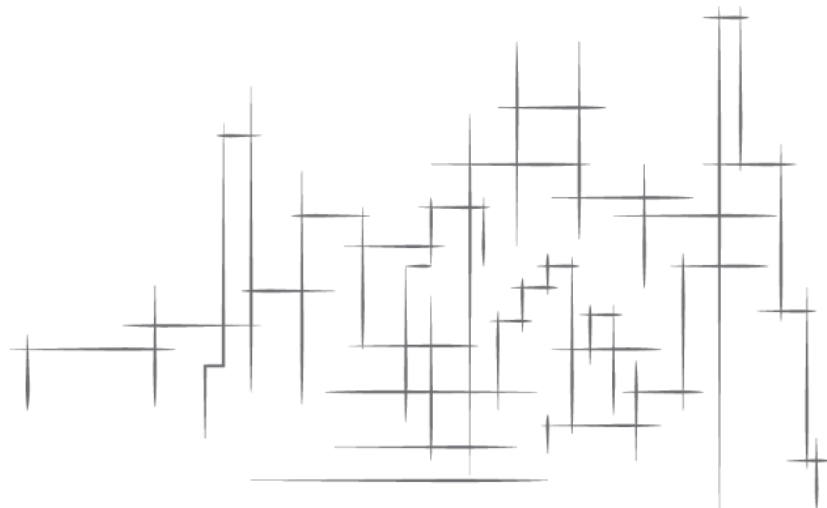




Commercial Demand & Capacity Analysis for Hammond Area Plan

City of Maple Ridge

September 2015





Executive Summary

Project Overview & Objective

G.P. Rollo & Associates Ltd. (GPRA) has been retained by the City of Maple Ridge to provide an analysis of the future commercial demand, and associated capacity to accommodate that demand, at the Hammond Historic Commercial Node under a variety of future neighbourhood growth scenarios.

Planning & Competitive Context

Historic commercial nodes are intended to provide small scale convenience shopping and a limited range of services to local area residents. The Hammond node is located at the southern end of the Hammond Area Plan; it does not benefit from highway or major arterial visibility. Furthermore, it is located in relatively close proximity to 2 major retail clusters that will continue to draw the majority of spending from the Hammond neighbourhood: Meadowtown power centre in Pitt Meadows, and the variety of shopping centres along the Lougheed Highway from Maple Meadows Way to 119 Avenue.

Hammond commercial node should be positioned to provide day-to-day shopping, service, recreational and social needs of the immediately adjacent population.

Retail Market Demand Analysis

- The major market segments for Hammond retail are: immediately adjacent residents (primary trade area - PTA), residents up to a 3-5 minute drive away (secondary trade area - STA), and nearby employees (employee trade area).
- The City of Maple Ridge has defined three market build-out scenarios, with combined PTA + STA populations in 30 years ranging from about 7,900 up to 20,000.
- The employee trade area (south of 116 avenue and west of 209 street) is projected to have an effective employee population of 7,200.
- According to a Baseline scenario, it is estimated that retail floor space demand will be around 16,000 square feet in 2045. Under a medium-density scenario, demand is projected to reach 20,000 square feet. Under a medium/high density scenario, demand could reach nearly 50,000 square feet. In this final scenario, there would be sufficient population to support a commercial village with a retail grocery anchor.
- It is recommended that non-retail commercial floor space (i.e. office / institutional space) also be included in the commercial node, both as an added amenity to the community and to help bolster overall retail demand.

Supportable Tenant Mix & Required Land Base

- Floor area demand is converted into commercial development scenarios (preliminary tenant mixes), presented in the table below. Total commercial floor area ranges from under 21,000 square feet to over 63,000 square feet. These figures include non-retail commercial floor area that could be included in a future building program.



- Required land area ranges from 1.4 acres up to 5.8 acres, depending on future demand and built density. The existing land base could support this through redevelopment of currently built-out properties.
- Consideration should be given to additional commercial and/or mixed-use designation/zoning in the Hammond node area in the future, depending on market responsiveness and desired retail building layout. There may be a need in the future to shift the commercial land pattern in the node in order to allow for development that is most market supportable and leasable.

Preliminary Tenant Mix - Hammond Village			
	Baseline	Medium Density	Medium/High Density
Pharmacy	2,000	2,500	4,000
Restaurant	2,500	3,000	5,000
Wine & Beer Store	1,500	2,000	3,000
Personal Services	1,500	1,500	3,000
Café	1,500	2,000	3,500
Grab & Go / Bakery / Deli	1,500	2,000	3,500
General Store / Green grocer	2,500	3,000	4,000
Comparison Boutiques	2,000	3,000	6,000
Supermarket	0	0	15,000
Hardware	1000	1000	2000
Total Retail / Service Commercial Floor Space	16,000	20,000	49,000
Non-Retail Commercial floor area (@30%)*	4,800	6,000	14,700
Total Commercial Floor Area	20,800	26,000	63,700
Land Requirements (acres)			
0.25 FSR	1.9	2.4	5.8
0.35 FSR	1.4	1.7	4.2

*Space for community use, daycare, martial arts/yoga, professional office etc.

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Introduction

G.P. Rollo & Associates Ltd. (GPRA) has been retained by the City of Maple Ridge to undertake an analysis of the future commercial demand, and associated capacity to accommodate that demand, at the Hammond Historic Commercial Node (henceforth the “Hammond node”) under a variety of future neighbourhood growth scenarios. Hammond's historic commercial area contains 6.2 acres of zoned commercial land, of which 0.8 acres can be classified as “underutilized” and 1.7 acres as vacant.

