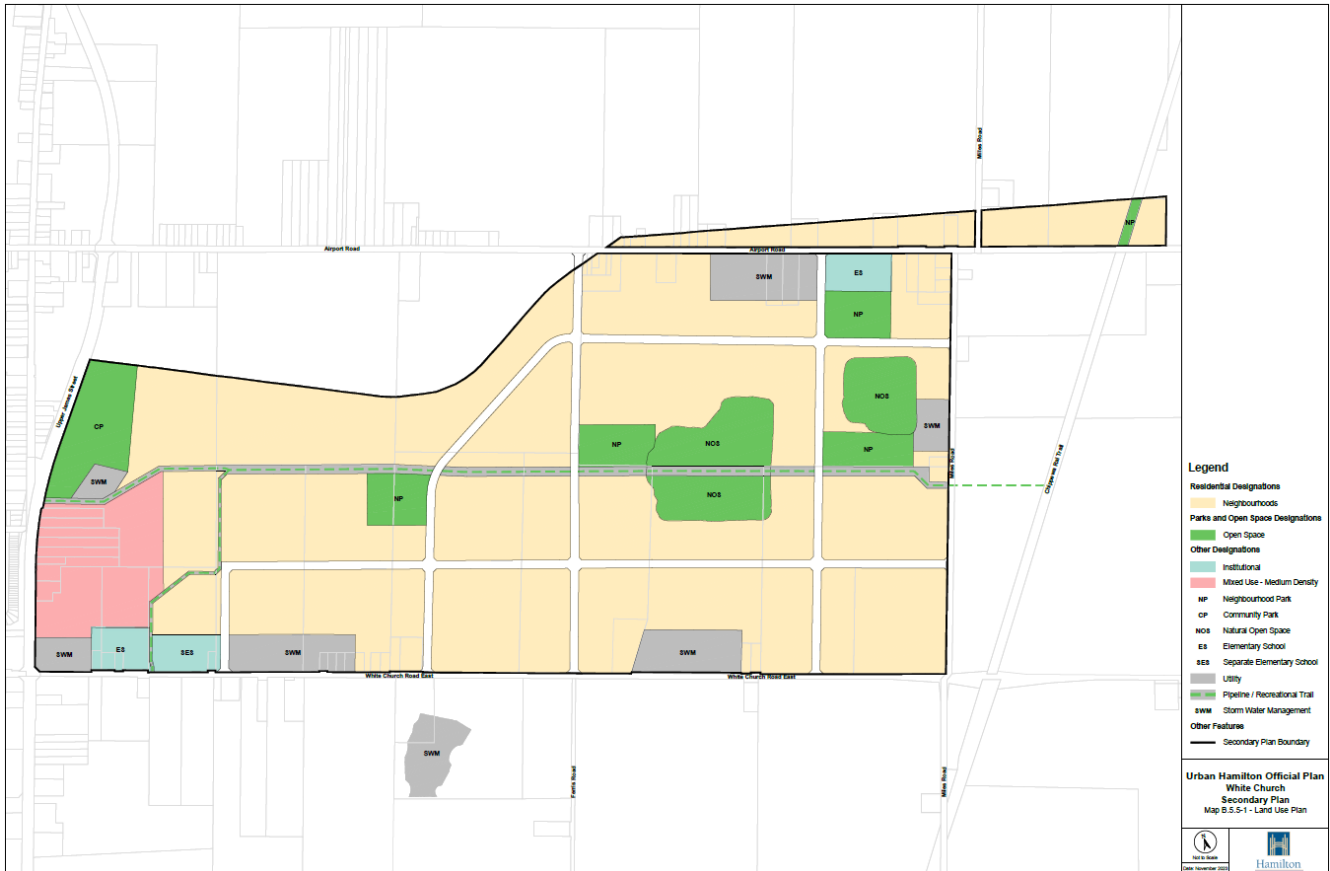
Based on a preliminary draft land use plan provided by UrbanSolutions Planning & Land Development Consultants Inc. (“UrbanSolutions”) in December 2023 (see Figure 1-1), the White Church SP will be comprised of approximately 330 hectares of land. This plan includes just under 220 hectares of primarily low-density residential development and designates 16.38 hectares of land for Mixed Use Medium Density¹ uses.

