


TOWNSHIP OF Wilmot

# NEW OFFICIAL PLAN
# Commercial Needs Background Report

DRAFT

October 2025

urban Metrics

NETHERY Planning

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# 1.0 Introduction and Purpose of the Discussion Paper

This section provides an overview of what an Official Plan is and how it is operationalized. It introduces the Township's new Official Plan process, the discussion papers, and the purpose of this discussion paper.

## 1.1 What is an Official Plan?

An Official Plan is a comprehensive document, intended for long-term use, that shapes the future of a municipality by establishing how land in the community will be used. It outlines the goals, objectives, and policies for sustainable, efficient, growth within Wilmot Township. All development and public works in the township must conform to the Official Plan.

The legislative ability for municipalities to enact an Official Plan arises from the Provincial *Planning Act.* All policies in the Official Plan must conform to this higher-order Provincial legislation. The Township of Wilmot is in the process of crafting a new Official Plan which will guide growth and development within Wilmot to the year 2051. For the past two decades, growth in Wilmot has been shaped by both the Region of Waterloo's Official Plan and the Wilmot Official Plan. With recent provincial legislation that removed planning authority from the Region of Waterloo, Wilmot has the opportunity to create a made for Wilmot Official Plan. This will incorporate the best of our past and present Official Plan policies, while charting out the future of Wilmot to the year 2051. A new Official Plan is being created to replace the existing Township and Regional Official Plans and align with the 2024 Provincial Planning Statement.

The new Official Plan will build on the Township's long-term vision for growth with a renewed focus on complete communities. This will include a range and mix of housing, employment opportunities, schools, recreational amenities, options for servicing, roads, and active transportation while protecting natural heritage features and farmland.

## 1.2 Township of Wilmot New Official Plan Process

The creation of Wilmot's New Official Plan will occur over a year-long period with several touchpoints for community consultation.




*Figure 1 Graphic showing the Wilmot New Official Plan Process*

**Phase 1** of the project included drafting the Consultation Strategy and early conversations the project team held with Wilmot residents to inform the process. A series of one-on-one conversations were had between residents and interested members of the public to lay the foundation for the project. Notice of the project initiation was provided to agencies and Indigenous communities. The Township of Wilmot project team hosted a booth at the 2025 New Hamburg Fall Fair, where we began to shape a vision for what Wilmot's new Official Plan could look like. Following those initial early touchpoints with the community, a formal Public Workshop was held on September 23, 2025 to gather thoughts from the public on the vision and fundamental principle that form the foundation of the new Official Plan.

**Phase 2** of the Official Plan involves conducting Background Research and Study Preparation, which includes the release of seven draft discussion papers for public and stakeholder review and comment. At this time, a Special Meeting of Council will be held to formally introduce the project to the community and offer tangible research that will help focus community conversations  on the themes of housing, commercial needs,

employment, transportation, water and wastewater, stormwater management, and urban design. Based on public feedback, the draft discussion papers will be reviewed and finalized. What we've heard will inform a series of policy directions which will inform Phase 3 of the project.

**Phase 3** of Wilmot's new Official Plan is the drafting of policies and land use maps. These draft policies and maps will be published as draft and shared with Wilmot residents, stakeholders, and Indigenous communities for any further suggestions and input. A copy of the draft Official Plan will be forwarded to the Ministry of Municipal Affairs and Housing for their review as part of Phase 3 of the project.

**Phase 4** of the project involves the formal adoption of Wilmot's new Official Plan by the Township of Wilmot's Council. Once Council adopts Wilmot's new Official Plan, the Official Plan will be forwarded to the Ministry of Municipal Affairs and Housing for the Minister's review and approval. After ministerial approval, the Township's new Official Plan will be in effect and replace both existing Township and Regional Official Plans.

### 1.3 What are the Discussion Papers?

A series of seven background supporting studies have been developed to support the creation of Wilmot's New Official Plan. Each of the discussion papers covers a key theme for the project, including:

- Housing Needs Study
- Commercial Needs Analysis
- Employment Projections and Employment Land Needs Analysis
- Transportation
- Water, Wastewater Servicing Strategy
- Stormwater Servicing Strategy
- Urban Design Guidelines

The discussion papers will form the basis of the first phase of consultation for the project and assist Wilmot Township in developing the preliminary policy directions for the New Official Plan.

### 1.4 Purpose of this Discussion Paper

This Discussion Paper is intended to generate discussion around the future of commercial uses in Wilmot Township as it grows. It examines current legislation, commercial trends, commercial inventory, and a commercial market analysis for the Township. This **DRAFT**, while it contains much analysis, will be updated in its **FINAL** version to include recommendations on commercial floor space requirements to support a growing population.

This Discussion Paper sets forth a number of considerations and recommendations for meeting the commercial needs for the Township that can be considered for the implementation in Wilmot's New Official Plan.

## 2.0 Legislative Overview

This section provides an overview of the provincial legislative context which informs the basis of creating Wilmot's New Official Plan.

### 2.1 Planning Act

The *Planning Act* is the overarching Provincial legislation which governs land use planning in Ontario. It establishes the respective roles of the Province and municipalities regarding land use planning and provides the basis for municipalities to create and use various planning tools, such as Official Plans and Zoning By-laws. The Act also sets out regulations for how planning processes are to be carried out, including mandatory dates for the completion of tasks, such as deciding on a planning application and setting the date for a public meeting. Notably, in Section 2, the Act establishes "matters of provincial interest," which municipalities must have regard to when carrying out land use planning. These matters include (but are not limited to) protection of ecological systems, protection of agricultural and natural resources, conservation of cultural history, provision of a full range of housing, the accessibility for persons with disabilities, and the orderly development of safe and healthy communities. It is important to note that all planning decisions and policies made by a municipality (or other planning authority) must conform to the *Planning Act,* as well as provincial plans, as outlined in Section 2.1 of the Act. Further, Section 3 of the Act requires that all planning decisions shall be consistent with the Provincial Planning Statement.

The *Planning Act*, Part III – Official Plans sets out how Official Plans shall be created by a municipality, with respect to content and process.

*16 (1) An official plan shall contain,*

*(a) goals, objectives and policies established primarily to manage and direct physical change and the effects on the social, economic, built and natural*

*environment of the municipality or part of it, or an area that is without municipal organization;*

*(a.1) such policies and measures as are practicable to ensure the adequate provision of affordable housing;*

*(b) a description of the measures and procedures for informing and obtaining the views of the public in respect of,*

*(i) proposed amendments to the official plan or proposed revisions of the plan,*

*(ii) proposed zoning by-laws,*

*(iii) proposed plans of subdivision, and*

*(iv) proposed consents under section 53; and*

*(c) such other matters as may be prescribed.*

Section 17 of the *Planning Act* sets out that "*the Minister is the approval authority in respect of the approval of a plan as an official plan*" and sets out a prescribed process the Township of Wilmot must follow in the preparation of a new Official Plan. Specifically, the Township must provide for consultation and a public meeting, an open house, and adequate notice provided for each.

*(15) In the course of the preparation of a plan, the council shall ensure that,*

*(a) the appropriate approval authority is consulted on the preparation of the plan and given an opportunity to review all supporting information and material and any other prescribed information and material, even if the plan is exempt from approval;*

*(b) the prescribed public bodies are consulted on the preparation of the plan and given an opportunity to review all supporting information and material and any other prescribed information and material;*

*(c) adequate information and material, including a copy of the current proposed plan, is made available to the public, in the prescribed manner, if any; and*

*(d) at least one public meeting is held for the purpose of giving the public an opportunity to make representations in respect of the current proposed plan. 2006, c. 23, s. 9 (2).*

*(16) If the plan is being revised under section 26 or amended in relation to a development permit system, the council shall ensure that at least one open house is held for the purpose of giving the public an opportunity to review and ask questions about the information and material made available under clause (15) (c).*

The creation of Wilmot's new Official Plan must be done in conformity with the *Planning Act* and the legislated process outlined above.

### 2.2 Provincial Planning Statement, 2024

The Provincial Planning Statement, 2024 ("PPS") is a guiding policy document that provides direction on a variety of planning and land use matters in the province. The legal basis for conformity to the PPS is rooted in Section 3 of the *Planning Act*, which requires that all planning decisions be consistent with the minimum standards set out in the PPS. The Provincial Planning Statement outlines that, "Official plans are the most important vehicle for implementation of the Provincial Planning Statement and for achieving comprehensive, integrated and long-term planning."

The PPS puts forward policy regarding housing, infrastructure, resource management, and public health. Pertinent policies for the new Wilmot Official Plan include adjustments to municipal planning boundaries, regulations regarding employment

areas, agricultural protection, and population growth targets. Specific policy guidance is provided by the PPS, as it relates to planning for people and homes.

*2.1.3 At the time of creating a new official plan and each official plan update, sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but not more than 30 years, informed by provincial guidance. Planning for infrastructure, public service facilities, strategic growth areas and employment areas may extend beyond this time horizon.*

Furthermore, the PPS provides general policies for implementation and interpretation as it relates to the creation of Wilmot's new Official Plan.

*6.1.5 Official plans shall identify provincial interests and set out appropriate land use designations and policies. Official plans shall provide clear, reasonable and attainable policies to protect provincial interests and facilitate development in suitable areas.*

*In order to protect provincial interests, planning authorities shall keep their official plans up-to date with the Provincial Planning Statement. The policies of the Provincial Planning Statement continue to apply after adoption and approval of an official plan.*

Section 2.4, Strategic Growth Areas, provides specific guidance for developing commercial uses.

