County of Grande Prairie Economic Development

MIDDLE OF *everywhere**

RETAIL GAP ANALYSIS

County of
Grande Prairie No. 1
Alberta, Canada

The new Grande Prairie Regional Hospital will open in 2017.

Evergreen Park

County Sportsplex

The Philip J. Currie Dinosaur Museum will open in 2015.

Photo 3 by Belle Halls; Photo 4 by Candace Wood;, Photo 7 by Theresa Haynes; Photo 8 by Heather Strebchuk; Photo 9 by Candace Tallman.

Preface

The objective of this Retail Gap Analysis is to report on the County of Grande Prairie's future retail opportunity, and more specifically, detail these same opportunities for the Hamlet of Clairmont. This is achieved through quantifying the Trade Area retail expenditure profile across various retail categories/store types and evaluating the resulting floorspace demand attributable to growth in the local area.

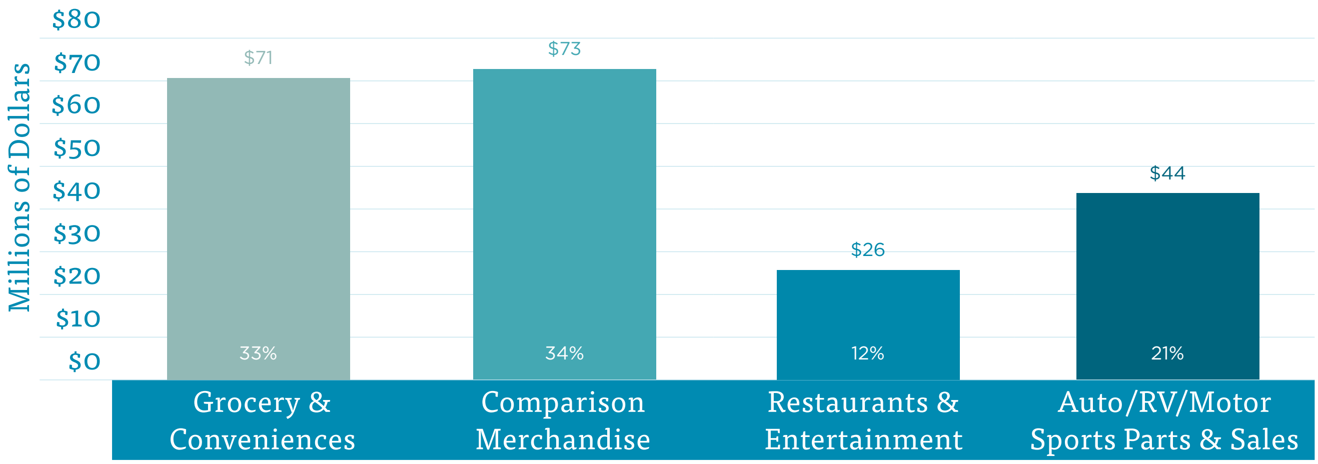
Information contained within this report has been extracted from the Retail Market Analysis prepared for the County of Grande Prairie dated March 2015. A full copy of the report is available upon request from the County of Grande Prairie.

Table of Contents

The Hamlet of Clairmont

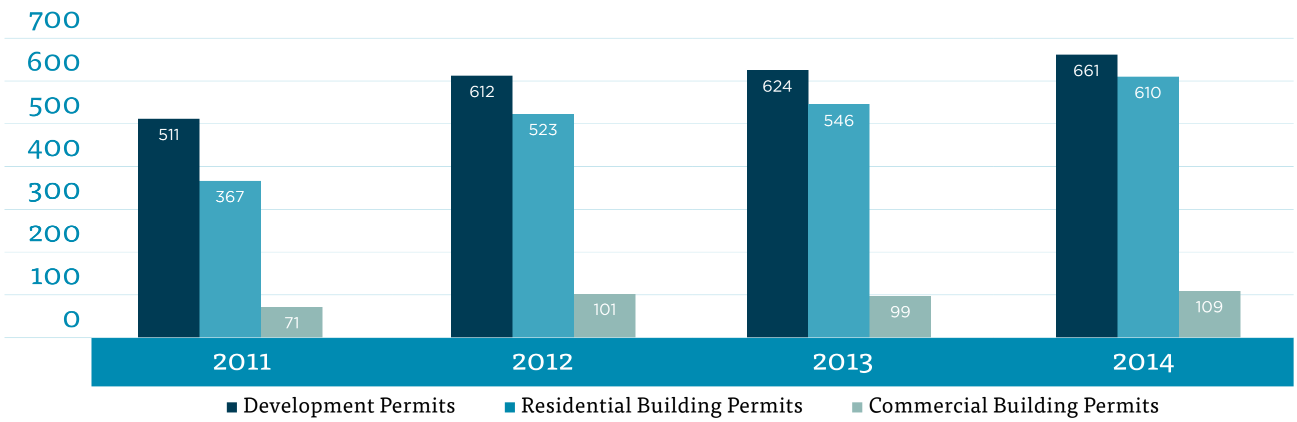
Clairmont Trade Area Spending

(Source: County of Grande Prairie)



Clairmont Building Permit Volume

(Source: County of Grande Prairie)



Executive Summary

Location Context

10 Minutes
Drive time to nearest major retail in the City of Grande Prairie

~25,000 Vehicles
(North & Southbound)
Average daily traffic counts at Highway 43 & 148 Avenue (Figure 2.6, #5)

>22,000 Vehicles
(North & Southbound)
Average daily traffic counts at Highway 43 & Highway 2 (Figure 2.6, #4)

13,000 - 15,000 Vehicles
(North & Southbound)
Average daily traffic counts in centre of Clairmont at Highway 2 & 100 Avenue (Figure 2.6, #2)

260,000 Residents
County (and City) conservative trading region spanning northwest Alberta, northeastern British Columbia and Northwest Territories

4 - 5 Hours
Drive time to city of Edmonton

Retail Trade Area Profile

~15,000 Residents
Clairmont's local Trade Area population by 2018 growing to over 23,000 by 2025 (with development of Clairmont Heights)

34.7 Years
Average age of Trade Area (54.3% of Trade Area under 34 years of age)

>$100,000
Average household income of Trade Area population

>$213.4 Million
Total Trade Area spending

36.8
County of Grande Prairie Median Age

$91,233
County of Grande Prairie's Median Annual Income after Tax

260,000
Estimated Total Trade Area Population within 200 km (124 mi)

Retail Market Supply

196 Acres
Commercially-zoned land comprised of nine districts in Clairmont

132,000 Sq. Ft.
(City of Grande Prairie has an inventory of 3.9 million sq. ft.)

Current amount of retail floorspace in Clairmont—including RV dealerships which comprise of almost 65,000 sq. ft.

< 5,000 Square Feet
Amount of total grocery/convenience retail in Clairmont as of 2014

Althen Corner & County Crossing
Current nodes of highway commercial retail development with lots & space for lease

Clairmont Heights
Future retail development comprising of 40 acres of highway commercial, neighbourhood commercial and mixed-use commercial

Retail Demand

39,000 Sq. Ft.
New retail floorspace demand in Clairmont in 2015

30,000 Sq. Ft.
Trade Area could support a 25,000 sq. ft. grocery tenant at 30% market share in 2015

~240,000 Sq. Ft.
Total retail floorspace supportable by Trade Area by 2025 at an overall retained market share from Trade Area of 32%

Clairmont Retail Demand & Growth Forecasts

	Retail Category	Growth in 2015		2020		2025		Floorspace Demand		Potential Trade Area Market Share		
		Mix Sq. Ft.	% of Mix	Mix Sq. Ft.	% of Mix	Mix Sq. Ft.	% of Mix	2016 - 2020	2020 - 2025	2015	2020	2025
Convenience	Grocery & Specialty Foods	11,408	29.6%	33,921	28.5%	67,602	28.4%	22,513	33,682	18.6%	36.8%	55.0%
	Pharmacy	1,545	4.0%	4,594	3.9%	9,158	3.8%	3,049	4,564	18.6%	36.8%	55.0%
	Alcohol & Tobacco	2,076	5.4%	4,651	3.9%	8,241	3.5%	2,575	3,589	18.6%	27.7%	36.8%
	Personal Services	3,351	8.7%	9,962	8.4%	19,873	8.3%	6,611	9,911	18.6%	36.8%	55.0%
Comparison	Clothing & Apparel	-	0.0%	2,801	2.4%	7,407	3.1%	2,801	4,606	0.0%	4.6%	9.2%
	Footwear	-	0.0%	659	0.6%	1,741	0.7%	659	1,081	0.0%	4.6%	9.2%
	Jewelry & Accessories	-	0.0%	186	0.2%	492	0.2%	186	306	0.0%	4.6%	9.2%
	Health & Beauty	-	0.0%	532	0.4%	1,408	0.6%	532	877	0.0%	4.6%	9.2%
	Home Furnishings & Accessories	-	0.0%	2,104	1.8%	5,563	2.3%	2,104	3,459	0.0%	4.6%	9.2%
	Home Electronics & Appliances	-	0.0%	1,059	0.9%	2,798	1.2%	1,059	1,740	0.0%	4.6%	9.2%
	Home Improvement & Gardening	4,149	10.8%	12,343	10.4%	24,615	10.3%	8,194	12,271	18.6%	36.8%	55.0%
	Books & Multimedia	-	0.0%	1,243	1.0%	2,491	1.0%	1,243	1,248	0.0%	9.1%	13.6%
	Sporting Goods & Outdoor Recreation	-	0.0%	2,230	1.9%	5,764	2.4%	2,230	3,535	0.0%	14.5%	28.2%
	Toys & Hobbies	-	0.0%	681	0.6%	1,774	0.7%	681	1,093	0.0%	13.9%	27.5%
	Miscellaneous Specialty	-	0.0%	4,610	3.9%	11,929	5.0%	4,610	7,319	0.0%	14.5%	28.2%
Leisure	Full Service Restaurants	4,296	11.2%	7,959	6.7%	12,729	5.3%	3,663	4,770	18.6%	23.0%	27.5%
	Limited Service Restaurants	1,240	3.2%	3,691	3.1%	7,356	3.1%	2,451	3,665	18.6%	36.8%	55.0%
	Entertainment & Leisure	-	0.0%	4,588	3.9%	11,951	5.0%	4,588	7,363	0.0%	9.5%	18.6%
Auto	Auto Parts & Accessories	1,346	3.5%	2,996	2.5%	5,338	2.2%	1,651	2,342	18.6%	27.7%	36.8%
	Auto/RV/Motor Sports Dealership	9,081	23.6%	18,077	15.2%	30,011	12.6%	8,996	11,934	14.1%	18.6%	23.2%
	Totals	**38,492**	**100%**	**118,887**	**100%**	**238,241**	**100%**	**80,396**	**119,355**	**11.5%**	**22.1%**	**32.5%**


The view south from Clairmont toward Grande Prairie.

Consumer Intercept Survey

62% of Survey Respondents

Almost 2/3 of respondents were from the County of Grande Prairie including the towns of Clairmont and Sexsmith

> 38.5%

Amount of survey respondents whose household income is greater than $125,000 (63.5% over $100,000)

> 45%

Amount of survey respondents between the ages of 18-34 years

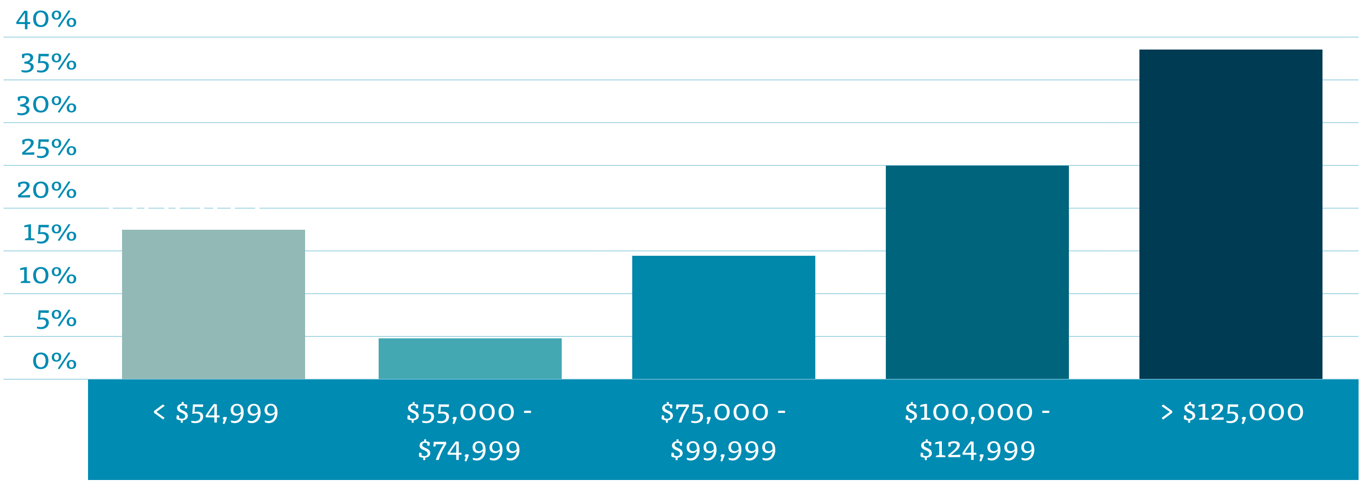
Full Service Restaurants, Grocery & Banks

Most sought after store types to increase spending in Grande Prairie and more specifically in Clairmont

Tim Hortons & Starbucks

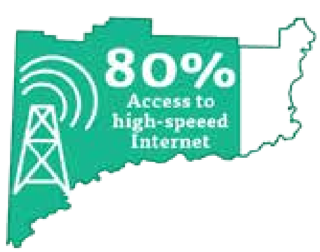
Survey respondents want more Tim Hortons and Starbucks in Grande Prairie, particularly in Clairmont.

