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170 NORTHFIELD DR. W

Market Impact Study (Retail & Service Commercial)

Waterloo, Ontario

Prepared for **Forgestone Capital Management**

February 28, 2024

prepared by:

urban Metrics

on behalf of:

FORGESTONE CAPITAL

This document is available in alternative formats upon request by contacting:
info@urbanMetrics.ca
416-351-8585 (1-800-505-8755)

urbanMetrics inc.
15 Toronto St, Suite 602
Toronto ON M5C 2E3
Tel: 416-351-8585
urbanMetrics.ca

February 28, 2024

Mr. Sheldon DiCarmine Dobsi
Director, Investments
Forgestone Capital Management
130 King Street West, Suite 2350
Toronto, Ontario, M5X 2A2

Dear Mr. DiCarmine Dobsi:

RE: 170 Northfield Dr. W – Market Impact Study (Waterloo, Ontario)

urbanMetrics inc. ("urbanMetrics") is pleased to submit the following Retail & Service Commercial Market Impact Study ("MIS", "the Study") on behalf of Forgestone Capital Management ("Forgestone", "the Client"), in relation to a mixed-use development application on lands in the north end of Waterloo, known municipally as 170 Northfield Drive West.

The Forgestone proposal envisions the creation of upwards of 4,267 units and approximately 240,000 square feet of non-residential space located within a short walking distance from the Northfield ION Station.

Based on recent pre-submission discussions between Forgestone ("the applicant"), MHBC Planning ("Forgestone's planning agent, "the agent") and City of Waterloo's Business, Planning & Development Department ("Planning Department"), we understand that a Market Impact Study is required as part of a complete submission application for an Official Plan Amendment and Rezoning.

This MIS study is intended to satisfy the Specific Provision Area 42 requirements and demonstrate the proposed amount of commercial space included in the Forgestone application would not undermine or destabilize the planned function of other existing commercial uses (i.e. those which are operational) or impede future development potential for planned or approved (i.e. non operational) commercial sites within the vicinity of the subject site.

This report concludes that provisions for approximately 40,000 square feet of retail and service commercial space represent a reasonable and well-balanced

amount of commercial space. The realization of approximately 40,000 square feet would help achieve a healthy concentration of businesses needed to support growth and meet the day-to-day needs of residents living in this part of Waterloo.

The integration of population-serving commercial uses within a flex-commercial type property solution provides an appropriate path forward to facilitate a dynamic business climate for entrepreneurs and customers. Moreover, the proposed location of the commercial spaces, will be well integrated with the established (and emerging) commercial uses on adjacent lands to the immediate west (i.e. Sobey's, Shoppers Drug Mart, et.al). The proposed configuration of land uses will provide a highly walkable environment for residents.

Any questions about this report can be directed to the undersigned.

Respectfully submitted,



Peter Thoma MCIP, RPP, PLE
Partner
urbanMetrics inc.

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1.0 Introduction

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urbanMetrics inc. ("urbanMetrics") has been retained by Forgestone Capital Management ("Forgestone", "the applicant") to prepare a Market Impact Study for a proposed mixed-use development at 170 Northfield Drive West in the northeast portion of the City of Waterloo, hereafter referred to as the "subject site."

This study provides a professional, third-party assessment of proposed retail and service commercial use to support good planning.

This report provides an assessment of baseline market conditions in the vicinity of the subject lands and evaluates the future need for additional space to support healthy, balanced growth.

This report is intended to ensure that residents living in this part of Waterloo are, and will continue to be, supported by an appropriate amount of commercial space, proximate to their homes; and that the amount of space proposed is reasonably scaled to ensure an efficient use of land.

1.1 Background

Forgestone is proposing a mixed-use development that will consist of twelve buildings that would yield approximately 4,267 high-density residential units, approximately 39,430 square feet (3,663 sm) of retail and service commercial space and an additional 200,400 square feet of other non-residential space.

The provision of public-serving retail and service commercial space would be located on the ground floor of 'Building D1' as well as within portions of two stand-alone, single-storey, multi-tenant 'Flex Commercial' buildings.

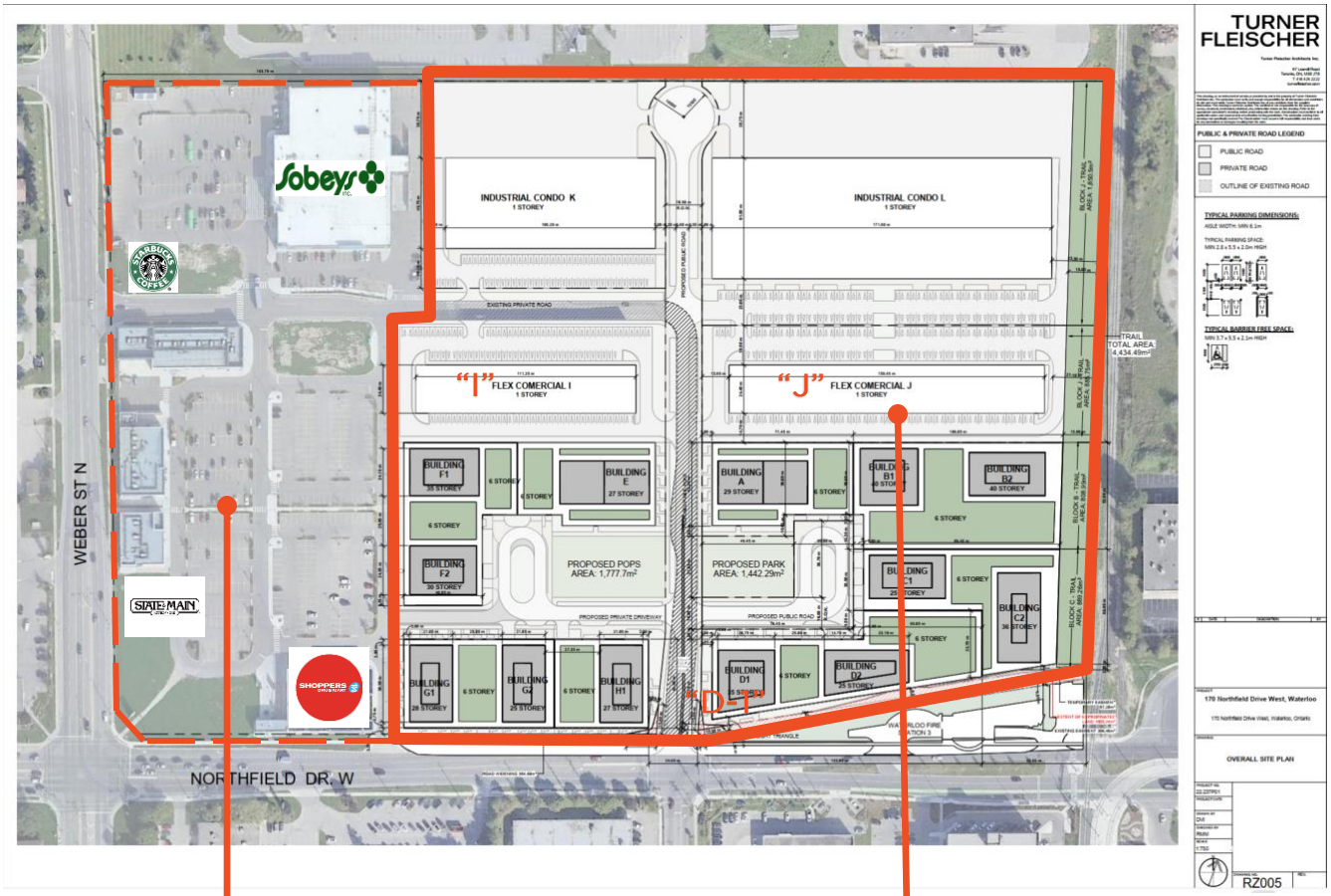
Commercial uses within the 'Flex Commercial' buildings are expected to include both population-serving business focusing on household-type consumers ('B2C') and business serving business ('B2B'). For planning purposes, we have assumed that 50% (half) of the businesses will be B2Cand the other half will be B2B. This study is fundamentally focussed on B2C type businesses, recognizing the capacity of Commercial Flex space to readily accommodate a myriad of customer-focused enterprises such as: personal services, health/fitness/recreation services, factory outlets, food purveyors, eating/drinking establishments, and educational/childcare services.

In addition to providing scalable opportunities for a wide array of business activities, the 'Flex Commercial' buildings included within the Forgestone proposal are intended to serve as a transitional land use between the residential uses on the southern portion of the subject lands and the employment uses on the northernmost position of the lands. In addition, two one-storey Industrial Condo buildings totaling 164,860 square feet are also proposed north of the proposed flex commercial blocks on the subject site. A total of 239,840 square feet of non-residential space is proposed across the entire subject site.

Assuming that half of the commercial flex space within the Forgestone site will be taken up by B2C retail and service commercial business, the application envisions around 40,000 square feet (calculated as 39,430 square feet) of space across the subject site to serve the needs of residents. This space will directly – *and functionally* - complement ~125,000 square feet of space on a neighbouring (Forgestone-owned) commercial site directly adjacent (to the west) to the subject lands.

