

Strathcona County Retail Market Update

Final Report – February, 2024



Strathcona County Retail Market Update

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Executive Summary

1.0 Study Overview & Objectives

- FBM Planning Ltd and Vamos Development Advisors. were appointed by Strathcona County Economic Development and Tourism to update a Retail Market Analysis that was last updated in 2018 by Thomas Consultants Inc.
- The objective of this study is to identify the supportable retail supply; optimal retail role & function; retail market voids; retail land use allocation, and consumer behavior in Strathcona County for the purposes of informing the County's economic development policy with respect to future retail land use.

2.0 Strathcona County Retail Market Context

- Strathcona County has a sizable population of high-income households with a significant household retail spend. The population of Strathcona County is well educated and employed across various professional career fields.
- With five thoroughfares connecting to Edmonton many Strathcona residents work in the City, and due to the proximity would drive specifically to Edmonton to meet retail needs that are underserved in the County.
- Determining the level of 'retail leakage' and how to curb it if it exists, is a fundamental question of this study.

3.0 Real Market: Supply Analysis

- Strathcona County features a total of 4.2 million sf of retail operating primarily within 7 key concentrated retail zones: Broadmoor Boulevard; Wye Road; Sherwood Drive South; Clover Bar Road; Baseline Road, Emerald Hills District, and Aspen Plaza.
- This retail is separated into 4 distinct formats: regional shopping centres; community-oriented centres; neighborhood centres and ancillary retail.
- Most of this retail is identified as Comparison retail (1.5 million sf); followed closely by Convenience retail (1.2 million sf); Food & Beverage retail (450,000 sf); and Leisure & Entertainment (230,000 sf).

4.0 Retail Market: Demand Analysis

- Total retail floor space demanded from Strathcona County residents in 2023 is calculated at 3.9 million sf (excluding Automotive categories). This is forecasted to grow to 4.7 million sf by 2033.
- When adding inflow from communities to the east and west of the County, a baseline capture scenario adds an additional 417,000 sf of retail in 2023, climbing to just under 503,000 sf in 2033.
- It is important to note that long-term retail floorspace projections may vary with changing real estate, market conditions, and economic growth trends in Strathcona County and Edmonton as a whole. Automotive is excluded from the above figures due to the fact that many auto categories may include services and also be located in non-traditional retail areas and thus could result in an undercount of the true Automotive sector inventory. Those categories of auto that are included in this analysis reflect auto uses that are located in traditional retail areas and typically include dealerships, parts and mobile oil change establishments.

Executive Summary

5.0 Retail Sales Gap Analysis & Recommendations

Leakage vs Inflow

- Based on the latter Supply and Demand analysis it has been estimated that the Strathcona County retail market in 2023 experienced a retail sales leakage of roughly 14% based on baseline County demand. When factoring in for inflow, this figures increases to 22%. Or an inflow index of 78 basis points.
- While it is estimated that convenience goods have a varying degree of outflow, the overall picture for conveniences suggest a very strong retail sales capture for Strathcona County.
- Comparison (or Department Store Type Merchandise – DSTM) sale leakage is also quite strong for Strathcona County even for fashion categories which shows that Strathcona maintains a competitive position in the face of major fashion destinations such as West Edmonton Mall and South Edmonton Common.

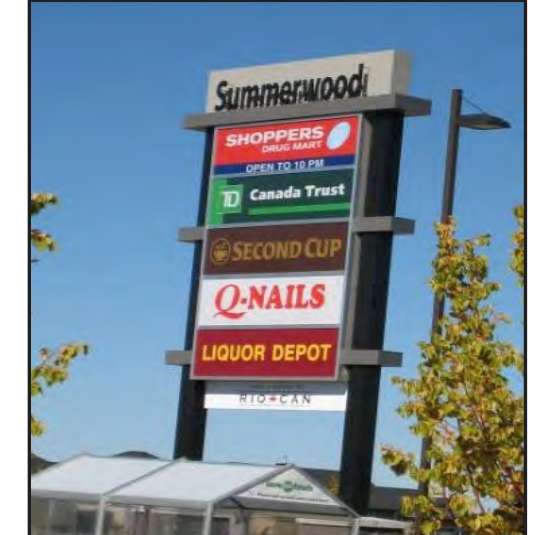
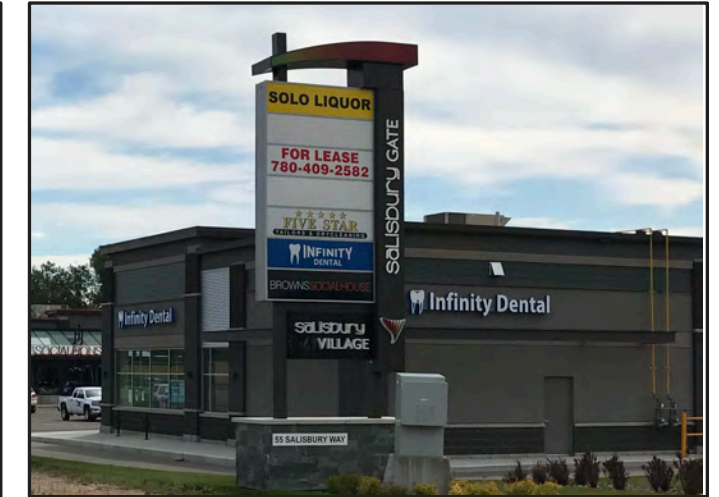
Land Use Forecast

- In terms of land use requirements at varying degrees of land coverage, a total range 42 to 70 acres of land could be required by 2033 to accommodate new demand.
- Additional warranted retail GLA floor space demand amounts to the following in terms of land use, however this does not necessarily translate to new land use. It could reasonably be forecast that new retail demand can be accommodated more realistically in smaller compact developments in new communities as well as through intensification of some older development formats.
- Recommended retail formats for Strathcona County include hybrid or town centre-formats that include placemaking elements, encourage walkability throughout the development, and incorporate a variety of experience-driven destinations and community-oriented uses to draw customers in for different purposes. The continued emphasis on creating a “downtown” for Strathcona County is warranted and advised by this study, with additional opportunities for smaller localized retail in new residential areas. The future demand does not suggest sufficient need for additional large scale regional retail land uses that would compete internally with nodes such as Emerald Hills.

1.0 Study Overview and Objectives

Study Objectives

- FBM Planning Ltd in collaboration with Vamos Development Advisors was commissioned by the Municipality of Strathcona County to conduct a retail strategy analysis update. This analysis is an update of work done in 2018 by Thomas Consultants Inc..
- The purpose of this study is to identify and update the following:
 - a) Supportable Retail Supply in Strathcona County:** Assess the retail market potential from a quantitative perspective by way of a supply/demand analysis. This will allow for an estimate of the magnitude of retail uses and floor space that the County could realistically support over the next 5 to 10 years.
 - b) Optimal Retail Role & Function in Strathcona County:** Assess the retail market potential for Strathcona County from a qualitative perspective and determine the role/function of the County's retail infrastructure.
 - c) Strathcona County Retail Market Voids:** Isolate the retail or market voids for the community to better serve County residents and promote new business opportunities. Determine the appropriate retail tenant types and potential brands for the various commercial districts.
 - d) Strathcona County Retail Demand Forecasts:** Identify a high-level strategy which could be utilized for 'maturing' the County's retail sector over the next 10 years; and
 - e) Strathcona County Retail Consumer Behavior:** Identify the characteristics of local trade area residents, with the intention of equipping local businesses to better serve their needs and wants.



1.0 Study Overview and Objectives

Study Overview

A) Trade Area Demographics and Retail Spending Analysis

- Evaluate population and other demographic changes reflected in the 2021 Federal Census, 2022 Municipal Census and 2023 Manifold Data Mining Inc forecasts and projections.
- Quantification of retail expenditure potential and update of expenditures by category.
- Update of sales performance and commercial lease rates .

B) Market Analysis – Retail Supply

- Re-assess the role and function of retail centres in Strathcona County.
- Overview of retail projects under planning and development.
- Retail tenant inventory and gap analysis.

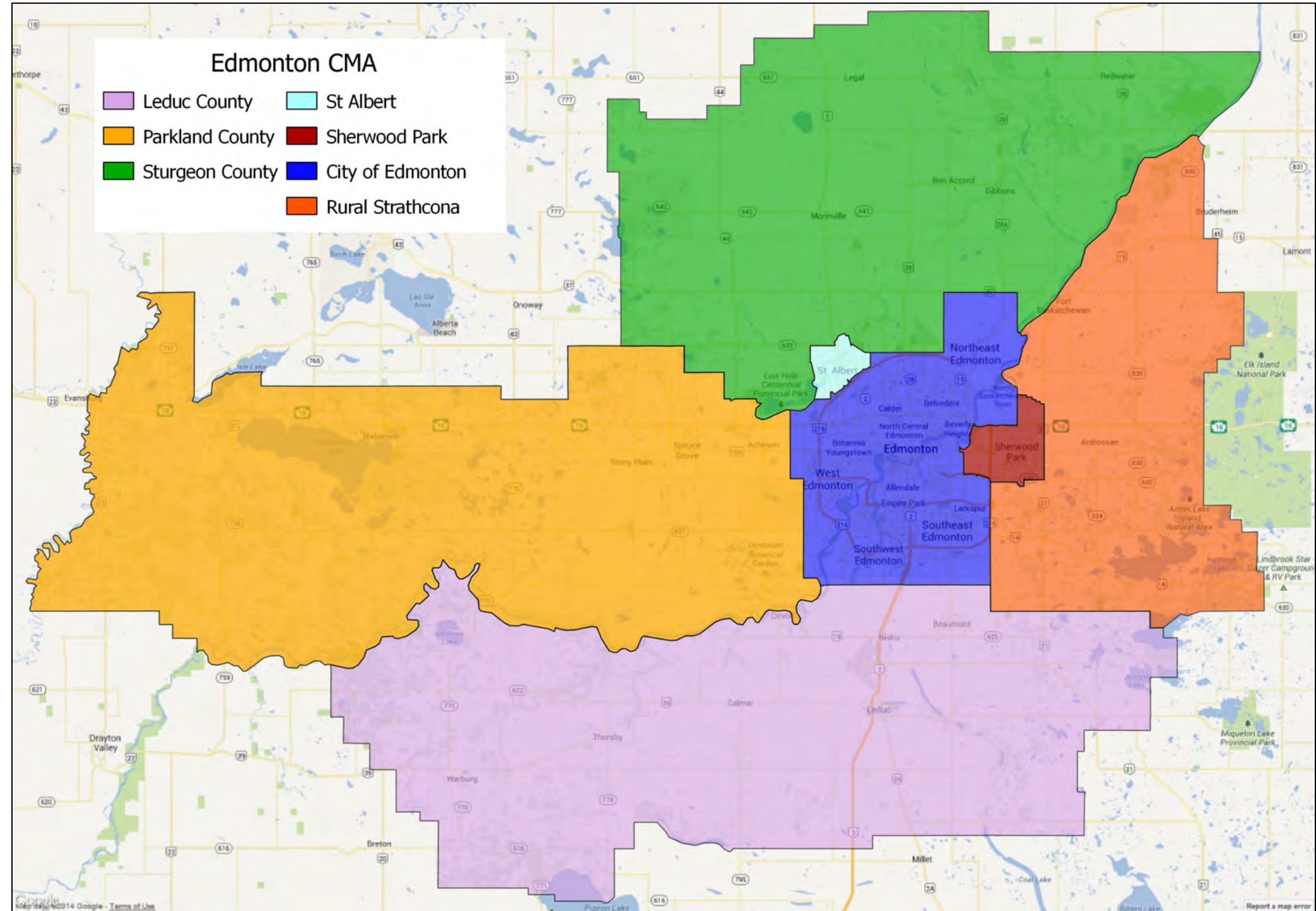
C) Retail Demand and Sales Gap Analysis

- Quantification of retail expenditure based on previously delineated trade area.
- Update local retail sales performance levels.
- Estimate magnitude of sales outflow and inflow.
- Estimate supportable retail floor space over the medium and long term.
- Update overall positioning for Strathcona County.
- Provide list of retailers, along with general unit sizes and categories that would enhance the retail offering in the County.

2.0 Strathcona County Retail Market Context

Regional Context

- Located east of Edmonton, Strathcona County occupies 1,180 km² of land and is a specialized municipality within the Edmonton Capital Region (ECR) in Central Alberta.
- Within Strathcona County lies the urban service area of Sherwood Park.
- According to the Municipal Census, the population of Strathcona County was 100,362 in 2022 (an increase of just under 2,000 since 2018).
- Around 73% of Strathcona County residents live within Sherwood Park with the remaining 27% of residents equally dispersed throughout the rest of the County.
- Residents typically conduct almost all of their retail shopping, outside of the rural county, in either Sherwood Park or the City of Edmonton in major retail nodes such as South Edmonton Common, West Edmonton Mall or to a lesser extent Manning Town Centre.



2.0 Strathcona County Retail Market Context

2.3 Regional Demographic Comparison

- Strathcona County is growing at a stable annual rate albeit slightly lower than the citywide average. However, the county is populated by a well-educated and high-than-average household income profile, with corresponding higher household spending characteristics.

Population & Household Characteristics

- According to the 2022 Municipal Census, Strathcona County had approximately 100,362 residents and 36,230 households. Conversely, economic modelling forecasts by Manifold Data Mining Inc estimate the total population based on the 2021 Federal Census to be approximately 105,166 residents in 39,637 households
- Population growth across Strathcona County is expected to grow at 0.42% applied against Manifold Data Mining forecast estimates or 0.81% if applied against the County Municipal Census 2022 estimate).
- Strathcona County has slightly larger household sizes (2.6) than the City of Edmonton average (2.5).

Income Profile

- Average household incomes are significantly higher than the City of Edmonton average, with 21.0% of households earning \$100,000 and over, compared to 11.6% for the City of Edmonton.

Educational, Labour Force Profile & Age Profile

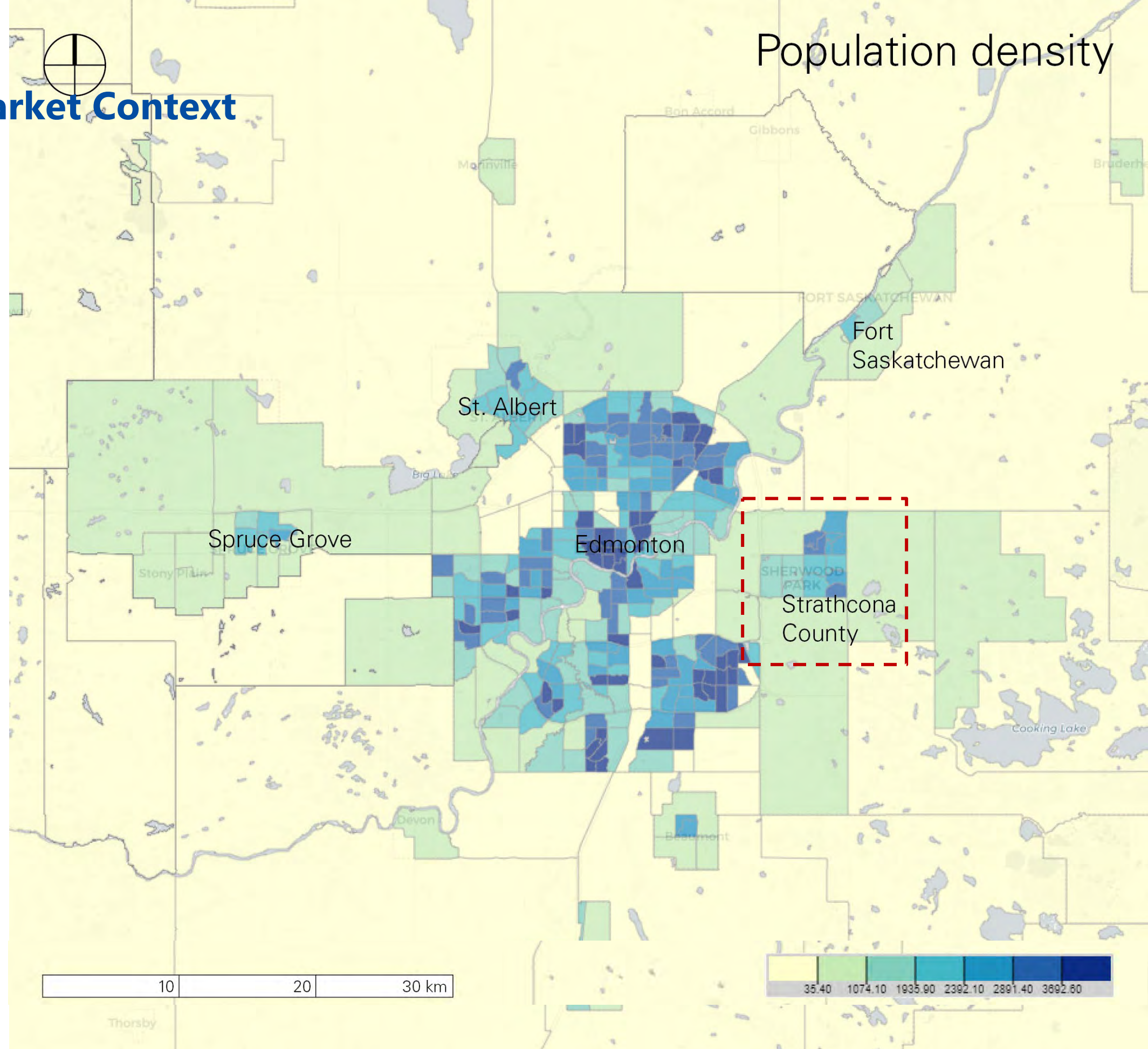
- Over 47% of the labour force work as professionals in business, management, finance, natural & applied sciences, education, health, government positions.
- Residents of Strathcona County are on average slightly older at approximately 42 years (41.8) than the Citywide average of just under 39 years (38.9).

| Attribute | Benchmark | | | | |
|---|------------------|---------|-------------------|---------|-------|
| | City of Edmonton | | Strathcona County | | |
| | value | percent | value | percent | index |
| SUMMARY | | | | | |
| ***Strathcona County Municipal Census 2022 Households Population | | | 100,362 | | |
| Total population (2023 estimate per Manifold Data Mining) | 1,127,230 | | 105,166 | | |
| Total population age 15 and over | 928,698 | | 88,019 | | |
| ***Strathcona County Municipal Census 2022 Households | | | 36,230 | | |
| Total number of private households (2023 estimate per Manifold Data Mining) | 441,634 | | 39,637 | | |
| Average number of persons in private households | 2.51 | | 2.61 | | 104 |
| POPULATION AGE | | | | | |
| Population age 0-14 | 198,660 | 17.62% | 17,157 | 16.31% | 93 |
| Population age 15-24 | 132,119 | 11.72% | 13,347 | 12.69% | 108 |
| Population age 25-34 | 180,147 | 15.98% | 11,666 | 11.09% | 69 |
| Population age 35-44 | 187,192 | 16.61% | 14,017 | 13.33% | 80 |
| Population age 45-54 | 138,399 | 12.28% | 14,266 | 13.57% | 111 |
| Population age 55-64 | 126,569 | 11.23% | 14,894 | 14.16% | 126 |
| Population age 65+ | 163,690 | 14.52% | 19,723 | 18.75% | 129 |
| Average age of total population | 38.90 | | 41.80 | | 107 |
| Median age of total population | 37.70 | | 42.50 | | 113 |
| EDUCATION | | | | | |
| Total population aged 15+ years by highest certificate, diploma, or degree | 928,571 | | 88,010 | | |
| No certificate, diploma, or degree | 136,530 | 14.70% | 10,278 | 11.68% | 79 |
| High school diploma or equivalent | 259,175 | 27.91% | 25,736 | 29.24% | 105 |
| Post-secondary certificate, diploma, or degree | 532,866 | 57.39% | 51,995 | 59.08% | 103 |
| Postsecondary certificate or diploma below bachelor level | 256,520 | 27.63% | 32,352 | 36.76% | 133 |
| Apprenticeship or trades certificate or diploma | 67,822 | 7.30% | 10,156 | 11.54% | 158 |
| College, CEGEP or other non-university certificate or diploma | 153,180 | 16.50% | 18,997 | 21.59% | 131 |
| University certificate or diploma below bachelor level | 35,519 | 3.83% | 3,200 | 3.64% | 95 |
| University certificate, diploma, or degree at bachelor level or above | 276,345 | 29.76% | 19,643 | 22.32% | 75 |
| Bachelor's degree | 184,653 | 19.89% | 14,599 | 16.59% | 83 |
| INCOME | | | | | |
| Average household income \$ | \$119,908 | | \$165,084 | | 138 |
| Median household income \$ | \$98,519 | | \$145,586 | | 148 |
| Average income population age 15 and over (\$) | \$61,376 | | \$79,954 | | 130 |
| Population with income Under \$10,000 (including loss) | 63,045 | 6.79% | 5,141 | 5.84% | 86 |
| Population with income \$10,000 to \$19,999 | 82,989 | 8.94% | 7,127 | 8.10% | 91 |
| Population with income \$20,000 to \$29,999 | 135,913 | 14.64% | 9,625 | 10.94% | 75 |
| Population with income \$30,000 to \$39,999 | 113,043 | 12.17% | 8,298 | 9.43% | 77 |
| Population with income \$40,000 to \$49,999 | 96,707 | 10.42% | 7,663 | 8.71% | 84 |
| Population with income \$50,000 to \$59,999 | 81,695 | 8.80% | 6,852 | 7.79% | 89 |
| Population with income \$60,000 to \$69,999 | 68,983 | 7.43% | 6,304 | 7.16% | 96 |
| Population with income \$70,000 to \$79,999 | 54,771 | 5.90% | 5,566 | 6.32% | 107 |
| Population with income \$80,000 to \$89,999 | 42,436 | 4.57% | 4,707 | 5.35% | 117 |
| Population with income \$90,000 to \$99,999 | 35,131 | 3.78% | 4,307 | 4.89% | 129 |
| Population with income \$100,000 and over | 108,047 | 11.64% | 18,305 | 20.80% | 179 |
| Population with income \$100,000 to \$149,999 | 65,317 | 7.03% | 9,502 | 10.80% | 154 |
| Population with income \$150,000 and over | 42,730 | 4.60% | 8,802 | 10.00% | 217 |
| POPULATION GROWTH | | | | | |
| ***Strathcona County Municipal Census 2022 | | | 100,362 | | |
| 2023 Population Estimate | 1,127,230 | | 105,166 | | |
| 5-Year Projections - Total population | 1,194,280 | | 107,435 | | |
| 10-Year Projections - Total population | 1,261,060 | | 109,660 | | |
| HOUSEHOLD GROWTH | | | | | |
| ***Strathcona County Municipal Census 2022 | | | 36,230 | | |
| 2023 total number of households | 441,634 | | 39,637 | | |
| 5-Year Projections - Total number of households | 471,212 | | 41,336 | | |
| 10-Year Projections - Total number of households | 500,879 | | 43,000 | | |
| HOUSEHOLD INCOME GROWTH | | | | | |
| 2023 average household income | \$119,908 | | \$165,084 | | 138 |
| 5-Year Projections - Average household income | \$132,874 | | \$184,023 | | 138 |
| 10-Year Projections - Average household income | \$146,256 | | \$203,703 | | 139 |