The estimated population of the White Church SP, based on a net density of 22 UPH and a blended persons per unit (PPU) factor of 3.5, will be approximately 17,000 persons. This yields a density of approximately 77 people per hectare. **We note that this estimate**

¹ Population estimates are based on a previous land use plan which designated the subject lands as 16.38 hectares of District Commercial.

excludes any population that ultimately could be accommodated within the Mixed Use - Medium Density designation.

Figure 1-1: Draft Land Use Plan



SOURCE: UrbanSolutions, dated December 7, 2023

2.0 Subject Lands and Access

The subject lands are located in the southern portion of the Hamilton urban area, designated as an Urban Expansion Area – Neighbourhoods. The White Church SP is located just east of the built up Mount Hope neighbourhood, which is part of the former town of Glanbrook. Currently, the subject lands are occupied by rural residential homes along the arterial roads and most of the Southern Pines Golf and Country Club.

Upper James Street, the western boundary of the Secondary Plan area, is a four-lane major arterial that largely functions as a thoroughfare connecting the Mount Hope area with the rest of urban Hamilton. South of Airport Road, there are limited access points to Upper

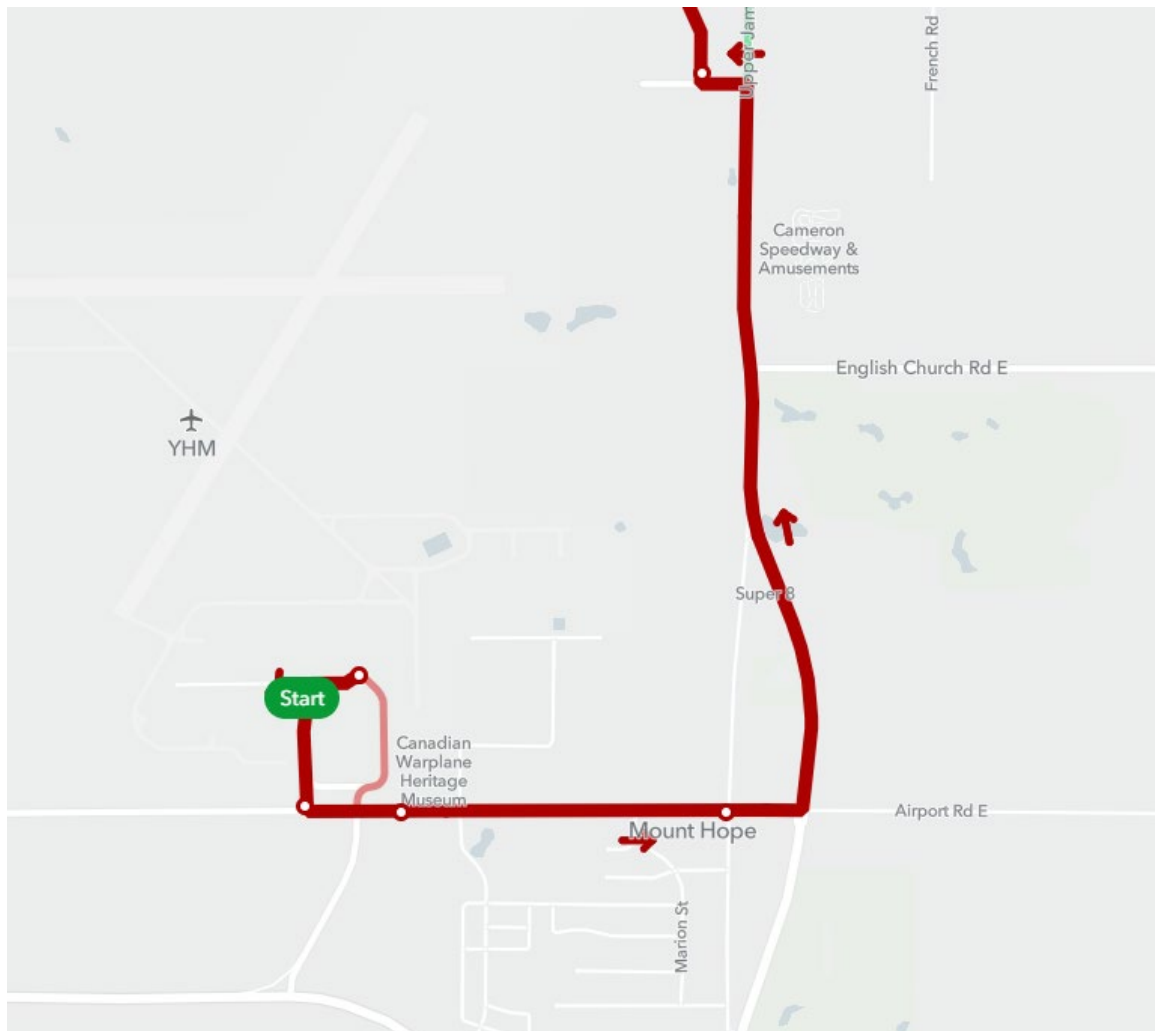
James Street from the residential neighbourhoods. Most of the existing commercial space in Mount Hope is concentrated around the intersection of Homestead Drive and Airport Road.