Figure 1-1 illustrates that on a combined basis the subject lands, plus the adjacent lands will provide a retail and service concentration approaching 165,000 square feet.

Figure 1-1: Proposed Development



Adjacecent Lands	
Existing	103,503 sqft
Planned	21,425 sqft
Total	**124,928 sqft**

Subject Site - Proposed Development	
Proposed	D1 = 3,885 sqft I+J = 35,545 (50% of Flex Space)
Total	**39,430 sqft**

+/- 165,000 sq ft

SOURCE: plan provided by Turner Fleischer, January 30, 2024.

1.2 Study Approach

Below we have summarized the various work steps that have been carried out in the preparation of this *Market Impact Study*.

- Site and Access – We have evaluated the suitability of the site as a mixed-use project, as well as the local need in this area for retail/ service commercial uses.
- Study Area Delineation – A Study Area has been delineated as the likely market area that would be served by any retail or service commercial uses that potentially could be located on the subject site. This Study Area represents the geographic area from which the majority of regular customer support for these commercial facilities would be derived.
- Study Area Population – We have estimated the current and future population of the Study Area based on Census data and available development activity information provided by the City of Waterloo.
- Retail/ Service Commercial Inventory – We have conducted an inventory of all retail/ service commercial uses located within the Study Area. This inventory includes Food Store Retail (FSR); Non-Food Store Retail (NFSR): and Services uses.

1.3 Assumptions

There are several underlying basic assumptions upon which the validity of the finding presented in this report depend. Based on our experience in the retail planning process, we recognize and appreciate the problems associated with making broad and generalized assumptions about future conditions. Undoubtedly, deviations from historical and current trends will take place in the future, however, basic assumptions are required regarding the possible extent of such deviations.

The basic assumption areas:

- During the forecast period being considered in this report, a reasonable degree of economic stability will prevail in the Province of Ontario and specifically in the City of Waterloo.
- Estimates of the current and future population growth I the Study Area have been based on Census population and planning application information

available from the City of Waterloo as well as the new population that would be added through the residential development proposed on the subject site.

- The official statistical sources utilized in this report (based largely on Statistics Canada and City of Waterloo data, which have been footnoted where utilized) are considered sufficiently accurate for the purposes of this analysis (i.e., for historical and current population levels).

Our research and analysis have been conducted in accordance with our authorized scope of work. The findings and recommendations presented in this report represent our best judgement based on information available to us as of the date of completion, and reliability of the information provided in the report, urbanMetrics assumes no responsibility for the consequences of anyone's use of the information contained in this report.

2.0 Site Context

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Key Findings

- 170 Northfield Drive West (the subject site) is situated in the northwest section of the City of Waterloo. Currently, the portion of the site west of Parkside Drive has two one-storey flex office buildings and the portion east of Parkside Drive is vacant land. Adjacent to the site at the corner of Northfield Drive West and Weber Street North is an established neighbourhood commercial node including grocer, pharmacy and other local serving retail and service commercial uses.
- The City of Waterloo's Official Plan designates the subject site as *Business Employment*. The site is located within Area A and Area B of the Northfield Station Area. The site is situated within Specific Provision Area 42 (SPA 42). As such, a Market Impact Study for retail and service commercial uses is required to support applications for Official Plan and Zoning By-law amendments.
- The Subject Site is situated within Area A and Area B of the Northfield ION LRT Station which is considered a Major Transit Station area.

This section of the report provides an overview of the subject site's physical and locational characteristics including its relationship to surrounding land uses and the site's overall accessibility. It also provides a high-level overview of applicable policies included in the City of Waterloo Official Plan, as related to commercial development.

2.1 Site Location

As shown in Figure 2-1, the subject site fronts onto the north side of Northfield Street West in Waterloo near Highway 85. Parkside Drive intersects the subject site and connects Northfield Drive West and Weber Street North. The site is part of an employment area with commercial functions at the corner of Northfield Drive West and Weber Street North. It is also immediately north of the Northfield ION LRT station.

Figure 2-1 Subject Site Location



SOURCE: urbanMetrics inc. with Google Earth Imagery.

2.2 Surrounding Land Uses

Below, we have provided a more detailed overview of the land uses that surround the subject site. Specifically:

- Southeast - The Northfield Station Area (ION) is located across Northfield Drive West.
- South - Adjacent to the subject site, in the southeaster corner, is the City's fire station (150 Northfield Drive West)/ On the south side of Northfield Drive West are commercial uses.
- East - Rail corridor and primarily manufacturing uses with some office.
- North - Office campus, including Sunlife and several digital media companies.
- West - Commercial uses adjacent to the subject site include Sobeys, Shoppers Drug Mart and a variety of other personal service and food establishments. Additional commercial uses are found across Weber Street North.

2.3 Site Access

The site is located along Northfield Drive West, a regional arterial road and access to the interior of the site is via the intersection at Northfield Drive West and Parkside Drive West. Parkside Drive connects to Weber Street North and the adjacent existing commercial site to the west. The site has 289 metres of frontage on Northfield Drive West.

The site is also located 300 metres from the Northfield ION LRT Station, which is located immediately southeast of the subject site across Northfield Drive West. As a result, transit riders would be required to cross the rail line and multiple lanes of traffic before accessing the subject site.

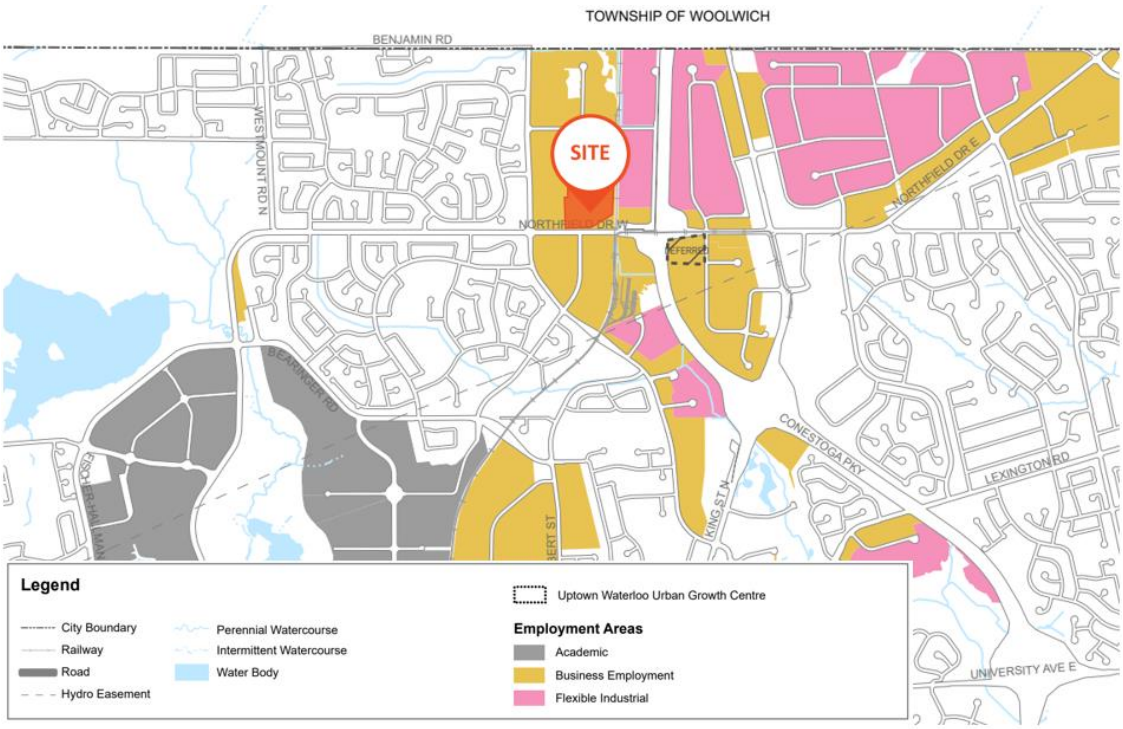
In addition, Grand River Transit's bus route 19 enters the interior of the subject site along Parkside Dr via both Weber Street North and Northfield Drive West and has multiple stops connecting transit riders with the commercial uses already available on site.

2.4 Planning Policy

As shown below in Figure 2-2, Schedule 'A2' Employment Areas of the City of Waterloo Official Plan designates the subject site as *Business Employment.* The function of Business Employment is specified in Section 10.3.2.2, as noted below:

> *"(3) Lands designated Business Employment will provide a broad range of light industrial uses, technical and/ or scientific businesses, advanced technology companies, prestige office, and a restricted range of service uses."*

Figure 2-2: City of Waterloo Subject Site Land Designation



SOURCE: urbanMetrics inc., based on City of Waterloo.

