
Oakridge Centre Retail Impact Assessment

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Prepared for:
City of Vancouver

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Summary

To be included in final version of report.

1.0 Introduction

1.1 Background

Oakridge Centre is a major regional shopping centre located at the southwest corner of West 41st Avenue and Cambie Street in the City of Vancouver. The Centre currently has about 560,000 square feet of retail space and is anchored by The Bay and Safeway (with the former Zeller's store being converted to Target). The current zoning on the site allows a maximum of 740,000 square feet of retail, service, and entertainment space.

In 2007, City Council approved the Oakridge Centre Policy Statement, which presented a vision of Oakridge Centre to become a higher density, vibrant, sustainable hub with additional housing, retail, service and office uses, including a major expansion of the retail and service component up to a maximum of 950,000 square feet.

The owners of Oakridge Centre are working on a concept plan for a major expansion of the Centre, and in 2012 submitted a rezoning application to expand the shopping centre to about 1,200,000 square feet, significantly more than envisioned in the 2007 Policy Statement.

Oakridge Centre's central location in Vancouver and the scale of the proposed expansion raise the possibility of impact on existing stores and other commercial precincts or shopping centres in Vancouver so, as an input to evaluating the rezoning application, the City required the owners to fund an independent assessment of the potential impacts.

The City commissioned a team of Coriolis Consulting Corp. and Site Economics Ltd., two firms with extensive knowledge of the Vancouver retail market and considerable experience in retail impact analysis, to collaborate in conducting a rigorous and comprehensive assessment of potential impacts.

This report documents the analysis and findings.

1.2 Objectives

Any expansion of the retail and service floor space inventory in the City will of necessity have some impact on some existing businesses in the City or elsewhere in the region because sales achieved at the new space would otherwise occur in some other existing location. The new space causes a redistribution of trade area sales. However there is a wide variety of potential kinds of distributional impacts, in terms of where the impact occurs and the severity of the consequences from the perspective of the City of Vancouver. Potential impacts can be categorized as follows:

1. New retail space (and businesses) could capture sales from Vancouver residents that would otherwise have leaked to large scale regional commercial locations outside the City (e.g., Burnaby, Richmond, North Shore).
2. New space could import sales from residents of trade areas outside Vancouver.
3. New space occupied by chain stores could shift sales from existing outlets of the same chain.
4. Some redistribution could be from existing businesses that are performing at relatively high sales volumes, due to an insufficient supply of existing commercial space, so they would not necessarily become non-viable as a result of the redistribution.

5. Some redistribution of sales could be from retailers already located in Oakridge Centre.
6. Some redistribution of sales could be from existing businesses whose sales performance is just at the margin of viability and they cannot absorb any reduction. They could become non-viable as a result. Depending on the size and type of such retailers, and their role in a commercial precinct, there could be impacts on the precinct, ranging from minor (e.g. temporary vacancy and replacement with a new business) to major (e.g. protracted vacancy or loss of an anchor).

It is this last possible consequence that is the main concern of the City in evaluating the proposed Oakridge expansion. The City wants to know if there is a risk that the proposed increase in retail space could cause a significant decline in the vitality of any existing commercial areas in Vancouver.

Therefore, the focus of this analysis is to identify impacts that could lead to a material and long-term decline in the viability of any existing shopping areas in the City, including wide-spread and persistent vacancy.

The analysis does not evaluate the potential negative impact on commercial areas outside the City of Vancouver resulting from sales importation or repatriation of sales currently leaking out to adjacent trade areas. The analysis does not address potential impacts on individual stores, unless such an impact has the potential to undermine the viability of a commercial district.

In defining the scope of the analysis, three important characteristics of the Vancouver retail landscape must be taken into account:

1. Oakridge is primarily a regional shopping centre, so the analysis must consider the potential impact on Downtown, which is the City's other regional shopping area.
2. Oakridge also functions as a community shopping centre for the Oakridge-Langara neighbourhood, so the analysis must consider potential impacts on surrounding community shopping precincts that may be drawing some trade from the Oakridge-Langara area.
3. Many of Vancouver's commercial precincts are more than simply community-scale convenience retail and service centres. Some also include concentrations in fashion, home furnishings, or other categories that may be affected by expansion of Oakridge's complement of chain stores in these categories.

Therefore the study has three main objectives:

1. Evaluate the potential impacts of the proposed Oakridge expansion on Downtown Vancouver, including Pacific Centre Mall and retail destinations such as Robson Street.
2. Evaluate the potential impacts on community scale commercial areas whose local trade areas overlap with Oakridge.
3. Evaluate the potential impacts on commercial precincts with concentrations of stores in categories that are being materially expanded at Oakridge.

1.3 Time Frame for the Analysis

This analysis examines the retail and service situation in Vancouver and at Oakridge Centre at two different points in time:

1. The existing situation at 2012.
2. The year the proposed expansion is anticipated to be completed (2021).

We assume that upon completion in 2021 the expanded Oakridge Centre is occupied (except for an industry standard vacancy allowance) and is achieving its target stabilized rate of sales (i.e., we do not build

in a period in which occupancy and sales ramp up after construction is complete). This is conservative because sales may be lower at the expanded Centre than assumed in this analysis for a ramp up period before actual performance reaches stabilized occupancy and sales.

In addition, the analysis is based on current dollars (\$2012) and includes with minimal inflation in retail sales per capita over time (zero to 0.25% per year, depending on the category) even though the long term trend has been for increasing sales per capita (in real terms). This ensures that the analysis is conservative as an assumption of high inflation can create the (unwarranted) appearance of increased retail demand.

1.4 Report Format

This impact assessment required a large amount of data and analysis, including:

1. Population forecasts for the regional trade area, the City and the Oakridge neighbourhood trade area.
2. Retail and service floorspace inventory for the City, by neighbourhood and type of space.
3. Retail expenditure data per capita.
4. Estimates and projections of sales per square foot (productivity) at Oakridge Centre and other locations by type of space.

To enhance the readability of this report, we have organized it as follows:

1. The main body of the report concentrates on explaining our approach, summarizing the analysis, and highlighting our conclusions.
2. Technical information, data, and background materials that support the analysis (e.g., population projections, sales per capita estimates, sales per square foot assumptions, and the supply of existing retail and service space) are contained in the attachments.

The research and analysis for this impact assessment was completed during the second half of 2012. Therefore, the report relies primarily on data available as at mid 2012.

1.5 Professional Disclaimer

This document may contain estimates and forecasts of future growth and urban development prospects, estimates of the financial performance of possible future urban development projects, opinions regarding the likelihood of approval of development projects, and recommendations regarding development strategy or municipal policy. All such estimates, forecasts, opinions, and recommendations are based in part on forecasts and assumptions regarding population change, economic growth, policy, market conditions, development costs and other variables. The assumptions, estimates, forecasts, opinions, and recommendations are based on interpreting past trends, gauging current conditions, and making judgments about the future. As with all judgments concerning future trends and events, however, there is uncertainty and risk that conditions change or unanticipated circumstances occur such that actual events turn out differently than as anticipated in this document, which is intended to be used as a reasonable indicator of potential outcomes rather than as a precise prediction of future events.

Nothing contained in this report, express or implied, shall confer rights or remedies upon, or create any contractual relationship with, or cause of action in favor of, any third party relying upon this document.

In no event shall Coriolis Consulting Corp. or Site Economics Ltd. be liable to the City of Vancouver or any third party for any indirect, incidental, special, or consequential damages whatsoever, including lost revenues or profits.

2.0 The Proposed Expansion of Oakridge Centre in the Context of Existing Commercial Development in Vancouver

Oakridge Centre is a large and successful commercial project that is primarily a regional shopping centre anchored by department stores. However, it also has elements of a neighbourhood commercial area. In order to analyze the impacts of the proposed expansion, it is necessary to understand how Oakridge fits into the existing pattern of commercial development in the City, now and after the proposed expansion.

2.1 Composition of Oakridge Centre by Store Category Before and After Expansion

Exhibit 1 shows (based on information provided by Ivanhoe Cambridge) the amount of retail, service and entertainment space (gross leasable area) at Oakridge as at 2012, the proposed additions by category, and the new total amount upon completion of all phases (in 2021). Additional detail is provided in Attachment 8.1.

Exhibit 1: Oakridge Centre Floorspace by Category - Existing and Proposed

Retail Category	Existing Square Feet 2012	% of Total	Proposed Addition Square Feet	Expanded Centre Square Feet 2021	% of Total
Department Store	262,000	47%	204,500	466,500	39%
Clothing & Footwear	115,000	21%	104,500	219,500	18%
Jewelry	15,000	3%	20,000	35,000	3%
Supermarket	50,000	9%	4,500	54,500	5%
Cinema	0	0%	36,500	36,500	3%
Restaurant & Fast Food	10,000	2%	42,500	52,500	4%
Home Furnishings	28,000	5%	33,500	61,500	5%
Electronics	13,000	2%	20,000	33,000	3%
Financial Services	19,000	3%	18,000	37,000	3%
Pharmacy & Personal Care	12,000	2%	19,500	31,500	3%
Specialty Retail	11,000	2%	16,500	27,500	2%
Personal Services	9,000	2%	15,500	24,500	2%
Specialty Food	12,000	2%	10,500	22,500	2%
Vacant	2,000	0%	10,500	12,500	1%
Liquor	0	0%	13,000	13,000	1%
Fitness & Recreation	0	0%	39,500	39,500	3%
Auto Showrooms	0	0%	15,500	15,500	1%
Entertainment	0	0%	16,000	16,000	1%
Total	558,000	100%	640,500	1,198,500	100%

Source: Ivanhoe Cambridge

The total proposed expansion includes about 640,500 square feet of retail, service and entertainment space, bringing the total to just under 1.2 million square feet. It is notable that under existing policy the Centre could expand to 950,000 square feet, so the proposal is for an additional 250,000 square feet beyond the approved policy.

A large component of the expansion is in the department store category, which accounts for 32% of the increase. Clothing and footwear account for another 16% of the expansion.

Several categories will be expanded by less than 20,000 square feet, which can be considered quite small in the context of Vancouver's retail landscape, which contains a total of over 20 million square feet of space.

2.2 Existing Retail and Service Floorspace in Vancouver

A comprehensive and detailed database of existing retail and service floorspace in Vancouver is not available. For this study, we compiled an estimate of the City's overall retail and service inventory by drawing on several information sources:

1. BC Assessment floorspace information for all commercial properties in Vancouver as of 2007.
2. An inventory of floorspace compiled by the City in 2005 for each of the local commercial areas in the City plus Downtown.
3. Our own fieldwork in selected areas of interest to identify significant changes in the inventory since 2005.
4. Information provided by the City on new retail and service projects completed since 2005.
5. Our own estimates/allowances for locations not covered by the City's inventory or our fieldwork.

Our inventory is included in Attachment 8.2. The attachment is divided into two parts:

1. An overall estimate of the total amount of retail and service space in the entire City.
2. For the City's existing street front commercial areas (over 60 areas), a more detailed inventory of the total amount of retail and service space in each location and the amount of space by retail category.

Based on available data and our own estimates, there is a maximum of about 20.1 million square feet of retail and service floorspace in the City of Vancouver.

The approximate distribution of the total retail and service space is shown in Exhibit 2.

Exhibit 2: City of Vancouver Retail and Service Floorspace Inventory

Location	Square Feet
Downtown ¹	8,900,000
Oakridge Centre	600,000
Highway Oriented Commercial Areas ²	1,400,000
Local Commercial Areas ³	9,200,000
Vancouver Total	20,100,000

Source: Coriolis Consulting Corp.

Local commercial areas account for almost half of the City's existing retail and service floorspace inventory.

Oakridge Centre includes about 600,000 square feet of existing retail and service floorspace, or about 3% of the City's existing inventory of retail and service floorspace.

2.3 Proposed Expansion Compared to Current Zoning and Policy Statement

The current CD-1 zoning bylaw for Oakridge Centre allows a maximum of about 740,000 square feet of retail, service and entertainment space (which is larger than the existing centre).

In 2007, City Council approved the Oakridge Centre Policy Statement, which presented a vision of Oakridge Centre to become a vibrant, sustainable hub with more housing, retail, service and office uses, including an expansion of the retail and service component to 950,000 square feet.

The current proposal would result in an expansion of the existing shopping centre to include about 1,200,000 square feet (GLA) of retail, service and entertainment space, or about 640,000 square feet beyond the existing amount of space and 250,000 square feet beyond the amount envisioned in the approved Policy Statement⁴.

¹ This figure is based on a combination of:

- Detailed property by property 2005 floorspace information for parts of Downtown provided by the City of Vancouver plus updates from Coriolis Consulting Corp.
- 2007 BC Assessment floorspace information for the parts of Downtown excluded from the City of Vancouver data.
- Estimates for Pacific Centre provided by the owner of the mall.

² This figure is based on fieldworks, air photos and estimates by Coriolis Consulting Corp.

³ This figure is based on detailed property by property 2005 floorspace information provided by the City of Vancouver plus updates from Coriolis Consulting Corp. to add in new buildings.

⁴ The rezoning floorspace shown above is gross leasable area. It is not clear whether the Policy Statement and Zoning floorspace is gross leasable area or another measure (such as gross floor area). Therefore, these comparisons may not be precisely accurate.

3.0 Approach to the Impact Analysis

3.1 Retail Categories Included in Impact Assessment

Oakridge is near the geographic centre of the City of Vancouver and is able to draw customers from throughout the City as well as from nearby municipalities (primarily Richmond, Burnaby, and the North Shore). Consequently, Oakridge competes with the large regional malls such as Pacific Centre (Downtown Vancouver), Metropolis (Burnaby), Lansdowne (Richmond) and Richmond Centre (Richmond)⁵. Clearly the analysis must include the retail categories that are the core of Downtown's strength as a retail destination, including department stores and fashion.

Oakridge also competes with some local commercial areas, including those that have overlapping trade areas for local convenience commercial sales and those that have concentrations in categories of comparison shopping (e.g. fashion or home furnishings) that make up a large part of the regional shopping centre floorspace.

But some of the proposed Oakridge expansion is in categories that by definition can have no impact on existing commercial areas either because the Oakridge increase is very small (e.g. the un-allocated increase of 16,500 square feet of specialty retail) or because the nature of the business is not at all competitive with the commercial precincts of interest (e.g. the 15,500 square feet of auto showroom space).

Therefore, to select the retail categories for inclusion in the impact analysis, we proceeded as follows:

1. We inventoried the types of retail and services businesses that are currently located in Downtown and in the approximately 60 local commercial areas in the City. Note that these areas do not include auto-oriented service commercial strips with uses such as auto-sales, auto service and repair, fast food restaurants, or building supplies.
2. We identified the retail categories that could reasonably be considered to be vital to the health of each commercial area.
3. We compared our inventory with the proposed expansion of Oakridge in order to identify retail categories that meet two conditions: they play a key role in the ongoing viability of existing commercial areas and they account for a significant amount of new floor area as proposed for Oakridge's expansion.

Using this approach, we selected the following categories for inclusion in the impact analysis:

1. Department stores. Department stores are important anchors in Downtown and account for 32% of the Oakridge expansion.
2. Fashion categories (clothing, footwear). These are vital to some Downtown shopping districts, they make up a large share of space in some of the City's on-street shopping precincts (e.g. South Granville, Main, West 4th), and account for 16% of the proposed Oakridge expansion.
3. Home furnishings. These account for a large amount of space in some shopping districts (e.g. Yaletown, South Granville) and account for 5% of the proposed Oakridge expansion.

⁵ Park Royal and other more distant malls are minor competitors with Oakridge due to physical distance and the fact that they are separated from Oakridge by the largest retail concentration in BC (Downtown and Pacific Centre).

4. Jewelry. This category accounts for a large amount of space in Downtown and about 3% of the Oakridge expansion.
5. Supermarkets. Supermarkets are vital to the ongoing health of many local commercial areas. Even though the Oakridge expansion only includes 4,500 square feet of additional supermarket space, we elected to include this category to identify any risk of impact on a neighbourhood shopping centre's anchor.
6. Pharmacy. Pharmacies can also act as important anchors in a local commercial area and Oakridge is proposing to increase this category to almost three times its current size in the centre.

Obviously this selection of categories for impact analysis leaves out some categories included in the expansion of Oakridge:

1. Cinema. There are a few local commercial areas that include a movie theatre (e.g. Cambie Village, Dunbar). However, the proposed new space at Oakridge is replacing a former multi-screen cinema that operated at Oakridge for many years before being replaced (by Crate and Barrel) in the most recent renovation. The local screens operated throughout that time, so it seems unlikely that they would be affected by the return of this space. As well, after careful consideration of the situation facing the local screens, it is our view that they are at more risk from redevelopment of their sites (as happened with the Varsity on West 10th Avenue) than from competition at Oakridge.
2. Restaurant and fast food. This category is a huge use of floor space in the City and the number of existing restaurants and cafes in the City is well over a thousand. The increase at Oakridge represents such a small addition to the total inventory of restaurant and fast food space in the City that it cannot possibly have a significant impact on any single area. This is not to say that individual restaurants won't see some change in sales, but the impacts cannot cause a significant and persistent impact on any commercial area.
3. Electronics. Consumer electronics are primarily sold in a few very large outlets in the City (e.g. Best Buy, Future Shop, and to a lesser extent London Drugs). The small Oakridge increase (20,000 square feet) is not large enough, and electronics as a category is not prevalent enough, for this to warrant analysis.
4. Financial services. Branch banking is exclusively a "chain" outlet and all the major institutions have outlets in most of the commercial areas, for reasons of convenient customer access. The location of additional (or larger) outlets at Oakridge is not likely to lead to the closure of any outlets in local areas.
5. Specialty Retail. Ivanhoe Cambridge has not yet determined the actual mix of tenants in this category which can include a wide array of retailers, such as toys, hobbies, musical instruments, arts, crafts, gifts and cards, stationary, luggage and other types of businesses. The proposed increase of 16,500 square feet of specialty retail is too small to have an impact on existing businesses in the City.
6. Personal services. The proposed increase of 15,500 square feet of personal services (across a wide number of categories) is too small to have an impact on existing businesses in the City.
7. Specialty food. Ivanhoe Cambridge has not yet determined the actual mix of tenants in this category which can include a wide array of retailers such as coffee and tea, deli, produce, seafood, nuts, chocolates, and other types of businesses. The proposed increase of 10,500 square feet of specialty food is too small to have an impact on existing businesses in the City.
8. Liquor. The proposed increase of 13,000 square feet of liquor store space is too small to have an impact on existing businesses in the City.
9. Fitness and recreation. Privately operated fitness facilities do not act as a key anchor business in the City's existing local commercial areas.

10. Auto showroom. This is not a key anchor business in the City's existing local commercial areas.
11. Entertainment. Ivanhoe Cambridge has not yet determined the actual mix of tenants in this category which can include a range of businesses such as video games, bowling and other forms of recreation. The proposed increase of 16,000 square feet is too small to have an impact on existing entertainment businesses, and this use is not key business in the City's existing local commercial areas.

We reviewed our proposed categories for inclusion in the analysis with the City of Vancouver staff before we proceeded. The City agreed with the categories that we included and accepted our rationale for the categories not included.

3.2 Impact Assessment Methodology

There are several factors which can make retail impact analysis challenging:

1. Regional shopping centres primarily compete with other regional shopping centres. However, Oakridge also functions as a community shopping node, so the analysis cannot be confined to the impact on regional centres. As well, several Vancouver shopping areas have become concentrated destinations (in clothing for example) that will compete with Oakridge to some extent. Therefore, it is not possible to divide the analysis into regional and local components, because there is overlap.
2. Department stores tend to primarily compete with other department stores. One might think that there would be head-to-head competition between department stores and chain retailers in overlapping merchandise categories (e.g. clothing or housewares) but in fact the two kinds of stores tend to act as “silos” in terms of capturing sales. However, the entry in the market place of new department store chains, particularly if they are heavily oriented to fashion, is likely to raise concerns on the part of existing retailers (perhaps especially independents) so in our view we should not structure the analysis to assume that departments stores and specialty stores do not compete.
3. While sales data is (or can be) available from shopping centre owners, sales data is not generally available for independent retailers or most chains in on-street locations. In order to analyze the distribution of sales, and impacts caused by new market entrants, it is necessary to estimate sales volumes based on other indicators which necessarily involve approximation and uncertainty.

Because of these factors, we elected to approach the impact analysis using several different approaches, each of which offers a perspective on the impact of a significant addition to the inventory of space and the number of businesses. We applied each approach individually and then we integrate the results to obtain the most comprehensive view possible regarding potential impacts.