*2.4.1.2 To support the achievement of complete communities, a range and mix of housing options, intensification and more mixed-use development, strategic growth areas should be planned:*

*(a) to accommodate significant population and employment growth;*

*(b) as focal areas for education, commercial, recreational, and cultural uses;*

*(c) to accommodate and support the transit network and provide connection points for inter-and intra-regional transit; and*

*(d) to support affordable, accessible, and equitable housing.*

*2.4.1.3 Planning authorities should:*

*(a) prioritize planning and investment for infrastructure and public service facilities in strategic growth areas;*

*(b) identify the appropriate type and scale of development in strategic growth areas and the transition of built form to adjacent areas;*

*(c) permit development and intensification in strategic growth areas to support the achievement of complete communities and a compact built form;*

*(d) consider a student housing strategy when planning for strategic growth areas; and*

*(e) support redevelopment of commercially-designated retail lands (e.g., underutilized shopping malls and plazas), to support mixed-use residential.*

Finally, once Wilmot's new Official Plan has been approved by the minister, the PPS sets out a requirement for ongoing monitoring of the Official Plan's implementation.

## 3.0 Local Commercial Needs Policy Context

This section provides an overview of existing relevant economic development policies at the Regional and local level, to understand the policy context that the New Wilmot Official Plan will be expanding on.

### 3.1 Region of Waterloo Official Plan, 2025

The Waterloo Regional Official Plan, 2025 ("ROP") was the Official Plan of the Region of Waterloo, which is an upper-tier municipality that encompasses a federation of lower-tier municipalities, including the Township of Wilmot. Historically, the Region of Waterloo was the approval authority for the Township of Wilmot's Official Plan, and Wilmot was required to conform to that plan.

As of January 1, 2025, the Waterloo Regional Official Plan became a Local Plan of the Township of Wilmot. A new Official Plan is being created to replace the existing Township and Regional Official Plans and align with the 2024 Provincial Planning Statement. Wilmot's new Official Plan will incorporate the best of the Region of Waterloo's Official Plan policies, while charting out the future of Wilmot Township's growth to the year 2051.

The Region of Waterloo's Official Plan contained high-level policies which ensured that Waterloo Region's economy is adaptable, innovative, and creative. These policies spoke briefly to:

- Protecting the environment, promoting cultural heritage, coordinating reurbanization-oriented financial incentive programs, and providing employment support services that help maximize the potential for employment and entrepreneurship.
- Accommodating forecasted employment growth using a balanced approach to the provision and development of employment areas within both the Built-Up Area and Urban and Township Designated Greenfield Areas.

More specific policies to support economic prosperity took direction from the Region's Official Plan, and are implemented through the Township of Wilmot's Official Plan.

### 3.2 Region of Waterloo Land Needs Assessment, 2022

Retail and service-commercial jobs are included within Population-Related Employment (PRE) in the Region of Waterloo Land Needs Assessment. As identified in the land needs, Population-Related Employment is largely accommodated in downtown areas, commercial corridors and nodes, neighbourhood plazas, as well as institutional buildings, and includes institutional jobs and work-from home jobs. A small portion of PRE is located in Employment Areas. As this land needs assessment was conducted before the Provincial Planning Statement, 2024 was released, a greater range of retail uses were still permitted in employment areas. As the new Official Plan is prepared, the Township must give greater regard to the Provincial Planning Statement and update policies in alignment with the new provincial context.

### 3.3 Township of Wilmot Development Charges Background Study, 2021

The Town of Wilmot Development Charges Background Study identified a commercial/population-related employee density of 580 square feet per employee, with a total of 2,560 commercial/population employees by mid-2031, an increase of 642 jobs from 2019. This represents an increase of 372,400 square feet of commercial/population-related space by 2031.

### 3.4 Waterloo Region Economic Development Strategy, 2014

The Waterloo Region Economic Development Strategy identified that additional retail facilities will be required as the Region grows. Well-located retail can help structure neighbourhoods, while retail in core areas can support the quality of the urban realm.

### 3.5 Township of Wilmot Strategic Action Plan: 2025–2027

The Township of Wilmot Strategic Action Plan identified several goals which are relevant to the growth of commercial space in the Township. Goal 3.1 is "Encouraging well-

planned growth while preserving our rural heritage and small-town character," while goal 3.2 is "support local businesses and provide more housing options." These goals indicate that local-serving commercial uses are the priority for the Township, rather than regional-serving retail nodes.

### 3.6 Waterloo Rural Investment Readiness Strategy, 2025

Waterloo Economic Development Corporation's Rural Investment Strategy was prepared to guide the growth and development of Employment Areas over the next 30 years. This report identified that 25% of jobs on employment lands in Wilmot are in the retail sector. Now that the Provincial Planning Statement 2024 defines Employment Area to exclude retail and office uses that are not associated with the primary employment use, the location of retail uses moving forward are likely to shift towards urban areas as a result of this policy change.

## 4.0 Key Topics for Discussion

The following section provides an overview of the key topics for discussion as they relate to the Commercial Needs Discussion Paper.

### 4.1 Commercial Market Trends

This section will provide an overview of key commercial trends impacting the Township and broader commercial market. It will also discuss the role of different formats of commercial space (e.g., local storefronts, commercial plazas, and regional malls). The key metrics for the broader retail/service commercial market are vacancy rates and commercial rents per square foot.

**Key Commercial Market Trends**

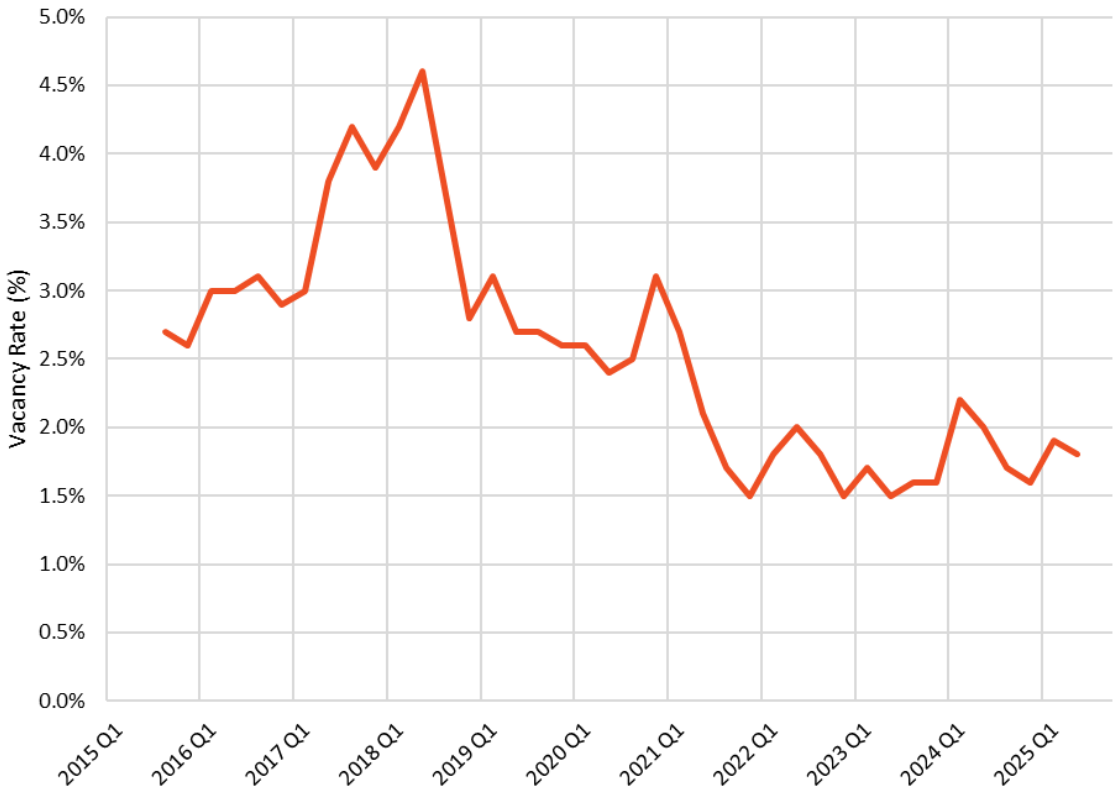



*Figure 2 Waterloo Region Commercial Vacancy Rate*Source: CoStar Data, uMi

**Figure 2** illustrates commercial vacancy rates in Waterloo Region from 2015 through Q2 2025. The data reveals significant fluctuations during the 2015-2022 period, with vacancy rates reaching their highest point of 4.6% in Q2 2018. Following a modest increase in Q4 2020, vacancy rates declined and have stabilized to within the 1.5% to 2% range since Q1 2022.