2.0 Strathcona County Retail Market Context

Population Density Context

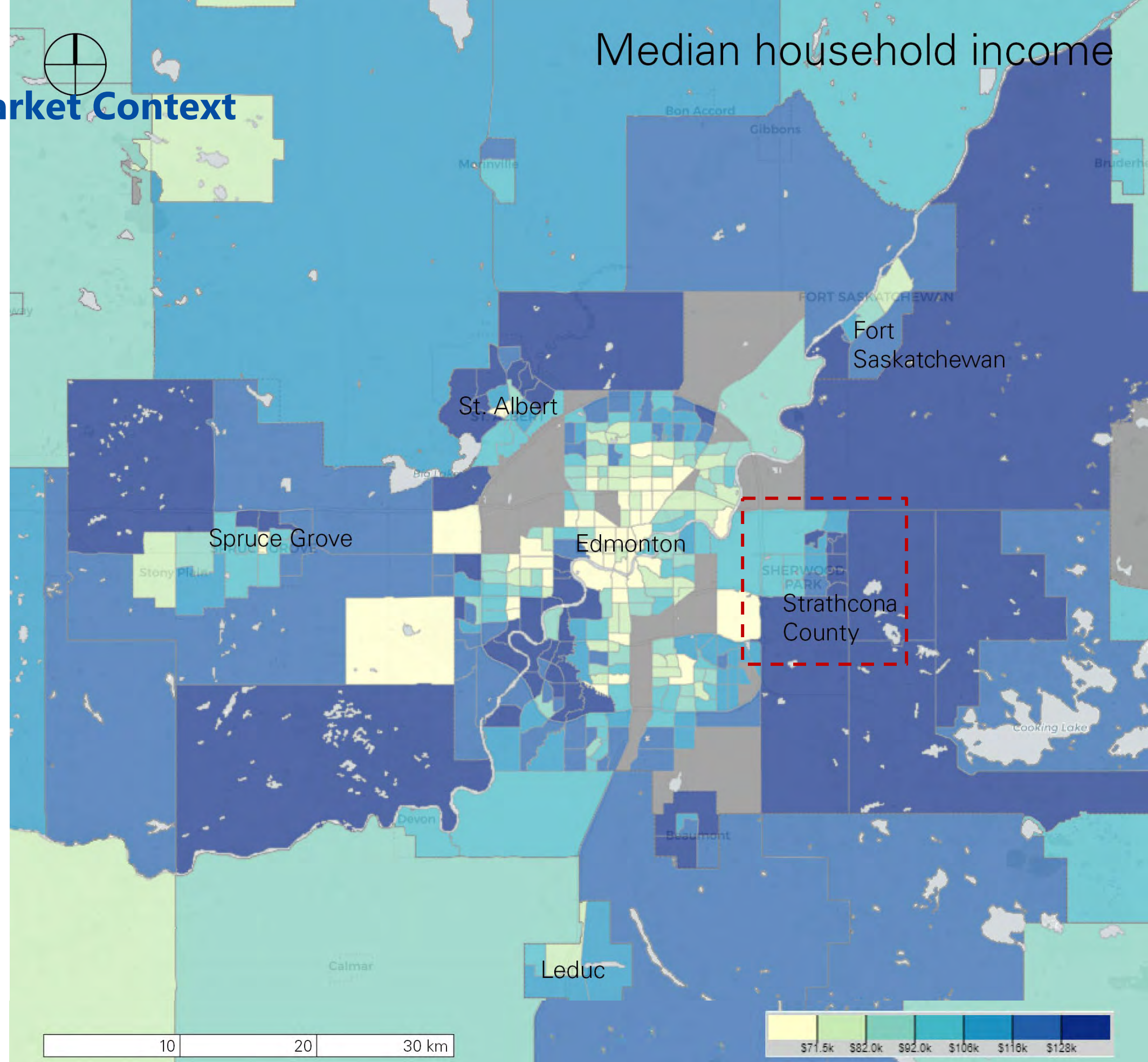
- In 2022, Strathcona County had an average household income of just over \$165,00 one of the highest averages in the region.
- Higher earning households are well distributed throughout the county with the highest earning households located in the south of Strathcona County, including in Sherwood Park.



2.0 Strathcona County Retail Market Context

Household Income Context

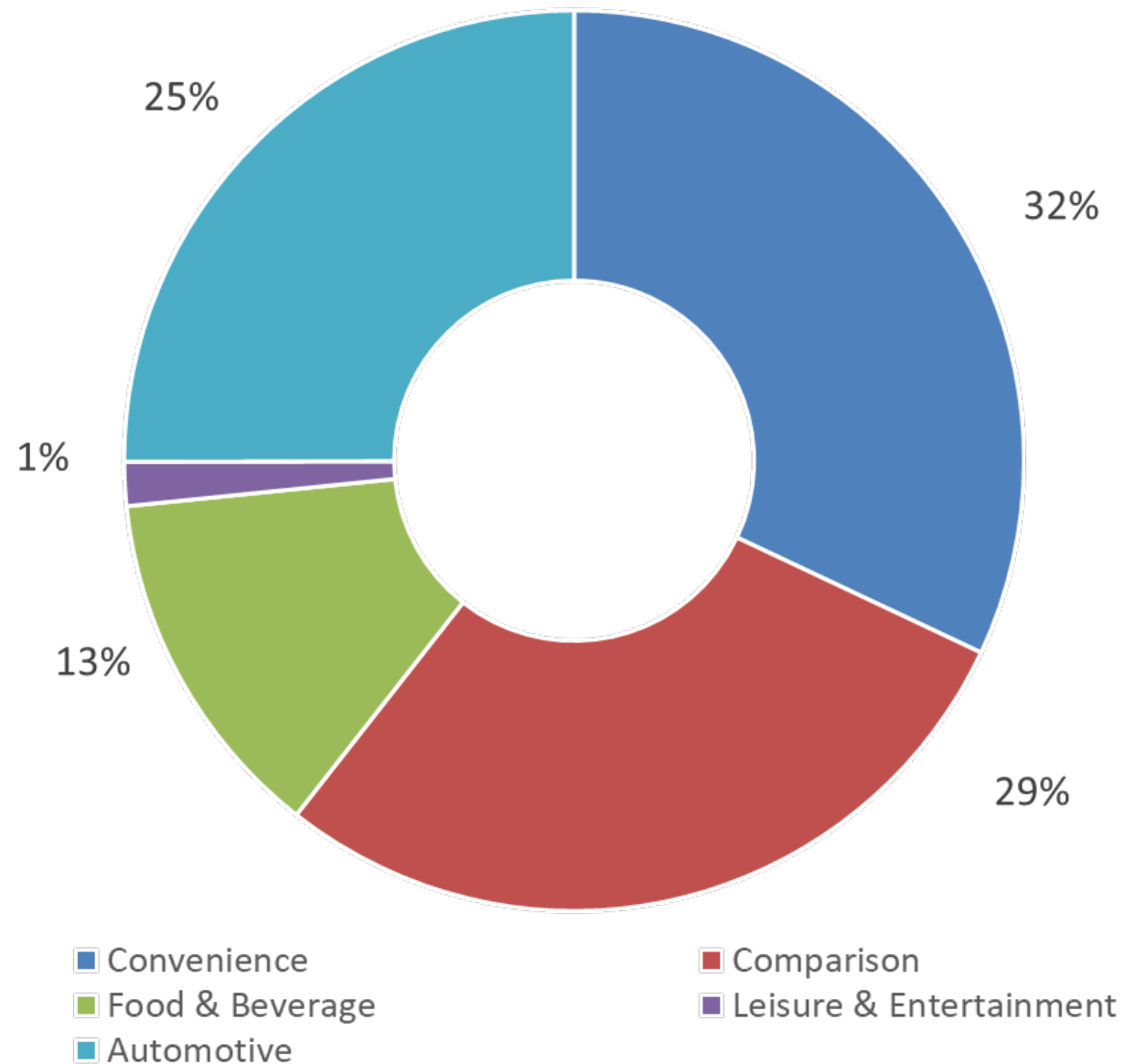
- Strathcona County has a high concentration of higher earning households, with 15,402 households earning over \$100,000 per annum in 2023 and a further 9,610 households earning over \$200,000.



2.0 Strathcona County Retail Market Context

Household Retail Spending Context

- The average per household retail expenditure in Strathcona County in 2023 was estimated at \$54,845 (including automotive categories), equating to an index of 112 measured against the City of Edmonton average).
- 32% of total household retail spending is in Convenience and day-to-day categories, while 29% is allocated to Comparison or Department Style Merchandise Categories.



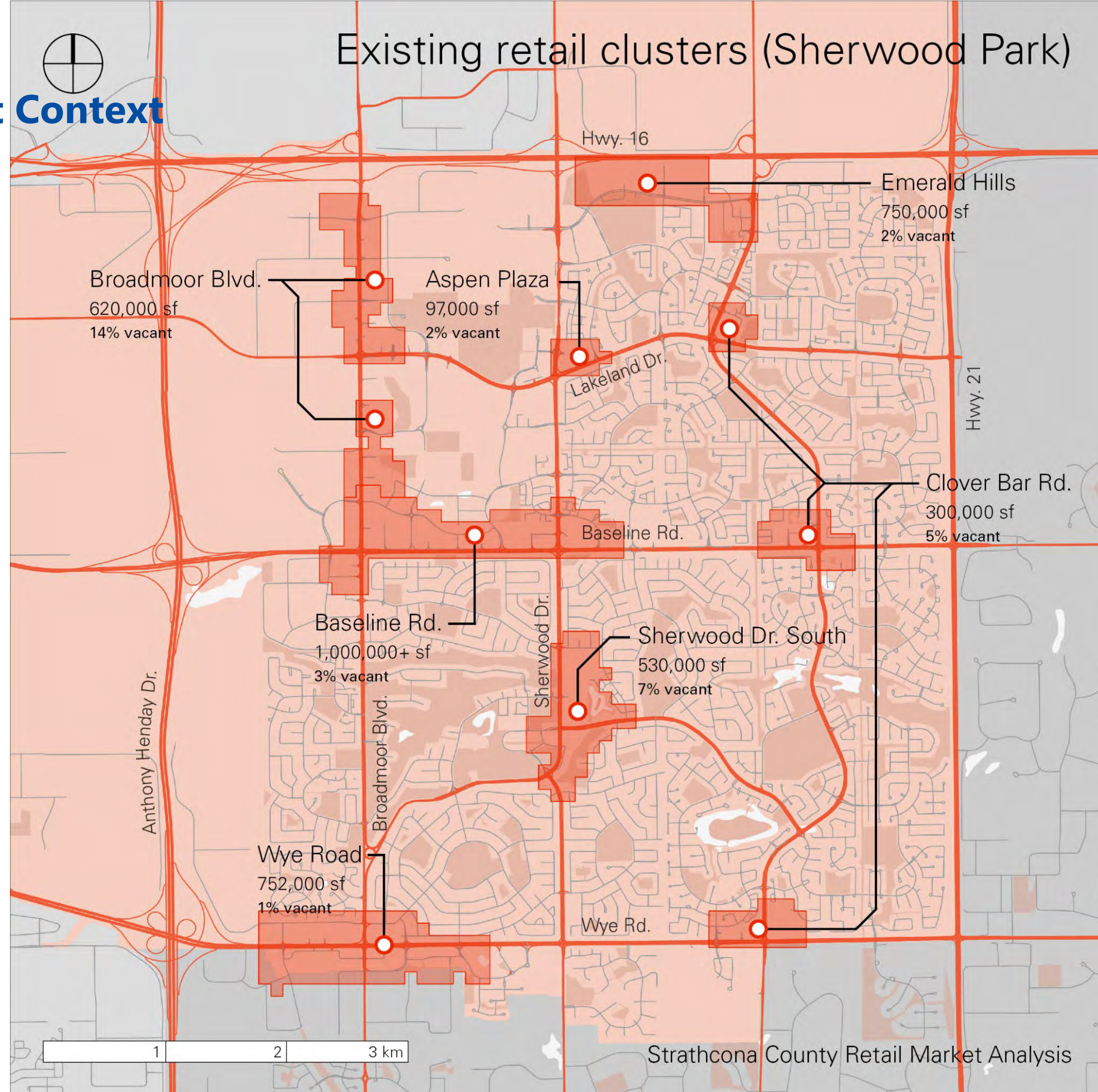
| Index | Description |
|----------------|----------------|
| >= 180 | Extremely High |
| >=110 and <180 | High |
| >=90 and <110 | Similar |
| >=50 and <90 | Low |
| <50 | Extremely Low |

| Trade Area | Strathcona County | City of Edmonton | Strathcona County Index to Edmonton |
|--|-------------------|------------------|-------------------------------------|
| Per Household Expenditures 2023 | | | |
| Retail Categories | | | |
| Convenience | \$ 17,076 | \$ 15,666 | 109 |
| Grocery & Convenience | \$ 12,930 | \$ 11,696 | 111 |
| Pharmacy | \$ 1,183 | \$ 1,017 | 116 |
| Alcohol, Tobacco & Cannabis | \$ 1,671 | \$ 1,657 | 101 |
| Services | \$ 1,292 | \$ 1,296 | 100 |
| Comparison | \$ 15,384 | \$ 13,987 | 110 |
| Fashion & Accessories | \$ 3,654 | \$ 3,490 | 105 |
| Jewelry, Watches & Accessories | \$ 259 | \$ 252 | 103 |
| Beauty & Personal Care | \$ 700 | \$ 739 | 95 |
| Home Furniture & Décor | \$ 1,340 | \$ 1,260 | 106 |
| Appliances & Electronics | \$ 2,079 | \$ 1,785 | 116 |
| Home Improvement & Gardening | \$ 2,730 | \$ 2,195 | 124 |
| Books & Media | \$ 1,364 | \$ 1,391 | 98 |
| Sporting Goods & Recreation | \$ 1,066 | \$ 907 | 117 |
| Toys & Hobbies | \$ 686 | \$ 604 | 113 |
| Specialty Retail | \$ 1,505 | \$ 1,364 | 110 |
| Food & Beverage | \$ 6,692 | \$ 6,263 | 107 |
| Quick Service F&B | \$ 3,394 | \$ 3,120 | 109 |
| Restaurants & Pubs | \$ 3,298 | \$ 3,142 | 105 |
| Leisure & Entertainment | \$ 794 | \$ 769 | 103 |
| Arts & Entertainment | \$ 355 | \$ 321 | 111 |
| Fitness & Leisure | \$ 439 | \$ 449 | 98 |
| Automotive | \$ 14,899 | \$ 12,257 | 122 |
| Auto Parts & Accessories | \$ 3,676 | \$ 3,266 | 113 |
| Auto/RV/Motorsports Dealerships | \$ 11,223 | \$ 8,991 | 125 |
| Total Per Household Retail Expenditures | \$ 54,845 | \$ 48,942 | 112 |

2.0 Strathcona County Retail Market Context

Sherwood Park Commercial Inventory

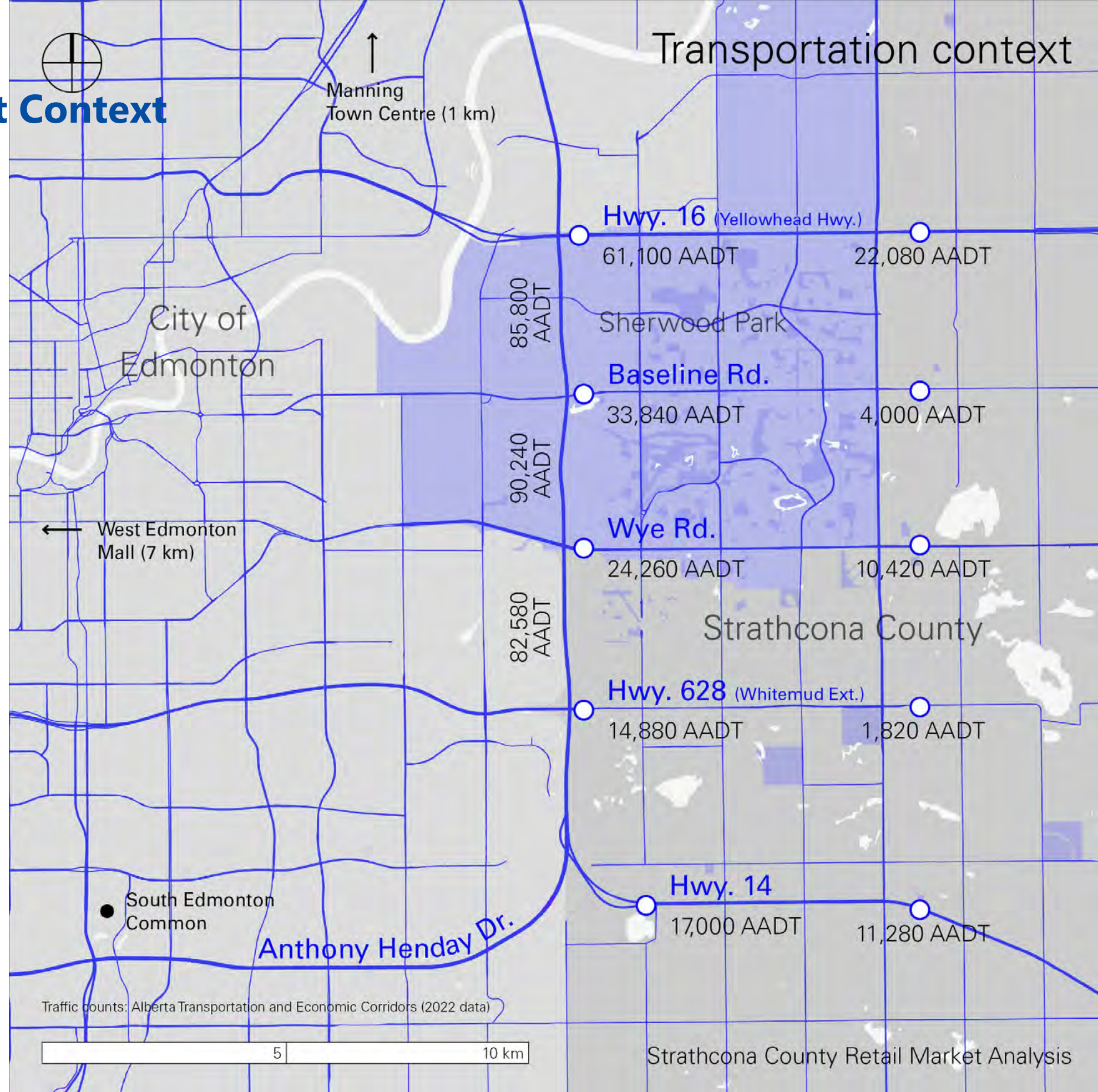
- As illustrated in the map to the right, the majority of existing commercial inventory in Sherwood Park is located along the main arterials and in 7 key areas:
 - Broadmoor Boulevard
 - Wye Road
 - Sherwood Drive South
 - Clover Bar Road
 - Baseline Road
 - Emerald Hills District
 - Aspen Plaza
- A detailed composition of these commercial nodes will be conducted in the following section 3.
- The degree to which these nodes fulfill the needs of Strathcona County residents is a fundamental question of this retail analysis.



2.0 Strathcona County Retail Market Context

Transportation & Commercial Inventory

- In travelling between Strathcona County to Edmonton, there are five major vehicle thoroughfares.
- From north to south (with higher traffic counts found in the north): the Yellowhead Hwy; Baseline Rd; Wye Rd; Whitemud Dr and Hwy 14 all lead directly into the City.
- Anthony Henday Drive, Edmonton's outer ring road, opened in this region in October 2016, and provides a significantly improved access route to neighbourhoods to the southwest and northwest of Sherwood Park.
- The main shopping nodes in Edmonton, which source business from Strathcona County residents are mapped to the right²:
 1. South Edmonton Common
 2. Southgate Centre
 3. West Edmonton Mall
 4. Kingsway Mall
 5. Southside
 6. Bonnie Doon
 7. Whyte Ave/ Old Strathcona
 8. Downtown/ City Centre Mall
 9. RioCan Meadows
 10. Londonderry Mall
 11. Capilano Mall
 12. Millwoods Mall



2.0 Strathcona County Retail Market Context

Strathcona County Summary

Regional Population & Demographic Comparison:

- Strathcona County is located to the east of the Edmonton Capital Region.
- Strathcona County has a population of over 100,000, which may be smaller relative to the 1.1+ million whom reside in the City of Edmonton, but its urban agglomeration in Sherwood Park has the largest population concentration in the region outside of the City of Edmonton.
- The County has healthy population growth rates, strong average household and per capita incomes, high household retail spending, and a well-educated population working in various professional career fields.

Land Use & Commercial Inventory Context:

- With the majority of land allocated to agricultural land & low density residential uses, rural residents conduct their retail shopping outside of the rural County, in either Sherwood Park, Fort Saskatchewan or the City of Edmonton.
- Retail in Sherwood Park is concentrated in seven major nodes, along key commercial corridors within the district.

Employment, Transportation & Commercial Inventory Summary:

- With five thoroughfares and a large number of Strathcona County residents working in Edmonton, it is relatively convenient for many County residents to shop in Edmonton either due to proximity to work, and journey to work, or to drive specifically to Edmonton for their retail needs and desires.

Key Questions:

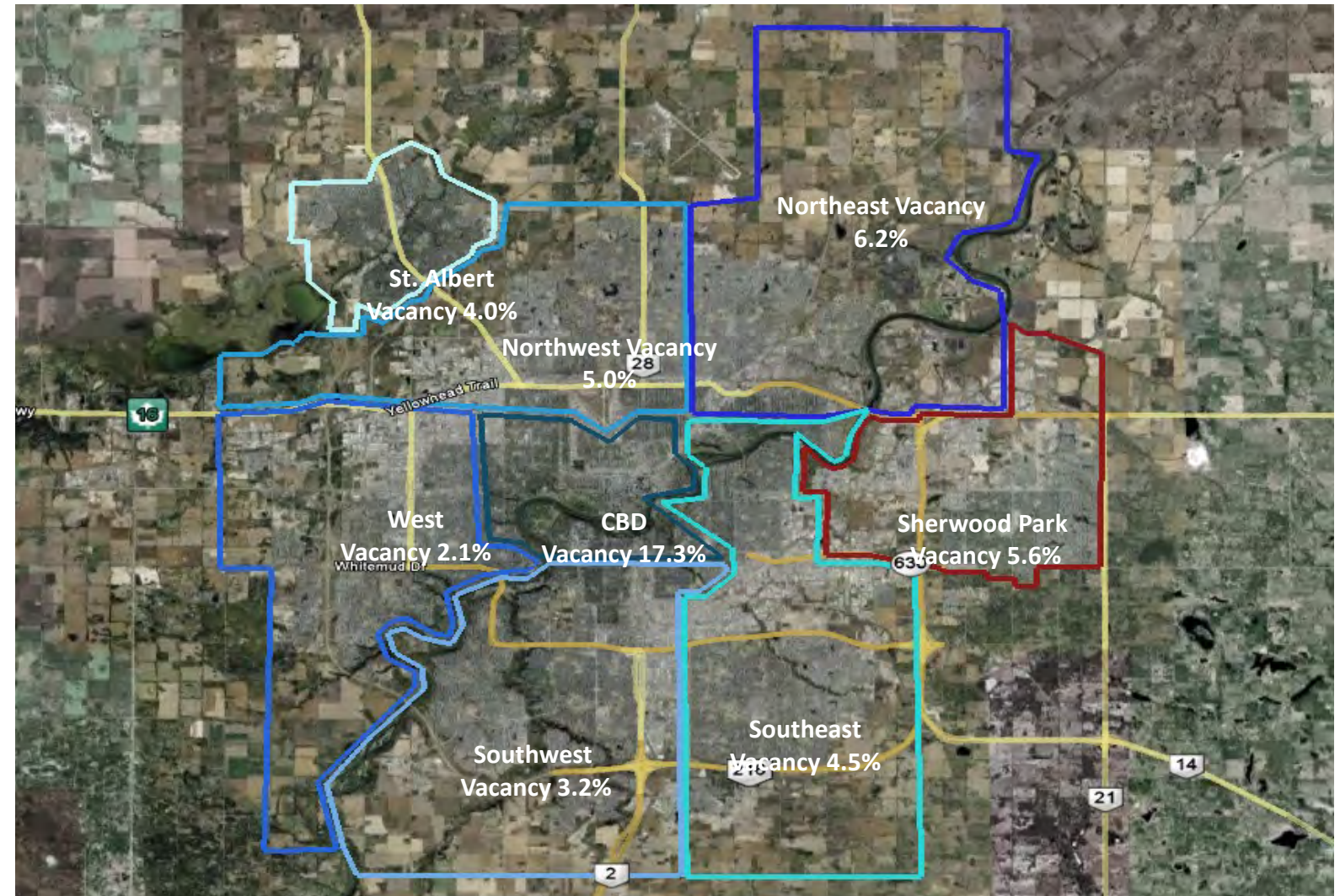
- 1) Is there retail spending “leakage” from Strathcona County into Edmonton? If so how much and what type of spending is being “leaked”?
- 2) Assuming there is latent demand, what retail is missing in Strathcona County? What type of retail do residents want and what retail operators may realistically want to operate there?
- 3) Assuming there is latent demand, where and how should this retail be allocated in Strathcona County?

