

**Commercial & Employment
Land Analysis - Peer Review,
Keswick Secondary Plan,
Town of Georgina, Ontario**

Independent Real Estate Intelligence

FINAL REPORT

September 16, 2020



**Commercial & Employment Land Analysis
- Peer Review
Keswick Secondary Plan,
Town of Georgina, Ontario**

Prepared for:

Treasure Hill

Prepared by:

Altus Group Economic Consulting

33 Yonge Street Toronto Ontario M5E 1G4

Phone: (416) 641-9500 Fax: (416) 641-9501

economics@altusgroup.com

altusgroup.com

September 16, 2020

EXECUTIVE SUMMARY

Altus Group was engaged by Treasure Hill (“Client”) to conduct a Peer Review of the Keswick Secondary Plan Commercial & Employment Land Analysis (“uM Study”) prepared by urbanMetrics Inc. (“uM”) for the Town of Georgina, Ontario.

BACKGROUND

Treasure Hill owns property on lands in Keswick, Ontario, municipally known as the East Part of Lots 14 and 15, Concession 3 (N.G.), Town of Georgina (“subject site”), and includes land use designations for some 7.2 gross acres (2.9 gross hectares) of land designated as ‘Commercial/Employment’. In January 2020, a new draft plan of subdivision and land use permissions were submitted for the subject site.

The subject site is located within the Keswick Secondary Plan (“KSP”) Area. The KSP is currently undergoing a review. As part of the KSP Review, a Commercial and Employment Lands Analysis was conducted by uM to provide direction on commercial and employment space requirements, appropriate locations and the relationship between commercial and employment needs in the community. The findings and summarizing conclusions have significant impacts on the future viability of our client’s site, lands and the greater KSP area overall.

For this peer review, Altus Group (“Altus”) has reviewed the uM Study in regard to the research methodology, assumptions, market evidence and the conclusions provided by urbanMetrics Inc. It is acknowledged that the uM Study reviews the plan across a community and does not specifically address the subject site. This peer review is intended to be submitted as expert evidence towards the current KSP Review as it relates to the new draft plan of subdivision and land use permissions for the subject site in Keswick, Ontario, with respect to providing more context to the Town in terms of the commercial and employment land needs in Keswick.

It is also noted that the recent pandemic has had significant impact on the commercial and retail sectors, with suppressed demand in the short to medium term for commercial space. In the longer term, commercial demand is anticipated to pick-up as a result of pent-up consumer demand, employment growth and continued migration over the long-term. Generally,

the consensus is that its effect will accelerate many of the existing retail and commercial real estate development trends we have been seeing in recent years.

SUMMARY OF FINDINGS

The following summarizes Altus Group's findings pertaining to peer review of the commercial & employment land analysis for the KSP, and as it relates to the subject site.

The approach, assumptions and methodology adopted in uM Study are generally considered good and appropriate for its intended purpose to address market need relating to overall future forecast commercial and employment space needs, however some questions and need for clarification are posed with respect to the assumptions used and analysis and figures presented in the report.

- The delineated Trade Area is considered appropriate for the reasons given in the uM Study with respect to Keswick's urban character, and location of competitive commercial space in the region.
- Population, income and employment data and forecasts presented and applied in the analysis are considered to be from suitable commonly used reputable sources and documents.
- Generally, the assumed commercial and employment site coverage ratios applied are considered reasonable and commonly used. However, greater emphasis/explanation on how the assumed site coverage ratios reflect the intended growth and development vision as set out in the KSP would be beneficial, as well as consideration of potential future changing trends in consumer preferences and commercial space needs, and whether this would be expected to increase or decrease the associated site coverage ratios applied to forecast future commercial and employment space needs.

The Commercial and Employment Land Needs Analysis study indicates a surplus of commercial and employment designated lands after accounting for all forecasted commercial and employment land needs over the study period.

- Based on data provided in the uM Study, the Keswick Business Park (KBP) is estimated to be able to accommodate some 395 acres (160 hectares) of total employment land, however the forecasted warranted need for some 480 to 560 acres (194 to 227 hectares) of total employment land in the KSP over the forecast period means that between 85 to 165 acres (34 to 67 hectares) of employment land will need to be accommodated on other vacant lands within Keswick.
- Based on the foregoing analysis and figures, the identified remaining 187 acres (76 hectares) of vacant Commercial/Employment lands in Keswick would be sufficient to meet the overflow of 85 to 165 acres (34 to 67 hectares) of employment land that are forecast to be required by 2041.
- After accommodating all of the overflow employment land needs, there would continue to remain a residual supply of approximately 22 to 102 acres (9 to 41 hectares) of vacant lands not needed over the forecast period for commercial and employment uses, which could be used to accommodate other diverse uses in the meantime.

There is a residual surplus of Commercial/Employment lands forecast over the study period, yet the study concludes with the recommendation to not re-designate any Commercial/Employment lands, with which Altus respectfully disagrees.

- These surplus lands have the potential to accommodate other diverse needed land uses or to allow greater flexibility to accommodate other land uses in light of market conditions.
- Good planning would generally conclude that if there is a surplus of vacant lands, that these lands be made available for other potentially demanded land uses.
- If there was a deficit of vacant commercial lands following the forecast analysis, then it would be suitable to recommend that additional lands be needed/required/or reserved for the appropriate amount as found in the forecast land analysis.

The rationale and justification that the excess Commercial/Employment designated lands may be needed as reserve lands to accommodate certain quasi-industrial and commercial uses not permitted in the KBP is not based on sound methodology and approach.

- This restricts and limits the flexibility for this land to be used for other potential uses that may be required during the forecast period.
- If these uses are envisioned to be needed during the planning period, then they should be accounted for in the commercial and employment land needs analysis for the forecast period.
- If these uses are envisioned to be needed beyond the planning period, then it is unnecessary to reserve lands for them as the goal of the planning process does not include reserving lands for potential uses beyond the planning period.

Designated Commercial/Employment lands on the subject site are considered of lower marketability for future commercial and employment uses and would be anticipated to have the longest buildout timeline compared to other Commercial/Employment lands further south along Woodbine Avenue.

- The subject site is located on the urban fringe of Keswick's urban service area boundary, in the sense that surrounding lands to the north and east outside of the urban boundary have no plans to be developed in the near future.
- Vehicular access and exposure to major arterial roads and Highway 404 via Woodbine Avenue are an asset, although the future Highway 404 north extension and proposed new highway interchanges at the future KBP will have a greater positive impact on the accessibility and exposure of Commercial/Employment lands along Woodbine south of Riverglen Avenue.
- Based on locations and size of existing commercial and vacant lands and taking into account the proposed KBP, the centre of gravity of future commercial and employment uses seem to be shifting towards the southern portion of the KSP. The KBP and proposed connections to the future Highway 404 extension on the eastern side of Woodbine Avenue are anticipated to generate a critical mass of complementary and ancillary commercial and employment uses adjacent to the KBP on the west side of Woodbine Avenue.

Given the low marketability of the subject site lands for commercial and employment uses and the forecast surplus of vacant land supply in the KSP over the forecast period, it would be appropriate to consider the Commercial/Employment land designations on the subject site as a candidate for re-designation.

- The 7.2 acres (2.9 hectares) of subject lands designated as Commercial/Employment are unlikely to be required in its entirety to accommodate the forecast employment growth from a market and planning perspective over the 2019-2041 period.
- The potential to develop these lands for other land uses such as residential purposes will assist in accommodating the Town's residential intensification requirements over that same period.

In addition to comments and clarifications provided in the main body of the peer review, we noted some inconsistencies or errors with some of the figures or rounding applied during the analysis that should be reviewed.

- Section 7.1: In the Per Capita Analysis of Forecast Space, the inventory totals for the service commercial subcategories shown in Figure 7-1 do not match with the totals presented in the retail inventory in Figure 6-2. Moreover, the subtotal for service commercial uses in Figure 7-1 do not add up to the sum of the individual categories as presented.
- Section 8.1: For employment forecasts estimates there are inconsistencies between the data presented in the text body and the data provided in the footnote on how the forecasts were reached. Further explanation as to which data were used in the forecast of commercial space needs is required.

CONCLUDING REMARKS

Based on our peer review of the uM Study, Altus Group acknowledges that a common research methodology has been used however a number of issues and shortcomings have been identified that make it difficult to appropriately quantify the overall magnitude and geographic location of future lands required for the forecast required commercial retail and service space independently of employment land space requirements.

Given the identified issues in this initial uM Study, **we are not satisfied with the current recommendation to not permit any 'Commercial/Employment' land re-designations within the KSP area.** This statement has significant impacts on the future viability of our client's site, lands and the greater KSP area overall, and should be thoroughly investigated further before a decision is made.

Due to the longer-term forecast, there is a long enough time period to match supply with future demand; a substantial amount of residual surplus land supply after accommodating for all future commercial and employment space needs; and potential future critical mass of activity generated in proximity to the proposed KBP in the southern portion of the KSP, that it is of the opinion of Altus Group that there is merit in considering the re-designation of the Commercial/Employment designated lands on our client's site, or potentially providing for the flexibility to allow for potential residential and other uses in the future that may be needed during the planning forecast period.

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1 INTRODUCTION

Altus Group was engaged by Treasure Hill (“Client”) to conduct a Peer Review of the Keswick Secondary Plan Commercial & Employment Land Analysis (“uM Study”) prepared by urbanMetrics Inc. (“uM”) for the Town of Georgina, Ontario.

1.1 BACKGROUND

Treasure Hill owns property on lands in Keswick, Ontario, municipally known as the East Part of Lots 14 and 15, Concession 3 (N.G.), Town of Georgina (“subject site”), and includes land use designations for some 7.2 gross acres (2.9 gross hectares) of land designated as ‘Commercial/Employment’. In January 2020, a new draft plan of subdivision (“site plan”) and land use permissions were submitted for the subject site.

The subject site is located within the Keswick Secondary Plan (“KSP”) Area, which is currently undergoing a Secondary Plan Review. As part of the KSP Review, a Commercial and Employment Lands Analysis was conducted by uM to provide direction on commercial and employment space requirements, appropriate locations and the relationship between commercial and employment needs in the community. The findings and summarizing conclusions have significant impacts on the future viability of our client’s site, lands and the greater KSP area overall.

Given the KSP’s designation of Commercial/Employment land uses within the subject site, it is acknowledged that the best planning for the subject land will depend on ensuring that the research and modelling in the Commercial and Employment Lands Analysis was conducted appropriately and accurately. Therefore, Treasure Hill has approached Altus Group to prepare this peer review study.

1.2 STUDY PURPOSE

This study is a peer review intended to be submitted as expert evidence towards the current KSP Review as it relates to the new draft site plan and land use permissions for the subject site in Keswick, Ontario, with respect to providing more context to the Town in terms of the commercial and employment land needs in Keswick and as they relate to the subject site.

For this review, Altus Group (“Altus”) has reviewed the uM Study in regard to the research methodology, assumptions, market evidence and the conclusions provided by urbanMetrics Inc.

Altus has not completed any new or additional research, inventory estimates, or a more in-depth review of the Town’s planning policy pertaining to the Keswick Secondary Plan or Keswick Business Park (KBP) beyond the information contained in the uM Study.

1.3 SCOPE OF STUDY

The following tasks were completed in the preparation of the peer review for the commercial and employment land needs study:

- Evaluation of subject site lands with respect to size, location, access and visibility from a commercial tenanting perspective, and its context within the Keswick Secondary Plan and Town of Georgina.
- A review of the uM Study with an eye to highlighting and understanding contradictions between commercial and employment uses, the degree to which recent trends in retail transformation and other issues have been incorporated, and a specific comment on the applicability of the uM findings to the subject site lands. This report will review:
 - The approach and methodology used to incorporate the necessary level of detail for the analysis of demand drivers and market impacts;
 - The appropriateness and quality of various inputs, including but not limited to, trade area definition, commercial space inventory and analysis, future approved commercial floor space on other sites, population forecasts, expenditure and per capita space estimates.
 - The reasonableness of the assumptions used, and methodologies applied relating to retail category shares, market capture, inflow and sales performance estimates;
 - The identification of any errors, or areas where further work may be required to address any deficiencies or support any conclusions that have been drawn; and,
 - The appropriateness of the conclusions regarding the commercial supply and market demand for commercial uses in

Keswick, impact of Keswick Business park, and the conclusions regarding policies/policy changes to best meet commercial need, in light of the research and analysis undertaken and any deficiencies identified.

1.4 REPORT STRUCTURE

The chapters of this peer review report are structured as follows:

- Chapter 2 presents a review of the subject site location, surrounding context, as well as relevant planning background and policies as they relate to the subject lands and urban and commercial structure;
- Chapter 3 provides and discusses the main findings of the Peer Review with respect to the assumptions, methodologies, data and analysis of the commercial supply and demand, and reconciliation with employment land needs forecasts; and,
- Chapter 4 reviews findings of the Peer Review and concluding remarks regarding the forecast requirement of commercial and employment land needs over the 2019-2041 forecast period with respect to current land use designations of the KSP.

1.5 CAVEAT

The analysis has been prepared on the basis of the information and assumptions set forth in the text. However, it is not possible to fully document or account for all and any changes that may occur in the future. This report relies on information from a variety of primary and secondary sources. While every effort is made to ensure the accuracy of the data, we cannot guarantee the complete accuracy of the information used in this report from these secondary sources.

As of the date of this report, Canada and the Global Community are experiencing unprecedented measures undertaken by various levels of government to curtail health-related impacts of the COVID-19 pandemic. The duration of this event is not known. While there is potential for negative impact with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not fully possible to predict such impact at present, or the impact of current and future government countermeasures. Accordingly, this report does not address the potential impact of the COVID-19 pandemic on recent, current or future market conditions.

This report is intended to be used for the purposes outlined herein and is not to be relied upon by any other party without the prior written consent of Altus Group Limited.

2 SUBJECT SITE & SURROUNDING CONTEXT

This chapter provides an overview of the subject site and its surrounding context. It will assess the positioning and connectivity of the site with respect to the overall urban structure and commercial hierarchy.