The approaches we use are as follows:

1. We examined the total retail and service inventory in City before and after the Oakridge expansion, compared to the City's population to determine if the City-wide market is at equilibrium, under-supplied, or over-supplied with retail and service space relative to the rest of the Metro region.
2. We estimated total trade area retail sales potential and estimated the distribution of these sales among stores in different locations in the City, before and after the Oakridge expansion, for each of the following retail categories:
 - Department stores.
 - Clothing, footwear and related stores (apparel).

- Jewelry stores.
- Home furnishings stores.

For this analysis, we assumed that department stores compete with other department stores and that specialty retailers compete with other specialty retailers.

3. We repeated the analysis in step 2, but incorporated the assumption that department stores might compete with specialty retailers for shares of the fashion, jewelry, and home furnishings market. In a sense, this is the worst case from the perspective of independent on-street retailers, as it assumes that they must compete with new and existing chain retailers in the mall as well as new and existing department stores in the mall. We examined the potential impact of the proposed expansion at Oakridge Centre on the surrounding local commercial areas for the key neighbourhood oriented retail anchors: supermarkets and pharmacies.
4. Using the output of steps 1, 2, and 3, we reached conclusions about the potential impact on the other regional shopping locations in Vancouver (such as Pacific Centre Mall and existing department stores).
5. Using the output of steps 1, 2, and 3, we then examined each of the street front commercial areas in the City with the intent of flagging any possible cause for concern about significant, persistent impact for any category of store. We divided the districts into 58 with no apparent concerns and eight that warranted a closer (and more qualitative) assessment.
6. We examined the selected areas more closely and reached conclusions about potential impact.
7. We summarized our overall analysis.

4.0 Trade Areas for Impact Assessment

Because we use several different approaches to the impact analysis, we use three different trade areas:

1. For the assessment of the size of the City's total retail inventory (relative to its population), the trade area is the City of Vancouver. We are trying to ascertain if the City in total has too much retail (i.e. the Oakridge expansion makes a highly competitive overall market worse), not enough retail (i.e. it is likely that the City is exporting retail sales to adjacent municipalities), or the right amount, when compared to the rest of the urban region.
2. For the retail sales distribution analysis for selected categories (department store, clothing, shoes, jewelry, home furnishings), the trade area is determined based on the trade areas for Oakridge and Pacific Centre. These trade areas extend beyond the City of Vancouver to include parts of Richmond, Burnaby, and the North shore. Inside this larger trade area, we are analyzing the distribution of sales among Oakridge, Pacific Centre and on-street retail locations.
3. For the neighbourhood oriented retail categories (supermarket and pharmacy), the trade area is based on the pattern of these anchor stores in the south-central part of the City (generally bounded by 33rd Avenue, MacDonald Street, Knight Street, and the Fraser River).

The following sections provide more detail on the definition of (and rationale for) these trade areas.

Population trends and projections for each area are included in Attachment 8.3 and 8.4.

4.1 Assessment of Impact on City-Wide Inventory

The City of Vancouver is the geographic trade area for our evaluation of the impact of the proposed Oakridge Centre expansion on the overall inventory of retail and service floor space in the City. This not a trade area in the true sense, because we are not saying that floor space in the City captures all of (and only) sales from inside the City boundary. We are evaluating whether the City as a jurisdiction (rather than a trade area) contains more or less the amount of space that is warranted by the spending power of City residents.

4.2 Impact on Regional-Oriented Categories

The primary competition for Oakridge Centre is from other comparable regional shopping centres. Within a given region, these centres often have similar (or even the same) tenants located in a similar enclosed building. In a typical situation, regional malls are the only important competition for other regional malls because they are anchored by department stores, have similar tenant/merchandizing mix, offer a destination shopping experience, and are highly accessible to large geographic areas.

We examined customer origin data for major regional malls in Vancouver and the surrounding municipalities to help determine the trade area that should be used to examine the impact of the proposed expansion at Oakridge on the regional/destination retail categories in the City. The analysis is included in Attachment 8.3.

The key implications of the consumer research that we examined are as follows:

1. Oakridge Centre's primary trade area as a regional shopping centre is City of Vancouver and the UBC/UEL district. Burnaby and Richmond are secondary trade areas. Oakridge draws limited sales from residents of other parts of the Lower Mainland.
2. Pacific Centre draws about half of its customers from Vancouver plus UBC/UEL . The remainder is drawn from residents of a wide variety of locations in the Lower Mainland, partly because of the Central Business District's regional employment draw and partly because the regional rapid transit system is radially focused on Downtown.
3. Residents of the City of Vancouver account for a significant share of the customers at the major regional centres in Richmond, Burnaby and the North Shore, indicating that Vancouver is exporting sales (probably mainly from neighbourhoods in the south and east parts of the City) to retail areas in other municipalities.

Because Vancouver and UBC/UEL residents account for 70% of customers at Oakridge Centre and about 50% of all customers at Pacific Centre, the primary trade area for our impact assessment for department stores and the selected specialty retail categories is the City of Vancouver and the UEL. There will continue to be inflow from surrounding municipalities (and some outflow to them as well) but the majority of all sales at the selected specialty retail categories and department stores in Vancouver will be generated by residents of Vancouver and the UBC/UEL area

4.3 Neighbourhood Oriented Retail and Service Analysis

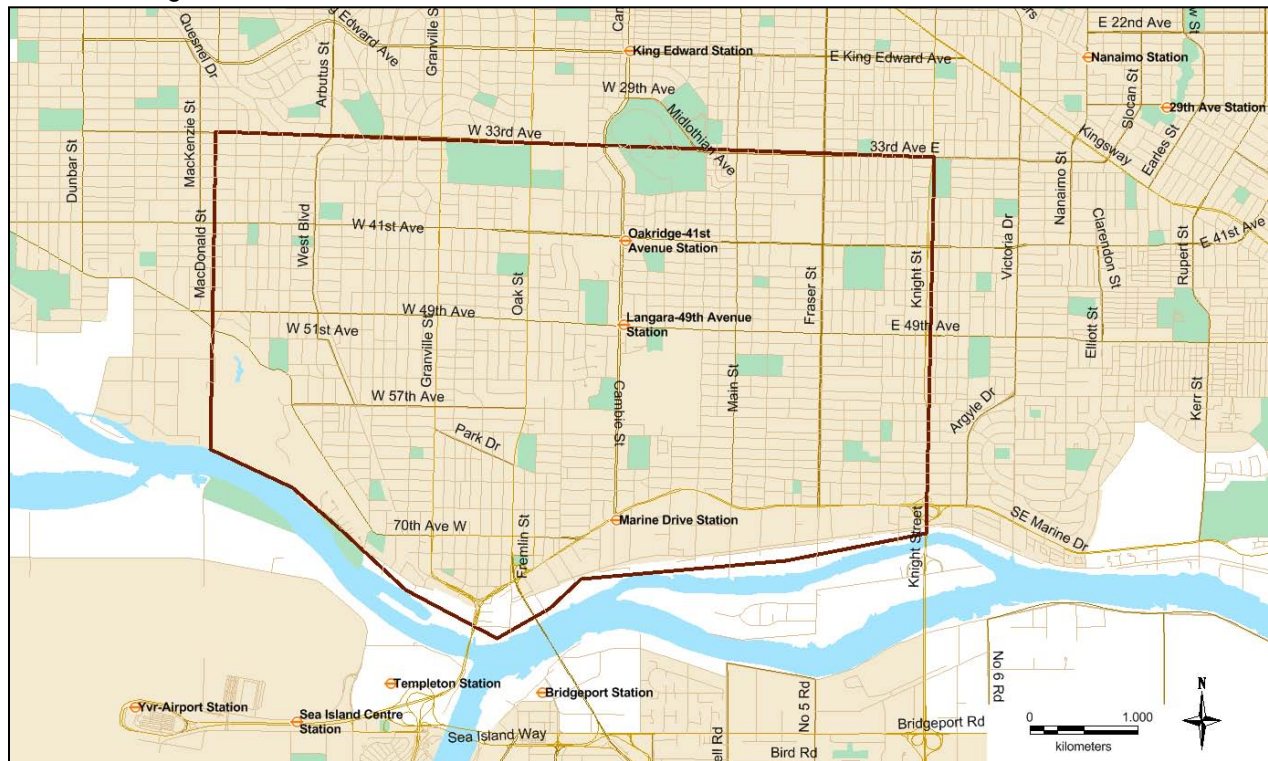
Oakridge has a significant amount of neighbourhood-oriented convenience retail and services and some of these categories are proposed for expansion, including the supermarket and pharmacy categories.

Therefore, the impact assessment must look at the potential impact of the proposed neighbourhood oriented retail expansion on surrounding local commercial areas. To identify the appropriate trade area for the neighbourhood oriented retail and service analysis, we examined the existing (and planned) pattern of supermarkets and pharmacies in the neighbourhoods surrounding Oakridge. We also considered the existing road network.

Based on our evaluation, we defined a trade area that includes all of the supermarkets and pharmacies in the neighbourhoods surrounding Oakridge, including Marpole, Kerrisdale and parts of South Cambie, Riley Park, Shaughnessy, and Sunset. The study area for the neighbourhood oriented assessment is bounded roughly by 33rd Avenue on the north, the Fraser River on the south, Knight Street on the east and MacDonald Street on the west.

Exhibit 3 shows the boundaries of this neighbourhood trade area.

Exhibit 3: Neighbourhood Trade Area



5.0 Impact Assessment

5.1 Analysis of Overall Vancouver Retail and Service Inventory

The first approach we use is to evaluate City of Vancouver retail inventory compared to its population.

We estimate that there is a maximum of about 20.1 million square feet of existing retail and service space in the City of Vancouver as at 2011. According to Stats Canada (Census), the City's 2011 population was about 606,000 so there is currently about 33 square feet of retail and service space per capita in the entire City.

Based on available data, there is about 40 to 45 square feet of retail and service space per capita in the entire Metro Vancouver region (including Vancouver). Therefore, the City of Vancouver currently has about 20% to 25% less retail and service space per capita than the regional average. One would expect the opposite (a higher ratio in Vancouver than in the region) for several reasons:

1. Parts of Vancouver have very high average income compared to the regional average.
2. Vancouver is a large regional employment centre that draws workers from a large area. These workers spend some of their disposable income near their place of work rather than their place of residence.
3. Vancouver has specialty retail and service businesses that have regional drawing power.
4. Vancouver is the main tourist destination in the region, so it captures a very large share of total tourist retail sales.

Vancouver's comparatively low ratio is a strong indicator that the City is under-supplied with retail and service floor space relative to the rest of Metro.

If the proposed expansion of Oakridge proceeds, it will add about 640,500 square of additional retail and service space to the inventory by 2021. In addition, we identified about 500,000 square feet⁶ of new retail and service space that is planned at other commercial projects in the City. Assuming all of this space is built, the City's total retail and service inventory would increase to about 21.3 million square feet by 2021. Our projected City of Vancouver 2021 population is 686,000. Therefore, the projected 2021 retail and service floorspace per capita in the City is about 31 square feet per capita, which is less than the current ratio.

These floorspace per capita figures indicate that:

1. The City of Vancouver has 20% to 25% less retail space per capita than the Metro Vancouver average, a strong indicator that the total inventory of retail space in the City is too small.
2. Proposed additions to retail inventory (including Oakridge expansion) will not keep pace with growth in demand based on forecast population growth. In other words, the retail under-supply will increase.

⁶ Most of this space (about 250,000 square feet) is at the Marine Gateway project. The remainder is comprised of small amounts of space at a variety of mixed use projects. This figure excludes the proposed 94,000 square feet of retail and service space at Arbutus Village as this space will be replacing existing retail space at the site so it is not net new space.

This under-supply situation means that the City of Vancouver is exporting a significant share of its retail spending to other municipalities, or Vancouver retail businesses are achieving (on average) higher retail sales per square foot than retail businesses in other parts of the region.

5.2 Destination/Regional-Oriented Retail and Service Analysis

This section summarizes our analysis of trade area retail spending and the potential impacts of the proposed Oakridge expansion for each of the following four retail categories:

1. Department stores.
2. Clothing, footwear and related stores.
3. Jewelry stores.
4. Home furnishings stores.

As noted earlier, we approach this analysis in two different ways:

1. First we look at the four categories individually, on the premise that department stores do not tend to compete head-to-head with specialty retailers. Each format has its own market niche.
2. Second, we combine the categories on the premise that there could be competition between department stores and the other categories.

For each category, we present the analysis for 2011 (the latest year for which a full year of retail sales data was available).

We analyzed retail demand (spending) and supply (floorspace) by category to identify potential impacts. For each category, we use these steps:

1. We estimate total spending by primary trade area residents (Vancouver and the UEL).
2. We estimated total inflow spending to the City from residents who live outside the primary trade area.
3. We calculate total potential retail sales in stores in the primary trade area (1 + 2).
4. We allocate the sales to different locations using available indicators of market share. The areas we use in this step are Oakridge, Pacific Centre, Other Downtown, and the local commercial areas, at 2011 and 2021.
5. We calculate the implied outflow spending (spending by primary trade area residents that is not being captured by Vancouver stores and so is assumed to be leaking out to adjacent trade areas, mainly Burnaby and Richmond).

The analysis includes some conservative assumptions, as our intent is to calculate the “worst case” from the perspective of possible impact on local commercial areas. Accordingly, it is likely that our analysis overstates any impact on stores in the selected categories.

1. We have included a minimal allowance for real growth in retail spending per capita (a maximum of 0.25% per year) for these categories over the next decade. The long term historic trend has been an increase in real spending per capita (net of inflation), so we are possibly understating total retail sales potential in the trade area.

2. We assume that the achieved value of retail sales per square foot in the existing portion of Oakridge are not negatively affected by the expansion (except for the existing jewelry stores at Oakridge which are currently achieving extremely high sales per square foot). This means we are assuming that all “new” sales at Oakridge are extracted from the rest of the City's retail inventory, not cannibalized from other existing Oakridge stores. In reality, we would expect some of the sales in the new Oakridge expansion to be captured from retailers in the existing mall.
3. We assume no inflow spending (from residents outside of Vancouver and the UEL) to businesses in the local commercial areas. Inflow is only included in the calculations for the main regional-oriented shopping locations in the City (including Oakridge, Pacific Centre, Robson/Alberni/Granville, and department stores), which is based on detailed third party consumer research. This means we are assuming that local commercial areas must depend entirely on competing for a share of Vancouver sales potential and they cannot rely on drawing sales in from other municipalities. In reality, we know that some of the City's local areas that have become destinations in their own right (e.g. South Granville, West 4th Avenue, Commercial Drive, Main Street) and will derive some of their potential from customers travelling in from other regional communities.

Because of these conservative assumptions, it is possible our analysis overstates any potential impact of the proposed Oakridge Centre expansion on these regional retail categories. We have used this conservative approach deliberately because we did not want to risk any perception that we masked a potential sales impact by making beneficial assumptions about real growth in spending, or assuming that the new stores at Oakridge simply depress sales in the rest of the centre, or that local commercial areas are on equal footing with regional malls in terms of regional customer drawing power.

5.2.1 Department Store

There is currently about 1.9 million square feet of department store space in the City. Exhibit 4 shows the estimated department store spending in Vancouver in 2011 by location. The figures in Exhibit 4 are derived as follows:

1. The Oakridge total sales are based on actual department stores sales data provided by the shopping centre owner.
2. The Pacific Centre total sales are estimated based on discussions with industry representatives and inferred sales performance for the department stores at this mall. The weighted average assumes that Holt Renfrew achieves high sales, but Sears (which is many times larger) does not. Sears had closed three levels of the store for years before permanently closing in 2012.
3. The Downtown Bay, Wal-Mart, and Army & Navy sales are based on industry averages and interviews with industry representatives and are typical for these types of department stores.
4. Total department sales from trade area residents (\$446 million) is estimated by multiplying the 2011 trade area population (see Attachment 8.5) by the estimated Vancouver department store sales per capita (see Attachment 8.3).
5. Inflow is estimated based on consumer research data provided by the major regional malls (see Attachment 8.5).
6. Total department store sales in Vancouver (\$649 million) is estimated by adding the estimated inflow to the sales generated from trade area residents.

7. Total department store sales (\$649 million) less actual estimated sales at the department stores indicates that about \$117 million of department store sales is being exported from the City as retail outflow to other municipalities (mainly Richmond and Burnaby).

Exhibit 4: Department Store Spending Analysis - 2011

2011	Size in Sq Ft	Sales Per sq.ft.	Total Sales 2011	Sales from Trade Area Residents	Sales from Inflow	2011 Distribution
Oakridge Bay, Zellers	262,164	\$225	\$58,986,900	\$41,290,830	\$17,696,070	9%
Pacific Centre Sears, Holt Renfrew	783,000	\$250	\$195,750,000	\$97,875,000	\$97,875,000	22%
Downtown Bay, Wal-Mart	772,000	\$325	\$250,900,000	\$165,594,000	\$85,306,000	37%
Army & Navy	114,000	\$225	\$25,650,000	\$24,367,500	\$1,282,500	5%
Outflow			\$117,481,737	\$117,481,737		26%
Department Store Sales Vancouver	1,931,164		\$648,768,637	\$446,609,067	\$202,159,570	

Exhibit 4 shows that a substantial amount of City-generated department store potential is currently being exported to neighbouring municipalities.

The proposed Oakridge Centre expansion will add 204,000 square feet of additional department store space. There will also be a conversion of the existing Zeller's space at Oakridge to Target, but no additional change in the total size of this type of space within the Centre.

The amount of department store space at Pacific Centre in Downtown will decline by about 433,000 square feet due to the closure of Sears and conversion of this space into a combination of new department store space (Nordstrom's), office space, and additional CRU space. Therefore, the total City-wide department store inventory will decline to about 1.7 million square feet by 2021.

Exhibit 5 shows the estimated 2021 department store spending in Vancouver by location. The figures in Exhibit 5 are derived using the same approach and assumptions as in Exhibit 4, except for the following key differences:

1. The inventory of department store space declines from 1.9 million to 1.7 million square feet.
2. The department store sales per square foot at Oakridge are assumed to increase due to the introduction of Target plus another new high quality department store. The new sales per square foot rates are based on industry averages for these types of stores and are substantially higher than the performance of existing department stores at Oakridge.
3. The department store sales per square foot at Pacific Centre sales are assumed to increase due to the introduction of Nordstrom's.
4. Total sales from trade area residents (\$505 million) increases due to the projected growth in Vancouver's population by 2021 (see Attachment 8.3).
5. Total Vancouver department store sales less actual estimated sales at the department stores indicates that about \$105 million of department store sales will still be exported from the City to other areas after completion of the Oakridge expansion in 2021 (mainly Richmond and Burnaby).

Exhibit 5: Department Store Spending Analysis - 2021

2021	Size in Sq Ft	Sales Per sq.ft.	Total Sales 2021	Sales from Trade Area Residents	Sales from Inflow	2021 Distribution
Oakridge Bay, Target, Existing Space	262,164	\$300	\$78,649,200	\$55,054,440	\$23,594,760	11%
Oakridge New Dept Store Space	204,836	\$400	\$81,934,400	\$57,354,080	\$24,580,320	11%
Subtotal	467,000	\$344	\$160,583,600	\$112,408,520	\$48,175,080	22%
Pacific Centre Nordstrom, Holt Renfrew	350,000	\$425	\$148,750,000	\$98,175,000	\$50,575,000	19%
Downtown Bay, Wal-Mart	772,000	\$325	\$250,900,000	\$165,594,000	\$85,306,000	33%
Army & Navy	114,000	\$225	\$25,650,000	\$24,367,500	\$1,282,500	5%
Outflow			\$105,329,624	\$105,329,624		21%
Department Store Sales Vancouver	1,703,000		\$691,213,224	\$505,874,644	\$185,338,580	

For the department store category, there is currently substantial retail outflow and this is expected to continue after the proposed Oakridge expansion is completed in 2021 due to two factors:

1. The total inventory of department store space is expected to decline by 2021.
2. The trade area population (and retail demand) is expected to grow significantly.

The analysis of existing and planned stores clearly indicates that there will be no significant sales transference or measurable impact on existing (or planned) department stores in Vancouver as a result of the planned expansion of department store space at Oakridge Centre. There is ample sales to support all of the department stores in 2021.

5.2.2 Apparel (Clothing and Shoes)

There is currently about 1.2 million square feet of clothing and shoe store space in the City.