3.0 Retail Market: Supply Analysis

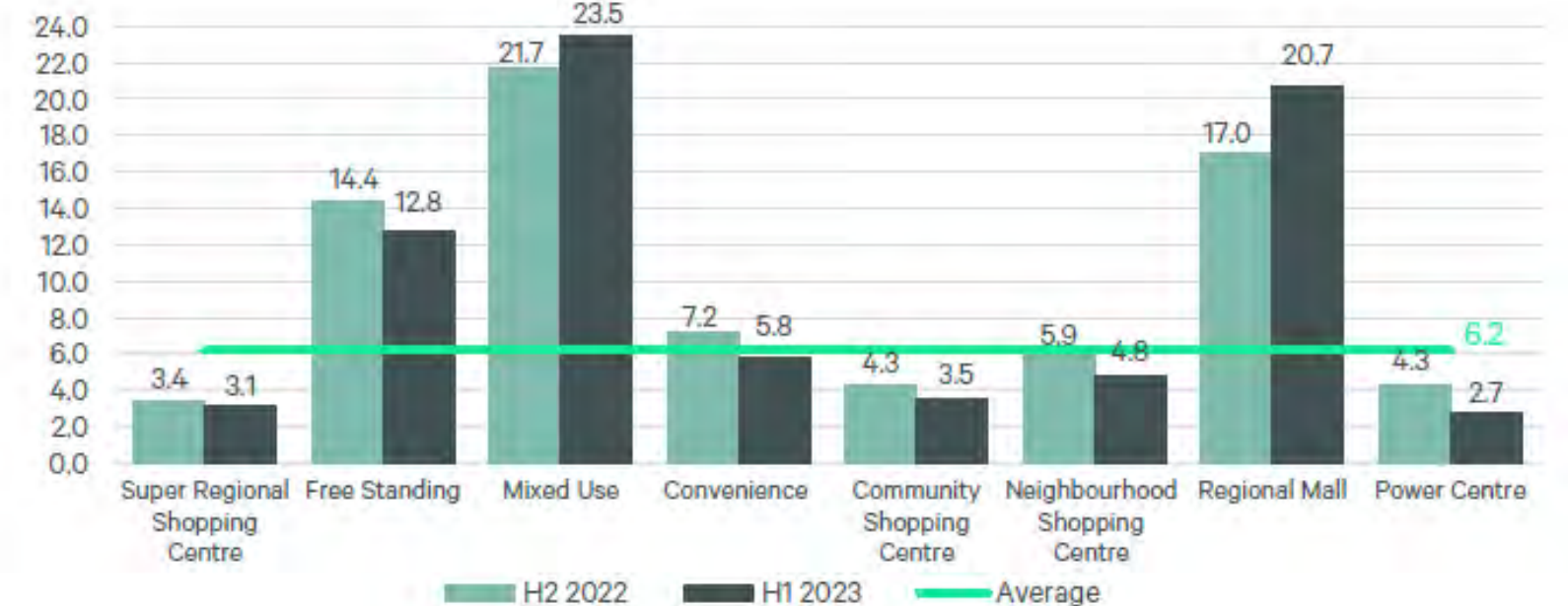
Strathcona County Retail Market Overview

- Edmonton's retail market trended upward in the first half of 2023. Vacancies were filled with larger users such as home décor, grocery and non-traditional tenants such as L'OCA, but with an uptick due to inventory expansion. The Edmonton region continues to be an attractive test market for many US-based retailers/chains expanding into Canada despite the more challenging economic conditions.
- According to CBRE research, overall Edmonton retail vacancies decreased by 50 basis point from H2 2022, and presently sits at 6.2%. Vacancy within Sherwood park is 5.6% (according to CBRE's retail use definitions). Based on Strathcona business data and previous Thomas Consultants' retail inventory (i.e. convenience, comparison, food/beverage and entertainment/leisure categories only), Strathcona County's retail vacancy is estimated to be 4%.
- New community/neighbourhood scale retail and mixed-use developments (featuring 'convenience' oriented goods and services) represent the newest supply to the County. Replacement and infill of vacant spaces in Sherwood Park's key retail zones (e.g. Baseline Rd, Wye Road) continue.
- While Edmonton's established suburban malls command higher lease rates (\$40+ net), Sherwood Park's retail strip malls garner rates typically ranging between \$15 - \$30 psf (net) for CRU space.
- Projects under construction include Salisbury Market (~15,000 sf), Shoppes at Hillshire (37,239 sf) and Emerald Park North (31,385 sf) – approximately 84,000 sf GLA of new (or under construction) retail inventory.
- Despite challenging market conditions and increasing competition, developers and retailers continue to seek out market voids and development opportunities in the convenience/necessities category within Sherwood Park as population and household incomes are anticipated to grow in the coming years.

Retail Vacancy by Edmonton Sub-Market (%) - CBRE Research, H1 2023



Retail Vacancy by Format (%), Edmonton Region - CBRE Research, H1 2023



3.0 Retail Market: Supply Analysis

Retail Market Supply Map by Retail District

Sherwood Park features an estimated total of 4.4 million sf of retail¹ operating in the 7 key retail zones below:

Baseline Road

- Comprising of over 1 million sf of floorspace, Baseline Road features the largest retail floorspace of all the County's retail supply, running through the centre of the County between Sherwood Drive and Broadmoor Blvd.

Wye Road

- Approximately 752,000 sf (including Shoppes at Hillshire and Salisbury Market under construction) of retail between the Anthony Henday Dr. and Brentwood Blvd

Sherwood Drive South

- Just over 530,000 sf of retail including Sherwood Park Mall (upgraded in 2012) and the surrounding ancillary retail centres.

Clover Bar Road

- 300,000 sf of retail across several neighborhood centres serving communities to the east of Sherwood Park.

Broadmoor Boulevard

- 620,000 sf of retail as part of recently developed mixed-use projects that comprise of office, light industrial, and retail uses.

Emerald Hills District

- Continued growth within Sherwood Park with approximately 750,000 sf of retail in Emerald Hills Centre and Emerald Hills Urban Village.

Aspen Plaza

- Neighbourhood retail node (97,000 sf) anchored by gas station, liquor store and fitness facility.

¹Based on FBM retail categories, and business data provided by Strathcona County.
Retail sub districts are intended to show general regional areas and are for illustrative purposes only.



3.0 Retail Market: Supply Analysis

Retail Market Supply by Merchandise Category & Floorspace

Strathcona County’s retail supply was divided into major retail categories (i.e. Convenience, Comparison, Food & Beverage and Entertainment/Leisure). The total retail floorspace (‘supply’) includes various tenant types within these major retail categories and ancillary retail uses.

Non-traditional retail uses, such as professional services (e.g. doctor, dentist, therapists, financial/bank and other similar services) and Automotive (e.g. repair/maintenance, parts, dealerships, etc.) are also included in the County’s retail supply estimate as these uses are everyday amenities for the community.

Convenience (Grocery, Alcohol/Tobacco, Pharmacy, Services)

- Approximately 1.18 million sf of convenience-oriented retail, including grocery, pharmacy, alcohol and tobacco, services, totaling 27% of retail floorspace.

Comparison (Apparel, Cosmetics/Health/Beauty, Electronics/Appliances, Footwear/Luggage/Accessories, General Merchandise, Home Furnishings/Improvement, Jewelry/Watches/Accessories, Sport/Recreation Goods, Toys/Hobbies/Pets)

- Approximately 1.5 million sf of comparison-shopping retail (e.g. apparel, cosmetics/health/beauty, home furnishings, etc.) totaling 50% of retail floorspace.
- Represents the largest retail category and includes various local, regional, national and international brand merchandise.

Food & Beverage (Quick & Full-Service Restaurants)

- Estimated 452,000 sf of food and beverage-oriented retail, including quick-service restaurants, cafés, and full-service dining restaurants, for a total of 13% of all retail.

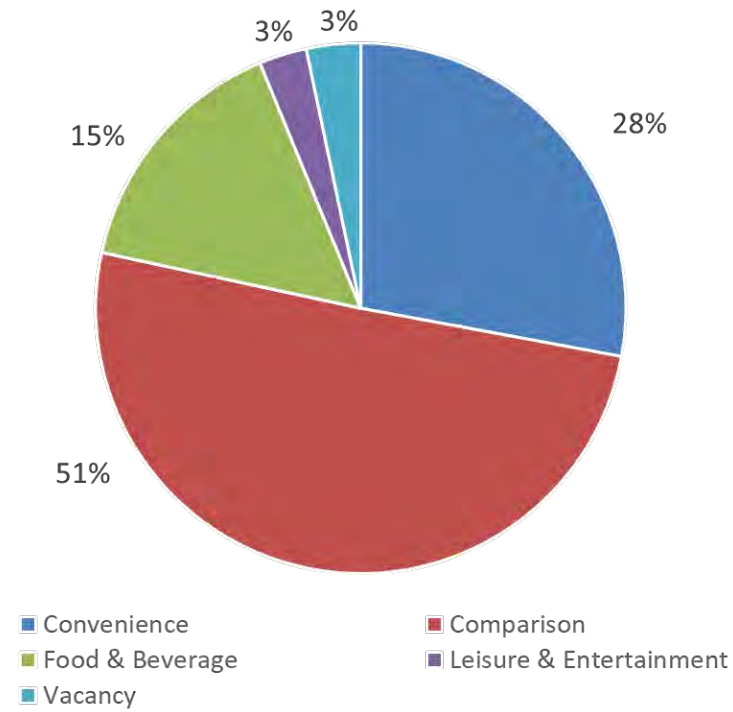
Entertainment & Leisure

- Estimated 214,000 sf of leisure, entertainment, and fitness venues, comprising of 6% of the total retail in the County.

Professional Services (377,731 sf) and **Automotive retail** (455,055 sf) represent a significant amount of retail floorspace that serve local neighbourhoods and cater to the overall County’s residents’ needs.

In total, the estimated retail supply in Strathcona County is estimated to be in the range of 3.8 million sf. When including current vacant space as well as Professional Services and Automotive Retail, the total inventory is estimated to be approximately 4.35 million sf.

| | CURRENT INVENTORY |
|--|-------------------|
| Retail Categories | 2023 |
| Convenience | 1,183,996 |
| Grocery & Convenience | 771,855 |
| Pharmacy | 111,545 |
| Alcohol, Tobacco & Cannabis | 133,607 |
| Services | 166,988 |
| Comparison | 1,534,582 |
| Fashion, Footwear & Accessories | 357,942 |
| Jewelry, Watches & Accessories | 16,017 |
| Beauty & Personal Care | 45,297 |
| Home Furniture & Décor | 150,171 |
| Appliances & Electronics | 180,219 |
| Home Improvement & Gardening | 394,167 |
| Books & Media | 52,089 |
| Sporting Goods & Recreation | 120,446 |
| Toys & Hobbies | 97,460 |
| Specialty Retail | 120,775 |
| Food & Beverage | 452,128 |
| Quick Service F&B | 248,670 |
| Restaurants & Pubs | 203,458 |
| Leisure & Entertainment | 214,213 |
| Arts & Entertainment | 128,528 |
| Fitness & Leisure | 85,685 |
| Automotive | 455,055 |
| Auto Parts & Accessories *** | 104,522 |
| Auto/RV/Motorsports Dealerships *** | 350,533 |
| Total Retail Floorspace | 3,839,974 |
| Total Retail Floorspace (excl Automotive) | 3,384,919 |



*Vacancy has been determined through business data supplied by Strathcona County and through on-the-ground fieldwork conducted by Vamos and FBM in November 2023.

3.0 Retail Market: Supply Analysis

Retail Market Supply Map by Format

In terms of hierarchy, retail centres in Strathcona County are represented by four development formats that are spread throughout the County. The map to the right illustrates major retail centres:

Regional Enclosed Shopping Centre

- Sherwood Park Mall is the only enclosed regional shopping mall in the County, at 457,000 sf.

Community-Scale Centres, Power Centres, and Big Box Retailers

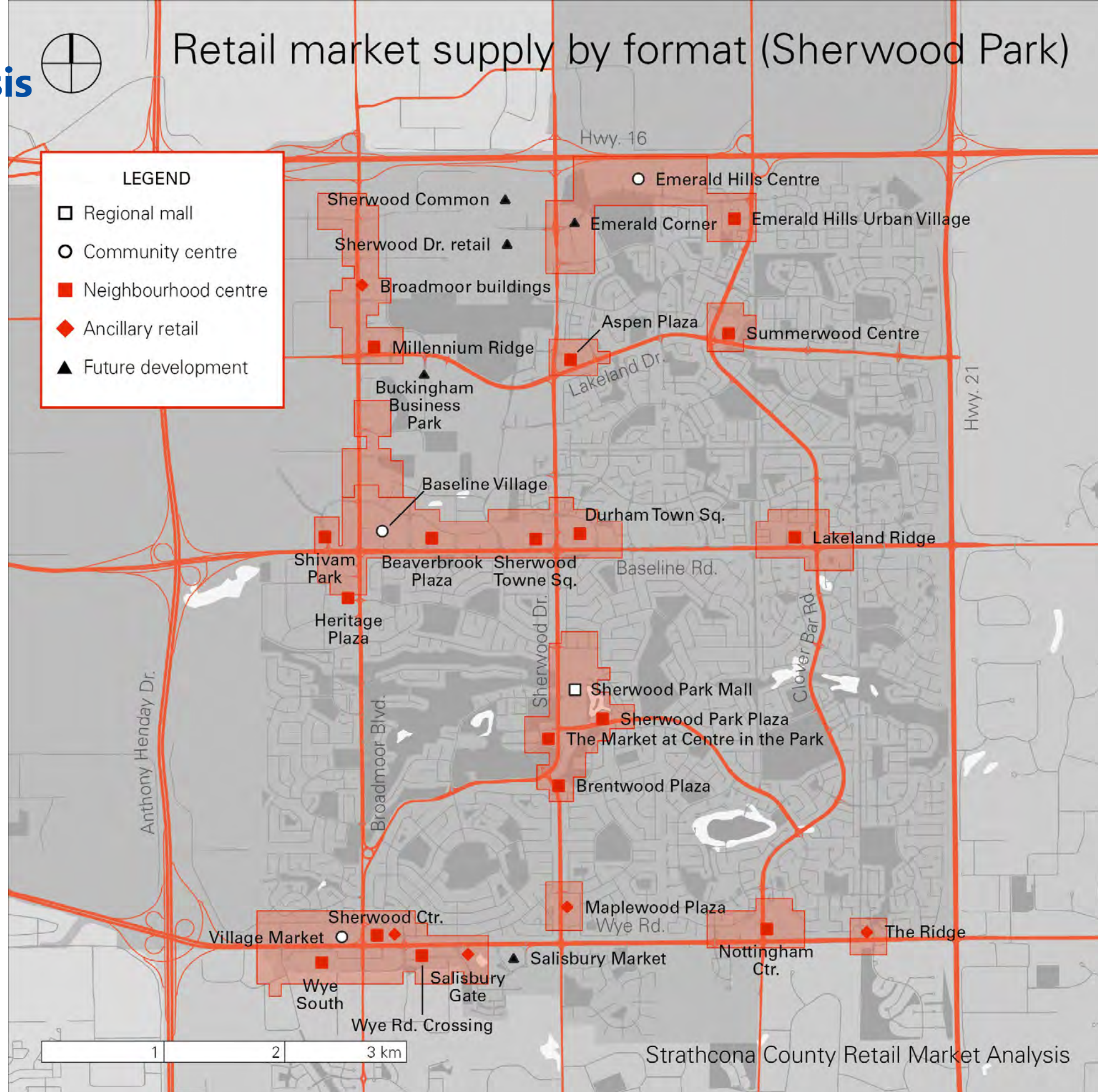
- There is an estimated 1.8 million sf of retail represented in community-scale centres, power centres and stand-alone large format retailers in the County. The majority of the retail centres in this format are found along Baseline Road, Wye Road, and the Emerald Hills District, where each project is larger than 120,000 sf.

Neighborhood Centres

- Approximately 940,000 sf of smaller neighborhood-scale centres that are typically anchored by a grocer or pharmacy are found throughout Sherwood Park. Neighborhood-scale retail nodes are between 30,000 sf – 120,000 sf.

Ancillary Retail

- Throughout the County there is an estimated 790,000 sf of ancillary retail, which includes stand alone retailers, small strip centres, and retail in mixed-use office and light industrial developments.



3.0 Retail Market: Supply Analysis

Retail Market Supply by Sub District

Each sub district in Strathcona County features a retail offering that overlaps, has differing merchandise categories to reflect customers' needs, brand and price point preferences, and residents' shopping patterns.

Baseline Road

- Baseline Road is the main entryway and commercial arterial into Strathcona County. This is reflected by the largest amount of retail floorspace in community centres, neighborhood centres, and big box retailers, offering customers a strong selection of convenience, comparison, and food & beverage options.

Wye Road

- Wye Road is another gateway into Strathcona County from Edmonton, and has a similar merchandise offering as Baseline Road, but with less retail floorspace in neighbourhood/community scale convenience strip formats.

Sherwood Drive South

- Sherwood Drive South consists of Sherwood Park Mall, offering a high concentration of specialty comparison retail, and surrounding ancillary stand alone retailers and smaller strip centres.

Clover Bar Road

- Clover Bar Road is largely comprised of convenience-oriented retail, with a heavy focus on grocery, pharmacy, and services to offer necessities for the smaller communities east of the County.

Broadmoor Boulevard

- Broadmoor Boulevard serves the large working population of in surrounding business parks and consists of a strong offering of food & beverage and service retailers in ancillary mixed-use or strip centres.

Emerald Hills District

- The growing Emerald Hills District has the highest proportion of comparison retail and offers multiple branded retailers in a community power centre format. The area is directly off the Yellowhead Hwy and continues to be one of the most prominent new areas for commercial development.

Aspen Plaza

- Aspen Plaza features neighbourhood scale convenience and service-oriented retail for its surrounding community.



3.0 Retail Market: Supply Analysis

Retail Vacancy Imagery



3.0 Retail Market: Supply Analysis

Retail Vacancy Imagery

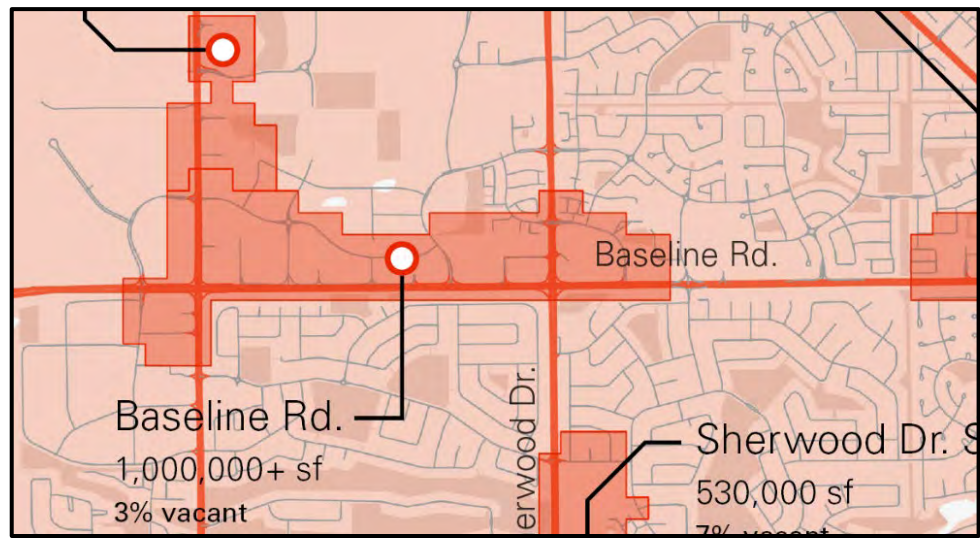
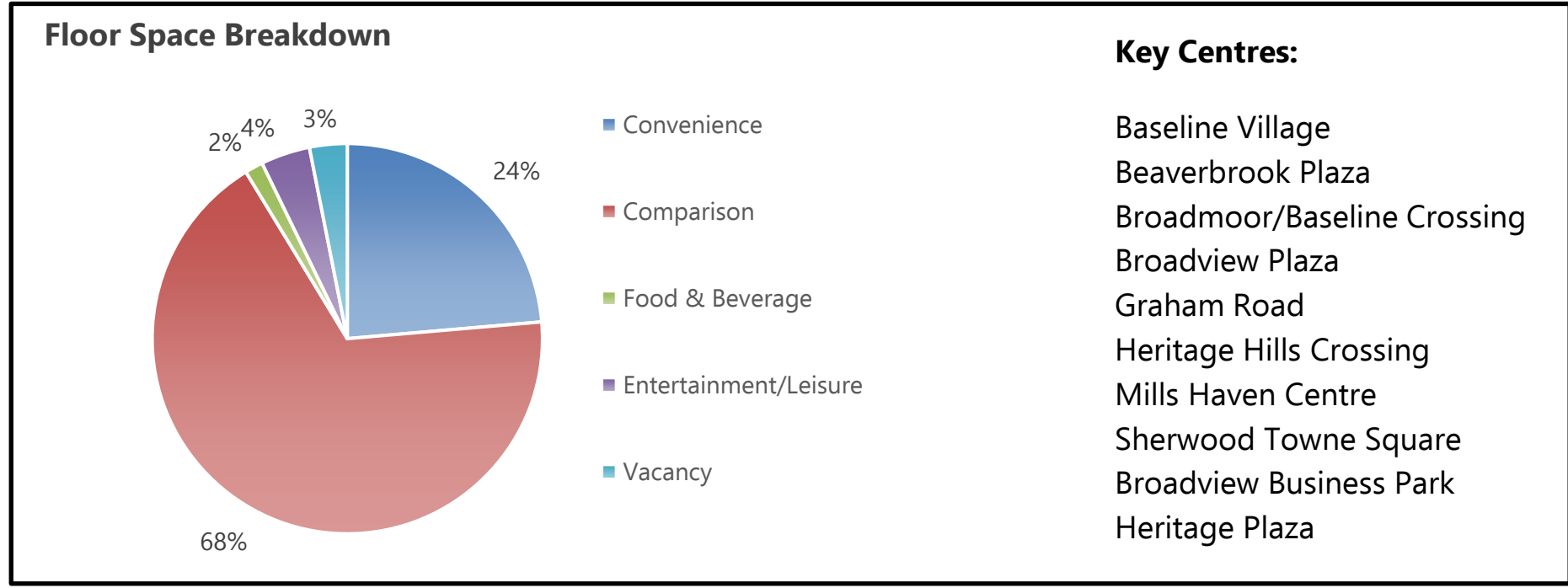
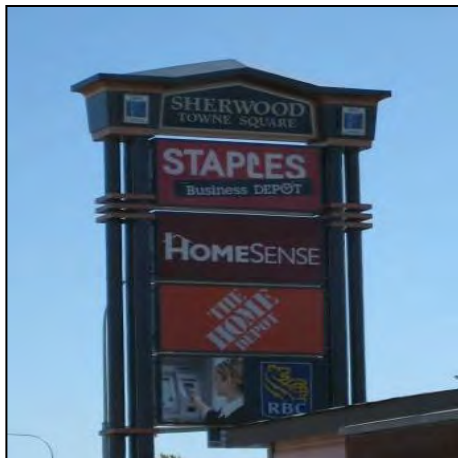


3.0 Retail Market: Supply Analysis

Retail Market Supply by Sub District

Baseline Road

- Baseline Road consists of just over 1 million sf of retail running through the centre of Sherwood park between Broadmoor Boulevard and Sherwood Drive. This district has the largest amount of retail, due to easy access and high traffic counts into Edmonton via the Anthony Henday Drive.
- Majority of the retail in this area is on the north side of the road, with residential to the southern side. The format in this area is focused on community centres and big box retailers, along with ancillary mixed-use office/industrial retail pockets.
- The retailers in this area represent a strong mix of convenience, dining, and services, along with big box home improvement and general merchandisers. There is potential for this area to grow, especially with new commercial areas for development available.