2.1 LOCATION AND SITE CONTEXT

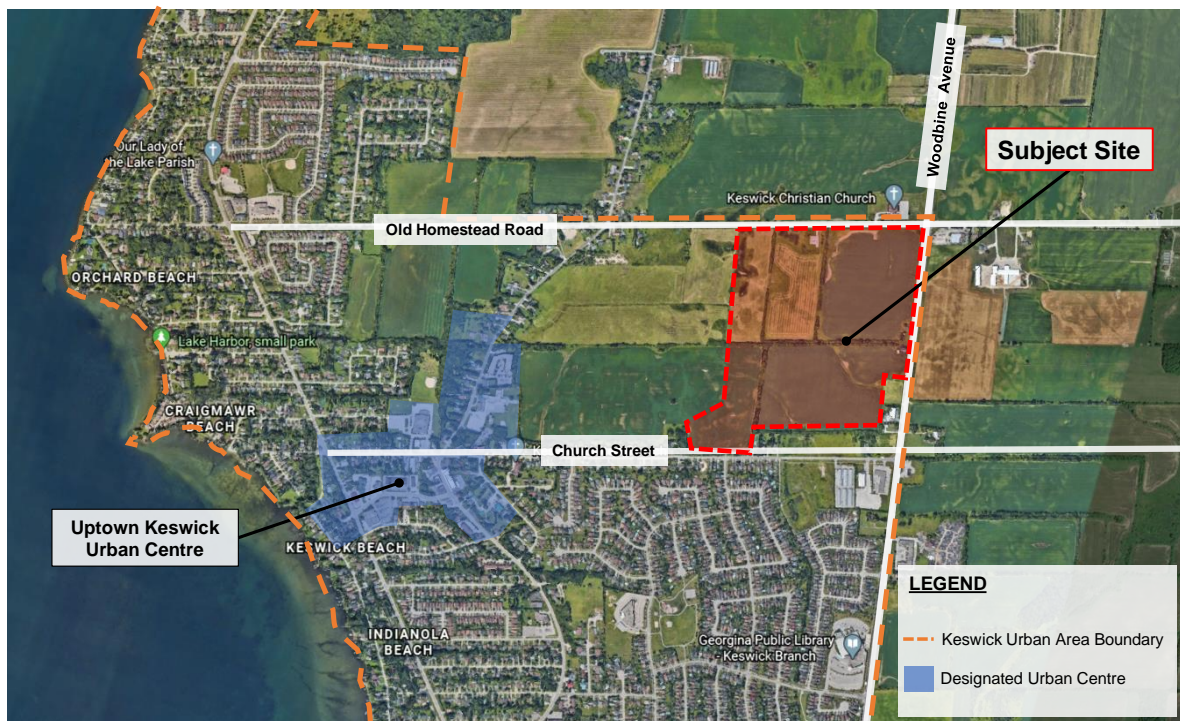
2.1.1 Site Location and Description

The subject site is located in the community of Keswick, Ontario on lands municipally known as the East Part of Lots 14 and 15, Concession 3 (N.G.), Town of Georgina ("site"). Figure 1 illustrates the subject site location, bounded by Old Homestead Road to the north, Church Street to the south and Woodbine Avenue to the east.

The subject site is situated in the northern portion of the KSP, and is in close proximity to the Queensway Corridor and Uptown Keswick Urban Centre which contain a variety of retail and service commercial uses to meet local residents daily needs.

Figure 1

Subject Site & Surrounding Context



Source: Altus Group Economic Consulting based on Google Earth Maps

2.1.2 Surrounding Context

Land uses surrounding the subject site include:

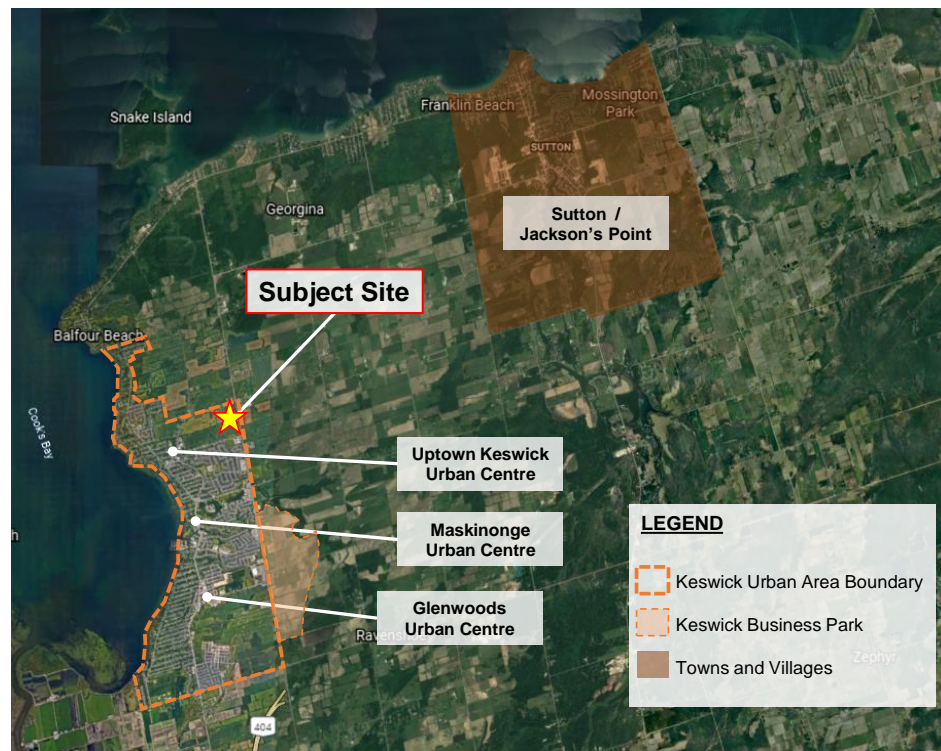
- **North:** Rural farmland situated outside of Keswick's urban service boundary, and the Keswick Christian Church located at the northwest corner of Old Homestead Road and Woodbine Avenue.
- **East:** Rural farmland situated outside of Keswick's urban service boundary on the eastern side of Woodbine Avenue, as well as the Georgina Garden Centre located at the southeast corner of Old Homestead Drive and Woodbine Avenue. A few vacant and private land plots comprising single family homes and an auto repair shop are situated on the west side of Woodbine Avenue near the intersection with Church Street.
- **South:** Abutting the subject site's boundary to the south are some private single-family homes and vacant land plots with frontage onto Church Street, as well as low-rise single-family neighbourhoods to the south of Church Street. Moreover, there is a small convenience/neighbourhood commercial plaza (Georgina Mall), movie theater and arts centre, and self-storage facility at the southwest corner of Woodbine Avenue and Church Street.
- **West:** Currently vacant lands and designated Greenlands System immediately to the west of the northern half of the site, and future low-rise single-family homes to the west of the southern half of the site. Further to the west is the designated Uptown Keswick Urban Centre, which contains a selection of retail and service commercial activities.

2.1.3 Regional Context

Figure 2 illustrates the location of the subject site in Keswick as well as the wider regional context within Town of Georgina. This shows the subject site is situated on the urban fringe of Keswick's urban area service boundary, in the sense that surrounding rural lands to the north and east have no plans to be developed in the near future and are not within a defined urban boundary where growth is to be focused. Given that Keswick is the primary urban area in Georgina, there will be a limited growth of population and commercial market support in Georgina to the north and east, compared to south of the subject site within the Keswick urban area boundary.

Figure 2

Regional Context



Source: Altus Group Economic Consulting based on Google Earth Maps

2.1.4 Keswick Business Park

The Keswick Business Park (KBP) was approved in 2005 with the aim to function as a key regional employment centre in northern York Region, and provide an opportunity to further the contribution of local and regional businesses to the economic wellbeing of the Town of Georgina. The KBP is located just north of Ravenshoe Road and on the East side of Woodbine Avenue as illustrated in Figure 2. Covering a total of 500 gross acres (202 gross hectares) of land, it is estimated to have the potential to accommodate approximately 395 net acres (160 net hectares) of employment land.

Altus Comments

Did the author consider the potential impact and influence of the KBP on the development potential of Commercial/Employment lands along Woodbine Avenue?

Lands adjacent to and in proximity to the proposed KBP would be anticipated to attract other employment and commercial uses to situate along

Woodbine Avenue closer to the KBP, which may result in a clustering of commercial and employment uses around the proposed gateways to KBP.

2.2 PLANNING CONTEXT

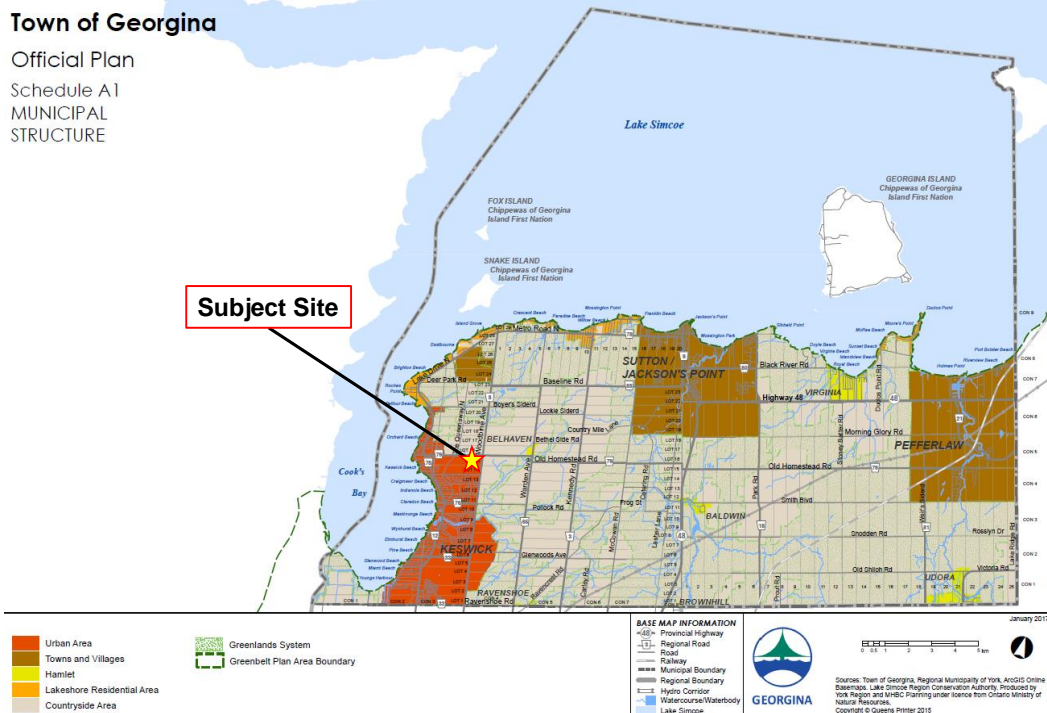
2.2.1 Town of Georgina Official Plan

The subject site is in the Town of Georgina, the northernmost municipality in York Region. A predominantly rural municipality, Georgina has one designated Urban Area (Keswick), three designated Towns and Villages, several hamlets and lakeshore residential areas that make up its municipal structure as shown in Figure 3.

Being the primary Urban Area in the municipality and most southerly community, Keswick comprises the majority of the resident population, commercial and employment activities, and is expected to draw relatively substantial inflow from the surrounding towns, villages, hamlets and rural communities in Georgina for certain retail goods and services.

Figure 3

Municipal Structure, Town of Georgina



Source: Altus Group Economic Consulting based on Town of Georgina Official Plan (2016)

2.2.2 Keswick Secondary Plan

The Keswick Secondary Plan (KSP) sets out the vision for the future of the Keswick community, including community structure, land use designations, a natural heritage system, municipal servicing, transportation and other policies to manage growth and change in the community.

The current KSP came into effect in October 2004, and as of 2020 the Town of Georgina is currently undergoing a review and update of the KSP. This update aims to more accurately reflect changes to the provincial and regional planning policy documents, and appropriately plan for future growth and development in light of the changes over time with respect to social, economic and environmental factors that affect how the community is planned.

2.2.2.1 Urban Structure

Keswick's urban structure and land use plan associated with the KSP is presented in Figure 4, with a description of its urban structure presented below.

The Urban Community Structure is made up of the following as per Section 13.1.1.4 of the KSP, with majority of commercial uses found within the Queensway Corridor and Woodbine Avenue Commercial/Employment District:

- The Queensway Corridor;
- The Woodbine Avenue Commercial/Employment District;
- Neighbourhoods and Neighbourhood Centres;
- A Greenlands System; and,
- the Street Pattern.

The Queensway Corridor

Growth and development in the community of Keswick has historically occurred along The Queensway Corridor, with more localized urban centres making up the traditional commercial nodes of the community.

These designated urban centres include:

- Uptown Keswick Urban Centre – functions predominantly as a retail and service commercial area. It is envisioned that this area will evolve into a centre containing a diverse array of specialized and

boutique retail activities, restaurants, small-scale office and mixed-use commercial/residential uses.

- Maskinonge Urban Centre - functions predominantly as a tourist oriented commercial area focused around the marina uses at the Maskinonge River. It is envisioned that this area will develop into a mixed-use, tourist commercial and residential centre and serve as a community focal point of Keswick; and
- Glenwoods Urban Centre - functions predominantly as a retail and service commercial centre combined with some institutional/community uses and medium density residential development. The retail and service commercial role of this Centre is expected to be expanded over time, primarily through intensification and infill redevelopment.

The KSP intends to support and strengthen the Queensway Corridor as an area of higher density mixed-use development to provide greater opportunities for larger numbers of residents to live in closer proximity to shops, work places and public transit services.

Woodbine Avenue Commercial/Employment District

In more recent years, commercial and employment development has occurred along the Woodbine Avenue corridor, where a greater number of larger vacant land parcels exist and are able to accommodate larger scale retail and employment-generating land uses.

Section 13.1.1.4.2 of the KSP states that “the nature and function of the Woodbine Avenue Commercial/Employment District is based on its accessibility attributes as well as the configuration of the current supply of vacant land, including some parcels suitable for large-scale development”, and that the Town must “ensure that ongoing development in this district is compatible with adjacent development, serves much of the commercial needs of Keswick and the broader community and provides sufficient opportunities for the location of office and prestige industrial development”.

