

4. Existing Retail Structure – Inventory

In this section, we have undertaken an analysis of the existing commercial structure in Vaughan. This section provides a review of the distribution of retail and service space in Vaughan based on our inventory of commercial space conducted in March and April of 2009. The inventory has been analysed using two approaches. First, as illustrated in Figure 4.1, nodes were used to identify the hierarchal structure of the commercial inventory. Figure 4.2 illustrates the spatial distribution by cluster to indicate the representation of space by broad geographic area.

4.1 Vaughan’s Existing Commercial Designations

OPA 600 sets out Vaughan’s seven existing commercial hierarchy designations. These include

- **Vaughan Metropolitan Centre ((the Eastern portion))** is the area focused around the Highway 7 and Highway 400 node. It is meant to develop into Vaughn’s downtown, a higher order mixed-use node including retail, residential and office uses. As a whole the Vaughan Corporate Centre also has a Super Regional Drawing power. Over 50% of its shoppers come from outside of York Region.
- **Vaughan Centre** represents the area east of the Highway 400 and Rutherford interchange. It is meant to be a mixed-use area that includes higher order goods and services and tourism-related facilities. The major retail facility in this designation is the Vaughan Mills Shopping Centre and, as a result, it constitutes a Super Regional Node. Based on our licence plate survey (see Section 7) 65% of shoppers come from outside the City.
- **District and Community Commercial Centres** are intended to provide a focal point for the surrounding residential community. They should offer a wide range of goods, services, and retail facilities of an appropriate size for their trade area. Examples include the Thornhill Town Centre, and Vellore and Carrville District Centres.
- **Neighbourhood Commercial Centres** are local serving retail nodes intended to be developed in a pedestrian-oriented and transit-friendly way. They are typically located at or near the intersections of arterial roads. They may be developed in conjunction with medium density residential units. They should primarily serve the local population’s weekly needs.

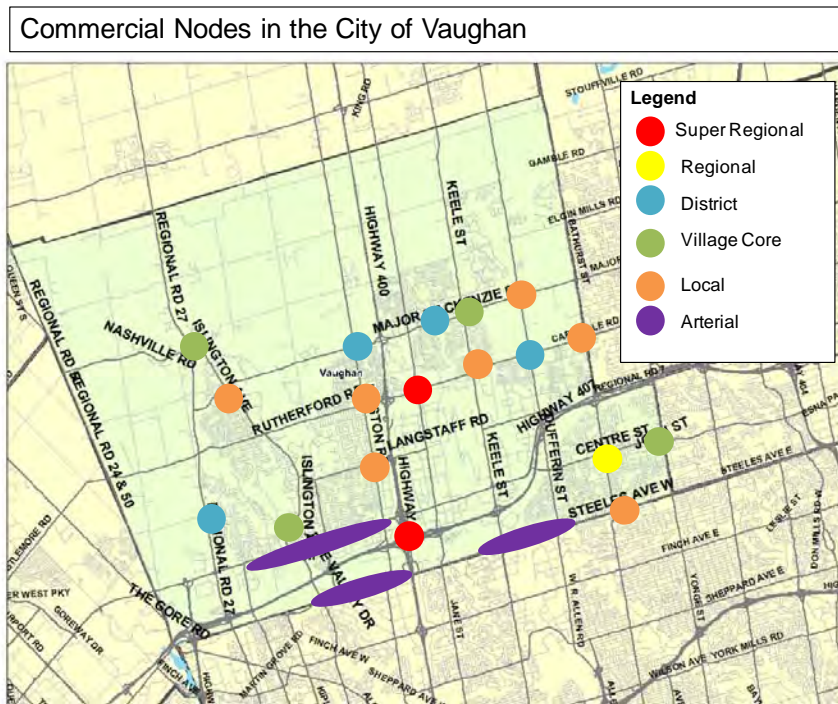
- **Local Convenience Centres** may range in size but may be no larger than 1,200 m² (12,917 Square Feet). They provide lower order goods and services and should be well integrated into the surrounding neighbourhoods and serve the day-to-day convenience shopping needs of local residents.
- **General Commercial Areas** permit a wide range of uses that do not fall under other designations.
- **Service Stations and Gas Bars** are to serve the automotive fuelling, repair and maintenance needs of the community and also perform a local convenience function. Locations and design of Service Stations and Gas Bars must be sensitive to and attempt to mitigate their effect on surrounding uses. OPA 600 also restricts Service Stations and Gas Bars to one per arterial intersection.