Retail Centres:

Community & Big Box Retail: ±740,000 sf of total retail (66%) in Baseline Village, Sherwood Town Square, and big box retailers Costco, Superstore, and Rona.

Neighborhood Retail: ±155,000 sf of retail (13%) in 3 neighborhood centres.

Ancillary Retail: ±160,000 sf of retail in strip centres and stand-alone tenancies.

Anchor Tenants

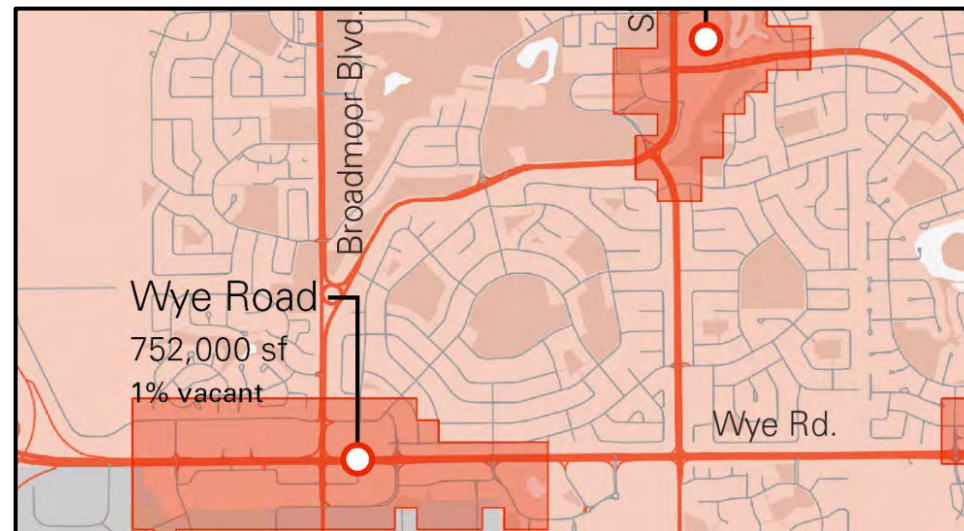
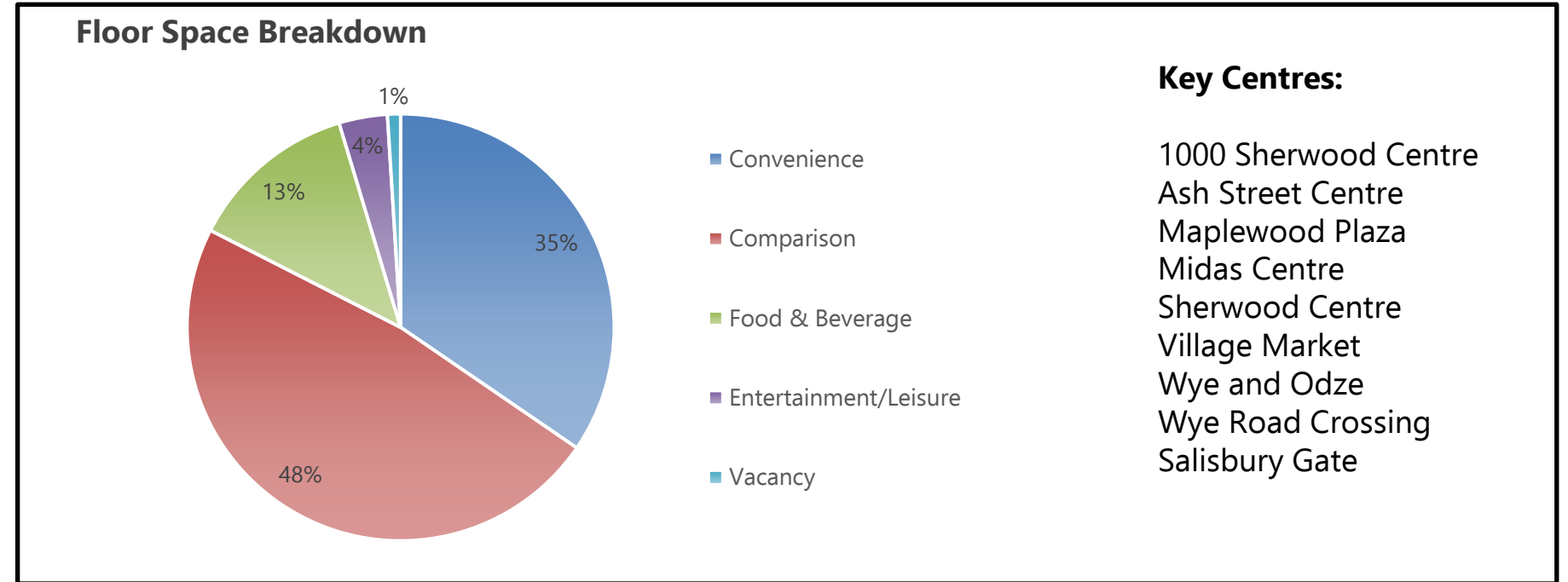
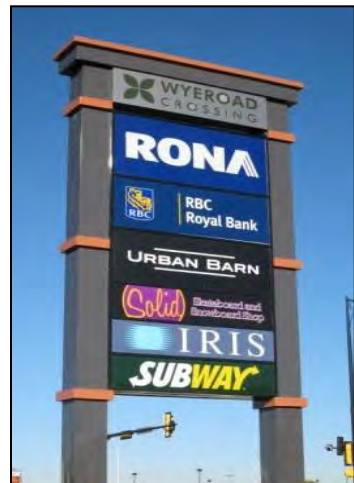
Key Tenants

3.0 Retail Market: Supply Analysis

Retail Market Supply by Sub District

Wye Road

- Wye Road has an estimated 750,000 sf of retail floorspace between the Anthony Henday Drive and Brentwood Blvd. This area is the second largest retail node, given its easy access to Anthony Henday and high vehicle traffic counts to/from Edmonton.
- Community and neighborhood centre formats surround both the northern and southern sides of Wye Road, and provide a mix of convenience retail (grocery, services, pharmacy) and comparison options (general merchandise, home improvement, home furnishings). This area also has various quick-service and full-service restaurants and the Sherwood Bowl entertainment area.
- The Wye Road area has experienced growth with new low-rise dwellings, which will add to the future population and create the potential need for retail amenities.



Retail Centres:

Community Retail & Big Box: ±430,000 sf of retail (60%) within the Village Market, Sherwood Centre, and big box retailers, Canadian Tire and Walmart.

Neighborhood Retail: ±170,000 sf of retail within two neighborhood centres.

Ancillary Retail: ±125,000 sf within smaller retail strip centres and stand-alone tenancies.

Anchor Tenants

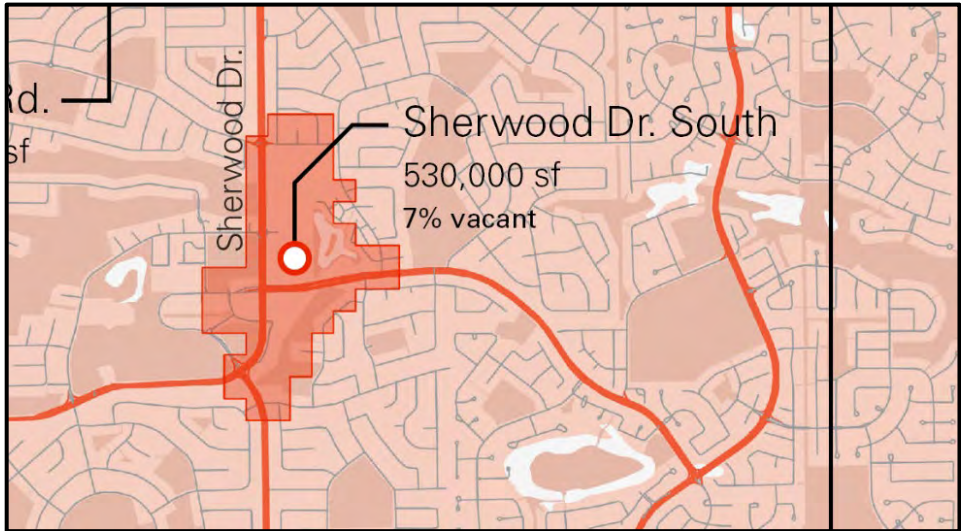
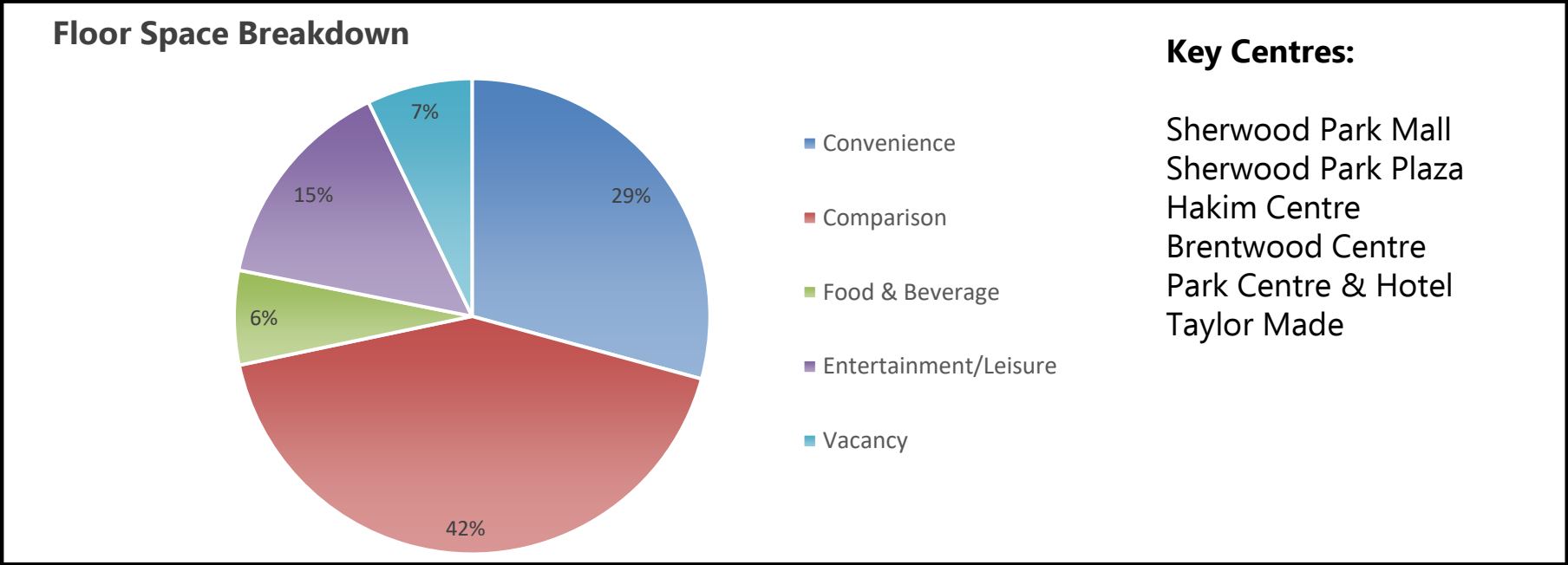
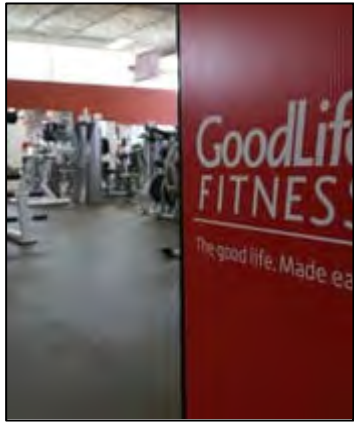
Key Tenants

3.0 Retail Market: Supply Analysis

Retail Market Supply by Sub District

Sherwood Drive South

- Sherwood Drive south includes approximately 530,000 sf of retail, uses, including Sherwood Park Mall and surrounding ancillary retail strip centres.
- Sherwood Park Mall (420,000 sf) accounts for ~80% of the retail in this sub district. The shopping centre is anchored by entertainment, (Cineplex Cinemas), comparison retailers (Indigo, DSW, Best Buy), and a fitness centre (Goodlife), as well as multiple well-known major US fashion and specialty retailers.
- New-to-market (or less represented) fashion and specialty brands or full-service restaurants could further enhance the mall as a leisure destination within the County, and reduce spending outflow to major shopping malls in Edmonton.
- The surrounding smaller ancillary strip malls in the area focus on retail services, and primarily provide healthcare related offerings.



Retail Centres:

Regional Mall: 420,000 sf is in Sherwood Park Mall (79% of the total retail).
Neighborhood Retail: ±40,000 sf of retail is in the neighborhood centre of Sherwood Park Plaza.
Ancillary Retail: ±70,000 sf of retail is in smaller ancillary strip centres and stand-alone retailers.

Anchor Tenants



Key Tenants

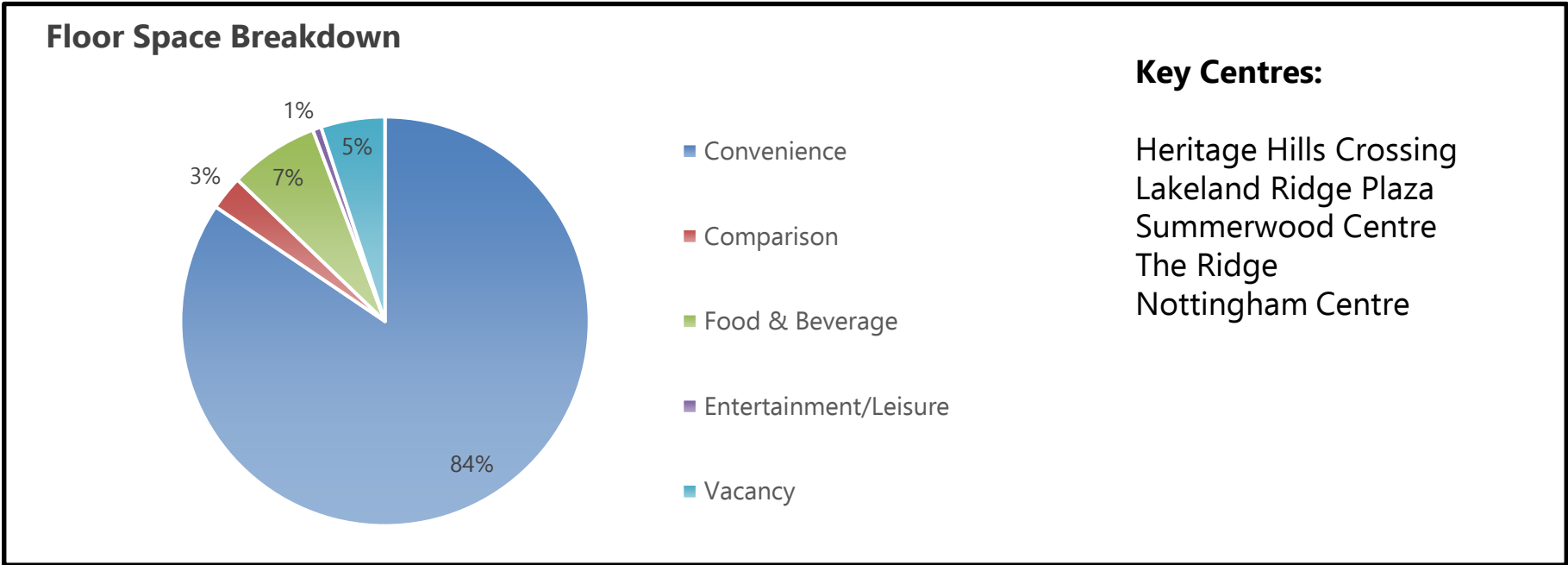


3.0 Retail Market: Supply Analysis

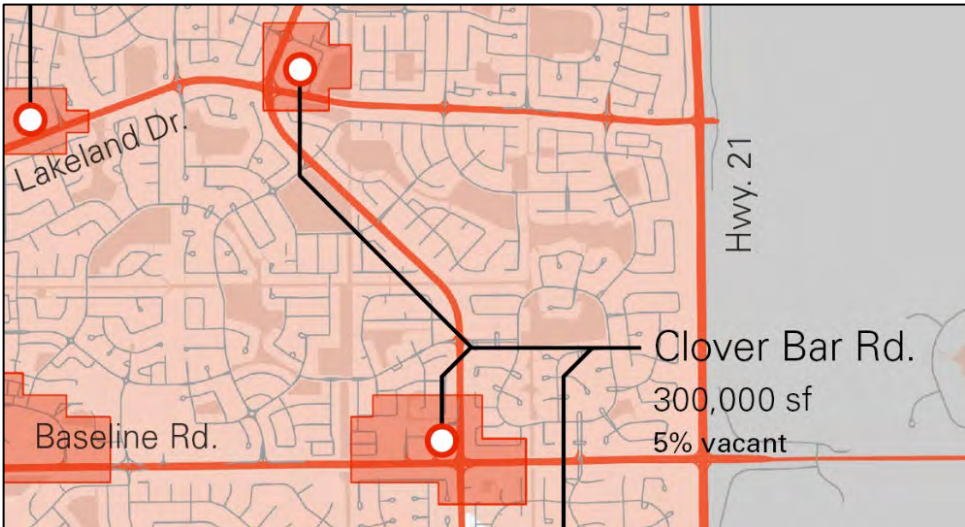
3.6 Retail Market Supply by Sub District

3.6.5 Clover Bar Road

- Along the Clover Bar Road area there is an estimated 300,000 sf of retail that spans across three neighborhood centres to serve the growing communities east of Sherwood Park.
- Retail offering in these centres focuses primarily on convenience, with three large grocers, two major pharmacies, and numerous service retail functions.
- This area has a smaller concentration of retail compared to other sub districts, as major retail centres are adjacent to arterial roads, and future retail nodes are developed with closer connections to Edmonton.



Key Centres:
 Heritage Hills Crossing
 Lakeland Ridge Plaza
 Summerwood Centre
 The Ridge
 Nottingham Centre

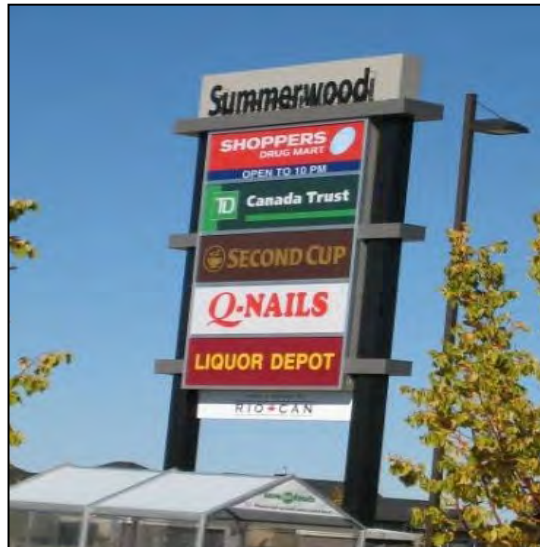


Retail Centres:
Neighborhood Retail: Over 85% of the retail is in three strip centres (Lakeland Ridge, Summerwood Centre, and Nottingham Centre).
Ancillary Retail: Approximately 13% of retail floorspace is in smaller retail strip plazas.

