

## **Rockhaven Plaza - Retail Market Commentary**

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City of Peterborough

Prepared for: Crombie REIT

May 25, 2015

**TATE ECONOMIC RESEARCH INC**





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Mr. Robert Blacklock  
Senior Director of Development  
Crombie REIT  
810 - 5935 Airport Road  
Mississauga, Ontario  
L4V-1W5

May 25, 2015

**Re: Retail Market Study  
Rockhaven Plaza, City of Peterborough**

Dear Mr. Blacklock:

Crombie REIT (Crombie) operates Rockhaven Plaza, which is located at the south west corner of Lansdowne Street West and Dobbin Road in the City of Peterborough. Crombie has requested that Tate Economic Research Inc. (TER) provide market demand related commentary examining the retail market implications of permitting a Giant Tiger store at Rockhaven Plaza.

## **1. Background**

Rockhaven Plaza is a partially developed, open concept retail centre. It is anchored by an 18,600 square foot Shoppers Drug Mart. It also includes a 2,500 square foot Tim Horton's and a 3,100 square foot St. Louis Bar & Grill. The lands to the west of St. Louis Bar & Grill are currently vacant.

Crombie would like to develop a new, free-standing retail unit at Rockhaven Plaza to accommodate a Giant Tiger general merchandise store of approximately 25,000 square feet on the vacant lands to the west of St. Louis Bar & Grill. However, the current zoning by-law pertaining to Rockhaven Plaza does not permit the development, as proposed.

The City of Peterborough has requested that Crombie retain a qualified retail market analysis firm to address the implications of the proposed development. This retail market commentary has been prepared by TER to address whether the addition of a general merchandise store of approximately 25,000 square feet to Rockhaven Plaza would result in a change in the function of the Rockhaven Plaza and the potential impacts the proposed new store could have on the commercial structure of the City.

## 2. Rockhaven Plaza Official Plan Policy Context

Based on TER's review of the Official Plan and discussions with Crombie's planning consultant, MHBC Planning, City staff have confirmed that Rockhaven Plaza is designated *Neighbourhood Commercial* in the City of Peterborough Official Plan (Peterborough OP). The portion of the site that is proposed as the location of the Giant Tiger store is zoned SP.354.

The site specific SP.354 zoning permits a "retail establishment". It is our understanding that a general merchandise store, such as the one proposed by Crombie, is classified as a retail establishment in the Peterborough OP. Therefore, the proposed Giant Tiger store is a permitted use on the Site.

The Peterborough OP indicates a maximum size for a retail establishment of 330 square metres, or approximately 3,500 square feet. Accordingly, an Official Plan Amendment will be required to permit the proposed general merchandise store of approximately 25,000 square feet.

We also note the SP.354 zoning permits a maximum of one large scale retail establishment of up to 1,854 square metres (approximately 20,000 square feet). However, this size permission applies only to certain specific retail establishment uses, which are:

- i) beer, wine and/or liquor
- ii) optical
- iii) paint, wallpaper, decorating supplies
- iv) hardware

There is currently permission for one larger retail establishment in the portion of the Site zoned SP.354, however, a general merchandise store is not one of the uses permitted. It should be noted that site specific zoning permissions apply to the Shoppers Drug Mart portion of the site. Therefore, it is not included as a "large scale retail" use in SP. 354.

Crombie is seeking a Zoning By-law amendment to permit one retail establishment of greater than 330 square metres (approximately 3,500 square feet) in the SP. 354 zoning. This permission would allow the Giant Tiger to operate as proposed.

TER's retail market commentary study was conducted in the context of the Peterborough OP. The following policies were taken into consideration:

**Neighbourhood Centre Policies****4.3.5.1 Purpose**

*...The designation includes shopping plazas and commercial districts which provide a range of goods and services to a trade area comprised of several planning district within the City.*

**4.3.5.2 Objective**

*To provide for an appropriate range and supply of commercial goods and services to serve a number of planning districts in a manner compatible with adjacent uses.*

**4.3.5.3 Permitted Uses**

*The Neighbourhood Centre designation on Schedule “I” means that the predominant use of land shall be for a node of commercial establishments often clustered in or around one or more shopping plazas. Permitted uses shall include:*

- a) Retail and Service Commercial Uses such as small scale retail stores, personal service uses, and restaurants*
- b) Larger scale neighbourhood serving retail uses such as food stores, drug stores and hardware stores*
- c) ...*

**Commercial Structure Policies****2.3.1 Commercial Structure**

*The essence of Peterborough’s commercial structure is illustrated by Figure 1. This commercial structure includes, on a base illustrating the major transportation network serving the City and the schematic distribution of commercial land uses, the following major structural elements:*

- ☐ *Central Area*
- ☐ *Shopping Nodes*
- ☐ *Special Policy Area*

*These are not necessarily areas exclusively devoted to commercial use.*

**2.3.4 Shopping Nodes**

- 2.3.4.1 a) Four Shopping Nodes are conceptually identified by Figure 1. These locations have developed and evolved in recent decades in response*

*to planning policies established by the City, as well as demographic and market forces, business decisions and consumer support. These Shopping Nodes comprise Peterborough's principal concentrations of non-downtown commercial activity, and are the appropriate locations to accommodate ongoing expansion of such commercial activity in accordance with the policies of this Plan.*

For reference, TER has attached Figure 1 to this letter.