The other boundaries of the subject lands, White Church Road, Miles Road, and Airport Road are two-lane roads that primarily support rural traffic. Approximately five kilometres east of the White Church SP area is Binbrook, a village with approximately 11,000 residents.

The proposed commercial site on the subject lands—the lands designated Mixed Use - Medium Density—will be located at the northeast corner of White Church Road and Upper James Street, just north of a proposed storm water management area and a proposed elementary school. The commercial uses at this location will be visible from both arterials and will front onto another planned commercial site on the northwest corner of the intersection.

There is one public transit route operated by the Hamilton Street Railway (“HSR”) that services the community, the 20 A-Line Express (Figure 2-1). The northbound route makes three stops near the Hamilton International Airport, and one stop in the centre of the community at Airport Road and Homestead Drive. This transit route connects the Mount Hope community with the balance of the urban Hamilton area. No public transit currently operates near the subject lands that will include the majority of the community’s commercial space.

Figure 2-1: HSR Network Fall 2023 Network Map - Northbound



SOURCE: Fall 2023 HSR Network - Customer Experience Map by Remix

3.0 Trade Area

Delineation

We have delineated a Trade Area (as shown in Figure 3-1) where the majority of sales would be derived for any commercial space planned within the White Church SP area. This

area includes the entirety of the White Church SP and the Mount Hope community.² The boundaries of the Trade Area can be generally defined by English Church Road to the north cutting across through the Hamilton International Airport, Glancaster Road to the west, Chippewa Road to the south, and Miles Road to the east.

Figure 3-1: Trade Area



SOURCE: urbanMetrics, with ESRI basemap

² Statistics Canada defines the Mount Hope community as a Retired population centre (RPC) type of designated place.

Population

Based on our review of 2021 census data, the City of Hamilton’s development applications portal, and our in-person assessment of residential developments existing in the Mount Hope community, we estimate that **the current population within the Trade Area is approximately 5,550 residents**. At full build-out of the White Church Secondary Plan area including all other development applications and projects under construction, **we estimate that the build-out population of the Trade Area will be some 23,500 persons**. We expect that this Trade Area population will be the primary market for any retail/service commercial uses that are warranted within the White Church SP area.

Figure 3-2: Trade Area Population

	2023	Build-Out
White Church SP	0	16,950
<i>Growth</i>		<i>16,950</i>
Trade Area	5,550	23,500
<i>Growth</i>		<i>17,950</i>

SOURCE: urbanMetrics inc. Forecast population rounded to the nearest 50 persons.

Based on Statistics Canada 2021 Census data, City of Hamilton development applications data, and the PPU factor from City of Hamilton 2019 Development Charges Background Study by Watson & Associates.

4.0 Retail/Service Commercial Inventory

We conducted an in-person inventory of all retail/service commercial space in the Trade Area in December 2023.

Commercial inventories typically include the following categories, as per the North American Industry Classification System (“NAICS”):

- Food Store Retail (“FSR”);
- Non-Food Store Retail (“NFSR”);
- Beer, Wine and Liquor (“BWL”);
- Services; and
- Vacant space.