Anchor Tenants



Key Tenants

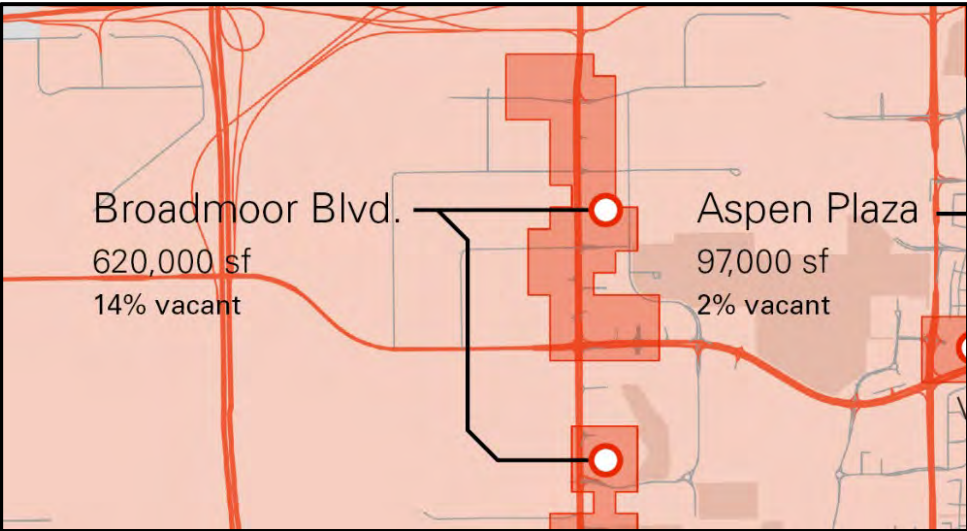
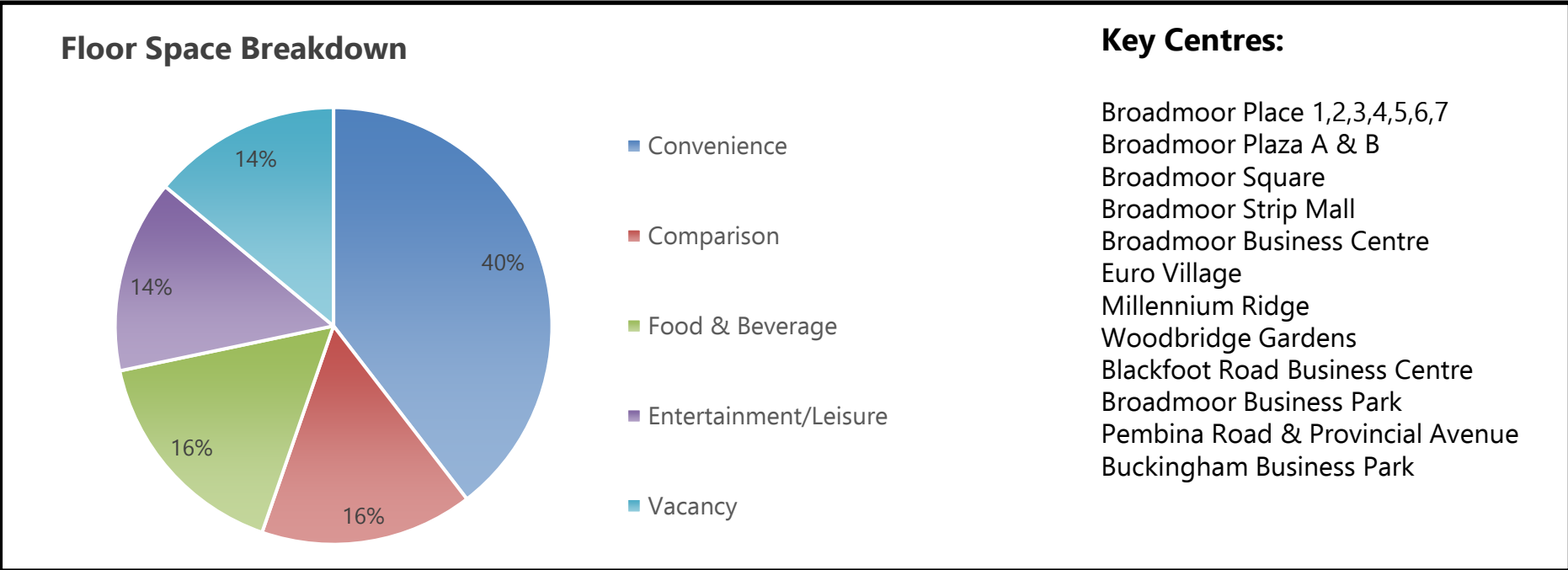


3.0 Retail Market: Supply Analysis

Retail Market Supply by Sub District

Broadmoor Boulevard

- Along Broadmoor Blvd. there is an estimated 620,000 sf of retail. The majority of retail uses is in ancillary strip centres or part of mixed-use projects that also contain office and light industrial uses. There are also two neighborhood centres that feature convenience and comparison retailers.
- New ancillary neighbourhood-scale retail continues to emerge alongside office developments, and a majority of these retailers feature automotive-related goods/services, medical centres, dental centres, realty offices, and beauty services.
- Broadmoor Blvd. also offers entertainment options (FunPark, 360 Fitness, and the UFC Gym), as well as full-service restaurants.



Retail Centres:

Neighborhood Retail: Approximately 25% of retail is in neighborhood centres (including the Broadmoor Place buildings and Millennium Ridge).

Ancillary Retail: Estimated 75% of retail is in mixed-use business centres, medical buildings, and business parks.

Key Tenants

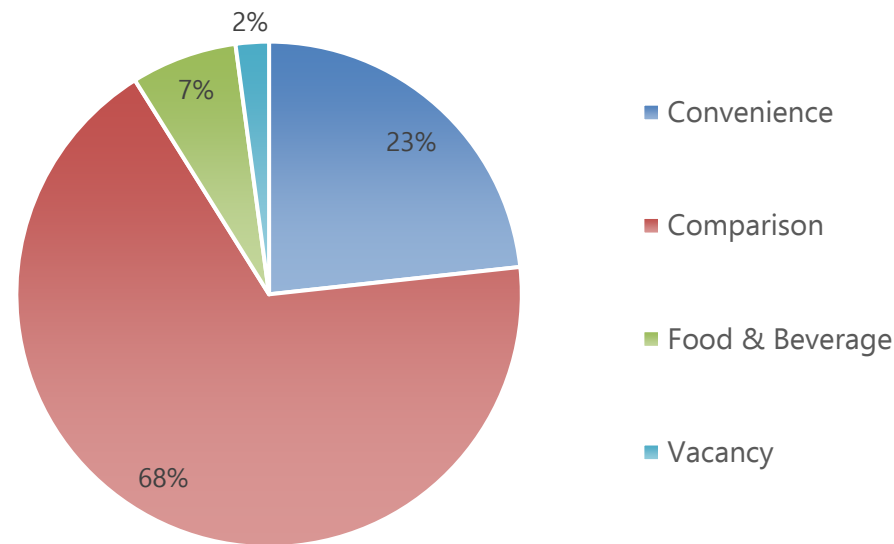
3.0 Retail Market: Supply Analysis

Retail Market Supply by Sub District

Emerald Hills District

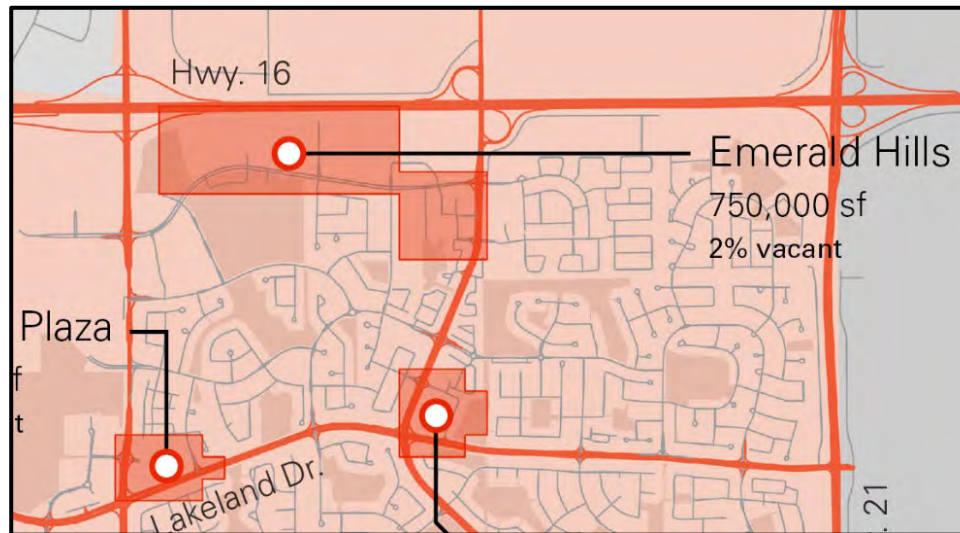
- An estimated 750,000 sf of retail, with additional retail units to be added in future phases. This area is a strong future retail growth area, with potential for commercial development on adjacent lands.
- Located along Yellowhead Hwy, this major shopping node serves the residential communities in northern Strathcona County and northeastern Edmonton.
- The two community centres are anchored by Walmart, as well as two large home improvement retailers (Canadian Tire and Lowe's).
- The area has strong offering of fashion-oriented retailers, home furnishings, and home improvement/furnishing essentials.

Floor Space Breakdown



Key Centres:

- Emerald Hills Centre
- Emerald Hills Site E
- Emerald Hills Urban Village



Retail Centres:

Big Box Retail: Large format or 'category killer' tenants represent the majority of district's floor area.
Neighborhood Retail: ±130,000 sf in the Emerald Hills Urban Village.

Anchor Tenants



Key Tenants

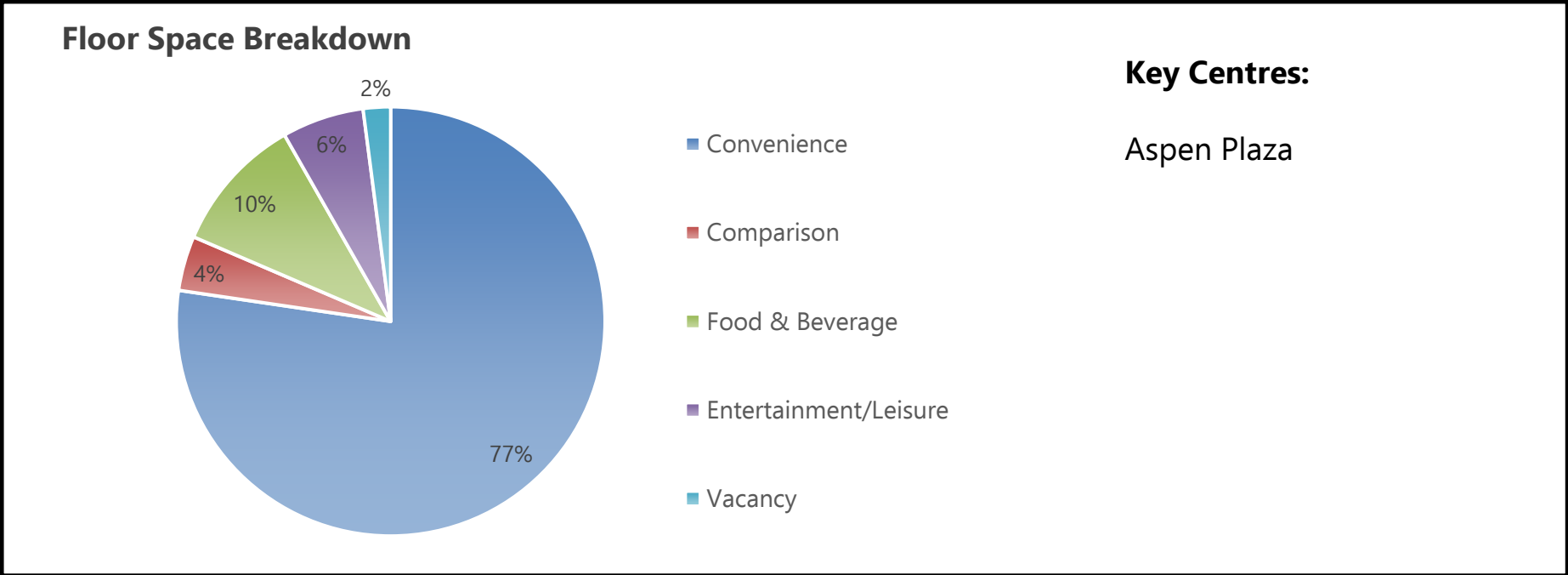


3.0 Retail Market: Supply Analysis

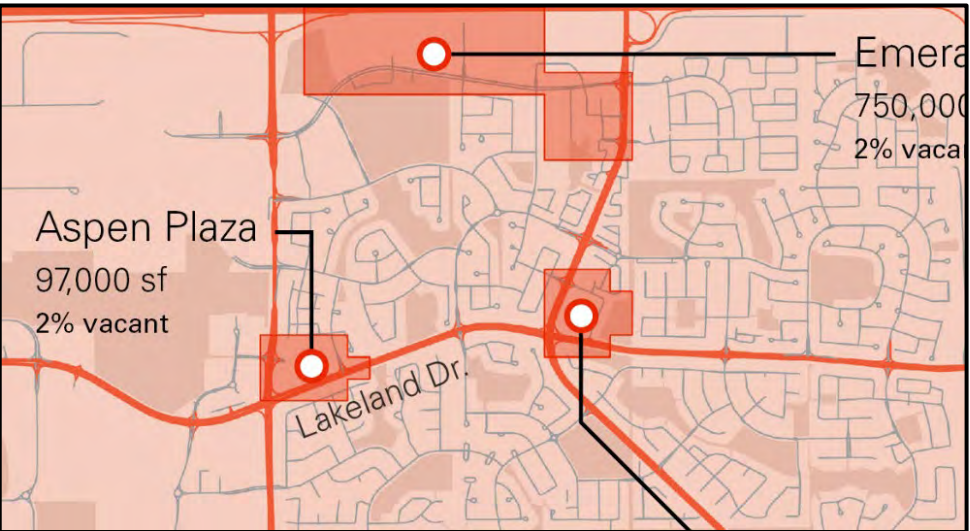
Retail Market Supply by Sub District

Aspen Plaza

- Completed in 2018. this ±97,000 sf convenience-oriented retail node (convenience store, liquor store, medical services, childcare services, etc.), along with a few full service and quick service restaurants serves the local neighbourhood
- The area is growing due to nearby new multifamily residential developments and its proximity to the Yellowhead Hwy and the Emerald Hills District.
- Retail units were sold as strata units and/or leased.



Key Centres:
Aspen Plaza



Key Tenants

- Carwash
- Liquor Exchange
- Park Integrative Health
- Anytime Fitness
- Drea Lee Fitness & Dance
- Bright Horizons Daycare

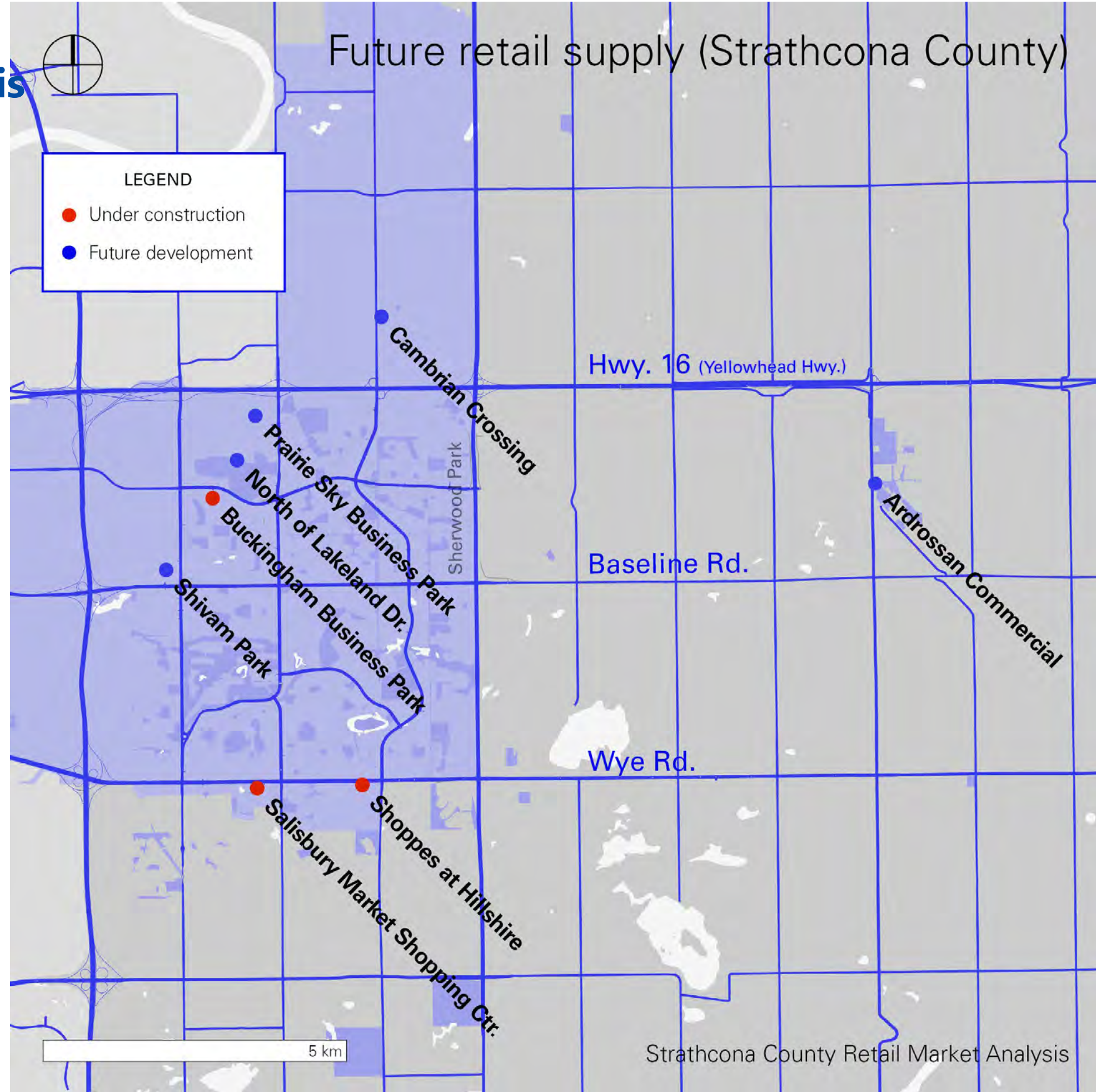
Retail Centres:
Neighborhood Retail: 97,000 sf

3.0 Retail Market: Supply Analysis

Future Retail Supply

Planned or under construction retail-commercial projects are primarily neighbourhood scale in size (<120,000 sf) and feature convenience retail/services and quick service restaurants.

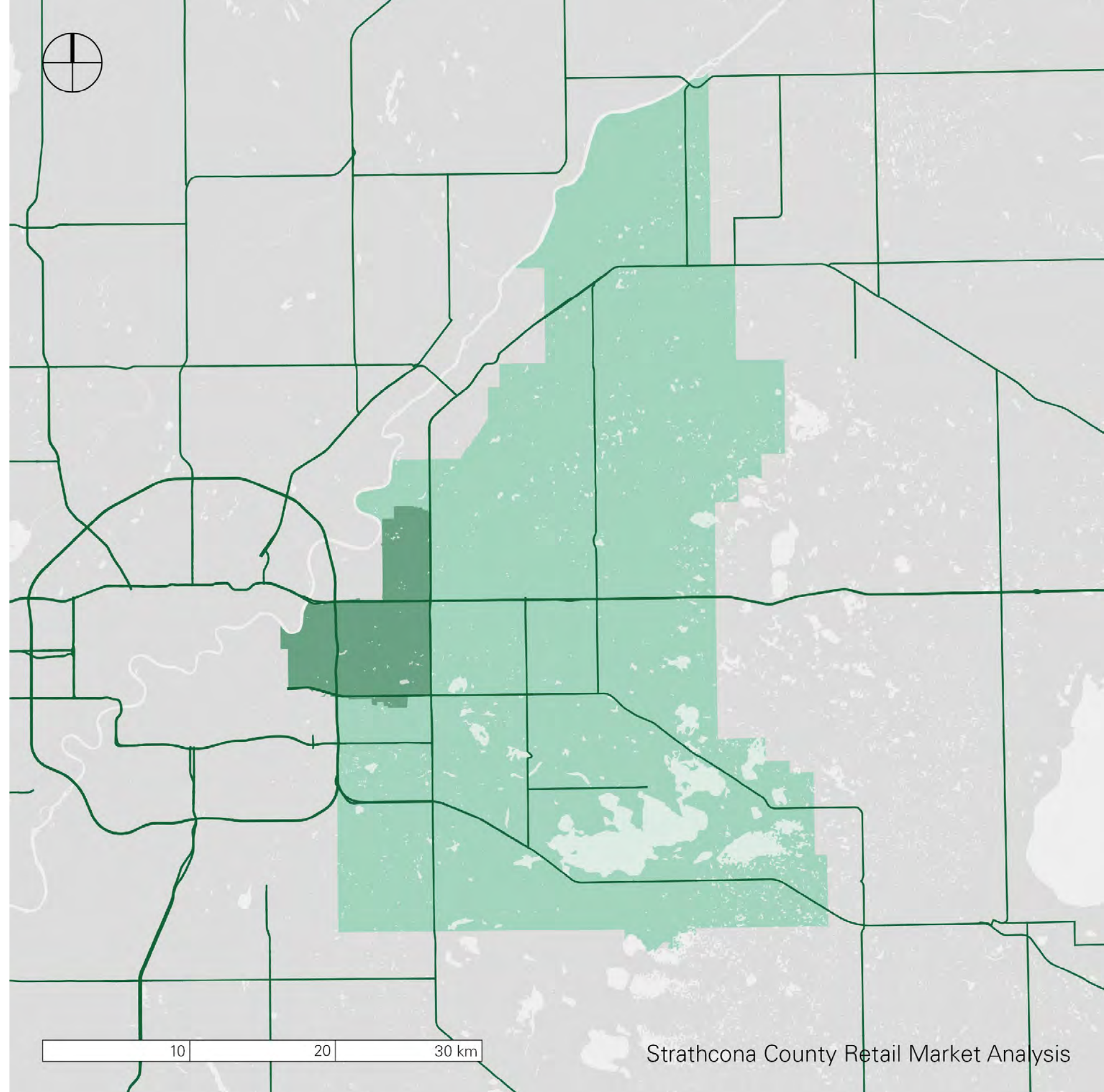
- 1. Prairie Sky Business Park** (Sherwood Drive North): ±99 ac of vacant land available for service commercial and light industrial development east of (Sherwood Dr) the Emerald Hills District development area and adjacent to the Sandman, Four Points by Sheraton, and Marriott Towne Place hotels.
- 2. Buckingham Business Park:** ±21 ac available for service commercial and retail development; ±42,000 sf business park bordering Broadmoor Blvd. and Lakeland Dr, comprising two buildings, and up to 24 retail, light industrial, or office tenancies with potential for large format entertainment and amenities.
- 3. Salisbury Market Shopping Centre:** ±63,000 sf neighborhood retail centre comprising of four buildings, and adjacent to the larger community retail centres along Wye Road.
- 4. Shivam Park Commercial Land:** ±100 ac of commercial and industrial zoned land, available for a wide range of mixed uses, directly adjacent to busiest retail district and intersection within County (nw corner of Baseline Road and Broadmoor Blvd).
- 5. Shoppes at Hillshire:** 3 ac site (±37,000 sf) neighbourhood centre with convenience retail, including gas station, restaurants and medical/professional offices.
- 6. North of Lakeland Dr.:** Near Lakeland Dr/Premier Way, 2.3 ac west of Sherwood Park Chevrolet and 5.8 ac east of Sherwood Park Chevrolet parcels are available for development.
- 7. Cambrian Crossing:** Part of master-planned community that includes 7 ac parcel for potential commercial-retail uses.
- 8. Ardrossan Commercial Site** Range Rd 222/3rd Ave ±15,000 sf gas station, convenience store, daycare and related retail services as potential uses (under construction and 60% leased).



4.0 Retail Market: Demand Analysis

Strathcona County Demographic Overview

- The following section outlines Strathcona County's Demographic composition as an important component of the Retail Trade area for the purposes of identifying total market demand for retail goods in the County.
- The purpose of this analysis is in determining the demographic make-up and retail spending patterns of residents shopping within the County.
- This includes assessing both Strathcona County residents as well as some degree of inflow.