Exhibit 6 shows the estimated clothing and shoe store spending in Vancouver in 2011 by location. Exhibit 6 shows the estimated apparel spending in Vancouver in 2011 by location. The figures in Exhibit 6 are derived as follows:

1. The Oakridge total sales are based on actual apparel store sales data provided by the owner.
2. The Pacific Centre total sales are based on interviews with industry representatives and inferred from reported sales data for stores in this mall.
3. The street retail sales per square foot figures (regional/downtown street retail and local commercial street retail) is an estimate based on current rents in the various street front retail locations and the industry standard ratio of sales to rents for retail businesses (see Attachment 8.7). This is a weighted average estimate that takes into account the geographic distribution of the existing apparel space in the City and the differing rents (and sales) across each location. In addition, interviews were conducted with industry representatives to confirm our sales estimates.
4. Total apparel sales from trade area residents (\$501 million) is estimated by multiplying the 2011 trade area population (see Attachment 8.5) by the estimated Vancouver apparel store sales per capita (see Attachment 8.3).
5. Inflow is estimated based on consumer research data (see Attachment 8.5) and is only applied to the major malls (Oakridge and Pacific Centre) and to Robson Street, not to any other commercial areas (this is a conservative assumption).
6. Total clothing and shoe store sales in Vancouver (\$700 million) is estimated by adding the estimated inflow at the regional shopping locations to the sales generated from trade area residents.

7. Total clothing and shoe store sales less actual estimated sales at the apparel stores indicates that about \$23 million of apparel spending is being exported as retail outflow from the City to other municipalities (mainly Richmond and Burnaby).

This shows that about 5% of the apparel store spending by trade area residents is currently leaving the City of Vancouver to other municipalities.

For the clothing and shoe store category, there is currently limited retail outflow, which indicates that Vancouver does a good job of retaining apparel spending by its trade area residents, likely due to the wide selection of chain and independent stores in the City and the number of different locations offering apparel (e.g., Pacific Centre, Robson/Granville, Oakridge, South Granville, West 4th Avenue, Main Street, etc.).

Exhibit 6: Apparel Store Spending Analysis - 2011

2011	Size in Sq Ft	Sales Per sq.ft.	Total Sales 2011	Sales from Trade Area Residents	Sales from Inflow	2011 Distribution
Oakridge Existing	115,000	\$736	\$84,640,000	\$59,248,000	\$25,392,000	12%
Pacific Centre	210,000	\$1,000	\$210,000,000	\$105,000,000	\$105,000,000	21%
Regional Street Retail Downtown	324,500	\$630	\$204,463,279	\$134,945,764	\$69,517,515	27%
Local Street Retail	566,393	\$316	\$178,854,682	\$178,854,682	\$0	36%
Outflow			\$22,805,654	\$22,805,654		5%
Clothing and Shoe store Sales Vancouver	1,215,893		\$700,763,615	\$500,854,100	\$199,909,515	100%

According to the owners, the proposed Oakridge Centre expansion is expected to add 104,500 square of additional apparel store space. In addition, at Pacific Centre, the conversion of part of the former Sears store to CRU space will create an additional 35,000 square feet of apparel space in Downtown Vancouver. Therefore, the total City-wide apparel store inventory will increase to about 1.35 million square feet by 2021, or about 11% more than the estimated 2012 City-wide inventory.

Exhibit 7 shows the estimated 2021 apparel store spending in Vancouver by location. The figures in Exhibit 7 are derived using the same approach and assumptions as in Exhibit 6, except for the following key differences:

1. The inventory of apparel store space increases from about 1.2 million to 1.35 million square feet.
2. The apparel store sales per square foot at the existing Oakridge Centre are assumed to remain steady despite the new competition created from the introduction of the new clothing stores in the expanded portion of the Mall (this is a conservative assumption). However, the apparel store sales per square foot in the new portion of Oakridge are assumed to be 75% (about \$550 per square foot) of existing clothing store sales at Oakridge (see Attachment 8.7). The lower sales per square foot is due to the location of the new space (mainly second floor retail which consistently achieves much lower sales than prime enclosed mall grade level retail because it is in a less convenient location).
3. Total apparel sales from trade area residents (\$567 million) increases due to the projected growth in population by 2021 (see Attachment 8.3).
4. Total clothing and shoe store sales (\$802 million) less actual estimated sales at the apparel stores indicates that about \$31 million of apparel spending will still be exported at retail outflow from the City to other municipalities after completion of the Oakridge expansion in 2021 (mainly Richmond and Burnaby).

Exhibit 7: Apparel Store Spending Analysis - 2021

2021	Size in Sq Ft	Sales Per sq.ft.	Total Sales 2021	Sales from Trade Area Residents	Sales from Inflow	2021 Distribution
Oakridge Existing	115,000	\$736	\$84,640,000	\$59,248,000	\$25,392,000	10%
Oakridge Expansion (75% of existing)	104,500	\$552	\$57,684,000	\$40,378,800	\$17,305,200	7%
Subtotal - Oakridge	219,500	\$648	\$142,324,000	\$99,626,800	\$42,697,200	18%
Pacific Centre	245,000	\$1,000	\$245,000,000	\$122,500,000	\$122,500,000	22%
Regional Street Retail Downtown	324,500	\$630	\$204,463,279	\$134,945,764	\$69,517,515	24%
Local Street Retail	566,393	\$316	\$178,854,682	\$178,854,682	\$0	32%
Outflow			\$31,390,814	\$31,390,814		6%
Clothing and Shoe Store Sales Vancouver	1,355,393		\$802,032,775	\$567,318,060	\$234,714,715	100%

Outflow is expected to remain stable (or increase) in 2021 after completion of the proposed Oakridge expansion. This is due primarily to the growth of the trade area population base. The expected growth in the trade area population (about 10%) essentially matches the expected growth in the apparel store inventory (about 11%) so the proposed Oakridge expansion helps keep pace with the increased City-wide demand for apparel stores over this time period.

The estimated 2021 outflow after the completion of the proposed Oakridge expansion is similar to the existing 2012 situation. This indicates that there will continue to be ample retail spending and demand in the overall Vancouver market for existing stores in other commercial areas and stores will continue to achieve existing levels of sales (in current dollars). There will continue to be ample demand after the addition of the planned new space at Oakridge, indicating no need for significant sales transference from existing stores and no measurable negative sales impact.

5.2.3 Jewelry

There is currently about 100,000 square feet of jewelry store space in the City. Exhibit 8 shows the estimated jewelry store spending in Vancouver in 2011 by location. The figures in Exhibit 8 are derived as follows:

1. The Oakridge Centre total sales are based on actual jewelry store sales provided by the owner.
2. The Pacific Centre total sales are based on estimates and inferred from sales data for stores in this mall.
3. The street retail sales per square foot (regional/downtown street retail and local commercial street retail) is an estimate based on current rents in the various street front retail locations and the industry standard ratio of sales to rents for retail businesses (see Attachment 8.7). This is a weighted average estimate that takes into account the geographic distribution of the existing apparel space in the City and the differing rents (and sales) across each location.
4. Total sales from trade area residents (\$72 million) is estimated by multiplying the 2011 trade area population (see Attachment 8.5) by the estimated Vancouver jewelry store sales per capita (see Attachment 8.3).
5. Inflow is estimated based on consumer research data (see Attachment 8.5) and is only applied to the major malls (Oakridge and Pacific Centre) and to Robson Street, not to any other commercial areas (this is a conservative assumption).
6. Total jewelry store sales in Vancouver (\$96 million) is estimated by adding the retail inflow at the regional shopping locations to the sales generated from trade area residents.

7. Total jewelry store sales less actual estimated sales at the jewelry stores indicates that about \$15 million of jewelry store spending is being exported from the City to other areas in the form of retail outflow.

This shows that about 21% of the jewelry store spending by trade area residents is currently being exported from the City of Vancouver to other municipalities. This is a high level of outflow.

Exhibit 8: Jewelry Store Spending Analysis - 2011

2011	Size in Sq Ft	Sales Per sq.ft.	Total Sales 2011	Sales from Trade Area Residents	Sales from Inflow	2011 Distribution
Oakridge Existing	15,000	\$2,400	\$36,000,000	\$25,200,000	\$10,800,000	35%
Pacific Centre	11,000	\$1,300	\$14,300,000	\$7,150,000	\$7,150,000	10%
Regional Street Retail Downtown	38,153	\$477	\$18,215,634	\$12,022,319	\$6,193,316	17%
Local Street Retail	36,367	\$351	\$12,781,411	\$12,781,411	\$0	18%
Outflow			\$14,781,278	\$14,781,278		21%
Jewellery Store Sales Vancouver	100,520		\$96,078,324	\$71,935,008	\$24,143,316	

According to the owners, the proposed Oakridge Centre expansion will add 20,000 square of additional jewelry store space. In addition, conversion of part of the former Sears store in Downtown Vancouver to CRU space is expected to create an additional 4,000 square feet of jewelry store space at Pacific Centre. Therefore, the total City-wide jewelry store inventory will increase to about 124,000 square feet by 2021.

Exhibit 9 shows the estimated 2021 jewelry store spending in Vancouver by location. The figures in Exhibit 9 are derived using the same approach and assumptions as in Exhibit 8, except for the following key differences:

1. The inventory of jewelry store space increases from about 100,000 to 124,000 square feet.
2. The jewelry store sales per square foot at the existing Oakridge Centre are assumed to decrease (from the current unusually high level of \$2400 per square foot) due to new competition created from the introduction of the new jewelry stores in the expanded portion of the Mall. One existing store in particular has far higher sales than all of its competitors, which drives up the existing mall store sales for this entire category.
3. The jewelry store sales per square foot in the new portion of Oakridge are assumed to average \$900 per square foot which is relatively high based on industry averages, but lower than in the jewelry stores in the existing portion of the Mall. The lower assumed sales per square foot is due to the location of the new space, mainly second floor retail and exterior retail which achieve much lower sales than prime grade level enclosed mall retail (see Attachment 8.7).
4. Total sales from trade area residents (\$81 million) increases due to the projected growth in population by 2021 (see Attachment 8.3).
5. Total jewelry store sales (\$110 million) less actual estimated sales at the jewelry stores indicates that about \$17 million of jewelry store spending will still be exported from the City to other areas after completion of the Oakridge expansion in 2021.

Exhibit 9: Jewelry Store Spending Analysis - 2021

2021	Size in Sq Ft	Sales Per sq.ft.	Total Sales 2021	Sales from Trade Area Residents	Sales from Inflow	2021 Distribution
Oakridge Existing	15,000	\$1,600	\$24,000,000	\$16,800,000	\$7,200,000	21%
Oakridge Expansion	20,000	\$900	\$18,000,000	\$12,600,000	\$5,400,000	15%
Subtotal	35,000	\$1,200	\$42,000,000	\$29,400,000	\$12,600,000	36%
Pacific Centre	15,000	\$1,300	\$19,500,000	\$9,750,000	\$9,750,000	12%
Regional Street Retail Downtown	38,153	\$477	\$18,215,634	\$12,022,319	\$6,193,316	15%
Local Street Retail	36,367	\$351	\$12,781,411	\$12,781,411	\$0	16%
Outflow			\$17,527,143	\$17,527,143		22%
Jewellery Store Sales Vancouver	124,520		\$110,024,188	\$81,480,873	\$28,543,316	

The exhibit shows that outflow in the jewelry store category is expected to remain stable (or increase) in 2021 after completion of the proposed Oakridge expansion. This is due mainly to the growth of the trade area population as well as a decline in sales per square foot at Oakridge due to increased competition at the Mall for the existing jewelers from the new stores, bringing average sales closer (but still comparatively high) to industry standards.

This indicates that there will continue to be ample spending and retail demand in the overall Vancouver market for existing jewelry stores in other commercial locations to continue to achieve existing levels of sales (in current dollars).

5.2.4 Home Furnishings

There was about 320,000 square feet of jewelry store space in the City as of the end of 2011 (before the recent opening of the new 26,000 square foot Crate and Barrel at Oakridge).

Exhibit 10 shows the estimated home furnishings store spending in Vancouver in 2011 by location. The figures in Exhibit 10 are derived as follows:

1. The Oakridge sales are based on actual home furnishing store sales provided by the owner.
2. The Pacific Centre sales are estimated based on sales data for stores in this mall.
3. The street retail sales per square foot (regional/downtown street retail and local commercial street retail) is an estimate based on current rents in the various street front retail locations and the industry standard ratio of sales to rents for retail businesses (see Attachment 8.7). This is a weighted average estimate that takes into account the geographic distribution of the existing apparel space in the City and the differing rents (and sales) across each location.
4. Total sales from trade area residents (\$115 million) is estimated by multiplying the 2011 trade area population (see Attachment 8.5) by the estimated Vancouver home furnishing store sales per capita (see Attachment 8.3).
5. Inflow is estimated based on consumer research data (see Attachment 8.5) and is only applied to the major malls (Oakridge and Pacific Centre) and to Robson Street, not to any local commercial areas (this is a conservative assumption).
6. Total home furnishing store sales in Vancouver (\$121 million) is estimated by adding the estimated inflow at the regional shopping locations to the sales generated from trade area residents.
7. Total home furnishing store sales less actual estimated sales at the home furnishing stores indicates that about \$19 million of home furnishings spending is being exported from the City to other areas.

This shows that about 16% of home furnishings store spending by trade area residents is currently being exported from the City of Vancouver to other municipalities. This retail category includes large suburban stores and outflow sales to nearby municipalities is common.

Exhibit 10: Home Furnishing Store Spending Analysis - 2011

2011	Size in Sq Ft	Sales Per sq.ft.	Total Sales 2011	Sales from Trade Area Residents	Sales from Inflow	2011 Distribution
Oakridge Existing	2,000	\$720	\$1,440,000	\$1,008,000	\$432,000	1%
Pacific Centre	0	\$0	\$0	\$0	\$0	0%
Regional Street Retail Downtown	50,919	\$325	\$16,548,766	\$10,922,186	\$5,626,580	9%
Local Street Retail	264,407	\$321	\$84,800,528	\$84,800,528	\$0	73%
Outflow			\$18,668,760	\$18,668,760		16%
Home Furnishings Sales Vancouver	317,327		\$121,458,054	\$115,399,473	\$6,058,580	

Combined, the recently opened Crate and Barrel at Oakridge and the 23,500 square feet included in the planned expansion will add 59,500 square of additional home furnishing store space to the City by 2021. Therefore, the total City-wide home furnishings floorspace inventory is expected to increase to about 376,000 square feet by 2021.

Exhibit 11 shows the estimated 2021 home furnishings store spending in Vancouver by location. The figures in Exhibit 11 are derived using the same approach and assumptions as in Exhibit 10, except for the following key differences:

1. The inventory of home furnishing store space increases from about 317,000 (excluding the new Oakridge Crate and Barrel) to 376,000 square feet.
2. The home furnishing store sales per square foot at the existing Oakridge Centre are assumed to remain steady despite the new competition created from the introduction of the new stores in the expanded portion of the Mall (this is a conservative assumption). However, the home furnishing store sales per square foot in the new portion of Oakridge are assumed to be lower (about \$430 per square foot) than existing home furnishing store sales at Oakridge (see Attachment 8.7). The lower sales per square foot is due to the location of the new space (mainly second floor and outdoor retail space which achieves much lower sales than prime enclosed mall grade level retail).
3. Total sales from trade area residents increases (\$131 million) due to the projected growth in population by 2021 (see Attachment 8.3).
4. Total home furnishing store sales (\$144 million) less actual estimated sales at the home furnishing stores indicates that about \$16 million of home furnishings store spending will still be exported from the City to other areas after completion of the Oakridge expansion in 2021.

This shows that outflow is expected to decrease slightly to about 12%.

Exhibit 11: Home Furnishing Store Spending Analysis - 2021

2021	Size in Sq Ft	Sales Per sq.ft.	Total Sales 2021	Sales from Trade Area Residents	Sales from Inflow	2021 Distribution
Oakridge Existing	2,000	\$720	\$1,440,000	\$1,008,000	\$432,000	1%
Oakridge Expansion (26,000 sq.ft in 2013)	59,500	\$432	\$25,704,000	\$17,992,800	\$7,711,200	14%
Subtotal	61,500	\$441	\$27,144,000	\$19,000,800	\$8,143,200	15%
Pacific Centre	0	\$0	\$0	\$0	\$0	0%
Regional Street Retail Downtown	50,919	\$325	\$16,548,766	\$10,922,186	\$5,626,580	8%
Local Street Retail	264,407	\$321	\$84,800,528	\$84,800,528	\$0	65%
Outflow			\$15,989,613	\$15,989,613		12%
Home Furnishings Sales Vancouver	376,827		\$144,482,907	\$130,713,127	\$13,769,780	

The exhibit shows that outflow in the home furnishing category is expected to remain stable in 2021 after completion of the proposed Oakridge expansion. This is due mainly to the growth of the trade area population base (and growth in home furnishing spending) over this time period.

With outflow spending at this level, the market is clearly large enough to ensure that there will be no significant sales transference from existing stores to planned new stores due to the proposed Oakridge expansion. This indicates that there will continue to be ample spending in the overall Vancouver market for existing home furnishing stores in other commercial locations to continue to achieve existing levels of sales (in current dollars).

5.2.5 Combined Destination Retail Categories

This section examines the combined impact on commercial locations in the City for all four of the regional-oriented retail categories: department store, clothing, jewelry and home furnishings. It is possible there will be shifts in spending and market share between department stores and each of these other retail categories after the Oakridge expansion so this step helps identify any impacts on the overall regional-oriented retail sector.

There is currently about 3.6 million square feet of space in these four categories in the City. Exhibit 12 shows the estimated combined spending for all four categories in Vancouver in 2011 by location.

The figures in Exhibit 12 are the sum of the calculations outlined the previous sections for each of the four categories for 2011. This exhibit shows that about \$174 million (in these four categories) of spending by trade area residents is currently being exported from the City of Vancouver to other municipalities.

Exhibit 12: Destination Retail Store Spending Analysis - 2011

2011	Size in Sq Ft	Sales Per sq.ft.	Total Sales 2011	Sales from Trade Area Residents	Sales from Inflow	2011 Distribution
Oakridge Existing	394,164	\$459	181,066,900	126,746,830	54,320,070	11%
Pacific Centre	1,004,000	\$418	420,050,000	210,025,000	210,025,000	19%
Regional Street Retail Downtown	1,185,572	\$413	490,127,679	323,484,268	166,643,411	29%
Local Street Retail	981,168	\$308	302,086,621	300,804,121	1,282,500	27%
Outflow			173,737,429	173,737,429		15%
Total Sales	3,564,903	\$440	1,567,068,629	1,134,797,648	\$432,270,981	

The proposed Oakridge Centre expansion will add 388,000 square of additional space to these four retail categories. However, there will be a reduction in space at Pacific Centre due to the conversion of part of the Sears space to office space. The net effect is that the total amount of City-wide floorspace in these four categories will not change significantly by 2021.

Exhibit 13 shows the estimated combined spending for all four categories in Vancouver in 2021 spending by location. The figures in Exhibit 12 are the sum of the calculations outlined the previous sections for each of the four categories for 2021.

This exhibit shows that about \$170 million (in these four categories) of spending by trade area residents will still be exported from the City of Vancouver to other municipalities after the completion of the proposed Oakridge expansion in 2021.

Exhibit 13: Destination Retail Store Spending Analysis - 2021

2021	Size in Sq Ft	Sales Per sq.ft.	Total Sales 2021	Sales from Trade Area Residents	Sales from Inflow	2021 Distribution
Oakridge Existing	394,164	\$479	188,729,200	132,110,440	56,618,760	10%
Oakridge Expansion (75% of existing)	388,836	\$471	183,322,400	128,325,680	54,996,720	10%
Subtotal	783,000	\$475	\$372,051,600	\$260,436,120	\$111,615,480	20%
Pacific Centre	610,000	\$677	413,250,000	230,425,000	182,825,000	18%
Regional Street Retail Downtown	1,185,572	\$413	490,127,679	323,484,268	166,643,411	25%
Local Street Retail	981,168	\$308	302,086,621	300,804,121	1,282,500	23%
Outflow			170,237,195	170,237,195		13%
Total Sales	3,559,739	\$491	1,747,753,095	1,285,386,704	462,366,391	

This indicates that for the four regional-oriented retail categories there is currently significant retail outflow and this is expected to continue after the planned Oakridge expansion is completed in 2021.

This indicates that there will continue to be ample spending and retail demand in the overall Vancouver market for existing stores (in these four categories) in other commercial locations to continue to achieve existing levels of sales (in current dollars).

5.3 Convenience or Neighbourhood-Oriented Retail and Service Analysis

This section summarizes our analysis of trade area retail spending and the potential impacts of the proposed Oakridge expansion for the two neighbourhood retail and service categories that are examined in this impact assessment:

1. Supermarkets.
2. Pharmacy and personal care stores.

For each category, we present the analysis for 2011 (the latest full year for which retail sales data was available at the time of this analysis) and for 2021 (the expected completion of the proposed Oakridge expansion).