The City of Maple Ridge has undertaken an analysis which explores three potential residential build-out scenarios for the Hammond Area Plan. The first scenario (base density) is based on a continuation of the recently observed Hammond neighbourhoods' growth rate, and makes no allowance for major land use changes. The second scenario (medium density) projects future population under a set of conditions in which land use policy is modified to allow for a variety of new built forms along major corridors, including triplex, four-plex, townhouse and garden apartments up to 3-storeys. In addition, some sensitive infill redevelopment would be permitted within the neighbourhood residential areas (i.e. garden suites, duplex, cottage clusters). The third scenario (medium-high density) projects future population under conditions of even more four-plex, ground-oriented townhouses, and 4-storey apartments along major arterials.

GPRA's analysis examines the future commercial square footage supportable at the Hammond node under each of the three population growth scenarios. Supportable floor area calculations for each scenario are then converted into preliminary recommended tenant mixes, with associated amounts of land required under each build-out scenario.

Hammond's Place in the Maple Ridge Commercial Hierarchy

Planning Context

Any future development or redevelopment of commercial space in the Hammond area will be guided by land use vision and objectives as laid out in the OCP.

Hammond is a designated historic commercial centre. The central objective for historic commercial centres in Maple Ridge is, according to OCP section 6.3.8, to "facilitate commercial centres that serve as a historic focus for existing historic community neighbourhoods." To do so, historic commercial nodes are to provide for the "commercial needs of the adjacent population", and are "intended to provide small scale convenience shopping and a limited range of service to residents."¹ In other words, these are not intended as destination shopping areas drawing on large residential trade areas.

At present, the Hammond node (shown in red in Figure 1 below) consists of one larger contiguous commercially designated area, and 3 smaller commercial corner lots.² The larger cluster extends west-east along Maple Crescent from approximately Waresley Street to just east of Dartford Street, and north-south on both 206 Street and Dartford Street to Battle Avenue. The three smaller nodes are located on the northwest corner of Dartford Street and Battle Avenue, the southwest corner of 206 Street and Lorne Avenue, and the northeast corner of Dartford Street and Lorne Avenue. These nodes are home to businesses operating in the categories of food & beverage, personal services, convenience store and automotive.

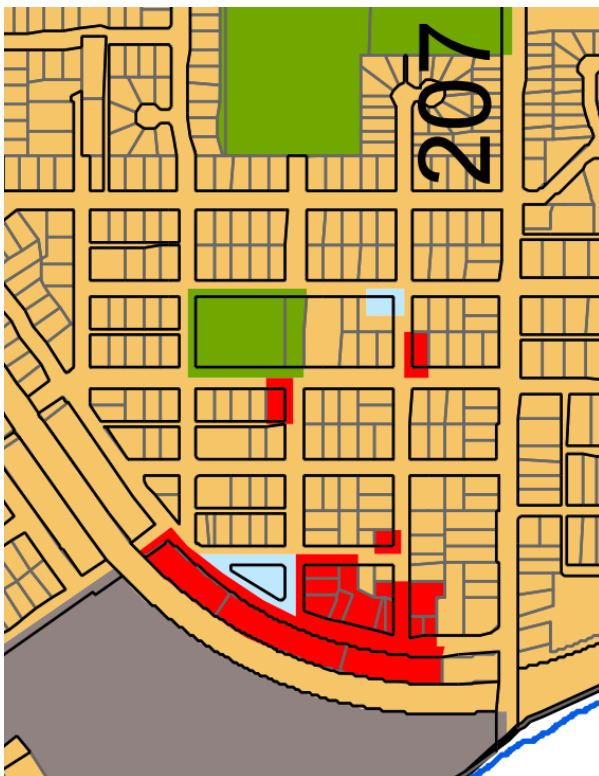


Figure 1: Designated Commercial Area (Red) in Hammond as per OCP Schedule B

¹ Maple Ridge OCP, By-Law 7060-2014, Policies 6-38 and 6-39.

² Maple Ridge OCP, By-Law 7060-2014, Schedule B (last revised January 6, 2015).

There is significant commercial competition north and northwest of the Hammond Area Plan, including big-box retail just west of the City, as well as a variety of commercial along the Loughheed Highway from the western gateway of the City, east to 119 Avenue. These commercial areas will continue to draw the majority of current and future Hammond area retail spending. This sizeable nearby competition serves to underscore the Hammond node's primary intended role as a convenience-serving commercial area catering to the immediate local population's day-to-day needs.

Meadowtown Power Centre

Lougheed /Dewdney Commercial Cluster

Hammond Commercial Node

Figure 2: Major Commercial Clusters of Influence for Hammond Commercial Area

Meadowtown Centre is a 420,000 square foot open format power centre anchored by several big box anchor tenants. Anchors include: Superstore (147,000 sf), Cineplex Theatres, Winners HomeSense and JYSK. The site offers 1,950 parking spaces (4.6/1,000 sf). The mall is a solid performer due to its strategic location and significant market area. It has a sub-4% vacancy rate, and draws a large amount of spending from West Maple Ridge including the Hammond area.



Lougheed / Dewdney Commercial Cluster

The Lougheed/Dewdney commercial cluster extends 1.6 linear kilometres, from the intersection of Lougheed Highway and Dewdney Trunk Rd./Maple Meadows Way in the west to the intersection of Lougheed Highway and 119 Avenue in the east. Figure 3 below shows the various commercial nodes within this cluster.