This suggests that while these lands have been identified as most suited for larger-scale commercial and employment land uses, consideration of the type of intended commercial or industrial use must be taken to ensure they do not negatively impact the future neighbouring residential land uses to the west.

2.2.2.2 Land Use Designations

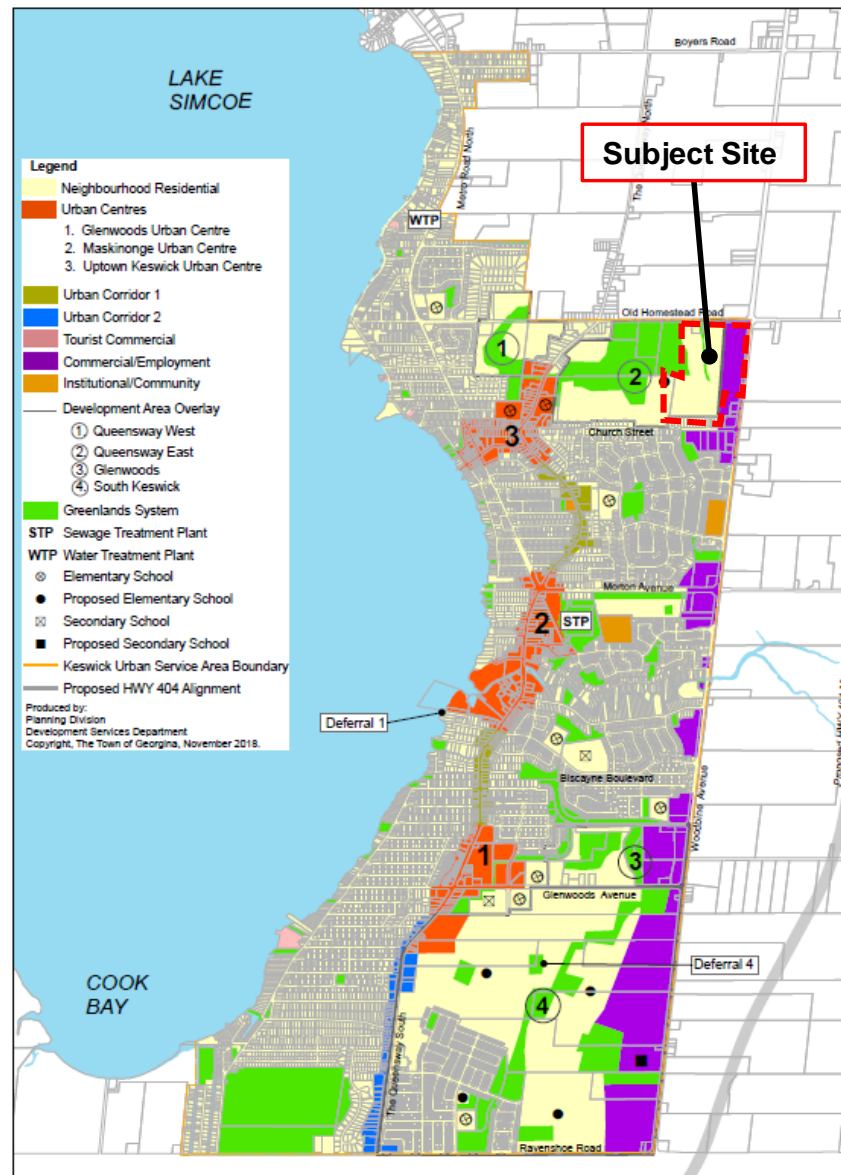
Land use designations stipulated in the Keswick Secondary Plan currently include the following and are illustrated in the KSP Land Use Plan Map in Figure 4:

- Neighbourhood Residential;
- Urban Centres;
- Urban Corridors;
- Tourist Commercial;
- Commercial / Employment;
- Institutional / Community, and;
- Greenlands System.

The subject site currently includes land use designations for some 7.2 gross acres (2.92 gross hectares) of land designated as 'Commercial/Employment', with frontage onto Woodbine Avenue and Old Homestead Road. The rest being Neighbourhood Residential and Greenlands System (Figure 4).

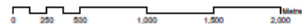
Figure 4

Keswick Secondary Plan, Land Use Plan



Schedule F1: Keswick Land Use Plan

KESWICK SECONDARY PLAN
 Town of Georgina



Source: Altus Group Economic Consulting based on Keswick Secondary Plan (2018)

2.2.2.3 Zoning Permissions

Keswick has a variety of zoning designations for commercial and employment uses, as per the Town of Georgina Zoning By-Law 500.

With respect to the Commercial/Employment land use designation along the Woodbine Corridor, the majority of non-residential land sites are zoned for commercial uses (either C1 General Commercial, C2 Highway Commercial, or C4 Shopping Centre Commercial).

Along the Woodbine Corridor, there are limited employment uses with industrial zoning (some M1 Restricted Industrial sites and one M2 General Industrial).

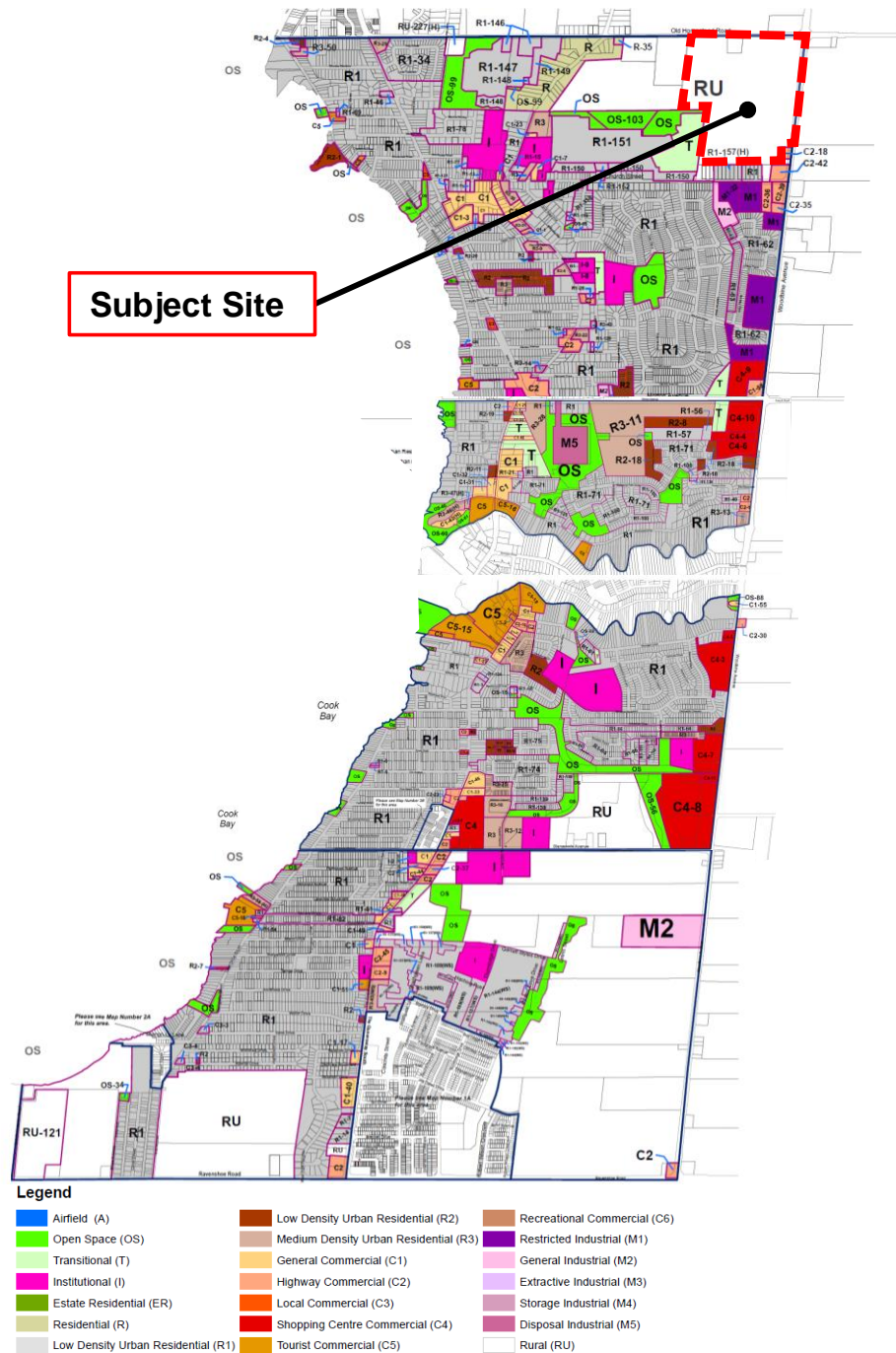
- One M1 zoned land site is occupied by a self-storage facility at 33 Church Street;
- One M1 zoned land site is occupied by a Cinema / Movie Studio / Arts Centre at 11 Church Street;
- One vacant M1-22 zoned land site and one vacant M2 site on Church Street;
- Two M1 zoned land sites along Woodbine Avenue are currently vacant; and
- One M2 zoned land site occupied by farm equipment supplier Kesmac at 23324 Woodbine Avenue.

Even where there are existing M1 Restricted Industrial zoning lands, not all of these M1 zoned lands have yet been developed with employment related uses. The Vacant Land Analysis explores this in more detail.

The subject site is currently zoned as Rural (RU).

Figure 5

Keswick Zoning Designations



Source: Altus Group Economic Consulting based on Town of Georgina Zoning By-Law 500 Maps (2019).

2.3 ACCESS, VISIBILITY AND EXPOSURE

2.3.1 Road

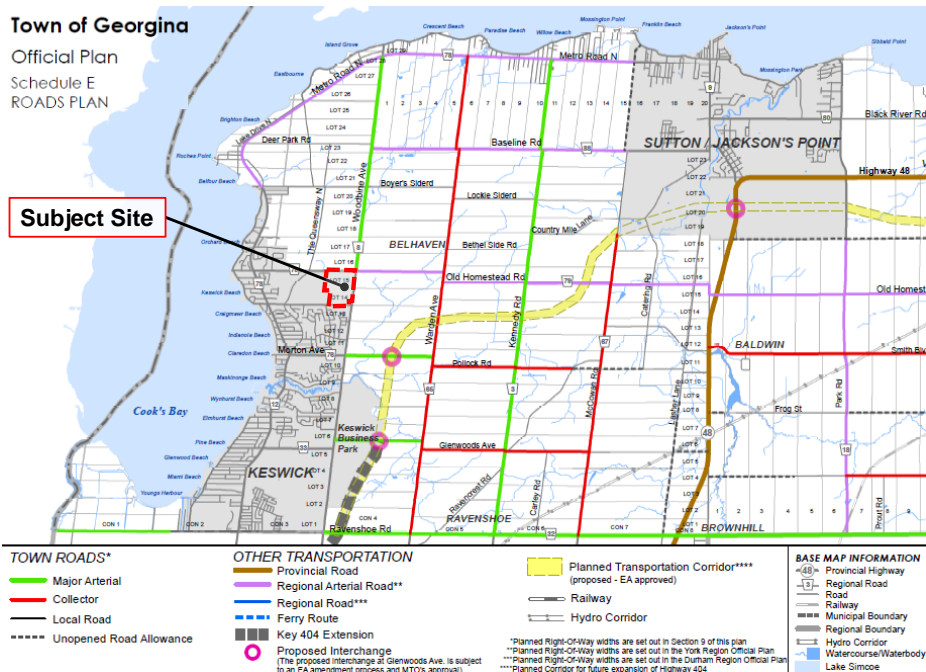
Keswick is noted to be a predominantly auto-oriented community. The subject site has access onto Old Homestead Road to the north, Woodbine Avenue to the East, and Church Street to the south. Future access to the west will be provided upon completion of the residential subdivisions on the Starlish Homes lands.

Visibility of the subject site is more limited along Church Street due to the presence of existing private residential land plots, yet it has good visibility and exposure along Old Homestead Road and a large portion of Woodbine Avenue.

The subject site is located at the intersection of an arterial road (Woodbine Avenue) and a regional arterial road (Old Homestead Road), providing good connectivity to south Keswick and towns to the west in Georgina.

Figure 6

Roads Plan, Town of Georgina



Source: Altus Group Economic Consulting based on Town of Georgina Official Plan, Schedule E (2015).

2.3.2 Highway 404 Extensions (to Ravenshoe Road and Highway 12)

The uM Study notes that the recent Highway 404 Extension to Ravenshoe Road has had a positive impact on the regional accessibility and attractiveness of Keswick. It created a direct connection between Keswick and major municipalities to the south including Markham, Richmond Hill, and Toronto but also increased influence of competing commercial nodes in Newmarket as a result of the greater accessibility via Highway 404.

Illustrated in Figure 6 is the proposed future extension of Highway 404 northeast to Highway 12. The future extension north to Highway 12 is expected to further benefit Keswick from a residential and non-residential perspective by enhancing the accessibility of commercial uses in Keswick to towns and communities in Georgina to the east who are more limited in commercial opportunities.

Altus Comments

The uM Study appropriately notes the benefits of the Highway 404 extension from improved connectivity for Keswick, it also appropriately identifies the influence of commercial competition situated in commercial nodes/centres in Newmarket.

- Did the author consider the alignment and locations of interchange access points of the proposed Highway 404 extension and its relative impact on the various respective vacant lands in the KSP?

We note that the proposed Highway 404 alignment turns eastwards before reaching Church Street or Old Homestead Road, and the proposed new highway interchanges connect at Morton Avenue/Pollock Road and Glenwoods Avenue. This potentially makes lands closer to these intersections with Woodbine Avenue more desirable from a commercial and employment tenancing perspective.

2.3.3 Transit

The uM Study noted that, local public transportation for Keswick is provided by York Region Transit (YRT). Transit use in Keswick is notably low, with only between 2% to 3% of daily trips taken by Keswick residents involve transit, according to the 2016 Transportation for Tomorrow survey.