Furthermore, Specific Provision Areas 42 (SPA 42) applies to the subject site. The vision for these lands is specified in Official Plan policy 11.2.42 (2), as noted below:

> *"The vision for the development of these lands is a high quality, transit-oriented, office-based employment centre with a secondary retail and service component and a secondary hotel component."*

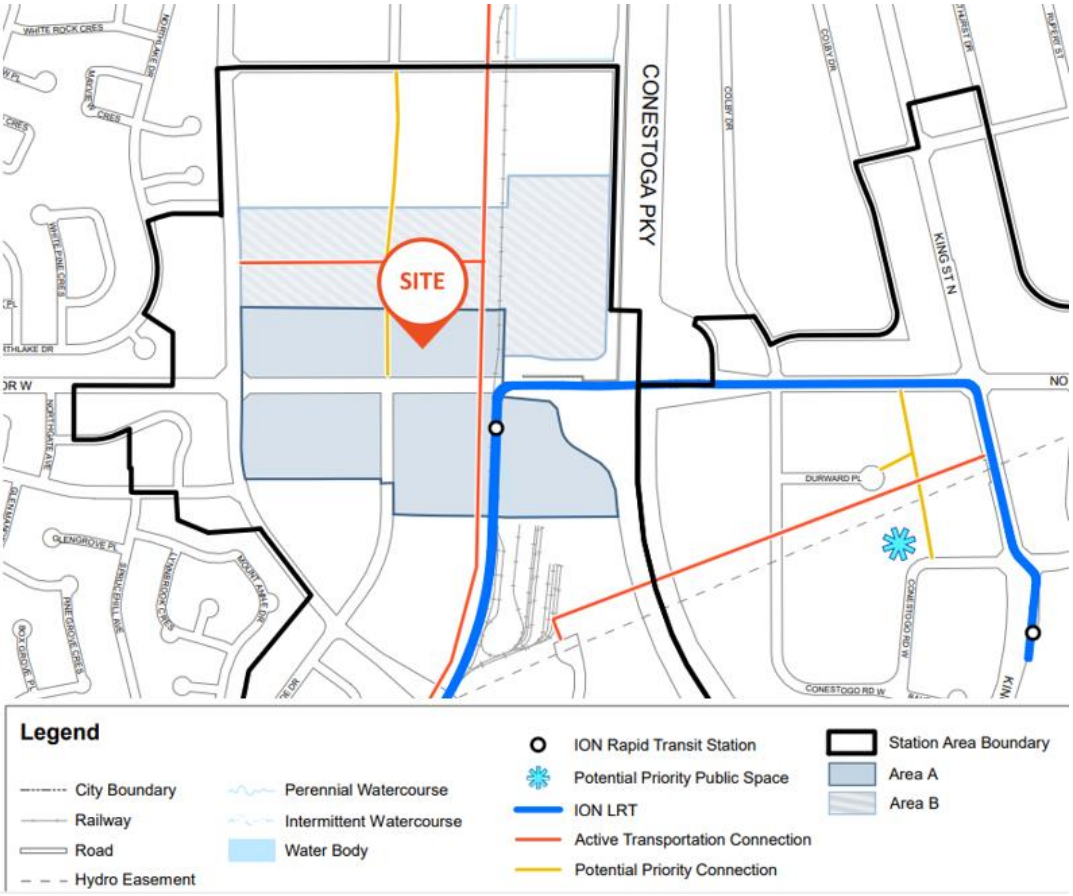
It is the subject site's existing designation under SPA 42 that has prompted the need for this Market Impact Study (Retail & Service Commercial). Specifically, this study has been requested to support several commercial uses beyond the Business Employment designation being contemplated, as the SPA requires potential development to demonstrate how the requirements of SPA 42 have been met including a retail assessment.

> *(7) A Retail Impact Analysis submitted pursuant to policy 11.1.42 (6) shall assess whether the proposed additional commercial uses would undermine the planned function of other existing or planned commercial areas, including the Mixed-Use Neighbourhood Commercial lands located within the Node. The Study will also provide an assessment regarding whether the proposed commercial uses will function in a complementary role relative to the lands currently designated Mixed-Use Neighbourhood Commercial within the Node, thereby contributing to an enhanced overall commercial function.*

Lastly, the subject site is located within both Area A & B of the Northfield Station Area which is a Major Transit Station Area within the City of Waterloo, as shown in Figure 2-3. As noted in Section 3.8.1 of the City of Waterloo's Official Plan, lands designated within a Major Transit Station Area are to be planned:

> *(5) as pedestrian-oriented activity nodes that generally accommodate a high intensity of mixed-use development within a Major Transit Station Area. For lands within Area A, the following provisions shall apply:*
>
> > *(a) The Zoning By-Law shall not permit the development of new automobile-oriented uses*
> >
> > *(b) Properties in key strategic locations relative to the LRT stop shall be zoned in a manner that provides for active ground floor uses to help animate the streetscape or other pedestrian environment. Such uses may be:*
> >
> > > *(i) Required as a component of development within single or mixed-use buildings at the time of development and such areas shall be identified as active frontages in the Zoning By-law; or,*
> > >
> > > *(ii) Encourage through the development of a built form that would enable the introduction of such uses over time as the community evolves, and such areas shall be identified as convertible frontages in the Zoning By-law.*

Figure 2-3: Northfield Station Area Subject Site Location



SOURCE: urbanMetrics inc., based on City of Waterloo.

3.0 Retail Context

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Key Findings

- A Study Area reflects the geographic area from which the majority (i.e. 75% to 80%) of future retail/ service commercial business support (i.e. customer volumes) would be derived.
- Based on our experience, localized neighbourhood shopping patterns – particularly within urban and suburban type-markets - are typically undertaken within one or two kilometres of a person's home and does not typically align with a specific boundary. Given the planned function of the retail and service commercial uses currently permitted on the subject site, this has also been a key consideration in delineating a relevant, and *reasonable* Study Area for our work.
- The Study Area is bound by the municipal boundary to the north, Highway 85 to the east, Columbia Road to the south and Beavercreek Road to the west.
- The Study Area has a current (2024) population of ~19,300 persons.
- In light of changes brought about by the delivery of higher-order transit along the ION line, population in the Study Area is anticipated to increase to some 39,400 persons. This increase takes into consideration the future build-out of the subject site (as proposed) plus other surrounding/nearby developments which are anticipated within the foreseeable future.
- Future population growth over the next 10 to 15 years will require an ongoing commitment to provide local commercial/ retail and service space to serve the daily and routine needs of residents in the north end of Waterloo. For the purposes of analysis, we are using 2036 as a target date for study area build out.

The following section describes the Study Area that we have used to assess the existing and future retail/ service commercial market available to current and future residents – including those who will reside on the subject site.

3.1 Study Area

The total market influence attributed to any commercial development typically extends over a wide geographic area, beyond any precise boundary that can be drawn. However, for the purposes of determining if there is sufficient commercial space in the area to support the current and future Study Area population a Study Area has been delineated.

This Study Area reflects the geographic area from which the majority of support for potential retail and service commercial facilities on the subject land would be derived. The remaining market support would be derived from the occasional expenditures of customers living outside the Study Area (i.e., inflow). These customers could include visitors, non-permanent residents, the travelling public and/ or individuals who work in or near the Study Area but reside elsewhere. The delineation of the Study Area considers several factors, including:

- Geographic distance and travel times;
- The location of existing competition in the local area, including the subject land's proximity to the regional-serving shopping centres;
- The potential nature and size of retail/ service development existing or being contemplated on the subject site and elsewhere within the delineated Study Area;
- Natural and man-made barriers that may inhibit or restrict the ease of movement for customers; and,
- The access characteristics of the site, including the accessibility and visibility of the site provided by the local and regional road network.

Based on our experience, localized shopping in neighbourhood convenience retail and service facilities is typically undertaken within one or two kilometres of a person's home and does not typically align with a specific neighbourhood or community boundary. Given the local scale and type of retail/ service commercial being considered on the subject site, this has also been a major factor in delineating the Study Area for this analysis.

Figure 3-1 illustrates the Study Area delineated for the following analysis. As shown, the Study Area is generally bounded by the municipal boundary to the north, Highway 85 to the east, Columbia Road to the south and Beaver Creek Rd to the west. This Study Area serves as the focus for our retail/ service inventory and the per capita warranted space analysis included herein.

Figure 3-1: Study Area



SOURCE: urbanMetrics inc.

3.2 Population

In evaluating the commercial market demand in the Study Area, it is important to establish the local population base and any projected changes anticipated in future years.

Population growth in the Study Area has historically been slow, averaging 1.1% per year between 2016 and 2021.

Currently, the population of the Study Area is estimated at some 19,290 persons (2024). Significant growth is anticipated to occur between now and 2036, largely due to the concentration of new residential units being proposed on the subject site and other developments within the Study Area. The population at build out is anticipated to include some 39,400 persons.