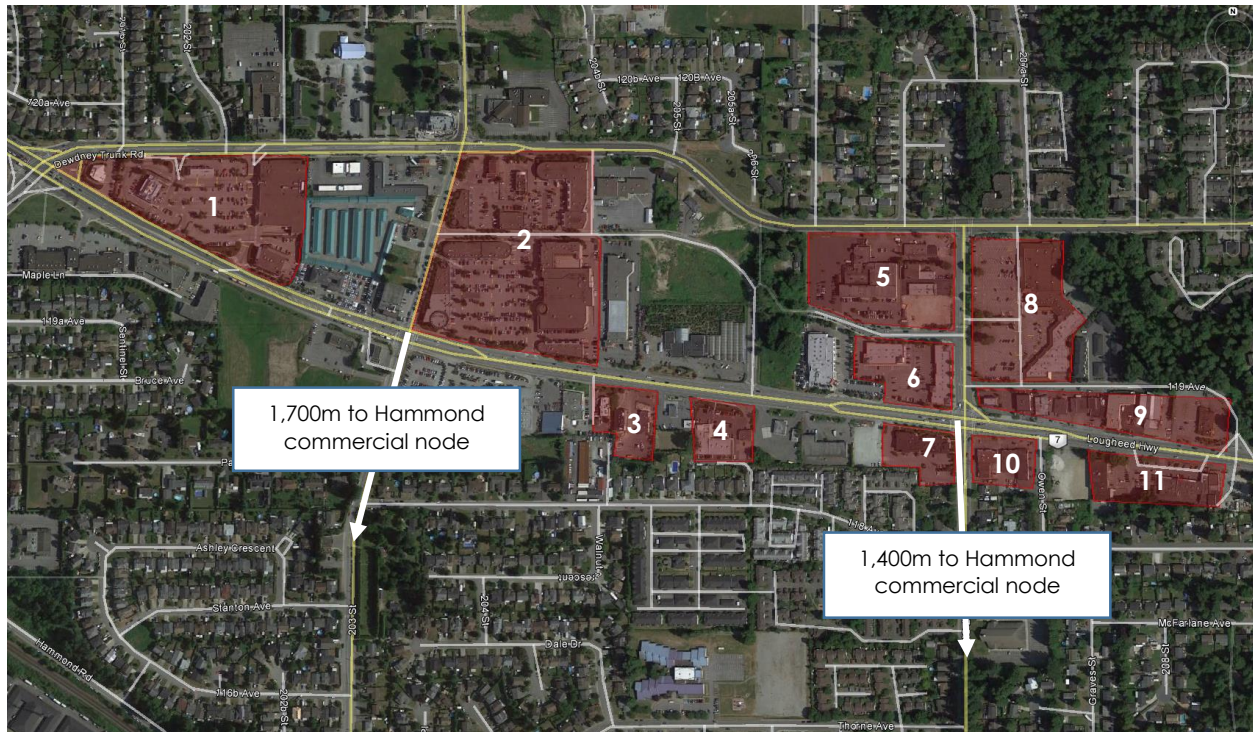


Figure 3: Lougheed / Dewdney Commercial Cluster, West Maple Ridge

1. *Safeway shopping centre*: anchored by 50,000 square foot Safeway (with Starbucks). Also contains Envision Financial, Tim Hortons, and Westminster Savings.
2. *Westgate Centre*: anchored by 49,000 square foot Save-On Foods and 17,000 square foot Shoppers Drug Mart. Other notable tenants include: TD Bank, Dollarama, McDonald's, Pet Food 'n More, De Dutch, Swiss Chalet, and Fox's Reach Liquor Store
3. Small Food & Beverage cluster with A&W, Dairy Queen, and Browns Social House.
4. Health Services cluster, anchored by Medlandia Pharmacy
5. Most significant potential commercial/mixed-use redevelopment site within the corridor. Most significant current tenant is The Keg Steakhouse.
6. *Westridge Centre*: Sub-30,000 square foot local shopping centre anchored by Cloverdale Paint.
7. *Hammond Mill Centre*: an 18,000 square foot local retail node containing Maple Ridge Liquor Store, Townhall Public House, The Cash Store, Pizza Hut, The Co-Operators, and Waves Coffee House.
8. *Meadow Ridge Shopping Centre*: anchored by Dollar Giant and Value Village.

9. A 300 linear metre commercial strip with a mixture of automotive, health services and food & beverage uses.
10. Strip Centre featuring a mini-mart and various personal services, food & beverage.
11. Retail strip anchored by Mark's Work Warehouse.

Accessibility, Visibility

The Hammond commercial node, located at the southern edge of the plan area, is relatively isolated and does not have any direct highway or major arterial access or visibility. It is unlikely that it will exert sufficient influence to draw patronage from anywhere north of the Lougheed Highway, west of Golden Ears Way, or east of 210 Street.

Form & Character



Figure 4: Hammond Historic Commercial Node, excluding corner of Lorne & Dartford

The Hammond node is largely characterized by older, varied single storey construction and an eclectic mix of commercial businesses within a tightly gridded, historic neighbourhood. The main commercial areas have frontages along both an arterial road (Maple Crescent) as well as 2 local roads (206 St. and Dartford St.).



Future Role and Positioning of the Hammond Commercial Area

Given the intended role of historic commercial clusters as laid out in the OCP, and the competitive and geographic landscape within which the Hammond area is operating, the focus of the Hammond area should be convenience, day-to-day retail and service commercial for the local population, in line with current OCP policy. These uses may be supplemented by limited, unique ground and second-floor office space as well as other 'community' type space such as a multi-purpose area for community events, and/or a fitness centre-type facility. The amount of space that may be supportable will be dependent on the size of the neighbourhood's population and employment areas in the years to come.

Commercial Space Demand Projections

Introduction

In order to evaluate the market potential for new retail and service commercial at the Hammond node, GPRA analyses the retail expenditure patterns of the future customer base. The market influence attributable to any retail node, of any size, will always extend beyond any precisely defined boundaries. However, in order to construct reliable estimates of future market support, well-defined trade areas must be delineated.