4.2 Vaughan’s Commercial Nodes

The following figure classifies Vaughan’s Commercial space into six commercial nodes, each denoting a unique type of commercial environment. The commercial nodes identified in Figure 4.1 do not represent an exhaustive list of the current commercial space in Vaughan; instead, they are meant to illustrate the location of major nodes in order to gain a fuller understanding their dynamics. This dynamic can be referred to as “power of attraction” or “attraction pull,” which is key to understand why a customer base may travel a longer distance than average to shop at a specific commercial node.

The two Super Regional nodes include the Power Centre Node at the intersection of Highways 400 and 7 and the Vaughan Mills Mall at Rutherford Road and Highway 400. These areas draw consumers from across the GTA. The Highway 400 and 7 node is one of the largest big box clusters in Canada.

Figure 4.1



Vaughan Mills is the only Mills-type centre in eastern Canada. On this basis these two areas draw customers far beyond that anticipated for more traditional shopping or power centres. Commercial space in the areas is dominated by Non-Food Store Retail (“NFSR”) uses.

The Promenade Shopping Centre is the only node which might be described as a “traditional” regional shopping centre (i.e. an enclosed department store anchored mall with a minimum of 500,000 square feet). Since its opening in the mid 1980s, it has undergone significant change with the closing of the original Eaton’s department store and the re-tenancing of the space with a T&T Asian supermarket and large format fashion tenants. As has occurred in the vicinity of many regional shopping centres, large format tenants and other retailers have been attracted to the area surrounding the mall.

The district nodes typically fill the gap between neighbourhood serving retail which are largely focused around food and convenience retailing and regional serving centres, such as the Promenade.

District nodes are spread throughout Vaughan providing a wide range of goods and services for the surrounding communities. There is one fully developed district serving node, West Maple. The remaining two are emerging district nodes and include Carrville District Centre at Rutherford Road and Dufferin Street, Vellore Village District Centre at Major Mackenzie Drive and Weston Road. When developed, these nodes could be anchored by one or more large format commercial units together with smaller scale ancillary service and convenience uses. The Carrville and Vellore Centres are specifically planned to be mixed use developments, integrating retail with residential and office uses in a transit and pedestrian conducive format.

Vaughan’s historic Village Cores, Kleinburg-Nashville, Maple, Thornhill, and Woodbridge play unique local serving and tourism-related functions.

The local serving nodes focus on providing for the needs of the immediately surrounding community. They are often anchored by a supermarket or drugstore and are located at the intersections of arterial roads.