The uM Study states that in 2019 two YRT transit routes served local residents and employees of Keswick, Route 50 and Route 51.

Regional transit services serving the community of Keswick include:

- GO Transit bus route (Route 67), with a terminus where Highway 404 meets Woodbine Avenue south of Ravenshoe Road. This is primarily a commuter route for Keswick residents that only departs from Keswick in the morning and returns in the evening. It links Keswick to the Finch Station Bus Terminal, with stops along Highway 404 in Newmarket, Aurora, Markham and the Sheppard Subway Station.
- East Gwilliambury GO Station located on Green Lane East, located approximately 20 kilometres to the south, is the closest commuter rail transit station to Keswick and the subject site. Although, as correctly noted in the uM Study, according to the 2016 Transportation for Tomorrow survey, GO Transit only serves a small portion of commuting trips by Keswick residents.

Altus Comments

We recognize that the uM Study was conducted in 2019 and based on relevant information at the time of research and analysis. Although during our review, we found that as of April 2020:

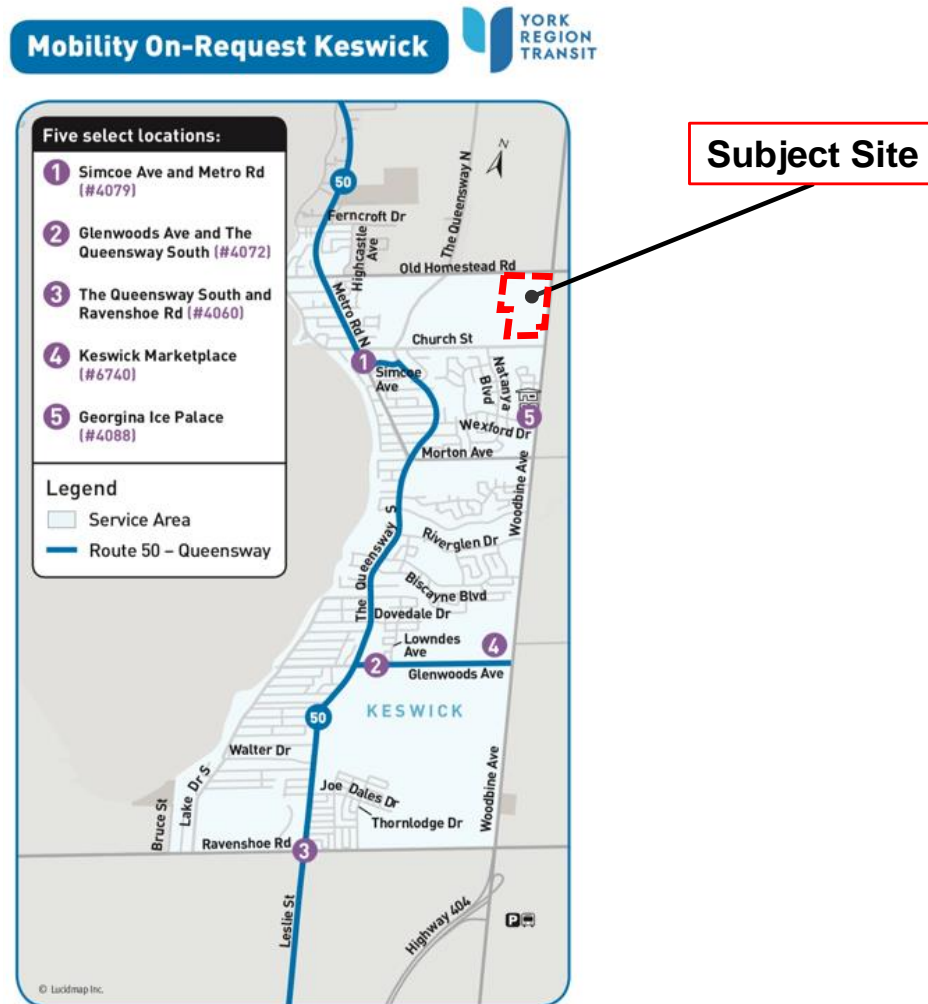
- Route 50 (Queensway) serves the Queensway Corridor in Keswick, linking with the Metro Road North corridor to Sutton on the northbound route, and southbound via Leslie Street linking with the Davis Road Corridor to the Newmarket YRT Terminal.
- Route 51 has been suspended and replaced with a 'Mobility On-Request' service for local serving trips within Keswick to 5 drop-off points. This service is more limited than a scheduled transit route, however it enables users to be picked up from any address within the Keswick urban area boundary to 5 major locations/points of interest in Keswick that include Urban Centres, major commercial shopping nodes, a major intersection and a civic public recreational and institutional facility as shown in Figure 7.

Although public transit was already limited in Keswick prior to the replacement of Route 51, this further restricts the attractiveness of northern portion of Woodbine Avenue to future commercial or industrial users as Keswick continues to grow and develop out its remaining vacant lands.

How might these changes in transit service affect the overall attractiveness and suitability of the lands along Woodbine Avenue for commercial and employment uses?

Figure 7

Transit Routes Serving Keswick



Source: Altus Group Economic Consulting based on York Region Transit 2020

2.4 PLANNING FOR COMMERCIAL / EMPLOYMENT USES ON THE SUBJECT LANDS

The subject lands contain designations for approximately 7.2 acres (2.9 hectares) of Commercial/Employment uses. In terms of the overall planning context, the subject lands lack the attributes to make it a strong commercial / employment use candidate site, relative to designated lands in other nodes in the KSP area. For example:

- Vehicular access to the KSP area is planned to improve with the planned extension of Highway 404, but the configuration of the planned extension is remote from the subject site and may benefit less than other lands further south along Woodbine Avenue.
- The subject lands are not connected to the existing and planned transit routes in Keswick and York Transit has no existing plans to extend these routes.
- The subject site is located at the fringe of the urban service area boundary. Lands to the north and east are outside of the urban service area and no development is envisioned for these lands through the planning period. The subject lands, therefore, are unlikely to reach a critical mass population concentration to activate the market for commercial uses relative to other commercial/employment designated lands in the KSP.
- KSP policies encourage mixed-use infill and intensification within the Urban Centres and Corridors, and given their existing critical mass and concentration of commercial uses may continue to be more attractive to future commercial tenants than the subject lands.

Therefore, the need for the Commercial/Employment designation on the subject lands is questionable. The uM study has, however, identified need to preserve the current Commercial/Employment land use designations. The next chapter will examine the assumptions, analysis and conclusions reached by the uM Study with respect to the overall forecast commercial and employment land needs over the 2019-2041 forecast period.

3 REVIEW OF THE COMMERCIAL AND EMPLOYMENT LAND NEEDS STUDY

This Chapter presents a summary of findings from our peer review of the Keswick Secondary Plan Commercial & Employment Land Analysis prepared by uM in December 2019.

3.1 REVIEW OF POLICY FRAMEWORK

The background review including general context of commercial lands and uses focuses on the land use policy context including overall commercial land use designations and structure. The uM Study appropriately outlines and describes the characteristics of the various commercially designated lands.

Altus Comments

Was a review of the wider planning context vision, goals and principles for Town of Georgina Official Plan (OP) and Keswick Secondary Plan (KSP), other than describing the various commercial related land use designations conducted or considered?

- For example, was consideration given to the varying population densities, or direction of future residential, commercial and employment land growth within the KBP?

Can the Study make references to the specific policies within the Georgina OP or KSP when discussing their respective policies or recommendations as they relate to commercial lands and uses (i.e. references to supporting higher densities, transit supportive...etc.)?

3.2 TRADE AREA DELINEATION

3.2.1 Trade Area Delineation

The Trade Area delineated by the uM Study for commercial uses within Keswick Secondary Plan Area is defined as the municipal boundaries of the Town of Georgina.

Altus Comments

The boundaries of the Town of Georgina are considered an appropriate and reasonable Trade Area. We concur with reasons given in the uM Study that take into consideration the following:

- Encompasses the urban area of Keswick, and extends to include the communities of Sutton, Jackson's Point, Pefferlaw, Udora, as well as the surrounding rural areas and villages along Lake Simcoe.
- Appropriately recognizes potential inflow of non-Trade Area residents (e.g. local employees, seasonal residents, tourists and other visitors) that could also provide additional market support from their expenditures.
- Acknowledgement that Keswick's direct commercial competition comes from retail uses on Green Lane, Yonge Street and Davis Drive in Newmarket and East Gwillimbury – as these are also regional serving commercial uses.
- Natural boundaries of the lake, limited commercial competition to north and east, until Highway 12 and Uxbridge.

It is acknowledged that the southern border of the Town of Georgina is an appropriate southern bound for the Trade Area due to the presence of relatively significant commercial and retail critical mass in Newmarket (including Costco, a Walmart, Upper Canada Mall among many other large national chain retailers) and convenient access via Highway 404 is recognized to likely service the smaller rural communities between Newmarket and Keswick.

3.2.2 Trade Area Characteristics (Population & Income)

3.2.2.1 Resident Population

Figure 8 shows the historical and forecast population estimates as presented in the uM Study.

The uM Study has estimated a 2019 base year population of approximately 28,600 people in Keswick, which represents about a 66% share of the overall population for the Town of Georgina of approximately 48,400 people in 2019.

The resident population of Keswick is anticipated to increase by approximately 15,200 residents over the 2019-2041 forecast period, representing an average annual growth rate of 2.4% of some 693 persons.

Figure 8

Population: Current and Forecasted, Town of Georgina and Keswick, 2006-2041

	2006	2011	2016	2019	2021	2026	2031	2036	2041	Period Growth (Average Annual)	
										2006-2019	2019-2041
Town of Georgina	44,204 ¹	44,906 ¹	47,373 ¹	48,415 ²	50,882 ³	54,352 ³	58,923 ³	66,082 ³	71,300 ⁴	4,211	22,885
Annual Growth		140	493	347	1,234	694	914	1,432	1,044	324	1,040
Annual Growth Rate		0.3%	1.1%	0.7%	2.5%	1.3%	1.6%	2.3%	1.5%	0.7%	2.1%
Keswick	24,554 ¹	26,832 ¹	27,909 ¹	28,604 ⁵	30,248 ⁵	32,562 ⁵	35,609 ⁵	40,382 ⁵	43,860 ⁵	4,050	15,256
Annual Growth		456	215	232	822	463	609	955	696	312	693
Annual Growth Rate		1.8%	0.8%	0.8%	2.9%	1.5%	1.9%	2.7%	1.7%	1.3%	2.4%

Source: urbanMetrics inc., based on the following data sources:

¹ Census of Canada - Adjusted for Census Undercount.

² York Region Population Estimate June 30, 2019 based on housing completions - Adjusted for Undercount.

³ Town of Georgina 2016 DCBS - Adjusted for Undercount.

⁴ York Region Preferred Growth Scenario, November 2015 - Adjusted for Undercount.

⁵ Based on Keswick share of Georgina population growth of 66% as per Town of Georgina 2016 DCBS.

Altus Comments

Historical and forecast population estimates are based on the following data sources and are considered to be appropriate for the purposes of this study.

- Historical population counts are sourced from Statistics Canada Census of Canada and adjusted for undercount, which is appropriate;
- Data source used for 2019 base year population estimate is sourced from the York Region Population Estimates as of June 30, 2019, and is considered appropriate;
- Forecast population growth up to 2036 is sourced from the Town of Georgina 2016 Development Charge Background Study (DCBS) as is considered appropriate;
- 2041 forecast population for Town of Georgina is based on the most recent York Region Preferred Growth Scenario in 2015, which is considered appropriate; and,
- Share of population growth attributable to Keswick applied is appropriate given the source being the Town of Georgina 2016 DCBS.

3.2.2.2 Seasonal Population

The uM Study also recognized Keswick's estimated seasonal population of the Trade Area. The estimate was derived by multiplying the number of seasonal dwellings as of December 2019 according to information from Town

of Georgina's Tax and Water Utilities division by Georgina's average persons per unit (PPU) measure of 2.7 PPU.

An estimated 1,722 seasonal dwellings results in an estimated base year seasonal population of 4,649 persons, approximately 16% of the total population in Keswick.

Altus Comments

The uM Study estimated a gross up of population to account for seasonal residents. We concur.

- What was the historical and forecast growth of seasonal dwellings in Keswick?

3.2.2.3 Trade Area Income

To estimate trade area per capita income and potential expenditure levels, the uM Study adopts the values from the most recent 2016 Census published by Statistics Canada, which is considered an appropriate approach to take.

The uM Study notes that the Study Area (Keswick) had a slightly higher average per capita income than the Town of Georgina, although overall households in both Georgina and Keswick were more than 20% lower than the Provincial average.

Altus Comments

The data source used is the latest available household income data sourced from Statistics Canada Census, which is a reputable source.

- The uM Study could benefit the reader by showing the Provincial average per capita income and its associated income index to the Province in the analysis and Figure 5-4 of the uM Study for reference.

3.3 COMMERCIAL SUPPLY

3.3.1 Existing Commercial Inventory

The uM Study conducted a full inventory of competitive commercial space in the Keswick Study Area during July 2019, in order to better understand the current role and function of the existing retail and service commercial market as well as existing and future potential competitive influences that could affect the market supply and demand available in the Study Area. For the purposes of this peer review, Altus Group did not conduct additional research or inventory work and will rely on the retail and commercial space estimates provided by uM.

uM Study states that there is approximately 1,046,700 square feet of existing total commercial space in Keswick. Of this total commercial space:

- 47% was located along the Woodbine Corridor;
- 42% was located in the Urban Centres;
- 10% was located along the Urban Corridors, and;
- 1% was located in the remainder of the town.