Figure 3-2: Study Area Population

	Historical[1]			Current[2]	Forecast[3]
	2011	2016	2021	2024	build out 2036
Study Area	17,500	18,800	19,800	19,290	39,400
Avg Annual Growth		260	200	-170	
Avg Annual Growth %		1.5%	1.1%	-0.9%	

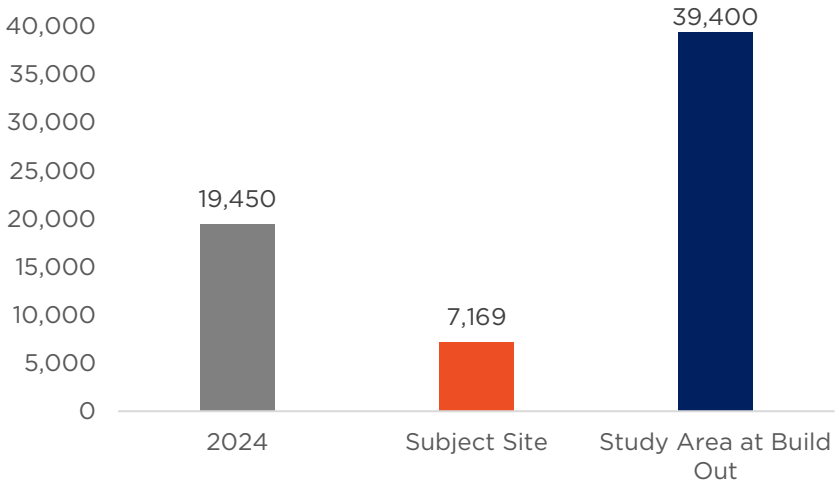
SOURCE: urbanMetrics inc., Rounded to the nearest 100 residents.

[1] Based on Statistics Canada Census Data (adjusted for net undercoverage)

[2] Based on Statistics Canada Census Data (adjusted for net undercoverage) and CMHC housing completions data.

[3] Based on Development Application data and proposed statistics for subject site and other developments within Study Area. We assume that build out will be realized over a 10 to 15 year period. 2036 is used as a target date representing the mid point of this period.

Figure 3-3: Current and Projected Study Area Population



SOURCE: urbanMetrics inc. based on Statistics Canada Census data, City of Waterloo Development Applications and Subject Site statistics. The future population includes residents of the subject site.

Based on Forgestone's development program, the subject lands would yield 4,267 residential units (comprised of 2,375 one-bedroom/ one-bedroom plus den units and 1,892 two and three-bedroom units). By applying the persons per unit assumptions contained within the City of Waterloo's 2020 Development Charges Background Study, urbanMetrics estimate that the proposed development would support approximately 7,169 residents, as shown in Figure 3-3 and 3-4.

Figure 3-4: Subject Site Population Assumptions

	One-Bedroom	Two & Three Bedroom	Total
PPU[1]	1.25	2.22	
Subject Site Units[2]	2,375	1,892	4,267
Future Subject Site Population	2,969	4,200	7,169

[1] City of Waterloo Development Charges Background Study

[2] Forgestone Capital Architectural Site Renderings January 2024

We acknowledge that there is potential for other additional development activity in the Study Area by other land interests. This would increase this population beyond what we have assumed herein, however this potential increase may be offset by some of the currently proposed residential developments failing to materialize.

4.0 Competitive Review

Key Findings

- The commercial market in Ontario in 2024 continues to feel the lingering impacts of the Covid pandemic. On the office-side, permanent work-from-home (WFH) and hybrid-work continues to be an option for many white collar and tech-focused professions. On the retail-side, delivery platforms for consumer goods and prepared meals continue to disrupt convention patterns of household consumption.
- As of Q1:2024, urbanMetrics has identified a total of ~543,500 square feet (50,445 sm) of retail and service commercial space in the Study Area. Approximately 20% of the total Study Area inventory is located adjacent to subject site.
- The commercial vacancy rate for at-grade, customer-focused space within in the Study Area is currently sitting at 1.8%. This level of vacancy sits well below what would conventionally be seen as a healthy or balanced vacancy rate, ideally in the order of 4% to 7%.
- In total there is currently 187,755 square feet (17,443 sm) of new (additional) retail retail-service commercial space proposed within the Study Area, all of which is within active mixed-use development applications and adjacent to the subject site.

A review of the existing competitive retail and service facilities is important in understanding what commercial functions are currently being provided for residents and visitors of the Study Area, as well as in understanding what competitive factors may influence, detract from, or drive the future demand for any retail/ service commercial uses on the subject site.

4.1 Market Context

The ongoing recovery from the COVID-19 pandemic complicates the outlook on commercial real estate in Ontario. The adoption of work-from-home ("WFH") and "flexible" or "hybrid" work arrangements means that the role of major office nodes within local and regional economies appears unlikely to return to pre-pandemic norms. With elevate vacancy rates and sharply higher borrowing costs, the exact role major office uses will play in the future is still highly uncertain.

Despite being similarly impacted by the lockdowns, retail and service commercial space has made a strong recovery compared to major office uses. The following summarizes some of the ongoing trends in retail and service commercial real

estate that are likely to impact the commercial space required to adequately meet the needs of future residents of the proposed development.

Shifting Retails Channels

- The changing role of online shopping: shifts in the shopping and fulfillment sectors exposed broader customer bases to the potential of online shopping and delivery. On-line purchases have increased across retail categories, with impacts on physical space needs through increased requirements for storage and warehouse space, decreases in customer sales space, and shifting employment locations from sales floors to fulfillment centres and delivery vehicles.

Figure 4-1: E-Commerce Penetration

Widespread E-Commerce Acceptance	Increasing E-Commerce Acceptance	Slow E-Commerce Acceptance
Electronics	Custom Clothing	Food & Grocery
Books/Music/Toys	Eyewear	Prescription and Other Medicines
Clothing (Basics)	Prepared Foods	Large Furniture Items
Household Furnishings	Health & Personal Care Products	Major Purchases (Automobiles)
Tickets/Event Sales		

- Merging the digital and physical retail experience: Post-lockdown, the desire of customers to return to physical shopping was evident as research indicates that almost three-quarters of Canadians visits stores on at least a monthly basis. However, these physical trips are increasing augmented by hybrid transactions that involve online research, followed by in-person browsing (showrooming) and ultimately online/delivery-based transactions. Storefronts – both large and small - have also adapted their roles as fulfillment centres, handling order pick-ups and returns through expanded customer service kiosks.

- Micro-logistics hubs: The rise of e-commerce has forced the channels through which order fulfillment and returns are managed. Simultaneously, new housing units increasingly take on more high-density built forms, complicating the job of delivery and logistics companies. As a result, micro-logistics hubs have emerged in urban areas as intermediary steps in the order fulfillment process that aggregate goods for smaller urban areas, reducing the number of car trips required to deliver goods and increasing convenience by encouraging the use of alternative delivery vehicles and providing drop-off locations for returns and orders being sent to customers.
- Ground Floor Retail Vacancies: Despite the increase in mixed-use projects which contain ground floor retail space, the market for these spaces several challenges. Firstly, in the aftermath of the pandemic, many developers and condo boards have found it challenging to keep the spaces leased at reasonable rates. The high vacancy rates have led to public criticism of ground-floor retail as prioritizing national-level retailers over smaller or local businesses. It has also led to a high level of vacant space at the street level, negatively impacting the feel of the street and the commercial outlook of neighbouring businesses.

Despite these shifting trends, for most day-to-day and weekly store categories, which are integral to the establishment of walkable communities, there will likely not be a significant change in physical store requirements over current per capita space ratios. Many store types, such as supermarkets and restaurants, have already rationalized their space needs to account for delivery fulfillments. Regional shopping centres at the highest level of the hierarchy are still successful in creating a shopping experience that cannot be duplicated by online shopping. The most significant impact in terms of brick-and-mortar retailers would be with respect to large format single category (formerly known as “category killer” stores). These retailers have been effectively directly competing with online retail channels for the same customers, as well as selected retail categories that have been strongly embraced by the online market, such as books, music, electronics, and basic apparel.

Office Uses

The market for office space across the Greater Golden Horseshoe (“GGH”) has undergone a massive shift owing to changes in corporate locational strategies and the opportunities for more flexible work arrangements stimulated by the pandemic. Major office space tenants in most sectors – both private and public – have been

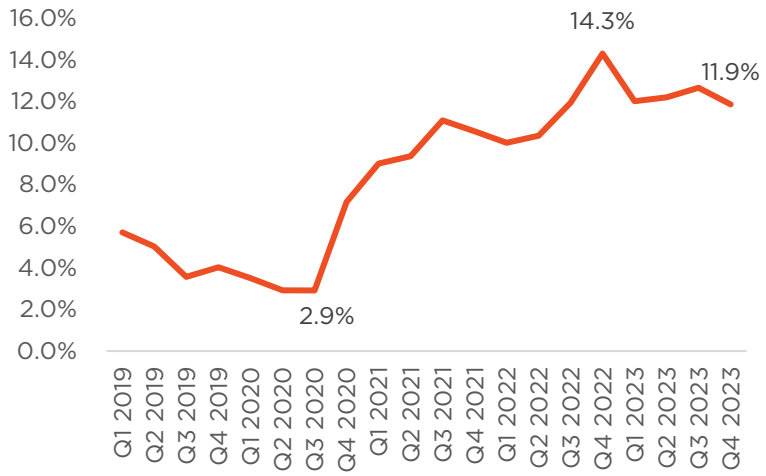
consolidating their office spaces, as a large segment of their work force is able to work from home, either on a part-time or full-time basis.