The geographic area of influence from which a small retail cluster could normally expect to derive the majority of its total sales volume is defined as its primary trade area (PTA). This is supplemented by one or more secondary trade areas (STA), from which the bulk of additional sales are derived. Any additional sales volumes beyond those areas is typically defined as 'inflow'. In addition to these trade areas – which account for the spending associated with the residents located in the ascribed areas – an 'employee trade area' overlay is delineated and assessed. This area encompasses those who are employed within the commercial node's area of influence, and analyses the potential for daytime expenditures from those patrons.

The most significant factors that are considered in the delineation of the trade areas for the Hammond node are the location and magnitude of competitive areas of influence, psychological/physical barriers to access, and OCP policy pertaining to historic commercial nodes.

Residential Trade Area Boundaries

Based on our assessment of the competitive environment, the locational attributes of the Hammond area, and existing policy, GPRA has delineated the following commercial trade areas:

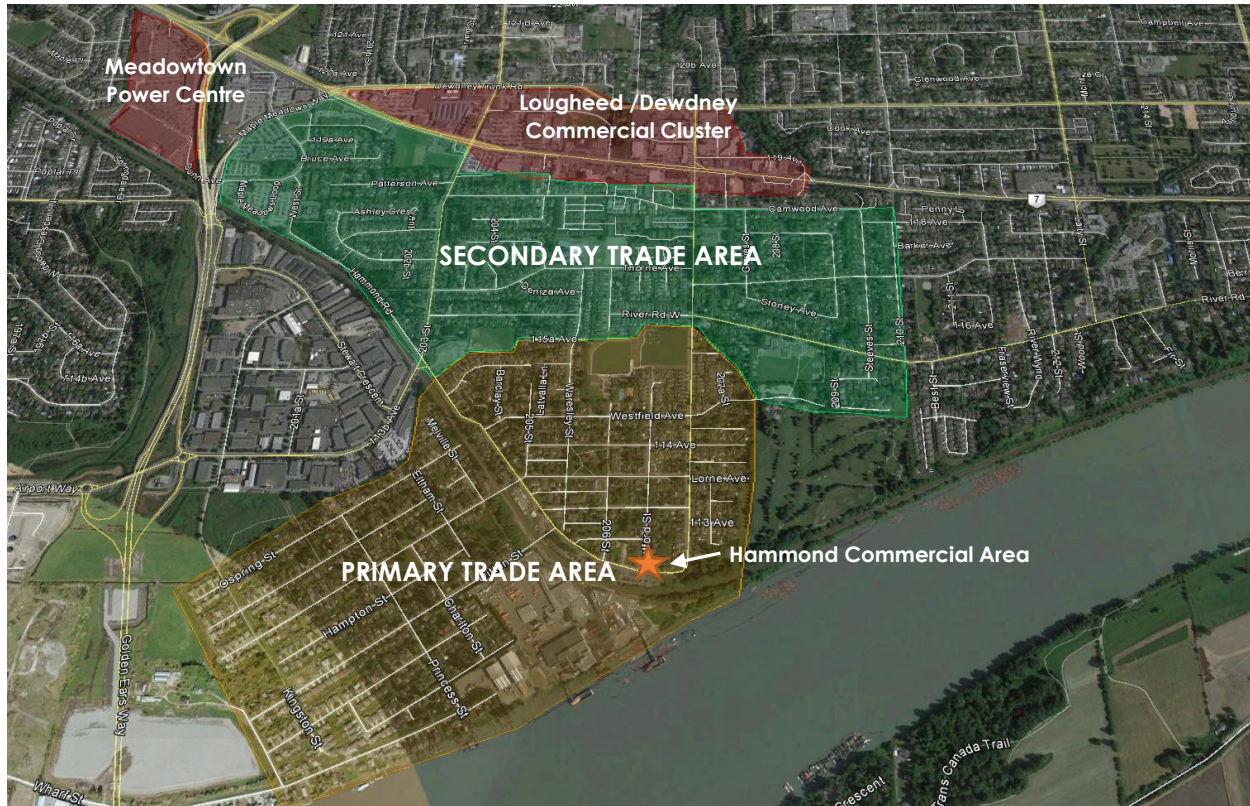


Figure 5: Hammond Commercial Node Trade Areas & Competitive Influence Areas

Primary Trade Area

The Primary Trade Area (PTA) for the Hammond node has been defined on the basis of a modified 10-minute 'walk-shed'. The walk-shed extends slightly beyond 10 minutes to the west (into the Port Hammond area) due to a lack of any competitive commercial influence in that neighbourhood, and is curtailed to the north to account for the relative proximity and outsized influence of the variety of shops and services along the Lougheed Highway as noted above. The PTA is bounded by:

- Hazelwood Street alignment to the west;
- Northern boundary of Lower Hammond
- 115 / 115a Avenue
- Western edge of Maple Ridge Golf Course

The trade area is characterized by predominantly single family homes. It has an estimated 2014 population of 3,561. The average household income is \$89,300, 5% below the Metro Vancouver average. 85% of households live in owned dwellings, vs. 66.5% for the region overall.

Secondary Trade Area

The Secondary Trade Area (STA) for the Hammond node has been defined as the area stretching from Maple Meadows Way in the west to 210 Street in the east, south of Lougheed Highway and north of the PTA. This area has been delineated on the basis of a 3-5 minute drive time from the commercial node, while accounting for the relative proximity of goods and services along the Lougheed. The STA is bounded by:

- Maple Meadows Way in the west
- Lougheed Highway commercial areas in the north
- PTA boundary in the south
- 210 St in the east.

Like the PTA, the STA is characterized by predominantly single family homes. It has an estimated 2014 population of 3,139. The average household income is \$87,800, 6% below the Metro Vancouver average. 87% of households live in owned dwellings.

Trade Area Build-Out Population Scenarios

As noted in the introduction to this report, the City of Maple Ridge has produced three potential build-out scenarios for the trade areas.