In terms of retail categories:

- Food retail stores comprise approximately 163,700 square feet of commercial space, and include three supermarkets (2 in Urban Centres and 1 along Woodbine Corridor). A Walmart Supercentre with a grocery component is also present in the Woodbine Corridor, although it is categorised as a General Merchandise store. It is observed there is no supermarket in Maskinonge Urban Centre.
- Non-Food retail stores were found to comprise approximately 438,000 square feet of commercial space, of which 242,700 square feet consist of General Merchandise/Department Store space (Walmart Supercentre and Canadian Tire). Nearly 70% of Non-Food retail space is located along Woodbine Avenue, with an opportunity for greater proportion of NFSR space warranted in Maskinonge Urban Centre.
- Service commercial uses were found to comprise an estimated 423,300 square feet of commercial space as per Figures 6-2 and 6-6 of the uM Study. The majority of service commercial space is located along the Woodbine Corridor and within Glenwoods Urban Centre.

- The largest portion of service commercial space consists of Food Services & Drinking Places, occupying approximately 116,300 square feet of space. Healthcare and Personal Care services occupy the next most commercial space in Keswick.

Vacancy Rate

The uM Study observed that Keswick is currently exhibiting: a low vacancy rate of around 2%, which is considered below the typical range of 4-7% vacancy rate for balanced market conditions.

The study suggested that this low vacancy rate largely results from a lack of in demand newer high-quality commercial spaces, compared to older more traditional commercial spaces located in the older urban centres and corridors. Support for additional commercial space in the local market area could be warranted.

- No vacancies in commercial space along Woodbine Avenue, indicating the presence of demand for commercial space, but also vacant land that is generally more suited to larger-format automobile-oriented commercial uses.
- In the urban centres and corridors, some once single-detached houses have been converted or are being used as commercial spaces for various retail and service uses.

Altus Comments

Based on the commercial inventory data presented in Figure 6-2 of the uM Study, we concur with the presented analysis of commercial inventory space by spatial distribution and retail categories is considered appropriate.

We concur with the statement that Keswick is currently experiencing a vacancy rate below typical balanced market conditions, based on inventory data presented in the uM Study.

- Markets with vacancy rates below this 4-7% range are typically recognized as being underserved with commercial space supply, and vacancy rates above this range indicate an oversupply of commercial space in the market.

This indicates there exists some demand for new commercial space supply in order to maintain a vacancy rate in the range of 4-7%.

- At this stage, however it does not suggest a need for new additional commercial lands as over the planning horizon there exists a supply of vacant lands that could meet this additional commercial space demand.
- There is a relatively abundant supply of vacant Commercial/Employment designated lands that would adequately absorb the future forecasted required commercial space demand.

3.3.2 Future Anticipated Commercial Supply

According to the uM Study, there were five development applications that collectively included an approximate total of 70,000 square feet of commercial GFA.

- Over 60% of this space is proposed along Woodbine Avenue.
 - The majority of this (3,612 sqm) is part of a proposed mixed-use townhouse and commercial development, with 39 townhouse units and 8 commercial retail buildings.
- The remaining are proposed on infill sites within Maskinonge and Glenwoods Urban Centres.
- In addition, the uM Study acknowledged the proposed South Shore development on Cameron Crescent in Maskinonge Urban Centre, which is currently stalled, but would include some mixed-use commercial space and a full-service hotel.

Altus Comments

Since the time of the uM study's analysis of future anticipated commercial supply in Keswick, an additional development proposal for a commercial development at 36 Church Street (north west corner of Church Street and Woodbine Avenue) has been submitted, which is proposed to include some 901 square metres (9,700 square feet) of retail and service commercial space. This proposed development is noted to be adjacent to the subject site lands, and is anticipated to serve future residents of the subject site.

- As shown in Figure 9, this would revise the total future commercial supply in Keswick to approximately 80,00 square feet (7,400 square metres).

Figure 9

#	Address	Description	Proposed Commercial Space	
			Sq.M.	Sq.Ft.
1	427 The Queensway S	Proposed Site Plan for 2 storey commercial building	573	6,168
2	295 The Queensway S	Proposed Site Plan for 3-storey medical office building with ground level retail and parking	1,170	12,594
3	263 The Queensway S	Proposed Site Plan for Gas Station, convenience store and 3-suite commercial	679	7,309
4	W/S Woodbine Ave	Proposed 39 townhouse units and 3,613 sqm commercial floor space (8 buildings)	3,612	38,879
5	23250 Woodbine Ave	Proposed 3-unit commercial building	418	4,499
6	36 Church St	Proposed 1 storey 7-unit commercial building	901	9,698
Totals			7,353	79,147

Source: Altus Group Economic Consulting based on data from Town of Georgina Development Services Department (2020).

We also noted that the majority of these newly proposed commercial developments are predominantly oriented towards the southern portion of the Keswick urban area. This may have implications for future proposed commercial and industrial developments.

3.3.3 Vacant Land Analysis

With an understanding of Keswick's urban structure and land use plan, as well as the existing retail identifies the potential magnitude of developable vacant lands that could accommodate and absorb future commercial and employment space needs. Figure 10 presents the distribution of vacant commercial land and potential space as presented in the uM Study, which is illustrated in Figure 11.

According to the uM Study there was a total of 240 acres (97 hectares) of vacant commercial lands located in Keswick.

- 87% (207.36 acres or 83.9 hectares) of these vacant lands are designated as Commercial/Employment located along Woodbine Avenue.
- 11% (26.35 acres or 10.6 hectares) are located within designated Urban Centres (of which Glenwoods comprises some 19.77 acres (8 hectares) of vacant lands).
- 2.5% (6 acres or 2.4 hectares) are within the designated Urban Corridors, and;
- The remaining are vacant tourist commercial lands near the waterfront.

To translate the available vacant commercial land area into commercial space that could be accommodated on currently vacant lands, the uM Study applied a typical commercial land coverage assumption of 25%.

Based on this land coverage assumption, it was estimated that approximately 2.6 million square feet of commercial space could be accommodated on the existing 240 acres (97 hectares) of vacant commercial land.

The uM Study stated that this amount of vacant land/space is “well beyond amount required to support future growth projected in Keswick to 2041”, suggesting there will be sufficient supply to meet future forecast demand.

Altus Comments

The Vacant Land Analysis provides clear indication of the locations and sizes of vacant land parcels within the KSP, and given the information was retrieved/sourced from the Town of Georgina we can assume the data accurately reflect current conditions.

The assumed 25% site coverage ratio applied to commercial space needs is considered typical for a community of this size and character and therefore appropriate to estimate the overall amount of commercial space that could be accommodated on these identified vacant lands.

We concur with the concluding remark that the identified amount of vacant land area and commercial space that could be accommodated is “well beyond amount required to support future growth projected in Keswick to 2041”.

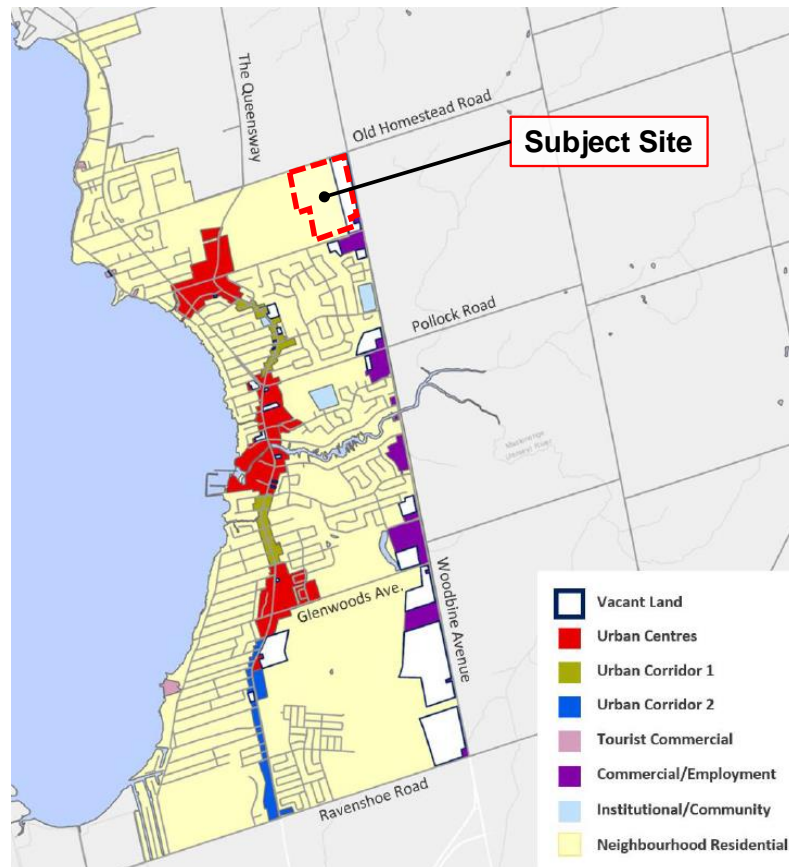
Figure 10

Land Use Designation	Gross Vacant Land		Potential Commercial Space ¹
	Acres	Sq. Ft.	Sq. Ft.
Commercial/Employment	207.36	9,032,602	2,258,150
Urban Centres - Uptown Keswick	0.16	6,970	1,742
Urban Centres - Maskinonge	6.42	279,655	69,914
Urban Centres - Glenwoods	19.77	861,181	215,295
Urban Corridor 1	4.56	198,634	49,658
Urban Corridor 2	1.44	62,726	15,682
Tourist Commercial	0.17	7,405	1,851
Neighbourhood Residential	0	-	-
Total Vacant Commercial Land	239.88	10,449,173	2,612,293

¹ Based on 25% land coverage assumption
 Source: Altus Group Economic Consulting sourced from Keswick Secondary Plan Commercial & Employment Land Analysis 2020

Figure 11

Existing Vacant Commercial Lands, Keswick



Source: Altus Group Economic Consulting, sourced from Keswick Secondary Plan Commercial & Employment Land Analysis 2020

The uM Study noted the following regarding potential commercial space that could be accommodated in the following areas:

- **Commercial / Employment (Woodbine Avenue)** – contains a number of large vacant land sites (10 to 77 acres / 4 to 31 hectares) that could provide for “both large scale regional retail facilities and smaller scale retail and services that would benefit from an arterial road location.”.
- **Urban Centres** – a 20-acre (8 hectare) vacant site in Glenwoods Urban centre is identified that could support a “supermarket scale shopping node to support population growth in South Keswick.” Sites in urban centres are smaller scale and are anticipated to “primarily be comprised of infill and mixed-use residential and commercial projects to support intensification in these areas.” The uM Study notes that some sites in Urban Centres are too small or not appropriately located to support commercial development.
- **Urban Corridors** are also limited by smaller land sites that would support minimal new commercial space. Consideration of adjacent sensitive land uses are also noted to influence support for a purely commercial development.
- **Tourist Commercial** uses have one small 0.17 acre (0.07 hectare) site that is anticipated to only accommodate a single use.
- **Neighbourhood Residential** designated lands have no vacant sites. Generally, these are smaller (under 1 acre / 0.4 hectares), can be designated as parts of future of plans of subdivision and are intended to “provide for highly-localized shopping to enable and encourage active transportation modes”.

This suggests that while the Urban Centres and Urban Corridors will accommodate a portion of forecast commercial space needs, the majority of this forecast demand will be accommodated in the Commercial/Employment designated lands along Woodbine Avenue.

Altus Comments

The above analysis is considered an appropriate review of available vacant commercial lands for potential future commercial development uses.

Was consideration or analysis given to the relative spatial location and tenancing attributes of the vacant Commercial/Employment lands along Woodbine Avenue?

- We observed and note that most of largest vacant land sites along Woodbine Avenue are primarily focused in the southern portion of Keswick, south of Riverglen Drive.
- This may have implications for where future commercial and employment uses may initially choose to locate and therefore which lands will develop in the short to medium term.

3.4 COMMERCIAL DEMAND (MARKET OPPORTUNITY) ANALYSIS

3.4.1 Per Capita Approach

The uM Study adopted a per capita space analysis approach to assessing the overall estimated existing and future retail and service commercial needs of a study area population. Per capita space analyses are generally high-level assessments that aim to reflect the typical commercial floor space required by each retail/service category to sufficiently meet the demand/needs of the community.

Based on commercial supply inventory presented by the uM Study and the estimated study area population, it is estimated that Keswick exhibits a total of some 34.6 square feet of retail and service commercial space per person.

The uM Study then states that Keswick's current commercial space per capita ratio is low, and that the Trade Area should be exhibiting a retail/service commercial space ratio of 41.4 square feet per person.

The uM study justifies applying this assumption to Keswick due to this space per capita ratio being "typical for comparable communities" and developed by uM's professional opinion "based on a large number of commercial inventories carried out in similar sized Ontario markets."

Altus Comments

A Per Capita Analysis is considered a suitable approach to assess the overall future need for commercial space.

With a commercial space per capita ratio of 34.6 square feet per person, Keswick is considered to be within the typical range of 30 to 45 square feet per person for balanced market conditions, depending on the location and type of community (i.e. urban vs. suburban vs. rural town).

- A balanced market typically exhibits an overall commercial space per capita ratio in the range of 30 to 45 square feet per person, depending on the location and type of community (i.e. urban vs suburban vs rural town).
- Markets that exhibit per capita space ratios between 30 to 40 square feet are typically reflective of self-serving markets that fulfil the demands and needs of the local resident population base.
- Markets that exhibit space per capita ratios greater than 40 square feet per capita are generally reflective of having a regional trade area that draws potential customers from beyond the local market's trade area (study area).

While the 34.6 square feet of commercial space per person in Keswick is within the range to appropriately reflect balanced market conditions, the uM Study suggests that the Trade Area should be exhibiting a retail/service commercial space ratio of 41.4 square feet per person, which uM states is typical of comparable communities.

- To assist in understanding this assumption, could the author explain which 'similar sized Ontario markets' are considered comparable and why?

This suggests that over the forecast period (2019-2046), the uM study is anticipating/assuming that the retail and service commercial space needs of Keswick will increase in the future.

- Is it an appropriate assumption to assume that Keswick will need to increase its commercial space per capita ratio to 41.4 square feet per person?
- Were considerations given to current/ongoing evolutions in the commercial sector and retail transformation, such as recent potential acceleration of certain trends such as e-commerce and working from home, and how they may influence space per capita needs?