The Trade Area currently has minimal retail/service offerings, even within the local-serving categories. **In total, there are just over 50,000 square feet of retail/service commercial space in the Mount Hope community and Trade Area.**

There are no supermarkets, apparel stores, or general merchandise stores to support existing residents living in the community. There is one local food store at the intersection of Airport Road and Homestead Drive that functions as a convenience store with simple grocery staples. Automotive repair shops are the most represented retail category. A large tiling store is located just south of White Church Road, which comprises most of the space in the Building and Outdoor Home Supply category.

Current residents of the Mount Hope community are likely required to drive 10 minutes (6 km) to stores located in the built-up urban Hamilton area to conduct most of their weekly shopping. They likely shop at the nearest Arterial Commercial node at South Hamilton Square or at other commercial plazas located along Rymal Road and Upper James Street which have a full range of retail/service stores.

Considering the ongoing growth in Mount Hope and the substantial population increase that will result from the build-out of the White Church SP area, there will be significant opportunity for new commercial space to support the daily and weekly shopping needs of the local population.

Figure 4-1: Trade Area Inventory

Category	Trade Area	% of Total Inventory
Food Store Retail (FSR)	3,500	6.7%
Convenience & Specialty Food	3,500	6.7%
Non-Food Store Retail (NFSR)	17,800	34.0%
Building and Outdoor Home Supply	16,700	31.9%
Miscellaneous Retailers	500	1.0%
Pharmacies & Personal Care	600	1.1%
Services	25,000	47.8%
Food Services & Drinking Places	9,300	17.8%
Health Care	3,500	6.7%
Personal & Household Goods Repair & Maintenance	8,400	16.1%
Social Services	3,800	7.3%
Vacant	6,000	11.5%
Grand Total	52,300	100.0%
Vacancy Rate (%)	11.5%	

SOURCE: urbanMetrics, based on in-person inventory in December 2023

5.0 Market Demand Analysis

Per Capita Analysis

We have conducted a per capita space analysis as a preliminary assessment of the future demand for retail/service commercial space within the Trade Area. This per capita space analysis is based on population levels that reflect the full build-out of all active development applications in the Trade Area including the proposed White Church SP area.

The per capita method relies on the following factors and assumptions:

- Typical per capita space factors for retail/service facilities in markets of similar size, based on urbanMetrics' professional experience;
- The portion of Trade Area residents' space requirements that are likely to be served directly by commercial space located within the Trade Area; and
- The amount of additional retail/service space that would be supported by inflow expenditures from people visiting the Trade Area.

Figure 5-1 below has been the basis for determining the warranted space required in each retail/service category.

As illustrated in Figure 5-1 below, in total, approximately 438,900 square feet of retail/service space would be warranted within the Trade Area at full build-out. This space is comprised of the following categories:

- 80,900 square feet of FSR space;
- 13,800 square feet of BWL space;
- 156,200 square feet of NFSR space; and
- 188,000 square feet of Service space.

We have used relatively high target capture rates and low inflow rates in this demand analysis as the Trade Area is largely disconnected from other communities in Hamilton. All new retail/service commercial space that would be built in the Mount Hope / White Church SP area would primarily be supported by the local population.

This new and existing population would support at least one new full-size supermarket and a small local food store (potentially incorporated within a mixed-use building or in a convenience commercial designated land use) located elsewhere within the Secondary Plan area. The expected population growth in the Trade Area would warrant a full range of local-serving uses, such as apparel stores, a pharmacy, personal care stores, food services, financial services, and business services. Based on the current land use plan, all commercial space is planned for the southwestern part of the Secondary Plan area. However, we recognize that there may be other convenience-oriented locations throughout the Secondary Plan area where a limited amount of space may be warranted once the local road network has been established.

We do recognize that this Commercial Needs Assessment is being conducted in the early stages of the planning process and this needs assessment should be re-evaluated if and when there are any changes to the concept plan and/or the estimated build-out population.