We analyzed retail demand (spending) and supply (floorspace) by category to identify potential impacts. For each category, we:

1. Estimated total spending by local trade area residents.
2. Estimated the required sales per square foot for existing stores and new stores (based on industry information about sales per square foot for successful supermarkets and pharmacies as well as actual store sales data).
3. Calculated the supportable floorspace in the local trade area (item 1 divided by item 2).
4. Compared the supportable space with the existing floorspace in 2011 and potential floorspace (in 2021) to determine if there is an opportunity for additional floorspace.

The analysis includes some conservative assumptions:

1. We have not included any allowance for increased retail spending per capita for any of these categories over the next decade. The long term historic trend has been increasing spending per capita (net of inflation).

2. We assume no inflow spending (from residents outside of the local trade area) to businesses in the local trade area.
3. We use conservative assumptions about trade area population growth (1% per year between 2011 and 2021). Given that the trade area includes numerous planned multifamily projects (along the Cambie Corridor and in Marpole) and potential major redevelopment projects (such as Oakridge and Pearson), population will likely grow at a higher rate.

Because of these conservative assumptions, it is possible our analysis overstates any potential impacts from the proposed expansion of these retail categories at Oakridge.

5.3.1 Supermarket

There is currently about 244,000 square feet of supermarket space in the local trade area. The proposed Oakridge Centre expansion will add 4,500 square of additional space. In addition, new space at Marine Gateway and in Marpole (Safeway) will add about 65,000 square feet. Therefore, there will be about 303,000 square feet of supermarket space in the local trade area by 2021.

Exhibit 14 shows the estimated supportable supermarket floorspace in the local trade area in 2011 and in 2021. This shows that there is currently sufficient demand to support an additional 159,000 square of supermarket space in the trade area. After the proposed expansion of Oakridge and completion of the new supermarkets in Marpole and at Marine Gateway, there will be sufficient demand to support a further 130,000 square feet of new supermarket space.

Exhibit 14: Estimated Supportable Supermarket Floorspace in the Trade Area (in \$2011)

Supermarket Analysis	2011	2021
Total Local Trade Area Population	110,965	122,574
Supermarket Spending per Capita (BC) \$2011	\$2,390	\$2,390
Spending by Trade Area Residents	\$265,206,326	\$292,952,776
Assumed Supermarket Sales Per Square Foot	\$675	\$675
Estimated Supportable Supermarket Space by Trade Area Residents (square feet)	392,898	434,004
Existing Supermarket Floorspace in Trade Area (square feet) ⁷	233,820	233,820
Additional Supermarket Floorspace in Trade Area by 2021 (square feet) ⁸	0	69,701
Additional Supportable Supermarket Space by Trade Area Residents (square feet)	159,078	130,483

⁷ To be conservative, this figure includes all of the 138,000 square feet of floorspace at the Superstore on Marine Drive, even though much of this store is used for general merchandise.

⁸ This figure includes the proposed supermarket expansion at Oakridge, the planned supermarket at Marine Gateway and the net additional supermarket floorspace that will be created at the Safeway redevelopment in Marpole.

This shows that there is ample demand to support the proposed expansion at Oakridge as well as the other planned supermarkets in the local trade area. Therefore, we would not expect any significant impact on existing supermarkets in the trade area.

5.3.2 Pharmacy

There is currently about 73,000 square feet of pharmacy and personal care space in the local trade area. The proposed Oakridge Centre expansion will add 19,500 square feet of additional space⁹. In addition, new space at Marine Gateway will add about 18,000 square feet. Therefore, there will be about 110,000 square feet of pharmacy and personal care space in the local trade area by 2021.

Exhibit 15 shows the estimated supportable pharmacy and personal care floorspace in the local trade area in 2011 and in 2021. This shows that there is currently sufficient demand to support an additional 68,000 square of space in the trade area. After the proposed expansion of Oakridge and completion of the new pharmacy at Marine Gateway, there will be sufficient demand to support a further 46,000 square feet of new supermarket space.

Exhibit 15: Estimated Supportable Pharmacy and Personal Care Floorspace in the Trade Area (in \$2011)

Pharmacy/Personal Care Space Analysis	2011	2021
Total Local Trade Area Population	110,965	122,574
Pharmacy/Personal Care Spending per Capita (BC) \$2011	\$922	\$922
Spending by Trade Area Residents	\$102,309,721	\$113,013,581
Assumed Pharmacy Sales Per Square Foot	\$725	\$725
Estimated Supportable Pharmacy Space by Trade Area Residents (square feet)	141,117	155,881
Existing Pharmacy/Personal Care Floorspace in Trade Area (square feet)	72,486	72,486
Additional Pharmacy Floorspace in Trade Area by 2021 (square feet) ¹⁰	0	37,337
Additional Supportable Pharmacy/Personal Care Space by Trade Area Residents (square feet)	68,631	46,058

This shows that there is ample demand to support the proposed expansion at Oakridge as well as the other planned pharmacies in the local trade area. Therefore, we would not expect any significant impact on existing pharmacies and personal care stores in the trade area.

⁹ We have not seen any of the leases for the tenants at Oakridge so we do not know if existing tenants (such as Safeway) have an exclusive right for specific items under their leases. However, during a mall expansion, in exchange for a new store, anchor tenants sometimes renegotiate their leases and it is assumed that some pharmacy and some food retail are possible.

¹⁰ This includes the proposed 19,500 square feet of new space at Oakridge plus the planned 17,837 square foot pharmacy at Marine Gateway.

5.4 Summary

Our quantitative analysis of the potential impact on existing commercial areas from the proposed expansion of Oakridge Centre leads to the following main conclusions:

1. The City of Vancouver has 20% to 25% less retail space per capita than the Metro Vancouver average, a strong indicator that the total inventory of retail space in the City is too small. This under-supply situation means that the City of Vancouver is exporting a significant share of its retail spending to other municipalities, or Vancouver retail businesses are achieving (on average) higher retail sales per square foot than retail businesses in other parts of the region.
2. The population of the City of Vancouver is expected to grow significantly over the next decade, creating substantial demand for additional retail and service space.
3. The existing proposed additions to retail inventory in Vancouver (including the Oakridge expansion) will not keep pace with growth in Vancouver retail demand based on forecasted population growth. In other words, the retail under-supply will increase.
4. Total projected 2021 retail spending in the City of Vancouver in the key destination/regional-oriented retail categories that are the focus of our analysis (department store, apparel, home furnishings and jewelry) indicates that there will continue to be ample spending in each of the categories (and all four combined) in the overall Vancouver market for the existing stores (in these four categories) in all of the City's commercial locations to continue to achieve existing levels of sales (in current dollars).
5. There will not be any significant sales transference or impact on existing (or planned) department stores in Vancouver due to the planned department store expansion at Oakridge.
6. Total projected 2021 spending in the Oakridge local trade area for the key local commercial categories of supermarket and pharmacy indicates that there is ample demand to support the proposed supermarket and pharmacy/personal care store expansion at Oakridge as well as the other planned supermarkets and pharmacies in the local trade area. Therefore, we would not expect any significant impact on commercial areas due to the proposed supermarket and pharmacy space at Oakridge.

Overall, we expect there to be ample spending in the overall Vancouver market for existing stores to continue to achieve existing levels of sales (in current dollars) if they are strong competitors. Therefore, this analysis indicates there will not be any significant or persistent negative impact from the proposed Oakridge expansion on the overall Vancouver retail market.

However, it is possible that there could be some sales transference from specific existing businesses in specific commercial areas. This is examined further in Section 6.0.

6.0 Impact on Individual Commercial Areas

The analysis in Section 5.0 explores the potential for impacts in specific categories of retail business. These categories were chosen in part because of their significance to Vancouver's existing street front commercial districts. The analysis shows that there are no categories in which we anticipate significant or persistent negative impacts.

However, it is important to look more closely at individual areas, because even though there might not be any concerns at the category-wide level (the impact analysis indicates there is sufficient demand to support all existing stores and the proposed expansion), it is possible that what appears to be a minor impact at the large scale could be focused on a small portion of the market.

Accordingly, we examined each of the individual commercial areas in more detail, using information about the business roster and current market conditions.

We reviewed all of the 60+ individual areas (shown on the map in Attachment 8.2) to identify those that warranted a closer look. For this review we considered these factors:

1. Proximity to Oakridge. Impacts could be focused on commercial areas that are closest to the shopping centre expansion.
2. Composition of the area's business mix as compared with the composition of the Oakridge expansion. Local areas with concentrations of businesses in categories that are expanding significantly at Oakridge (e.g. clothing) are more likely to experience impacts than areas that have little overlap with the Oakridge merchandizing mix.
3. Character of the retail area and its target market. Shopping centres are dominated by chains and by what could be described as mainstream retailers. Local areas vary widely in terms of character and target market: some are high end, some aim at more budget conscious shoppers; some target a young, edgy customer group while others appeal to older, more traditional shoppers; some areas are very focused on an ethnic market, while others are more generic. Local areas with lots of chain stores aimed at a mainstream market are more likely to experience any possible competitive impact from Oakridge.

Based on this review, we identified individual commercial areas that warrant a more careful examination for potential impacts. This detailed look is more qualitative as it involves judgments about the likely competitive position of the area relative to Oakridge.

6.1 Identification of Commercial Locations to Evaluate

To identify the commercial areas that should be evaluated in more detail, we examined the scale of each commercial area, its location relative to Oakridge, and the composition of existing businesses in the area. We examined the inventory of stores in each commercial area to identify the commercial areas that have a significant number (and a high share) of the key street front commercial categories that are planned for significant expansion at Oakridge: apparel stores, jewelry stores or home furnishing stores. We then identified individual stores in each location and categorized them as follows:

1. Apparel stores, divided into new clothing, used clothing and shoe stores.
2. Clothing stores, divided into chain and independent stores.
3. Home furnishing stores, divided into new home furnishings and used/antique stores.

4. Jewelry stores.

Categorizing the stores allowed us to identify whether or not existing stores are likely to face increased direct competition from the types of stores that are likely to locate in any new space at Oakridge Centre (which will likely be comprised largely of chain stores selling brand name merchandise).

Commercial areas that met the following criteria were included in this evaluation:

1. The commercial area has both a significant number and a high share of stores in one or more of the following three categories:
 - Apparel stores (clothing and shoes).
 - Home furnishing stores.
 - Jewelry stores.
2. The commercial area is relatively close to Oakridge, with few intervening retail locations.
3. The area caters primarily to the mainstream retail market (similar to Oakridge), not to an ethnic or niche market.

Exhibit 16 shows each of the street front commercial areas in the City and the inventory of businesses (number of businesses and floorspace) by type. This exhibit includes a number (shopping area ID) for each commercial area which corresponds with the map in Attachment 8.2.

Exhibit 16: Retail and Service Businesses in Street Front Commercial Areas by Location and Type¹¹

Shopping Area ID	Name of Area	Clothing & Shoes		Home Furnishings		Jewellery		Supermarket		Pharmacy		Total	
		Floor Area (Sq. Ft.)	Number of Stores	Floor Area (Sq. Ft.)	Number of Stores	Floor Area (Sq. Ft.)	Number of Stores	Floor Area (Sq. Ft.)	Number of Stores	Floor Area (Sq. Ft.)	Number of Stores	Floor Area (Sq. Ft.)	Number of Stores
1	West Point Grey	11,495	8	7,697	5	2,319	3	27,811	1	1,936	1	231,404	166
2	Yew / York	0	0	0	0	0	0	0	0	0	0	28,306	30
3	West 4th	73,798	37	6,005	4	796	1	57,743	3	9,631	2	411,343	237
4	Broadway / Arbutus	1,980	2	0	0	0	0	27,344	2	3,102	2	209,350	119
5	Arbutus / 16th	0	0	0	0	0	0	0	0	0	0	17,101	14
6	Kerrisdale	44,129	25	22,273	9	3,613	2	0	0	34,576	3	530,306	330
7	Cornwall	0	0	0	0	0	0	0	0	0	0	27,837	20
8	1st / Cypress	4,377	2	0	0	800	1	0	0	0	0	38,106	31
9	South Granville	99,965	42	102,536	26	2,144	2	6,254	1	1,972	2	531,269	175
10	4th / Alma	8,147	4	0	0	0	0	11,200	1	1,013	1	104,158	90
11	Oak / 15th	1,548	1	0	0	0	0	0	0	0	0	18,889	12
12	Oak / King Ed	0	0	0	0	0	0	27,849	1	0	0	107,572	60
13	16th / Heather	0	0	0	0	0	0	0	0	0	0	33,006	31
14	Cambie Village	36,078	6	0	0	1,392	1	136,194	4	55,000	2	364,731	114
15	Cambie / King Ed	0	0	5,923	1	0	0	0	0	961	1	56,769	28
16	Main / 14th	0	0	0	0	0	0	29,509	1	1,032	1	111,889	77
17	Main Street	42,448	31	24,743	16	2,405	2	11,200	1	22,998	3	487,108	358
40	Main / Kingsway	48,890	17	4,897	3	532	1	26,068	1	10,909	2	351,184	178
18	Punjabi Market	18,871	13	0	0	7,915	7	0	0	1,886	1	112,742	92
19	10th / Alma	3,472	3	1,464	1	0	0	0	0	0	0	108,464	90
20	Fraser / Kingsway	6,157	2	2,288	1	0	0	0	0	1,088	1	186,659	102
21	Fraser / King Ed	1,050	1	0	0	0	0	0	0	2,541	2	156,432	126
22	South Hill	14,064	6	0	0	1,023	1	7,470	1	21,497	7	354,842	216
23	Knight / Kingsway	4,286	3	0	0	349	1	4,227	1	0	0	187,372	159
24	Commercial Drive	25,139	16	0	0	0	0	14,802	1	1,843	2	442,923	337
25	Commercial Drive - South	0	0	0	0	0	0	42,232	1	5,917	4	204,727	88
26	Victoria / 41st	9,286	7	4,416	1	2,813	3	0	0	10,520	4	288,511	257
27	Victoria / 49th	0	0	666	1	0	0	0	0	16,477	3	107,217	87
28	Hastings-Sunrise	11,399	6	0	0	3,624	4	3,739	2	555	1	399,567	259
29	Norquay	0	0	0	0	0	0	5,808	1	0	0	106,895	89
30	1st / Renfrew	479	1	0	0	0	0	34,320	1	0	0	97,946	48
31	Dunbar / 16th	0	0	0	0	0	0	0	0	0	0	86,551	67
32	Hastings North	35,684	13	0	0	1,313	1	0	0	0	0	133,692	63
33	Vanness / Joyce - North	809	1	0	0	0	0	0	0	0	0	5,972	10
34	Kingsway / Joyce	5,461	4	0	0	0	0	37,290	1	2,279	2	283,383	172
35	Vanness / Joyce - South	0	0	0	0	0	0	0	0	0	0	14,431	17
36	Dunbar Centre	4,001	3	532	1	975	1	15,065	1	1,902	1	133,527	92
37	Dunbar / 41st	975	1	0	0	0	0	28,236	1	0	0	101,605	59
38	4th / MacDonald	6,590	4	1,040	1	0	0	0	0	0	0	118,575	122
39	West Broadway	38,471	26	8,021	6	1,546	2	50,640	1	716	1	448,729	281
41	Oakridge	0	0	0	0	0	0	0	0	1,406	1	689,191	191
42	Nanaimo / Kingsway	0	0	0	0	0	0	0	0	0	0	4,995	8
43	Kingsway / Boundary	0	0	0	0	0	0	0	0	1,650	1	33,589	30
44	East Fraser Lands	0	0	0	0	0	0	0	0	0	0	0	0
45	Kerr / 54th	0	0	0	0	0	0	0	0	0	0	0	0
46	Rupert / 29th	0	0	0	0	0	0	0	0	0	0	5,225	12
47	Rupert / 22nd	0	0	0	0	0	0	9,120	1	0	0	34,926	20
48	Renfrew / 22nd	0	0	0	0	0	0	0	0	0	0	5,511	8
49	Arbutus Centre	0	0	0	0	234	1	35,171	1	0	0	124,087	51
50	16th / Macdonald	0	0	0	0	0	0	11,780	3	0	0	21,140	12
51	Main - Chinatown	13,803	11	0	0	3,318	5	7,000	2	970	2	251,019	156
52	Denman / Robson	4,348	3	0	0	0	0	0	0	0	0	82,799	73
53	Dave / Denman	1,540	2	0	0	0	0	33,500	1	0	0	116,168	85
54	Dave - West End	5,148	4	0	0	0	0	16,512	1	0	0	238,211	130
55	Robson / Alberni / Burrard	2,116	1	0	0	0	0	0	0	0	0	38,696	15
56	Bute	0	0	0	0	0	0	0	0	0	0	2,566	2
57	Dave / Granville	773	1	0	0	0	0	0	0	0	0	79,823	81
58	Dave - Yaletown	0	0	0	0	0	0	0	0	0	0	51,005	20
59	Abbott - International Village	0	0	0	0	0	0	25,500	1	0	0	234,751	7
60	Olympic Village	0	0	0	0	0	0	0	0	0	0	0	0
61	Abbott - Woodward's	4,192	2	0	0	0	0	0	0	0	0	201,364	32
62	Robson / Richards	0	0	0	0	0	0	0	0	0	0	0	0
63	Granville Island	0	0	0	0	0	0	51,700	2	0	0	80,945	6
64	Granville - Marpole	7,348	4	2,200	1	2,574	1	33,075	1	3,943	2	179,124	118
N/A	Robson/Alberni/Granville	295,116	94	0	0	15,579	10	161,000	6	27,151	3	1,598,336	656
N/A	Homer/Hamilton/Mainland	2,900	3	26,038	6	0	0	0	0	4,000	1	449,708	188
N/A	Total	896,330	410	220,738	83	55,264	50	989,359	47	249,469	59	12,264,268	6,804

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This data excludes some street-front locations in the City (particularly Downtown) for which property-by-property information was not available so the floorspace figures in this exhibit are slightly lower than the street-front floorspace estimates used in the retail demand analysis in Section 5.2 and the street-front sales per square foot estimates in Attachment 8.7.3 The analysis in these other sections includes estimates for the stores at these missing properties to ensure that existing floorspace is not under-stated.

Based on our evaluation, there are eight street front commercial areas in Vancouver where apparel stores, jewelry stores, or home furnishing stores are a key component of the overall mix of retail and service businesses. These locations (and the categories that account for a high share of the area's inventory) are highlighted/shaded in Exhibit 16. The eight locations are:

1. Main Street (numbers 16, 17 and 40), which includes a large number of clothing and shoe stores as well as home furnishings stores.
2. South Granville (number 9), which includes a large number of clothing and shoe stores as well as home furnishings stores.
3. West 4th Avenue (number 3), which includes a large number of clothing and shoe stores.
4. West Broadway (number 39), which includes a large number of clothing and shoe stores.
5. Kerrisdale (number 6), which includes a number of clothing and shoe stores as well as home furnishings stores.
6. West Point Grey (number 1), which includes a number of clothing and shoes stores and home furnishing stores.
7. Robson/Alberni/Granville (not numbered), which includes a large number of clothing and shoe stores as well as jewelry stores.
8. Hamilton/Mainland/Homer (not numbered), which includes a number of home furnishings stores.

If a large number of apparel, home furnishing or jewelry stores closed in these locations due to declining sales, it could alter the mix of merchandise and services offered and negatively affect the character of the area.

There are a few locations that, at first glance, could also have been considered for this evaluation:

1. The Punjabi Market (Main and 49th Avenue). This includes a variety of clothing and shoe stores as well as jewelry stores. Based on our fieldwork, these stores cater primarily to the South Asian community and will not face direct competition from new stores at Oakridge. The main source of competition for the South Asian businesses in this area has been the growing inventory of businesses serving the South Asian community in North Surrey and North Delta. Over the past several years some of the businesses in the Punjabi Market have closed or relocated to Surrey or Delta due the large and growing South Asian community south of the Fraser River. Increasing rents along this section of Main Street have also put pressure on existing businesses leading to pockets of commercial vacancy in this area. This raises the question about the future role of the Punjabi Market as a commercial location. We think that this area will evolve over time into a commercial district that continues to have a strong South Asian base, but diversifies to include a range of local-oriented retail and service businesses such as pharmacies, financial institutions, cafes, restaurants and independent retail and service businesses, much like South Hill (Fraser Street), Commercial Drive, or the northern portion of Main Street. New stores in this area will be locally oriented so will not face direct competition from Oakridge Centre.
2. South Hill (41st to 51st along Fraser). This area includes a variety of clothing stores, but our fieldwork indicates that these stores specialize in the South Asian clothing market. Stores in this area will not face additional competition from the planned Oakridge expansion as they target a different market. As with the Punjabi Market, the main source of additional competition for clothing stores in this area is the growing inventory of businesses serving the South Asian community in North Surrey and North Delta.
3. Cambie Village. This area includes a large amount of apparel space (36,000 square feet), but almost all of this is occupied by Winner's. There is very little street front space occupied by apparel stores. The main risk to this area would be if the Winner's relocated to the expanded Oakridge Centre.