In our opinion, the Per Capita Analysis finds that there is not necessarily an undersupply/underservice of overall space, rather more so of an unbalanced distribution of retail/service space in the community.

- Likely largely due to the influence of commercial competition from large regional shopping centre nodes and clusters in nearby

Newmarket, easily accessible by vehicle via Highway 404 as identified earlier in the uM Study.

3.4.2 Per Capita Analysis

The uM Study Per Capita Space Analysis appropriately identifies that Keswick has a comparatively low space per capita ratio of non-food store space, of which the majority of this space is represented by a large Walmart Supercentre and a Canadian Tire store along Woodbine Avenue. Its low representation of non-food store space is suspected to may be due to non-food retailers that prefer to gravitate towards the regional commercial nodes in Newmarket along Green Lane and Davis Drive.

The presence of a Walmart Supercentre results in a relative overrepresentation of General Merchandise retail category space in Keswick. However, this excess amount of space is reflective of the Supercentre that serves a larger regional market than the resident population of Keswick, and also provides a wide range and variety of items and categories that would otherwise be offered by speciality stores.

The services and food categories are identified to be only modestly under-represented, which generally reflects the influence of the larger retail nodes outside of Keswick and out-commuting by the local population.

Altus Comments

These observations are considered reasonable and valid with respect to the presented commercial inventory analysis and space per capita ratios for the respective retail and service commercial categories.

3.4.3 Estimated Commercial Space / Land Requirements

Applying the uM assumption target of 41.4 square feet per person of retail and service commercial space to the community of Keswick, a forecast of future required commercial space is conducted and presented in Figure 7-1 of the uM Study. The commercial space needs forecast over the 2019-2041 period also takes into account:

- Local capture rates (%) for commercial uses in Keswick; and

- Ranges from 85% for supermarket, pharmacy and personal care services to 50% for clothing & accessories and finance, insurance and real estate.
- Inflow potential (%) for commercial space.
 - Ranges from 10% clothing & accessories and furniture & home furnishings to 35% for food service & drinking places.

After adjusting for the anticipated target capture and inflow rates, this results in commercial space estimates to support both new and existing residents, and the overall estimated net space required after accounting from the existing commercial space inventory.

Ultimately, the uM Study forecasts that Keswick will require approximately 648,000 square feet of total retail and service commercial space, comprised of the following net commercial category space needs:

- 82,400 square feet of Food Store Retail (FSR);
- 1,600 square feet of Beer, Wine & Liquor (BWL);
- 310,900 square feet of Non-Food Store Retail (NSFR); and
- 253,100 square feet of Service Commercial Space.

Altus Comments

The approach to forecasting future space needs based on a per capita approach with adjustments for trade area capture rates and potential inflow shares for each retail category is generally considered appropriate.

- Capture and inflow rates are considered suitable with respect to the geographic location and characteristics of the commercial uses in Keswick in relation to other competitive commercial uses.

However, we noted during our review that there seem to be inconsistencies between Figure 7-1: 'Study Area Per Capita Commercial Needs Analysis' column A (Existing Retail Space in Study Area) and Figure 6-2: 'Retail Inventory by Store Type, Study Area' final column (TOTAL), in particular with respect to Service commercial uses. For example:

- Figure 6-2 of the uM Study presents 'Health Care' as occupying some 84,200 square feet of space in the Study Area, where as Figure 7-1 in the uM Study states the same commercial category as having 61,600 square feet of 'Existing Retail Space in Study Area'.

- Figure 6-2 presents 'Food Services & Drinking Places' as occupying some 116,300 square feet of space in the Study Area, whereas Figure 7-1 states the same commercial category as having only 78,400 square feet of space.
- Figure 6-2 presents 'Personal Care' services as occupying some 50,400 square feet of space in the Study Area, whereas Figure 7-1 states the same commercial category as having 68,000 square feet of space in the Study Area.
- Overall, Figure 6-2 presents a total Service commercial space of some 438,800 square feet, while Figure 7-1 only shows a total Service commercial space of some 387,500 square feet.
- Moreover, the total Service commercial space of 387,500 square feet as shown in Figure 12 does not equal the sum of each individual service category. Our analysis found that the calculated total Service commercial space should be estimated at 389,200 square feet as shown in Figure 13 when replicating the same analysis. Although this is still different to the 438,000 square feet of service commercial space presented in Figure 6-2.

Can the author explain why the figures are different, and how might this affect the ultimate overall commercial space needs?

The inconsistencies between these figures are confusing and raise questions on the accuracy of the Per Capita Space Analysis in this section, and the subsequent overall estimate of future commercial space needs in Keswick over the 2019-2041 forecast period.

- Clarification or explanation of the reason for these differences in 2019 commercial inventory space estimates for certain service commercial categories is needed.
- Based on the values presented in Figure 7-1, our analysis resulted in an estimated 646,000 square feet of net new commercial space required, instead of 648,000 square feet indicated in the uM Study - an insignificant difference but still potentially an error and cause for reconsideration.
- If revised to include all 438,800 square feet of service commercial space, even less than 646,000 square feet of net new commercial space will be required.

Figure 12

uM Study - Per Capita Commercial Needs Analysis and Forecast

Commercial Needs - Retail Category	Warranted Space to Support Population Growth								Total Warranted Space	
	Existing Retail Space in Study Area (Sq Ft)	Existing Space Per Capita (Sq Ft)	Typical Space Per Capita (Sq Ft)	Space Required by New Residents (Sq Ft)	Study Area Target Capture	Local Space Required by New Residents (Sq Ft)	Inflow	Total Warranted Space Required by New Residents in Keswick (Sq Ft)	Warranted Space to Support Growth and Existing Population	Net Space Required Net of Existing Space
	A	B	C	D	E	F	G	H	I	J
Study Area Population (2019)	28,604									
Study Area Population Growth (2019-2041)	15,257									
2041 Study Area Population	43,860									
Food Store Retail (FSR)										
Supermarket	97,200	3.4	3.5	53,398	85%	45,388	20%	56,700	163,100	65,900
Specialty Food	49,300	1.7	1.5	22,885	80%	18,308	20%	22,900	65,800	16,500
SUB TOTAL	146,500	5.1	5.0	76,283	84%	63,696	20%	79,600	228,900	82,400
Beer/Wine/Liquor (BWL)	17,200	0.6	0.4	6,103	75%	4,577	30%	6,500	18,800	1,600
Non-Food Store Retail (NFSR)										
Selected Automotive	19,500	0.7	2.5	38,141	60%	22,885	10%	25,400	73,100	53,600
Furniture, Home Furnishings & Electronics	8,500	0.3	3.0	45,770	70%	32,039	10%	35,600	102,300	93,800
Building & Outdoor Home Supplies	18,800	0.7	3.0	45,770	70%	32,039	20%	40,000	115,100	96,300
Pharmacy & Personal Care	59,500	2.1	1.5	22,885	85%	19,452	20%	24,300	69,900	10,400
Clothing & Accessories	20,300	0.7	2.0	30,513	50%	15,257	10%	17,000	48,700	28,400
Department Store	146,500	5.1	3.5	53,398	80%	42,718	30%	61,000	175,400	28,900
Other General Merchandise	111,800	3.9	3.0	45,770	70%	32,039	15%	37,700	108,400	-3,400
Miscellaneous Retail	53,900	1.9	2.0	30,513	55%	16,782	15%	19,700	56,800	2,900
SUB TOTAL	438,800	15.3	20.5	312,759	68%	213,210	18%	260,700	749,700	310,900
SERVICES										
Automotive	1,700	0.1	1.0	15,257	60%	9,154	10%	10,200	29,200	27,500
Finance, Insurance & Real Estate	48,400	1.7	2.0	30,513	50%	15,257	15%	17,900	51,600	3,200
Business Services ¹	42,700	1.5	1.5	22,885	60%	13,731	15%	16,200	46,400	3,700
Health Care	61,600	2.2	1.5	22,885	80%	18,308	20%	22,900	65,800	4,200
Cultural, Entertainment & Recreation	31,500	1.1	2.0	30,513	55%	16,782	30%	24,000	68,900	37,400
Food Service & Drinking Places	78,400	2.7	3.5	53,398	75%	40,048	35%	61,600	177,100	98,700
Personal Care	68,000	2.4	2.0	30,513	85%	25,936	20%	32,400	93,200	25,200
Other ²	56,900	2.0	3.0	45,770	70%	32,039	15%	37,700	108,400	51,500
SUB TOTAL	387,500	13.5	15.5	236,476	69%	162,100	24%	212,700	640,600	253,100
TOTAL	990,000	34.6	41.4	631,620	70%	443,583	21%	559,500	1,638,000	648,000

Source: urbanMetrics inc.
 Notes: A urbanMetrics retail inventory (July 2019) F = D x E
 B = A / Study Area Population G = Professional Judgement
 C Professional Judgement from other communities: H = F / (1-G)
 D = Population Growth x C I = (2041 Study Area Population x C x E) / (1- G)
 E Professional Judgement H = I - A

Figure 13

Altus Group - Per Capita Re-Analysis of Forecast Commercial Space, 2019-2041

Commercial Needs Retail Category	A	B	C	D	E	F	G	H	I	J
	Existing Retail Space in Study Area	Existing Space Per Capita	Typical Space Per Capita	Space Required by New Residents	Study Area Target Capture	Local Space Required by New Residents	Inflow	Total Warranted Space Required by New Residents in Keswick	Warranted Space to Support Growth and Existing Population	Net Space Required Net of Existing Space
	Square Feet		Square Feet	Square Feet	Square Feet	Square Feet		Square Feet	Square Feet	Square Feet
Study Area Pop	28,604									
Study Area Pop Growth (2019-2041)	15,257									
2041 Study Area Population	43,860									
Food Store										
Supermarket	97,200	3.4	3.5	51,845	0.9	44,068	20%	55,100	163,100	65,900
Convenience & Specialty Food	49,300	1.7	1.5	22,886	0.8	18,308	20%	22,900	65,800	16,500
Subtotal	146,500	5.1	5.0	74,731	0.8	62,377	20%	78,000	228,900	82,400
Beer, Wine Liquor	17,200	0.6	0.4	6,103	0.8	4,577	30%	6,500	18,800	1,600
Non-Food Store										
Selected Automotive	19,500	0.7	2.5	38,143	0.6	22,886	10%	25,400	73,100	53,600
Furniture, Home Furnishings and Electronics	8,500	0.3	3.0	45,771	0.7	32,040	10%	35,600	102,300	93,800
Building & Outdoor Home Supplies	18,800	0.7	3.0	45,771	0.7	32,040	20%	40,000	115,100	96,300
Pharmacy & Personal Care	59,500	2.1	1.5	22,886	0.9	19,453	20%	24,300	69,900	10,400
Clothing & Accessories	20,300	0.7	2.0	30,514	0.5	15,257	10%	17,000	48,700	28,400
Department Store	146,500	5.1	3.5	53,400	0.8	42,720	30%	61,000	175,400	28,900
Other General Merchandise	111,800	3.9	3.0	45,771	0.7	32,040	15%	37,700	108,400	-3,400
Miscellaneous Retail	53,900	1.9	2.0	30,514	0.6	16,783	15%	19,700	56,800	2,900
Subtotal	438,800	15.3	20.5	312,769	0.7	213,217	18%	260,700	749,700	310,900
Services										
Automotive	1,700	0.1	1.0	15,257	0.6	9,154	10%	10,200	29,200	27,500
Finance, Insurance & Real Estate	48,400	1.7	2.0	30,514	0.5	15,257	15%	17,900	51,600	3,200
Business Services ¹	42,700	1.5	1.5	22,886	0.6	13,731	15%	16,200	46,400	3,700
Health Care	61,600	2.2	1.5	22,886	0.8	18,308	20%	22,900	65,800	4,200
Cultural, Entertainment & Recreation	31,500	1.1	2.0	30,514	0.6	16,783	30%	24,000	68,900	37,400
Food Services & Drinking Places	78,400	2.7	3.5	53,400	0.8	40,050	35%	61,600	177,100	98,700
Personal Care	68,000	2.4	2.0	30,514	0.9	25,937	20%	32,400	93,200	25,200
Other ²	56,900	2.0	3.0	45,771	0.7	32,040	15%	37,700	108,400	51,500
Subtotal	389,200	13.6	15.5	251,741	0.7	171,260	24%	222,900	640,600	251,400
TOTAL	991,700	34.7	41.4	645,343	0.7	451,430	21%	568,100	1,638,000	646,300

¹ Includes: Professional, Scientific & Technical Services; Selected Office Administration
² Includes: Civic & Social Organizations; Selected Educational Services; Social Services; Personal & Household Goods Repair & Maintenance; Transportation

Source: Altus Group Economic Consulting based on Figure 7-1 of the KSP Commercial & Employment Land Analysis (2019).

Summary of Forecast Commercial Land Requirements

Regardless, for the purposes of this Peer Review, assuming the estimated forecast need is correct, the Study Area is forecast to require approximately 648,000 square feet (60,200 square metres) of new commercial space in the Study Area by 2041.

Accounting for the identified future proposed commercial space, there is an overall net requirement to accommodate approximately 580,000 square feet (53,883 square metres) of commercial space by 2041 within the KSP.

The estimated 580,000 square feet of required commercial space within Keswick would warrant approximately 53 acres (21.4 hectares) of commercial land supply by 2041 at the typical 25% commercial site coverage ratio.

The uM Study also appropriately notes that despite the forecast of commercial space by retail and service commercial category, planning “should recognize the total space required, with the space allocation by format and location undertaken recognizing the general distribution of space by category”.

Altus Comments

The above 580,000 square feet of estimated required commercial space is the uM Study estimate, and does not account for the more recent updated 2020 future proposed commercial space estimate, which includes an additional commercial development identified at the corner of Church Street and Woodbine Avenue.

- How might the inclusion of this recently proposed commercial development influence the overall forecast need for future commercial space?
 - Including the new additional proposed commercial development, as well as the revised required commercial space estimate of 646,000 square feet, it would result in an estimated 567,000 square feet of required commercial space by 2041.
 - Our analysis of 567,000 square feet of required commercial space would warrant an approximate 52 acres (21.0 hectares) of commercial land supply. A rather insignificant difference to the uM Study analysis.