### **3. Giant Tiger Market Positioning and Typical Customer Draw**

Giant Tiger provides a wide range of merchandise. It is classified as a general merchandise store by Statistics Canada and retail market analysts such as TER.

TER conducted a review of the product offering and merchandise mix in various Giant Tiger stores, including the Giant Tiger located near Lakefield in the Township of Selwyn, to the north of Peterborough. Based on our experience and this review in particular, TER has provided commentary relating to the merchandising mix and customer draw of the proposed Giant Tiger store at Rockhaven Plaza.

The figure on the following page includes TER's listing of retail store categories based on the NAICS codes. It also indicates the store types that Giant Tiger competes with. It indicates the store types that, at least to a certain extent, have a product offering that overlaps with Giant Tiger's merchandise.

## Rockhaven Plaza – Retail Market Commentary

## GIANT TIGER MERCHANDISE OVERLAP

RETAIL CATEGORIES	PARTIAL OR MORE GIANT TIGER OVERLAP?	RETAIL/SERVICE CATEGORIES	PARTIAL OR MORE GIANT TIGER OVERLAP?
<b>FOOD &amp; BEVERAGE:</b>		<b>PHARMACIES &amp; PERSONAL CARE</b>	
Supermarket	✓	Drug Stores	✓
Superstores	✓	Cosmetics	✓
Jug Milk	✓	Optician	x
Meat Market	✓	Other Health & Personal Care Stores	✓
Fish & Seafood	✓		
Green Grocer	✓	<b>BUILDING AND OUTDOOR HOME SUPPLIES STORES</b>	
Bakery	✓	Home Improvement Centres	✓
Candy/Nut	✓	Hardware/Electrical Supply	✓
Cheese	✓	Paint/Glass/Wallpaper	✓
Delicatessen	✓	Electrical wiring supplies & equipment	✓
Other Food	✓	Plumbing, heating, and a/c eq. & supplies	x
		MISC. Home Supplies (e.g. windows/doors/plumbing/etc.)	x
<b>GENERAL MERCHANDISE</b>		Lawn & Garden Centre	✓
Discount Department Store	✓	Outdoor Power Equipment	x
Traditional Department Stores	✓		
Warehouse Membership Clubs (e.g. Costco, Sam's Club)	✓	<b>MISCELLANEOUS RETAILERS</b>	
General Merchandise (e.g. Assortment of Dollar Stores)	✓	Sporting Goods	✓
General Store	✓	Toy/Hobby	✓
Mail Order (e.g., Sears)	✓	Fabric/Wool	✓
Variety	✓	Musical Instruments	x
Home and Auto Supply Stores (e.g. Canadian Tire)	✓	Florist	✓
		Stationery and Office Supplies	✓
<b>CLOTHING &amp; ACCESSORIES</b>		Gift/Novelty/Souvenir	✓
Mens/Boys Wear	✓	Second-Hand Stores	x
Ladies Wear	✓	Pet & Pet Supply	✓
Childrens Wear	✓	Art Gallery & Artists' Supply	✓
Family Wear	✓	Book Store & News Dealers	✓
Bridal	x	Antiques	x
Furrier	x	Sewing Machines	x
Hosiery	✓	Wine Making	x
Lingerie	✓	Coin / Stamp	x
Maternity	✓	Tobacco	x
Millinery	✓	Greeting Cards	✓
Unisex Wear	✓	Bicycle	✓
Accessories/Other Apparel (e.g., Ties)	✓	Other Miscellaneous Retailers	✓
Childrens Shoes	✓		
Family Shoes	✓	<b>AUTOMOTIVE</b>	
Ladies Shoes	✓	Automotive Parts and Accessories Stores	✓
Mens Shoes	✓	Tire Dealers	x
Jewellery	✓		
Luggage/Leather Goods	✓		
		<b>BEER, WINE &amp; LIQUOR</b>	
<b>FURNITURE, HOME FURNISHINGS &amp; ELECTRONICS</b>		Liquor	x
Furniture/Appliance	✓	Beer	x
Floor Coverings	✓	Wine	x
China/Glassware/Kitchenware	✓		
Drapery/Blinds	✓		
Lamps & Lighting Fixtures	✓		
Linen/Bath	✓		
Other Household Furnishings (e.g. picture frames, etc.)	✓		
Fireplace Accessories	✓		
Vacuums	✓		
Appliance	✓		
TV/Radio/Stereo	✓		
Computer and related incl. software	✓		
Camera/Photo Supply	✓		
Audio & Video Recordings	✓		

Source: TATE ECONOMIC RESEARCH INC.