4. Hastings North. This area includes a large amount of apparel space (35,000 square feet), but almost all of this space is occupied by stores specializing in wedding dresses. In addition, it is not near Oakridge Centre. These stores will not face additional competition due to the planned Oakridge expansion.
5. Commercial Drive. This area includes a concentration of clothing stores. However, Commercial Drive serves a target market that is not particularly interested in shopping in a mainstream retail environment.

6.2 Evaluation of Commercial Areas

6.2.1 Main Street (Kingsway to 33rd Avenue)

We estimate that the Main Street commercial area (between Kingsway and 33rd Avenue) includes about 950,000 square feet of grade level commercial space and over 610 businesses.

Based on our review, there is little vacant grade level space along Main Street. Lease rates for street front retail units tend range between \$25 and \$40 per square foot net, depending on the location and quality of the space. Lease rates in the area are similar to other local commercial areas in Vancouver, but have been rising in recent years. Demand is relatively strong for retail space along Main Street and the area is a vibrant commercial location.

We identified 48 existing businesses which sell clothing or shoes (or about 8% of the total businesses and about 11% of the existing floorspace in this area). Exhibit 17 summarizes the number of apparel businesses by category.

Exhibit 17: Apparel Stores by Type

Main	Chain	Independent	Total Businesses	Floorspace (sq.ft.)
New Clothing	3	32	35	n/a
Used Clothing	0	8	8	n/a
Total Clothing	3	40	43	101,331
Shoes	1	4	5	8,878
Total Clothing and Shoes	4	44	48	110,209
Total Businesses	n/a	n/a	613	950,181

The apparel businesses in this area include about:

- 35 clothing stores selling new clothing, including 32 independent stores but only 3 chains (Mark's Work Warehouse, Pennington's, Reitman's).
- 8 stores selling used clothing.
- 5 shoe stores.

Main Street includes a large number of independent apparel businesses and used/consignment stores. These stores serve a different target market than the national and international chain clothing and shoe stores interested in locating in new retail space at Oakridge Centre.

We identified 19 existing businesses that sell home furnishings (or about 3% of the total businesses and about 3% of the existing floorspace in this area). Exhibit 18 summarizes the number of home furnishings businesses by category.

Exhibit 18: Home Furnishing Stores by Type

Main	New	Used/Antique	Total Businesses	Floorspace (sq.ft.)
Home Furnishings	8	11	19	29,640
Total Businesses	n/a	n/a	613	950,181

The home furnishings businesses in this area include about:

- 8 selling new home furnishings.
- 11 stores selling used home furnishings and antiques.

Main Street includes a large number of used home furnishing and antique stores. These stores serve a very different target market than the higher price point chain home furnishings retailers that will be interested in locating in new space at Oakridge Centre.

Overall, the mix of stores along Main Street indicates that this area serves a very different target market than Oakridge Centre and the other regional shopping locations in Vancouver. We would expect little or no impact on the unique, lower price point and highly localized Main Street commercial area from the planned Oakridge Centre expansion.

6.2.2 South Granville (6th Avenue to 16th Avenue)

We estimate that the South Granville commercial area (between 6th Avenue and 16th Avenue) includes about 530,000 square feet of grade level commercial space and 175 businesses.

Based on our review, there is little vacant grade level space along South Granville. Lease rates for street front retail units tend range between \$45 and \$80 per square foot net, depending on the location and quality of the space. Lease rates in the area are very high in comparison to most other local commercial areas in Vancouver and have been rising in recent years. Demand is strong for retail space in South Granville and the area is a vibrant commercial location.

We identified 42 existing businesses that sell clothing or shoes (or about 24% of the total businesses and about 19% of the floorspace in this area). Apparel-type businesses have the greatest success in areas with the most customer traffic, which is why they dominate regional malls and the premier commercial streets.

Exhibit 19 summarizes the number of apparel businesses by category.

Exhibit 19: Apparel Stores by Type

South Granville	Chain	Independent	Total Businesses	Floorspace (sq.ft.)
New Clothing	13	21	34	n/a
Used Clothing	0	2	2	n/a
Total Clothing	13	23	36	82,112
Shoes	4	2	6	17,853
Total Clothing and Shoes	17	25	42	99,965
Total Businesses	n/a	n/a	175	531,269

The apparel businesses in this area include about:

- 34 clothing stores selling new clothing, including 21 independent stores and 13 chains (DKNY, JNBY, Libertine, James Perse, Eileen Fisher, Lucky Jeans, The Plum, Jack & Jill Clothing, TNA, La Vie En Rose, Edward Chapman's, Bellissima, Tilley Endurables).
- 2 stores selling used clothing.
- 6 shoe stores, including 2 independents and 4 chains.

About 40% of the apparel stores along South Granville are national or international chains (or about 7% of all businesses in this area). This is a high share in comparison to other local commercial areas in the City. The clothing stores along South Granville differ from those that locate at Oakridge. The chain apparel tenants along South Granville are often second tier. For example, there is no Aritzia in South Granville but the same chain has its lower performing store brand (TNA) in this area. Other non-chain apparel businesses in the area serve unique segments of the market, such as high end Italian fashion at Boboli. These unique stores target a different market than the often less discriminating regional mall market.

We identified 26 existing businesses that sell home furnishings (or about 15% of the total businesses and about 19% of the existing floorspace in this area). Exhibit 20 summarizes the number of home furnishings businesses by category.

Exhibit 20: Home Furnishing Stores by Type

Main	New	Used/Antique	Total Businesses	Floorspace (sq.ft.)
Home Furnishings	24	2	26	102,536
Total Businesses	n/a	n/a	175	531,269

The home furnishings businesses in this area include about:

- 24 selling new home furnishings.
- 2 stores selling used home furnishings and antiques.

Almost all of the home furnishing stores along South Granville sell new home furnishings.

South Granville includes a large concentration of clothing and home furnishings stores. It has established itself in recent years as an alternative to Robson Street for chain clothing stores that are interested in locating in a street front district near the City's core (at a lower overall cost).

Some of the stores in South Granville (particularly the chain stores) may see increased competition from new clothing and home furnishings stores at Oakridge, which may result in some sales transference.

However, retailers view South Granville as one of the premier on-street retail locations in the entire region. It is conveniently located along a major road and transit route at a primary gateway to Downtown. In addition, it is a convenient location for residents of the large and affluent West Side residential area. Approximately five blocks of South Granville are able to support chain apparel retailers despite the existing strong competition from Downtown and Oakridge. The expansion of Oakridge to add more chain stores, which could not and would not locate in South Granville in any case, means that any impact on this area would be minor and temporary.

Given that South Granville is a well established, vibrant, and attractive commercial area that includes an interesting mix of independent and chain stores, we expect the area to continue be successful even if the planned Oakridge Centre expansion proceeds. It should be noted that South Granville has a severe parking shortage and very little space for new retailers. With such limits, stabilized rather than growing sales have long been expected. South Granville is too small and too convenient to be strongly impacted by the Oakridge expansion.

6.2.3 West 4th Avenue (Fir to Balsam)

We estimate that the West 4th Avenue commercial area (between Fir Street and Balsam Street) includes about 410,000 square feet of grade level commercial space and 237 businesses.

Based on our review, there is little vacant grade level space along West 4th Avenue. Lease rates for street front retail units range between \$30 and \$65 per square foot net, depending on the location and quality of the space. Lease rates in the area are high in comparison to most other local commercial areas in Vancouver. This indicates that demand is relatively strong for retail space along West 4th Avenue.

We identified 37 existing businesses the sell clothing or shoes (or about 16% of the total businesses and about 18% of the floorspace in this area).

Exhibit 21 summarizes the number of apparel businesses by category.

Exhibit 21: Apparel Stores by Type

West 4th Avenue	Chain	Independent	Total Businesses	Floorspace (sq.ft.)
New Clothing	14	16	30	n/a
Used Clothing	1	2	3	n/a
Total Clothing	15	18	33	68,852
Shoes	2	2	4	4,946
Total Clothing and Shoes	17	20	37	73,798
Total Businesses	n/a	n/a	237	411,343

The apparel businesses in this area include about:

- 30 clothing stores selling new clothing, including 16 independent stores and 14 chains (Icebreaker, Lululemon, Thyme Maternity, Urban Outfitters, JNBY, Spank, Mavi Jeans, Mantique, The North Face, Swimco, American Apparel, The Plum, Wear Else, Ray Rickburn).
- 3 stores selling used clothing.
- 4 shoe stores, including 2 independents and 2 chains.

About 43% of the apparel stores along West 4th Avenue (or about 6% of businesses in the area) are national or international chains. While this is a high share in comparison to other local commercial areas in the City, many of the clothing stores are highly focused on sports and an active lifestyle and cater to the young residents of the local Kitsilano neighbourhood.

West 4th Avenue is an established location for independent and chain clothing stores. Some of the stores along West 4th Avenue may see increased competition from new clothing stores at Oakridge, which may result in some sales transference.

However, West 4th Avenue and Oakridge serve different geographic locations and different target markets. This is illustrated by Lululemon, which has a separate store in each location. The West 4th Avenue clothing stores likely face more direct competition from other nearby street-front locations (such as South Granville and Downtown) than from regional shopping districts (like Oakridge).

It is important to note that this area does not appeal to many chain stores as it does not draw the same volume of shoppers as other retail concentrations in the City (such as Robson Street or Granville Street). For example, Aritzia does not have a store along West 4th Avenue, but the same owners, knowing this a different and less busy market located a Ray Rickburn store here.

Given that West 4th Avenue is a well established commercial area, includes an attractive mix of independent and chain stores, and serves a different geographic location, we expect the area to continue be successful if the planned Oakridge Centre expansion proceeds.

6.2.4 West Broadway (Larch to Waterloo)

We estimate that the West Broadway commercial area (between Larch Street and Waterloo Street) includes about 450,000 square feet of grade level commercial space and 280 businesses.

Based on our review, there is little vacant grade level space along West Broadway. Lease rates for street front retail units tend range between \$30 and \$45 per square foot net, depending on the location and quality of the space. Lease rates in the area are slightly higher than most other local commercial areas in Vancouver. Demand is relatively strong for retail space along West Broadway and the area is a well established local commercial area.

We identified 26 existing businesses that sell clothing or shoes in this area (or about 9% of the total businesses and about 9% of the floorspace).

Exhibit 22 summarizes the number of apparel businesses by category.

Exhibit 22: Apparel Stores by Type

West Broadway	Chain	Independent	Total Businesses	Floorspace (sq.ft.)
New Clothing	3	16	19	n/a
Used Clothing	0	3	3	n/a
Total Clothing	3	19	22	31,766
Shoes	3	1	4	6,705
Total Clothing and Shoes	6	20	26	38,471
Total Businesses	n/a	n/a	281	448,729

The apparel businesses in this area include about:

- 19 clothing stores selling new clothing, including 16 independent stores and 3 chains (including Please Mum and Bellissima).
- 3 stores selling used clothing.
- 4 shoe stores, including 1 independents and 3 chains.

Given the large number of independent apparel businesses and distance from Oakridge (it is actually closer to Downtown), West Broadway serves a different market niche than Oakridge Centre. Therefore, we would expect there to be minimal sales transference from stores in West Broadway to the new clothing and shoe stores at Oakridge. We would expect little or no impact on the West Broadway commercial area.

6.2.5 Kerrisdale

We estimate that the Kerrisdale commercial area includes about 530,000 square feet of grade level commercial space and 330 businesses.

Based on our review, there is little vacant grade level space in Kerrisdale, with any vacancy focused on side streets or along East Boulevard. Lease rates for street front retail units tend range between \$35 and \$50 per square foot net, depending on the location and quality of the space, which is higher than most other local commercial areas in Vancouver. Demand is relatively strong for retail space along West 41st Avenue and the area is a well established street front commercial area that serves as an alternative to Oakridge Centre for residents of the area.

We identified 24 existing businesses the sell clothing or shoes (or about 8% of the total businesses and about 8% of the floorspace in this area). Exhibit 23 summarizes the number of apparel businesses by type.

Exhibit 23: Apparel Stores by Type

Kerrisdale	Chain	Independent	Total Businesses	Floorspace (sq.ft.)
New Clothing	1	16	17	n/a
Used Clothing	0	3	3	n/a
Total Clothing	1	19	20	37,322
Shoes	3	1	4	6,807
Total Clothing and Shoes	4	20	24	44,129
Total Businesses	n/a	n/a	330	530,306

The apparel businesses in this area include about:

- 17 clothing stores selling new clothing, including 16 independent stores and 1 chain (Gap Kids).
- 3 stores selling used clothing.
- 4 shoe stores, including 1 independents and 3 chains.

Kerrisdale includes a large number of independent apparel businesses. These stores serve a different target market than the clothing and shoe stores that will be interested in any new space at Oakridge Centre (i.e., national chain stores). This is illustrated by Hills of Kerrisdale, one of Kerrisdale's most successful clothing stores. The owner of this store also operates the Aritzia clothing chain, which has a location in Oakridge Centre. It is notable that this operator has not elected to locate a stand-alone Aritzia in Kerrisdale. This suggests that Kerrisdale serves a different target market than Oakridge Centre. The only chain clothing store in Kerrisdale is Gap Kids, which also has a location at Oakridge Centre.

We identified 9 existing businesses that sell home furnishings (or about 3% of the total businesses and about 4% of the existing floorspace in this area). Exhibit 24 summarizes the number of home furnishings businesses by category.

Exhibit 24: Home Furnishings Stores by Type

Kerrisdale	New	Used/Antique	Total Businesses	Floorspace (sq.ft.)
Home Furnishings	8	1	9	22,273
Total Businesses	n/a	n/a	330	530,306

The home furnishings businesses in this area include about:

- 8 stores selling new home furnishings.
- 1 store selling used home furnishings and antiques.

Almost all of the home furnishing stores in Kerrisdale sell new home furnishings. Some of these stores may see increased competition from new home furnishings stores at Oakridge, which may result in some sales transference. However, it is important to note that these stores account for less than 3% of the businesses in Kerrisdale.

The Kerrisdale tenant mix has been evolving and changing over the years with less destination retail businesses (such as clothing) and more convenience retail and services (such as restaurants, cafes, spas, salons, eye care, computer service). The decline in the number of apparel and other destination retail businesses in the area over the past several years is likely due to the following factors:

- Trade area demographics. There has been little growth in Kerrisdale's immediate trade area population over the past five to ten years. In addition, the trade area has a relatively low concentration of young adults, who tend to be the main target market for many apparel stores. The ethnic composition of the Kerrisdale trade area has changing significantly as well.
- Increasing competition from discount retailers (such as Winners, Walmart, IKEA) in other parts of Vancouver and Richmond.
- Increasing rents.
- Increasing costs for customer parking.

The change in Kerrisdale's tenant mix over the past several years means there are few existing stores that will face direct competition from the types of stores that are likely to be attracted to new space at Oakridge.

Going forward, Kerrisdale businesses may benefit from significant population growth in the surrounding neighbourhoods due to:

- Growth in the Cambie Corridor (including the large residential component planned for Oakridge Centre). Over time, this area is expected to accommodate thousands of new housing units, just east of Kerrisdale.
- Growth in the Marpole area, which is in the middle of a community planning process that is expected to lead to opportunities for significant residential development in the planning area.
- The redevelopment of Arbutus Village Centre, which will include about 500 new housing units just north of Kerrisdale.

Some of these new residents will prefer shopping in a street-front commercial location, like Kerrisdale, rather than a regional mall. Therefore, new residents of these surrounding neighbourhoods may increase the customer base for Kerrisdale businesses.

Kerrisdale is a well established commercial area that includes an attractive mix of stores, serves a different target market than Oakridge Centre, and includes few existing stores that will face direct competition from the kinds of new stores that will likely locate at Oakridge. Businesses in the area should benefit from increased residential growth in the surrounding neighbourhoods.

Overall, we expect the area to continue be successful if the planned Oakridge Centre expansion proceeds.

6.2.6 West Point Grey

We estimate that the West Point Grey commercial area (along 10th Avenue) includes about 230,000 square feet of grade level commercial space and 166 businesses.

Based on our review, there is little vacant grade level space in West Point Grey. Lease rates for street front retail units tend to range between \$30 and \$40 per square foot net, depending on the location and quality of the space. Lease rates in the area are slightly higher than most other local commercial areas in Vancouver. Demand is strong for retail space along West 10th Avenue and the area is a well established local commercial area.

We identified 8 existing businesses the sell clothing or shoes (or about 5% of the total businesses and about 5% of the floorspace in this area). Exhibit 25 summarizes the number apparel businesses by type.

Exhibit 25: Apparel Stores by Type

West Point Grey	Chain	Independent	Total Businesses	Floorspace (sq.ft.)
New Clothing	0	6	6	n/a
Used Clothing	0	1	1	n/a
Total Clothing	0	7	7	10,595
Shoes	0	1	1	900
Total Clothing and Shoes	0	8	8	11,495
Total Businesses	n/a	n/a	166	231,404

The apparel businesses in this area include about:

- 6 clothing stores selling new clothing (all independent stores).
- 1 store selling used clothing.
- 1 shoe store.

The independent apparel businesses in West Point Grey serve a different target market than the clothing and shoe stores that will be interested in located in any new space at Oakridge Centre.

We identified 9 existing businesses that sell home furnishings (or about 3% of the total businesses and about 4% of the existing floorspace in this area). Exhibit 26 summarizes the number of home furnishings businesses by category.

Exhibit 26: Home Furnishings Stores by Type

West Point Grey	New	Used/Antique	Total Businesses	Floorspace (sq.ft.)
Home Furnishings	8	1	9	22,273
Total Businesses	n/a	n/a	166	530,306

The home furnishings businesses in this area include about:

- 8 stores selling new home furnishings.
- 1 store selling used home furnishings and antiques.

Almost all of the home furnishing stores in West Point Grey sell new home furnishings. Some of these stores may see increased competition from new home furnishings stores at Oakridge, which may result in some sales transference. However, it is important to note that these stores account for less than 5% of the businesses in the area.

Given the that the apparel businesses are independents and the distance from Oakridge (it is actually closer to Downtown), West Point Grey serves a different market niche than Oakridge Centre. Therefore, we would expect there to be minimal sales transference from stores in West Point Grey to the new stores at Oakridge. We would expect little or no impact on the West Point Grey commercial area.

6.2.7 Robson/Alberni/Granville

We estimate that the Robson/Alberni/Granville Street commercial area in Downtown includes about 1.6 million square feet of retail and service space and over 650 businesses.

Based on our review, there is little vacant grade level space in this large commercial district. Lease rates for street front retail units are very high, ranging from a low of about \$55 per square foot to a high of about \$185 per square foot net, depending on the location and quality of the space. Demand is strong for retail space throughout the area, which functions as a destination retail location as well as a local shopping area for Downtown residents.

We identified 94 existing businesses that sell clothing or shoes (or about 14% of the total businesses and about 19% of the floorspace in this area).

Exhibit 27 summarizes the number of apparel businesses by category.

Exhibit 27: Apparel Stores by Type

Robson/Alberni/Granville	Chain	Independent	Total Businesses	Floorspace (sq.ft.)
New Clothing	61	11	72	n/a
Used Clothing	0	0	0	n/a
Total Clothing	61	11	72	268,586
Shoes	19	3	22	26,530
Total Clothing and Shoes	80	14	94	295,116
Total Businesses	n/a	n/a	656	1,598,336

The apparel businesses in this area include about:

- 72 clothing stores selling new clothing, including 11 independent stores and 61 chains.

- 22 shoe stores, including 3 independents and 19 chains.

Most of the apparel stores along Robson/Granville/Alberni are national or international chains.

We identified 10 existing jewelry stores (or about 2% of the total businesses and about 1% of the existing floorspace in this area). Exhibit 28 summarizes the number of jewelry stores.

Exhibit 28: Jewelry Stores

Robson-Alberni-Granville	Businesses	Floorspace (sq.ft.)
Jewelry	10	15,579
Total Businesses	656	1,598,336

The Robson/Alberni/Granville Street commercial area includes a large concentration of chain clothing stores as well as some jewelry stores. It is the highest rent street front commercial area in the City and functions as both a destination retail area and local shopping area for Downtown residents.

The main source of increased competition for this area will be the new Nordstrom's store and the additional apparel space that will be included in the expanded Pacific Centre, not new stores at Oakridge Centre.