Scenario 1 – Base Density/Existing Policy

This scenario projects the future populations for the PTA and STA at current growth rates, within the existing policy framework assuming no major land use changes aside from minor sensitive residential infill. Under this scenario, the trade areas could accommodate a total of 3,068 dwelling units, housing an estimated population of 8,568 persons. Applying current growth rates, the population for the combined PTA + STA would reach about **7,850 by 2045** (4,177 in the PTA and 3,680 in the STA).

Scenario 2 – Medium Density

This scenario projects the future populations for PTA and STA on the basis of the following changes to land use policy:

- Triplexes, four-plexes, townhouses and garden apartments up to 3 storeys maximum permitted along major corridors;
- Sensitive infill redevelopment permitted within the neighbourhood residential including single family, garden suites, duplex, and cottage cluster housing;
- Minor changes to land use designations in areas where the goal is to preserve heritage character adjacent to the neighbourhood commercial node.

Based on assumed densities, development yields and family size ratios, the build-out population capacity in this scenario is **5,229 residents for the PTA and 5,837 residents for the STA** (11,066 total). This is a 29% increase over the population capacity in Scenario 1. It is assumed that this capacity will be reached within 30 years.

Scenario 3 – Medium/High Density

This scenario projects the future populations for the PTA and STA on the basis of the following changes to land use policy:

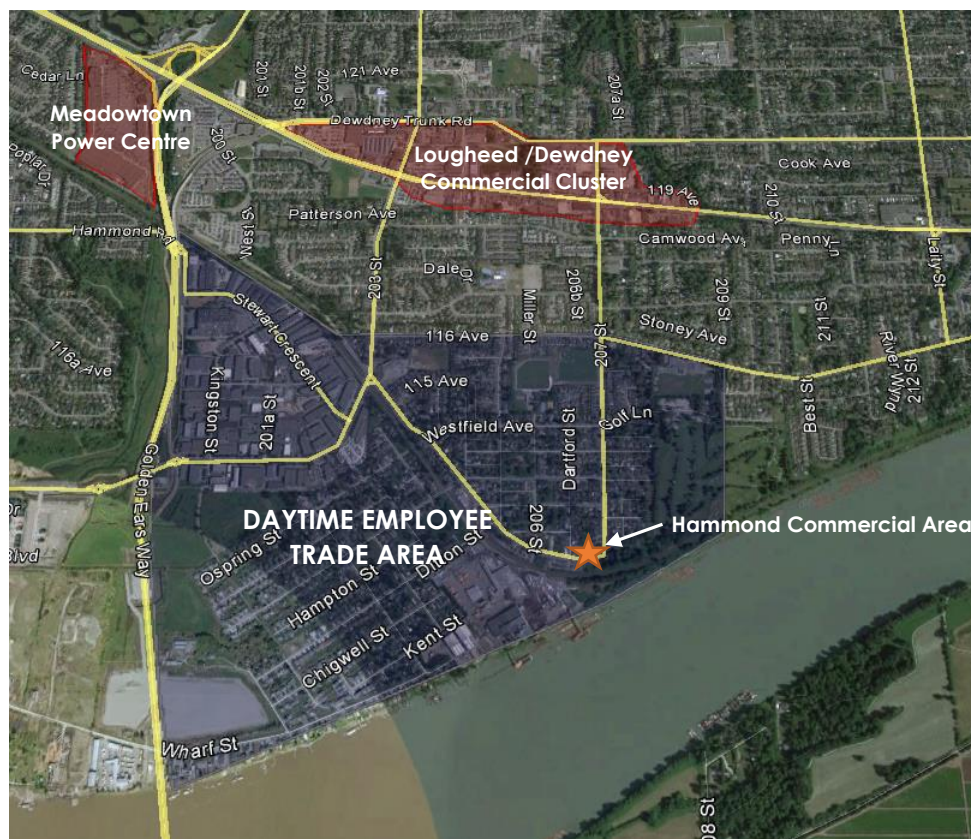
- Four-plex, ground-oriented townhomes and 4+ storey apartment permitted along major corridors;
- Sensitive infill redevelopment permitted within neighbourhood residential, including single family, garden suites, duplex, triplex and cottage cluster housing;
- Minor changes to land use designations and density transfer program in areas where the goal is to preserve heritage character.

Based on assumed densities, development yields and family size ratios, the build-out population capacity in this scenario is **6,968 residents for the PTA and 13,041 residents for the STA** (20,009 total). This is a 133% increase over the population capacity in Scenario 1. It is assumed that this capacity will be reached within 30 years.

Employee Trade Area Delineation

In addition to resident spending from the trade areas under the three build-out scenarios, employees working near the Hammond commercial node are another important source of retail and service commercial sales potential.

An employee trade area has been delineated (see Figure 6) on the basis of approximately a 10-12 minute walk-shed around the commercial node, with some extension to the west and northwest to encompass the entirety of the Maple Meadows business park and its potential future expansion area to the south. Within this trade area, it is estimated that in 2012 there was a daytime employee population of approximately 6,300 including those working from home.





Employment Growth Projections

New Development

The vacant property to the south of the existing Maple Meadows Business Park (11055 Hazelwood Street) is currently being considered for rezoning to allow business park use (M-3). Based on preliminary site plans from the applicant, the subject property contains approximately 25.45 developable acres.³



It is assumed that rezoning to M-3 will be granted for this property, allowing for the creation of a business park. It is also assumed that restrictions will be placed on the development of large format retail within this zone. Future tenants of the business park are likely to be a variety of medium-sized light industrial users, including wholesale, distribution, warehousing, and potentially one larger light industrial tenant at the site's southern portion.