3.4.4 Reconciliation of Forecast Commercial Demand and Vacant Land Supply

Figure 14 shows that given the need for approximately 53 acres (21.4 hectares) of commercial land supply to meet forecast commercial demand by 2041 in the Study Area, the 240 acres (97.1 hectares) of total vacant land supply identified in Figure 10 would more than adequately meet the forecast demand for commercial land, and leave an excess vacant commercial land supply of approximately 187 acres (75.6 hectares).

Even if all of this required commercial space is accommodated in the 207 acres (83.7 hectares) of Commercial/Employment designated lands, there will be an excess of approximately 155 acres (62.7 hectares) of vacant Commercial/Employment designated lands along the Woodbine Corridor for employment land uses or other quasi-commercial uses that would not be permitted in the KBP under its proposed Business Park zoning.

Figure 14

Reconciliation of Required Commercial Land Supply and Vacant Land Supply in Keswick, 2019-2041		
	Floor Space / Land Area	
	Square Feet	Acres
Current Vacant Land Supply		
Designated Commercial/Employment Lands	9,032,602	207
Designated Other Commercial Lands ¹	1,416,571	33
Total Vacant Commercial Land Supply	10,449,173	240
Warranted & Required Commercial Space and Land Supply		
Forecast Warranted Commercial Space Needs by 2041	646,300	15
Future Proposed Commercial Space	70,000	2
Required Commercial Space by 2041	576,300	13
Required Commercial Land Supply by 2041 (25% Site Coverage)	2,305,200	53
Excess Vacant Commercial Land Supply	8,143,973	187

¹ Located in Urban Centres and Urban Corridors

Source: Altus Group Economic Consulting based on data presented in the KSP Commercial & Employment Land Analysis 2019

Altus Comments

The approach taken to reconcile the forecast commercial and employment land supply and demand is considered appropriate for the purposes of this study.

- Although as per our analysis, which includes the updated 80,000 square feet of new commercial space, some 52 acres (21.0 hectares) of commercial land are required, and 188 acres (76.0 hectares) of excess vacant commercial land will remain as per our updated analysis (compared to 53 acres and 187 acres (21.4 hectares and 75.6 hectares) respectively).

3.5 EMPLOYMENT AREA LAND ANALYSIS

The uM Study also reviews and assesses the extent of employment land needs in the KSP with respect to the proposed Keswick Business Park (KBP).

3.5.1 Employment Area Land in Keswick – Keswick Business Park

The KSP currently does not have a specific Employment Area land use designation other than the combined “Commercial/Employment” land use designation.

The KBP proposes to introduce a new “Business Park” land use designation to the KSP, comprised of “Business Park I”, “Business Park II” and “Business Park III”. Permitted uses within these new Business Park land use designations are illustrated in Figure 8-2 of the uM Study.

The proposed KBP extends along the east side of Woodbine Avenue generally from north of Ravenshoe Road to the Maskinonge River, and would be bounded by the future Highway 404 extension further north. Recent and planned highway extensions in the area mean that the KBP lands will eventually be well-connected by road and strategically positioned to attract industrial and commercial users seeking a location in the northern GTA.

It is understood that KBP comprises a total of approximately 500 gross acres (202 gross hectares) of land area, all designated for employment uses.

- **Northern portion:** current plan of subdivision has received zoning approval and is draft plan approved, is proposed to comprise some 280 gross acres (113 gross hectares) of land, representing some 220 gross acres (89 gross hectares) of industrial lots for future employment uses.
- **Southern portion:** remaining 220 gross acres (89 gross hectares) of land within KDP has the potential to accommodate approximately 175 acres (71 hectares) of gross new employment lands for future industrial uses (based on similar land efficiencies as northern portion).
- Resulting in a total of 395 net acres (160 net hectares) of new employment lands that could be accommodated in the KBP upon full build-out.

Altus Comments

The approach used to estimate the total amount of employment space KBP could accommodate is considered appropriate.

3.5.2 Projected Employment Growth – Georgina & Keswick

The uM Study adopts the data compiled from the 2016 Georgina Development Charges Background Study and the York Region Preferred Growth Scenario to forecast future employment numbers in Keswick.

The approach used to forecast employment growth in Keswick was to adopt the employment growth forecast presented in the 2016 Georgina DCBS (Appendix A Table 8) and apply the 91% Keswick share of this overall employment growth as stated in Appendix A Table 9 of the 2016 DCBS.

Employment land employment growth is forecast to comprise approximately 70% of overall employment growth in Georgina according to the 2016 DCBS.

The 2016 DCBS only forecasted up to the year 2036, so the uM Study extended this forecast to 2041. This was done by applying the following approximate later period annual growth estimates over the 2036-2041 forecast period:

- Total employment (assumed at 800 employees per year) and;
- Employment land employment (assumed at 500 employees per year).

Georgina Forecast Employment Growth

The uM Study stated that between 2019-2041 it is estimated that Georgina and Keswick will grow by a total of approximately 13,000 employees. However, in the footnote on page 52 it is noted that Georgina will grow by 14,000 employees over the same period.

Keswick Forecast Employment Land Employment Growth

Similarly, the forecast for employment land employment growth in Keswick is estimated at 8,500 employees between 2019-2041, whereas the footnote on page 52 suggests employment land employment growth of 8,600 employees.

Altus Comments

The source for forecast employment growth in Keswick up to 2036 are considered appropriate. Beyond 2036, employment forecasts are estimated by uM.

- What justification or analysis was conducted to reach assumed annual total employment growth of 800 employees and employment land employment growth of 500 employees per year?

A commonly accepted practice is to apply the average growth rate of the past 5 years as a reasonable and justifiable assumption to forecast future growth.

- Our analysis of the Georgina DCBS employment forecasts over the 5-year period between 2032-2036 showed the following average annual employment growth rates:
 - Total employment = 750 employees per year.
 - Employment land employment = 480 employees per year.
- If these values were rounded to the nearest 100 (800 and 500 respectively), could this be clarified and justified why the rounded figure was used to forecast, rather than rounding the forecast result?

Georgina Forecast Employment Growth

Our own analysis of this data showed an overall employee growth of approximately 13,820 employees in Georgina. Rounding to the nearest thousand would give 14,000 employees.

- Why is 13,000 used in the report text?
- Moreover, in our opinion it would be more suitable and result in a more accurate forecast if rounding to the nearest 100 employees (13,800).

Keswick Forecast Employment Growth

Our own analysis of this data showed an overall employee growth of approximately 8,530 employees in Keswick. Rounding to the nearest 100 employees would result in an estimated growth of 8,500 employees.

- While the figure in the text this time seems correct, these are inconsistencies in the report.

3.5.3 Forecast Employment Land Employment Growth Land Needs

The 2016 DCBS assumed and applied an employment area employment density of 80 square metres per employee. For comparison population-related employment density is assumed at 40 square metres per employee.

Applying the above employment land employment density to the forecast employment land employment growth results in an estimated need for some 680,000 square meters (7,319,459 square feet) of industrial/employment space.

- This represents the total amount of employment/industrial space (GFA) required to meet the forecast employment land employment demand up to 2041.

This total required space estimate is translated into land area needs by applying a typical employment land coverage ratio assumption to the total floor space needs. The uM Study assumes typical employment area land coverage ratios of 30% to 35%.

Figure 15

Required Employment Space and Land Supply in Keswick, 2019-2041		
	Floor Space / Land Area	
	Square Feet	Acres
Employment Land Supply*		
Keswick Business Park Total Net Land Area	21,780,000	500
Estimated Gross Employment Land Area in KBP	17,206,200	395
Required Employment Land Supply*		
Forecast Required Employment Space Needs to Accommodate Employment Growth	7,319,452	168
Required Employment Land Supply (30% Site Coverage)	24,398,173	560
Required Employment Land Supply (35% Site Coverage)	20,912,720	480
Remaining Required Employment Lands to be Accommodated Outside KBP (30% Site Coverage)	7,191,973	165
Remaining Required Employment Lands to be Accommodated Outside KBP (35% Site Coverage)	3,706,520	85

* uM Study figures

Source: Altus Group Economic Consulting based on data presented in the KSP Commercial & Employment Land Analysis 2019

Figure 15 shows that at the assumed 30% to 35% employment land site coverage ratio stated in the uM Study, **Keswick would require an estimated 479 to 560 net acres (194 to 227 net hectares) of employment land supply to meet future employment growth over the 2019-2041 forecast period.**

Given that the proposed KBP is estimated to be able to accommodate an approximate 395 gross acres (160 gross hectares) of employment/industrial lands, the forecast required employment land space exceeds total future employment land supply estimated in KBP.

There is a shortfall of approximately 85 to 165 gross acres (34 to 67 hectares) of employment land in KBP to meet demand, and which is anticipated to

be needed to be accommodated elsewhere in Keswick. Based on the land use designations for the KSP, it is likely these excess employment lands are to be accommodated within the “Commercial/Employment” land use designation, with some being directed at smaller infill sites within the Urban Centres and Urban Corridors.

Altus Comments

The 2016 DCBS for Georgina is considered an appropriate source to reference employee density figures to forecast future population and employment growth of communities.

Employment Land Coverage Ratios

- What is the basis for adopting the assumed 30% to 35% employment land site coverage ratios?

Based on the approach and assumptions used in the uM Study, we concur with result indicating a shortfall of approximately 85 to 165 acres (34 to 67 hectares) of employment land to be accommodated outside of KBP.

Need for a More Detailed Employment Land Needs Analysis -

Acknowledgement is made in the concluding remarks of this section that the uM Study is not a comprehensive employment land needs assessment and that a more detailed employment land needs analysis should be completed.

- Given this was a commercial and employment land analysis, why was a more comprehensive review and forecast of employment needs not conducted for the purposes of this study?

We strongly agree with this statement in the uM Study and would reiterate the importance of conducting a more detailed employment land needs study prior to potentially restricting certain land uses. Until a more detailed employment land needs study is completed, the KSP should be flexible enough to accommodate other diverse land uses where appropriate.

Regional Allocation of Employment Forecasts in Georgina - When discussing employment forecast for the current KSP, the uM Study also recommends that subsequent reviews of this Secondary Plan will consider the Regional allocation of employment projections – both in terms of the amount and the type of employment - to Georgina, as well as the supply of land to accommodate additional employment opportunities.

- This regional approach to the allocation of forecast employment growth would further justify the need or lack of need to preserve the existing designated Commercial/Employment land use in the KSP, and more accurately forecast the overall amount and type of employment land needed in Keswick and the Town of Georgina.

3.6 EMPLOYMENT DEMAND AND VACANT COMMERCIAL SUPPLY RECONCILIATION

This section of the uM Study brings together the forecast commercial and employment land needs with existing and future commercial space as well as vacant land supply analysis to estimate the overall excess or shortfall of commercial and employment designated lands within Keswick's KSP.

3.6.1 Commercial Demand Summary

There will be a need for approximately 648,000 square feet (60,200 square metres) of total commercial space by 2041 in Keswick. Of this total, there is demand for the following:

- One large-scale home improvement centre (10 to 15 acres (4 to 6 hectares) of land likely along Woodbine Avenue);
- Two additional supermarkets (total of 66,000 square feet) as part of commercial centres roughly 5 to 10 acres (2 to 4 hectares) in size, with one located in Glenwoods Urban Centre and one along Woodbine Avenue;
 - Although, Glenwoods Urban Centre already contains a supermarket (FreshCo), a second in the same Urban Centre may not be warranted.

Future Proposed Commercial Space

The uM Study indicates some 70,000 square feet of commercial space proposed to be developed in the Study Area.

When accounting for this proposed commercial space, the total required new commercial space to be accommodated by 2041 decreases to 580,000 square feet of commercial space.

Altus Comments

As indicated earlier, our peer review analysis found a more recent commercial development application submitted to the Town of Georgina comprising some 9,700 square feet of space located near the intersection of Church Street and Woodbine Avenue.

- This would revise the future proposed commercial space to approximately 80,000 square feet, and the overall required net new space to 567,000 square feet as per our analysis).

3.6.2 Forecast Commercial Space Land Needs

To translate forecast required commercial floor space into required commercial land area, an assumed typical commercial site coverage ratio of 25% is applied. At a 25% commercial site coverage ratio, the required 580,000 square feet (53,900 square metres) of commercial space will require approximately 53 acres (21.4 hectares) of commercial land supply.

The uM Study notes that this forecast required commercial land need may be reduced if some of the space is accommodated within mixed-use projects or subject to higher than typical densities with lower than typical parking ratios.

Altus Comments

Applying assumed site coverage ratios is an appropriate and accepted methodology to estimate overall land needs based on known GFA space needs.

- What was the rationale for applying 25% as the typical commercial site coverage ratio for Keswick?

The KSP encourages intensification in Urban Centres and Urban Corridors, and promotes a diverse mix of uses and proximity that enables walkable, sustainable neighbourhoods and communities. The uM Study appropriately states that commercial land needs could be reduced if some space is accommodated within mixed-use projects or subject to higher than typical densities, with which we concur.

- Does the author consider how different site coverage ratios could be applied to distinguish between the Urban Centres and along Woodbine Corridor lands?

Was consideration given to the shifting commercial sector trends and ongoing retail transformation that may impact future demand for commercial space?

- For example, the potential impact of e-commerce and shifting consumer preferences that are influencing a potential reduction in commercial store space demanded by some retailers.

3.6.3 Forecast Employment Land Needs Summary

It was noted that with an estimated employment growth of 8,500 employees over the 2019-2041 period, it would require an approximate 7.3 million square feet of space (168 acres or 68 hectares) at an employee density of 80 square feet per person. At employment site coverage ratios of 30% and 35% as applied in the uM Study, this translates to an estimated 480 to 560 acres of required employment land supply.

Given the proposed KBP is estimated to accommodate some 395 acres (160 hectares) of gross employment land, there will be a remaining 85 to 165 acres (34 to 67 hectares) of employment land required to meet employment growth in Keswick. This remaining employment lands are likely to be predominately accommodated in the Commercial/Employment designated lands along Woodbine Corridor.