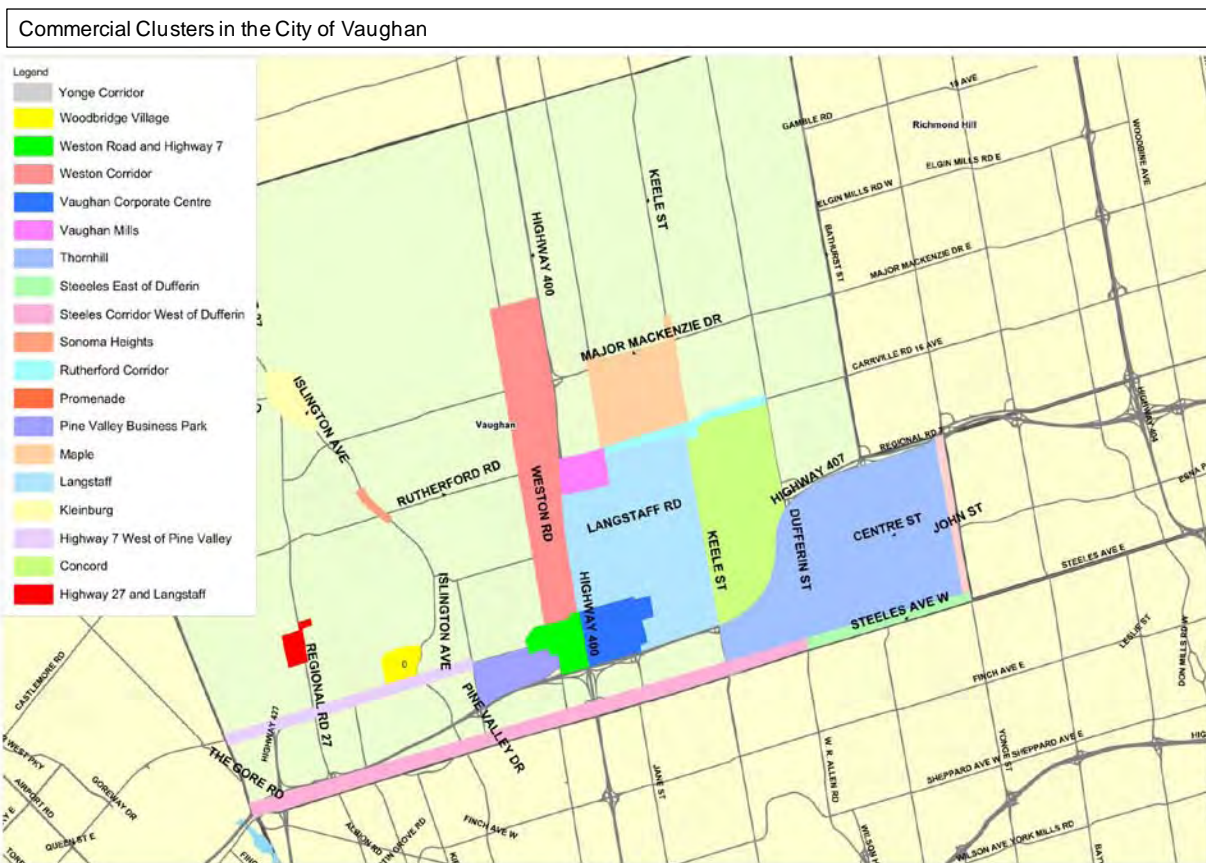
The commercial corridors in Vaughan are located along Steeles Avenue and along the western portion of Highway 7. They represent a continuous line of commercial uses along a major arterial road and have a district-level drawing power. Offering a wide variety of services and goods and providing opportunities for comparison shopping, these areas are dominated by aging strip plazas and quasi industrial/commercial buildings. In Vaughan they provide important incubator space for smaller local businesses that cannot or do not wish to pay the higher rents associated with premium shopping centre nodes.

At present Vaughan is well represented at all levels of the hierarchy. While there are fewer district and local serving nodes in Western Vaughan, these functions are fulfilled by the arterial commercial development along Highway 7 and the Village Cores of Woodbridge and Kleinburg-Nashville.

4.3 Vaughan’s Existing Inventory

For the purposes of collecting and analyzing the commercial space in Vaughan the City was divided into 18 distinct commercial clusters (see map below). These clusters correspond to existing communities and major corridors. The remaining area, comprised of small scale dispersed retail facilities, was divided into two areas, Vaughan West of Highway 400 and Vaughan East of Highway 400. The following analysis of the existing inventory is summarized according to the City’s commercial clusters.

Figure 4.2



4.3.1 Existing Commercial Space by Type and Node

As of the completion of the commercial space inventory in April of 2009, the City had approximately 14.2 million square feet of commercial space (see Figure 4.3 below). This space can be split into three primary categories: Non-Food Store Retail representing nearly 50% of this space, Food Store Retail at 9%, and Services at 35%. Liquor, Wine and Beer stores are somewhat of an anomaly in that they are classified by

Statistics Canada as neither food nor non-food. This category rounds out the inventory, but comprises a very small portion of total space.