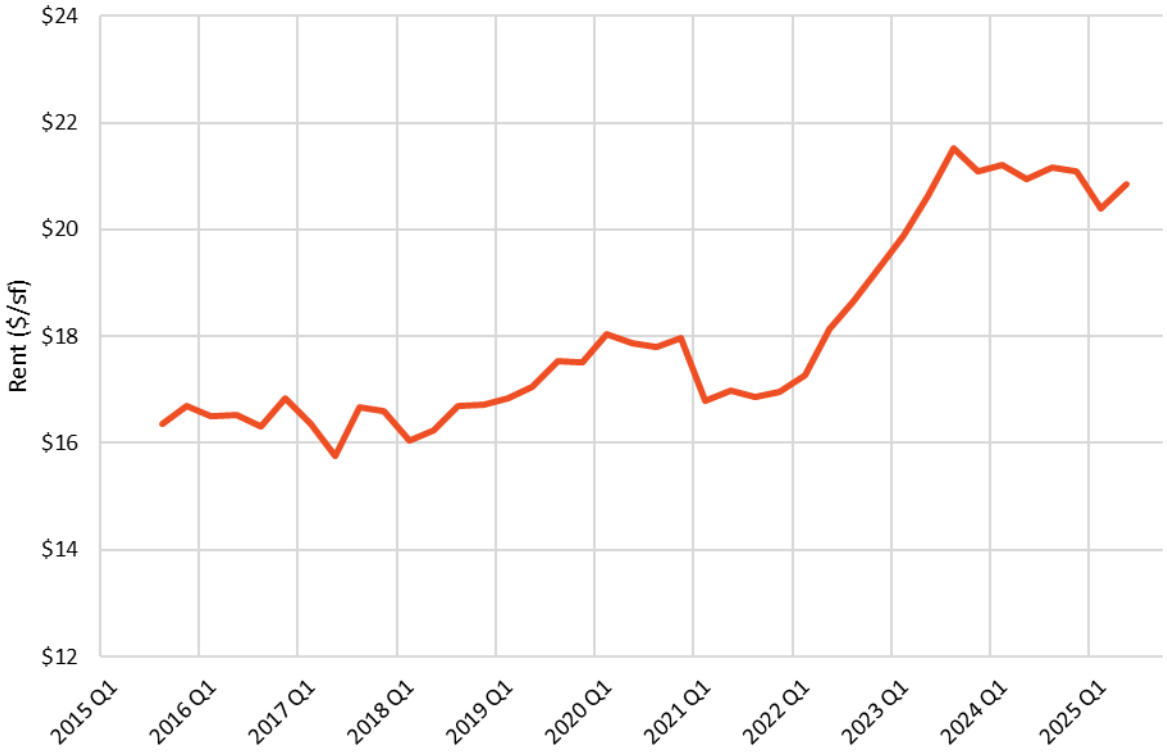



*Figure 3: Waterloo Region Average Commercial Space Net Rent per Square Foot*
*Source: urbanMetrics, with data from CoStar*

**Figure 3** displays average commercial rent per square foot in Waterloo Region. Rental rates remained stable between 2015 and 2022, fluctuating within the $16 to $18 per square foot range. Beginning in Q1 2022, rents increased substantially year-over-year, peaking at over $21 per square foot in Q3 2023 before stabilizing between $20–$22 per square foot.

This rental increase corresponds directly with the period of lowest vacancy rates shown in the previous figure, indicating heightened demand for commercial space across Waterloo Region. It also suggests there may be significant pent-up demand. As Wilmot's population continues expanding, retail service demand will grow accordingly, driving further need for commercial real estate. Together, these trends demonstrate that commercial space demand is currently high and projected to increase, supporting continued development of new commercial properties in Wilmot.

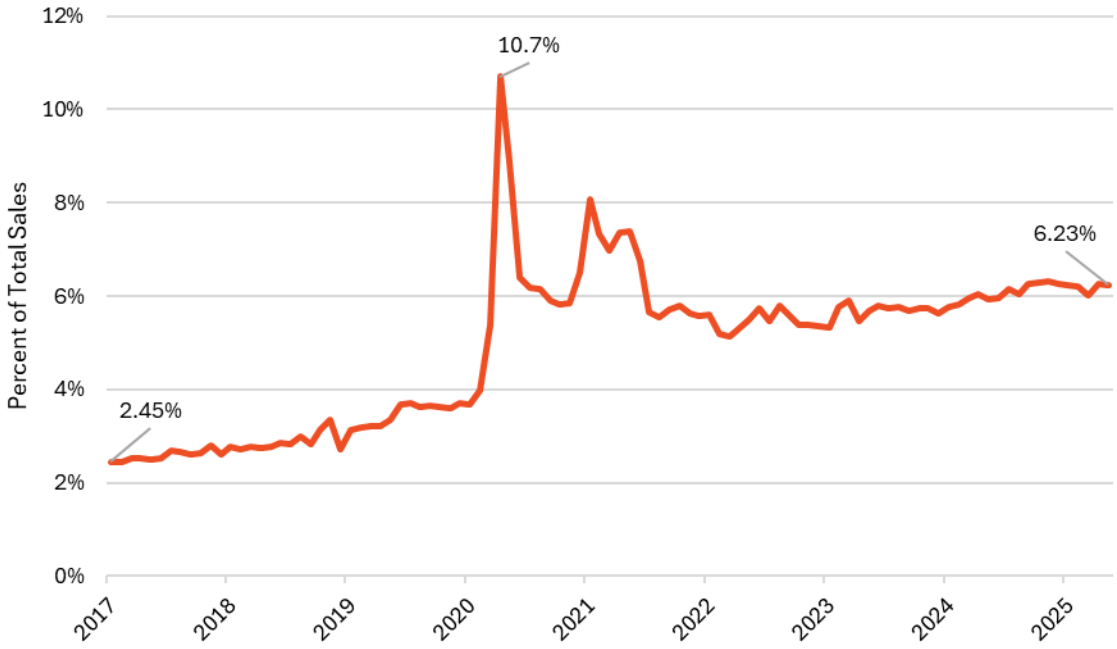



*Figure 4: E-Commerce Sales as a Percent of Total Retail Sales (Seasonally Adjusted)*
*Source: urbanMetrics Inc., with data from Statistics Canada table 20-10-0056-01*

**Figure 4** illustrates Canada's e-commerce sales trends over the past decade, showing e-commerce as a percentage of total retail sales. While this represents national data, it provides the most detailed available e-commerce information and likely reflects comparable trends in Waterloo Region.

Pre-pandemic e-commerce comprised 2.5% to 3.5% of total retail sales. Following COVID-19 lockdowns and in-store shopping restrictions, e-commerce sales surged to

10.7% of all sales, before stabilizing at approximately 6% as restrictions were lifted. Since 2022, e-commerce has shown modest continued growth, reaching 6.23% of total retail sales in Q2 of 2025.

This sustained elevation in e-commerce penetration indicates a long-term trend in consumer behavior, with online shopping maintaining a significantly higher market share than pre-pandemic levels. This is likely to lead to lower overall per capita retail needs moving forward. This is likely to have a lower impact on daily and convenience retail categories such as grocery, pharmacy, and convenience stores. Services tend not to be impacted by e-commerce trends, which makes up a large share of commercial space in Wilmot Township.

## Retail Hierarchy

The retail and service commercial market generally operates within a hierarchy of space types, categorized by retail categories, scale of operations, level of services offered, and customer draw. In recent years, mixed-use development has blurred the hierarchy.

Within Wilmot Township, only the first two categories of the retail hierarchy (convenience retail and neighbourhood centres) can be found, along with larger stand-alone retail buildings that don't fall into the other categories. Larger format commercial areas are found in Kitchener and Waterloo, and service their local population as well as Wilmot Township and other surrounding municipalities. As Wilmot continues to grow, there will not be a need for new higher order categories of retail space, but there will be a need to ensure there is ample Convenience Retail and Neighbourhood Commercial space.

Township planning policies must ensure adequate space allocation for these retail categories to accommodate anticipated demand throughout the planning horizon period, with larger format retail spaces in the hierarchy expected to locate outside of Wilmot.

## Rural Retail

The Rural Retail category represents commercial space in rural areas and has a wide range of sizes and retail categories. This type of retail includes businesses such as garden centres/nurseries, food stores associated with a farm, and construction supply stores. It typically does not benefit from proximity to nearby retail clusters, and either requires large areas of inexpensive land, or adding value to products produced onsite by selling directly to consumers. Rural retail is also located off municipal services (i.e., private well and sewage). This type of retail is usually only found in any significant amounts in rural communities with a supportive planning framework. Such on-farm diversified uses are encouraged through Provincial policy.

## Convenience Retail

Convenience retail nodes represent the lowest level of the hierarchy, serving persons living in close proximity, typically with stores and services required on frequent basis. Small convenience centres could comprise some 5,000 to 15,000 square feet, with larger centres up to about 50,000 square feet. They are typically anchored by a convenience food store, drug store, and/or dollar store, and contain a range of services, such as food service outlets, personal services, and local serving offices.




*Figure 5 Convenience Centre – Baden Village Square, Snyder's Road West*

## Neighbourhood Centres

Neighbourhood Centres represent the second-smallest retail format in this hierarchy, where multiple smaller retailers cluster together to create moderately-sized commercial areas. These centres typically range from 50,000 to 100,000 square feet (4,645 to 9,290 square metres) and are anchored by supermarkets, pharmacies, banks, or liquor stores. With trade areas extending one to three kilometres from their location, Neighbourhood Centres serve a broader area than Convenience Centres and are designed to fulfill shoppers' weekly retail needs. Usually, a full-size grocery store is the principal tenant and will heavily influence the market for this type of centre.




*Figure 6: Neighbourhood Centre - Sobey's Plaza – Mill Street, New Hamburg*

## Community Shopping Centres, Power Centres, and Regional Malls

These types of shopping centres require a very large population base beyond which will likely exist in Wilmot by the end of the study period. In order for these centres to be developed in Wilmot, they would need to draw primarily from the Kitchener-Waterloo urban area. Such a development scenario is considered unlikely.