Consumer Survey Respondents Household Income Profile



Consumer Survey Respondents Demographic Profile

	# of Responses	% of Responses
Respondent Age		
18 - 24 years	23	20.4%
25 - 34 years	28	24.8%
35 - 44 years	30	26.5%
45 - 54 years	17	15.0%
55- 64 years	11	9.7%
64 - 74 years	3	2.7%
75 + years	1	0.9%
Total	**113**	
Respondent Gender		
Female	43	38.1%
Male	70	61.9%
Total	**113**	
Respondent Household Income		
< $54,999	18	17.3%
$55,000 - $74,999	5	4.8%
$75,000 - $99,999	15	14.4%
$100,000 - $124,999	26	25.0%
>$125,000	40	38.5%
Total *(9 refusals)*	**104**	**100.0%**



1. Introduction

1.1 Scope of Study & Project Background

Cushing Terrell Architecture Inc. ("Cushing Terrell") was commissioned by the County of Grande Prairie in December 2014 to conduct a Retail Market Analysis for the County's retail sector, with a focus on the Hamlet of Clairmont ("Clairmont").

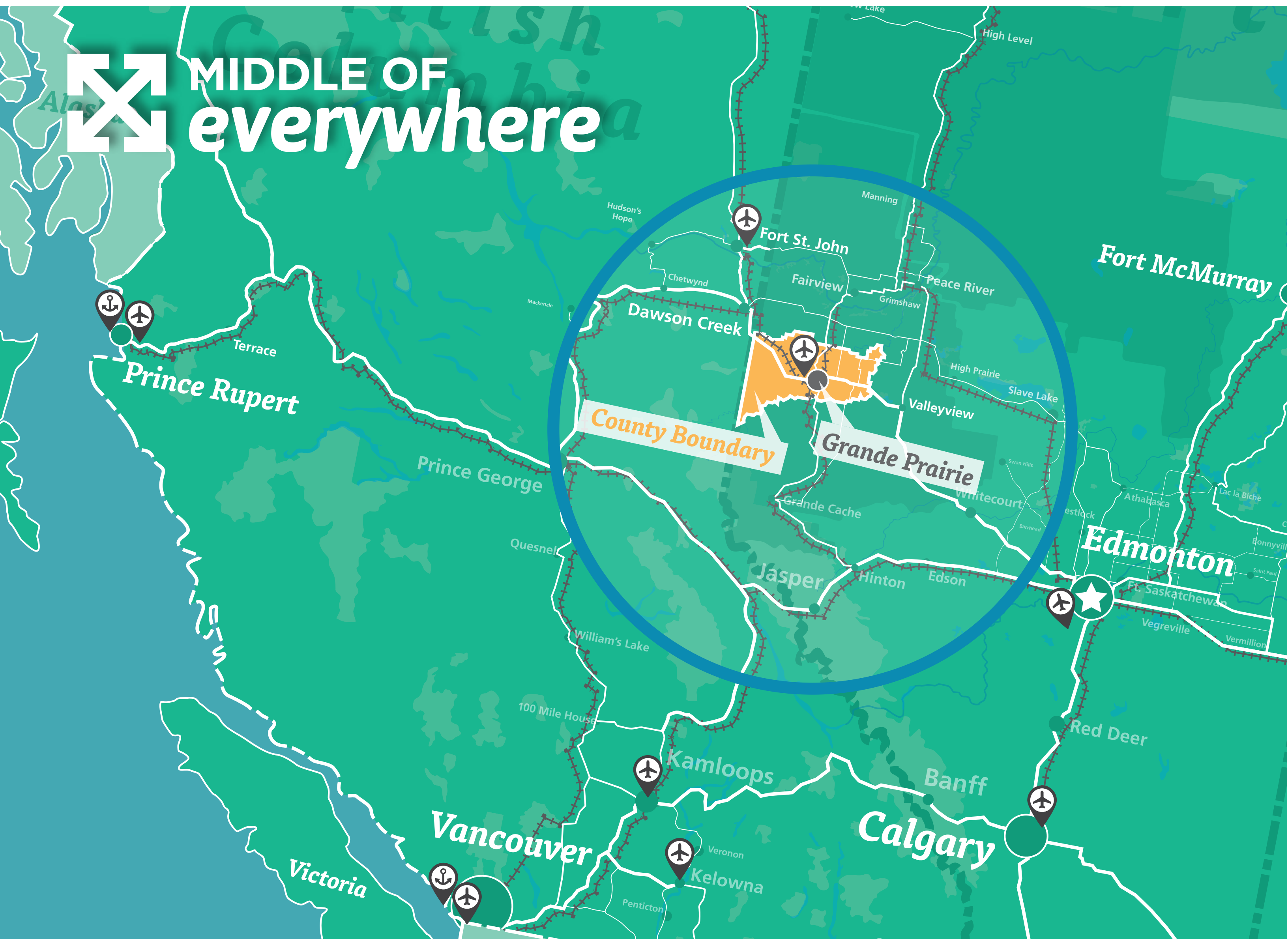
The study was carried out over the period December 2014 to March 2015.

The objective of this study is to document, in as much detail as possible, Clairmont's current retail inventory and estimate the Trade Area retail expenditure profile across various retail categories/store types as an indication of retail Inflow/Outflow, also known as surplus/leakage.

Figure 2.1

Regional Context Map

(Source: County of Grande Prairie)



2. Location & Context

2.1 Introduction

Strong locational factors are an essential foundation to retail success, and an understanding of these factors can help create the necessary conditions for attracting and retaining retail businesses in a community. This section identifies the County of Grande Prairie's regional and Clairmont's local characteristics as it relates to the attraction of retail businesses and merchandise categories.

2.2 Regional Context

The County of Grande Prairie is approximately 450 km northwest of Edmonton and is the most populated city between Edmonton and Anchorage, Alaska. As the largest city in northwestern Alberta, Grande Prairie, and by virtue of its relative adjacency, Clairmont, is well positioned to access markets across northern Alberta and British Columbia as well as the Yukon and Northwest Territories.

Highways 40, 43 and CN Rail connect Grande Prairie to major markets and ports across North America. These highways and railways provide a strong network for goods movement necessary to support potential retail operations for whom timely access to markets forms an essential part of their store network strategy.

The County of Grande Prairie conservatively services a trading area of over 250,000 people spanning northwestern Alberta, northeastern British Columbia and the Northwest Territories. Furthermore, because the City of Edmonton is approximately a 4 1/2 to 5 hr drive time from Grande Prairie, the market has a greater need to be self-sufficient than other markets that may fall within a 2 to 3 hour drive from a major market like Edmonton or Calgary.

While there are destination tenants that will still only locate in the so-called major metropolitans, the distance from Edmonton combined with the significant regional penetration that Grande Prairie achieves, suggests that for many retailers the market could represent an untapped opportunity.

Because of Clairmont's adjacency to the City of Grande Prairie's northern city limits, Clairmont can be a strong benefactor from and for growth in the north region, given the ease of accessibility and availability of lands along Highways 43 and 2.

2.3 Municipal Development Plan

For the purposes of potential retail opportunities, which are interconnected with patterns of residential and urban growth, Clairmont's urban area designation is most pertinent to this study.

The 20-year and 50-year boundaries of the Clairmont urban area are shown in Figure 2.2. For the 20-year boundary, the eastern limit is Range Road 55 (84th street) south of Clairmont Lake and Range Road 60 north of Clairmont Lake, while Range Road 54 will serve as the 50-year eastern boundary.

The County's growth management plan identifies commercial development zones and available locations for light to heavy industrial business. The plan currently identifies 3,950 acres (16 km^2) of vacant land (both serviced and unserviced) available both north and west of the City of Grande Prairie boundaries.

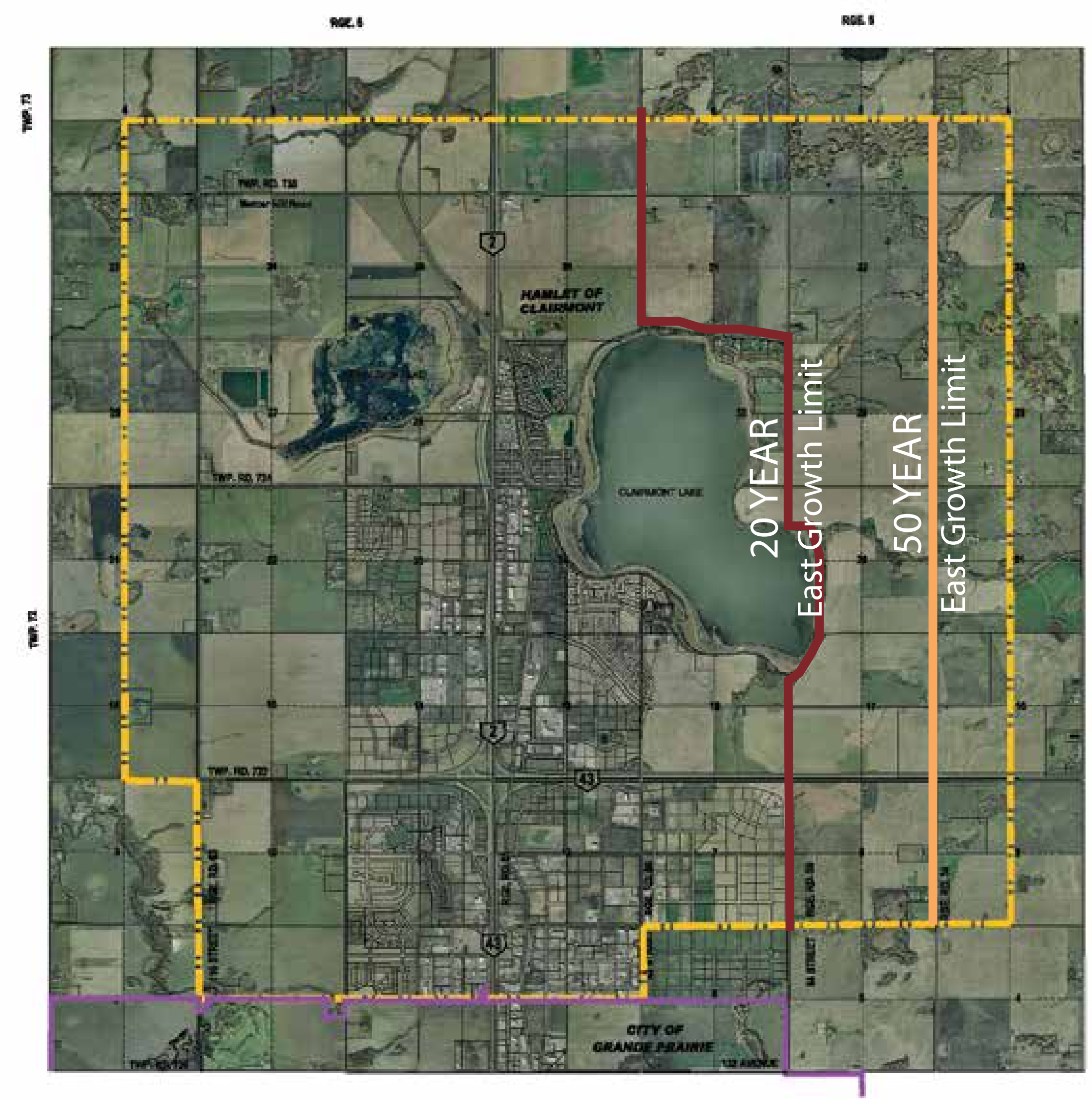


Figure 2.2
Clairmont Urban Growth Boundary: Current, 20 Year & 50 Year
(Source: County of Grande Prairie)

Hamlet of Clairmont   City of Grande Prairie Boundary

According to the County's municipal development plan, page 8:

> *"...the County considers Clairmont to be its key urban area for which long-term investment will continue to be made to help ensure long-term economic prosperity for the municipality as a whole, in combination with its rural land base".*

Due to the proximity of the Clairmont urban area to Grande Prairie and the County's investment in municipal infrastructure in the hamlet, Clairmont represents a unique opportunity in the County for community development that integrates fully serviced commercial, industrial, and residential uses. Increased economic activity in the region has already impacted demand for development in and around Clairmont, as evidenced in building permit and development approvals. Residential and industrial development continues at robust rates and is impacting the County's existing infrastructure in the Clairmont area.

Given the proximity of provincial Highways 2 and 43, there is an opportunity to develop an extensive industrial and commercial tax base along these important highway corridors.

In addition, Clairmont is an established and growing residential community that needs a wider range of urban services and facilities, including schools, parks, community centres, and local commercial areas.

Given the demand for this wide range of land uses, it is crucial for this area that these land uses be comprehensively planned in order to ensure that future growth is integrated in a manner that creates a stronger sense of place and community identity, while limiting opportunities for conflict between competing land uses.

2.4 Vacant Land Use Context

Vacant land use is not only tied to that which exists today, but more importantly has a correlation with future growth plans and envisioned patterns of land use. Accordingly, Figures 2.2, 2.3, 2.4 & 2.5 all depict the patterns of growth in Clairmont.

In particular, Figure 2.2 illustrates the urban growth boundaries within Clairmont for the next 20 and 30 years. Figure 2.3 illustrates how a future arterial in the south could connect with current land uses, but also create distance areas/clusters of future commercial growth that could be associated with interchanges.

Figures 2.2 & 2.3, when overlaid onto Figures 2.4 & 2.5, show how future land, which may be vacant today, could be allocated or positioned for future growth.

Figure 2.4 illustrates a significant emphasis on industrial land uses as well as residential land uses. All growth in terms of rooftops and jobs will nonetheless require a concentrated effort at providing a critical mass and critical mix of retail shops and services to ensure that growth is well balanced and managed.