Figure 4.3

Existing Commercial Space in Vaughan by Cluster and Type

	Non Food Store Retail	Food Store Retail	Beer, Wine and Liquor Stores	Services		Vacant	Total Space with Vacancies
				Commercial Services	Local Offices		
Concord		173,200		149,900	43,650	9,850	376,600
HWY 7 & Weston Road	78,000	1,522,350	16,250	304,600	41,400	105,650	2,068,250
HWY 7 Corridor West of Pine Valley	84,450	156,750		205,750	140,850	60,400	648,200
Kleinburg	400	23,200		30,100	27,700	3,600	85,000
Langstaff & HWY 27	26,200	225,300		53,100	9,300	19,350	333,250
Langstaff & Jane Industrial Area	11,500	707,600		204,600	147,550	21,950	1,093,200
Maple	209,750	223,800	22,750	179,850	148,150	89,200	873,500
Other Thornhill	147,800	225,300	4,300	135,600	119,550	13,750	646,300
Other Vaughan - East of Hwy 400	56,200	47,850		63,500	41,550	6,700	215,800
Other Vaughan - West of Hwy 400	27,300	50,400	4,250	69,350	39,900	20,150	211,350
Pine Valley Business Park	10,050	68,500		109,400	52,500	14,500	254,950
Promenade & Area	85,350	640,550	14,000	106,000	84,800	21,100	951,800
Rutherford Corridor	44,600	26,050		328,900	65,200	14,250	479,000
Sonoma Heights	61,350	37,600		40,150	21,450	3,200	163,750
Steeles Corridor - East of Dufferin	68,050	172,500		130,400	67,600	39,200	477,750
Steeles Corridor - West of Dufferin	16,050	461,850	5,550	252,950	181,300	57,750	975,450
Vaughan Mills & Area	152,350	1,234,100		269,750	83,700	76,350	1,816,250
Vaughan Metropolitan Centre	4,150	580,600		308,200	20,800	132,050	1,045,800
Weston Corridor	256,300	399,650	8,050	312,800	193,100	42,650	1,212,550
Woodbridge Village	4,950	29,100	6,750	33,750	55,950	10,150	140,650
Yonge Corridor	5,000	61,300		50,550	44,350	7,950	169,150
Grand Total	1,349,800	7,067,550	81,900	3,339,200	1,630,350	769,750	14,238,550

Source: urbanMetrics, 2009

4.3.2 Vacant Space by Cluster

Overall Vaughan has a vacancy rate of 5.4%. This is considered representative of a balanced market. Some of the commercial clusters have relatively higher vacancy rates than the city-wide average; although no single cluster could be considered to be struggling. Although the cluster with the greatest vacancy by square footage is the Vaughan Metropolitan Centre (see Figure 4.4 below), this is largely due to the recent closing of Sam’s Club, in the SmartCentres development at Apple Mill Road and Edgeley Boulevard. Applications have already been submitted to convert the 130,000 square foot former Sam’s Club into a Lowes Home Improvement store. In addition, the high vacancy rate in Maple is misleading as it represents a significant amount of newly constructed - space that has yet to be occupied. In general, the analysis of vacant space reveals a very healthy market.

Figure 4.4
Vacant Commercial Space in Vaughan by Cluster

	Vacant	Grand Total	Vacancy Rate
Concord	9,850	376,600	2.6%
HWY 7 & Weston Road	105,650	2,068,250	5.1%
HWY 7 Corridor West of Pine Valley	60,400	648,200	9.3%
Kleinburg	3,600	85,000	4.2%
Langstaff & HWY 27	19,350	333,250	5.8%
Langstaff & Jane Industrial Area	21,950	1,093,200	2.0%
Maple	89,200	873,500	10.2%
Other Thornhill	13,750	646,300	2.1%
Other Vaughan - East of Hwy 400	6,700	215,800	3.1%
Other Vaughan - West of Hwy 400	20,150	211,350	9.5%
Pine Valley Business Park	14,500	254,950	5.7%
Promenade & Area	21,100	951,800	2.2%
Rutherford Corridor	14,250	479,000	3.0%
Sonoma Heights	3,200	163,750	2.0%
Steeles Corridor - East of Dufferin	39,200	477,750	8.2%
Steeles Corridor - West of Dufferin	57,750	975,450	5.9%
Vaughan Mills & Area	76,350	1,816,250	4.2%
Vaughan Metropolitan Centre	132,050	1,045,800	12.6%
Weston Corridor	42,650	1,212,550	3.5%
Woodbridge Village	10,150	140,650	7.2%
Yonge Corridor	7,950	169,150	4.7%
Grand Total	769,750	14,238,550	5.4%

Source: urbanMetrics, 2009

4.3.3 Per Capita Analysis

Vaughan's current 14.2 million square feet of commercial space equates to 51.57 square feet/capita. The distribution of per capita space by store category is indicated in Figure 4.5.