Given that this area is the dominant street front commercial area in the City (with very high existing sales), we expect minimal impact from the planned Oakridge Centre expansion (which will be located far to the south).

6.2.8 Hamilton/Mainland/Homer

We estimate that the Hamilton/Mainland/Homer commercial area (in Yaletown) includes about 450,000 square feet of grade level commercial space and 188 businesses.

Based on our review, there is little vacant grade level space in this area. Lease rates for street front retail units tend to range between \$35 and \$70 per square foot net, depending on the location and quality of the space. Lease rates in the area are higher than most other commercial areas in Vancouver and demand is strong (particularly from restaurants and other service businesses).

We identified 6 existing businesses in this area that sell home furnishings (or about 3% of the total businesses and about 6% of the existing floorspace in this area). Exhibit 29 summarizes the number of home furnishings businesses by category.

Exhibit 29: Home Furnishings Stores by Type

Hamilton-Mainland-Homer	New	Used/Antique	Total Businesses	Floorspace (sq.ft.)
Home Furnishings	6	0	6	26,038
Total Businesses	n/a	n/a	188	449,708

All of the home furnishing stores in this area sell new home furnishings. Some of these stores may see increased competition from new home furnishings stores at Oakridge, which may result in some sales transference. However, it is important to note that these stores account for less than 3% of the businesses in the Hamilton/Mainland/Homer commercial area.

We would expect there to be minimal sales transference from stores Yaletown to the new stores at Oakridge. Therefore, we would expect little or no impact on the Hamilton-Mainland-Homer commercial area.

6.2.9 Summary

There are eight street front commercial areas in Vancouver where apparel stores, jewelry stores, or home furnishing stores are a key component of the overall mix of retail and service businesses, including:

1. Main Street.
2. South Granville.
3. West 4th Avenue.
4. West Broadway.
5. Kerrisdale.
6. West Point Grey.
7. Robson/Alberni/Granville.
8. Hamilton/Mainland/Homer.

If a large number of apparel, home furnishing or jewelry stores closed in these locations due to declining sales, it could alter the mix of merchandise and services offered and negatively affect the character of the area. However, based on our evaluation, we expect little or no impact on these areas due to the proposed expansion of Oakridge Centre because:

1. There is a relatively small number of businesses in each of these eight areas that will likely face direct competition from new stores at Oakridge.
2. Each of these eight areas is a well established commercial area that is very marketable. If it turns out that some stores close (or relocate) due to lower sales we would expect the space to be re-leased to new businesses.
3. Five of these eight commercial areas primarily serve different target markets than Oakridge Centre, including:
 - West 4th Avenue.
 - Main Street.
 - Kerrisdale.
 - West Point Grey.
 - West Broadway.
4. Two serve a similar target market as Oakridge, but are very successful commercial districts where sales volumes are relatively high and demand for vacant space is high, so any sales transference will have little impact on the overall viability of the area. This includes:
 - South Granville.
 - Robson/Granville/Alberni.
5. The number of businesses in Hamilton/Mainland/Homer (Yaletown) that could face additional direct competition from any new businesses at Oakridge Centre is small.
6. If there are any negative impacts on these locations, we would expect the impact to be small and temporary because:
 - Overall, there will be ample spending in Vancouver in each of the key retail categories to support the proposed additional space at Oakridge as well as the existing businesses in the City.

- The trade area population for these commercial locations will continue to increase after the completion of the Oakridge expansion. An increasing customer base will help off-set any temporary declines in sales in these areas.

7.0 Conclusions

The focus of this analysis is to identify potential impacts from the proposed Oakridge expansion that could lead to a material and long-term decline in the viability of any existing shopping areas in the City.

This impact analysis is based on the proposed expansion of retail and service space at Oakridge from the existing 560,000 square feet to about 1.2 million square feet.

The main conclusions of our analysis are:

1. The City of Vancouver has 20% to 25% less retail space per capita than the Metro Vancouver average, a strong indicator that the total inventory of retail space in the City is too small. This under-supply situation means that the City of Vancouver is exporting a significant share of its retail spending to other municipalities, or Vancouver retail businesses are achieving (on average) higher retail sales per square foot than retail businesses in other parts of the region, or some combination.
2. The population of the City of Vancouver is expected to grow significantly over the next decade, creating substantial demand for additional retail and service space.
3. The proposed Oakridge expansion will help decrease the amount of retail spending leakage from the City of Vancouver. However, the existing proposed additions to City's retail inventory (including Oakridge expansion) will not keep pace with growth in demand based on forecasted population growth. In other words, retail leakage will likely continue to be high and possibly increase.
4. Total projected 2021 retail spending in the City of Vancouver in the key destination/regional-oriented retail categories that are the focus of our analysis (department store, apparel, home furnishings and jewelry) indicates that there will continue to be ample spending in each of the categories (and all four combined) in the overall Vancouver market for the existing stores (in these four categories) to achieve existing levels of sales (in current dollars). Therefore, we expect no impact on the viability of Pacific Centre and Vancouver's department stores.
5. Total projected 2021 spending in the Oakridge local trade area for the key local commercial categories of supermarket and pharmacy indicates that there is ample demand to support the proposed supermarket and pharmacy/personal care store expansion at Oakridge as well as the other planned supermarkets and pharmacies in the local trade area. Therefore, we would not expect any significant impact on commercial areas due to the proposed supermarket and pharmacy space at Oakridge.
6. There are eight street-front commercial areas in Vancouver where apparel stores, jewelry stores, or home furnishing stores are a key component of the overall mix of retail and service businesses, including:
 - Main Street.
 - South Granville.
 - West 4th Avenue.
 - West Broadway.
 - Kerrisdale.
 - West Point Grey.
 - Robson/Alberni/Granville.
 - Hamilton/Mainland/Homer.

We expect little or no impact on these areas due to the proposed expansion of Oakridge Centre.

Obviously, it is possible that there could be some sales transference from specific existing businesses in specific commercial areas depending on the actual roster of businesses that end up leasing space in the new portion of Oakridge and the mix of merchandise, price points, location and competitiveness of individual existing businesses. However, we do not expect any significant or persistent negative impact from the proposed Oakridge expansion that could lead to a material and long-term decline in the viability of any existing shopping areas in the City.

If there are any impacts on individual businesses in the City, we would expect them to be focused on existing apparel stores because this category accounts for a large share of the proposed Oakridge expansion and there is limited leakage from Vancouver in this category in 2021. However, it is worth noting that the approved Oakridge Policy Statement supports an expansion of Oakridge from the existing 560,000 square feet up to 950,000 square feet, or about 390,000 square feet in total. The current proposed expansion includes about 104,500 square feet of additional apparel space. This suggests that all of the proposed apparel space would be supported under the existing approved Policy Statement.

8.0 Attachments

The following attachments contain much of the technical analysis and data used throughout the impact assessment report. The attachments are organized as follows:

1. Section 8.1 provides details of the proposed Oakridge Centre expansion by retail category.
2. Section 8.2 summarizes our inventory of retail and service floorspace in the City of Vancouver by location and type of business.
3. Section 8.3 identifies the regional trade area for the impact assessment and provides a population forecast for the regional trade area.
4. Section 8.4 identifies the local retail trade area for the impact assessment and provides a population forecast for the local trade area.
5. Section 8.5 contains our estimates of retail spending per capita, total spending by regional trade area residents and estimated inflow spending for each of the four regional/destination oriented retail categories evaluated in the impact assessment.
6. Section 8.6 contains our estimate of supermarket and pharmacy spending per capita by local trade area residents.
7. Section 8.7 contains our analysis of sales per square foot at Oakridge (before and after the proposed expansion) and in the local oriented commercial areas in the City of Vancouver.

8.1 Oakridge Current and Expanded Tenant Mix 2011-2021

This attachment outlines the tenant mix before and after the proposed Oakridge Centre expansion. It compares the ratio of tenants to industry standards and clearly defines which categories will be expanded and by the exact size.

The following exhibit illustrates the existing Oakridge tenant mix and compares it to the future tenant mix at Oakridge Centre. Currently the centre is 559,000 square feet in size, consisting primarily of department store (47%), clothing and jewelry (23%) and supermarket (9%) floor space. The balance of floor space is given over to smaller tenant categories which round out the tenant offering. In order to be a regional retail destination, a regional mall must have a wide range of tenants which allow consumers access to the full range of retail and service businesses.

The planned expansion will add 641,000 square feet to the centre, which would more than double the current size to just under 1,200,000 square feet. This expansion will strengthen the department store and clothing categories, and add a more diverse mix of tenants, such as a cinema, a liquor store, fitness, entertainment and auto showroom. The department store floor space will decline from 47% of the total to only 39%. The clothing category will decline from 21% to 18%. Most of the other smaller scale tenant categories will also be expanded but will maintain a relatively constant share of total floor space.

Exhibit A1: Current and Proposed Floor Space and Tenant Mix

Retail Category	2012 Existing		2021	Total Expanded		Expanded Mall
	Existing sf	% of Total	New sf	Centre sf	% of Total	Variance from 2012
Department Store	262,000	47%	204,500	466,500	39%	-17%
Clothing & Footwear	115,000	21%	104,500	219,500	18%	-11%
Jewelry	15,000	3%	20,000	35,000	3%	9%
Supermarket	50,000	9%	4,500	54,500	5%	-49%
Cinema	-	0%	36,500	36,500	3%	100%
Restaurant & Fast Food	10,000	2%	42,500	52,500	4%	144%
Home Furnishings	28,000	5%	33,500	61,500	5%	2%
Electronics	13,000	2%	20,000	33,000	3%	18%
Financial Services	19,000	3%	18,000	37,000	3%	-9%
Pharmacy & Personal Care	12,000	2%	19,500	31,500	3%	22%
Specialty Retail	11,000	2%	16,500	27,500	2%	16%
Personal Services	9,000	2%	15,500	24,500	2%	27%
Specialty Food	12,000	2%	10,500	22,500	2%	-13%
Vacant	2,000	0%	10,500	12,500	1%	191%
Liquor	-	0%	13,000	13,000	1%	100%
General Merchandise						
Home Centre & Hardware						
Fitness & Recreation	-	0%	39,500	39,500	3%	100%
Auto Showrooms	-	0%	15,500	15,500	1%	100%
Entertainment	-	0%	16,000	16,000	1%	100%
Total	558,000	100%	640,500	1,198,500	100%	100%
CRU sf	221,000	40%	330,000	576,500	48%	21%
Junior Anchor (25,000 - 50,000) :	26,000	5%	102,000	102,000	9%	83%
Anchor (>50,000) sf	312,000	56%	209,000	521,500	44%	-22%
<i>Anchors (>50,000 sf)</i>						
<i>The Bay</i>				174,500		
<i>Target</i>				137,500		
<i>High-End U.S. Anchor (e.g. Saks 5th Ave, Bloomingdales, Nordstroms)</i>				155,000		
<i>Safeway</i>				54,500		

It is important to compare Oakridge with industry standards. The following table compares an average Canadian mall, based on an industry wide survey with Oakridge Mall before and after the proposed expansion.

Currently Oakridge has the typical ratio of department store and clothing space, and twice as much supermarket and home furnishings space. There are other variances however they are relatively moderate.

After the expansion in 2021, Oakridge will have 18% less department store space than the average Canadian mall and 16% less clothing and accessories stores than average. This is important to note as clothing and accessories are the single most important and unique aspect of a regional shopping centre.

As indicated below Oakridge will still have more home furnishings, personal services and supermarket space than the average Canadian mall. Oakridge will have a larger than average convenience and neighbourhood component in part because of the high traffic volumes and the nearby transit station.

In terms of maintaining an industry average and a well rounded tenant mix, the expansion of Oakridge's department store and clothing categories is essential. If these were not expanded the mall tenant mix would

vary too greatly from the industry average and what consumers and retailers expect. It is important to note that many industry sources do not separate the jewelry and fashion accessories categories and often they are included in a larger total clothing category.

Exhibit A2: Oakridge Current and Future Tenant Mix Compared to Industry Average

Retail Category	Average Cdn Mall		Oakridge			
	2006		2012	2021	2012	2021
	Average sf per Store	% of Mall Floorspace	% of Mall Floorspace	% of Mall Floorspace	Variance from Industry Average	Variance from Industry Average
Department Store (The Bay, Zellers [Target])	131,370	47%	47%	39%	-1%	-18%
Clothing & Jewelry	2,776	25%	23%	21%	-8%	-16%
Supermarket (Safeway)	49,001	3%	9%	5%	205%	55%
Cinema	40,129	2%	0%	3%	-100%	27%
Restaurant & Fast Food	1,105	2%	2%	4%	-21%	92%
Home Furnishings	2,516	2%	7%	8%	196%	218%
Financial Services	2,479	2%	3%	3%	42%	29%
Pharmacy & Personal Care	3,057	2%	2%	3%	16%	41%
Specialty Retail	4,733	7%	2%	2%	-71%	-66%
Personal Services	1,508	1%	2%	2%	105%	159%
Specialty Food	1,306	2%	2%	2%	24%	8%
Vacant	3,128	4%	0%	1%	-91%	-74%
Liquor	-	0%	0%	1%	-	-
General Merchandise	-	0%	0%	0%	-	-
Home Centre & Hardware	-	0%	0%	0%	-	-
Fitness & Recreation	-	0%	0%	3%	-	-
Auto Showrooms	-	0%	0%	1%	-	-
Entertainment	-	0%	0%	1%	-	-
Total		100%	100%	100%	25%	38%

Source: Ivanhoe Cambridge and Centre for the Study of Commercial Activity

8.2 Inventory of Retail and Service Floorspace

This attachment summarizes the estimated inventory of retail and service floorspace in the City of Vancouver. This information is divided into two parts:

1. An inventory of the total retail and service floorspace in the City.
2. A more detailed inventory (including type of business) of the retail and service floorspace at the street front commercial areas in the City.

8.2.1 Total Floorspace

A comprehensive and detailed database of existing retail and service floorspace in Vancouver is not available. However, we compiled an estimate of the City's overall retail and service inventory using a variety of available information including:

1. BC Assessment floorspace information for all commercial properties in Vancouver as of 2007.
2. An inventory of floorspace compiled by the City in 2005 for each of the local commercial areas in the City plus Downtown.
3. Our own fieldwork to identify significant changes in the inventory since 2005.
4. Information provided by the City on new retail and service project completed since 2005.
5. Our own estimates/allowances for locations not covered by the City's inventory or our fieldwork.

We estimate that there is a maximum of about 20.1 million square feet of grade level retail and service floorspace in the City of Vancouver. Exhibit A3 shows the distribution of this space by type of location.

Exhibit A3: City of Vancouver Retail and Service Floorspace Inventory

Location	Square Feet
Downtown ¹²	8,900,000
Oakridge	600,000
Highway Oriented Commercial Areas ¹³	1,400,000
Local Commercial Areas ¹⁴	9,200,000
Vancouver Total	20,100,000

Source: Coriolis Consulting Corp.

¹² This figure is based on a combination of:

- Detailed property by property 2005 floorspace information for parts of Downtown provided by the City of Vancouver plus updates from Coriolis Consulting Corp.
- 2007 BC Assessment floorspace information for the parts of Downtown excluded from the City of Vancouver data.
- Estimates for Pacific Centre provided by the owner of the mall.

¹³ This figure is based on fieldworks, air photos and estimates by Coriolis Consulting Corp.

¹⁴ This figure is based on detailed property by property 2005 floorspace information provided by the City of Vancouver plus updates from Coriolis Consulting Corp. to add in new buildings.

8.2.2 Floorspace by Local Commercial Area and Type of Business

Local commercial areas outside of Downtown account for almost half of the City's existing retail and service floorspace inventory. In addition, Downtown includes several street front commercial areas.

Using data provided by the City of Vancouver¹⁵ and fieldwork, we compiled an inventory of retail and service space for the street front commercial areas in Vancouver by location and type of business (note that this inventory excludes Oakridge Centre). In total, these street front commercial areas (including the downtown street front locations) account for about 11.7 million square feet of the City's total 20.1 million square feet of retail and service space.

This data excludes Oakridge Centre, the highway oriented retail and service districts in the City (Grandview Highway, Southeast Marine, Terminal Avenue) plus parts of Downtown (Pacific Centre, Expo Boulevard, Downtown South) which are included in the total inventory in the previous attachment.

The following maps show the location of each of the commercial areas.

¹⁵ The City provided 2005 property by property floorspace information for these locations. Coriolis Consulting updated this information to include new buildings constructed since 2005 and changes to the inventory of businesses in these locations (based on fieldwork during mid-2012). The inventory of businesses in the shaded cells (primarily in East Vancouver) were not updated because these areas do not have a significant inventory clothing, home furnishing or jewelry stores and/or are not located near Oakridge Centre. We agreed with Vancouver planning staff on the areas to update with detailed fieldwork prior to completing the update.