<sup>1)</sup> Based on TER's interpretation of 2012 NAICS retail trade and service category classifications

Based on this review, TER concludes that although the proposed Giant Tiger store will be the only Giant Tiger in the City of Peterborough, the merchandise that it offers is duplicated in a wide variety of other retail establishments. Since Giant Tiger competes with such a wide range of other general merchandise stores and specialty retailers, it is not anticipated to have a community or regional scale customer trade area.

#### 4. Giant Tiger Function in the Peterborough Commercial Structure

The commercial structure in many official plans is comprised of a hierarchy. Downtowns and regional/super regional malls, which provide the widest range of goods and services, are typically at the top of the hierarchy. These areas are usually classified as higher order centres and provide comparison or specialty goods. These goods are purchased infrequently and shoppers are typically willing to drive longer distances to purchase them.

At the lower end of the hierarchy are neighbourhood and local centres, which are more numerous. These centres provide convenience oriented goods and services for consumers not willing to travel great distances. In addition, these centres tend to have a lower store count than downtowns or regional malls.



Rockhaven Plaza currently totals approximately 25,000 square feet. It is anchored by an 18,000 square foot Shoppers Drug Mart. There are currently 3 tenants at Rockhaven Plaza. It is the opinion of TER that based on the size of the plaza and its tenant mix Rockhaven Plaza operates as a neighbourhood centre. After the addition of Giant Tiger, as proposed, Rockhaven Plaza will continue to operate as a neighbourhood centre. This is consistent with the Peterborough OP designation as a *Neighborhood Centre*.

Each of these defined retail centres has a typical trade area customer draw. Trade areas are defined as the geographic area from which a retail centre draws the majority of its customers. According to the International Council of Shopping Centres, trade area definitions are as follows:

<b>Type of Centre</b>	<b>Trade Area</b>
Downtown / Regional Centre	8km to 30km
Community Centre	5km to 8km
Neighbourhood Centre	up to 5km
Convenience Centre	up to 2km

Based on our review of Rockhaven Plaza, it functions as a neighbourhood centre, in terms of its number of tenants, scale and trade area. After the introduction of the proposed Giant Tiger general merchandise store, it will continue to function as a neighbourhood centre. It will continue to have a locally oriented customer draw and trade area. In addition, after the addition of Giant Tiger, Rockhaven Plaza will have four tenants. Therefore, the addition of Giant Tiger will not result in a change in the function of Rockhaven Plaza.

## **5. SUMMARY OF TER FINDINGS AND RECOMENDATIONS**

The TER retail market study assessed the impacts of the introduction of a Giant Tiger store of approximately 25,000 square feet at the Rockhaven Plaza. TER commented on the function of Rockhaven Plaza within Peterborough's retail hierarchy. TER assessed the change, if any, in the function of Rockhaven Plaza through the addition of a Giant Tiger store, as proposed.

The following points summarize our findings:

- Rockhaven Plaza functions as a neighbourhood centre based on its size and tenants.
- According to Statistics Canada and the North American Industry Classification System (NAICS), Giant Tiger is classified as a General Merchandise store.
- Rockhaven Plaza's Neighbourhood Centre designation permits a general merchandise store as a "retail establishment". Therefore, it is our understanding that the use is permitted.
- The Neighbourhood Centre designation (and SP.354) permits one retail establishment of up to 20,000 square feet. However, a general merchandise store is not included in the list of specific types that are permitted.
- To summarize, a 20,000 square foot store is permitted, but not a general merchandise store, such as Giant Tiger.
- Giant Tiger is a convenience oriented retailer that provides a wide range of merchandise. It is competitive with other general merchandise stores and many specialty retailers that are located throughout Peterborough.



- Based on the proposed Giant Tiger's scale, location and merchandise mix in conjunction with the overlapping merchandise selection and tenant mix in Peterborough, we anticipate that the proposed Giant Tiger will primarily have a localized customer draw.
- As a result of Giant Tiger's merchandise offering and its localized customer draw, Rockhaven Plaza will continue to have a convenience orientation which is consistent with a Neighbourhood Centre.

**It is the professional opinion of TER that the addition of a Giant Tiger store at Rockhaven Plaza will not result in a change in the retail function of Rockhaven Plaza. Therefore, there will be no impact on the commercial structure of the City of Peterborough.**

**It is the professional opinion of TER that the proposed Giant Tiger store should be approved from a retail market demand and planned function perspective.**

We look forward to discussing our findings with you, as required.

Yours truly,  
TATE ECONOMIC RESEARCH INC.



James P. Tate  
President

FIGURE 1  
PETERBOROUGH'S  
COMMERCIAL STRUCTURE