³ City of Maple Ridge. Second Reading, Maple Ridge Zone Amending Bylaw No. 6914-2012, 11055 Hazelwood Street. File no: 2012-031-RZ.

To estimate the future employment at this site at full build-out, GPRA has applied employment density assumptions (employees per acre) derived from Maple Ridge-specific calculations originally performed for the Commercial & Industrial Strategy. This research indicated employment densities of approximately 41 employees per acre at light industrial parks. If we assume that new construction will yield a 10% increase in employment density over existing development in Maple Ridge, this figure reaches 45 employees per acre. On the basis of 25.45 developable acres and the higher employment density assumption, the employment yield is projected to be **1,145 employees**.

Other Employment Growth & Considerations

The existing Maple Meadows Business Park contains an estimated 1,200 employees. The park is largely built-out, so any future employment growth would come by way of built-form densification through redevelopment, or changes in employment use that result in more 'employment dense' businesses. For the purpose of this analysis, we assume that there will be 10% more employees working in this business park by 2045.

Beyond this intensification, no further employment growth is projected.

One consideration is the proportion of employees in the trade area that are working out of their own homes. For this analysis, those working at home-based businesses must be discounted, as their retail spending would already be captured within the residential trade area analysis. Total employment has therefore been reduced by 5% to account for current and future home-based employees.⁴

The result of this projection is a total employee population in the trade area of **7,565 in 2045**. After discounting the assumed 5% of home-based employees, the effective employment figure used in the projections to follow is 7,187, which is rounded up to **7,200**.

Employee Retail Expenditures

To estimate per capita worker spending, we use data derived from the 2011 ICSC *Office-Worker Retail Spending in a Digital Age* report that surveyed employees in various contexts. A consistent finding of the worker surveys are that per-employee spending is far broader than simply lunch time food spending. In fact, F&B spending comprises a minority of overall spending. Workers spend on a wide variety of retail categories, particularly during the lunch hour or on the way home.

A second important finding from ICSC's surveys are that per-employee spending often exceeds that of per-capita residential spending. This is a result of residential per-capital spending including household members that are minimally economically active (i.e. children, seniors).

We expect that only a small portion of employee spending would trickle to the Hammond commercial node given proximity to the Loughheed/Dewdney cluster, Meadowtown Power Centre, as well as downtown Maple Ridge to the east.

⁴ There are currently 73 licensed home based businesses operating within the Hammond Area Plan boundary. Assuming 2 employees per business (limit under the zoning bylaw), this equals 146 employees. This figure is approximately 2% of the total daytime employment estimate for the area. It is assumed that home-based employment will increase in the coming years, therefore a 5% discount is applied.

Retail Expenditures & Supportable Floor Area

Demand Today

Based on current trade area populations and employment figures, and applying reasonable market capture rates for a local-serving commercial node that also take into consideration proximity to the Loughheed Corridor and Meadowtown Centre, there is currently support for between 5,000 and 7,000 square feet of combined retail and service commercial floor area at the Hammond node. There are a number of existing obstacles to attracting commercial tenants to the Hammond area, most notably:

- Age and quality of building stock
- Relative isolation, both real and perceived
- Area reputation (viewed by many as an area in decay, not an up-and-coming neighbourhood).

Projecting Future Demand

To project future demand for commercial floor area, GPRA has modelled each of the potential future build-out scenarios discussed above. Per-capita expenditure potential has been forecast by retail category, taking into consideration real change in spending as well as spending elasticity by category. Future expenditures have been converted to square feet of space supportable through application of per-square-foot performance metrics that are based on observed category-specific performance in the local and regional market. Expenditure capture rates have been set based on typical market capture for neighbourhood serving nodes, taking into consideration both proximity to competitive destination retail, as well as the potential inflow that could come to the Village as it builds out, matures, and is connected into a regional waterfront trail network.

Projection Scenario 1

By 2045 the PTA + STA residential population is expected to reach 7,857. These residents would have a combined retail expenditure potential of just under \$144 million.

Using reasonable market capture rates for a local-serving commercial node, taking into account proximity to the Loughheed corridor and Meadowtown Centre, we expect that approximately 5% of this expenditure could be captured at the Hammond node, translating to approximately 8,500 square feet of retail floor area. To this we add an additional 35% for personal services, professional services, and food & beverage space, bringing the total up to 11,300 square feet.

In addition 7,200 local daytime employees would provide support for an additional 4,900 square feet, bringing the grand total of space supportable in this scenario to **16,000 square feet**.



Table 1: Supportable Floor Space Forecast, Scenario 1

	Forecasted Retail Sales	Sales Performance \$/sf/yr	Supportable Floor Space by Spending Source			Total Floor Space (sq.ft.) (rounded)*
			PTA	STA	Employees	
2045						
Residential + Employee Population:			4,177	3,680	7,200	
Retail Categories						
Supermarkets	\$ -	\$ 550.00	-	-	-	-
Convenience and specialty food stores	\$ 957,386	\$ 375.00	959	208	1,385	3,000
Beer, wine and liquor stores	\$ 1,898,489	\$ 925.00	1,621	235	197	2,000
Pharmacies and personal care stores	\$ 2,369,301	\$ 775.00	1,479	415	1,163	3,000
Department Stores	\$ -	\$ 425.00	-	-	-	-
General merchandise stores	\$ 395,394	\$ 225.00	1,152	-	606	2,000
Clothing stores	\$ -	\$ 325.00	-	-	-	-
Shoe, clothing accessories and jewellery stores	\$ -	\$ 275.00	-	-	-	-
Home Centres, Hardware Stores/Garden Stores	\$ 299,483	\$ 350.00	464	392	-	1,000
Home electronics and appliance stores	\$ -	\$ 275.00	-	-	-	-
Furniture stores	\$ 98,392	\$ 250.00	293	100	-	-
Home furnishings stores	\$ 68,008	\$ 250.00	203	69	-	-
Sporting goods, hobby, music and book stores	\$ 108,629	\$ 350.00	-	93	217	-
Miscellaneous store retailers	\$ 219,641	\$ 275.00	393	336	70	1,000
Service Commercial (including F&B) @ 35%			2,297	647	1,273	4,000
Total Floor Area Supportable			8,860	2,496	4,912	16,000

* If category total is <500sf, the assumed floor space supportable is zero.