Minimal new office space is being completed, with most new projects having been started before the pandemic. Data from commercial real estate brokerages are still showing negative absorption numbers (i.e., more space is being vacated than being occupied) across many markets, including Waterloo.

While longer term stabilization in the GGH office market is expected as some employers are implementing back-to-office mandates, the overall need for new office space will be decidedly lower than prevailing market sentiments prior to the pandemic. The traditional approach to large-scale multi-tenant office development has been under pressure from changing land use and commuting patterns, and these forces have accelerated over recent years as the office market restructures post COVID-19.

As shown in Figure 4-2 office vacancy in the Western Greater Golden Horseshoe (consisting of Waterloo, Kitchener, Cambridge, Guelph and Brantford) office submarket tracked by CoStar is approximately 11.9% in Q4 2023, with future projections of increasing vacancy and availability as the sector continues its restructuring. We would note that vacancy and availability statistics mask the true nature of the office market, which is characterized by vast numbers of vacant cubicles and under-utilized space within premises stull under leases signed before the pandemic.

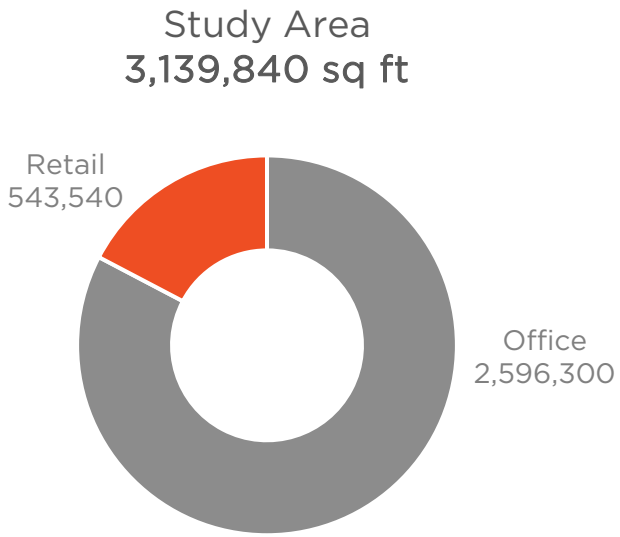
Figure 4-2: Western Greater Golden Horseshoe Office: Market Rolling Average Vacancy Rate (including KWC, Guelph, Brantford)



SOURCE: urbanMetrics inc., with data from CoStar Realty Ltd.

Within the Study Area there is a significant amount of office space compared to retail space see Figure 4-3. The need for new additional major office space is unlikely to be realized based on current market conditions including high-vacancy and low office utilization rates due to hybrid work arrangements.

Figure 4-3: Existing Commercial Space in Study Area (SF)



SOURCE: urbanMetrics inc., with data from CoStar Realty Ltd.

4.2 Commercial Categories Considered

A detailed review of the existing and competitive retail and service-commercial facilities is key to understanding what retail roles and functions are currently provided for residents and visitors of the Study Area, as well as for understanding what existing competitive influences may influence, detract from, or drive demand for retail/ service commercial uses on the subject site. In addition, understanding the Study Area's existing commercial structure is important in evaluating any future impact that the addition of retail/ service space on the subject site may have on existing commercial facilities.

An inventory of all retail and service commercial space within the Study Area was conducted by urbanMetrics in January 2024. This inventory includes:

- Food Store Retail ("FSR");
- Non-Food Store Retail ("NFSR");
- Services; and,
- Vacant Space.

Appendix A provides a listing of the various store types included within the FSR, NFSR and Service categories which have been inventoried and classified in accordance with standard industrial business classification codes (i.e. NAICS).

Our analysis has considered a full range of retail goods and services typically analyzed when undertaking a commercial policy study for a municipality. These types of retailers and services can be broken down into four broad categories, as shown Figure 4-4.

4.3 Existing Retail/ Service Commercial

Existing Space

As detailed, the Study Area is supported by approximately 543,500 square feet (50,490 sm) of retail and service commercial space. This includes approximately 91,280 square feet of FSR space, 86,530 square feet of NFSR space, and 356,030 square feet of Service space.

The retail and service commercial space found adjacent to proposed development that makes up the entirety of the subject site, including: Sobeys Northfield, Shoppers Drug Mart and other retailers at the corner of Northfield Drive West and Weber Street North totals 103,503 square feet or approximately twenty percent of the total existing commercial inventory in the Study Area. The commercial uses found adjacent to the proposed development will support the future resident population and residential and daily shopping needs and future serves as the main neighbourhood commercial node for residents in Northwest Waterloo.

At the time of our inventory there is approximately 9,690 square feet of vacant space (i.e., a market vacancy rate of 1.8%). This falls well-below the normal market guidelines which underpin a health and balanced market (i.e., a healthy/balanced market is generally between 4% and 7%). A vacancy rate below 4% typically suggests that would-be merchants and other entrants face challenges securing appropriate space and are likely to experience above-market asking rents from landlords, thus creating an impediment of business formation.

Figure 4-4: Study Area Retail/ Service Commercial Space Inventory

Category	Study Area SF	% of Total Inventory
Food Store Retail (FSR)	91,280	17%
Non-Food Store Retail (FSR)	86,530	16%
Services	356,040	66%
Vacant	9,690	2%
Grand Total	543,540	100%
Vacancy Rate	*1.8%*	

SOURCE: urbanMetrics inc. based on the desktop inventory completed in January 2024.

4.4 Proposed Retail/ Service Commercial Space

As part of our analysis, we have identified several *proposed* commercial developments in the Study Area as shown in Figure 4-5. These developments have been identified based on a review of the City of Waterloo's development applications website, as of February 2024 (i.e., site plan, subdivision applications, official plan / zoning applications and application summaries as provided by the planning department). Any relevant and competitive proposals which include retail and service commercial space have been identified and incorporated into our analysis.

Figure 4-5: Nearby Future Commercial Development



SOURCE: urbanMetrics inc. based on Google Earth Imagery.

Site 1: *Adjacent to Subject Site*

The adjacent lands west of the proposed development that makes up the entirety of the subject site has currently 103,500 square feet of built commercial space with an additional 21,425 square feet of commercial space under development on two pads. The first pad is 11,426 square feet and fronts onto the northside of Northfield Drive West adjacent to the Shopper's Drug Mart. The second pad is 10,000 square feet and fronts onto the south side of Parkside Dr.

Site 2: *446 Albert Street*

This proposal is currently in the planning stages. The proposed development is approximately 2.5 km from the subject site. Approximately 55,000 square feet of commercial space is planned on the ground floor and second floor of the development across multiple buildings. The largest commercial space is just under 19,000 square feet with most units ranging in size from 2,000 to 5,000 square feet. Based on the applicant's development concept, the ground floor space is likely to support "convenience" and "neighbourhood" -type retail and services desired by residents in the ground floor of mixed-use towers.

Site 3: *475 to 485 King Street North*

This mixed-use master plan community is currently in the planning stages and is located in the southeast section of the Study Area along King Street North and Weber Street North approximately 3kms from the subject site. The proposal consists of eight residential towers with a total of 3,556 residential units, one commercial building with approximately 43,000 square feet and two (2) six storey office buildings totaling approximately 129,000 square feet. Based on market conditions the realization of the proposed office space is unlikely in the short to medium term. The commercial being proposed is located on the King Street frontage of the site with the majority of residential development happening behind the commercial sites.

Site 4: *435 King Street North and 450-460 Weber Street North*

This proposal is currently in the planning stages. The development consists of a total 2,972 residential units among seven buildings and includes office and retail uses. Approximately 28,900 square feet of commercial and 129,200 square feet is

proposed on the site. It is unlikely the large of amount of office space proposed would materialize in the near to medium based on current market conditions and high office vacancy.

Summary

Figure 4-6 below consolidates the development application information detailed above. As shown, there is 187,755 square feet of retail/ service commercial that will likely develop in the Study Area over the longer-term planning horizon. In addition, 293,748 square feet of office is proposed which is unlikely to see major office tenants take up that space however may contribute to the needs of service commercial needs such as medical offices, professional services and personal services.

This amount of retail/ service commercial space being proposed and contemplated in the area is tied to the build-out of significant mixed-use high rise residential communities, including the subject site. In keeping with our analysis in Section 5.0 assumes that all the commercial space proposed – and identified above – will be built-out within the associated residential components of each application.