## Main Streets and Downtowns

Main streets and downtowns represent special retail destinations which fulfill a wide range of functions important to a community, including retail and service outlets, civic functions, recreation amenities, residential, offices and businesses, educational facilities, and tourism attractions. For this reason, they are often considered the “heart” of their communities. The retail uses thrive on their ability to serve multiple markets, including local employees, nearby residents, tourists, residents from the broader region, and others. Often their retail mix is dominated by small specialty retail outlets and services, but also contains larger stores, such as supermarkets, pharmacies, and general merchandise outlets. Limitations in terms of site size and parking typically make downtowns and main streets unsuitable for large-format retailers. Street front parking and public parking lots are often essential to serving their customers.




*Figure 7: Main Street Retail in Downtown New Hamburg.*

## 4.2 Commercial Inventory

urbanMetrics has conducted an in-person inventory of the retail and service commercial space in Wilmot Township, as well as a high-level desktop inventory of Kitchener and Waterloo (including the St. Jacobs Farmers Market/The Stockyards in Woolwich). Wilmot is the primary study area, with Kitchener and Waterloo providing context on the regional commercial structure.

### Regional Commercial Structure

The overall location and amount of commercial space in Wilmot, Kitchener, and Waterloo is identified in **Figure 7**, with individual stores clustered into nodes for clarity. As shown, Kitchener and Waterloo have much larger commercial nodes and a greater density of commercial nodes than are found in Wilmot. There are also major commercial

nodes located just to the east of the Wilmot-Kitchener/Waterloo municipal boundary, such as The Boardwalk (See **Figure 9**), which are closer to some residents of Wilmot than the primary commercial node in New Hamburg.

As a result of the relative size, location, and number of commercial nodes, Kitchener and Waterloo attract retail customers from surrounding regions, including Wilmot, especially for retail categories that require a large customer base and infrequent customer trips (e.g., clothes, general merchandise, furniture and electronics). Residents of Wilmot that live close to the Kitchener/Waterloo municipal boundary are also likely to fulfill their daily and weekly shopping needs (e.g., convenience store, grocery, pharmacy, restaurants) in the nearby major commercial nodes in Kitchener and Waterloo, while residents of Wilmot that live further away are more likely to visit local retail stores in Wilmot for their daily and weekly shopping needs.

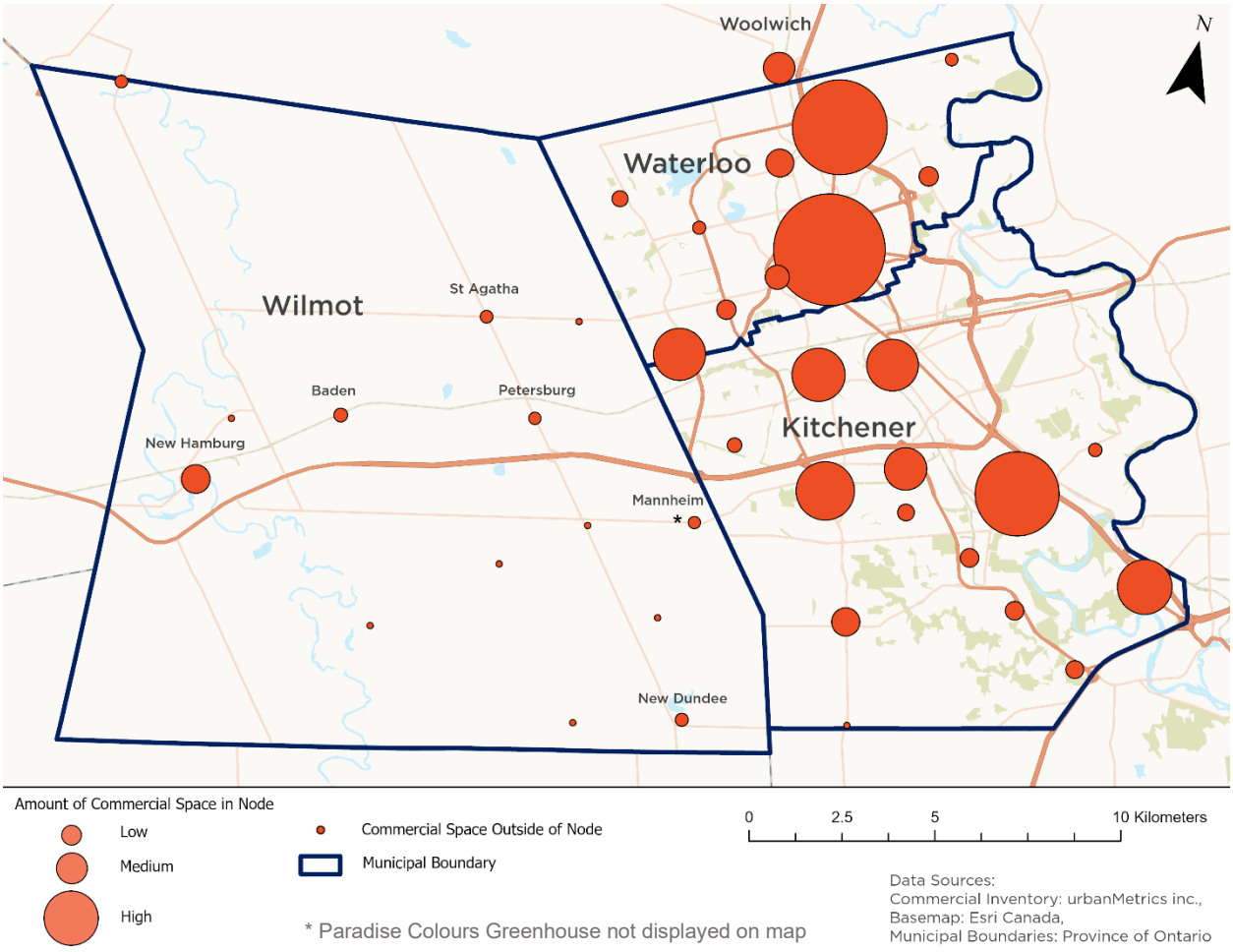



*Figure 8: Wilmot, Kitchener, Waterloo, and St. James Market/The Stockyards Commercial Node Location and Size*

Of note, while this analysis primarily considers the commercial needs of the residents of Wilmot, there may be the potential for new commercial space to draw, in part, from Kitchener/Waterloo residents. The feasibility and location of such commercial space would depend on servicing capacity, the exact location of future residential growth in Kitchener/Waterloo, and interest from an experienced commercial developer/operator.

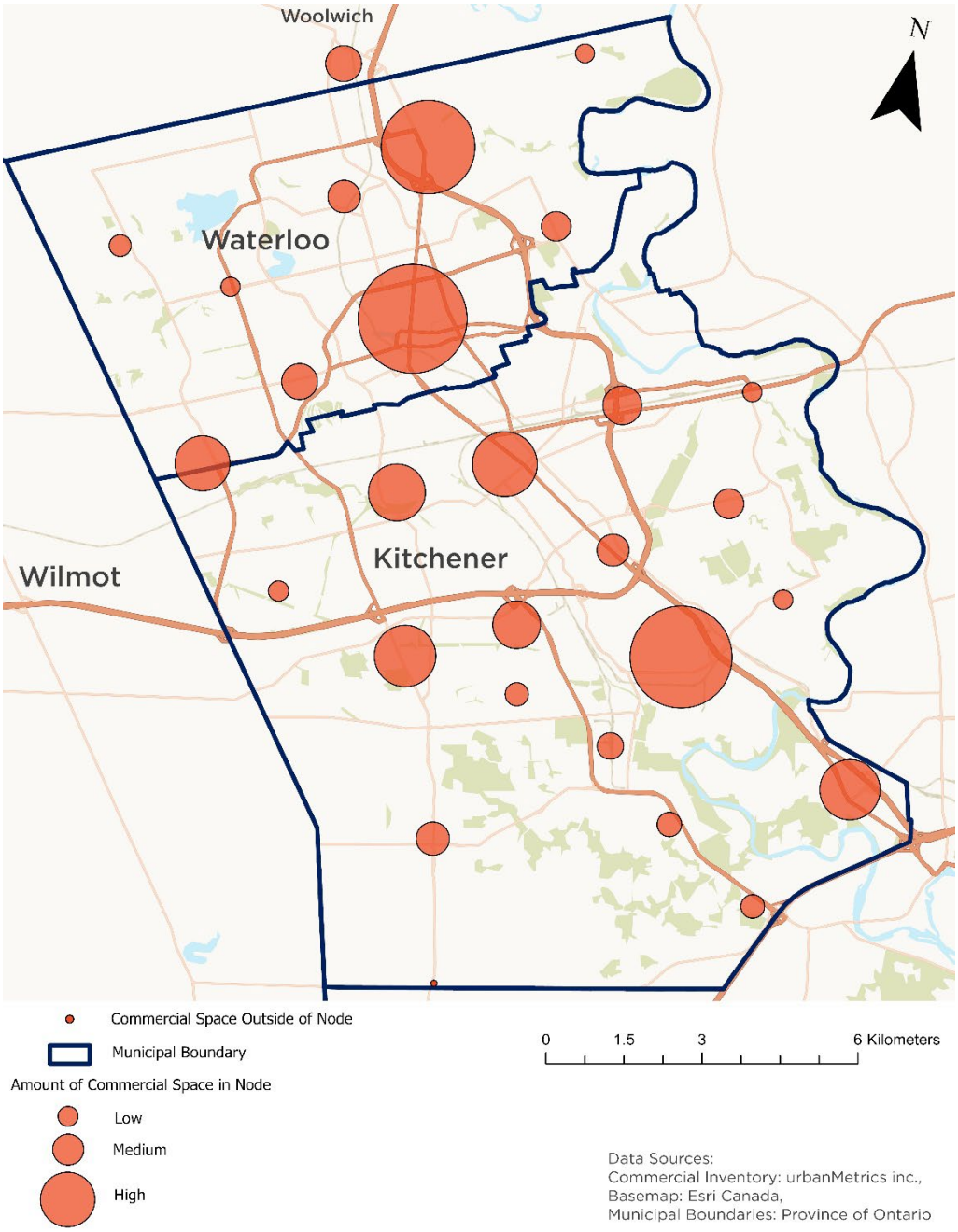



*Figure 9: Kitchener, Waterloo, and St. James Market/The Stockyards Commercial Node Location and Size*