4.0 Retail Market: Demand Analysis

Strathcona County: Projected Population

- The tables outline the projected Strathcona County household and population projections.
- According to the 2022 Municipal Census, Strathcona County had approximately 100,362 residents and 36,230 households. Conversely, economic modelling forecasts by Manifold Data Mining Inc estimate the total population based on the 2021 Federal Census to be approximately 105,166 residents in 39,637 households.
- Regardless of these two (2) statistical differences, it is reasonable to state that Strathcona County's population now exceeds 100,000 and almost 37,000 households.
- Population growth across Strathcona County is expected to grow at 0.42% applied against Manifold Data Mining estimates or 0.81% if combined against the Municipal Census 2022 estimate).
- While average household sizes are expected to gradually decline from an average of 2.61 (2023) to 2.55 (2033), Strathcona County will still features slightly larger households than the City of Edmonton average.

| Index | Description |
|----------------|----------------|
| >= 180 | Extremely High |
| >=110 and <180 | High |
| >=90 and <110 | Similar |
| >=50 and <90 | Low |
| <50 | Extremely Low |

| Attribute | Benchmark | | | | |
|---|------------------|---------|-------------------|---------|-------|
| | City of Edmonton | | Strathcona County | | |
| | value | percent | value | percent | index |
| SUMMARY | | | | | |
| ***Strathcona County Municipal Census 2022 Households Population | | | 100,362 | | |
| Total population | 1,127,230 | | 105,166 | | |
| Total population age 15 and over | 928,698 | | 88,019 | | |
| ***Strathcona County Municipal Census 2022 Households | | | 36,230 | | |
| Total number of private households | 441,634 | | 39,637 | | |
| Average number of persons in private households | 2.51 | | 2.61 | | 104 |
| Total population in private households | 1,109,410 | | 103,389 | | |
| Total number of census families in private households | 295,415 | | 31,207 | | |
| Average number of persons per census family | 2.99 | | 2.93 | | 98 |
| Total population in families | 883,463 | | 91,473 | | |
| Total number of labour force age 15 and over | 657,651 | | 62,307 | | |

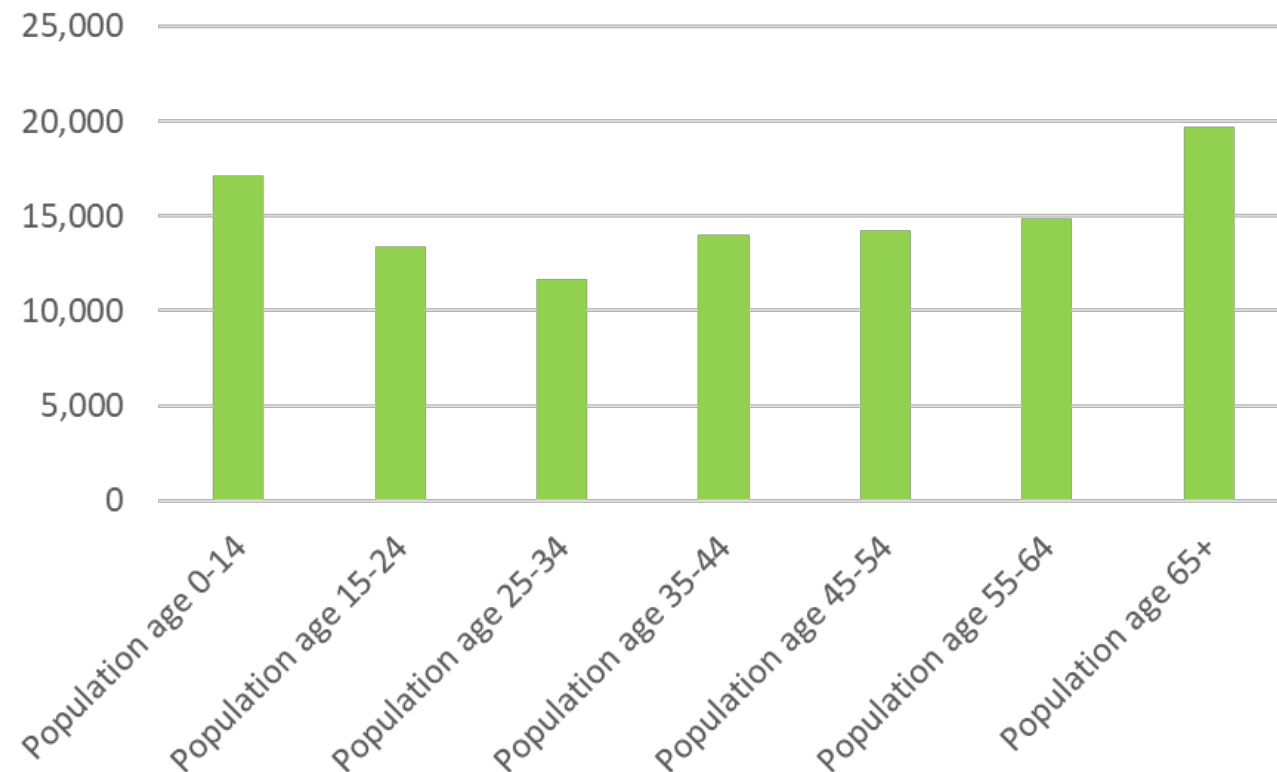
| Attribute | Benchmark | | | | |
|---|------------------|---------|-------------------|---------|-------|
| | City of Edmonton | | Strathcona County | | |
| | value | percent | value | percent | index |
| POPULATION GROWTH | | | | | |
| ***Strathcona County Municipal Census 2022 | | | 100,362 | | |
| 2023 Population Estimate | 1,127,230 | | 105,166 | | |
| 5-Year Projections - Total population | 1,194,280 | | 107,435 | | |
| 10-Year Projections - Total population | 1,261,060 | | 109,660 | | |
| HOUSEHOLD GROWTH | | | | | |
| ***Strathcona County Municipal Census 2022 | | | 36,230 | | |
| 2023 total number of households | 441,634 | | 39,637 | | |
| 5-Year Projections - Total number of households | 471,212 | | 41,336 | | |
| 10-Year Projections - Total number of households | 500,879 | | 43,000 | | |

*Long term growth rates provided by Manifold Data Mininc Inc may change depending on economic conditions.

4.0 Retail Market: Demand Analysis

Strathcona County Demographics: Age & Gender Characteristics

- The table to the right illustrates the age and gender breakdown of Strathcona County residents.
- Within Strathcona County there is a high representation of children in the 15-19 year age bracket and adults aged 55 years and over.
- There is a low representation of both males and females in the 25-44 age range.
- Median age in Strathcona County is greater than the City of Edmonton by almost 5 years.



| Index | Description |
|----------------|----------------|
| >= 180 | Extremely High |
| >=110 and <180 | High |
| >=90 and <110 | Similar |
| >=50 and <90 | Low |
| <50 | Extremely Low |

| Attribute | Benchmark | | Strathcona County | | |
|----------------------------------|------------------|--------|-------------------|---------|-------|
| | City of Edmonton | | value | percent | index |
| POPULATION AGE GROUP | | | | | |
| 0-14 | 198,660 | 17.62% | 17,157 | 16.31% | 93 |
| 0-4 | 66,847 | 5.93% | 5,004 | 4.76% | 80 |
| 5-9 | 67,906 | 6.02% | 5,675 | 5.40% | 90 |
| 10-14 | 63,907 | 5.67% | 6,477 | 6.16% | 109 |
| 15-64 | 764,881 | 67.86% | 68,287 | 64.93% | 96 |
| 15-19 | 60,097 | 5.33% | 6,976 | 6.63% | 124 |
| 20-24 | 72,106 | 6.40% | 6,389 | 6.08% | 95 |
| 25-29 | 83,228 | 7.38% | 5,532 | 5.26% | 71 |
| 30-34 | 97,017 | 8.61% | 6,147 | 5.85% | 68 |
| 35-39 | 99,032 | 8.79% | 6,884 | 6.55% | 75 |
| 40-44 | 88,262 | 7.83% | 7,143 | 6.79% | 87 |
| 45-49 | 73,170 | 6.49% | 7,095 | 6.75% | 104 |
| 50-54 | 65,312 | 5.79% | 7,188 | 6.84% | 118 |
| 55-59 | 62,429 | 5.54% | 7,309 | 6.95% | 125 |
| 60-64 | 64,228 | 5.70% | 7,623 | 7.25% | 127 |
| 65 and over | 163,690 | 14.52% | 19,723 | 18.75% | 129 |
| 65-69 | 55,781 | 4.95% | 6,479 | 6.16% | 124 |
| 70-74 | 40,911 | 3.63% | 5,075 | 4.83% | 133 |
| 75-79 | 28,617 | 2.54% | 3,940 | 3.75% | 148 |
| 80-84 | 18,526 | 1.64% | 2,386 | 2.27% | 138 |
| 85 and over | 19,855 | 1.76% | 1,843 | 1.75% | 99 |
| 85-89 | 12,271 | 1.09% | 1,223 | 1.16% | 106 |
| 90-94 | 5,802 | 0.52% | 516 | 0.49% | 94 |
| 95-99 | 1,572 | 0.14% | 98 | 0.09% | 64 |
| 100 and over | 210 | 0.02% | 6 | 0.01% | 50 |
| Average age of total population | 38.90 | | 41.80 | | 107 |
| Median age of total population | 37.70 | | 42.50 | | 113 |
| AGE GROUP-FEMALE | | | | | |
| Average age of female population | 39.60 | | 42.60 | | 108 |
| Median age of female population | 38.20 | | 43.40 | | 114 |
| AGE GROUP-MALE | | | | | |
| Average age of male population | 38.20 | | 41.10 | | 108 |
| Median age of male population | 37.10 | | 41.40 | | 112 |

Source: Powered by PolarisIntelligence.com, Data modelled by Manifold Data Mining Inc., Data Vintage: 2023/2024

4.0 Retail Market: Demand Analysis

Strathcona County Demographics: Household Characteristics

- The Tables outline the educational profile and labor force composition of Strathcona County residents.
- Strathcona County demonstrates a similar educational profile to the City of Edmonton – however residents of Strathcona County are more likely to work in trades and thus have a high rate of apprentice certificates.
- The Top 3 occupational categories in Strathcona County are:
 - Sales and service (20.84%)
 - Trades, transport and equipment operators (19.97%)
 - Business, finance, and administration (18.77%)
- The nature of Sales and service occupations speaks significantly to the importance and magnitude of the retail trade sector to Strathcona County’s economic vitality.

| Index | Description |
|----------------|----------------|
| >= 180 | Extremely High |
| >=110 and <180 | High |
| >=90 and <110 | Similar |
| >=50 and <90 | Low |
| <50 | Extremely Low |

| Attribute | Benchmark | | | | |
|--|------------------|---------|-------------------|---------|-------|
| | City of Edmonton | | Strathcona County | | |
| | value | percent | value | percent | index |
| HIGHEST LEVEL OF SCHOOLING: 15 YEARS+ | | | | | |
| Total population aged 15 years and over by highest certificate, diploma, or degree | 928,571 | | 88,010 | | |
| No certificate, diploma, or degree | 136,530 | 14.70% | 10,278 | 11.68% | 79 |
| Secondary (high) school diploma or equivalency certificate | 259,175 | 27.91% | 25,736 | 29.24% | 105 |
| Post-secondary certificate, diploma, or degree | 532,866 | 57.39% | 51,995 | 59.08% | 103 |
| Postsecondary certificate or diploma below bachelor level | 256,520 | 27.63% | 32,352 | 36.76% | 133 |
| Apprenticeship or trades certificate or diploma | 67,822 | 7.30% | 10,156 | 11.54% | 158 |
| Trades certificate or diploma | 21,618 | 2.33% | 2,158 | 2.45% | 105 |
| Certificate of Apprenticeship or Certificate of Qualification | 46,204 | 4.98% | 7,998 | 9.09% | 183 |
| College, CEGEP, or other non-university certificate or diploma | 153,180 | 16.50% | 18,997 | 21.59% | 131 |
| University certificate or diploma below bachelor level | 35,519 | 3.83% | 3,200 | 3.64% | 95 |
| University certificate, diploma, or degree at bachelor level or above | 276,345 | 29.76% | 19,643 | 22.32% | 75 |
| Bachelor's degree | 184,653 | 19.89% | 14,599 | 16.59% | 83 |
| University certificate or diploma above bachelor level | 15,072 | 1.62% | 973 | 1.11% | 69 |
| Degree in medicine, dentistry, veterinary medicine, or optometry | 9,566 | 1.03% | 386 | 0.44% | 43 |
| Master's degree | 54,858 | 5.91% | 3,174 | 3.61% | 61 |
| Earned doctorate | 12,196 | 1.31% | 511 | 0.58% | 44 |

| Attribute | Benchmark | | | | |
|--|------------------|---------|-------------------|---------|-------|
| | City of Edmonton | | Strathcona County | | |
| | value | percent | value | percent | index |
| OCCUPATION | | | | | |
| Total labour force 15 years and over by occupation | 657,651 | | 62,307 | | |
| Occupation - not applicable | 23,506 | 3.57% | 1,415 | 2.27% | 64 |
| All occupations | 634,145 | 96.43% | 60,892 | 97.73% | 101 |
| 0 Management occupations | 5,132 | 0.78% | 1,011 | 1.62% | 208 |
| 1 Business, finance, and administration occupations | 107,704 | 16.38% | 11,693 | 18.77% | 115 |
| 2 Natural and applied sciences and related occupations | 53,662 | 8.16% | 4,855 | 7.79% | 95 |
| 3 Health occupations | 59,241 | 9.01% | 4,867 | 7.81% | 87 |
| 4 Occupations in education, law and social, community and government service | 77,198 | 11.74% | 7,119 | 11.43% | 97 |
| 5 Occupations in art, culture, recreation, and sport | 15,033 | 2.29% | 1,419 | 2.28% | 100 |
| 6 Sales and service occupations | 164,070 | 24.95% | 12,982 | 20.84% | 84 |
| 7 Trades, transport and equipment operators and related occupations | 122,804 | 18.67% | 12,445 | 19.97% | 107 |
| 8 Natural resources, agriculture, and related production occupations | 8,944 | 1.36% | 1,817 | 2.92% | 215 |
| 9 Occupations in manufacturing and utilities | 20,358 | 3.10% | 2,686 | 4.31% | 139 |

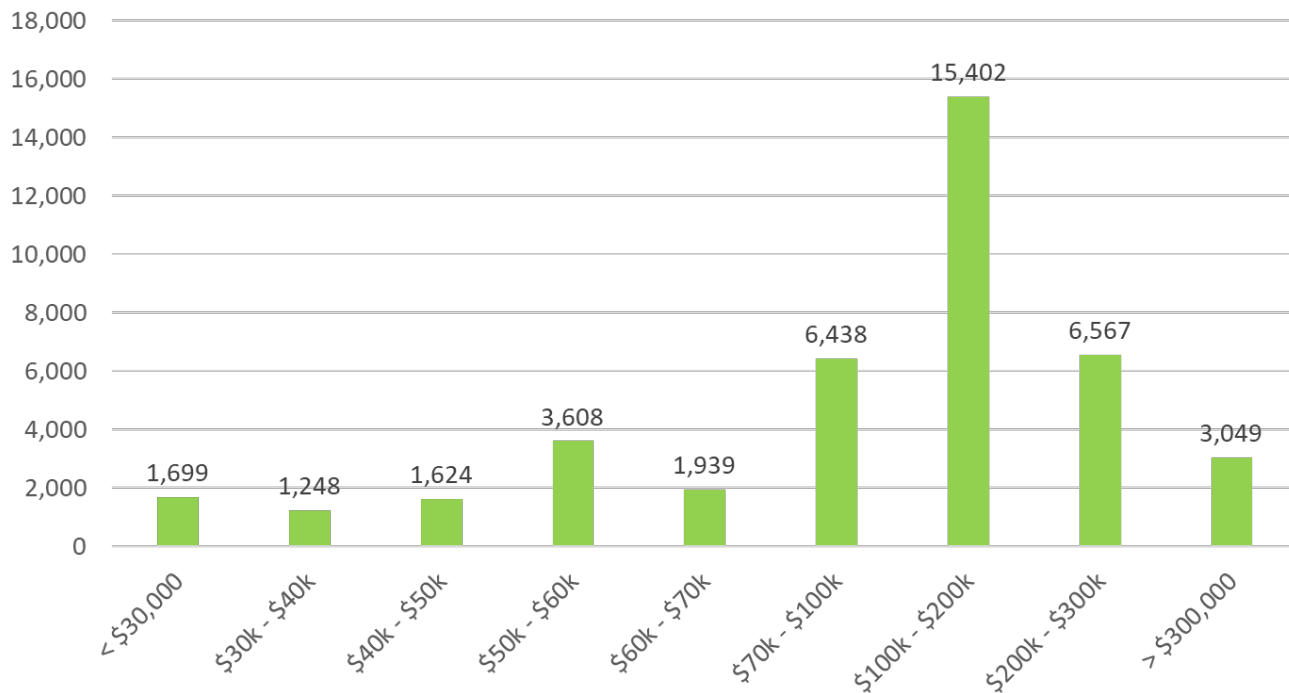
Source: Powered by PolarisIntelligence.com, Data modelled by Manifold Data Mining Inc., Data Vintage: 2023/2024

4.0 Retail Market: Demand Analysis

Strathcona County Demographics: Household Income

- Average household income across Strathcona County in 2023 was just over \$165,000 in 2023.
- This is nearly 40 basis points higher than the City of Edmonton average.
- Household income growth is anticipated to be 2.1% per annum.
- Based on this growth, average household incomes are forecasted to grow to nearly \$185,000 by 2028 and almost \$204,000 by 2033.
- 37% of households in Strathcona County earn between \$100,000 and \$200,000

Average Household Income Distribution 2023



| Index | Description |
|----------------|----------------|
| >= 180 | Extremely High |
| >=110 and <180 | High |
| >=90 and <110 | Similar |
| >=50 and <90 | Low |
| <50 | Extremely Low |

| Attribute | Benchmark | | Strathcona County | | |
|--|------------------|--|-------------------|---------|-------|
| | City of Edmonton | | value | percent | index |
| HOUSEHOLD INCOME GROWTH | | | | | |
| 2023 average household income | \$119,908 | | \$165,084 | | 138 |
| 5-Year Projections - Average household income | \$132,874 | | \$184,023 | | 138 |
| 10-Year Projections - Average household income | \$146,256 | | \$203,703 | | 139 |

| Attribute | Benchmark | | Strathcona County | | |
|--|------------------|--------|-------------------|---------|-------|
| | City of Edmonton | | value | percent | index |
| HOUSEHOLD INCOME | | | | | |
| Total number of households | 441,634 | | 39,637 | | |
| Average household income \$ | \$119,908 | | \$165,084 | | 138 |
| Median household income \$ | \$98,519 | | \$145,586 | | 148 |
| Household with income under \$5,000 | 4,183 | 0.95% | 114 | 0.29% | 31 |
| Household with income \$5,000 to \$9,999 | 2,831 | 0.64% | 104 | 0.26% | 41 |
| Household with income \$10,000 to \$14,999 | 3,825 | 0.87% | 146 | 0.37% | 43 |
| Household with income \$15,000 to \$19,999 | 5,696 | 1.29% | 200 | 0.51% | 40 |
| Household with income \$20,000 to \$24,999 | 13,032 | 2.95% | 440 | 1.11% | 38 |
| Household with income \$25,000 to \$29,999 | 14,622 | 3.31% | 695 | 1.75% | 53 |
| Household with income \$30,000 to \$34,999 | 12,533 | 2.84% | 562 | 1.42% | 50 |
| Household with income \$35,000 to \$39,999 | 13,389 | 3.03% | 686 | 1.73% | 57 |
| Household with income \$40,000 to \$44,999 | 14,490 | 3.28% | 742 | 1.87% | 57 |
| Household with income \$45,000 to \$49,999 | 15,207 | 3.44% | 882 | 2.23% | 65 |
| Household with income \$50,000 to \$59,999 | 27,752 | 6.28% | 1,669 | 4.21% | 67 |
| Household with income \$60,000 to \$69,999 | 30,461 | 6.90% | 1,939 | 4.89% | 71 |
| Household with income \$70,000 to \$79,999 | 29,583 | 6.70% | 2,162 | 5.45% | 81 |
| Household with income \$80,000 to \$89,999 | 28,140 | 6.37% | 2,102 | 5.30% | 83 |
| Household with income \$90,000 to \$99,999 | 27,119 | 6.14% | 2,174 | 5.49% | 89 |
| Household with income \$100,000 and over | 198,771 | 45.01% | 25,019 | 63.12% | 140 |
| Household with income \$100,000 to \$124,999 | 51,280 | 11.61% | 4,544 | 11.46% | 99 |
| Household with income \$125,000 to \$149,999 | 43,452 | 9.84% | 4,578 | 11.55% | 117 |
| Household with income \$150,000 to \$199,999 | 49,999 | 11.32% | 6,280 | 15.84% | 140 |
| Household with income \$200,000 and over | 54,039 | 12.24% | 9,616 | 24.26% | 198 |
| Household with income \$200,000 to \$249,999 | 27,009 | 6.12% | 4,702 | 11.86% | 194 |
| Household with income \$250,000 to \$299,999 | 10,377 | 2.35% | 1,865 | 4.71% | 200 |
| Household with income \$300,000 and over | 16,653 | 3.77% | 3,049 | 7.69% | 204 |

Source: Powered by PolarisIntelligence.com, Data modelled by Manifold Data Mining Inc., Data Vintage: 2023/2024

4.0 Retail Market: Demand Analysis

Strathcona County Demographics: Household Retail Spending

- Per household retail spending throughout Strathcona County is broken down in the accompanying table demonstrating how Strathcona County residents allocate their spending by retail goods and services.
- Total per household retail spending: \$49,570 per annum (42% higher than City of Edmonton average)
 - Convenience spending: \$20,670 per annum (39% higher than City of Edmonton average)
 - Comparison spending: \$18,928 per annum (46% higher than City of Edmonton average)
 - Food & Beverage spending: \$7,402 per annum (38% higher than City of Edmonton average)
 - Leisure & Entertainment* spending: \$2,570 per annum (51% higher than City of Edmonton average)

| Trade Area Per Household Expenditures for Strathcona County | | | | |
|---|-----------|-----------|-----------|--|
| Retail Categories | 2023 | 2028 | 2033 | |
| Convenience | \$ 17,076 | \$ 17,947 | \$ 18,863 | |
| Grocery & Convenience | \$ 12,930 | \$ 13,590 | \$ 14,283 | |
| Pharmacy | \$ 1,183 | \$ 1,243 | \$ 1,307 | |
| Alcohol, Tobacco & Cannabis | \$ 1,671 | \$ 1,756 | \$ 1,846 | |
| Services | \$ 1,292 | \$ 1,358 | \$ 1,427 | |
| Comparison | \$ 15,384 | \$ 16,168 | \$ 16,993 | |
| Fashion & Accessories | \$ 3,654 | \$ 3,841 | \$ 4,037 | |
| Jewelry, Watches & Accessories | \$ 259 | \$ 273 | \$ 287 | |
| Beauty & Personal Care | \$ 700 | \$ 736 | \$ 773 | |
| Home Furniture & Décor | \$ 1,340 | \$ 1,408 | \$ 1,480 | |
| Appliances & Electronics | \$ 2,079 | \$ 2,185 | \$ 2,296 | |
| Home Improvement & Gardening | \$ 2,730 | \$ 2,870 | \$ 3,016 | |
| Books & Media | \$ 1,364 | \$ 1,434 | \$ 1,507 | |
| Sporting Goods & Recreation | \$ 1,066 | \$ 1,120 | \$ 1,177 | |
| Toys & Hobbies | \$ 686 | \$ 721 | \$ 757 | |
| Specialty Retail | \$ 1,505 | \$ 1,581 | \$ 1,662 | |
| Food & Beverage | \$ 6,692 | \$ 7,033 | \$ 7,392 | |
| Quick Service F&B | \$ 3,394 | \$ 3,567 | \$ 3,749 | |
| Restaurants & Pubs | \$ 3,298 | \$ 3,466 | \$ 3,643 | |
| Leisure & Entertainment | \$ 794 | \$ 834 | \$ 877 | |
| Arts & Entertainment | \$ 355 | \$ 373 | \$ 392 | |
| Fitness & Leisure | \$ 439 | \$ 461 | \$ 485 | |
| Automotive | \$ 14,899 | \$ 15,659 | \$ 16,458 | |
| Auto Parts & Accessories | \$ 3,676 | \$ 3,863 | \$ 4,060 | |
| Auto/RV/Motorsports Dealerships | \$ 11,223 | \$ 11,796 | \$ 12,397 | |
| Total Per Capita Retail Expenditures | \$ 54,845 | \$ 57,642 | \$ 60,583 | |