Figure 4-6: Total Commercial Space Proposed/ Under Application in the Study Area

	Square Footage		
	Commercial	Office	Industrial
Subject Site	39,430	35,548	164,860
Adjacent to Subject Site	21,425		
446 Albert Street	55,000		
475 to 485 King Street North	43,000	129,000	
435 King Street North & 450-460 Weber Street North	28,900	129,200	
TOTAL	187,755	293,748	164,860

SOURCE: urbanMetrics inc. based on development application information.

5.0 Retail & Service Commercial Need

Key Findings

- Existing residents living within the Study Area are well-served by many of the existing retail and service commercial uses operating. Our analysis suggests that there is, at present, some 'under-serviced' categories, including: Convenience & Speciality Food (FSR), Beer Wine Liquor and Personal Care Services.
- urbanMetrics estimate that future projected growth within the Study Area will warrant upwards of 350,000 square feet (32,500 sm) of net new space to support market growth. The subject site is well-positioned to accommodate a portion, albeit not all, of this required new space.
- Our analysis suggests that specific retail and service commercial uses would be appropriate for the subject site, including opportunities for: personal care services, healthcare, food services and drinking places, pharmacies and small-scale speciality food and grocery stores.
- Some larger uses, particularly within the non-food store retail (NFSR) category will also be warranted in the future to support growth, but these uses – we would suggest – are far better suited (and more likely to materialize) around Conestoga Mall and the commercial node around St. Jacobs Farmers' Market and Smart Centre (which is just north of, and outside the defined Study Area).

To determine the impact of new retail and service commercial uses in the Study Area, urbanMetrics has undertaken a per capita analysis that addresses the market need for such uses as it population growth occurs.

We note that utilizing per capita space methodology provides a general guide as to the retail/ commercial and service space required to serve the local population in a given market area. The actual space required locally may vary depending on income levels and the amount of spending inflow and outflow which occurs. However, this analysis provides a strong indication of whether there is a shortage or surplus of commercial space in the Study Area.

5.1 Per Capita Space Analysis

The following subsection summarizes the methodology and assumptions utilized in our per capita space analyses provide in the following section.

- Based on urbanMetrics' long-standing market experience, Study Area residents' per capita space requirements have been estimated for each retail and service space category. In total, we have estimated that each Study Area resident would typically be supported by approximately 30 square feet (of retail and service commercial space.
- These space per capita ratios have been applied to the 2024 estimated Study Area population, and the build-out population (which includes the anticipated build-out of the subject site), to provide an estimate of the total retail/ service commercial space required by Study Area residents now and in the future.
- The resulting space requirements have been compared to the existing space in the Study Area, which is supported not only by Study Area residents, but partially by other residents of the City, pass-by-traffic, tourists, employees working in the area plus other visitors to the area.

5.2 Existing Space Per Capita

Figure 5-1 details the existing space per capita levels of retail/ service commercial uses in the Study Area based on current population estimate of some 19,450 persons and the inventory completed by urbanMetrics in January 2024.

The existing space per capita analysis indicates a significant lack of Non-Food Store Retail categories within the Study Area. However, many non-food retail stores rely on locations with characteristics that are not always found in neighbourhood scale shopping facilities, and instead require large, big-box store formats (i.e., general merchandise, electronics, home furnishings, etc.), enclosed shopping centres (i.e., apparel and accessories) and or lower cost industrial areas (i.e., home improvement stores, private sports/recreation facilities).

It's unlikely NFSR category stores would locate within the Study Area when just on the eastern boundary of the Study Area across Highway 85 is Conestoga Mall and large, big-box stores serving a regional market with a larger variety of store formats. The subject site population can easily access these stores which is only one stop away via the Northfield ION Station.

In contrast, the area currently has a large supply of Service uses. This in part may be connected to the nature of the Business Employment area. Service commercial typical does not require the same requirements in terms of street level of street level exposure compared to retailers.

Figure 5-1: Existing Space Per Capita (2024)

Commercial Needs - Retail Category		Typical Space Per Capita (Sq Ft)		Total Space Required by Residents (Sq Ft)		Target Capture		Space Required (Sq Ft)		Inflow		Total Warranted Space (Sq Ft)		Less: Existing Space		Total Net New Space Required
Study Area Population (Current)	**19,450**	x A	=	B	x	C	=	D	x	E	=	F		G	=	H
Store Categories																
Food Store Retail		**4.5**														
Convenience and Speciality Food		1.0		19,450		70%		13,615		10%		15,000		10,240		4,760
Supermarkets & Grocery		3.5		68,075		70%		47,653		20%		57,200		81,040	-	23,840
Beer, Wine Liquor		**1.0**		19,450		50%		9,725		20%		11,700		0		11,700
Non-Food Store Retail		**11.5**														
Apparel and Accessories		1.0		19,450		30%		5,835		10%		6,400		0		6,400
Building and Outdoor Home Supply		2.5		48,625		40%		19,450		10%		21,400		10,875		10,525
Furniture, Home Furnishings & Electronics Store		2.5		48,625		40%		19,450		10%		21,400		8,360		13,040
General Merchandise		2.0		38,900		65%		25,285		10%		27,800		26,290		1,510
Miscellaneous Retailers		2.0		38,900		60%		23,340		10%		25,700		14,355		11,345
Pharmacies & Personal Care Stores		1.5		29,175		80%		23,340		10%		25,700		26,650	-	950
Services		**13.0**														
Food Services & Drinking Places		3.0		58,350		65%		37,928		50%		56,900		75,290	-	18,390
Finance, Insurance and Real Estate		2.0		38,900		60%		23,340		35%		31,500		74,530	-	43,030
Health Care		1.5		29,175		70%		20,423		15%		23,500		38,760	-	15,260
Personal Care		2.0		38,900		70%		27,230		15%		31,300		12,500		18,800
Local Office Services[1]		1.5		29,175		30%		8,753		50%		13,100		51,780	-	38,680
Other[2]		3.0		58,350		30%		17,505		50%		26,300		103,180	-	76,880
Total		**30.0**										**394,900**		533,850	-	138,950

[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

SOURCE: urbanMetrics inc., based on data by Statistics Canada, professional experience, and Study Area inventory in January 2024.

5.3 Per Capita Space Analysis Build-Out

With significant population growth expected in the Study Area as a result of the residential development on the subject site and other locations, there is warranted demand across a variety of commercial/ retail and service use categories.

Most notably, the per capita space analysis shows significant demand for Personal Care This is largely due to the significant population growth anticipated throughout the Study Area. It is also worth noting that there are currently no beer, wine or liquor stores in the Study Area. This type of facility could be accommodated in its own location or could be incorporated into the grocery store use.

In addition, there is an expected demand for food services and drinking places, health care and personal care services. Such uses are well suited to the high-density and mixed-use environment being proposed on the subject site and could be easily integrated within the pedestrian-oriented and transit connected format being proposed.

Figure 5-2: Study Area Per Capita Space Analysis Build-Out

Commercial Needs - Retail Category		Typical Space Per Capita (Sq Ft)		Total Space Required by Residents (Sq Ft)		Target Capture		Space Required (Sq Ft)		Inflow		Total Warranted Space (Sq Ft)		Less: Existing Space		Total Net New Space Required
Study Area Population (Build-out)	**39,400** x	A	=	B	x	C	=	D	x	E	=	F		G	=	H
Store Categories																
Food Store Retail		**4.5**														
Convenience and Speciality Food		1.0		39,400		70%		27,580		10%		30,600		10,240		20,360
Supermarkets & Grocery		3.5		137,900		70%		96,530		20%		120,700		81,040		39,660
Beer, Wine Liquor		**1.0**		39,400		50%		19,700		20%		24,600		0		24,600
Non-Food Store Retail		**11.5**														
Apparel and Accessories		1.0		39,400		30%		11,820		10%		13,100		0		13,100
Building and Outdoor Home Supply		2.5		98,500		40%		39,400		10%		43,800		10,875		32,925
Furniture, Home Furnishings & Electronics Store		2.5		98,500		40%		39,400		10%		43,800		8,360		35,440
General Merchandise		2.0		78,800		65%		51,220		10%		56,900		26,290		30,610
Miscellaneous Retailers		2.0		78,800		60%		47,280		10%		52,500		14,355		38,145
Pharmacies & Personal Care Stores		1.5		59,100		80%		47,280		10%		52,500		26,650		25,850
Services		**13.0**														
Food Services & Drinking Places		3.0		118,200		65%		76,830		50%		153,700		75,290		78,410
Finance, Insurance and Real Estate		2.0		78,800		60%		47,280		35%		72,700		74,530	-	1,830
Health Care		1.5		59,100		70%		41,370		15%		48,700		38,760		9,940
Personal Care		2.0		78,800		70%		55,160		15%		64,900		12,500		52,400
Business Services[1]		1.5		59,100		30%		17,730		50%		35,500		51,780	-	16,280
Other[2]		3.0		118,200		30%		35,460		50%		70,900		103,180	-	32,280
Total		30.0										884,900		533,850		351,050

[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

SOURCE: urbanMetrics inc., based on data by Statistics Canada, professional experience, and Study Area inventory in January 2024. The population includes projects residents of the subject site.

urban Metrics

The existing population of the Study Area already warrants demand for additional retail and service commercial uses in select categories. Going forward, given the significant population increase expected in the Study Area and resulting demand generated mainly by residential development on the subject site, there is retail/ service commercial demand generated across all retail/ service commercial categories.