## Wilmot Commercial Structure and Inventory

| Category | Total (SF) | % of Total Inventory |
|---|---|---|
| **Food Store Retail (FSR)** | | |
| Convenience & Specialty Food | 41,300 | **7.4%** |
| Supermarkets & Grocery | 44,800 | **8.1%** |
| Beer, Wine, Liquor (BWL) | 7,600 | **1%** |
| **Non-Food Store Retail (NFSR)** | | |
| Apparel and Accessories | 4,100 | **0.7%** |
| Automotive Parts | 15,000 | **2.7%** |
| Building and Outdoor Home Supply | 131,700 | **23.7%** |
| Furniture, Home Furnishings & Electronics Store | 6,200 | **1.1%** |
| General Merchandise | 13,600 | **2.4%** |
| Miscellaneous Retailers | 42,700 | **7.7%** |
| Pharmacies & Personal Care | 15,800 | **2.8%** |
| **Services** | | |
| Selected Civic and Social Organizations | 0 | **0.0%** |
| Consumer Goods Rental | 0 | **0.0%** |
| Cultural, Entertainment & Recreation | 17,900 | **3.2%** |
| Finance | 11,900 | **2.1%** |
| Food Services & Drinking Places | 62,500 | **11.3%** |
| Health Care | 40,300 | **7.3%** |
| Insurance and Real Estate | 6,600 | **1.2%** |
| Personal & Household Goods Repair & Maintenance | 6,000 | **1.1%** |
| Personal Care | 17,200 | **3.1%** |
| Professional, Scientific & Technical Services | 17,000 | **3.1%** |
| Selected Educational Services | 7,500 | **1.4%** |
| Selected Office Administrative Services | 14,900 | **2.7%** |
| Social Services | 3,200 | **0.6%** |
| **Total Occupied Space** | **527,800** | **95.0%** |
| **Vacant** | **22,300** | **4.0%** |
| **Non-Retail in Retail Space** | **5,300** | **1.0%** |
| **Grand Total** | **555,400** | **100.0%** |

*Figure 10: Wilmot Township Commercial Inventory*

**Figure 10** displays the inventory of commercial space within Wilmot Township by retail category. This figure includes Non-Food Service Retail (NFSR), Services and Food Service Retail (FSR). It includes vacant units and non-retail in retail locations, resulting in a breakdown for both active and inactive retail spaces within Wilmot. The largest component of the NFSR category is building and outdoor home supply because of a

large rural garden centre and a greenhouse that sell to the public, while restaurants and health care services lead the Services category. The FSR category is made up solely of grocery stores, convenience stores, and specialty food stores (e.g., butchers, bakeries, cheese shops). Warehouse clubs (Costco) fall under the NFSR category, as does the food components of Walmart Superstores: while these are not present in Wilmot, both can be found directly to the east of the Wilmot-Kitchener/Waterloo municipal boundary.

The retail inventory does not include automobile repair shops or automobile sales centers, as these buildings are typically designed for specific auto purposes and cannot be easily transitioned for other retail uses. The inventory includes automotive retail (auto parts and tires), as these stores could be used for other retail uses.

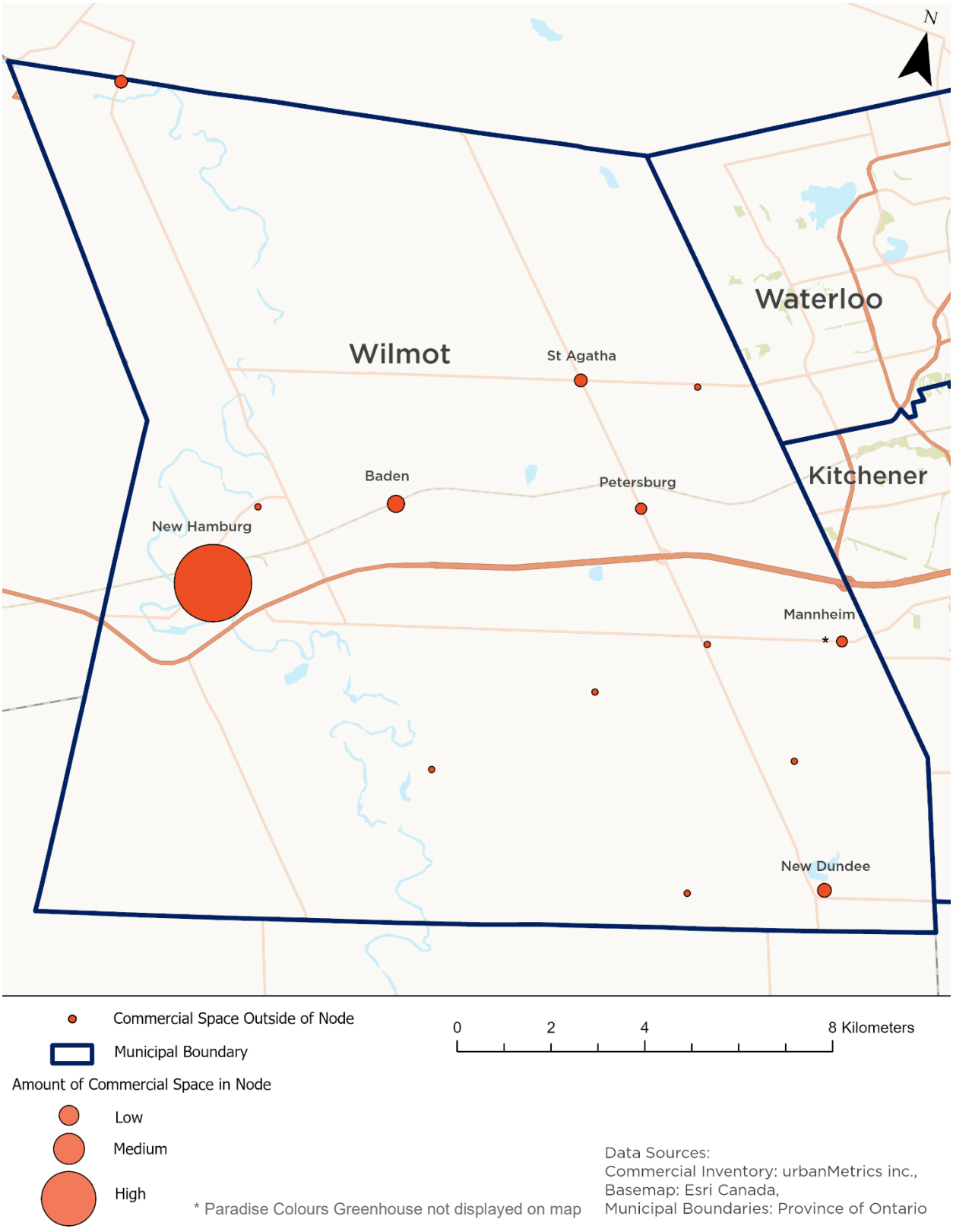

N
Waterloo
Wilmot
St Agatha
Baden
Petersburg
Kitchener
New Hamburg
Mannheim
*
New Dundee
Commercial Space Outside of Node
Municipal Boundary
Amount of Commercial Space in Node
Low
Medium
High
0
2
4
8 Kilometers
* Paradise Colours Greenhouse not displayed on map
Data Sources:
Commercial Inventory: urbanMetrics inc.,
Basemap: Esri Canada,
Municipal Boundaries: Province of Ontario

*Figure 11 Wilmot Township Commercial Nodes Location and Size*

As shown in **Figures 11** and **12**, most of the commercial space in Wilmot Township is in New Hamburg, which serves as the primary commercial node. Many rural settlement areas contain some retail, though the total amount is relatively small. It should be noted that the majority or space in the Mannheim node is within the Colour Paradise Greenhouses, greenhouse which also sells directly to the public and is zoned agricultural, but directly adjacent to the settlement area. Excluding this business, the Baden node is the second largest node.