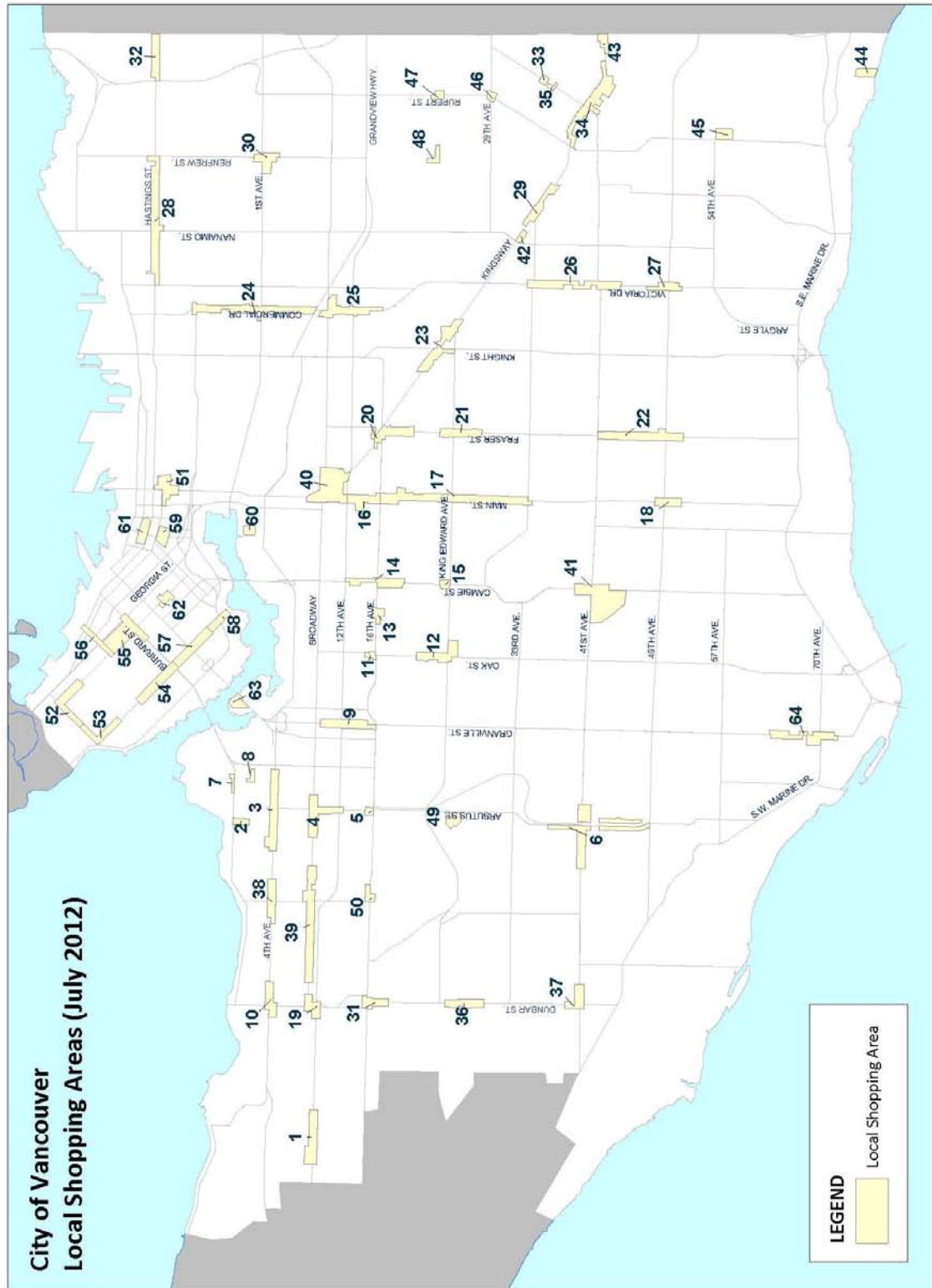




Exhibit A4: Street Front Retail and Service Inventory by Location and Category¹⁶

Shopping Area ID	Name of LSD or SD	Home Furnishings		Supermarket		Jewellery		Pharmacy		Other Personal Care		Clothing & Shoes		Other Retail		Total	
		Floor Area (Sq. Ft.)	Number of Stores	Floor Area (Sq. Ft.)	Number of Stores	Floor Area (Sq. Ft.)	Number of Stores	Floor Area (Sq. Ft.)	Number of Stores	Floor Area (Sq. Ft.)	Number of Stores	Floor Area (Sq. Ft.)	Number of Stores	Floor Area (Sq. Ft.)	Number of Stores	Floor Area (Sq. Ft.)	Number of Stores
1	West Point Grey	7,697	5	27,811	1	2,319	3	1,936	1	18,967	17	11,495	8	161,180	131	231,404	166
2	Yew / York	0	0	0	0	0	0	0	0	864	1	0	0	27,442	29	28,306	30
3	West 4th	6,005	4	57,743	3	796	1	9,631	2	20,795	17	73,798	37	236,109	170	411,343	237
4	Broadway / Arbutus	0	0	27,344	2	0	0	3,102	2	12,527	9	1,980	2	164,398	104	209,350	119
5	Arbutus / 16th	0	0	0	0	0	0	0	0	598	1	0	0	16,503	13	17,101	14
6	Kerrisdale	22,273	9	0	0	3,613	2	34,576	3	21,795	20	44,129	25	394,423	268	530,306	330
7	Cornwall	0	0	0	0	0	0	0	0	0	0	0	0	27,837	20	27,837	20
8	1st / Cypress	0	0	0	0	800	1	0	0	11,689	6	4,377	2	21,240	22	38,106	31
9	South Granville	102,536	26	6,254	1	2,144	2	1,972	2	86,578	18	99,965	42	231,820	84	531,269	175
10	4th / Alma	0	0	11,200	1	0	0	1,013	1	5,165	5	8,147	4	76,181	77	104,158	90
11	Oak / 15th	0	0	0	0	0	0	0	0	724	1	1,548	1	16,618	10	18,889	12
12	Oak / King Ed	0	0	27,849	1	0	0	0	0	5,433	4	0	0	74,290	55	107,572	60
13	16th / Heather	0	0	0	0	0	0	0	0	3,522	3	0	0	29,484	28	33,006	31
14	Cambie Village	0	0	136,194	4	1,392	1	55,000	2	20,565	18	36,078	6	115,502	83	364,731	114
15	Cambie / King Ed	5,923	1	0	0	0	0	961	1	0	0	0	0	49,886	26	56,769	28
16	Main / 14th	0	0	29,509	1	0	0	1,032	1	450	1	0	0	80,898	74	111,899	77
17	Main Street	24,743	16	11,200	1	2,405	2	22,998	3	28,995	28	42,448	31	343,885	272	487,108	358
18	Punjabi Market	0	0	7,470	1	1,023	1	21,497	7	25,152	22	14,064	6	285,637	179	354,842	216
19	10th / Alma	1,464	1	0	0	0	0	0	0	3,959	5	3,472	3	99,569	81	108,464	90
20	Fraser / Kingsway	2,288	1	0	0	0	0	1,088	1	5,945	6	6,157	2	171,182	92	186,659	102
21	Fraser / King Ed	0	0	0	0	0	0	2,541	2	11,070	7	1,050	1	139,098	115	156,432	126
22	South Hill	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Knight / Kingsway	0	0	4,227	1	349	1	0	0	14,069	13	4,286	3	159,263	139	187,372	159
24	Commercial Drive	0	0	14,802	1	0	0	1,843	2	20,073	21	25,139	16	378,311	296	442,923	337
25	Commercial Drive - South	0	0	42,232	1	0	0	5,917	4	5,675	4	0	0	150,903	79	204,727	88
26	Victoria / 41st	4,416	1	0	0	2,813	3	10,520	4	40,129	36	9,286	7	221,347	206	288,511	257
27	Victoria / 49th	666	1	0	0	0	0	16,477	3	13,586	14	0	0	76,488	69	107,217	87
28	Hastings-Sunrise	0	0	3,739	2	3,624	4	555	1	17,904	14	11,399	6	351,411	228	399,567	259
29	Norquay	0	0	5,808	1	0	0	0	0	7,149	4	0	0	92,078	81	106,895	89
30	1st / Renfrew	0	0	34,320	1	0	0	0	0	4,089	6	479	1	59,058	40	97,946	48
31	Dunbar / 16th	0	0	0	0	0	0	0	0	4,625	5	0	0	76,717	59	86,551	67
32	Hastings North	0	0	0	0	1,313	1	0	0	1,122	1	35,684	13	95,573	48	133,692	63
33	Vanness / Joyce - North	0	0	0	0	0	0	0	0	700	1	809	1	4,463	8	5,972	10
34	Kingsway / Joyce	0	0	37,290	1	0	0	2,279	2	15,126	13	5,461	4	220,077	151	283,383	172
35	Vanness / Joyce - South	0	0	0	0	0	0	0	0	864	1	0	0	13,567	16	14,431	17
36	Dunbar Centre	532	1	15,065	1	975	1	1,902	1	17,479	10	4,001	3	93,573	75	133,527	92
37	Dunbar / 41st	0	0	28,236	1	0	0	0	0	1,301	2	975	1	71,093	55	101,605	59
38	4th / MacDonald	1,040	1	0	0	0	0	0	0	20,674	21	6,590	4	90,271	96	118,575	122
39	West Broadway	8,021	6	50,640	1	1,546	2	716	1	21,372	26	38,471	26	322,593	218	448,729	281
40	Main / Kingsway	4,897	3	26,068	1	532	1	10,909	2	11,987	6	48,890	17	242,925	146	351,184	178
41	Oakridge	0	0	0	0	0	0	1,406	1	5,846	5	0	0	108,625	51	115,877	57
42	Nanaimo / Kingsway	0	0	0	0	0	0	0	0	0	0	0	0	4,995	8	4,995	8
43	Kingsway / Boundary	0	0	0	0	0	0	1,650	1	4,338	4	0	0	27,601	25	33,589	30
44	East Fraser Lands	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	Kerr / 54th	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	Rupert / 29th	0	0	0	0	0	0	0	0	700	1	0	0	4,525	11	5,225	12
47	Rupert / 22nd	0	0	9,120	1	0	0	0	0	4,366	4	0	0	21,440	15	34,926	20
48	Renfrew / 22nd	0	0	0	0	0	0	0	0	0	0	0	0	5,511	8	5,511	8
49	Arbutus Centre	0	0	35,171	1	234	1	0	0	864	1	0	0	87,818	48	124,087	51
50	16th / Macdonald	0	0	11,780	3	0	0	0	0	0	0	0	0	9,360	9	21,140	12
51	Main - Chinatown	0	0	7,000	2	3,318	5	970	2	6,331	8	13,803	11	217,646	127	251,019	156
52	Denman / Robson	0	0	0	0	0	0	0	0	5,218	5	4,348	3	72,562	64	82,799	73
53	Davie / Denman	0	0	33,500	1	0	0	0	0	2,190	4	1,540	2	77,822	77	116,168	85
54	Davie - West End	0	0	16,512	1	0	0	0	0	9,863	6	5,148	4	204,688	118	238,211	130
55	Robson / Alberni / Burrard	0	0	0	0	0	0	0	0	4,543	1	2,116	1	32,037	13	38,696	15
56	Bute	0	0	0	0	0	0	0	0	0	0	0	0	2,566	2	2,566	2
57	Davie / Granville	0	0	0	0	0	0	0	0	4,225	5	773	1	74,825	75	79,823	81
58	Davie - Yaletown	0	0	0	0	0	0	0	0	3,495	2	0	0	44,390	17	51,005	20
59	Abbott - International Village	0	0	25,500	1	0	0	0	0	0	0	0	0	209,251	6	234,751	7
60	Olympic Village	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
61	Abbott - Woodward's	0	0	0	0	0	0	0	0	0	0	4,192	2	197,172	30	201,364	32
62	Robson / Richards	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
63	Granville Island	0	0	51,700	2	0	0	0	0	0	0	0	0	29,245	4	80,945	6
64	Granville - Marpole	2,200	1	33,075	1	2,574	1	3,943	2	23,062	22	7,348	4	106,931	87	179,124	118
N/A	Robson/Alberni/Granville	0	0	161,000	6	15,579	10	27,151	3	61,575	28	295,116	94	1,034,853	514	1,598,336	656
N/A	Homer/Hamilton/Mainland	26,038	6	0	0	0	0	4,000	1	29,161	14	2,900	3	374,645	161	449,708	188
N/A	Total	220,738	83	989,359	47	47,350	43	247,583	58	668,485	497	877,459	397	8,431,400	5,413	11,578,212	6,578

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This data excludes some street-front locations in the City (particularly Downtown) for which property-by-property information was not available so the floorspace figures in this exhibit are slightly lower than the street-front estimates used in the retail demand analysis in Section 5.2 and the street-front sales per square foot estimates in Attachment 8.7.3. The analysis in these other sections of this report includes estimates for the stores at these missing properties to ensure that existing floorspace is not under-stated.

8.3 Regional Trade Area Definition and Population Projection

8.3.1 Regional Trade Area

We examined customer origin data for major regional malls in Vancouver and the surrounding municipalities to help determine the study area that should be used to examine the proposed expansion at Oakridge on the regional/destination retail categories in the City.

Oakridge Centre draws about 70% of its sales and 75% of its customers from the City of Vancouver plus the UEL. The following exhibit summarizes the origin of Oakridge Centre customers (based on 2010 surveys).

Exhibit A5: Oakridge Centre Customer Origin

Origin	Share of Customers
City of Vancouver/UEL	75%
Burnaby	6%
Richmond	5%
Delta	2%
North Shore	2%
Other	10%
Total	100%

Source: Ivanhoe Cambridge (2010)

The main competitors for Oakridge Centre include: Pacific Centre, Richmond Centre, Lansdowne Mall, Metropolis at Metrotown and Park Royal. The following exhibit summarizes the share of each of these regional centre's customers that live in Vancouver.

Exhibit A6: Share of Customers That Live in Vancouver

Municipality	Share of Customers
Oakridge	75%
Pacific Centre	53%
Richmond Centre	14%
Park Royal	15%
Metropolis	28%
Lansdowne	15%

The key implications of the consumer research that we examined are as follows:

1. Oakridge Centre's primary trade area as regional shopping centre is City of Vancouver and UEL, with Burnaby and Richmond acting as secondary areas. Oakridge draws limited demand from residents of other parts of the Lower Mainland.
2. Pacific Centre draws about half of its customers from Vancouver/UEL with the remainder spread across a wide variety of locations in the Lower Mainland (due its location within the Central Business District for the entire region).
3. Vancouver residents account for a significant share of the customers at the major regional centres in Richmond, Burnaby and the North Shore indicating that Vancouver is exporting sales to retail areas in other municipalities.

Given that Vancouver/UEL residents account for 75% of customers at Oakridge Centre and about half of all customers at Pacific Centre, the primary trade area for our impact assessment for regional-oriented retail categories is the City of Vancouver and the UEL. There will continue to be inflow from surrounding municipalities, but the majority of all sales at regional-oriented retail and service businesses in Vancouver will be generated by residents of Vancouver and the UEL.

8.3.2 Population Projection

This attachment documents the population projection for Vancouver and the UEL that is used in our impact assessment.

Exhibit A7 summarizes historic population growth in the City of Vancouver and the UEL between 2001 and 2011.

Exhibit A7: Historic Population Growth

Area	2001	2006	2011	Average Annual Growth Rate 2001 to 2011
UEL	7,815	10,830	12,780	5.0%
City of Vancouver	546,976	579,412	605,071	1.0%
Total	554,791	590,242	617,851	1.1%

Source: City of Vancouver and Statistics Canada

Note: Figures are not adjusted for Census undercount

As shown in the exhibit, the population of the City of Vancouver grew at an average annual rate of about 1.0% per year between 2001 and 2011. The population of the UEL grew at an average annual rate of about 5.0% per year over the same time period. The combined population of the two locations grew at 1.1% per year.

To project future population growth, we considered a variety of indicators:

1. Historic growth suggests the City will grow at about 1.0% per year and the UEL will grow at 5.0% per year. Over time, we would expect the rate of growth in the UEL to slow as its population increases and the amount of developable land decreases.
2. BC Stats projections indicate that the combined population of the City of Vancouver and the UEL (BC Stats does not separate these two locations) will grow at an average rate of about 1.0% to 1.1% per year between 2011 and 2021. The longer term projections (2011 to 2036) anticipates growth of about 0.9% per year.
3. Long term population projections provided by the City of Vancouver indicate that the City's population will likely grow at about 0.8% to 0.9% per year on average between 2011 and 2041. Shorter term forecasts are not available from the City. However, this long term forecast is similar to BC Stats projection.

These indicators suggest that:

1. The City of Vancouver's population will likely grow at about 1.0% or so over the next ten years and then slow somewhat over time.
2. The UEL's population will grow at a higher rate, likely about 5% per year over the next decade and then slow over time.

Using this as a guideline, we produced a long term population projection for the City of Vancouver and the UEL based on the following growth rates.

Exhibit A8: Projected Population Growth Rates

Growth Rate Assumptions	2011 to 2021	2021 to 2031	2031 to 2041
City of Vancouver Population Growth Rate	0.90%	0.70%	0.60%
UEL Population Growth Rate	5.00%	4.00%	3.00%

Source: Coriolis Consulting Corp.

Using these growth rates, we projected Vancouver and UEL population as shown in Exhibit A9.

Exhibit A9: Projected City of Vancouver and UEL Population

Growth Rate Assumptions	2011	2021	2031	2041
City of Vancouver Population	627,459	686,273	735,854	781,217
UEL Population	13,253	21,588	31,955	42,945
Total	640,712	707,861	767,809	824,162

Source: Coriolis Consulting Corp.

Note: 2011 figures include a 3.7% allowance for the Census undercount
UEL figures may exclude on campus student population

Our projections result in an average annual combined Vancouver and UEL population growth rate of about 1.0% per year between 2011 and 2021 (which matches the BC Stats projection) and about 0.8% per year between 2011 and 2041 (which is similar to the City's own long term projections and BC Stats' long term projections).

We use this long term population projection in our retail impact assessment.

8.4 Neighbourhood Trade Area

8.4.1 Local Trade Area Definition

Oakridge has a significant amount of neighbourhood-oriented convenience retail and services and some of the categories are proposed for expansion, including the supermarket and pharmacy categories.

Therefore, the impact assessment must look at the potential impact of the proposed neighbourhood oriented retail expansion on surrounding local commercial areas. To identify a trade area for the neighbourhood oriented retail and service analysis, we examined the existing (and planned) pattern of supermarkets and pharmacies in the communities surrounding Oakridge and the existing road network.

Based on our evaluation, we defined a trade area that includes all of the supermarkets and pharmacies in the communities surrounding Oakridge, including Marpole, Kerrisdale and parts of South Cambie, Riley Park, Shaughnessy, and Sunset. The study area for the neighbourhood oriented assessment is bounded roughly by 33rd Avenue on the north, the Fraser River on the south, Knight Street on the east and MacDonald Street on the west.

8.4.2 Local Trade Area Population Projection

Based on 2011 census data, we estimate that this trade area includes about 110,965 residents.

Population growth these neighbourhood trade area communities averaged about 0.5% per year between 2001 and 2011. However, this should increase significantly over time because:

1. The neighbourhood trade area includes the Cambie Corridor planning area. The City adopted the Cambie Corridor Plan in 2010 and the Corridor is anticipated to be a major residential growth area in the City over the 20 years or more.
2. The Marpole community is part of the neighbourhood trade area. A new community plan is underway for Marpole and the draft planning directions indicate that residential development capacity will be significantly increased in this area.
3. There are a number of large sites in the neighbourhood trade area, including the Pearson hospital site, the TransLink bus barn site, and Oakridge Centre (the subject site) which are anticipated to accommodate substantial amounts of new multifamily housing when redeveloped. Planning is currently underway for the Pearson site and Oakridge Centre so these sites are likely to redevelop in the short to medium term.

We think that the neighbourhood trade area will grow at pace that exceeds the projected growth rate for the overall City, of 0.9% per year between 2011 and 2021. Therefore, our population projection for the neighbourhood trade area assumes a growth rate of 1.0% per year between 2011 and 2021. Given that the trade area includes the Cambie Corridor and some major redevelopment sites, this is likely conservative.

Our projected neighbourhood trade area population is shown in Exhibit A10.

Exhibit A10: Projected Neighbourhood Trade Area Population

	2011	2021
Population	110,965	122,574

Source: Coriolis Consulting Corp.

Note: 2011 figures include an allowance for the Census undercount

8.5 Retail Spending - Destination/Regional Categories

8.5.1 Retail Spending per Capita

In order to calculate demand for each retail category retail spending per capita is established and then multiplied times the population. This step is outlined below. The per capita spending is based on Statistics Canada demographics and retail sales averages for the province and region adjusted slightly by Environics to reflect variances in demographics at smaller geographic levels.

In 2011 the average Vancouver and UEL resident spent \$697 per year at department stores, \$782 on clothing and shoes, \$112 on jewelry and \$180 on home furnishings. We assume that these figures will increase only slightly in real terms and essentially stay within expected rates of inflation (which is a conservative assumption).

Exhibit A11: Estimated Retail Sales Per Capita - Vancouver/UEL

	2011 Sales Per Capita	2021 Sales Per Capita
Department Stores	\$697	\$715
Clothing Shoes and Accessories	\$782	\$801
Jewelry	\$112	\$115
Home Furnishings	\$180	\$185

Sources: Statistics Canada, Province of BC, Environics, Site Economics

8.5.2 Total Spending by Trade Area Residents

Given the 2011 trade area population of 640,712 and the 2021 trade area population of 707,861, it is a straightforward step to establish the total retail expenditure potential (demand) in the trade area. These estimates are shown in the following exhibit.

Exhibit A12: Estimated Total Spending by Trade Area Residents

	2011	2021
VANCOUVER TRADE AREA PER CAPITA SPENDING		
Department stores	\$697	\$715
Clothing Shoes Accessories	\$782	\$801
Jewelry	\$112	\$115
Home Furnishings	\$180	\$185
Source Statistics Canada and Province of BC		
Vancouver and UEL Population	640,712	707,861
TOTAL SPENDING		
Department stores	\$446,609,067	\$505,874,644
Clothing Shoes Accessories	\$500,854,100	\$567,318,060
Jewelry	\$71,935,008	\$81,480,873
Home Furnishings	\$115,399,473	\$130,713,127
Source: Retail Trade Statistics Canada Cat. No 63-005-X		
Census of Canada 2006 and 2011 Demographics, City of Vancouver Population projections,		
Statistics Canada and Environics spending by Commodity 2009 BC compared to Metro Vancouver		
*Vancouver demographics are younger, single, higher income, and Clothing / Jewelry adjusted + 10%		
Sources: Statistics Canada, Province of BC, Environics, Site Economics, Coriolis Consulting		

The key points are as follows:

- Department store expenditures were \$446 million in 2011 and it will grow to \$505 million by 2021 based primarily on population growth.
- Clothing and shoe expenditures were \$500 million in 2011 and it will grow to \$567 million by 2021 based primarily on population growth.
- Jewelry expenditures were \$71 million in 2011 and it will grow to \$81 million by 2021 based primarily on population growth.
- Home furnishing expenditures were \$115 million in 2011 and it will grow to \$130 million by 2021 based primarily on population growth.

These estimates of expenditure potential and spending (demand) are clear and reliable forecasts based on actual sales data and resident demographics. The demand side of the market is more accurate and much easier to establish than the supply side of the equation. The supply side of the equation requires far more detailed data such as inventories of actual retail floorspace by area and estimates of sales per square foot.

Once retail supply and demand are compared and contrasted and the level of outflow established, the market can be described as under-served or over-served with retail, or it can be assessed as balanced if supply and demand equal each other. The impact study establishes demand and then allocates it to each area of supply. If there is surplus demand in the form of retail outflow then there will be no significant impact, from a macro perspective, as demand still exceeds supply, even after the addition of new space.

8.5.3 Inflow Spending

Retail inflow spending is the amount or share of store or mall sales which come from outside the trade area. In this instance, any sales within Vancouver by non-Vancouver residents is inflow. Inflow can only be

accurately measured by consumer research. The proponent Ivanhoe Cambridge was able to supply the consulting team with objective third party consumer research conducted by the regional mall owners in Vancouver, Richmond, Burnaby and the North Shore.