Figure 2.3
Clairmont Future Land Use
(Source: County of Grande Prairie)

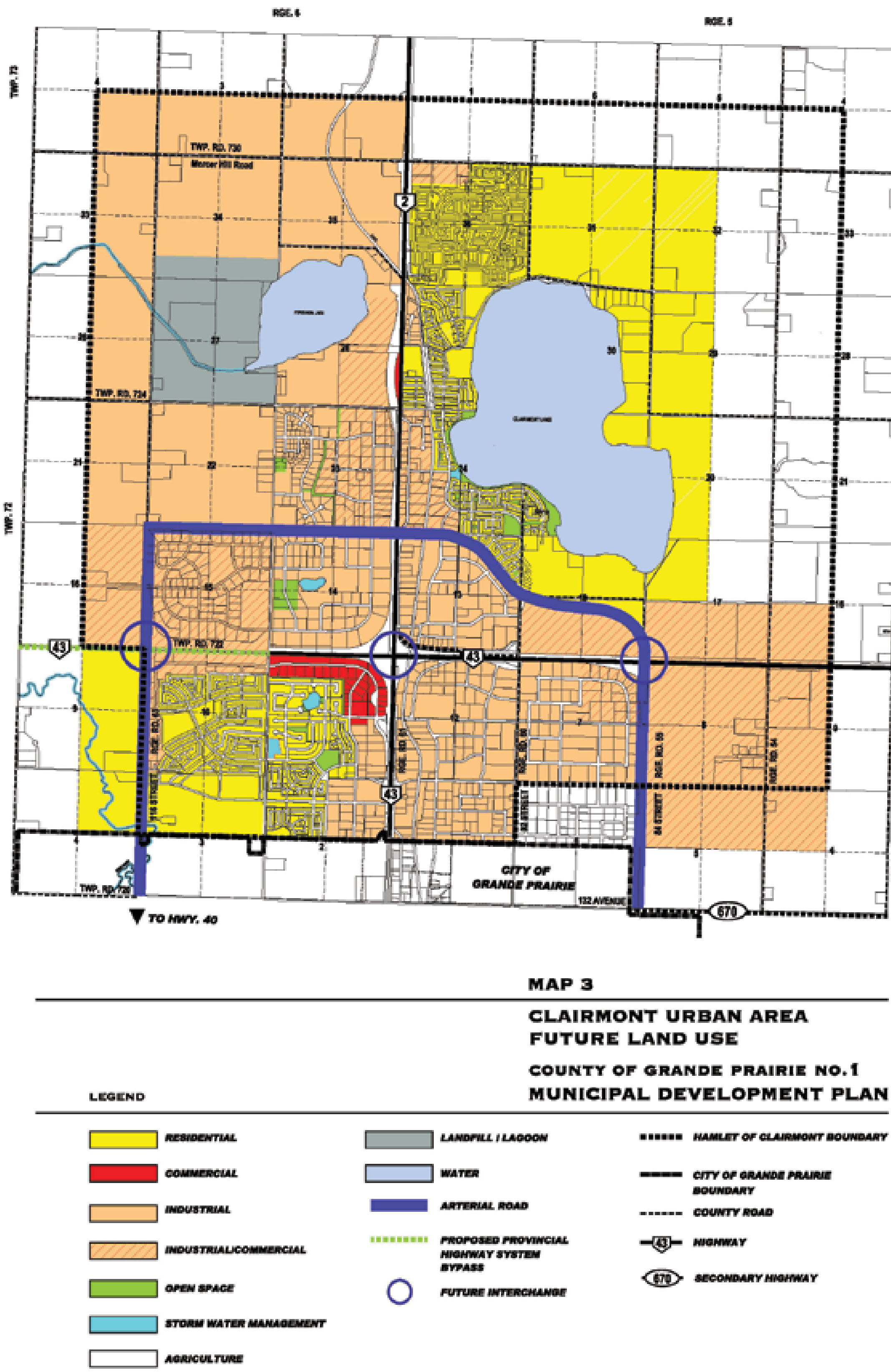


Figure 2.4

County of Grande Prairie - Clairmont Land Use

(Source: County of Grande Prairie, 2014)

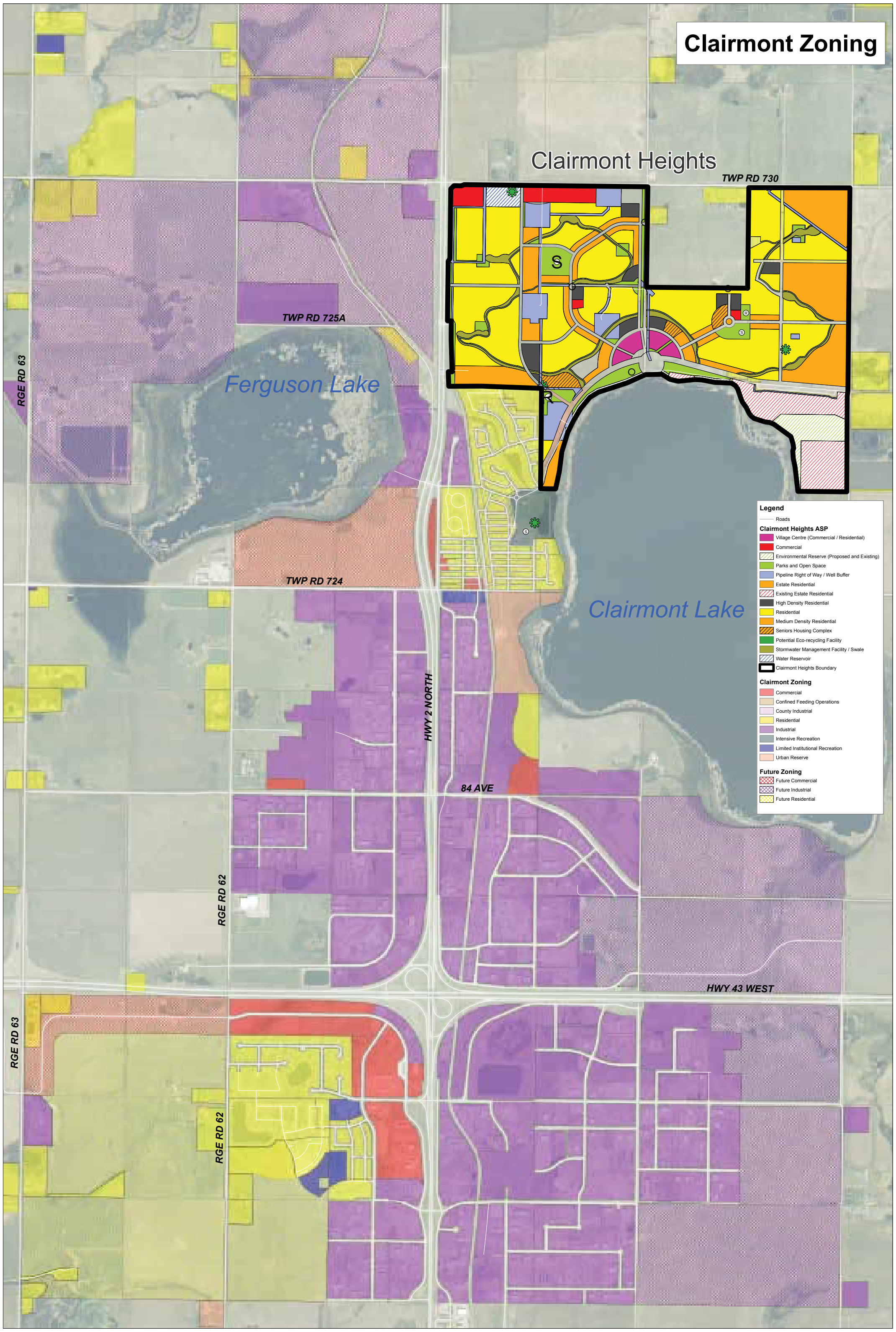
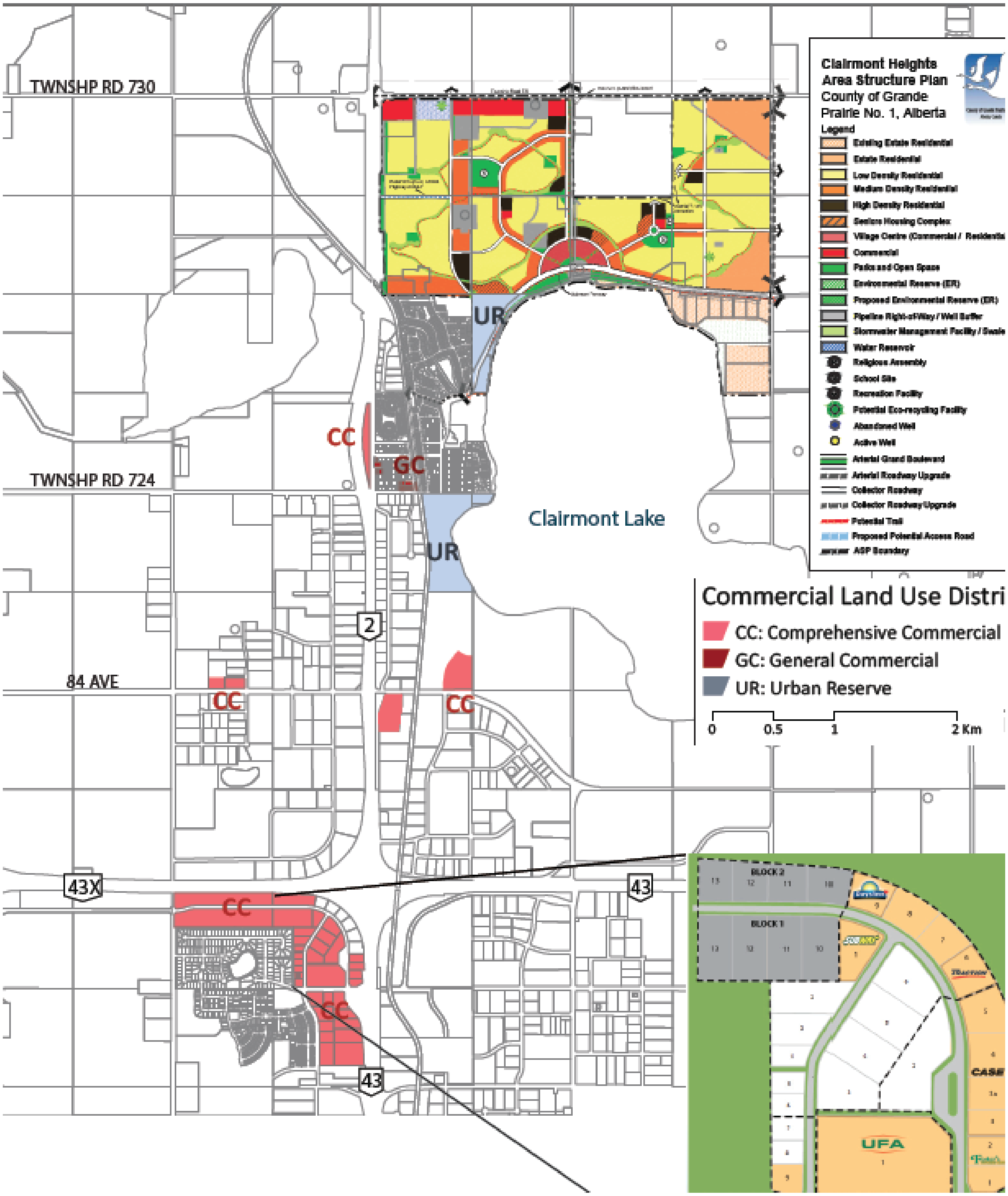


Figure 2.5

Clairmont Commercial Land Use Districts & Major Commercial Nodes

(Source: County of Grande Prairie)



Clairmont currently has 9 districts and approximately 196 acres of commercially zoned land.

Figure 2.5 illustrates the context and envisioned land use composition of the future Clairmont Heights area structure plan, which represents a major future growth area for residential and commercial opportunities.

In summary, and in accordance with the approved area structure plan, Clairmont Heights is proposing:

- 7 hectares / 17 acres of mixed-use commercial/residential
- 16 hectares / 40 acres of commercial

The commercial opportunities are envisioned to comprise a mixed-use village centre, auto-oriented commercial along RD 730 and neighbourhood commercial.

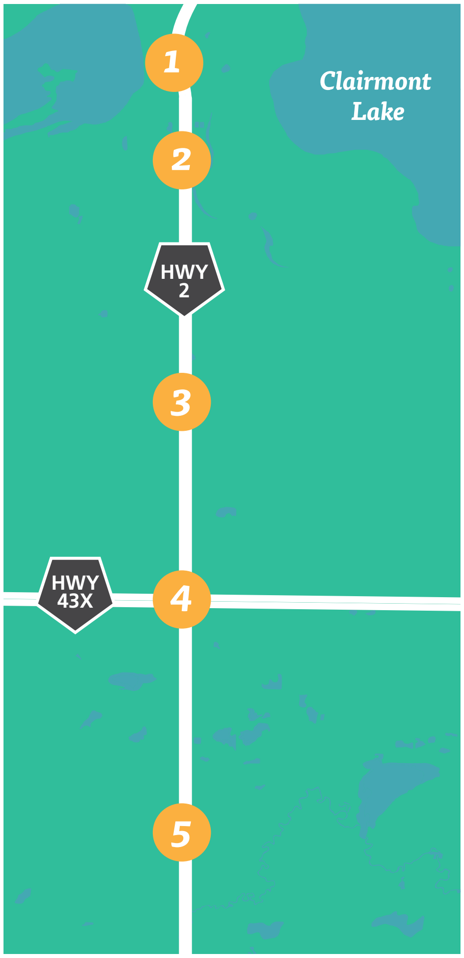
2.5 Transportation Context

One of the most significant aspects to successful commercial development relates to the patterns of transportation. Most significantly to retail businesses, the ability to be accessible as well as visible to the high volumes of traffic is a major consideration. For a regional market such as Grande Prairie that attracts a significant portion of its retail patrons from outside of the city, a retail location relative to strong and accessible transportation patterns is very important.

There is a strong network of both primary and secondary highways within the County and City of Grande Prairie. This roadway system allows the County of Grande Prairie to be easily accessible to the north Peace Region, northern British Columbia and Edmonton.

Referring to Figure 2.6, the most recent 2013 Average Annual Daily Traffic (AADT) counts by the province illustrated AADT as described below.

Figure 2.6
County of Grande Prairie Traffic Counts
Source: Alberta Ministry of Transportation



1) HWY 2 at Clairmont North
   North on HWY 2 = 10,860
   South on HWY 2 = 12,270

2) HWY 2 at Clairmont South
   North on HWY 2 = 12,270
   South on HWY 2 = 14,590

3) HWY 2 at Township Road 723
   North on HWY 2 = 14,590
   South on HWY 2 = 21,000

4) HWY 43 at HWY 2 & HWY 43x
   North on HWY 2 = 21,000
   East on HWY 43 = 6,720
   West on HWY 43x = 3,380
   South on HWY 43 = 23,400

5) HWY 43 at 148th ave
   North on HWY 43 = 24,130
   South on HWY 43 = 25,110

Highway 43 connects Grande Prairie via Valleyview from Edmonton. It connects Grande Prairie to Dawson Creek, British Columbia and the Alaska Highway to the John Hart Highway 93 going south to Prince George, and to the ports of Prince Rupert and Vancouver.