Assuming density levels of 0.25 to 0.35 FSR, 16,000 square feet of built space would require anywhere from 45,000 to 64,000 square feet of gross land area (1.0 to 1.5 acres)



Projection Scenario 2

By 2045 the PTA + STA population is projected to reach 11,066. This population would have a combined retail expenditure potential of over \$202 million.

Applying the same market capture rates as used in Scenario 1, net local expenditures would translate to demand for approximately 11,000 square feet of retail floor area. Adding 35% for service commercial, plus the support from daytime employees, brings this total to **20,000 square feet**.

Table 2: Supportable Floor Space Forecast, Scenario 2

2045	Forecasted Retail Sales	Sales Performance \$/sf/yr	Supportable Floor Space by Spending Source			Total Floor Space (sq.ft.) (rounded)*
			PTA	STA	Employees	
			5,229	5,837	7,200	
Supermarkets	\$ -	\$ 550.00	-	-	-	-
Convenience and specialty food stores	\$ 1,093,739	\$ 375.00	1,201	330	1,385	3,000
Beer, wine and liquor stores	\$ 2,403,277	\$ 925.00	2,029	373	197	3,000
Pharmacies and personal care stores	\$ 2,846,336	\$ 775.00	1,851	658	1,163	4,000
Department Stores	\$ -	\$ 425.00	-	-	-	-
General merchandise stores	\$ 460,611	\$ 225.00	1,441	-	606	2,000
Clothing stores	\$ -	\$ 325.00	-	-	-	-
Shoe, clothing accessories and jewellery stores	\$ -	\$ 275.00	-	-	-	-
Home Centres, Hardware Stores/Garden Stores	\$ 420,728	\$ 350.00	581	621	-	1,000
Home electronics and appliance stores	\$ -	\$ 275.00	-	-	-	-
Furniture stores	\$ 131,554	\$ 250.00	367	159	-	1,000
Home furnishings stores	\$ 90,930	\$ 250.00	254	110	-	-
Sporting goods, hobby, music and book stores	\$ 127,797	\$ 350.00	-	148	217	-
Miscellaneous store retailers	\$ 300,995	\$ 275.00	491	533	70	1,000
Service Commercial (including F&B) @ 35%			2,875	1,027	1,273	5,000
Total Floor Area Supportable			11,090	3,959	4,912	20,000

* If category total is <500sf, the assumed floor space supportable is zero.

Assuming density levels of 0.25 to 0.35 FSR, 20,000 square feet of built space would require between 57,000 and 80,000 square feet of land (1.31 to 1.84 acres).

Projection Scenario 3

In Scenario 3, the build-out population of the trade areas (over 20,000 residents) is sizeable enough to potentially support a small grocery store (<15,000 sf). In this scenario, it is assumed that up to 20% of PTA spending and 5% of STA spending at supermarkets would flow to a grocery store at Hammond.

The 2045 population of the PTA + STA would have a combined retail expenditure potential of over \$364 million. Applying the same capture rates as in the foregoing scenarios (with the exception of the supermarket category), there is support for nearly 50,000 square feet of combined retail and service commercial floor area.

Table 3: Supportable Floor Space Forecast, Scenario 3

	Forecasted Retail Sales	Sales Performance \$/sf/yr	Supportable Floor Space by Spending Source			Total Floor Space (sq.ft.) (rounded)*
			PTA	STA	Employees	
2045			6,968	13,041	7,200	
Supermarkets	\$ 6,881,887	\$ 550.00	8,795	3,245	472	13,000
Convenience and specialty food stores	\$ 1,396,413	\$ 375.00	1,600	738	1,385	4,000
Beer, wine and liquor stores	\$ 3,452,799	\$ 925.00	2,704	832	197	4,000
Pharmacies and personal care stores	\$ 3,953,074	\$ 775.00	2,466	1,471	1,163	5,000
Department Stores	\$ -	\$ 425.00	-	-	-	-
General merchandise stores	\$ 568,467	\$ 225.00	1,921	-	606	3,000
Clothing stores	\$ -	\$ 325.00	-	-	-	-
Shoe, clothing accessories and jewellery stores	\$ -	\$ 275.00	-	-	-	-
Home Centres, Hardware Stores/Garden Stores	\$ 756,675	\$ 350.00	774	1,388	-	2,000
Home electronics and appliance stores	\$ -	\$ 275.00	-	-	-	-
Furniture stores	\$ 211,192	\$ 250.00	489	356	-	1,000
Home furnishings stores	\$ 145,975	\$ 250.00	338	246	-	1,000
Sporting goods, hobby, music and book stores	\$ 191,802	\$ 350.00	-	331	217	1,000
Miscellaneous store retailers	\$ 526,844	\$ 275.00	655	1,191	70	2,000
Service Commercial (including F&B) @ 35%			6,910	3,429	1,439	13,000
Total Floor Area Supportable			26,652	13,227	5,549	49,000

* If category total is <500sf, the assumed floor space supportable is zero.

Again assuming density levels of 0.25 to 0.35 FSR, the warranted built space in this scenario would require between 166,000 and 232,000 square feet of land (3.2 to 4.5 acres).