While select categories, may be better accommodated and supportable given the format and quantum of space being proposed on the subject site, there is more than enough demand to support the amount of space being proposed as a component of the subject development.

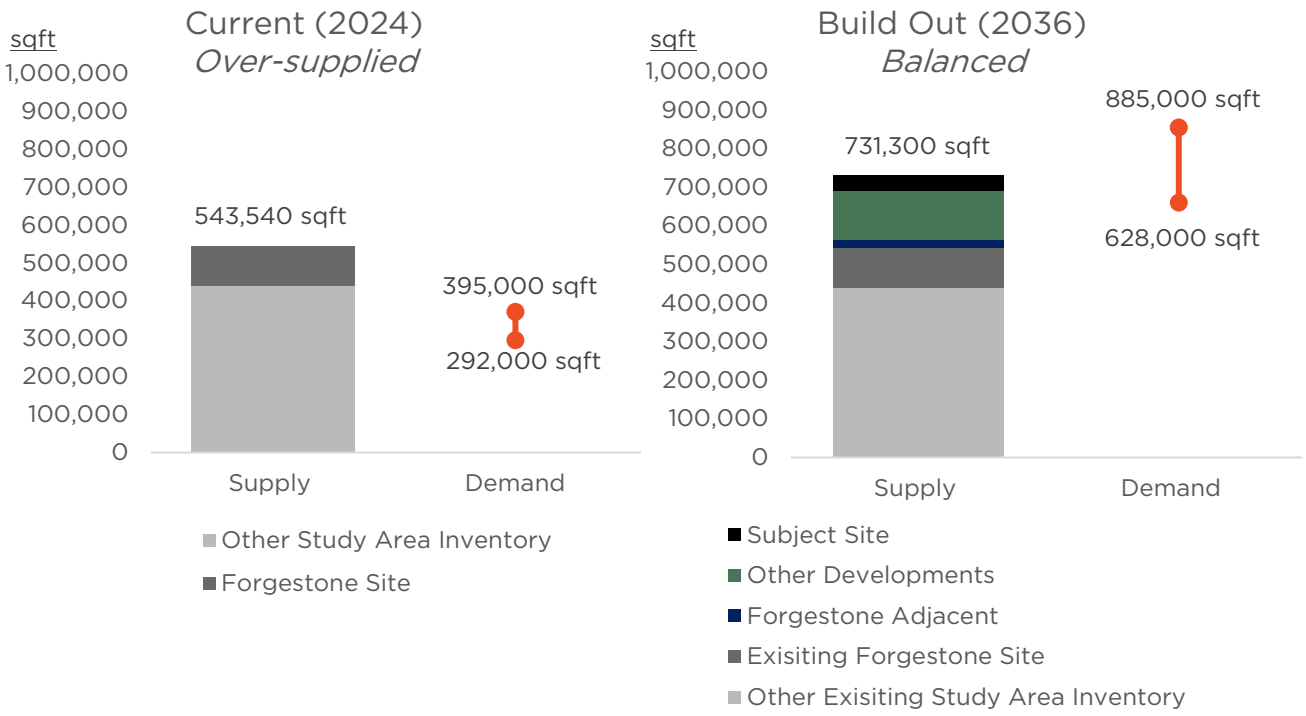
5.4 Warranted Commercial Space Summary

Figure 5-3, highlights the current (2024) supply and demand for retail and service commercial space in the Study Area versus the anticipated supply and demand at buildout (2036).

Currently, there is a total supply of 543,540 square feet of retail and service commercial space in the Study Area including over 100,000 square feet within the Forgestone site. Based on the current Study Area population the demand for Commercial space warrants approximately 292,000 to 395,000 square feet of space which results in an oversupply of approximately 150,000 square feet of space.

With significant population growth expected in the Study Area by 2036, the demand for retail and service commercial increases to approximately 628,000 to 885,000 square feet of warranted space. Much of the increase in warranted space will be supported by the current surplus of commercial space followed by the incremental additions of new commercial space at the subject site, Forgestone's adjacent commercial site as well as other future development sites where future resident population is proposed. The supply of retail and service commercial will total approximately 731,000 square feet at buildout. In effect, this will bring the Study Area's retail and commercial service supply and demand into an appropriate alignment (i.e. a balanced market).

Figure 5-3: Warranted Commercial Space Current and 2036



SOURCE: urbanMetrics inc.

6.0 Conclusions

This Market Impact Study has shown that the existing commercial and service space within the Study Area is currently oversupplied. Existing residents are very well served by a range of merchants and services, and on the subject site more specifically. Our analysis indicates that future population, including residents living in the proposed Forgestone residential mixed-use area are well positioned to take advantage of in-situ businesses including supermarkets, pharmacies and other day to day shops and services.

Based on our evaluation, the provision of ~40,000 square feet of population-serving uses, represents a reasonable level of space to support the population as it moves toward a 2036 build-out.

The application – which currently envisions about 39,430 square feet of commercial space – assuming that 50% of the flex commercial space is taken up by population-serving businesses and the other 50% is taken up by business-serving enterprises. The introduction of this quantum of space, would complement the commercial space on the adjacent property to the west, and would help safeguard other commercial developments elsewhere in the Study Area.

Our per capita based market analysis suggests that there are a variety of uses that would be appropriate within the subject site. The most significant – and immediately apparent - would be businesses within the personal care segment, medical, dental and other healthcare services, restaurants and drinking establishments. We would also note that the subject site could potentially incorporate liquor, beer, wine outlets.

The integration of these, and other, commercial uses within the proposed development would help to create a compact, transit-oriented community and provide a venue for many of the day-to-day needs required by residents.

Bottom Line: Based on the results of our analysis, the proposed scale of retail and service commercial uses (~40,000 square feet) within the Forgestone mixed-use development proposal would be supportable from a market impact perspective. We would suggest that the provisions for retail and service commercial space, as proposed, will help right-size the amount of commercial

space needed to support healthy, balanced growth within the Study Area. Residents in the future will continue to be well served by retail and service commercial options within a reasonable distance of their homes.

Appendix A

Figure 6-1: uMi Retail Store Classifications Based on North American Industry Classification System (NAICS)

Group	NAICS	Description
FOOD		
90	**Supermarkets**	
	44511	Supermarkets and Other Grocery (except Convenience) Stores
100	**Convenience and Specialty Food Stores**	
	44512	Convenience Stores
	44521	Meat Markets
	44522	Fish and Seafood Markets
	44523	Fruit and Vegetable Markets
	44529	Other Specialty Food Stores, including Baked Goods Stores, & Confectionary & Nut
BEVERAGE STORES		
110	**Beer, Wine and Liquor Stores**	
	44531	Beer, Wine and Liquor Stores
NON-FOOD STORE RETAIL (NFSR)		
Automot		
20	**Used and Recreational Motor Vehicle and Parks Dealers (Tires, Batteries, Automotive Accessories component)**	
	44131	Automotive Parts and Accessories Stores
	44132	Tire Dealers
Furniture, Home Furnishings and Electronics Stores		
30	**Furniture Stores**	
	44211	Furniture Stores
40	**Home Furnishings Stores**	
	44221	Floor Covering Stores (excludes retailers or only ceramic or only hardwood flooring which are in Building Supply)
	44229	Other Home Furnishings Stores (e.g. window treatments, fireplace/accessories, kitchen and tableware, bedding and linens, brooms and brushes, lamps and shades, and prints and picture frames).
50	**Computer and Software Stores**	
	44312	Computer and Software Stores (includes retailing new computers, computer peripherals, pre-packaged software, game software and related products)
60	**Home Electronics and Appliance Stores**	
	44311	Appliance, Television and other Electronics Stores
	44313	Camera and Photographic Supplies Stores
Building and Outdoor Home Supplies Stores		
70	**Home Centres and Hardware Stores**	
	44411	Home Centres
	44413	Hardware Stores (includes tool stores)
80	**Specialized Building Materials and Garden Stores**	
	44412	Paint and Wallpaper Stores
	44419	Other Building Material Dealers (excluding manufacturing and construction firms) (includes doors, windows, itchen cabinets, electircal, glass, plumbing,
	44421	Outdoor Power Equipment Stores (lawn mowers, tractors, hedge trimmers, snow blowers)
	44422	Nursery Stores and Garden Centres
Pharmacies and Personal Care Stores		
120	**Pharmacies and Personal Care Stores**	
	44611	Pharmacies and Drug Stores
	44612	Cosmetics, Beauty Supplies and Perfume Stores
	44613	Optical Goods Stores
	44619	Other Health and Personal Care Stores (includes stores retailing health and personal care items, such as vitamin supplements, hearing aids, and medical