Figure 4.5
Per Capita Commercial Space Space in Vaughan

Trade Group	Total Space	Space per Capita Square Feet
Beer, Wine and Liquor Stores	81,900	0.30
Food Services and Drinking Places	1,429,550	5.18
Other Commercial Services	1,909,650	12.09
Local Offices	1,630,350	5.90
Non Food Store Retail	7,067,550	25.60
Food Store Retail	1,349,800	4.89
Vacant	769,750	2.79
Grand Total	14,238,550	51.57

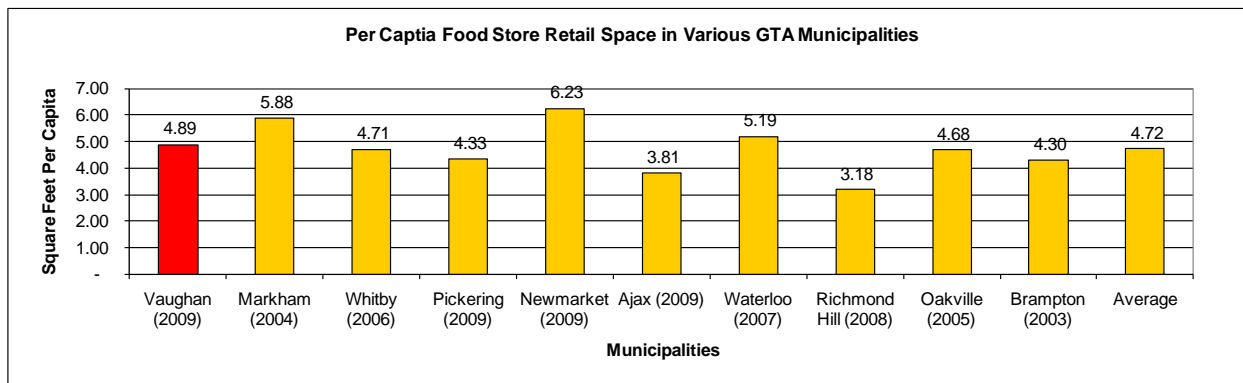
Source: urbanMetrics inc., 2009

Figures 4.6 through 4.8 indicate the per capita space for related categories in municipalities across the GTA. The municipalities were selected based on the

availability of recent inventory data. Inventory data was derived from a variety of sources, as indicated in the footnotes. The services category can be problematic to compare between municipalities owing to different definitions used to conduct the inventories and the ability of many tenants in this category to locate in non-retail units (e.g. multi-storey office, industrial units, home-based businesses, etc.) However, for comparison purposes we have focused on the food services and drinking places inventory which is not subject to these issues.