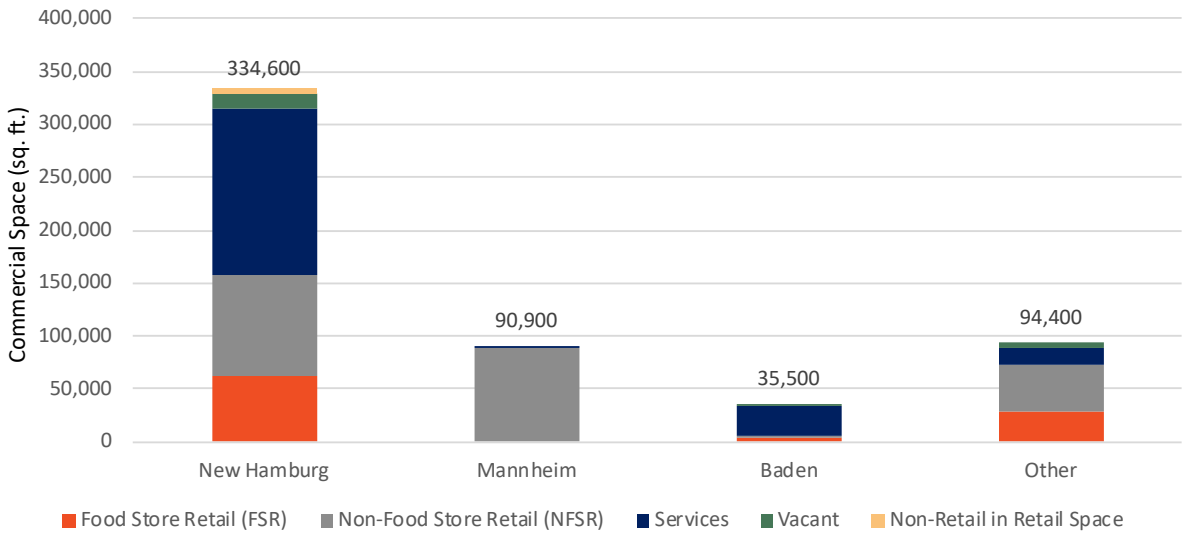



*Figure 12: Wilmot Township Commercial Space by Community and Type*

While the amount of commercial space is heavily concentrated in New Hamburg, Wilmot Township has a high share of commercial space in main street and downtown retail and rural retail, though the majority of rural retail space is in garden centres and greenhouse that sells to the public. As main street and downtown retail and rural retail both generally primarily accommodate small businesses, this structure is likely partially the result of some larger businesses locating in Kitchener/Waterloo with residents of Wilmot travelling to access these types of retail. As Wilmot grows, there may be a sufficient population to support more neighbourhood centres, though main street and

downtown retail and rural commercial uses will continue to play a large role in the retail landscape.

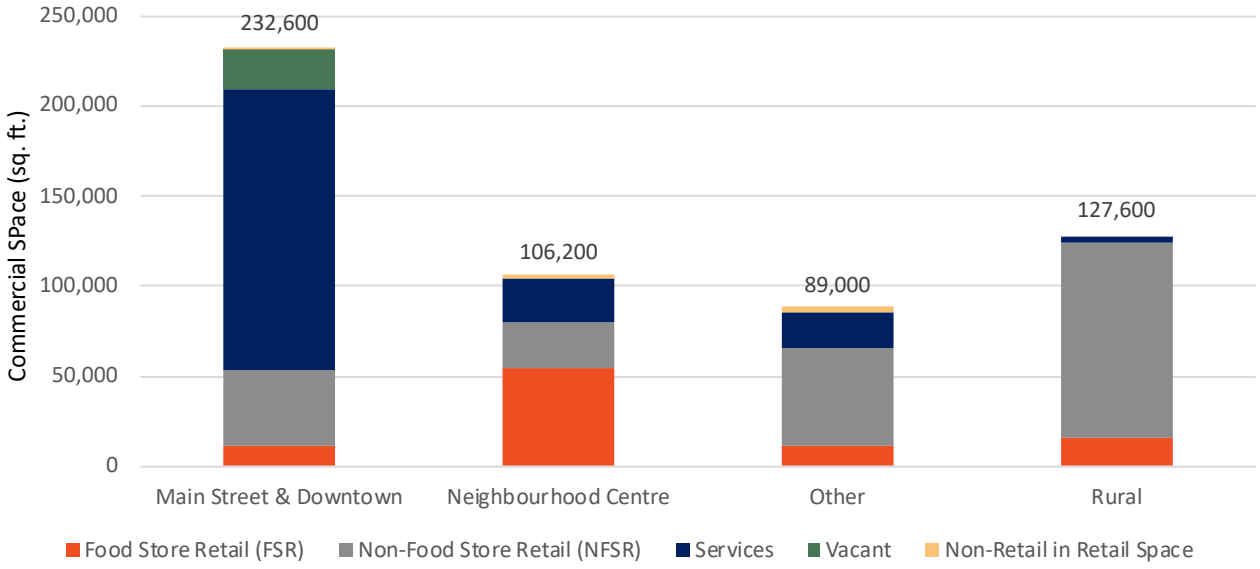



*Figure 13 Wilmot Township Commercial Space by Retail Hierarchy and Type*

## Vacant Commercial Lands

There are currently 52.16 hectares of zoned commercial land in Wilmot Township (zones 5 to 9), of which 1.47 hectares are vacant. Based on a typical commercial floor space index ratio of 25%, vacant commercial lands would support a maximum of 40,000 square feet of additional commercial space. Of note, the floor space index ratio for commercial space in Wilmot is approximately 14%. New development is expected to achieve higher densities. As several parcels are very small, have irregular shapes, poor visibility and access, and may not be located near new residential developments, the development of existing vacant commercial lands should not be relied on to meet the commercial needs of future residents of Wilmot.

## Active Development Applications

There are no active development applications in Wilmot Township that contain commercial space. However, there is one application located at 1265-1299 Waterloo Street for a subdivision which includes light-industrial/commercial blocks, and a six-storey residential building with potential at-grade commercial uses. As there is no specific commercial space identified and commercial space may not be added in place of the other permitted uses, commercial space in this application should not be relied upon to meet the commercial needs of future residents of Wilmot.

### 4.3 Commercial Market Analysis

The total amount of retail space that is warranted within Wilmot Township was determined for each category by considering the typical space per capita, the projected population growth of Wilmot in 2051, and the target capture and the estimated inflow. The typical space per capita, target capture, and estimated inflow are based on previous projects within the area completed by urbanMetrics, as well as industry expertise.

There is a significant amount of major commercial space in Waterloo and Kitchener, especially near their municipal boundary with Wilmot. This is expected to lead to continued outflow to the Waterloo/Kitchener area, especially for occasional or destination shopping.

**Per Capita Analysis**

The population of Wilmot Township is expected to grow by approximately 12,000 residents from approximately 23,000 in 2024 to 35,000 in 2051. This growth is based on the Terms of Reference provided by the Township. However, as discussed in the Housing Discussion Paper under the new provincial population forecasting methodology that since released, the 2051 Wilmot population could be as low as 25,500 or as high as 40,700. The amount of growth will depend in part on the servicing capacity developed by the Township. The below analysis should be revised if population growth deviates

significantly from the 35,000 target, though the Wilmot Official Plan Policies should be designed to have sufficient flexibility to accommodate moderate deviations in population growth.

**Figure 14** displays a breakdown of the total warranted retail space within Wilmot Township. A total of approximately 260,500 square feet of retail space is warranted to support the population growth in Wilmot to 2051. Based on an understanding of the geography of the area, as well as the competition in nearby municipalities, we have assumed that most of the space developed in the Township is intended to serve daily and weekly shopping, including food, pharmacy, services, and selected other non-food retailing. We would expect that shopping for a large share of high-order comparison items (e.g., clothing and accessories, furnishings and electronics, and specialty retail) will continue to be done within regional shopping nodes in Kitchener and Waterloo, such as The Boardwalk or Conestoga Mall.

The 2019 Region of Waterloo Development Charges Background Study identified a Gross Floor Area (GFA) ratio in the Townships of 614 square feet per retail employee, and 560 square feet per non-retail commercial employee. Under these densities the additional retail and service commercial space would result in approximately 440 additional jobs.

We have estimated that food-related retailing would require some 76,800 square feet, including beer/liquor/wine sales. Recognizing that the retail landscape is changing for alcohol sales in Ontario, the beer/liquor/wine space could take the form of freestanding stores or could be added to the space for supermarkets and convenience stores.

Warranted Non-food retail space is estimated at 74,100 square feet. The most important categories in terms of serving the local needs of the additional population would be pharmacies, general merchandise (e.g., dollar stores), and home improvement space. Of note, warranted space has not been assigned to automotive (automotive parts and

tire stores), as this category includes stores open to the public but that sell primarily to other businesses. As a result, demand is not directly related to population growth.