Highway 2 connects the County of Grande Prairie with the City of Grande Prairie and to points north such as Sexsmith, Fairview, Grimshaw and Mile 0 of the Mackenzie Highway 35.

The Alberta Ministry of Transportation undertakes traffic counts at various points across the County. Figure 2.6 reveals the traffic counts in Clairmont which are taken at key intersections along Highway 2/43.

These traffic counts bode well for attracting potential tenant interests in that they have strong highway visibility and accessibility attributes, are located in commercially zoned areas, and meet the threshold criteria for traffic volumes for potential retailers.

2.6 Development & Building Permits

Development Permits, and history thereof, provide further validation and empirical evidence of growth dynamics necessary to support commercial and retail opportunities. While Clairmont's population today may be relatively small for retailers, the rate of growth and allocation of future residential development bodes well for creating the necessary demand for retail. According to data by the County, single family housing starts alone over the past 2 years have averaged 221 units at a value of $98 million.

Figure 2.8 and Table 2.1 illustrate the historic volume of building permits in Clairmont over the period 2011 to the most recent year-end 2014. In terms of Development Permits, the average over the past 4 years has been 602 permits—a figure that has been exceeded in 2012, 2013 and 2014. Similarly, Residential Building Permits have averaged 512 permits, which again have been exceed in years 2012, 2013 and 2014.

Commercial Building Permits have averaged 95 permits annually since 2011 and this rate continues to be met or exceeded, with the most recent year-end 2014 having 109 Commercial Building Permits issued.

On a Building Permit value basis, Figure 2.8 and Table 2.2 illustrate residential Building Permit values averaging almost $109.5 million per year and commercial Building Permit values averaging $77.5 million per year.

2.7 Summary & Implications

Although Clairmont is a smaller community today and situated some 10-minutes from the nearest major commercial node in the City of Grande Prairie, the community is poised to become a self-sufficient community that will require retail shops and services beyond the very basic provision that exists today.

The combination of location relative to the City of Grande Prairie, traffic counts along Highway 2/43, and patterns of residential development, such as the Clairmont Heights ASP, suggest that the near term prospects and prerequisites for local and community scale retail development is very plausible.

Figure 2.8
Clairmont Building Permits Value
(Source: County of Grande Prairie)

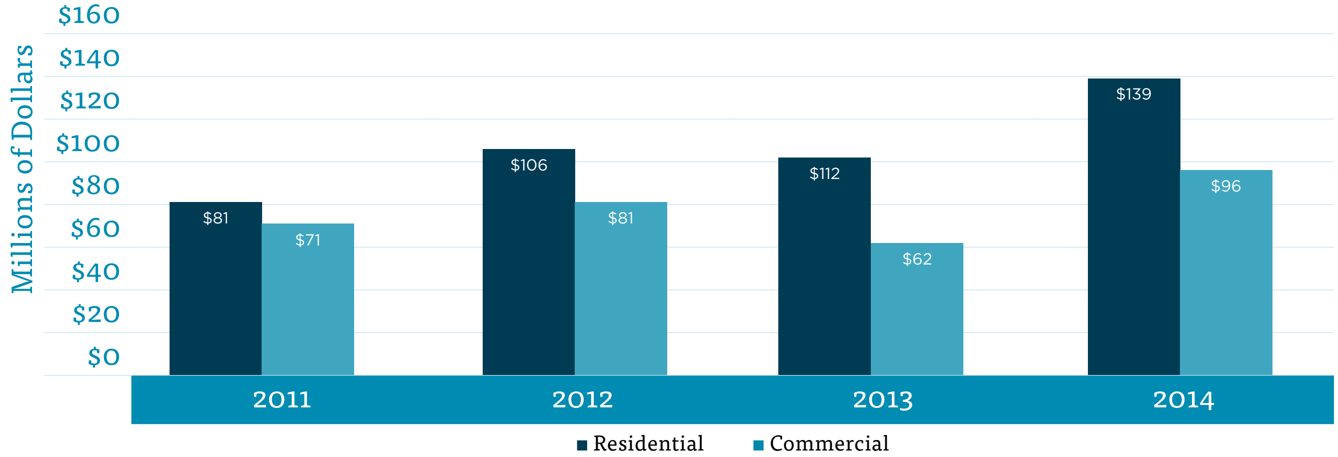


Table 2.1
Clairmont Building Permit Volume
(Source: County of Grande Prairie)

Building Permits Issued	2011	2012	2013	2014
Subdivision Permits	67	112	93	96
Rezoning Permits	54	61	46	73
Development Permits	511	612	624	661
Residential Building Permits	367	523	546	610
Commercial Building Permits	71	101	99	109
Electrical Permits	529	657	665	717
Gas Permits	385	438	497	570
Plumbing Permits	301	332	369	391
Private Sewage Permits	105	142	154	146
Totals	**2,390**	**2,978**	**3,093**	**3,373**

Table 2.2
Clairmont Building Permit Value
(Source: County of Grande Prairie)

Construction values	2011	2012	2013	2014
Residential	$80,851,665	$106,277,232	$111,917,996	$138,753,561
Commercial	$70,726,274	$81,066,834	$62,433,499	$95,950,701
Totals	**$151,577,939**	**$187,344,067**	**$174,351,495**	**$234,704,262**

Figure 3.1

County of Grande Prairie - Clairmont Retail Trade Area

Table 3.1

Clairmont Trade Area Population With and Without Clairmont Heights ASP

(Source: County of Grande Prairie, Environics Analytics 2013 and Cushing Terrell Architecture Inc.)

Population Growth Forecast	2014	2015	2016	2017	2018	2019	2020	2025	2030	2035	% Annual Growth 2015 - 2035
Clairmont Trade Area (Including Clairmont Heights ASP)	13,529	13,616	14,204	14,647	15,323	16,399	18,133	22,708	27,306	30,815	2.59%
Clairmont Trade Area (Environics Analytics Forecasts)	13,529	13,616	13,704	13,806	13,909	14,020	14,133	14,708	15,306	15,929	0.39%

3. Retail Trade Area Profile

3.1 Introduction

In order to establish a framework for quantifying retail demand and future opportunities for shops and services, it is necessary to delineate and identify the Trade Area from which Clairmont's retail sales are most frequently and likely to be sourced and generated.

The Trade Area recognizes drive times and profiles the demographics and spending attributes, which collectively help to shape and inform the market to prospective tenants, developers and investors, and ultimately provides a rationalization for achievable market shares attributable to the Trade Area spending segments.

As a first step, a Trade Area was delineated to identify the geographic region from which regular patronage could be expected based on a series of boundary determinants.

The major considerations in delineating a Retail Trade Area are outlined in the following. These principles were applied to Clairmont to determine its current Trade Area, as well as to help sensitize future market share inputs from within the Trade Area (Figure 3.1).

Retail Trade Area Determinants

i. Transportation networks, including streets and highways, which affect access, travel times, commuting and employment distribution patterns
ii. Major infrastructure projects both planned or under development which will affect future travel patterns
iii. The development vision, including an understanding of its site characteristics and potential target audience
iv. The local and regional competitive environment, present and future
v. The project's proposed generative uses (retail, cultural, civic, etc.) And their relationship within the wider market
vi. Significant natural and man-made barriers (e.g. water features, highways and industrial areas)
vii. De facto barriers resulting from notable socioeconomic differentiation
viii. Patterns of existing and future residential and commercial development
ix. Economic realities, such as provincial retail sales taxes

Since Clairmont itself is a smaller community and the population north of Clairmont is under-served by retail of any consequence, the Trade Area recognizes the role that customer inflow from small towns further north of Clairmont can have on providing additional patronage on a semi-frequent basis.

Therefore the Trade Area for Clairmont, the area identified in Figure 3.1 and summarized in Table 3.1 represents a realistic representation of the Trade Area for a retailer to gauge their opportunity. Additionally, there will also be infrequent inflow from beyond these areas.

Table 3.2
Clairmont Trade Area Demographic Snapshot

(Source: County of Grande Prairie, Environics Analytics 2013 and Cushing Terrell Architecture Inc.)

Demographic Snapshot	Clairmont Trade Area	
Total Population		
2014 Estimated	13,442	
2017 Estimated	14,647	
2020 Projected	18,133	
2025 Projected	22,708	
% Pop. Change (2014-2020)	34.90%	
% Pop. Change (2020-2025)	25.23%	
Total Population by Age	**13,422**	
0 to 4 Years	1,104	8.2%
5 to 19 Years	2,913	21.7%
20 to 24 Years	711	5.3%
25 to 34 Years	2,069	15.4%
35 to 44 Years	1,962	14.6%
45 to 54 Years	1,977	14.7%
55 to 64 Years	1,493	11.1%
65 to 74 Years	733	5.5%
75 Years and Over	481	4.0%
Median Age	34.7	
2013 Educational Attainment (15+ Yrs)	**9,950**	
Less than a Bachelor Degree	9,381	94.3%
Bachelor Degree & Higher	569	5.7%
2013 Households	**4,860**	
Persons Per Household	2.68	
Average Household Income	$100,142	
2013 Occupied Dwellings	**4,860**	
Owned Dwellings	4,059	83.5%
Rented Dwellings	801	16.5%
Dominant Building Type	Houses	
Dominant Period of Construction	1971-1980	
Dominant Demographics		
Official Home Language	English	
Non-Official Home Language	German	
Top 3 Visible Minorities	South Asian Filipino Black	

Table 3.3
Clairmont Trade Area Population Growth Trend

(Source: County of Grande Prairie, Environics Analytics 2013 and Cushing Terrell Architecture Inc.)

2013 Estimates & Projections Population Trends	Clairmont Trade Area
Total Population	
2013 Estimated	13,442
2016 Projected	14,204
2018 Projected	15,323
2023 Projected	20,538
Change in Population (Persons)	
2013 to 2016	762
2016 to 2018	1,119
2018 to 2023	5,215
Change in Population (Percent)	
2013 to 2016	5.7%
2016 to 2018	7.9%
2018 to 2023	34.0%
Rate of Change in Population (% per Year)	
2013 to 2016	1.9%
2016 to 2018	3.9%
2018 to 2023	1.1%

This study does not discount the ability of Clairmont, given its proximity, to potentially tap into the larger Trade Area that the City of Grande Prairie serves.

Clairmont and the County of Grande Prairie could, pending the right opportunity, leverage its proximity and land availability to provide an attractive alternative to a potential tenant whose Trade Area is regional regardless of whether it is in the City or County.

3.2 Population Projections

Table 3.1 provides a breakdown of the Clairmont Retail Trade Area Population. This table shows the difference between development-driven growth that could be reasonably forecasted as a result of the Clairmont Heights ASP versus growth that would be more driven by traditional metrics of migration, birth rates etc.

For the purposes of this study, the development-driven population estimates (including Clairmont Heights ASP) have been used.

Referring to Tables 3.1 to 3.3, the Clairmont Trade Area population is estimated to grow at an average annual rate of 2.5% per annum from approximately 13,500 in 2014 to over 25,000 by 2027.

Since retailers view population thresholds as a critical opportunity, it is noted that a retailer such as Shoppers Drug Mart typically would look for a population of 10,000 residents for a store of 15,000 to 18,000 sq. ft. in size. With that understanding, Clairmont's Trade Area has already surpassed the 10,000 resident threshold within and would be well-positioned to serve the identified Trade Area.

Moreover, it can be seen that Clairmont's Trade Area population growth (Table 3.1) will be driven by the Clairmont Heights ASP.

Strong growth in the City of Grande Prairie (which represents a wider trade region that serves over 250,000 people stretching into northeast British Columbia), suggests that support for new retail shops and services will be in demand, for which Clairmont could be a benefactor.

The overall regional Trade Area dynamics for the County of Grande Prairie are expected to continue in conjunction with more rooftops and more residents in proximity to Clairmont. Retailers will be in a stronger position to draw more frequent customers and, in the context of Clairmont, add potential additional stores to their network, if feasible and applicable.

3.3 Age Profile

A summary of the current age profile reveals a very strong and growing younger-age demographic in the Clairmont Trade Area comprised of families and young adults entering their high-income earning years, with a median age of 34.7 (30.6 years in the City of Grande Prairie).

Compared to the provincial average age of 36.4 years, the youthful profile of Clairmont and Grande Prairie suggests a requisite mix of retail shops and services that matches the market profile.

Table 3.2 reveals that approximately 30% of Clairmont's Trade Area population is currently between the ages of 25 to 44 years. This age cohort represents not only the family-building stage—further evidenced by the 22% aged 5 to 19 years—but also the income-earning stage. A strong and young family demographic profile is a critical prerequisite for many retailers looking at entering a market or establishing another location in an existing market.

Accordingly, with over 30% of the Trade Area population in the 25 to 44 year age bracket, retail spending on discretionary items such as Automobiles and Recreational Vehicles/ Motor Sports, Fashion, House & Home, Food & Beverage (Away From Home), Sporting Goods and Entertainment & Leisure is expected to be quite strong. Clairmont's opportunity will lie in providing the conveniences and day to day community scale shops and services that don't exist today, but will be needed to serve the expected growth in the local population over the next decade and beyond.

A retail study of this nature must realize the role that all retail formats play in the establishment and evolution of a complete community, whereby some retail nodes will not compete with the larger comparison retail nodes in the City of Grande Prairie, but rather a blend of local and branded shops and services could be very well positioned within closer proximity to peoples' primary residences and areas of employment. The expected growth of Clairmont as a major employment centre for industrial growth and the corresponding residential opportunities could provide for more local retail opportunities in Clairmont.

Restaurants, particularly Family-Casual and Limited Service (also known as quick-service) would also be well-served in closer to emerging residential areas.

3.4 Income Profile

Household and per capita incomes are among the most direct determinants in identifying patterns of spending and potential thereof for Retail, Food & Beverage, Entertainment and Services.

A summary of the current average household income in the Clairmont Trade Area, as documented in Tables 3.4 & 3.5, reveals an average household income in 2013 estimated at over $100,000, which is consistent with the provincial average.