Group	NAICS	Description
Clothing and Accessories Stores		
140	**Clothing Stores**	
	44811	Men's Clothing Stores
	44812	Women's Clothing Stores
	44813	Children's and Infant's Clothing Stores
	44814	Family Clothing Stores
	44819	Other Clothing Stores
150	**Shoe, Clothing Accessories and Jewellery Stores**	
	44815	Clothing Accessories Stores
	44821	Shoe Stores (includes athletic shoe retailers)
	44831	Jewellery Stores
	44832	Luggage and Leather Goods Stores
General Merchandise Stores		
170	**Department Stores**	
	45211	Department Stores
175	45211	Department Stores with a Large food component (i.e. Walmart Supercentres)
180	**Other General Merchandise Stores**	
	45291	Warehouse Clubs and Superstores
	45299	All Other General Merchandise Stores:
		Home & Auto (i.e. Canadian Tire)
		Other General Merchandise Stores (e.g. general stores, variety stores, "dollar" stores)
Miscellaneous Retailers		
160	**Sporting Goods, Hobby, Music and Book Stores**	
	45111	Sporting Goods Stores (excludes athletic shoe retailers)
	45112	Hobby, Toy and Game Stores (excludes computer games and software)
	45113	Sewing, Needlework and Piece Goods Stores
	45114	Musical Instrument and Supplies Stores
	45121	Book Stores and News Dealers
	45122	Pre-Recorded Tape, Compact Disc and Record Stores
190	**Miscellaneous Store**	
	45311	Florists
	45321	Office Supplies and Stationery Stores
	45322	Gift, Novelty and Souvenir Stores
	45331	Used Merchandise Stores
	45391	Pet and Pet Supplies Stores
	45392	Art Dealers (excludes art galleries)
	45399	All Other Miscellaneous Store Retailers (e.g. tobacco supplies, artist supplies, collectors items, beer & wine making, swimming pool/spas/accessories, religious goods and accessories)

Group	NAICS	Description
SERVICES		
200	**Consumer Goods Rental**	
	53221	Consumer Electronics and Appliance (Appliance rental and leasing, rental of consumer audio-visual equipment (including rent-to-own), Television
	53222	Formal Wear and Costume Rental
	53223	Video Tape and Disc Rental
	53229	Other Rental (sporting goods, garden equipment, home health, fitness etc.)
	53231	General Rental Centres (including contractors' and builders' tools and equipment, home repair tools, lawn and garden equipment, moving equipment
210	**Finance**	
	52211	Banks
	52213	Credit Unions
215	52239	Other Financial (including cheque cashing, mortgage brokers, other financial services (e.g. Edward Jones))
220	**Insurance and Real Estate**	
	52421	Insurance Agencies and Brokerages
	53121	Offices of Real Estate Agents and Brokers
	53132	Office of Real Estate Appraisers
230	**Professional, Scientific & Technical Services**	
	54111	Offices of Lawyers
	54119	Other Legal Services (eg. Paralegal, Title search, immigration consultation, notaries)
	54121	Offices of Accountants, Tax Preparation Services, Bookings, Payroll
	54131	Architectural Services
	54132	Landscape Architecture (includes urban planners, industrial development planning, landscape architects)
	54134	Drafting Services
	54137	Survey and Mapping Services
	54138	Testing Labs (exlcuding medical, auto, veterinary)
	54141	Interior Design Services
	54143	Graphic Design Services (includes art studios)
	54149	Other Specialized Design Services (e.g. clothing, jewellery, fashion)
	54151	Computer Systems Design and Related Services (e.g. computer consulting and programming)
	54161	Management Consulting Services
	54162	Environmental Consulting Services
	54169	Other Scientific and Technical Consulting (e.g. economic, hydrology, safety)
	54171	Research & Development in the Physical, Engineering and Life Sciences (includes medical research labs)
	54172	Research & Development in the Social Sciences and Humanities (eg. deomographic, education, phsychology research)
	54181	Advertising Agencies
	54182	Public Relations Services (e.g. lobbyists, political consultants)
	54191	Marketing Research & Public opinion polling
	54192	Photographic Services (e.g. passport photography, photo studios portrait photography studies)
	54193	Translation and Interpretation Services
	54194	Veterinary Services (excludes pet care (81291))
	54199	All Other Professional, Scientific and Technical Services (includes consumer credit counselling)
240	**Selected Office Administrative Services**	
	56131	Employment Services (includes placements, executive search, casting agencies etc.)
	56141	Document Preparation Services (proofreading, word processing, desktop publishing etc.)
	56142	Telephone Call Centres
	56143	Business Service Centres (eg. printing, copying, mail centres) (excludes commercial printing)
	56144	Collection Agencies
	56145	Credit Bureaus
241	56151	Travel Agencies
	56159	Other Travel Arrangement & Reservation Services (eg. ticket sales agency, tourist info, bus ticket offices, etc.)
		Security Systems (includes security system sales, installation and monitoring; locksmiths (excluding key duplication - 81149))
	56162	
245	**Selected Educational Services**	
	61161	Fine Arts Schools (e.g. dance, drame, music, art, handicrafts)
	61162	Athletic Instruction (e.g. aerobic dance, gymnastics, juo, karate, martial arts, scuba, swimming) (excludes athletic instruction in sport and recreation
	61163	Language Schools
	61169	All Other Schools and Instruction (e.g. driving instruction, public speaking, Kumon, Oxford)

Group	NAICS	Description
250	**Health Care**	
	63111	Offices of Physicians
	62121	Offices of Dentists
	62131	Offices of Chiropractors
	62132	Offices of Optometrists (excludes eyeglass stores - 44613)
	62133	Offices of Mental Healh Practioners (psychologists, psychiatric social workers)
	62134	Offices of Physical, Occupational, Speech Therapists and Audiologists
	62135	Offices of Other Health Practitioners (eg. acupunturists, dental hygienists, dieticians, naturopath, podiatrists)
	62141	Family Planning Centres
	62142	Outpatient Mental Health and Substance Abuse Centres
	62149	Other Outpatient Care Centres (e.g. public health clinics, hearing testing, dialysis)
	62151	Medical and Diagnostic Laboratories (e.g. medical, x-ray, dental lab (excluding making of dentures, ortho appliances, teeth))
255	**Social Services**	
	62411	Child and Youth Social Services (e.g. Children's aid, youth centres, adoption)
	62149	Other Individual and Family Services (eg. AA, marriage counselling, outreach)
	62441	Child Day Care
260	**Cultural, Entertainment and Recreation**	
261	71312	Amusement Arcades (e.g. indoor play areas, pinball arcades, video game arcades)
		Fitness & Recreational Sports Centres (includes athletic clubs, spas (w/o accommodation), aerobic dance centres, health clubs)
262	71394	
263	71395	Bowling Centres
264	71399	All other Amusement and Recreation Industries (includes billards parlours)
265	51213	Motion Picture and Video Exhibition (includes cinemas)
270	**Food Services and Drinking Places**	
271	72211	Full-Service Restaurants
272	72221	Limited-Service Eating Places
273	72232	Caterers (includes banquet halls)
274	72241	Drinking Places (Alcoholic Beverages) -(includes night clubs, bars (including those with gaming), pubs, taverns
280	**Personal and Household Goods Repair and Maintenance**	
281	81111	Automotive Mechanical & Electrical Repair & Maintenance (includes engine repair, exhausts, transmission, electrical system repair)
281	81112	Automotive Body, Paint, Interior and Glass Repair (includes collision repair, auto upholstery, paint & body shops)
281	81119	Other Automotive Repair & Maintenance (includes auto detail, washing, diagnostic centres, lub, rustproofing, undercoating, emissions testing)
282	81121	Electronic and Precision Equipment Repair and Maintenance (includes ink jet cartridges (cleaning and refilling), tv repair)
	81141	Home and Garden Equipment and Appliance Repair & Maintenance (e.g. small engine repair)
	81142	Reupholstery and Furniture Repair
	81143	Footwear and Leather Goods Repair (e.g. shoe repair)
282	81149	Other Personal and Household Goods Repair and Maintenance (includes key cutting, china firing/decorating, jewellery repair, sharpening of knives, skate sharpening, watch repair etc.)
290	**Personal Care Services**	
	81211	Hair care and Esthetic Services (includes barber, beatuy, hair salons)
	81219	Other Personal Care services (includes day spa, diet centres, hair removal, massage parlours, tanning alons, tattoo parlours, weight reduction centres)
	81231	Coin-operated Laundries and dry cleaners (self service)
	81232	Dry Cleaning and Laundry services (except coin operated)
	81233	Linen and Uniform Supply (includes work clothing supply services - industrial)
	81291	Pet Care (except veterinary)
	81292	Photofinishing Services
	81299	All other Personal Services (e.g. fortune tellers, dating services, psychic services, shoeshine)
295	**Civic and Social Organizations**	
	81341	Civic and Social Organizations (includes clubs)
	81391	Business Associations (includes board of trade, real estate boards etc.)
	Transportation	
296	49111	Postal Service (post office)
300	**VACANT**	
	9999	VACANT RETAIL/SERVICE SPACE

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