The need for services space has been estimated at some 106,900, with the largest categories being food services, personal care, and health care.

| 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) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Wilmot Township Population Growth (2024-2051)** | **12,000** | A | = | B) | x | C | = | D] | / | (1-E) | = | F |
| **Store Categories** | | | | | | | | | | | | |
| **Food Store Retail** | | **5.5** | | | | | | | | | | **70,400** |
| Convenience and Speciality Food | | 2.0 | | 24,000 | | 80% | | 19,200 | | 25% | | 25,600 |
| Supermarkets & Grocery | | 3.5 | | 42,000 | | 80% | | 33,600 | | 25% | | 44,800 |
| **Beer, Wine Liquor** | | **0.5** | | 6,000 | | 80% | | 4,800 | | 25% | | **6,400** |
| **Non-Food Store Retail** | | **16.0** | | | | | | | | | | **74,100** |
| Apparel and Accessories | | 2.0 | | 24,000 | | 20% | | 4,800 | | 20% | | 6,000 |
| Automotive Parts | | 0.0 | | - | | 0% | | - | | 0% | | - |
| Building and Outdoor Home Supply | | 3.0 | | 36,000 | | 50% | | 18,000 | | 25% | | 24,000 |
| Furniture, Home Furnishings & Electronics Store | | 3.5 | | 42,000 | | 20% | | 8,400 | | 20% | | 10,500 |
| General Merchandise | | 4.0 | | 48,000 | | 15% | | 7,200 | | 25% | | 9,600 |
| Miscellaneous Retailers | | 2.0 | | 24,000 | | 20% | | 4,800 | | 20% | | 6,000 |
| Pharmacies & Personal Care Stores | | 1.5 | | 18,000 | | 75% | | 13,500 | | 25% | | 18,000 |
| **Services** | | **14.5** | | | | | | | | | | **109,600** |
| Food Services & Drinking Places | | 4.0 | | 48,000 | | 50% | | 24,000 | | 25% | | 32,000 |
| Finance, Insurance and Real Estate | | 1.0 | | 12,000 | | 50% | | 6,000 | | 25% | | 8,000 |
| Health Care | | 1.5 | | 18,000 | | 50% | | 9,000 | | 25% | | 12,000 |
| Personal Care | | 2.5 | | 30,000 | | 80% | | 24,000 | | 25% | | 32,000 |
| Business Services[1] | | 2.0 | | 24,000 | | 20% | | 4,800 | | 20% | | 6,000 |
| Other[2] | | 3.5 | | 42,000 | | 35% | | 14,700 | | 25% | | 19,600 |
| **Total** | | **36.5** | | | | | | | | | | **260,500** |

[1] Includes: Professional, Scientific and Technical Services, Select Civic and Social Organizations, Select Office Administrative Services
[2] Includes: Cultural, Entertainment and Recreation, Personal & Household Goods Repair and Maintenance, Select Educational Services, Social Services, Consumer

*Figure 14: Total Warranted Commercial Space for Population Growth in Wilmot Township*

*SOURCE: urbanMetrics Inc*

To account for variation in population growth, market trends, and changes in capture rates and inflow, a range of warranted space has been provided in **Figure 14,** excluding the additional space needed for a healthy vacancy rate, as well as non-retail uses in retail space. In total, there is a forecasted need for some 234,400 to 286,600 square feet of new commercial space within the Wilmot Township to accommodate anticipated future growth. A range has been employed to provide flexibility in terms of

accommodating space within Township. This is an average occupied retail space rate of 21.71 square feet of per new resident, which is only slightly less than the current value of 22.94 square feet per capita, based on the commercial inventory of 527,800 square feet and the 2024 Statistics Canada population estimate of 23,000 residents.

This range of floor space would result in approximately 400 to 490 jobs based on the employee densities in the 2019 Region of Waterloo Development Charges Background Study.

| Commercial Needs - Retail Category | Warranted Space for Additional Wimot Population (Sq Ft) | Range | |
|---|---|---|---|
| **Store Categories** | | | |
| **Food Store Retail** | **76,800** | **69,100** | **84,500** |
| Convenience and Speciality Food | 25,600 | | |
| Supermarkets & Grocery | 44,800 | | |
| Beer, Wine Liquor | 6,400 | | |
| **Non-Food Store Retail** | **74,100** | **66,700** | **81,500** |
| Apparel and Accessories | 6,000 | | |
| Building and Outdoor Home Supply | 24,000 | | |
| Furniture, Home Furnishings & Electronics Store | 10,500 | | |
| General Merchandise | 9,600 | | |
| Miscellaneous Retailers | 6,000 | | |
| Pharmacies & Personal Care Stores | 18,000 | | |
| **Services** | **109,600** | **98,600** | **120,600** |
| Food Services & Drinking Places | 32,000 | | |
| Finance, Insurance and Real Estate | 8,000 | | |
| Health Care | 12,000 | | |
| Personal Care | 32,000 | | |
| Local Office Services[1] | 6,000 | | |
| Other[2] | 19,600 | | |
| **Total Commercial Need** | **260,500** | **234,400** | **286,600** |
| **Potential Space** | **39,600** | **43,600** | **35,600** |
| Vacant Commercial Land | 39,600 | | |
| Development Applications | 0 | | |
| **Total Commercial Space on New Lands** | **220,900** | **190,800** | **251,000** |

[1] Includes: Professional, Scientific and Technical Services, Select Civic and Social Organizations, Select Office Administrative Services

[2] Includes: Cultural, Entertainment and Recreation, Personal & Household Goods Repair and Maintenance, Select Educational Services, Social Services, Consumer Goods Rental

*Figure 155: Wilmot Township Population Growth Commercial Needs Summary*

*SOURCE: urbanMetrics Inc.*

## Food Store Retail

A total of 69,100 to 84,500 square feet of food store retail space is warranted by the anticipated population growth in Wilmot. Food stores, particularly supermarkets, are the cornerstone of the retail space required to support a complete community. There are currently two grocery stores in Wilmot, a No Frills and a Sobeys, both of which are in New Hamburg, along with 18 convenience and specialty food stores. It is notable that Wilmot has roughly equal amounts of floor area in the Supermarket and Grocery subcategory as the Convenience and Specialty, because of a below average amount of Supermarket and Grocery space and a typical amount of Convenience & Specialty Food.

As Wilmot grows, the additional population could support one to two new full-service supermarket stores between 30,000 and 40,000 square feet each, depending on their size and ability to attract existing customers that currently travel to Kitchener or Waterloo. The full-service grocery stores could serve as an anchor for neighbourhood centres and should be well positioned near new residential developments as well as along major roads to capture residents travelling to Kitchener and Waterloo. The remaining FSR need could be met by convenience and specialty food stores in local storefronts, rural areas near new residential development, and neighbourhood centres anchored by a NFSR tenant.

**Non-Food Store Retail**

The Non-Food Store Retail group holds several categories, which are:

- Apparel and Accessories
- Building and Outdoor Home Supply
- Furniture, Home Furnishings, and Electronics Stores
- General Merchandise
- Miscellaneous Retailers
- Pharmacies and Personal Care Stores

A total of between 66,700 and 81,500 square feet of NFSR is warranted in Wilmot Township when considering the additional population growth and impact of major commercial nodes in Kitchener and Waterloo. The key categories in terms of serving the local population would be pharmacies, general merchandise (dollar stores), and home improvement stores. Wilmot currently has no large pharmacies (10,000 to 15,000 square feet), with four smaller format stores. A single large pharmacy or a few smaller-format pharmacies would be warranted to serve the new population in Wilmot. A large pharmacy has the potential to be an anchor tenant in a neighbourhood centre, with both large and small pharmacies suitable for streetfront retail formats. Many larger-format pharmacies also function as small grocery stores, carrying a range of dairy, frozen, and non-perishable food items.

With the demise of many discount retail chains in Canada, dollar stores have filled the gap in terms of providing low-cost retail items needed on a regular basis. Stores like these can represent anchor stores, particularly for neighbourhood centres. However, the amount of warranted space for new Wilmot residents is borderline in terms of supporting a sufficiently large dollar store to act as an anchor tenant.

Home improvement stores represent both general DIY stores, such as Home Depot, Home Hardware, and Rona, as well as specialized outlets, including flooring, electrical, plumbing, kitchen cabinetry, garden centres and greenhouses that sell to the public. These types of stores are very important in areas with large numbers of owner-occupied ground related homes, such as Wilmot Township. Often, they gravitate to traditional industrial areas or rural areas due to their need for large-building footprints and the fact that they sell large volumes to construction professionals. In Wilmot there is a large number of existing garden centres/greenhouses that sell to the public space in rural areas.

The remaining store types in the NFSR category will round out the retail mix and be less important in terms of defining the planned function of commercial nodes.

**Service Commercial**

Some 98,600 to 120,600 square feet of services space would be warranted to meet the demand caused by population growth in Wilmot Township. Similar to the NFSR group, there are multiple categories within the Services group. These categories are listed below:

- Food Services and Drinking Places
- Finance, Insurance, and Real Estate
- Health Care
- Personal Care
- Local Office Servies
- Other

The key categories in terms of supporting the local population are food services, including restaurants, fast food outlets, cafes, and bars/pubs. In recent years, these types of outlets have generally seen their dining-in footprints decline in size, while increasing delivery and pick-up sales. When locating food service outlets, it will be important to accommodate space for short-term parking for pick-up and delivery vehicles. Food service outlets represent both entertainment/gathering spaces for the local population, as well as an alternative to home-cooked meals. Food service outlets often draw from a wider area than other stores and rely on locations with a high degree of accessibility and visibility.

Personal services include hair, nail, beauty treatment, spas, dry cleaning, shoe repair, pet care, and other outlets. They are typically small-scale establishments operated by independent owners. They are important both in terms of providing services to the nearby population and as opportunities for local entrepreneurs.

The health care category includes a wide range of services such as doctors, dentists, chiropractors, wellness practitioners, physiotherapists, mental health practitioners, public health clinics, and diagnostic laboratories. In this category, we have considered only those health services that locate in retail commercial outlets. Excluded are health services located in medical buildings, office buildings, and hospitals.

Due to the amount of variety in these categories and the difference in spatial needs for each, as well as the large share of small businesses, planning should be flexible to support the wide variety of businesses and eliminate barriers.

### 4.4 Things to Think About

There are a number of strategic recommendations and key findings based on the above analysis that should be integrated into Wilmot's Official Plan policy framework. These findings are listed below.