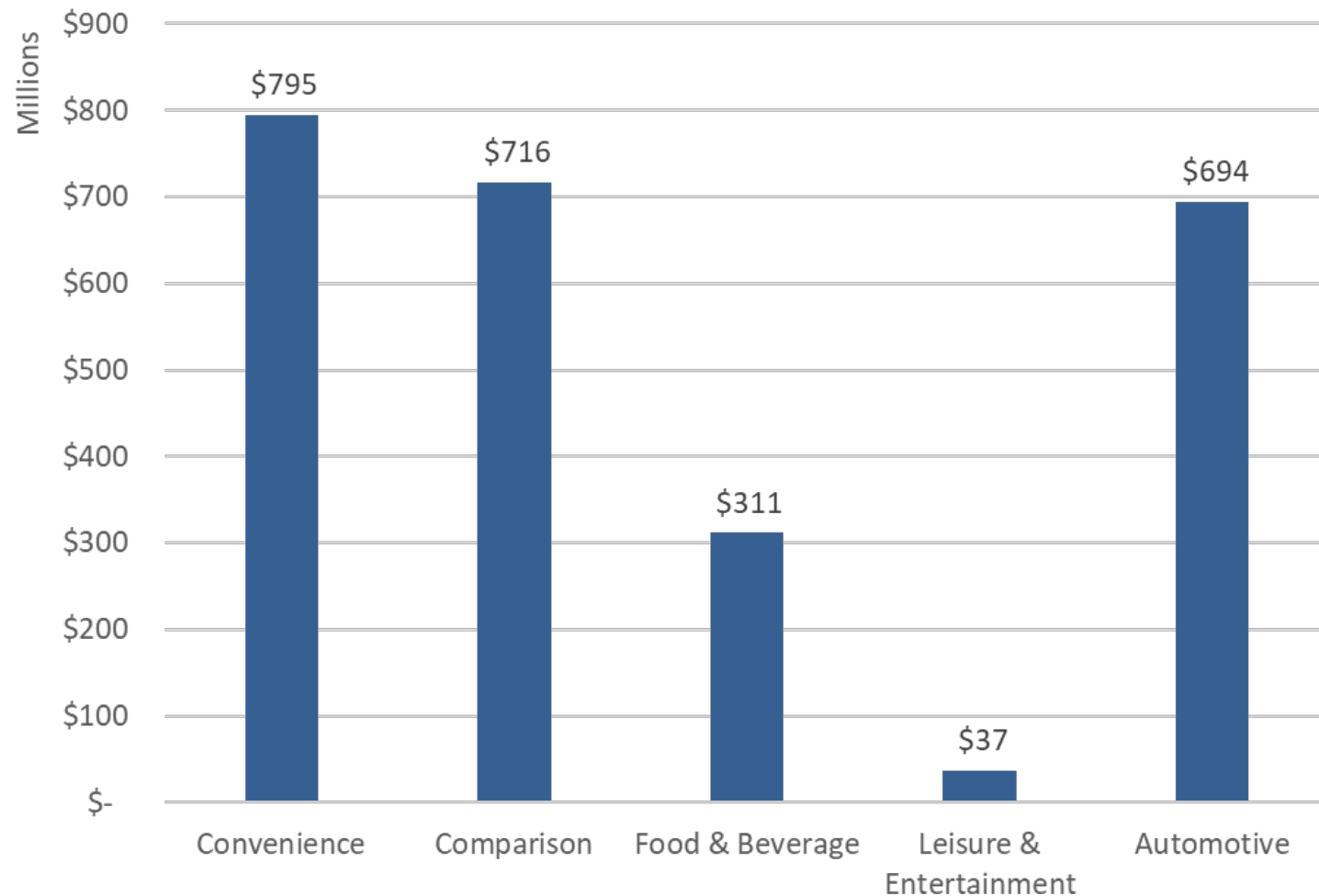
Source: Powered by PolarisIntelligence.com, Data modelled by Manifold Data Mining Inc., Data Vintage: 2023/2024

4.0 Retail Market: Demand Analysis

Strathcona County: Total Retail Spending

- Based on projected population and retail expenditure growth, total retail spending is expected to grow from \$2.11 billion in 2023 to just over \$2.55 billion in 2033 (in nominal dollars).

Total Expenditure Forecast by 2023



| Trade Area Total Expenditures Strathcona County | | | |
|---|-------------------------|-------------------------|-------------------------|
| Retail Categories | 2023 | 2028 | 2033 |
| Convenience | \$ 658,700,236 | \$ 725,628,772 | \$ 794,860,848 |
| Grocery & Convenience | \$ 498,763,016 | \$ 549,440,816 | \$ 601,862,839 |
| Pharmacy | \$ 45,628,544 | \$ 50,264,722 | \$ 55,060,468 |
| Alcohol, Tobacco & Cannabis | \$ 64,461,902 | \$ 71,011,681 | \$ 77,786,890 |
| Services | \$ 49,846,773 | \$ 54,911,553 | \$ 60,150,652 |
| Comparison | \$ 593,410,639 | \$ 653,705,297 | \$ 716,075,170 |
| Fashion & Accessories | \$ 140,967,572 | \$ 155,290,860 | \$ 170,107,126 |
| Jewelry, Watches & Accessories | \$ 10,004,746 | \$ 11,021,297 | \$ 12,072,837 |
| Beauty & Personal Care | \$ 27,001,607 | \$ 29,745,159 | \$ 32,583,137 |
| Home Furniture & Décor | \$ 51,692,464 | \$ 56,944,779 | \$ 62,377,867 |
| Appliances & Electronics | \$ 80,193,005 | \$ 88,341,173 | \$ 96,769,784 |
| Home Improvement & Gardening | \$ 105,320,054 | \$ 116,021,306 | \$ 127,090,872 |
| Books & Media | \$ 52,633,806 | \$ 57,981,768 | \$ 63,513,795 |
| Sporting Goods & Recreation | \$ 41,105,793 | \$ 45,282,428 | \$ 49,602,814 |
| Toys & Hobbies | \$ 26,450,834 | \$ 29,138,423 | \$ 31,918,514 |
| Specialty Retail | \$ 58,040,758 | \$ 63,938,103 | \$ 70,038,423 |
| Food & Beverage | \$ 258,127,526 | \$ 284,355,082 | \$ 311,485,336 |
| Quick Service F&B | \$ 130,915,759 | \$ 144,217,712 | \$ 157,977,491 |
| Restaurants & Pubs | \$ 127,211,767 | \$ 140,137,370 | \$ 153,507,844 |
| Leisure & Entertainment | \$ 30,627,285 | \$ 33,739,231 | \$ 36,958,283 |
| Arts & Entertainment | \$ 13,703,714 | \$ 15,096,107 | \$ 16,536,423 |
| Fitness & Leisure | \$ 16,923,571 | \$ 18,643,124 | \$ 20,421,860 |
| Automotive | \$ 574,714,836 | \$ 633,109,870 | \$ 693,514,739 |
| Auto Parts & Accessories | \$ 141,788,805 | \$ 156,195,536 | \$ 171,098,116 |
| Auto/RV/Motorsports Dealerships | \$ 432,926,031 | \$ 476,914,334 | \$ 522,416,622 |
| Total Aggregate Retail Expenditures | \$ 2,115,580,522 | \$ 2,330,538,253 | \$ 2,552,894,376 |

4.0 Retail Market: Demand Analysis

Future Retail Sales Performance

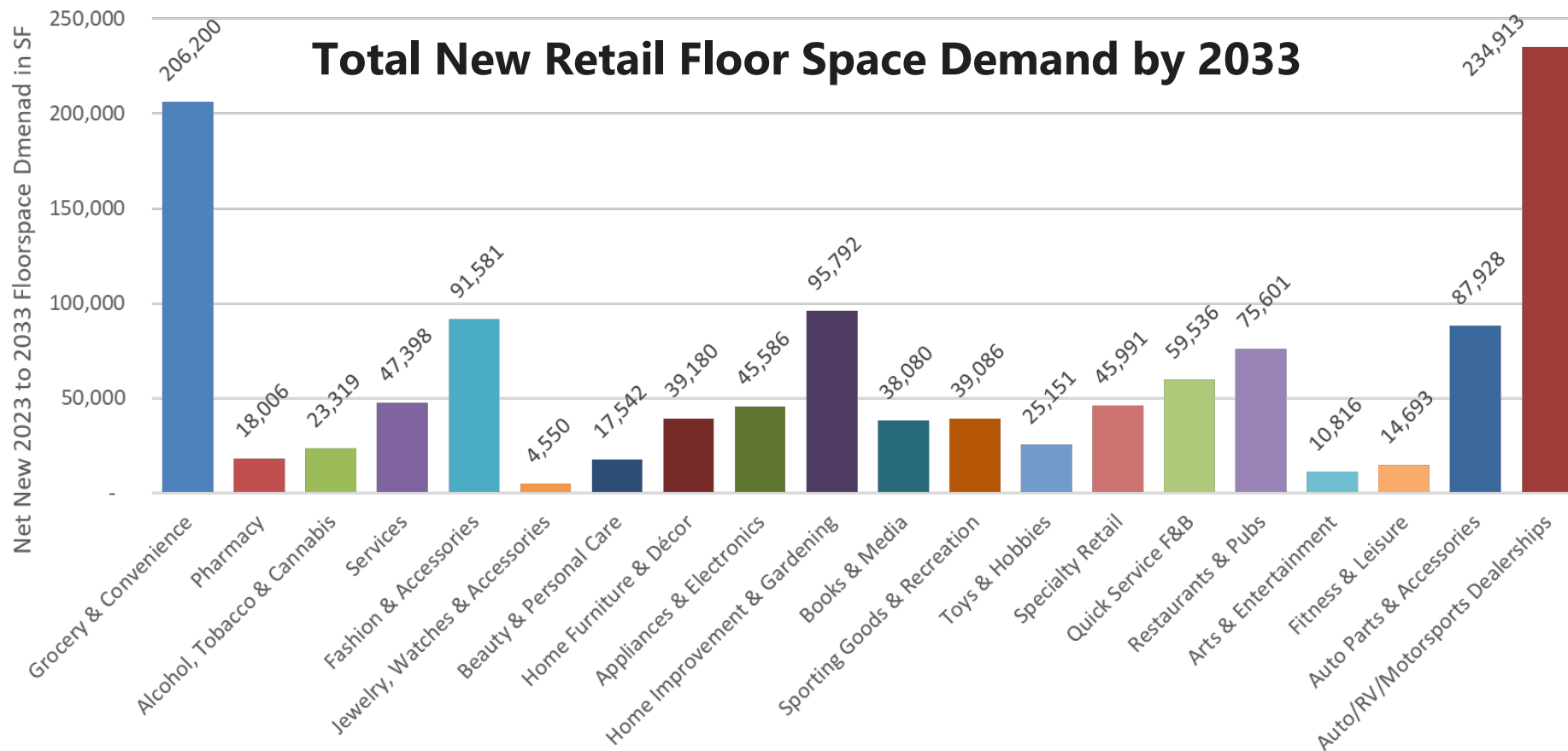
- In order to determine future floor space demand, a sales performance figure is attributed to each retail merchandise category, which is outlined in the table to the right.
- These sales performance estimates are also based on local market conditions but have been adjusted to anticipate required performance by merchandise category and retail formats of newer Class B & Class A retail developments (netting out for lower quality community, neighborhood and ancillary retail).
- As such, these estimates are based on an understanding of conservative gross rent occupancy costs (GROC) by merchandise category for each retail format for future Strathcona County floor space.
- These performance rates increase at the same rate as spending, and therefore assuming that Strathcona County retail businesses retain their regional competitive positioning over time, sales performance is expected to achieve between:
 - \$450 - \$650 per sf for Convenience and an overall average of \$488 reflective of all business types, locations and formats
 - \$250- \$500 per sf for Comparison and an overall average of \$325 reflective of all business types, locations and formats
 - \$400 to \$500 per sf for Food & Beverage and an overall average of \$450 reflective of all business types, locations and formats
 - \$250 - \$275 per sf for Entertainment & Leisure and an overall average of \$263 reflective of all business types, locations and formats

| Sales Performance Projections for Strathcona County | |
|---|---------------|
| Retail Categories | 2023 |
| Convenience | \$ 488 |
| Grocery & Convenience | \$ 550 |
| Pharmacy | \$ 550 |
| Alcohol, Tobacco & Cannabis | \$ 600 |
| Services | \$ 250 |
| Comparison | \$ 325 |
| Fashion & Accessories | \$ 350 |
| Jewelry, Watches & Accessories | \$ 500 |
| Beauty & Personal Care | \$ 350 |
| Home Furniture & Décor | \$ 300 |
| Appliances & Electronics | \$ 400 |
| Home Improvement & Gardening | \$ 250 |
| Books & Media | \$ 300 |
| Sporting Goods & Recreation | \$ 250 |
| Toys & Hobbies | \$ 250 |
| Specialty Retail | \$ 300 |
| Food & Beverage | \$ 450 |
| Quick Service F&B | \$ 500 |
| Restaurants & Pubs | \$ 400 |
| Leisure & Entertainment | \$ 263 |
| Arts & Entertainment | \$ 275 |
| Fitness & Leisure | \$ 250 |
| Automotive | \$ 375 |
| Auto Parts & Accessories | \$ 350 |
| Auto/RV/Motorsports Dealerships | \$ 400 |
| Average | \$ 380 |

4.0 Retail Market: Demand Analysis

Strathcona County Total Retail Floor Space Demand

- The table and diagram illustrate the retail floor space demand for Strathcona County from 2023 through to 2033. It is important to note that long term retail floor space projections may vary with changing real estate market conditions and economic growth trends in Strathcona County and Edmonton as a whole. Overall retail floor space demand (including automotive) is expected to grow from 5.9 million sf to 7.1 million sf over the next 10 years.
- If the above figure excludes automotive the overall floorspace growth could be 4.3 million sf to 5.2 million sf., thus illustrating the notable presence that automotive sector plays in Strathcona County.
- The figure below illustrates the incremental retail floor space demand for Strathcona County over the next decade to 2033. Beginning in 2023, it is estimated that the annual incremental demand of Strathcona County residents is roughly 122,000 sf of additional retail floor space per annum. This annual demand assumes that all demand is captured in Strathcona County.
- Since that is not realistic, the estimated current market capture of approximately 86 basis points is applied, which suggest that the more realistic annual demand for Strathcona could be in the range of just over 100,00 per annum.



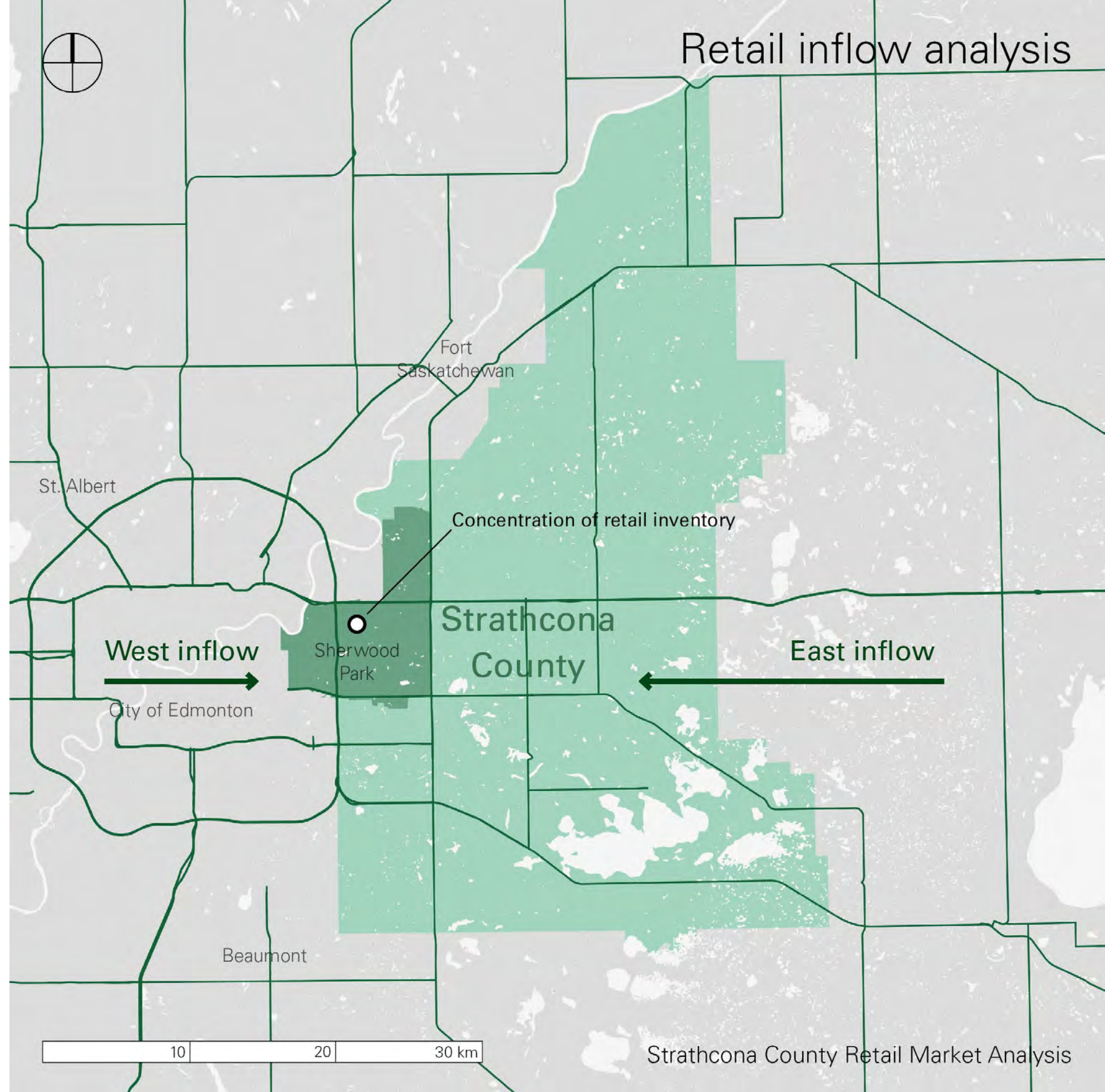
| Retail Categories | 2023 | | 2033 |
|------------------------------------|------------------|-------------|------------------|
| | SF GLA | % | SF GLA |
| Convenience | 1,426,739 | 24% | 1,721,661 |
| Grocery & Convenience | 997,526 | 17% | 1,203,726 |
| Pharmacy | 87,109 | 1% | 105,115 |
| Alcohol, Tobacco & Cannabis | 112,808 | 2% | 136,127 |
| Services | 229,295 | 4% | 276,693 |
| Comparison | 2,140,860 | 36% | 2,583,399 |
| Fashion & Accessories | 443,041 | 8% | 534,622 |
| Jewelry, Watches & Accessories | 22,010 | 0% | 26,560 |
| Beauty & Personal Care | 84,862 | 1% | 102,404 |
| Home Furniture & Décor | 189,539 | 3% | 228,719 |
| Appliances & Electronics | 220,531 | 4% | 266,117 |
| Home Improvement & Gardening | 463,408 | 8% | 559,200 |
| Books & Media | 184,218 | 3% | 222,298 |
| Sporting Goods & Recreation | 189,087 | 3% | 228,173 |
| Toys & Hobbies | 121,674 | 2% | 146,825 |
| Specialty Retail | 222,490 | 4% | 268,481 |
| Food & Beverage | 653,749 | 11% | 788,886 |
| Quick Service F&B | 288,015 | 5% | 347,550 |
| Restaurants & Pubs | 365,734 | 6% | 441,335 |
| Leisure & Entertainment | 123,402 | 2% | 148,911 |
| Arts & Entertainment | 52,323 | 1% | 63,139 |
| Fitness & Leisure | 71,079 | 1% | 85,772 |
| Automotive | 1,561,797 | 26% | 1,884,638 |
| Auto Parts & Accessories | 425,366 | 7% | 513,294 |
| Auto/RV/Motorsports Dealerships | 1,136,431 | 19% | 1,371,344 |
| Total Retail Floorspace | 5,906,547 | 100% | 7,127,495 |

*Note, long term retail floor space projections may vary with changing real estate market conditions and economic growth of Strathcona County.

4.0 Retail Market: Demand Analysis

Strathcona County Inflow Analysis

- In addition to sourcing business from Strathcona County residents, retail businesses within the County also source business from outside the County, from the West & East.
- The West inflow area corresponds to the neighbourhoods of the City of Edmonton that border Strathcona County. The East inflow area refers to rural Strathcona County outside Sherwood Park.
- While no primary research has been conducted on this level of inflow, the following pages provide a basis for which to estimate the general level of future inflow from the West and East combined.
- Inflow from the West is largely expected to come from communities in Northeast Edmonton, which are able to conveniently access Strathcona County via the Yellowhead and Anthony Henday Highways.
- Newer developments like Manning Town Centre over recent years have likely impacted the level of west inflow spending. Coupled with retail projects located along the edge of this belt at interceptory locations to Edmontonians travelling eastbound, this separation limits potential inflow.
- Populations to east, to which Strathcona County is interceptory, have also been factored into the inflow analysis. Accordingly, all populations within a one-hour drive, that would flow through Strathcona County in reaching commercial areas of the City have been determined to be a source of potential inflow.
- While residential densities are low in this rural eastern area of the county and wider region, they are still a contributor to Strathcona County's retail demand.



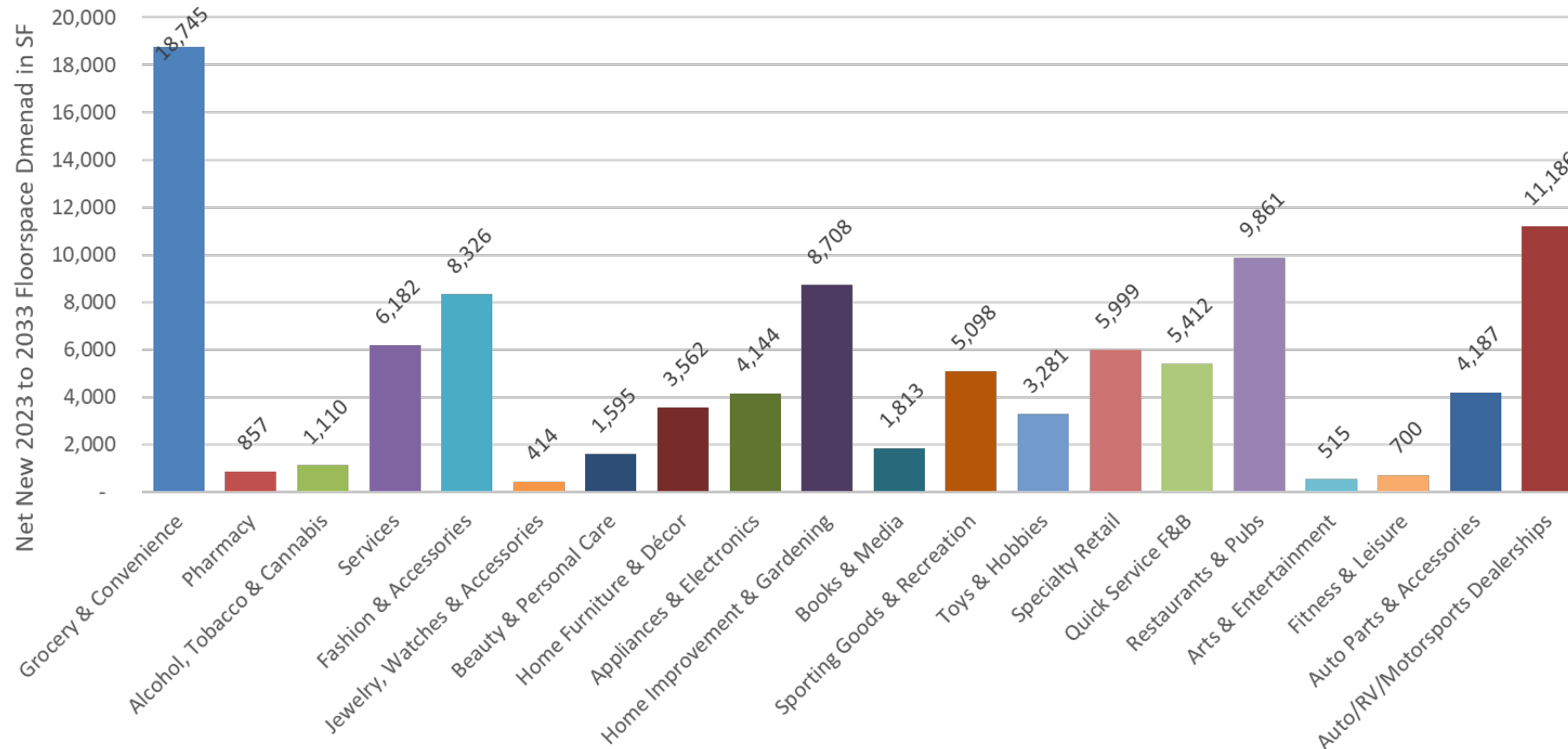
4.0 Retail Market: Demand Analysis

Strathcona County Inflow: Baseline Capture

According to a Baseline Capture of just under 10% of the total spending of both East & West inflow markets, an additional 101,000 sf of retail is warranted over the 10-year period 2023 to 2033, climbing to a total of just under 600,000 sf (593,699 sf) in 2033.