3.6.4 Commercial and Employment Land Needs Reconciliation

The uM Study forecast that there is an estimated excess/overflow of 85 to 165 acres (34 to 67 hectares) of employment land that needs to be accommodated outside of the KBP, as the KBP can only accommodate an estimated 395 acres of gross employment land.

The uM Study concludes that “we would recommend that the Town of Georgina be cautious with regards to re-designating any lands within the Commercial/Employment designation to non-employment uses, until a more comprehensive assessment of its employment land needs is conducted”, for the following reasons:

- Vacant sites in the Urban Centres and Corridors may be too small to accommodate new commercial developments, therefore the “vast

majority of new commercial space supply will be accommodated in the Commercial/Employment designation along Woodbine Avenue”;

- These lands “may be needed to accommodate overflow industrial uses that may not be accommodated within the KBP, if the employment projections in the DCBS are realized”; and,
- These lands “may also be required to support commercial and quasi-industrial uses that are not permitted within the KBP, and have not been accounted for in the commercial space analysis (e.g. stand-alone banquet halls; public-storage units; automotive sales establishments; marine sales establishments; and others)”.

Altus Comments

Figure 16 shows the reconciliation of remaining vacant commercial land supply and the required employment lands to be accommodated within and outside of KBP by 2041. It illustrates that the KSP will continue to exhibit an excess of commercial lands after accounting for all forecast commercial and employment land needs.

According to our analysis of the uM data, **the remaining 187 acres (76 hectares) of vacant commercial lands in Keswick would be sufficient to accommodate the forecast required 85 to 165 acres (34 to 67 hectares) of ‘overflow’ employment lands** for industrial uses.

- Did the author consider that the potential shortfall of employment lands could be sufficiently met by the estimated 187 acres of excess vacant commercial land supply?

Even after accommodating all of the required commercial and employment lands forecast between 2019-2041, **there remains an excess supply of approximately 22 to 102 acres (9 to 41 hectares) of vacant commercial lands** (Figure 16).

- What is the reason that this final calculation regarding reconciliation of required employment lands with vacant lands not being included in the uM Study?

In our opinion this is a key part of the analysis as it provides an indication of the remaining excess vacant lands able to accommodate other land uses that may be demanded during the forecast period.

- At a 25% commercial land coverage (as adopted in the uM Study), this would represent an approximate 240,000 to 1.1 million square feet of potential commercial space.

Figure 16

Reconciliation of Commercial & Employment Lands in KSP by 2041	
	<u>Land Area</u> Acres
<i>Vacant Commercial Land Supply*</i>	
Total Vacant Land Supply	240
Required Commercial Land Supply	53
<hr/>	
Remaining Vacant Land Supply	187
<i>Employment Land Requirements*</i>	
Total Employment Land Requirements	
30% employment site coverage ratio	560
35% employment site coverage ratio	480
Employment Lands to be Accomodated within KBP*	395
Remaining Employment Lands to be Accomodated outside KBP*	
30% employment site coverage ratio	165
35% employment site coverage ratio	85
<hr/>	
Surplus/Deficit of Vacant Commercial Land after Accomodating Remaining Employment Lands	
30% employment site coverage ratio	22
35% employment site coverage ratio	102

* uM Study figures

Source: Altus Group Economic Consulting based on data presented in the KSP Commercial & Employment Land Analysis 2019

While the uM Study claims that 'it may be necessary to protect' these excess vacant commercial/employment lands for commercial and quasi-industrial uses unable to be accommodated within the KBP, the rationale that the 'Commercial/Employment' designated lands may be needed as reserve lands to accommodate these possible uses is not based on sound methodology and approach.

- Why were these additional/ancillary/quasi-industrial commercial uses not included in the presented commercial and employment land analysis and forecast?

If these uses are envisioned to be needed during the planning period, then they should be accounted for in the commercial and employment land needs analysis for the forecast period.

If these uses are envisioned to be needed beyond the planning period, then it is unnecessary to reserve lands for them as the goal of the planning process

does not include reserving lands for potential uses beyond the planning period.

3.6.5 Employment Land Conversion Criteria

The 7.2 acres (2.9 hectares) of subject lands designated as Commercial/Employment are unlikely to be required in its entirety to accommodate the forecast employment growth from a market and planning perspective over the 2019-2041 period.

The potential to develop the lands for other land uses such as residential purposes will assist in accommodating the Town's residential intensification requirements over that same period.

Therefore with respect to the KSP, Town of Georgina and Provincial policies in Section 13.1.3.8 f) (ii) of the KSP, Section 13.3.2 of the Town of Georgina Official Plan and Section 1.3.2.2 of the 2020 Provincial Policy Statement (PPS):

- The lands are not required for employment purposes;
- There is a need for the conversion; and,
- The conversion will not affect the municipality's ability to meet its employment projections, among other prescribed criteria

3.7 ADDITIONAL COMMENTS FOR CONSIDERATION

Altus Comments

3.7.1 Short- and Medium-Term Forecast Period Phasing

Why does the analysis of future warranted commercial space not consider or present the analysis of commercial / employment space needs over the short and medium term, in addition to longer term needs in 2041?

- It would benefit the forecasting of commercial and employment space to add a discussion of projected phasing of commercial or employment needs over defined periods of time, as this can be considered key information for planning purposes to support short-medium term development of the KSP.

Given that growth and development will occur in the next 5, 10, 15 years before 2041, it would be prudent to estimate and present the overall

warranted commercial and employment space needs for select forecast periods up to and including 2041 as well.

- This could be approached by applying a similar per capita analysis to the forecast population levels at future 5-year intervals (i.e. 2026, 2031, 2036, 2041 etc.)

3.7.2 Commercial Sector Transformation and Shifting Consumer Retail Trends

Due to the longer-term forecast time period, was consideration given to overall changing nature of the commercial industry, development patterns, and shifting retail trends that could be anticipated to impact the future projected commercial land and space requirements of the KSP?

- If these were considered, it would be beneficial for these to be to addressed, and whether it is expected to influence overall future space needs or not.
- Some of the trends that have been and are expected to continue influencing in gradual changes impacts on commercial real estate demand, include the reduction in need of overall physical commercial space and retail store sizes include the encouragement of mixed-use developments and intensification as well as e-commerce and home delivery.

Greater focus on the role of Keswick's future urban structure and how its Urban Centres could accommodate a larger portion of future commercial space than currently estimated could be expanded.

With the evolution of land use mixes, prioritization of complete communities and active transportation, and promoting increasing densities over time in these urban centres as consistent with provincial planning policy principles, certain per capita commercial space estimates and coverage ratio assumptions may vary resulting in alternative future commercial land use needs forecasts.

3.7.3 Infill, Intensification and Density in Urban Centres

Keswick's Urban Centres and Corridors are encouraged to provide mixed-use developments and intensification, was it considered that commercial uses in the Urban Centres and Corridors could have different (higher) site coverage ratios than those along Woodbine Avenue?

The KSP defines the Queensway Corridor and its three Urban Centres as playing an important role as the primary structuring element of Keswick, which function predominantly as retail and service commercial centres, including some institutional/community uses and medium density residential developments, as well as tourist oriented commercial uses near the waterfront. Key policy in the KSP states that it intends to “support and strengthen The Queensway Corridor as an area of higher density, mixed use development”, and to “provide opportunities for larger numbers of residents to live in proximity to shops, work places and public transit services”.

This suggests that future intensification of Keswick’s urban centres can be anticipated, along with a greater mix of uses higher, commercial densities and an evolution of retail trends in the long term that could warrant the adoption of a higher typical site coverage ratio than 25% for certain urban centres.

While it is recognized that achieving more than a 25% commercial site coverage ratio may be challenging in a smaller, less-dense community such as Keswick, if achieved in Keswick’s urban centres it would potentially result in reduced long-term future overall ‘Commercial/Employment’ land needs and should be explored further.

3.7.4 Commercial and Employment Land Use Designation Separation / Flexibility

While we understand that this is beyond the scope of the uM Study, a broader issue is the combined ‘Commercial/Employment’ land use designation currently adopted in the KSP under its current definition is misleading and no longer suitable to forecast future land needs with the introduction of employment specific ‘business park’ land uses as proposed with the Keswick Business Park Secondary Plan.

It is noted that as the Community of Keswick continues to grow, it could be more appropriate for the existing Commercial/Employment land use designation to be defined/classified and forecast as separate commercial and employment land use designations in the KSP each with their own clear yet flexible permitted land uses.

- Potentially more than one commercial land use designation could also be identified to differentiate between the traditional retail and service commercial offerings and the ‘quasi-industrial and commercial’ uses that cannot be accommodated within the KBP, as

noted in the uM Study. Similar to the variations among the Business Park I, II and III land use designations as proposed in the KSP for KBP.

It was stated in Section 13.1.1.4.2 of the KSP that existing designation of these lands along Woodbine Avenue as Commercial/Employment were done based on the locational and site attributes of the lands identifying them as suitable for this type of development.

- Is this considered a commonly accepted approach to designating vacant lands in a community?
- How has the community of Keswick evolved, with respect to residential, commercial and industrial growth, since the lands were designated as Commercial/Employment?
- Are all of these lands still considered suitable for commercial and employment uses?

While almost all non-residential lands with frontage onto the west side of Woodbine Avenue have been designated as Commercial/Employment lands on the basis of it being suitable for assumed future related uses, much of these lands are currently vacant or rural lands.

- This in part indicates a possible lack of demand for new commercial and/or employment uses, as well as may restrict the availability of these lands for other potential uses (i.e. residential or institutional) that may be demanded in the short-medium term, given the long-term forecast horizon.

4 CONCLUSION

4.1 SUMMARY OF FINDINGS

Based on our peer review of the uM Study, Altus Group acknowledges that a common research methodology has been used, however a number of issues have been identified that make it difficult to appropriately quantify the overall magnitude and geographic location of future lands required for the forecast required commercial retail and service space independently of employment land space requirements.

Our own analysis of the same data presented in the uM Study found that the existing vacant commercial and employment designated lands in Keswick are more than sufficient to accommodate all of the forecast required commercial and employment land needs over the 2019-2041 forecast period.

The location of the subject site and its associated Commercial/Employment designated lands is characteristically less attractive for future commercial and employment uses than other lands along Woodbine Avenue, due to the current geographic direction of the critical mass of growth of Keswick's residential and employment areas. Additionally, the connection and access points to the future Highway 404 north extension intersections as well as the largest vacant land parcels are situated on the southern portions of Woodbine Avenue.

Keswick currently exhibits overall balanced market conditions with respect to overall total commercial space per capita, however the distribution of certain non-food store space is considered somewhat unbalanced given the presence of large regional serving General Merchandise/department store type Non-Food store retailers in Keswick (Walmart Supercentre and Canadian Tire), as well as the regional draw. While this is not considered to significantly impact the overall forecast demand for commercial space, the underlying reasons for this distribution of non-food store space as identified in the uM Study has implications on the relative format, location and type of retail and service commercial uses that Keswick should be targeting.

The summary and concluding remarks of the uM Study suggest that given the overflow of industrial employment land area requirements due to the inability for KBP to absorb the total forecast employment land area needs up to 2041, the remaining vacant Commercial/Employment designated lands in

the KSP may be needed to meet this overflow demand for employment land, in addition to 'quasi-industrial and commercial' land uses typically found in employment areas that are not permitted within the Business Park I, II or III land use designations.

However, our analysis of the same data found that all of the overflow employment lands could be accommodated within the existing vacant commercial/employment lands within Keswick over the 2019-2041 forecast period. Additionally, there will continue to remain a residual excess supply of vacant lands of an estimated 22 to 102 acres (9 to 41 hectares) (depending on the employment site coverage area ratio adopted) over the forecast period, which is technically not needed in the market for commercial and employment uses according to the findings of the reconciliation of forecast commercial and employment space needs.

Moreover, if these uses are envisioned to be needed during the planning period, then they should be accounted for in the commercial and employment land needs analysis for the forecast period. If these uses are envisioned to be needed beyond the planning period, then it is unnecessary to reserve lands for them as the goal of the planning process does not include reserving lands for potential uses beyond the planning period.

4.2 CONCLUDING REMARKS

Given the identified issues in this initial uM Study, **we are not satisfied with the current recommendation to not permit any 'Commercial/Employment' land re-designations within the KSP area.** This statement has significant impacts on the future viability of our client's site, lands and the greater KSP area overall, and should be thoroughly investigated further before a decision is made.

Due to the longer-term forecast, there is a long enough time period to match supply with future demand; a substantial amount of residual surplus land supply after accommodating for all future commercial and employment space needs; and potential future critical mass of activity generated in proximity to the proposed KBP in the southern portion of the KSP, that it is of the opinion of Altus Group that there is merit in considering the re-designation of the Commercial/Employment designated lands on our client's site, or potentially providing for the flexibility to allow for potential

residential and other uses in the future that may be needed during the planning forecast period.

4.3 2020 PANDEMIC INFLUENCE

As of the date of this report, Canada and the Global Community are experiencing unprecedented measures undertaken by various levels of government to curtail health-related impacts of the COVID-19 pandemic. While the duration is not known, some early observations as noted as they relate to commercial retail development.

Demand for commercial space is anticipated to be suppressed in the short-term as consumers and businesses re-evaluate their space needs and navigate an evolving retail environment and changing consumer habits over the next 6 to 12 months post-pandemic. In the medium to longer term, as we settle into a new normal or once a vaccine is available, commercial demand is anticipated to pick-up as a result of pent-up consumer demand, employment growth and continued migration over the long-term.

However, it is expected that the retail environment will look different, with a greater adoption of online e-commerce, potential reduction in physical space per-capita needs for traditional large-format and specialty retailers, and an expansion in space per-capita needs for service-oriented business such as food & beverage uses, medical, dental and healthcare, fitness and personal services as demand for these uses grows and space needs increase to accommodate improved health and social distancing protocols.

The impact of the 2020 pandemic has been substantial on the commercial and retail sector, and the consensus is that its effect will accelerate many of the existing retail and commercial real estate trends we have been seeing in recent years.