It is worth stating however, that in many cases, the household incomes as reported in the Statistics Canada census tend to understate the reality of the market.

Table 3.3 also reveals that household income in the Clairmont Trade Area is forecast to grow at an average annual rate of 3.4% per annum, which mirrors the provincial rate of 3.5% per annum.

Table 3.4 shows a valuable trend whereby approximately 24.7% of the households earn over $125,000, which is well above the provincial average. Interestingly, the Consumer Intercept Survey (Section 6.0) revealed that 38.5% of respondents earned over $125,000, further validating the high-income profile of the Trade Area.

Table 3.4
Clairmont Trade Area Household Income Breakdown

(Source: County of Grande Prairie, Environics Analytics 2013 and Cushing Terrell Architecture Inc.)

2013 Estimates Household Income	Clairmont Trade Area	
2013 Households by Income (Current Year $)	4,860	% of Base
Under $10,000	94	1.9%
$10,000 - $19,999	189	3.9%
$20,000 - $29,999	273	5.6%
$30,000 - $39,999	320	6.6%
$40,000 - $49,999	332	6.8%
$50,000 - $59,999	350	7.2%
$60,000 - $69,999	380	7.8%
$70,000 - $79,999	365	7.5%
$80,000 - $89,999	381	7.8%
$90,000 - $99,999	329	6.8%
$100,000 - $124,999	647	13.3%
$125,000 - $149,999	469	9.6%
$150,000 - $174,999	309	6.4%
$175,000 - $199,999	157	3.2%
$200,000 - $249,999	150	3.1%
$249,000 and Over	115	2.4%
Average Income	$100,142	
Median Income	$83,354	

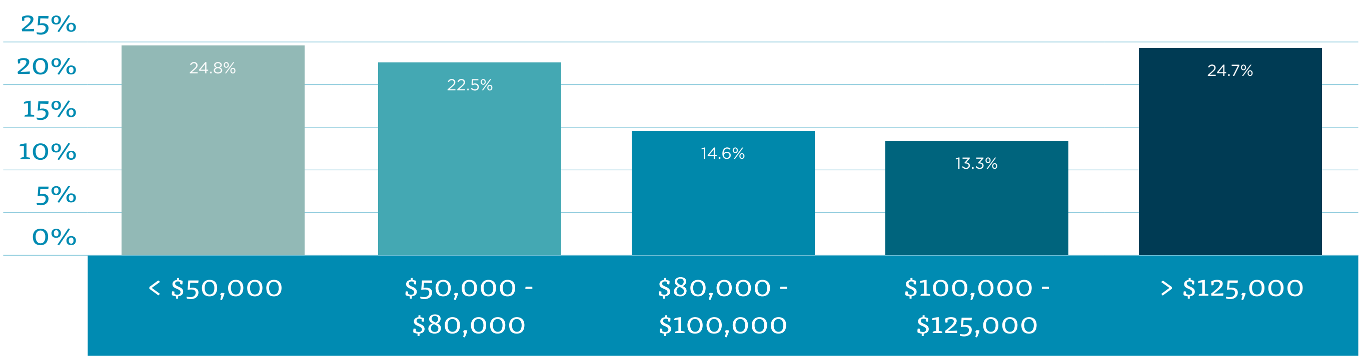
Table 3.5
Clairmont Trade Area Household Income Growth Trend

(Source: County of Grande Prairie, Environics Analytics and Cushing Terrell Architecture Inc.)

2013 Estimates & Projections Income Trends	Clairmont Trade Area
Average Household Income	
2013 Estimated	$100,142
2016 Projected	$113,480
2018 Projected	$120,361
2023 Projected	$140,092
Aggregate Household Income ($000)	
2013 Estimated	$486,690
2016 Projected	$591,278
2018 Projected	$681,293
2023 Projected	$1,067,989
Change in Average Household Income	
2013 to 2016	$13,338
2016 to 2018	$6,881
2018 to 2023	$19,731
Change in Aggregate Household Income ($000)	
2013 to 2016	$104,588
2016 to 2018	$90,015
2018 to 2023	$386,697

Figure 3.2
Clairmont Trade Area Household Income Breakdown Summary

(Source: County of Grande Prairie, Environics Analytics 2013 and Cushing Terrell Architecture Inc.)



With an average household sizes in the Trade Area of just under 2.8, which is again above the provincial average of 2.6, the income profile illustrates a market that is well positioned to benefit from higher levels of discretionary spending on retail shops and services.

In the context of Clairmont, the high income and spending is likely more poignant for categories such as grocery & specialty foods, house & home, specialty retail and food & beverage (full and limited service restaurants).

3.5 Retail Spending Profile

Building upon the Trade Area demographic profile analysis, an assessment was made of the Clairmont Trade Area retail spending profile. This provides a more refined understanding of the opportunity for retailing within Clairmont today and over the next 5 and 10 years.

The key questions it seeks to answer are:

- How much do Trade Area residents spend on convenience retail (such as grocery and pharmacy), on comparison retail (such as fashion and home furnishings), and leisure (food & beverage and entertainment)?
- What spending patterns or trends does the Trade Area expenditure profile demonstrate? And how is spending forecast to change over the coming years?

Having established Clairmont's realistic and most frequent Trade Area boundary, population and demographic profile, the size of the retail market and its anticipated growth was projected using retail spending data from Environics Analytics Inc.

As illustrated in Table 3.6 & Figure 3.3, the total Trade Area for the Clairmont Trade Area is estimated at $213.4 million as of year-end 2014. Over the next decade, in conjunction with anticipated development of the Clairmont Heights ASP, this Trade Area spending is forecast to increase to over $422.0 million by 2025.

Figure 3.3

Clairmont Trade Area Retail Spending Summary 2014

(Source: Environics Analytics 2013 and Cushing Terrell Architecture Inc.)

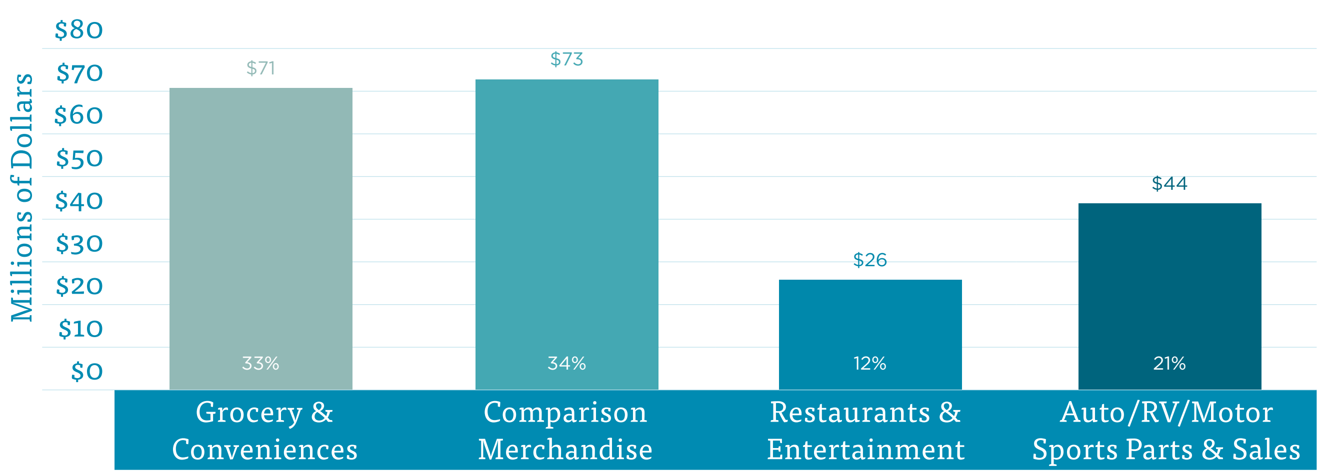


Table 3.6

Trade Area Retail Spending

(Source: Environics Analytics 2013 and Cushing Terrell Architecture Inc.)

Clairmont Trade Area	2014	2015	2020	2025	% Annual Growth
Grocery & Specialty Foods	$48,216,543	$49,249,449	$70,663,111	$95,304,626	5.89%
Pharmacy	$6,872,616	$7,025,910	$10,081,778	$13,601,971	5.91%
Alcohol & Tobacco	$7,697,871	$7,870,108	$11,296,669	$15,236,932	5.89%
Personal Services	$7,765,515	$7,938,189	$11,387,332	$15,373,179	5.90%
Clothing Stores	$14,462,257	$14,773,473	$21,197,120	$28,611,825	5.90%
Shoe Stores	$3,598,653	$3,676,348	$5,258,481	$7,084,833	5.82%
Jewelry Stores	$2,299,891	$2,355,586	$3,408,947	$4,609,683	6.07%
Health & Beauty	$4,667,426	$4,765,636	$6,817,893	$9,219,366	5.88%
Home Furnishings & Accessories	$9,889,532	$10,103,149	$14,488,023	$19,551,414	5.89%
Home Electronics & Appliances	$13,434,071	$13,725,033	$19,692,106	$26,568,123	5.90%
Home Improvement & Gardening	$9,240,151	$9,435,960	$13,545,123	$18,279,777	5.89%
Books & Multimedia	$4,423,908	$4,520,547	$6,473,372	$8,742,502	5.88%
Sporting Goods & Outdoor Recreation	$3,179,261	$3,254,249	$4,696,368	$6,335,475	5.96%
Toys & Hobbies	$1,041,715	$1,062,056	$1,505,014	$1,998,286	5.63%
Miscellaneous Specialty	$6,344,994	$6,481,266	$9,283,940	$12,534,704	5.89%
Full Service Restaurants	$11,634,744	$11,886,859	$17,044,733	$23,002,999	5.90%
Limited Service Restaurants	$5,939,131	$6,072,782	$8,721,826	$11,762,639	5.88%
Family Entertainment & Concessions	$8,834,288	$9,027,477	$12,946,744	$17,462,296	5.91%
Auto Parts & Accessories	$3,747,470	$3,826,125	$5,457,941	$7,402,742	5.87%
Auto/Rv/Motorsports Dealership	$40,112,809	$40,970,857	$58,786,196	$79,318,336	5.90%
Total expenditure	**$213,402,849**	**$218,021,059**	**$312,752,716**	**$422,001,707**	**5.90%**

1 comparison retail comprises retail categories that one would usually compare prices or shop around. Examples include automobiles, fashion, footwear, house & home, books, specialty retail. The term comparison retail is synonymous with the industry term dstm, which refers to department store type merchandise.


City of Grande Prairie

A separate study for the City of Grande Prairie, reveled a total Trade Area spending for the entire trade region (i.e. City of Grande Prairie, County of Grande Prairie and beyond) of over $3.5 billion in potential retail spending that could be tapped into. While the city represents the major draw for much of this spending potential, Clairmont can be a benefactor of this inflow by virtue of its proximity, land availability for potential retail opportunities.

Retail spending on comparison merchandise by Trade Area residents is very strong and, when combined with the Auto/RV/Motor Sports categories, reinforces the strength of the market's disposable and discretionary income.

Moreover, healthy patterns of spending on comparison merchandise, such as Clothing, Footwear, Jewelry, House & Home, Computers, Electronics, etc., provide a benchmark against which prospective tenant, developer or investor interests could gauge the opportunity.

3.6 Summary & Implications

While the Clairmont Trade Area is forecast to surpass 15,000 residents by 2018 and grow to over 20,000 by 2023, the wider regional Trade Area for the City and County of Grande Prairie has the potential to penetrate well in excess of 250,000 residents.

The latter attributes are extremely positive and favourable for further retail categories and store types, and in particular have a degree of correlation with expenditure on many merchandise categories.

Clairmont's location relative to the City of Grande Prairie is just far enough to feasibly justify and rationalize retail development at a community-scale (i.e. grocery-anchored), and with sites along the well-traveled Highway 2/43 corridor, the potential to attract larger regional users could exist if positioned accordingly.

As will be seen in the forthcoming section on retail supply, Clairmont is well under-retailed.

Although retail spending by Clairmont Trade Area residents alone is $213 million, the total Trade Area lying within a 2-hour drive is estimated at over $3.5 billion. Most significantly, the County and City of Grande Prairie form the shopping and service hub for this large spending catchment, and Clairmont should look to position itself as a viable location for these users.

4. Retail Market Supply

4.1 Introduction

The dynamics of the overall retail market provide critical indicators as to the performance of retail, and moreover, the magnitude of demand and resulting opportunity for which niches could be filled in Clairmont.

Looking beyond Clairmont, this section will profile the current retail composition in the Clairmont Trade Area, which includes Clairmont and Sexsmith. It will also incorporate retail market information from the City of Grande Prairie's Retail Market & Gap Analysis. It is important to have this collective understanding of the City and County to ensure that the most realistic and feasibly positioned and targeted categories/tenants can be identified for Clairmont.

The purpose of this competitive evaluation is to firstly identify a foundation for demand and current retail performance (also known as productivity) followed by identifying the potential types of tenants and/or merchandise categories for whom Clairmont would represent a compatible fit as it grows.

4.2 City and County of Grande Prairie Retail Market Snapshot

Prior to documenting Clairmont's retail inventory, an assessment of the overall City of Grande Prairie retail sector's performance was undertaken to get a sense of the current market performance. This is important as it lays a foundation for any future opportunities that could be pursued in Clairmont. The following information is thus extracted directly from the City of Grande Prairie's *Retail Market & Gap Analysis Study*.

Data is sourced to The Network Real Estate Intelligence ("The Network"), July 2013. The Network data comprises a survey of 51 retail centres, 109 freestanding, 97 downtown retail buildings and 39 big box stores for a total of 295 buildings. On the basis of the survey, retail vacancies in the City of Grande Prairie as of July 2013 were documented across sub-sectors:

Shopping Centres	6.30%	Big Box Retail	6.96%
Free Standing Retail	3.29%	Total Vacancies	6.22%
Downtown Retail	8.41%		

Within the shopping centres sub-sector, the vacancy increase was attributable to older retail space becoming vacant or new retail space waiting to be leased. As is the case in many markets similar to Grande Prairie, the transition from older, obsolete retail spaces to newer retail spaces typically results in higher vacancies which can be misleading.

4.3 Clairmont Trade Area Retail Inventory

Tables 4.1, 4.2 & 4.3 provide a detailed inventory of the current retail in both Clairmont and Sexsmith, which fall in the previously delineated Clairmont Trade Area.