While the share of sales accounted for by Vancouver residents shopping outside the city, at Metrotown, Richmond Centre or Park Royal is interesting and substantial, it is not germane to this impact study. The key aspect is inflow into Vancouver and it is estimated as follows:

- Oakridge Centre consumer research confirms that 30% of all sales are to non-Vancouver residents.
- Pacific Centre consumer research confirms that 50% of all sales are to non-Vancouver residents. As a downtown mall, this centre serves the huge regional employment base in the many nearby office towers, in addition to anchoring all downtown retail.
- Based on the benchmarks of the mall, regional downtown retail such as on Robson Street is reasonably assumed to have at least 33% inflow sales.
- Regional downtown retail such as The Bay department store is assumed to have at least 33% inflow sales.
- Regional retail such as the Wal-Mart on Grandview Hwy is almost on the Burnaby border and it trades deep into a large residential portion of that City (as well as parts of North Vancouver). Retail inflow is conservatively estimated to be at least 33% due to its location near the municipal boundary.
- Army and Navy is expected to have a very small level of inflow which is conservatively estimated at only 5% of total sales.

These inflow figures are all reflected in the impact analysis as part of demand which currently makes up the sales at existing stores. These figures are based on authoritative research and conservative and reasonable estimates. The same ratios were used for 2021 as there is no compelling reason to assume there will be a major change in retail trading patterns. The Oakridge expansion is clearly the largest retail change in Vancouver or its surrounding municipalities over the next ten years.

8.6 Supermarket and Pharmacy Spending per Capita

This attachment provides an estimate of the annual average spending per local trade area resident for the retail categories that are the focus of the local-oriented retail impact assessment:

1. Supermarket spending per capita. According to Statistics Canada, spending in BC supermarkets totalled \$10,514,400,000 in 2011. The 2011 Provincial population was 4,400,055 so supermarket spending averaged \$2,390 per capita in BC.

According to Environics, City of Vancouver residents spend about 17% more per capita on food than the Provincial average. This suggests that trade area residents likely spend more in supermarkets than the average BC resident. However, to be conservative, our analysis assumes that trade area residents spend an average of \$2,390 per year in supermarkets.

2. Pharmacies and personal care. According to Statistics Canada, spending in BC health and personal care stores (includes pharmacies) totalled \$4,057,500 in 2011, or an average of about \$922 per capita.

According to Environics, City of Vancouver residents spend about 13% more per capita on personal care than the Provincial average. This suggests that trade area residents likely spend more in pharmacies and personal care stores than the average BC resident. However, to be conservative, our analysis assumes that trade area residents spend an average of \$922 per year in pharmacies and personal care stores.

8.7 Estimated Sales Per Square Foot by Location

8.7.1 Oakridge Centre Existing Sales Analysis

The exhibit below summarizes Oakridge Centre's sales per square foot by category, between 2007 and 2011. Most categories have experienced some moderate growth and several categories remained static or declined slightly. The total centre had just under \$500 million in sales in 2011 and the average for the CRU space (all categories) was \$1,100 per sq.ft.

The average net rent per sq. ft. GLA per annum at Oakridge Centre is \$85 and the average additional charges per sq. ft GLA per annum (CAM, taxes, insurance, percentage rents) is \$50 for a total of \$135 per sq. ft. per year. Sales for the largest tenant category, clothing, were just under \$750 per sq. ft. This yields a rent to sales ratio of 9% which is very close to the 10% industry average

Exhibit A13 :Oakridge Centre Sales Per Square Foot by Category

Retail Category	2007	2008	2009	2010	2011	Total 2011
Department Store	\$ 249	\$ 247	\$ 221	\$ 225	\$ 225	\$ 58,939,627
Clothing & Accessories	\$ 700	\$ 680	\$ 681	\$ 718	\$ 736	\$ 81,292,499
Jewelry	\$ 1,485	\$ 1,452	\$ 1,703	\$ 1,531	\$ 2,472	\$ 28,261,035
Supermarket	\$ 616	\$ 668	\$ 662	\$ 665	\$ 670	\$ 33,559,522
Restaurant & Fast Food	\$ 769	\$ 817	\$ 838	\$ 860	\$ 867	\$ 14,298,256
Home Furnishings	\$ 560	\$ 647	\$ 722	\$ 1,086	\$ 720	\$ 1,460,602
Electronics	\$ 1,539	\$ 1,175	\$ 1,223	\$ 2,843	\$ 3,640	\$ 51,201,296
Pharmacy & Personal Care	\$ 732	\$ 751	\$ 802	\$ 698	\$ 710	\$ 8,640,851
Personal Services	\$ 823	\$ 813	\$ 1,005	\$ 744	\$ 768	\$ 5,639,722
Specialty Food	\$ 994	\$ 1,039	\$ 1,068	\$ 1,085	\$ 1,084	\$ 11,315,797

Source: Ivanhoe Cambridge

DEPARTMENT STORE

The centre has two department store anchors – The Bay and Zellers. They were redeveloped out of a single older department store and their layouts are not industry standard or optimal. The Zellers will be redeveloped as a new Target store and is expected to easily double its past sales per sq.ft. Sales per square foot for this category are assumed and inferred as the tenants are not required to formally report sales to the landlord. The department stores are assumed to have experienced a slight decline in the past five years. These two stores occupy almost half the entire mall and are the second highest sales category.

Sales per sq.ft. for this category are close to the \$250 per square foot Metro Vancouver industry average reported by ICSC (International Council of Shopping Centres).

CLOTHING AND ACCESSORIES

Oakridge has a large clothing selection because this is the primary tenant category for virtually all regional malls. The average sales in the clothing and accessories stores has increased but not significantly. However, it remains the largest retail category by sales. It is important to note that this category has not

been impacted by the provision of the rapid transit service. Sales per sq.ft. for this category are well above the \$516 per square foot Metro Vancouver average reported by ICSC.

JEWELRY

The jewellery category is large in this mall and it has a very high sales volumes due primarily to the high quality of the tenants and the performance of a single very successful tenant (Montecristo) which distorts the average. Sales per sq.ft. for this category are much higher (by about 85%) than the \$1,300 per square foot Metro Vancouver average reported by ICSC.

SUPERMARKET

Safeway is the only Supermarket currently located in Oakridge Centre. Sales per sq. ft. have been stable however, they are expected to increase in relation to the population growth planned for the Oakridge area.

RESTAURANT & FAST FOOD

There are an ample number of food service outlets, including White Spot, an ethnic full service restaurant, and a variety of limited service outlets located in the food court. The sales have been steadily increasing in the past few years and this category does benefit from transit service.

HOME FURNISHINGS

This is a significant retail sector which provides lifestyle and decorating items for the household. The category has been growing more popular in the retail industry. Oakridge lists only two small stores in this category however their current tenant summary shows a much larger area dedicated to this category. Sales per sq.ft. for this category are well above the \$380 per square foot Metro Vancouver average reported by ICSC. Crate and Barrel was added in 2013, two years after 2011 comparison date.

ELECTRONICS

The category is dominated by the Apple store, which generates sales of approximately \$7,000 per square foot per annum. This brand has the highest sales per sq.ft. in history and it can distort an entire mall's average sales.

PHARMACY AND PERSONAL CARE

This category includes health and beauty retailers, and its sales have been stable. There is currently no pharmacy (except inside the Safeway). A large drugstore would round out the local tenant merchandise mix and be well suited for transient customers.

PERSONAL SERVICE

The sales at beauty salons and spas have decreased since it peaked in 2009 even though the category is relatively small.

SPECIALTY FOOD

This category includes specialty food retailers who sell items such as tea or chocolate. This category has experienced a steady increase in sales per square foot over the past five years.

8.7.2 Oakridge Centre Projected After Expansion

This attachment outlines the expected mall rents and sales based upon the configuration of the existing and proposed development. The existing mall was well designed and the sales are relatively strong. This is a very successful mall and its expansion will only consolidate its market dominance. The site is relatively small for a large regional shopping centre. The expansion, which will double the mall's floor space, is not duplicating the high quality, prime, grade level, enclosed retail floor space which exists. Rather, it is focused in new and less attractive area such as on the less convenient level 2 and in an exterior retail high street. The current high sales and rent enjoyed by Oakridge's existing tenants will not be duplicated in the expansion area. This is because of the additional stores, which increases competition and also because the new stores will have much less convenient and attractive retail locations.

Retail store sales and rents are very strongly correlated with the physical store location. Stores must be conveniently located in high visibility premises in order to optimize sales. This analysis must determine an approximate sales level for the expansion area based on the weighted average of the space in terms of its location on: level 1 or level 2, interior or exterior, and large or small store size (average CRU vs large sub anchor). The existing mall sales should remain the same through the expansion. The expansion area sales will vary from the existing mall sales based solely on their location.

Level 2 space in traditional street front retail areas is typically 25% less than the rent on the ground level. This is because vertical access is so difficult in a moderate sized store. In a large regional enclosed mall with its large scale, better vertical access and multi level department stores which drive traffic, the rent variance is only 20% less for the upper levels, than for the prime space on level 1.

The majority of the small store expansion area will be located on a second level, located over the existing mall. While most expansion space will be enclosed, it will not be as convenient as stores in the existing area on level 1. The other non-anchor portion of the expansion will be on a new exterior retail high street. These exterior stores will also have a second level; however access will only be via each store's internal stairs similar to any other commercial street. There may be some limited elevator service directly into the sub-anchors premises from the parkade below.

The existing mall store sales will remain constant from 2011 to 2021, as no negative impact on the existing mall stores is assumed to result from the expansion. If anything, the expansion will enhance the market dominance of Oakridge. The only exception is the jewelry category which is adjusted downwards to reflect industry standards.

The following outlines the 2021 sales estimates for the expansion areas by location and then by retail category. The primary factors impacting the variance from existing sales are the level 2 and exterior locations and the large sub-anchor component. These large tenants achieve much lower average sales per sq.ft. than small stores simply due to their size.

The floor areas outlined below indicate the variance in rent and sales from the prime grade level interior space to the less than prime expansion areas.

LEVEL 1: The additional Interior Level 1 CRU will maintain the existing malls average sales. The Exterior Level 1 Junior Anchor's will have sales, which are at most 80% of the existing malls average sales. The Exterior Level 1 CRU will have sales, which are 75% of the existing malls average sales.

LEVEL 2: The Interior Level 2 CRU will have sales, which are 80% of the existing malls average sales. The Exterior Level 2 Junior Anchor will have sales, which are 60% of the existing malls average sales. The Exterior Level 2 CRU will have sales, which are 70% of the existing malls average sales.

In summary, based on all industry standards, the expansion area will have rent and sales which are approximately 75% of those in the existing mall.

Exhibit A14 :Oakridge Centre Existing and Expansion Areas -Variance in Sales and Rent by Location

Zone	Location	Store Type	Existing SF Benchmark	New SF Expansion	Variance Rent and Sales
Level 1					
	Interior	Anchor			
	Interior	Jr. Anchor	26,000		
	Interior	CRU	209,000	2,000	0%
	Exterior	Jr. Anchor	-	51,000	80%
	Exterior	CRU	4,000	95,000	75%
Level 2					
	Interior	Anchor			
	Interior	Jr. Anchor			
	Interior	CRU	8,000	162,000	80%
	Exterior	Jr. Anchor		51,000	60%
	Exterior	CRU	-	71,000	70%
		TOAL / AVG	247,000	432,000	75%
Source: Ivanhoe Cambridge and Site Economics Ltd.					

The following outlines the impact of location and other characteristics on the sales projections for each retail category used in the impact study.

- In 2021, sales for the department store category are substantially higher per sq.ft than in 2011. This reflects much stronger anchor tenants in the form of Target and the new department store (a major US chain is expected) - \$300 to \$400 per square foot.
- In 2011 and 2021, sales for the clothing and shoe category are the same for the existing prime retail space, but sales in the expansion area are estimated to be 25% less. The existing space remains an excellent location and while there is additional new mall competition this is assumed to be balanced by a much larger and more attractive shopping centre. The sales in the expansion area are substantially less per sq.ft, as almost two thirds of the space is on Level 2 and just under a quarter is lower performing large scale sub anchor space. These two influences plus competition indicate that the sales would be significantly less than the performance of small stores in the prime grade level retail area. It should be noted that while the sales in the Level 2 and exterior expansion areas will be below the prime

grade level performance of Oakridge, they would still be similar to the average performance of Metro Vancouver's regional malls.

- In 2021, the expansion area jewelry store space will be 44% below the performance of the stores in the existing prime grade level area. This area required adjustment beyond the 25% decrease because sales in this category in the existing portion of the mall are extraordinarily high. Sales at this expanding category are assumed to move closer to an industry average over the long-term.
- In 2021, the home furnishings store space in the expanded portion of the centre will be 40% of the current mall average. This reflects the secondary locations and the larger size of the sub anchor tenants including Crate and Barrel who will reduce the average sales of this small retail category.

8.7.3 Street Front Commercial Areas

In order to establish average tenant sales, real estate consultants use the traditional net rent to sales ratio of 10%. For example, if the average net rent per sq. ft. is on the order of \$30 per sq. ft. its means average sales of these types of merchants are approximately \$300 per sq. ft. The average level of sales cannot be much higher than this or rents would be higher. This industry standard is used by The International Council of Shopping Centres and by real estate valuation and major accounting firms.

More successful stores and premier retail areas have a lower than average as they have covered the cost of store operation and are enjoying strong profits. Very successful stores can easily have a rent to sales ratio of 8% and even 7%. The opposite is the case for marginal stores which have a ratio that is higher than average. These stores have difficulty meeting their basic premise overhead and rents can go as high as 16% of sales.

SALES IN VANCOUVER COMMERCIAL AREAS

Unlike malls and shopping centres, there is no reliable source of average retail sales for the commercial districts in Vancouver. The only way to establish a reliable estimate of sales is to infer them from rental rate information, which is accurate and readily available. It is entirely warranted to assume that sales are 10 times the rent amount based on the industry standard 10% rent to sales ratio.

RENTS ON COMMERCIAL STREETS

The following is based on information from Colliers, CBRE, other commercial leasing agencies and landlord information. Net lease rates for grade level commercial space in the different street front commercial areas in Downtown Vancouver are as follows:

- Lease rates along Robson Street are generally between \$150 and \$185 per square foot in the prime area. Rents west of Bute St and east of Granville St are less than half of these rates.
- Lease rates along Granville Street in Downtown are generally between \$75 and \$90 per square foot in the prime blocks and \$40 per square foot in other locations.
- Lease rates along Alberni Street are generally between \$55 and \$70 per square foot in the prime area.
- Lease rates along Denman Street are generally between \$50 and \$70 per square foot in the prime area and \$35 per square foot in other locations.
- Lease rates along Davie Street are generally between \$50 and \$60 per square foot in the prime area and \$30 per square foot in other locations.

- Lease rates in Yaletown are generally between \$40 and \$70 per square foot in the prime area and \$30 to \$35 per square foot in other locations.
- Lease rates in Gastown are generally between \$40 and \$50 per square foot in the prime area and \$30 per square foot in other locations.
- Lease rates in other parts of Downtown average about \$35 in per square foot.

Net lease rates for grade level commercial space in the different street front commercial areas outside of Downtown are as follows:

- Lease rates in South Granville are generally between \$70 and \$80 per square foot in the prime area and \$45 to \$60 per square foot in other locations.
- Lease rates along West 4th Avenue are generally between \$45 and \$65 per square foot in the prime area and \$30 per square foot in other locations.
- Lease rates along Broadway west of MacDonald are generally between \$35 and \$45 per square foot in the prime area and \$30 per square foot in other locations.
- Lease rates along Broadway between Granville Street and Cambie Street are generally between \$60 and \$70 per square foot in the prime area and \$35 per square foot in other locations.
- Lease rates in Kerrisdale are generally between \$40 and \$50 per square foot in the prime area and \$35 per square foot in other locations.
- Lease rates along Main Street are generally between \$25 and \$50 per square foot with most locations near the low end of this range.
- Lease rates along Commercial Drive are generally between \$30 and \$40 per square foot.
- Lease rates along Kingsway are generally between \$25 and \$45 per square foot with most locations near the low end of this range.
- Lease rates along other commercial streets are generally between \$25 and \$30 per square foot.

SALES ON COMMERCIAL STREETS

The following exhibits convert estimated rents into estimated sales per square foot. This is an essential calculation of the existing retail market conditions and is used to reflect each area's current share of the retail market. These estimates are used in the market share analysis to determine whether or not the Oakridge expansion will require a transfer of any of these sales in order to be feasible.

These sales are estimated based on rents and are likely high (which means our analysis will over state any potential impacts). Some restaurants, for example, inflate rents in an area and pay more than comparison goods retailers. As such, restaurants (not retailers) are often at the high end of any rental range.

Exhibit A15 :Estimated Sales Per Square Foot at Apparel Stores

Area	Sub-area	Area (Sq. Ft.)	Assumed Sales psf	Calculated Total Sales
Downtown	Robson Between Granville & Jervis	170,281	\$ 850	\$ 144,738,850
	Granville Street	52,570	\$ 475	\$ 24,970,750
	Winners	24,495	\$ 450	\$ 11,022,750
	Alberni	3,900	\$ 450	\$ 1,755,000
	Downtown Remainder	73,254	\$ 300	\$ 21,976,200
	Total	324,500		\$ 204,463,550
	Weighted Average		\$ 630	
Area	Sub-area	Area (Sq. Ft.)	Assumed Sales psf	Calculated Total Sales
South Granville	Broadway-13th Avenue	46,076	\$ 525	\$ 24,189,900
	Remainder	53,889	\$ 350	\$ 18,861,150
West Broadway	All	38,471	\$ 350	\$ 13,464,850
West 4th Avenue	Balsam-Maple	49,995	\$ 400	\$ 19,998,000
	Remainder	23,803	\$ 325	\$ 7,735,975
Main Street	All	110,209	\$ 275	\$ 30,307,475
Kerrisdale	All	44,129	\$ 325	\$ 14,341,925
Other Areas	All	199,821	\$ 250	\$ 49,955,250
Total Outside of Downtown		566,393		178,854,525
	Weighted Average Outside Downtown		\$ 316	

Exhibit A15 : Estimated Sales Per Square Foot at Home Furnishings Stores

Area	Sub-area	Area (Sq. Ft.)	Assumed Sales psf	Calculated Total Sales
Downtown	Robson Between Granville & Jervis	-	\$ -	\$ -
	Granville Street	-	\$ -	\$ -
	Winners	-	\$ -	\$ -
	Alberni	-	\$ -	\$ -
	Downtown Remainder	50,919	\$ 325	\$ 16,548,675
	Total	50,919	\$ -	\$ 16,548,675
	Weighted Average		\$ 325	
Area	Sub-area	Area (Sq. Ft.)	Assumed Sales psf	Calculated Total Sales
South Granville	Broadway-13th Avenue	11,340	\$ 450	\$ 5,103,000
	Remainder	91,196	\$ 325	\$ 29,638,700
West Broadway	All	13,390	\$ 325	\$ 4,351,750
West 4th Avenue	Balsam-Maple	4,912	\$ 375	\$ 1,842,000
	Remainder	7,558	\$ 300	\$ 2,267,400
Main Street	All	45,051	\$ 300	\$ 13,515,300
Kerrisdale	All	31,771	\$ 325	\$ 10,325,575
Other Areas	All	59,189	\$ 300	\$ 17,756,700
Total Outside of Downtown		264,407	\$ -	84,800,425
	Weighted Average Outside Downtown		\$ 321	

Exhibit A16 :Estimated Sales Per Square Foot at Jewelry Stores

Area	Sub-area	Area (Sq. Ft.)	Assumed Sales psf	Calculated Total Sales
Downtown	Robson Between Granville & Jervis	3,765	\$ 900	\$ 3,388,500
	Granville Street	7,200	\$ 475	\$ 3,420,000
	Winners	-	\$ -	\$ -
	Alberni	5,500	\$ 450	\$ 2,475,000
	Downtown Remainder	18,370	\$ 400	\$ 7,348,000
	Total	34,835	\$ -	\$ 16,631,500
	Weighted Average		\$ 477	
Area	Sub-area	Area (Sq. Ft.)	Assumed Sales psf	Calculated Total Sales
South Granville	Broadway-13th Avenue	2,144	\$ 525	\$ 1,125,600
	Remainder	-	\$ 350	\$ -
West Broadway	All	1,546	\$ 350	\$ 541,100
West 4th Avenue	Balsam-Maple	796	\$ 400	\$ 318,400
	Remainder	-	\$ 325	\$ -
Main Street	All	10,852	\$ 300	\$ 3,255,600
Kerrisdale	All	3,613	\$ 400	\$ 1,445,200
Other Areas	All	17,416	\$ 350	\$ 6,095,600
Total Outside of Downtown		36,367	\$ -	12,781,500
	Weighted Average Outside Downtown		\$ 351	