Note: Long term retail floor space projections may vary with changing real estate market conditions and economic growth trends in Strathcona County and Edmonton as a whole. This amounts to an overall inflow source of sales estimate at between 9% - 10%.

Total New Retail Floor Space Demand by 2033



| Retail Floorspace Demand Projection for Strathcona County | | | | |
|---|------------------------------------|----------------|-------------|----------------|
| External Inflow Factor | Retail Categories | 2023 SF GLA | 2023 % | 2033 SF GLA |
| 2.4% | Convenience | 130,112 | 26% | 157,008 |
| 10.0% | Grocery & Convenience | 90,684 | 18% | 109,430 |
| 5.0% | Pharmacy | 4,148 | 1% | 5,005 |
| 5.0% | Alcohol, Tobacco & Cannabis | 5,372 | 1% | 6,482 |
| 15.0% | Services | 29,908 | 6% | 36,090 |
| 3.8% | Comparison | 207,726 | 42% | 250,665 |
| 10.0% | Fashion & Accessories | 40,276 | 8% | 48,602 |
| 10.0% | Jewelry, Watches & Accessories | 2,001 | 0% | 2,415 |
| 10.0% | Beauty & Personal Care | 7,715 | 2% | 9,309 |
| 10.0% | Home Furniture & Décor | 17,231 | 4% | 20,793 |
| 10.0% | Appliances & Electronics | 20,048 | 4% | 24,192 |
| 10.0% | Home Improvement & Gardening | 42,128 | 9% | 50,836 |
| 5.0% | Books & Media | 8,772 | 2% | 10,586 |
| 15.0% | Sporting Goods & Recreation | 24,663 | 5% | 29,762 |
| 15.0% | Toys & Hobbies | 15,871 | 3% | 19,151 |
| 15.0% | Specialty Retail | 29,020 | 6% | 35,019 |
| 1.4% | Food & Beverage | 73,888 | 15% | 89,161 |
| 10.0% | Quick Service F&B | 26,183 | 5% | 31,595 |
| 15.0% | Restaurants & Pubs | 47,704 | 10% | 57,565 |
| 0.1% | Leisure & Entertainment | 5,876 | 1% | 7,091 |
| 5.0% | Arts & Entertainment | 2,492 | 1% | 3,007 |
| 5.0% | Fitness & Leisure | 3,385 | 1% | 4,084 |
| 1.4% | Automotive | 74,371 | 15% | 89,745 |
| 5.0% | Auto Parts & Accessories | 20,256 | 4% | 24,443 |
| 5.0% | Auto/RV/Motorsports Dealerships | 54,116 | 11% | 65,302 |
| 9.1% | Total Retail Floorspace | 491,973 | 100% | 593,669 |

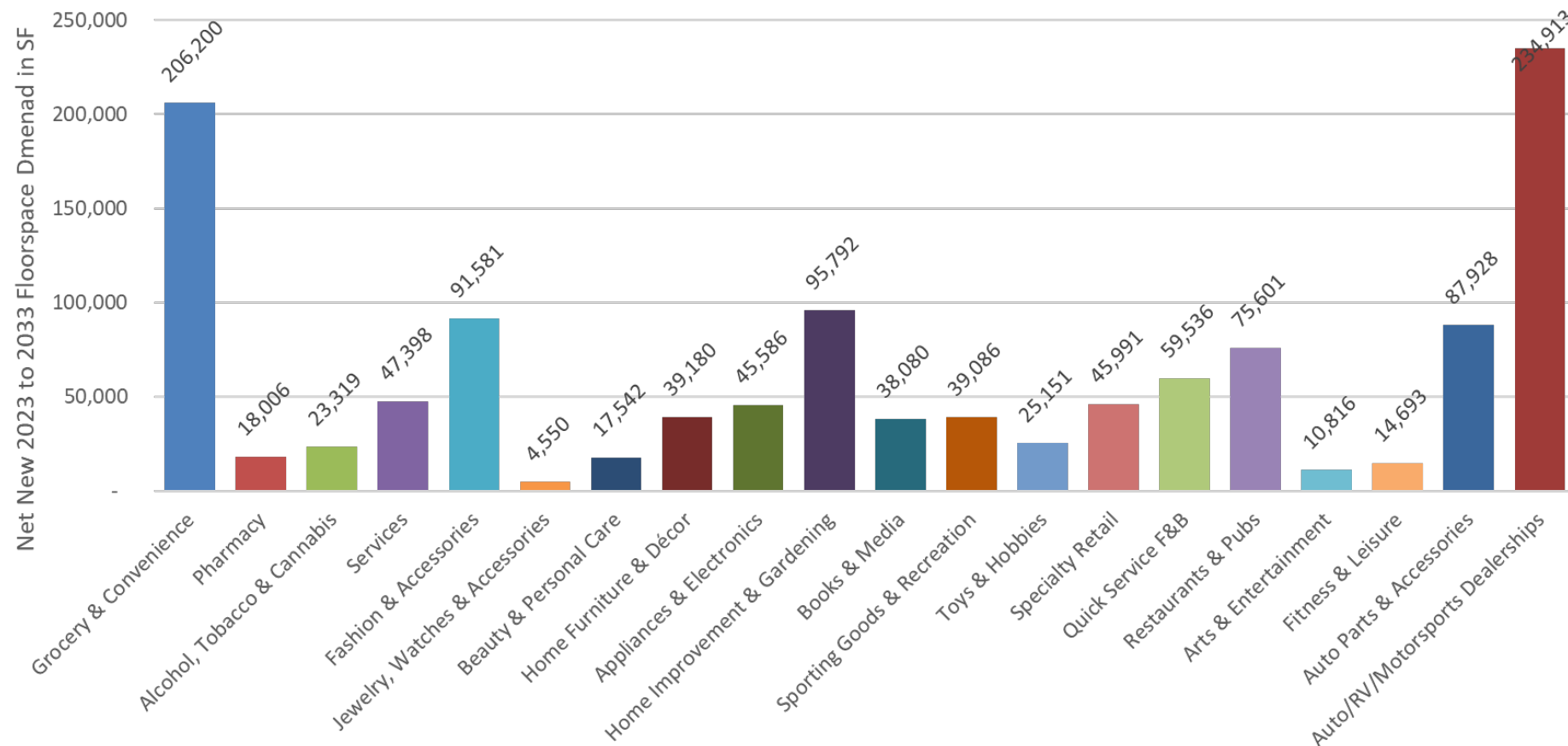
4.0 Retail Market: Demand Analysis

Total Floor Space Demand: Strathcona County + Inflow

The table and diagram summarizes the retail floor space demand for Strathcona County, including Baseline capture inflow assumptions, over the 10-year period 2023 through to 2033.

Overall retail floor space demand is expected to grow from 5.9 million sf to 7.1 million sf over the next 10 years.

Total New Retail Floor Space Demand by 2033



| Retail Floorspace Demand Projection for Strathcona County | | | |
|---|------------------|-------------|------------------|
| Retail Categories | 2023 | | 2033 |
| | SF GLA | % | SF GLA |
| Convenience | 1,426,739 | 24% | 1,721,661 |
| Grocery & Convenience | 997,526 | 17% | 1,203,726 |
| Pharmacy | 87,109 | 1% | 105,115 |
| Alcohol, Tobacco & Cannabis | 112,808 | 2% | 136,127 |
| Services | 229,295 | 4% | 276,693 |
| Comparison | 2,140,860 | 36% | 2,583,399 |
| Fashion & Accessories | 443,041 | 8% | 534,622 |
| Jewelry, Watches & Accessories | 22,010 | 0% | 26,560 |
| Beauty & Personal Care | 84,862 | 1% | 102,404 |
| Home Furniture & Décor | 189,539 | 3% | 228,719 |
| Appliances & Electronics | 220,531 | 4% | 266,117 |
| Home Improvement & Gardening | 463,408 | 8% | 559,200 |
| Books & Media | 184,218 | 3% | 222,298 |
| Sporting Goods & Recreation | 189,087 | 3% | 228,173 |
| Toys & Hobbies | 121,674 | 2% | 146,825 |
| Specialty Retail | 222,490 | 4% | 268,481 |
| Food & Beverage | 653,749 | 11% | 788,886 |
| Quick Service F&B | 288,015 | 5% | 347,550 |
| Restaurants & Pubs | 365,734 | 6% | 441,335 |
| Leisure & Entertainment | 123,402 | 2% | 148,911 |
| Arts & Entertainment | 52,323 | 1% | 63,139 |
| Fitness & Leisure | 71,079 | 1% | 85,772 |
| Automotive | 1,561,797 | 26% | 1,884,638 |
| Auto Parts & Accessories | 425,366 | 7% | 513,294 |
| Auto/RV/Motorsports Dealerships | 1,136,431 | 19% | 1,371,344 |
| Total Retail Floorspace | 5,906,547 | 100% | 7,127,495 |

5.0 Retail Sales Gap Analysis

Supply/Demand Gap Quantification 2023

- The purpose of the facing table is to identify which retail categories would support additional floor space, taking into consideration warranted outflow and inflow.
- Based on the latter Supply and Demand analysis it has been estimated that the Strathcona County retail market in 2023 experienced a retail sales leakage of roughly 14% based on baseline County demand. When factoring in for inflow, this figures increases to 22%. Or an inflow index of 78 basis points.
- While it is estimated that convenience goods have a varying degree of outflow, the overall picture for conveniences suggest a very strong retail sales capture for Strathcona County.
- Comparison (or Department Store Type Merchandise – DSTM) sale leakage is also quite strong for Strathcona County even for fashion categories which shows that Strathcona maintains a competitive position in the face of major fashion destinations such as West Edmonton Mall and South Edmonton Common.
- Similarly, even categories such as sports & recreational and home-related goods exhibit healthy rates of retention at or near 80 basis points. The only categories of relative weakness are Books & Media, which is not surprising given the propensity for on-line spending.
- Overall, Strathcona County has a very strong retail positioning relative to other competitive nodes and is a major destination for external inflow from rural areas to the north and east.
- According to this estimated level of outflow, as well as demand coming from Strathcona County plus Baseline Inflow scenario, additional grocery, fashion (apparel, footwear and accessories) beauty & personal care, home furniture, sports & recreation, specialty retail, as well as full service food and beverage floor space may be supportable in the future.
- Pharmacies, alcohol & tobacco and leisure & entertainment categories may be in an oversupply scenario as of 2033, though they do exhibit healthy above average inflows.

| Index | Description |
|----------------|----------------|
| >= 180 | Extremely High |
| >=110 and <180 | High |
| >=90 and <110 | Similar |
| >=50 and <90 | Low |
| <50 | Extremely Low |

| Retail Leakage Estimates | DEMAND | CURRENT INVENTORY | RESIDUAL FLOORSPACE | INFLOW INDEX |
|--|------------------|-------------------|---------------------|--------------|
| Retail Categories | 2023 | 2023 | 2023 | 2023 |
| Convenience | 1,426,739 | 1,183,996 | (242,743) | 83 |
| Grocery & Convenience | 997,526 | 771,855 | (225,671) | 77 |
| Pharmacy | 87,109 | 111,545 | 24,436 | 128 |
| Alcohol, Tobacco & Cannabis | 112,808 | 133,607 | 20,799 | 118 |
| Services | 229,295 | 166,988 | (62,307) | 73 |
| Comparison | 2,140,860 | 1,534,582 | (606,278) | 72 |
| Fashion, Footwear & Accessories | 443,041 | 357,942 | (85,099) | 81 |
| Jewelry, Watches & Accessories | 22,010 | 16,017 | (5,993) | 73 |
| Beauty & Personal Care | 84,862 | 45,297 | (39,565) | 53 |
| Home Furniture & Décor | 189,539 | 150,171 | (39,368) | 79 |
| Appliances & Electronics | 220,531 | 180,219 | (40,312) | 82 |
| Home Improvement & Gardening | 463,408 | 394,167 | (69,242) | 85 |
| Books & Media | 184,218 | 52,089 | (132,129) | 28 |
| Sporting Goods & Recreation | 189,087 | 120,446 | (68,641) | 64 |
| Toys & Hobbies | 121,674 | 97,460 | (24,214) | 80 |
| Specialty Retail | 222,490 | 120,775 | (101,715) | 54 |
| Food & Beverage | 653,749 | 452,128 | (201,621) | 69 |
| Quick Service F&B | 288,015 | 248,670 | (39,344) | 86 |
| Restaurants & Pubs | 365,734 | 203,458 | (162,276) | 56 |
| Leisure & Entertainment | 123,402 | 214,213 | 90,811 | 174 |
| Arts & Entertainment | 52,323 | 128,528 | 76,205 | 246 |
| Fitness & Leisure | 71,079 | 85,685 | 14,606 | 121 |
| Total Retail Floorspace (excl Automotive) | 4,344,749 | 3,384,919 | (959,830) | 78 |

5.0 Retail Sales Gap Analysis

Supportable Retail Supply 2033

Assuming there are no increases to retail supply but rather an increase in demand or leakage retention, the retail market in 2033 is expected to experience retail sales leakage of 18%.

Overall inflow or “retention” in 2033 for Convenience goods & services is expected to continue to be strong at over 90%, driven by the fact that Strathcona has many of the current desirable tenants, but opening the door for some strategic new additions (e.g. T&T Supermarket)

Like above, Comparison categories could have an equally strong target inflow at almost 75 basis points while food & beverage could achieve just over 70 basis points.

- The table to the right illustrates the Supply/ Demand gap for each major retail category over the next decade to the year 2033.
- It has been determined that there is a:
 - Small but positive gap for which specifically targeted retailers would be supported and compatible
 - A similar positive gap for Comparison merchandise, also focused on very specific merchandise target tenants and most likely targeted in major nodes with compatible co-tenants such as Emerald Hills.
 - A limited opportunity for destination leisure and entertainment retailers, except for smaller local businesses as part of localized new retail nodes.

| Index | Description |
|----------------|----------------|
| >= 180 | Extremely High |
| >=110 and <180 | High |
| >=90 and <110 | Similar |
| >=50 and <90 | Low |
| <50 | Extremely Low |

| Retail Leakage Estimates | FUTURE DEMAND | TARGET INVENTORY | NET NEW RESIDUAL FLOORSPACE | TARGET INFLOW INDEX |
|--|------------------|------------------|-----------------------------|---------------------|
| Retail Categories | 2033 | 2033 | 2033 | 2033 |
| Convenience | 1,721,661 | 1,592,426 | (129,235) | 92 |
| Grocery & Convenience | 1,203,726 | 1,083,353 | (120,373) | 90 |
| Pharmacy | 105,115 | 131,394 | 26,279 | 125 |
| Alcohol, Tobacco & Cannabis | 136,127 | 170,159 | 34,032 | 125 |
| Services | 276,693 | 207,520 | (69,173) | 75 |
| Comparison | 2,583,399 | 1,921,354 | (662,046) | 74 |
| Fashion, Footwear & Accessories | 534,622 | 427,698 | (106,924) | 80 |
| Jewelry, Watches & Accessories | 26,560 | 19,920 | (6,640) | 75 |
| Beauty & Personal Care | 102,404 | 56,322 | (46,082) | 55 |
| Home Furniture & Décor | 228,719 | 182,975 | (45,744) | 80 |
| Appliances & Electronics | 266,117 | 226,199 | (39,918) | 85 |
| Home Improvement & Gardening | 559,200 | 503,280 | (55,920) | 90 |
| Books & Media | 222,298 | 66,689 | (155,609) | 30 |
| Sporting Goods & Recreation | 228,173 | 159,721 | (68,452) | 70 |
| Toys & Hobbies | 146,825 | 117,460 | (29,365) | 80 |
| Specialty Retail | 268,481 | 161,088 | (107,392) | 60 |
| Food & Beverage | 788,886 | 560,219 | (228,667) | 71 |
| Quick Service F&B | 347,550 | 295,418 | (52,133) | 85 |
| Restaurants & Pubs | 441,335 | 264,801 | (176,534) | 60 |
| Leisure & Entertainment | 148,911 | 233,493 | 84,582 | 157 |
| Arts & Entertainment | 63,139 | 126,278 | 63,139 | 200 |
| Fitness & Leisure | 85,772 | 107,215 | 21,443 | 125 |
| Total Retail Floorspace (excl Automotive) | 5,242,857 | 4,307,492 | (935,365) | 82 |

5.0 Retail Sales Gap Analysis

Retail Role & Function



Future retail development planning should take into consideration the competitive market dynamics and respond to changes in demand that stem from the market performance, spending outflow and future population/income growth.

The strongest opportunity for future retail floorspace growth (incremental) over the next decade remain in the convenience and comparison categories.

Local & Convenience-Oriented

- The future demand for convenience retail will increase proportionally with the population and income growth for Strathcona County. As there is currently a demand for grocery, pharmacy, and alcohol and tobacco, these retail necessities should be added accordingly to anchor neighborhood or community centres, and allow easy access to these retailers to all community members.
- Specifically, less represented (or new-to-market) brands in the grocery and food/beverage categories could be target tenants for Sherwood Park.

Destination Retail

- New-to-market fashion-oriented brands or specialty merchandise will likely seek locations in Sherwood Park Mall and Emerald Hills (taking advantage of existing co-tenancy opportunities and established customer shopping patterns), however many established brands in said categories may view Strathcona County (Sherwood Park) a 'secondary' trade area to Edmonton's established regional shopping destinations such as Southgate Centre, Kingsway Mall, West Edmonton Mall, South Edmonton Common, etc.
- Future destination retail in Sherwood Park could focus on leisure/entertainment-oriented activities for young adults and families, reducing the need to go to Edmonton for popular dining concepts, public houses, or family entertainment.

Mixed-Use Formats

- Mixed-use projects with 'town centre' retail amenities continues to evolve as a development format in Strathcona County. The 'convenience' of having the daily necessities within walking distance of its residents in a more pedestrian-oriented environment will likely be a strong 'amenity' for future homebuyers. Currently in Strathcona County, most developments are primarily accessible via vehicle, with few 'pedestrian-friendly' shopping environments (that are not conventional strip mall formats).
- Mixed-use developments with well integrated, pedestrian-oriented retail environments could add a premium to the residential units in the project and ultimately create stronger engagement within the community.

5.0 Retail Sales Gap Analysis

Potential Target Tenant Considerations

Based on the findings of the Retail Supply Analysis and Retail Demand Analysis, the following brand considerations could be added to fill market gaps, and have the potential to curb some retail outflow in the future. A focus on new retailers with mid to high price point offerings could be added in response to the high average and median incomes of Strathcona County residents.

Grocery & Specialty Food



Services



Comparison Retailers



Food & Beverage



Fitness



Entertainment/Leisure



5.0 Retail Sales Gap Analysis

Retail Land Use Allocation

Additional warranted retail GLA floor space demand amounts to the following in terms of land use, however this does not necessarily translate to new land use. It could reasonably be forecast that new retail demand can be accommodated more realistically in smaller compact developments in new communities as well as through intensification of some older development formats.

Two approaches to future demand both yield similar results averaging approximately 900,000 sq. ft. to 935,000 sq. ft over the next decade (to 2033).

- Difference of 37,258 sq. ft. based on an overall increase of 4 basis points to the magnitude of inflow from an inflow index of 78 points today to 82 by 2033.
- At 0.3 FSR, a total of approximately 70 acres in 2033 assuming all new development at traditional low density car-oriented formats.
- At 0.5 FSR, a total of 42 acres in 2033 assuming all new development in more compact urban formats, mixing pedestrian and vehicular circulation attributes.

Below is a summary of estimated floorspace for different types of retail tenants that are compatible with future developments and reflective of new tenant demands.

Retail Inventory Size Chart

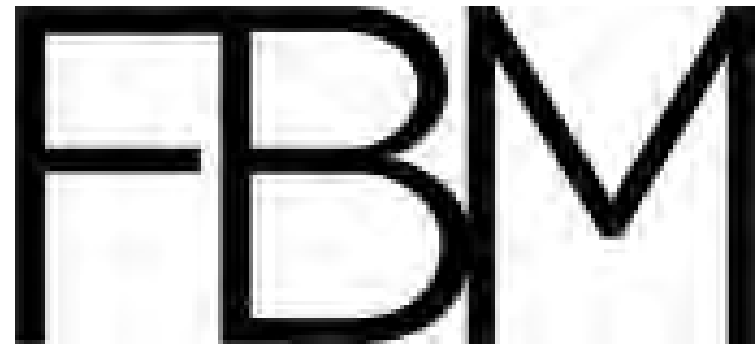
Future Demand assuming increasing target inflow on retail only categories (i.e. excl automotive)

| | Total Additional Warranted Demand | Acreage @ 0.3 FSR | Acreage @ 0.5 FSR |
|------|-----------------------------------|-------------------|-------------------|
| 2033 | 935,365 | 71.6 | 42.9 |

Future Demand maintaining current inflow on retail only categories (i.e. excl automotive)

| | Total Additional Warranted Demand | Acreage @ 0.3 FSR | Acreage @ 0.5 FSR |
|------|-----------------------------------|-------------------|-------------------|
| 2033 | 898,108 | 68.7 | 41.2 |

| Tenant Type | Category | Suggested Size per Retailer (sf) |
|------------------------------|-----------------|----------------------------------|
| Alcohol | Convenience | 2,000 – 7,000 |
| Grocery | Convenience | 10,000 – 45,000 |
| Pharmacy | Convenience | 10,000- 15,000 |
| Services | Convenience | 1,000 – 4,000 |
| Comparison Box Retailer | Comparison | 10,000 – 30,000 |
| Comparison Boutiques | Comparison | 1,500 – 4,000 |
| Big Box General Merchandiser | Comparison | 70,000 – 100,000+ |
| Quick Service Restaurants | Food & Beverage | 500 – 2,500 |
| Full Service Restaurants | Food & Beverage | 2,500 – 8,000 |
| Fitness | Leisure | 2,000 – 25,000 (up to 90k) |
| Entertainment | Entertainment | 5,000 – 30,000 |



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