Presently, Clairmont and Sexsmith combined have a total retail inventory of approximately 161,000 sq. ft., of which 40%—or 63,500 sq. ft.—is represented by RV dealerships. Therefore, excluding Automotive/RV Dealerships, the retail inventory is 97,000 sq. ft.

Clairmont and Sexsmith both suffer from a lack of day-to-day conveniences such as Grocery and Pharmacy around which other ancillary retail could benefit.

For Clairmont, the opportunity clearly lies in the fact that the local market is underserved by retail of any consequence. As such, future growth in terms of

Table 4.1

Clairmont Trade Area Retail Inventory

(Source: Cushing Terrell Architecture Inc. 2014)

Merchandise category	Clairmont	Sexsmith
Grocery & Specialty Foods	3,000	4,700
Alcohol & Tobacco	2,200	3,000
Pharmacy	0	0
Personal Services	750	5,700
Clothing & Apparel	0	0
Footwear	0	0
Jewelry & Accessories	0	0
Health & Beauty	0	0
Home Electronics & Appliances	0	0
Home Furnishings & Accessories	0	0
Home Improvement & Gardening	23,000	0
Books & Multi-Media	0	0
Sporting Goods & Outdoor Recreation	500	0
Toys & Hobbies	0	0
Specialty Retail	0	750
Full Service F & B	3,000	1,500
Limited Service F & B	5,450	2,400
Entertainment & Leisure	1,200	3,200
Auto Parts & Accessories	15,000	0
Auto/RV/Motor Sports Dealership	63,500	0
Vacant	14,869	7,100
Total	132,469	28,350

population will necessitate a much improved provision of shops and services in Clairmont to cater to future growth demands.

In looking at Tables 4.1, 4.2 & 4.3, one can see that Sexsmith, while having a more defined traditional "main street" nonetheless has an overall limited inventory comprised of much older buildings and a vacancy rate in the range of 25%, which is a direct result of the older spaces in town.

By contrast, the 11% vacancy in Clairmont includes developments that are either under construction or recently completed and thus are new to market.

Table 4.2

Clairmont Trade Area Retail Inventory Summary

(Source: Cushing Terrell Architecture Inc. 2014)

Merchandise Category	Existing Inventory (sq. ft.)	Existing Inventory (%)	Number of Stores	% of Number of Stores	Average Store Size
Grocery & Specialty Foods	7,700	4.79%	5	10.9%	1,540
Alcohol & Tobacco	5,200	3.23%	4	8.7%	1,300
Pharmacy		-	-		
Personal Services	6,450	4.01%	5	10.9%	1,290
Clothing & Apparel		-	-		
Footwear		-	-		
Jewelry & Accessories		-	-		
Health & Beauty		-	-		
Home Electronics & Appliances		-	-		
Home Furnishings & Accessories		-	-		
Home Improvement & Gardening	23,000	14.30%	2	4.3%	11,500
Books & Multi-Media		-	-		
Sporting Goods & Outdoor Recreation	500	0.31%	1	2.2%	500
Toys & Hobbies		-	-		
Specialty Retail	750	0.47%	1	2.2%	750
Full Service F & B	4,500	2.80%	3	6.5%	1,500
Limited Service F & B	7,850	4.88%	7	15.2%	1,121
Entertainment & Leisure	4,400	2.74%	3	6.5%	1,467
Auto Parts & Accessories	15,000	9.33%	1	2.2%	15,000
Auto/RV/Motor Sports Dealership	63,500	39.49%	3	6.5%	21,167
Vacant	21,969	13.66%	11	23.9%	1,997
Total	160,819	100.00%	46	100%	3,496

Table 4.3

Clairmont & Sexsmith Detailed Retail Inventory

(Source: Cushing Terrell Architecture Inc. 2014)

Retail Business Name	Retail Node	Retail Area	General Retail Category	Est. Area (Sq. Ft)
Clairmont Retail Inventory				
A&W	County Crossing	Clairmont	Limited Service F&B	2,500
Quiznos	County Crossing	Clairmont	Limited Service F&B	500
The Beer Seller	County Crossing	Clairmont	Alcohol & Tobacco	1,200
Vacant - New Space	County Crossing	Clairmont	Vacant	1,200
Vacant - New Space	County Crossing	Clairmont	Vacant	2,188
Vacant - New Space	County Crossing	Clairmont	Vacant	6,107
Shell Convenience	County Crossing	Clairmont	Grocery & Specialty Foods	1,500
Panago Pizza	County Crossing	Clairmont	Limited Service F&B	1,000
Mcgayles Restaurant	101St Ave	Clairmont	Full Service F&B	1,500
Conley's Bar	101St Ave	Clairmont	Entertainment & Leisure	1,200
Fas Gas Plus Convenience	102Nd St	Clairmont	Grocery & Specialty Foods	1,500
Crazy Horse Liquor Store	102Nd St	Clairmont	Alcohol & Tobacco	1,000
Clairmont Post Office	102Nd St	Clairmont	Personal Services	750
Titos At Sportsplex	Sportsplex	Clairmont	Limited Service F&B	250
Husky House Restaurant	Sportsplex	Clairmont	Full Service F&B	1,500
Ernie's Sports	Sportsplex	Clairmont	Sporting Goods & Outdoor Recreation	500
Ufa Farm & Ranch	101St St	Clairmont	Home Improvement & Gardening	19,000
Fountain Tire	101St St	Clairmont	Auto Parts & Accessories	15,000
Fastenal 2000	101St St	Clairmont	Home Improvement & Gardening	4,000
Subway	Westlake Plaza	Clairmont	Limited Service F&B	1,200
Vacant - New Space	Westlake Plaza	Clairmont	Vacant	2,836
Vacant - New Space	Westlake Plaza	Clairmont	Vacant	2,538
Happy Trails Rv	Hwy 2	Clairmont	Auto/RV/Motor Sports Dealership	25,000
Mcgoverns	Hwy 2	Clairmont	Auto/RV/Motor Sports Dealership	15,000
Woody's Rv World	Hwy 2	Clairmont	Auto/RV/Motor Sports Dealership	23,500
Sexsmith Retail Inventory				
Subway	Freestanding	Sexsmith	Limited Service F&B	1,200
What Ales You Liquor Store	Freestanding	Sexsmith	Alcohol & Tobacco	2,000
Husky Food Store	Freestanding	Sexsmith	Grocery & Specialty Foods	1,500
Go Health Nutrition & Wellness	Main Street	Sexsmith	Specialty Retail	750
Vacant (Formerly The Vault)	Main Street	Sexsmith	Vacant	750
Vacant (Formerly Movies Mania)	Main Street	Sexsmith	Vacant	750
Vacant (Formerly Wilson's Hardware)	Main Street	Sexsmith	Vacant	2,000
Liquor Store	Main Street	Sexsmith	Alcohol & Tobacco	1,000
Diamond Willow Restaurant	Main Street	Sexsmith	Full Service F&B	1,500
Rbc	Main Street	Sexsmith	Personal Services	2,000
Sexsmith Insurance	Main Street	Sexsmith	Personal Services	1,000
Vacant - Old Space	Main Street	Sexsmith	Vacant	1,200
Vacant - Old Space	Main Street	Sexsmith	Vacant	1,200
Vacant - Old Space	Main Street	Sexsmith	Vacant	1,200
Sexsmith Beauty Salon	Main Street	Sexsmith	Personal Services	1,200
Sexsmith Grocery	Main Street	Sexsmith	Grocery & Specialty Foods	2,000
Country Pump Out	Main Street	Sexsmith	Entertainment & Leisure	1,200
Mix's Mercantile	Main Street	Sexsmith	Grocery & Specialty Foods	1,200
Canada Post	Main Street	Sexsmith	Personal Services	1,500
Mid Town Café	Main Street	Sexsmith	Limited Service F&B	1,200
The Alamo Bar	Main Street	Sexsmith	Entertainment & Leisure	2,000

4.4 Retail Space Per Capita

Retail space per capita is an industry measure of the ratio of retail space against a city's/town's/hamlet's population. An examination of retail space per capita provides a general indication for demand.

In most urban markets in Canada and the United States, a typical benchmark for retail space per capita is in the range of 30 to 40 sq. ft. (Source: International Council of Shopping Centers).

Most markets that fall within the 30 to 40 sq. ft. per capita range are typically self-serving markets, meaning they do not have a significant regional Trade Area, but rather fulfill the demand and needs of its own city's population base.

When applying the retail inventory for the Clairmont Trade Area (161,000 sq. ft.) against the Trade Area's population of 9,000 (2014 est.), the resulting per capita ratio is approximately 18 sq. ft. per capita.

The per capita space ratio can be further used as a guide when forecasting future demand for Clairmont.

4.5 Summary & Implications

While the inventory for the City of Grande Prairie clearly validates the regional serving nature of the retail offering, Clairmont has largely gone unnoticed as a locale for retail opportunity.

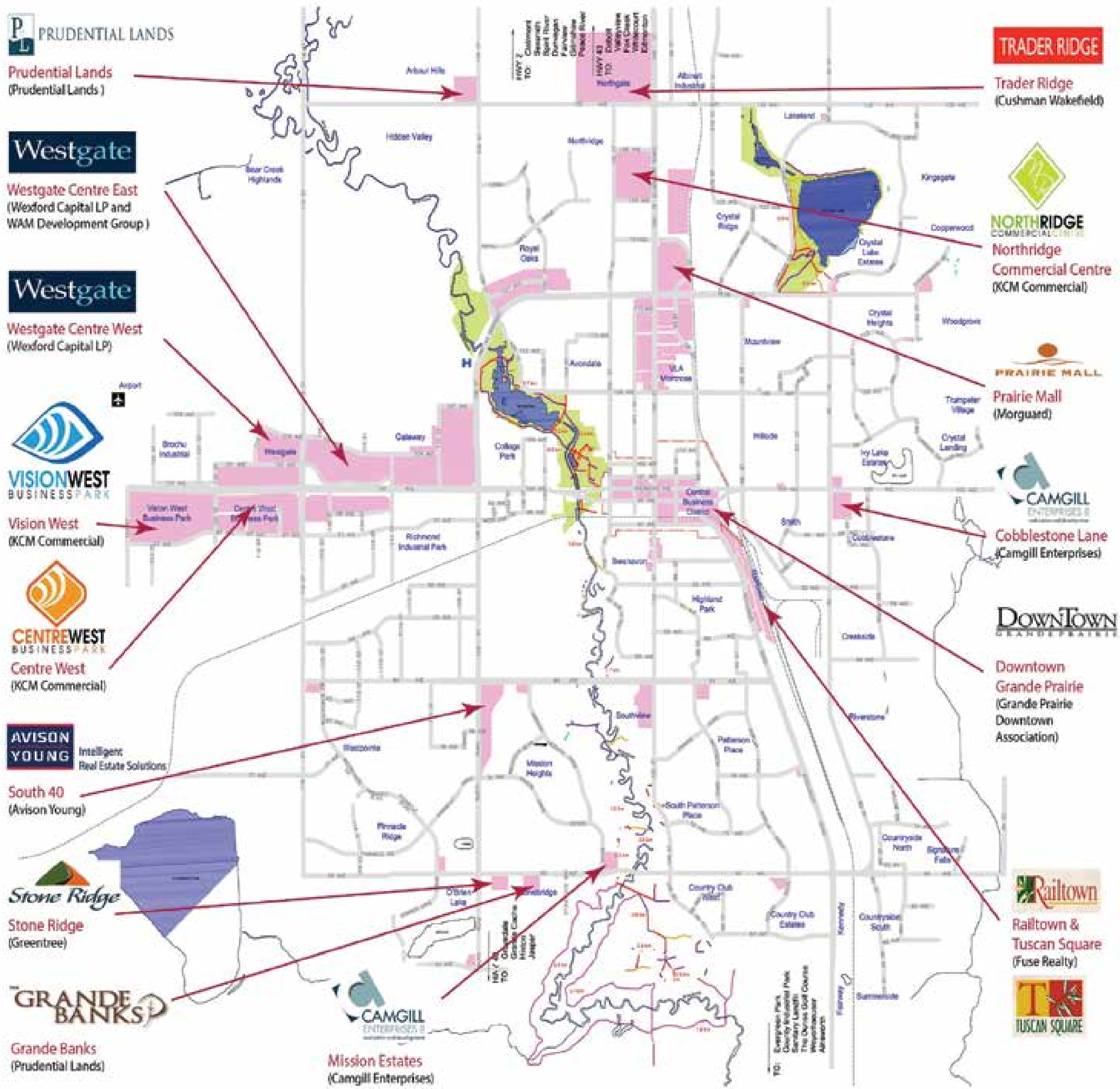
However, in correlation with strong residential development and in particular forecasted growth resulting from the Clairmont Heights ASP, retail development opportunities in Clairmont will become more prominent, particularly for community-scale projects (i.e. grocery anchored).

The next step in Clairmont's progression as a retail-friendly market will be to create a singular traditional retail project capable of meeting the needs of the forecasted 10,000 Trade Area residents forecast to live within 5-minutes of Clairmont by 2017/2018.

Retailers will be drawn to Clairmont as a location where shops and services will be in proximity to a strong permanent residential base as well as a growing employment node.

Lastly, potential retailers will be looking for quality projects in locations with high visibility and some level of cost certainty, all of which Clairmont could be well positioned to provide as a counter opportunity to the City of Grande Prairie.

Figure 4.1
City of Grande Prairie Retail Projects Inventory & Supply Map
(Source: County of Grande Prairie)



5. Retail Market Demand

5.1 Introduction

The following section will quantify the amount of supportable floorspace in Clairmont as justified by the Trade Area which it is forecast to serve, as shown previously in Figure 3.1. The first step will measure the difference between the supply and demand as presented in terms of 'inflow' or 'outflow' retail, while the next steps will identify the supportable retail floorspace over the next 5 and 10 years.

5.2 Retail Inflow & Outflow

Inflow/Outflow conveniently measures the balance between the volume of supply (retail sales) generated by the retail sector in Clairmont's Trade Area and the demand (spending by households) within the same retail sector.

Inflow (sometimes referred to as surplus) in an area represents a condition whereby the supply exceeds the area's demand and where retailers are attracting shoppers that reside outside the normal Trade Area.