Figure 5-1: Per Capita Space Analysis

Commercial Needs - Retail Category	Typical Space Per Capita (Sq Ft)	Total Space Required by Residents (Sq Ft)	Target Capture	Space Required (Sq Ft)	Inflow	Total Warranted Space (Sq Ft)						
Trade Area Population (Build-out)	[(23,500 x	A	=	B)	x	C	=	D]	x	(1+E)	=	F
Store Categories												
Food Store Retail	4.5											
Convenience and Speciality Food	1.0	23,500	65%	15,275	15%	18,000						
Supermarkets & Grocery	3.5	82,250	65%	53,463	15%	62,900						
Beer, Wine Liquor	1.0	23,500	50%	11,750	15%	13,800						
Non-Food Store Retail	11.5											
Apparel and Accessories	1.0	23,500	30%	7,050	15%	8,300						
Building and Outdoor Home Supply	2.5	58,750	60%	35,250	15%	41,500						
Furniture, Home Furnishings & Electronics Store	2.5	58,750	30%	17,625	15%	20,700						
General Merchandise	2.0	47,000	65%	30,550	15%	35,900						
Miscellaneous Retailers	2.0	47,000	30%	14,100	15%	16,600						
Pharmacies & Personal Care Stores	1.5	35,250	80%	28,200	15%	33,200						
Services	13.0											
Food Services & Drinking Places	3.0	70,500	60%	42,300	15%	49,800						
Finance, Insurance and Real Estate	2.0	47,000	60%	28,200	15%	33,200						
Health Care	1.5	35,250	70%	24,675	15%	29,000						
Personal Care	2.0	47,000	70%	32,900	15%	38,700						
Business Services ¹	1.5	35,250	30%	10,575	15%	12,400						
Other ²	3.0	70,500	30%	21,150	15%	24,900						
Total	30.0					438,900						

SOURCE: urbanMetrics inc.

¹ Includes: Professional, Scientific and Technical Services, Select Civic and Social Organizations, Selected Office Administration and Selected Educational Services

² Includes: Cultural, Entertainment and Recreation, Personal & Household Goods Repair and Maintenance, & Social Services

Proposed Commercial Uses

Based on our review of the City of Hamilton’s development applications portal, we have identified two proposed commercial developments within the Trade Area, totalling approximately 38,000 square feet of new commercial space that will serve the needs of existing and future residents:

- 3530 Upper James Street – 31,500 square feet.**

There are two specific applications on this site, one for a 420-square-meter (4,500 square feet) restaurant, and a two-storey commercial building with 2,069 square

metres (22,700 square feet) of ground floor retail space and 437 square metres (4,700 square feet) of office space on the upper level.

In our professional experience in conducting commercial market studies, the upper-level office space in retail plazas tends to be tenanted by local-serving office uses (e.g., educational school, medical/dental office, finance, insurance, real estate office).

This site is located immediately west of the proposed Mixed Use – Medium Density site that would accommodate the proposed commercial uses that would be located within the White Church Secondary Plan.

2. **3311 Homestead Drive – 6,500 square feet.**

On this site, there is a proposed two-storey, 600-square-metre (6,500 square feet) commercial office building along with 167 townhomes.

6.0 Conclusions

This *Preliminary Commercial Needs Assessment* has identified a significant need for new retail/service space within the White Church Secondary Plan area. We recognize that this study has been conducted in the early stages of the planning process for the White Church Secondary Plan area and should be re-evaluated if and when there are any changes to the concept plan and/or the estimated build-out population. Our conclusions are summarized below:

- The subject Trade Area will have a build-out population of approximately 23,500 residents based on our review of active development applications, recognition of residential projects under construction, and the expected future population in the White Church Secondary Plan area.
- We have identified that some 438,900 square feet of retail/service space would be warranted to support the build-out population of the Trade Area.
- Approximately 38,000 square feet of this space can be accommodated in the active commercial development applications noted above, of which 31,500 square feet is to be located immediately west of the Mixed Use – Medium Density lands within the White Church SP area. This proposed space would effectively create a contiguous commercial area in the Trade Area on the north side of White Church Road on Upper James Street.
- In addition, some of the total warranted space could be accommodated in small-format or mixed-use retail uses in other areas of the Secondary Plan lands to support residents living further away from Upper James Street.