Commercial Strategy Recommendations

Retail Positioning

As a primarily local serving, convenience-oriented neighbourhood retail node, Hammond is unlikely to attract significant interest from retailers selling 'comparison' goods (i.e. clothing, shoes, jewellery, home furnishings and the like), beyond a few one-off independent boutique and specialty retailers. Overall, the Hammond node should focus on offering day-to-day goods and services, some seasonal uses, and should be positioned as the neighbourhood 'heart' for socializing. The amount and mix that is supportable will vary depending on the ultimate build-out scenario.

Under the highest density scenario in which the trade areas have a combined population exceeding 20,000 residents (and nearly 7,000 residents within the immediately adjacent PTA), it is likely that the Hammond node could become a vibrant commercial village with nearly 50,000 square feet of retail and service commercial space. This population would be sufficient to support a small community grocery store (6,000 up to 15,000 square feet), which would be the anchor for the village. An idealized tenant mix for such a village would also include a pharmacy, bakery/deli, liquor store, hardware store, a few local comparison boutiques (home furnishings & accessories, toys, hobbies, books, etc.), at least one and maybe multiple casual / sit down restaurants, plus an assortment of personal and professional services.

At base (existing) density levels, 16,000 square feet of retail and non-retail commercial space is supportable by 2030. Today, only about 5-7,000 square feet of space is supportable.

Non-Retail Office Space

Including a small office component within a retail village can have a number of positive implications including:

- Further bolstering the retail market demand by having a captive, on-site audience, particularly for food & beverage components;
- Enhancing village animation by creating visitor activity throughout the day;
- Providing professional working spaces for potential residential buyers that are attracted to the amenity of an office close to home;
- Two storey structures can add a design elements
- Adding a second storey can be a cost-effective way of creating more gross leasable area;
- Risk mitigation: 2nd storey vacancies are not as detrimental to projects in early stages.

Office tenants that may be interested in space in the Hammond village could include: real estate offices, lawyers, accountants, notaries, small consulting firms in a variety of industries.

Non-Commercial Amenity Demand Drivers

Non-commercial components can be integrated with retail to act as drivers of commercial demand. This could include:

- Fitness space (gym, yoga studio, other)
- Programmed events such as farmer's markets, crafts fairs, which can appeal to all ages and bring the community together;



- Daycare

Commercial Development Program

- Taking the supportable floor area calculations and translating them into a preliminary tenant mix, we arrive at total retail/service commercial floor area of between 16,000 and 49,000 square feet, depending on residential density.
- Non-retail office and non-commercial amenity space (institutional, civic, fitness etc.) is also factored in, at 30% of total retail floor space.
- Accordingly, **total recommended commercial floorspace for the Hammond node ranges from just under 21,000 square feet to over 63,000 square feet at full build-out.**
- Required land area ranges from a low of 1.4 acres to a high of 5.8 acres. Through re-development of existing commercially-zoned space, Hammond has the zoned land base required to accommodate future demand.
- Consideration should be given to additional commercial and/or mixed-use designation/zoning in the Hammond village area in the future, depending on market responsiveness and desired retail building layout. Ultimately there may be a need to 'shift' the commercial land pattern in the Hammond node in order to allow for development of the most market supportable and leasable product. It is unlikely though that a gross land base of more than 6 acres will be required.

Preliminary Tenant Mix - Hammond Village

	Baseline	Medium Density	Medium/High Density
Pharmacy	2,000	2,500	4,000
Restaurant	2,500	3,000	5,000
Wine & Beer Store	1,500	2,000	3,000
Personal Services	1,500	1,500	3,000
Café	1,500	2,000	3,500
Grab & Go / Bakery / Deli	1,500	2,000	3,500
General Store / Green grocer	2,500	3,000	4,000
Comparison Boutiques	2,000	3,000	6,000
Supermarket	0	0	15,000
Hardware	1000	1000	2000
Total Retail / Service Commercial Floor Space	16,000	20,000	49,000
Non-Retail Commercial floor area (@30%)*	4,800	6,000	14,700
Total Commercial Floor Area	20,800	26,000	63,700
Land Requirements (acres)			
0.25 FSR	1.9	2.4	5.8
0.35 FSR	1.4	1.7	4.2

*Space for community use, daycare, martial arts/yoga, professional office etc.

Leasing Considerations

Incentives & Marketing

To ensure that Hammond emerges over the long term as a vibrant commercial village in a revitalizing historic neighbourhood, the City and land owners will need to make concerted efforts on both the tenant attraction and retention fronts. A package of incentives will be required as part of a concerted 'nurturing' program for local businesses and property owners, and should include property tax abatements, generous tenant improvement allowances, and significantly reduced rent periods in order to allow business to establish themselves and for the village to begin to solidify its customer base. Over time, Hammond may find it prudent to jointly market itself as part of a riverfront and river proximate village network, along with Osprey Village in Pitt Meadows. Further research and consideration on incentives and marketing will be warranted after completion of the Hammond Area Plan.

Impact of Trails

In the near future, the extensive Pitt Meadows dyke and inland trail network will be extended to connect with the Lower Hammond Area. This trail extension/integration could benefit and accelerate interest in redevelopment and leasing at the Hammond node.



While for many commercial tenants the foot, bicycle and other traffic that will be generated by the trail network will likely not impact their business viability or business planning considerations, for businesses in certain categories the additional traffic associated with the trail system may be a factor that improves their business viability and their willingness to locate in the area. Some categories that may see benefits from the trail network extension include:

- Fitness / yoga type businesses
- Cafes and grab 'n go restaurants
- Seasonal businesses catering to specific trail user groups (e.g. bike accessories, ice cream, other goods/services geared toward recreational trail activities).

Osprey Village in Pitt Meadows has been benefited by its location along the trail network, with recreational and food & beverage tenants seeing positive benefit particularly in the summer months.