**Recommendation 1: Amount of Warranted Commercial Space**

As discussed in section 4.3, the additional 12,000 residents in Wilmot Township by 2051 will warrant between 234,400 and 286,600 square feet of retail space. This assumes a similar amount of active commercial space per capita as currently found in Wilmot Township.

The amount of population growth in Wilmot Township is unlikely to significantly change the commercial market balance between Wilmot and Kitchener/Waterloo. As a result, commercial space in Wilmot will continue to be predominantly local serving, with major purchases and destination retailing continuing to be served in Kitchener and Waterloo.

There is sufficient warranted space to support two to four anchor tenants in the following categories:

- Supermarkets or Grocery Stores
- Pharmacies
- Discount General Merchandise

There is sufficient warranted total space and sufficient potential anchor tenants to support one to three neighborhood centres of 30,000 to 100,000 square feet depending on the size of the neighbourhood centres. The remainder of warranted space will be located in convenience retail and main street and downtown retail, with some limited commercial space in rural areas.  Alternatively, small-scale mixed-use development could occur in strategic locations.

The location and size of new neighbourhood commercial nodes should be done at the same time as plans for new residential neighbourhoods, and be proportional to the population within new neighbourhoods.

**Recommendation 2: Support Both Vehicle and Pedestrian Access to Commercial Space**

While Wilmot Township moves towards the creation of complete streets and active transportation infrastructure, most commercial trips are expected to continue to be made by private vehicle. As a result, policies should support good access for both private vehicles and active transportation, while minimizing conflicts.

- Provide sufficient onsite parking and access from major roads for vehicles for neighbourhood centres.
- Provide layby and on-street parking for downtown and main street retail, with additional parking lots located behind stores as necessary.
- Encourage a mix of land uses in proximity to new commercial space to support active transportation between uses.

- Provide continuous pedestrian access by having sidewalks/bike lanes lead directly to store entrances. Sidewalks should connect seamlessly to an extensive sidewalk/bike path network as well as to any nearby trails.
- Pedestrians should not have to cross parking lots to access stores. Flexibility in how this is achieved should be permitted, depending on site conditions, different approaches may be most suitable (e.g., directly fronting onto the street sidewalk, having an entrance facing the parking lot and another on a different street, having a parking lot across a local road).
- Pedestrian cut-throughs between streets should be added where appropriate within adjacent neighbourhoods to minimize pedestrian path length. Cut-throughs to commercial sites should also be considered for stores which front away from residential neighbourhoods.

**Recommendation 3: Phasing of Commercial Space**

Commercial uses should be phased in generally in conjunction with population growth and should not be required in advance of the residential uses that it would serve.

Connectivity of commercial space must be considered when designing residential areas, and in designing the overall transportation network. It is often very difficult or impossible to provide good vehicle, pedestrian, or cycling access to commercial uses after the fact if they are not planned from the start of a community's development.

- Neighbourhood centres should be located on major streets to benefit from higher visibility. However, access from local residential streets should be supported from the side or rear.
- Storefront retail should not front onto high-speed roads to ensure a pleasant pedestrian experience. It should be supported by on-street parking and a high-quality pedestrian environment.
- Street-front retail should include wide sidewalks, benches, waste receptacles, lighting, and trees to foster a comfortable pedestrian and retail experience.

- Commercial space on a second storey should not be required anywhere in Wilmot Township. Second-storey commercial space is often very challenging to lease, which can prevent the development of commercial space and long-term vacancies. However, second-storey commercial space should generally be permitted as of right in the event a specific development can make that format viable.
- Commercial space should be located in or adjacent to areas of new residential development, as most new retail will serve the local population. This will also facilitate transportation choice, encourage active transportation to access these spaces.
- Policies should permit small-scale uses as of right in residential areas, such as corner stores, at-home daycares, individual hair stylists, etc. Rural areas should continue to permit accessory farm retail uses, bed and breakfasts, and other small-scale uses. This can support the creation of small businesses by lowering the barrier to entry.
- Where possible, negative externalities such as noise, odours, or traffic should be dealt with by regulating the design, permitted hours, and community infrastructure, rather than specific use restrictions. While this can be more challenging from a planning and enforcement perspective, it reduces the risk of a mismatch in supply and demand in specific commercial categories and the need for costly and time-consuming changes to planning regulations every time market conditions and trends shift.

## 5.0 Emerging Policy Directions

There are several emerging policy directions which should be considered based on the analysis in this Discussion Paper.

1. Provide for the identification of new neighbourhood commercial nodes at the same time as plans for new residential neighbourhoods are created. The number and size of neighbourhood commercial nodes should be sized proportional to the new residential neighbourhood and be between 30,000 to 100,000 square feet.
    - Direct new commercial nodes to be located near areas of new residential growth to support complete communities.
    - The identified commercial nodes should be phased in to coincide with population growth.

2. Within identified new commercial nodes, a broad range of commercial uses should be permitted, including but not limited to grocery stores and supermarkets, specialty food stores and convenience stores, pharmacies, general merchandise, miscellaneous retailers, and the full-range services.
    - Rural commercial uses should be supported by continuing to permit on-farm diversified uses, such as home occupations, home industries, and agri-tourism.
    - Small-scale uses should be allowed as of right in residential areas, including but not limited to corner stores, at-home daycares, and selected individual service providers.

## 6.0 Next Steps

This Discussion Paper is one of seven papers that are being completed as part of Phase 2: Background Research and Study Preparation of the Township of Wilmot New Official Plan process.

This paper establishes a foundation from which the Township will develop policy directions. This is a starting point for generating discussion about the Commercial Needs for the future of Wilmot Township. Policy directions will follow out of this engagement to outline proposed changes in the New Wilmot Official Plan.

The Discussion Papers are being released in **DRAFT** form to inform public engagement in fall 2025. The Discussion Papers will be updated to reflect additional insights or items arising from public engagement and will include thematic summaries of input received (with a companion engagement report also being prepared). Those FINAL reports shall include recommended policy directions that will inform the development of the Township's new official plan.

The **FINAL** reports and policy directions shall be presented to Township Council as part of the meeting required under Section 26 of the *Planning Act*. This meeting is an open session to discuss revisions that may be required to the Township's Official Plan. It is one of several opportunities throughout this project where public input is needed and welcomed.

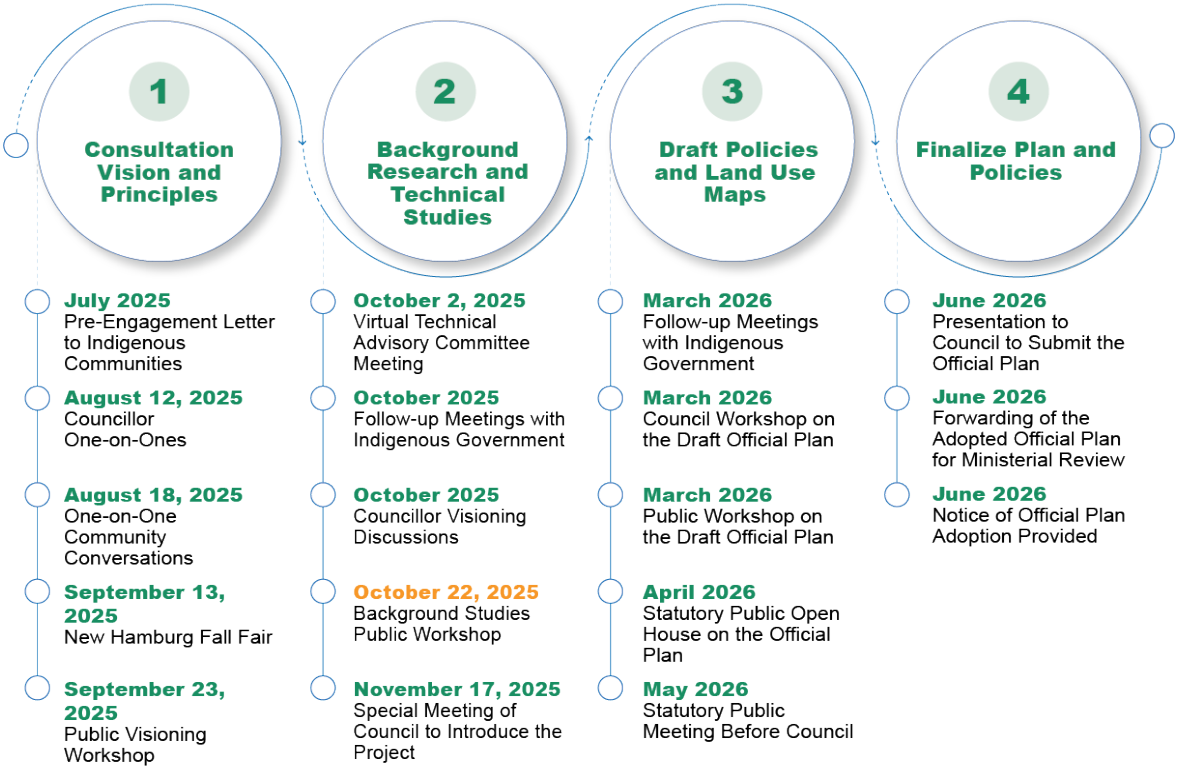



*Figure 16: Study Process and Engagement Opportunities*

The reports, together with public input, will serve as the basis for developing Wilmot's New Official Plan. The draft New Official Plan will be released for review in 2026 and includes public events in addition to the statutory *Planning Act* process.