Outflow (sometimes referred to as leakage) in an area represents a condition whereby a market's supply is less than the demand. In other words, retailers outside the market area are fulfilling the demand for retail products and thus demand is outflowing or leaking out of the normal or primary Trade Area.

Given the limited inventory both Clairmont and Sexsmith, the magnitude of sales outflow is significant. Table 5.1 reveals a pattern of spending that clearly substantiates the idea that spending of Clairmont's Trade Area residents takes place in the city of Grande Prairie.

The Inflow/Outflow factor presents a snapshot of retail opportunity (Table 5.1). This is a measure of the relationship between supply and demand that ranges from +100 (Total Inflow) to -100 (Total Outflow). A positive value represents Inflow of retail opportunity where customers are drawn in from outside the Trade Area. A negative value represents Outflow of retail sales, a market where customers are drawn outside the Trade Area. The gap represents the difference between retail potential and retail sales.

In the case of Clairmont's Trade Area, Table 5.1 reveals a pattern in which sales outflow occurs for every category, and in which the following categories have significant leakage that could reasonably be captured with a well positioned project in Clairmont:

Grocery & Specialty Foods Outflow:
$46.0 million

Full Service Restaurants Outflow:
$10.5 million

Pharmacy Outflow:
$7.7 million

Personal Services Outflow:
$6.8 million

Table 5.1

Clairmont Retail Trade Area Inflow/Outflow Estimates

Merchandise Category	Existing Inventory (Sq. Ft.)	Est. Clairmont Trade Area Expenditure Potential 2014 (Demand)	Clairmont Trade Area Outflow / Inflow Estimates	Clairmont Trade Area Outflow / Inflow Factor
Grocery & Specialty Foods	7,700	$48,216,543	-$46,023,968	-95.5
Alcohol & Tobacco	5,200	$6,872,616	-$5,022,616	-73.1
Pharmacy	-	$7,697,871	-$7,697,871	-100.0
Personal Services	6,450	$7,765,515	-$6,757,703	-87.0
Clothing & Apparel	-	$14,462,257	-$14,462,257	-100.0
Footwear	-	$3,598,653	-$3,598,653	-100.0
Jewelry & Accessories	-	$2,299,891	-$2,299,891	-100.0
Health & Beauty	-	$4,667,426	-$4,667,426	-100.0
Home Electronics & Appliances	-	$9,889,532	-$9,889,532	-100.0
Home Furnishings & Accessories	-	$13,434,071	-$13,434,071	-100.0
Home Improvement & Gardening	23,000	$9,240,151	-$2,040,151	-22.1
Books & Multi-Media	-	$4,423,908	-$4,423,908	-100.0
Sporting Goods & Outdoor Recreation	500	$3,179,261	-$3,065,511	-96.4
Toys & Hobbies	-	$1,041,715	-$1,041,715	-100.0
Specialty Retail	750	$6,344,994	-$6,263,432	-98.7
Full Service F&B	4,500	$11,634,744	-$10,539,744	-90.6
Limited Service F&B	7,850	$5,939,131	-$2,208,481	-37.2
Entertainment & Leisure	4,400	$8,834,288	-$8,214,288	-93.0
Auto Parts & Accessories	15,000	$3,747,470	$1,877,530	50.1
Auto/RV/Motor Sports Dealership	63,500	$40,112,809	-$25,825,309	-64.4
Vacant	21,969			
Totals	**160,819**	**$213,402,849**	**-$175,598,999**	**-82.3**

While categories such as Fashion and Home Furnishings illustrate strong outflow, these categories will need to have enough critical mass and support by the market beyond that which is forecast over the next 5 to 10 years.

Overall, of the total retail expenditure in the Trade Area ($213 million), it is estimated that only 18% is retained in the Clairmont Trade Area, based on an outflow/leakage estimate of $175 million.

The most pragmatic approach for Clairmont is to provide the shops and services that will gravitate to the short term opportunity, then build momentum from that for establishing and potentially introducing some of the other categories.

Table 5.2
Clairmont Retail Demand & Growth Forecasts

	Retail Category	Growth in 2015		2020		2025		Floorspace Demand		Potential Trade Area Market Share		
		Mix Sq. Ft.	% of Mix	Mix Sq. Ft.	% of Mix	Mix Sq. Ft.	% of Mix	2016 - 2020	2020 - 2025	2015	2020	2025
Convenience	Grocery & Specialty Foods	11,408	29.6%	33,921	28.5%	67,602	28.4%	22,513	33,682	18.6%	36.8%	55.0%
	Pharmacy	1,545	4.0%	4,594	3.9%	9,158	3.8%	3,049	4,564	18.6%	36.8%	55.0%
	Alcohol & Tobacco	2,076	5.4%	4,651	3.9%	8,241	3.5%	2,575	3,589	18.6%	27.7%	36.8%
	Personal Services	3,351	8.7%	9,962	8.4%	19,873	8.3%	6,611	9,911	18.6%	36.8%	55.0%
Comparison	Clothing & Apparel	-	0.0%	2,801	2.4%	7,407	3.1%	2,801	4,606	0.0%	4.6%	9.2%
	Footwear	-	0.0%	659	0.6%	1,741	0.7%	659	1,081	0.0%	4.6%	9.2%
	Jewelry & Accessories	-	0.0%	186	0.2%	492	0.2%	186	306	0.0%	4.6%	9.2%
	Health & Beauty	-	0.0%	532	0.4%	1,408	0.6%	532	877	0.0%	4.6%	9.2%
	Home Furnishings & Accessories	-	0.0%	2,104	1.8%	5,563	2.3%	2,104	3,459	0.0%	4.6%	9.2%
	Home Electronics & Appliances	-	0.0%	1,059	0.9%	2,798	1.2%	1,059	1,740	0.0%	4.6%	9.2%
	Home Improvement & Gardening	4,149	10.8%	12,343	10.4%	24,615	10.3%	8,194	12,271	18.6%	36.8%	55.0%
	Books & Multimedia	-	0.0%	1,243	1.0%	2,491	1.0%	1,243	1,248	0.0%	9.1%	13.6%
	Sporting Goods & Outdoor Recreation	-	0.0%	2,230	1.9%	5,764	2.4%	2,230	3,535	0.0%	14.5%	28.2%
	Toys & Hobbies	-	0.0%	681	0.6%	1,774	0.7%	681	1,093	0.0%	13.9%	27.5%
	Miscellaneous Specialty	-	0.0%	4,610	3.9%	11,929	5.0%	4,610	7,319	0.0%	14.5%	28.2%
Leisure	Full Service Restaurants	4,296	11.2%	7,959	6.7%	12,729	5.3%	3,663	4,770	18.6%	23.0%	27.5%
	Limited Service Restaurants	1,240	3.2%	3,691	3.1%	7,356	3.1%	2,451	3,665	18.6%	36.8%	55.0%
	Entertainment & Leisure	-	0.0%	4,588	3.9%	11,951	5.0%	4,588	7,363	0.0%	9.5%	18.6%
Auto	Auto Parts & Accessories	1,346	3.5%	2,996	2.5%	5,338	2.2%	1,651	2,342	18.6%	27.7%	36.8%
	Auto/RV/Motor Sports Dealership	9,081	23.6%	18,077	15.2%	30,011	12.6%	8,996	11,934	14.1%	18.6%	23.2%
	Totals	**38,492**	**100%**	**118,887**	**100%**	**238,241**	**100%**	**80,396**	**119,355**	**11.5%**	**22.1%**	**32.5%**

5.3 Retail Mix & Warranted Floorspace

A demand analysis was undertaken to identify and quantify the Clairmont Retail Demand Potential using retail spending as the critical input. Demand forecasts represent new space above and beyond that which exists today.

A critical step in right-sizing and right-mixing Clairmont's retail component was to consider the full range of standard retail development formats.

As described in the Location Analysis and Supply Analysis sections, Clairmont does have challenges presented more by the destination regional competition in the City of Grande Prairie.

Clairmont does, however, have nodes and commercial lands with excellent local visibility and accessibility, but its southern "edge" location relative to the current City/County boundary suggests that the Trade Area will need to be relatively compact and more focused on Clairmont Heights as well as the more established communities to the north like Sexsmith, as shown in the delineated Trade Area.

Given Clairmont's strengths and weaknesses and the more opportunistic and obvious voids in the marketplace (Conveniences, Food & Beverage, and Services), the potential retail program is based upon a community-scale concept with a mix of regionally-branded, recognized tenants as well as a strong contingent of local retailers.

Over time, and as Clairmont evolves into its own self sufficient market, the program identified in Table 5.2 illustrates growth in categories beyond conveniences.

A retail program was defined, based on the major categories comprising convenience, comparison (DTSM) and leisure. The retail program was tested using a market share model, which indicates the market share required to support each category's floorspace mix at a prescribed sales productivity that is sensitized to the type of envisioned project.

A retail development program was created based upon the research and analysis. This resulted in a floorspace mix as summarized in Table 5.1 for each of the respective major merchandise categories.

For the purposes of this study, Clairmont could reasonably support an initial retail program totaling 39,000 sq. ft., growing to 118,000 sq. ft. by 2020 and just under 238,000 sq. ft. by 2025.

Accordingly, Clairmont's convenience program is recommended to represent 53,000 sq. ft. or 45% of the total current supportable demand in 2015. A grocery-anchored convenience-oriented tenant would form the majority of the initial demand opportunity and would create the anchor-effect for establishing a foothold in the market upon which future demand could follow.

Representative store types in the convenience component could be a 30,000 sq. ft. supermarket, specialty groceries such as a bakery, deli, prepared meals etc., personal services, financial institutions and pharmacy at such time that the identified Trade Area reaches a threshold of 10,000 residents.

A comparison program for Clairmont could be comprised of more local tenants representing store types such as Specialty Retail, Electronics (e.g. mobile phones), and Health & Beauty.

The Leisure Retail program is estimated to represent 5,500 sq. ft. initially and could grow by as much as 15,000 over the next decade. The initial stages of Leisure could be fulfilled by a combination of full-Service Restaurants and Limited Service Restaurants ranging in size from +/- 750 sq. ft. to +/- 6,000 sq. ft.

In summary, the total potential retail program for Clairmont could include +/- 39,000 sq. ft. of locally oriented shopping, dining and services space in 2015, growing to almost 238,000 by 2025.

If development and residential development at Clairmont Heights exceeds current forecasts, then the demand and feasibility could be expedited, but for the purposes of this analysis, the identified growth represents a reasonable and feasible approach given external competitive forces as well as current market economics, which may also be subject to change.

Figure 5.2

Clairmont Heights Area Structure Plan

5.4 Retail Market Share & Feasibility

The analysis presented in Table 5.3 indicates that the delineated Trade Area can support a development of approximately 118,000 sq. ft. over the period 2015 to 2020.

Using the major category retail mix as a foundation along with typical retail sales productivities, the next step determines Market Shares. Market Shares are calculated by applying an estimated Source of Sales (or Percentage of Business) to each Trade Area spending segment and for each major category's respective floorspace estimate. The Source of Sales is an estimated input that recognizes the amount and quality of competition, location and distance of competition from the project, the positioning of the retail project and the size of the respective retail categories.

For example, conveniences in a community-scale retail node are typically sourced to a smaller radius or drive time and thus have a higher Source of Sales attributed to the local Trade Area.

Conversely, comparison categories (e.g. Apparel), because of the willingness of customers to travel further distances and to typically much larger projects, have a lower Source of Sales attributed to a community-scale retail node, such as that envisioned for Clairmont.

The mix presented herein for Clairmont reflects a phased buildout. Referring to Table 5.3, the 2020 retail program of 118,000 sq. ft. would require a 22% market share the delineated Trade Areas retail spending to justify the retail program as outlined. When realizing that by 2020 almost half of the retail program (45%) is convenience-oriented, it is not unrealistic to think that the residents could support this level of Convenience offering since these categories typically want the shops and service within 2 km of their primary residence, which currently does not exist in Clairmont.

The comparison program in 2020 would require a market share of 10% of the Trade Area spending. On the surface, this may look higher than traditionally preferred; however, the majority of the comparison space is actually in the category of Home Improvement & Garden (12,000 sq. ft.), which like Conveniences, residents tend to want closer to their residence.

Therefore, the overall magnitude of market share, while higher than the norm, is nonetheless considered achievable in time, particularly given the location of Clairmont, anticipated development at Clairmont Heights, and the fact that there is currently a very limited provision of retail in the local area.

Overall Market Shares are higher because there is very limited competition in the existing Clairmont Trade Area and that presently most of the residents, as evidenced by the outflow, are shopping in the City of Grande Prairie.

Leisure categories, driven by restaurant expenditure and resulting mix of full and limited service restaurants, exhibit marginally higher Market Shares. These are again higher than the industry standard, yet given the same forecasted growth and development and limited competition are still considered feasible by 2020.

Table 5.3
Clairmont Retail Market Share Summary

All Categories (Including Auto)	2015			2020			2025		
	Aggregate Expenditure	% M.S.	M.S. Sales	Aggregate Expenditure	% M.S.	M.S. Sales	Aggregate Expenditure	% M.S.	M.S. Sales
Primary Trade Area	$218,021,059	12.30%	$26,806,705	$312,752,716	23.90%	$74,612,412	$422,001,707	35.30%	$149,008,566
Miscellaneous Inflow	$21,802,106	3.30%	$721,381	$31,275,272	4.10%	$1,271,474	$42,200,171	4.10%	$1,715,563
Totals	**$239,823,165**	**11.50%**	**$27,528,086**	**$344,027,988**	**22.10%**	**$75,883,885**	**$464,201,877**	**32.50%**	**$150,724,129**
Target Sales Per Sq. Ft.			$474			$478			$505
Warranted Floorspace Sq. Ft.			58,063			158,695			298,428

Conveniences	2015			2020			2025		
	Aggregate Expenditure	% M.S.	M.S. Sales	Aggregate Expenditure	% M.S.	M.S. Sales	Aggregate Expenditure	% M.S.	M.S. Sales
Primary Trade Area	$72,083,655	20.00%	$14,416,731	$103,428,890	38.90%	$40,241,889	$139,516,707	57.80%	$80,662,638
Miscellaneous Inflow	$7,208,366	5.00%	$360,418	$10,342,889	5.00%	$517,144	$13,951,671	5.00%	$697,584
Totals	**$79,292,021**	**18.60%**	**$14,777,149**	**$113,771,779**	**35.80%**	**$40,759,034**	**$153,468,378**	**53.00%**	**$81,360,221**
Target Sales Per Sq. Ft.			$533			$539			$619
Warranted Floorspace Sq. Ft.			27,725			70,916			131,367

Comparison (DSTM)	2015			2020			2025		
	Aggregate Expenditure	% M.S.	M.S. Sales	Aggregate Expenditure	% M.S.	M.S. Sales	Aggregate Expenditure	% M.S.	M.S. Sales
Primary Trade Area	$74,153,303	2.50%	$1,887,192	$106,366,386	11.20%	$11,931,313	$143,535,987	19.60%	$28,104,305
Miscellaneous Inflow	$7,415,330	0.60%	$47,180	$10,636,639	2.70%	$282,154	$14,353,599	2.70%	$380,742
Totals	**$81,568,633**	**2.40%**	**$1,934,372**	**$117,003,025**	**10.40%**	**$12,213,467**	**$157,889,586**	**18.00%**	**$28,485,047**
Target Sales Per Sq. Ft.			$309			$322			$345
Warranted Floorspace Sq. Ft.			6,259			37,974			82,651

Leisure	2015			2020			2025		
	Aggregate Expenditure	% M.S.	M.S. Sales	Aggregate Expenditure	% M.S.	M.S. Sales	Aggregate Expenditure	% M.S.	M.S. Sales
Primary Trade Area	$26,987,118	13.30%	$3,591,928	$38,713,303	23.40%	$9,044,588	$52,227,934	33.40%	$17,450,942
Miscellaneous Inflow	$2,698,712	3.30%	$89,798	$3,871,330	3.90%	$150,955	$5,222,793	3.90%	$203,632
Totals	**$29,685,830**	**12.40%**	**$3,681,726**	**$42,584,633**	**21.60%**	**$9,195,543**	**$57,450,727**	**30.70%**	**$17,654,574**
Target Sales Per Sq. Ft.			$441			$424			$440
Warranted Floorspace Sq. Ft.			8,351			21,675			40,129

Auto	2015			2020			2025		
	Aggregate Expenditure	% M.S.	M.S. Sales	Aggregate Expenditure	% M.S.	M.S. Sales	Aggregate Expenditure	% M.S.	M.S. Sales
Primary Trade Area	$44,796,983	15.40%	$6,910,854	$64,244,137	20.80%	$13,394,621	$86,721,078	26.30%	$22,790,681
Miscellaneous Inflow	$4,479,698	5.00%	$223,985	$6,424,414	5.00%	$321,221	$8,672,108	5.00%	$433,605
Totals	**$49,276,681**	**14.50%**	**$7,134,839**	**$70,668,551**	**19.40%**	**$13,715,842**	**$95,393,186**	**24.30%**	**$23,224,286**
Target Sales Per Sq. Ft.			$454			$488			$524
Warranted Floorspace Sq. Ft.			15,728			28,130			44,280

Market share is driven by one's ability to access goods and services, which currently exists in limited supply within a convenient distance of Clairmont. Therefore, as Clairmont matures and Clairmont Heights develops, it becomes much more realistic to believe that formats such as a supermarket/grocery and restaurants will be patronized by the identified Trade Area residents.

The time frame for this support, however, is not expected to resonate until 2020 and thus the period leading up to this is where any caution should be exercised and focus should be on conveniences.

A future supermarket in Clairmont would be well-positioned to be an anchor for a development either in Clairmont Heights (refer to Figure 5.2 for Clairmont Heights ASP) or elsewhere in Clairmont. Grocery is the one particular retail category that people will patronize closest to their residence and most often no more than a 2 km radius. As the local Trade Area grows, any risk associated with convenience spending will become less.

It is conceivable that Clairmont will have the market support to provide a compatible and complementary mix of other retail that can benefit from the anchor effect of a Grocery/ Supermarket anchor in Clairmont.

5.5 Summary & Implications

Demand for retail in Clairmont is feasible and justified given the forecasted population growth that is expected to occur as the Clairmont Heights area begins development.

In the interim period 2015 to 2020, there is sufficient support in the Trade Area to add approximately 35,000 sq. ft. to Clairmont's retail inventory.

Over the period 2020 to 2025, while Clairmont Heights gains traction in the market, there is forecast to be sufficient demand to feasible warrant an additional 80,000 sq. ft., thus bringing the total new demand to 118,000 sq. ft.

As Clairmont Heights continues to ramp up in its development staging during the period 2020 to 2025, forecasted demand would suggest that a further 120,000 sq. ft. could be added, bringing the total amount of new retail space in Clairmont to approximately 240,000 sq. ft..

It is most important for new retail space in Clairmont to come on stream in a manner that fills the local demand rather than trying to compete directly with the City of Grande Prairie. Clairmont has an excellent opportunity and, within the next 5 years, should have a clearly defined strategy for a community-scale retail node that will adequately service the identified Clairmont Trade Area.

6. Consumer Intercept Survey

6.1 Introduction

As an integral part of the Retail Market Analysis, a Consumer Intercept Survey was conducted in which the residents of the County and the surrounding communities were randomly interviewed.

Respondents were interviewed to ascertain their preferences for merchandise categories/ store types and retailers in the County. Other important areas of information gathered included collecting data associated with how frequently they shop, how much they spend and what types of formats/stores they prefer.

6.2 Respondent Demographics

As a foundation for the Consumer Intercept Survey, the locations were chosen to get a valid cross-section of resident and consumer traffic flow, with a desire to get County residents that would likely fall in the Clairmont Trade Area.

A snapshot of the demographics of the respondents further validates the statistical demographics by revealing a similar age profile dominated by the 25-44 year old age cohort (>50%). Furthermore, over 38.5% of the respondents have a household income of greater than $125,000.

6.3 Respondent Residence

An important component to determining and validating the Retail Market Analysis quantification is ensuring that a representative sample of the Trade Area is interviewed.

The breakdown of respondent residences for the Consumer Intercept Survey reveal that 45% of respondents currently live in Grande Prairie County, 11% live in Clairmont, 6% in Sexsmith, a further 32% in the City of Grande Prairie, and a dispersed representation from surrounding towns and communities including 5% from Beaverlodge.

6.4 Preferred Shopping Locations

Consumer survey respondents were specifically asked the following questions pertaining to their current shopping habits:

What is your primary shopping centre for convenience goods?
What is your reason for choosing this location?
What is your primary shopping centre for comparison goods?
What is your reason for choosing this location?

The current shopping environment preferences for respondents and reveals expected results as it pertains to locations and decision making factors. But it also yields insight into what consumers are expecting in the shopping environments, as well as in the merchandise mix and overall offering.

1. ***The primary reason for choice of destination store was shown to be the convenience of one stop shopping.***
2. ***The choice of destination retail shopping centers was shown to be driven by the ability to comparison shop and selection of shops***

Given the price consciousness of the respondents, Clairmont could attract more value-oriented price points, at least as a starting point until the local market matures as a retail location.

Customer service and parking was mentioned as a dislike and is important for business owners to acknowledge.

This is where development in Clairmont could provide an alternative location for conveniences where residents don't have to worry about crowded areas or parking concerns.

Respondents overwhelmingly want to see more full-service restaurants (120 responses), grocery/pharmacy (63) and clothing & footwear stores (53 responses) and coffee cafes & fast food (53 responses).

Most importantly for Clairmont is that the categories of grocery/pharmacy, full service restaurants and coffee cafes & fast food could all be accommodated and are considered highly compatible with Clairmont's Trade Area and development opportunity.

The identification of Shoppers Drug Mart as a desired as a desired store is compelling as this again is considered to be a compatible target tenant for Clairmont, particularly as it grows towards a Trade Area of 10,000 residents which is a critical benchmark that shoppers drug mart requires for a 15,000 sq. ft. - 18,000 sq. ft. format.

6.5 Summary & Implications

Clairmont's opportunity lies in positioning itself as one of the next major community-scale nodes, where sought-after tenants including grocery, pharmacy, full service restaurants, cafes and personal services can be provided closer to residents' primary residence. Respondents like shops and services close to their home, and they don't like to drive to crowded locations where parking is an issue. Clairmont can provide the antidote to issues and fill a basic niche upon which future demand will gravitate.

The most significant appeal of Clairmont and the overall Grande Prairie retail market is the strength and spending propensity of the high-earning and fast-growing young family segment in the 18 to 55 year age range. A young, family-oriented market with disposable income is a core prerequisite many retailers look for when selecting a market.

For the full Retail Gap Analysis please contact Chris King at cking@countygp.ab.ca or 780-513-3956

Room to Grow

The County of Grande Prairie is located in a resource-rich part of Alberta and Canada and serves four key industry sectors: Agriculture, Energy, Forestry, and Commerce. Learn about all of our thriving industries at ***www.middleofeverywhere.ca***

Interested in knowing more?

Contact the County of Grande Prairie Economic Development Office to get your own customized information package by emailing ***www.countygp.ab.ca***

Young, Affluent Demographics.

33%
Households in the City of Grande Prairie that earn over $125,000 per year, the Alberta average is 27%[*]

36.8
County of Grande Prairie Median Age[†]

13.5%
County of Grande Prairie population growth over five years[†]

30.3
City of Grande Prairie Median Age[†]

5.9%
National average[**]

MIDDLE OF
everywhere[*]

Thriving Market Hub.

260,000

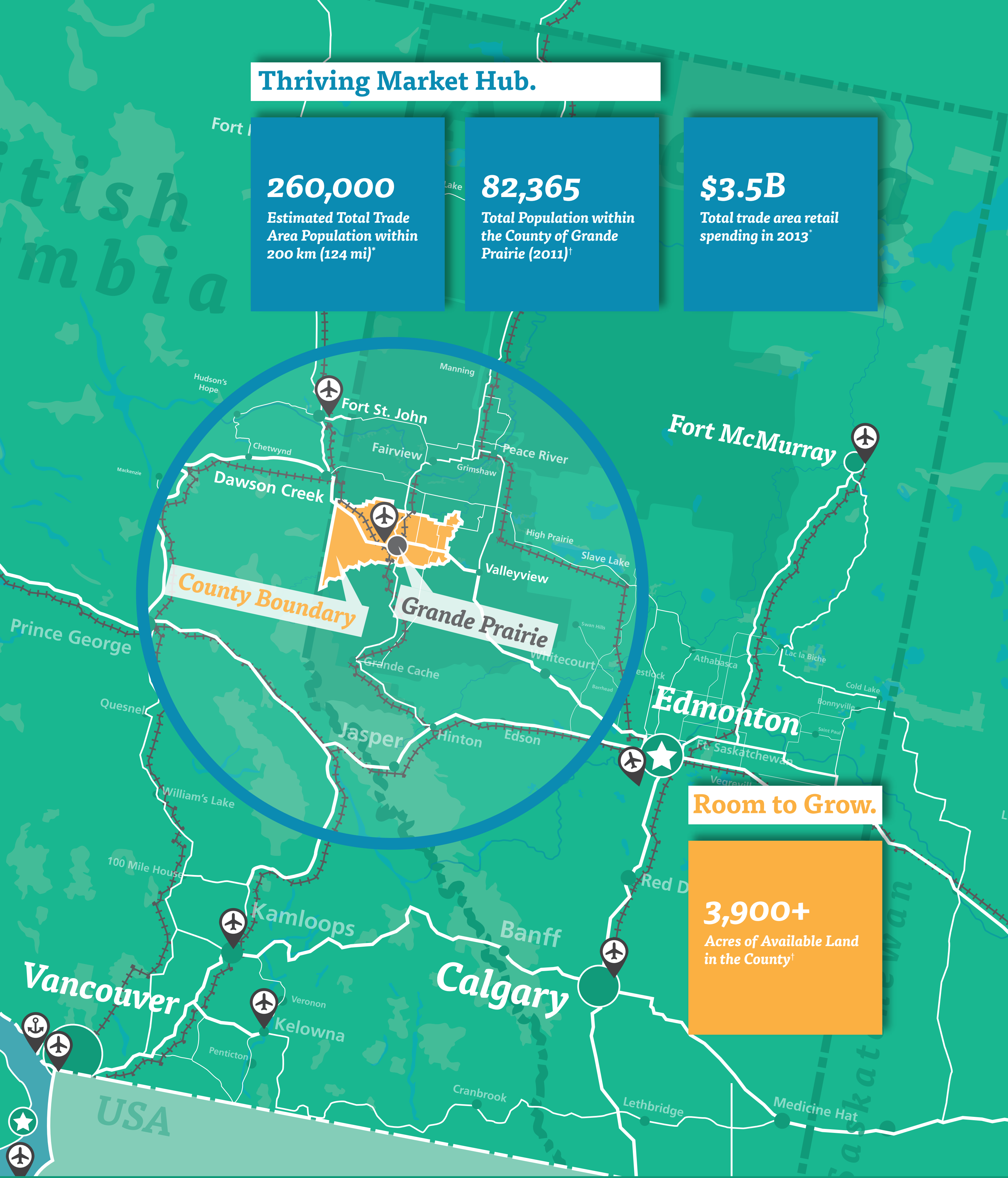
*Estimated Total Trade Area Population within 200 km (124 mi)**

82,365

Total Population within the County of Grande Prairie (2011)†

$3.5B

*Total trade area retail spending in 2013**



Room to Grow.

3,900+

Acres of Available Land in the County†

Note: Map features are for illustration purposes only. Exact routes and scales will vary.

*Source: "Retail Market & Gap Analysis", www.cityofgp.com, March 2014. Retrieved Aug. 3, 2014. www.cityofgp.com/modules/showdocument.aspx?documentid=10788

**Source: Statistics Canada. 2013. Canada (Code 01) (table). National Household Survey (NHS) Profile. 2011 Census. StatisticCanada Catalogue no. 99-004-XWE. Ottawa. Released June 26, 2013. http://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/profindex.cfm?Lang=E

†Source: http://www.countygp.ab.ca/assets/Departments/Planning~Development~Services/Docs/integrated-community-sustainabilty-plan.pdf

Visit **middleofeverywhere.ca** to learn more.