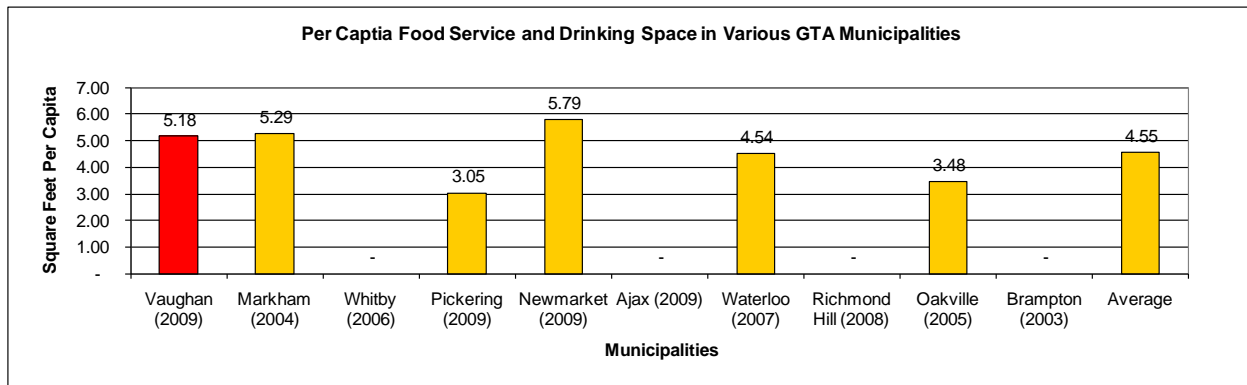
The commercial space per capita in Vaughan is similar to that of neighbouring GTA municipalities, including Markham, Whitby, Pickering, Newmarket, Ajax, Waterloo, Oakville and Brampton. Space per capita ratios for NFSR, FSR and Food Service and Drinking Places were compared for the municipalities. Vaughan had comparable per capita space levels to the other municipalities for both the FSR and Food Store and Drinking Places categories. However, although Newmarket had the highest per capita NFSR space of the municipalities, with approximately 37 square feet per capita, Vaughan was second with just over 25 square feet per capita (see Figure 4.8). We would note that Newmarket is an anomaly in that, as a small municipality, it has a regional shopping centre (Upper Canada Mall) and adjoining Big Box space which serves Aurora, northern Richmond Hill, East Gwillimbury, Georgina, and other nearby municipalities.

Figure 4.6



- Sources: (1) urbanMetrics inc - Commercial Space Inventories: Vaughan, 2009; Pickering, 2009; Newmarket, 2009; Ajax, 2009; Waterloo, 2007; Oakville, 2005
 (2) John Winter and Associates Limited: Inventory of Markham Commercial Space, 2004
 (3) Realty Research Group Ltd: 2006 Retail Market Analysis Update, Final Report, Whitby, Ontario, 2006
 (4) Malone Givens Parsons: Retail Policy Review Study, Brampton Official Plan Review, Executive Summary, 2005

Figure 4.7



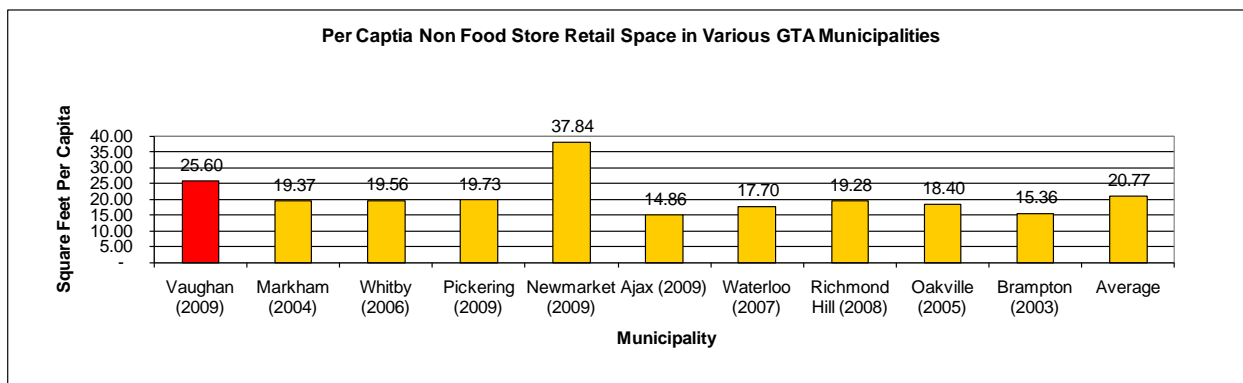
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Figure 4.8



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(3) Realty Research Group Ltd: 2006 Retail Market Analysis Update, Final Report, Whitby, Ontario, 2006

(4) Malone Givens Parsons: Retail Policy Review Study, Brampton Official Plan Review, Executive Summary, 2005

4.3.4 Store Size Analysis

The following table illustrates the relationship between the number of retailers that locate in particular sized units and the percentage of the total space in Vaughan that those units make up. The vast majority of units in Vaughan are under 2,000 square feet (62%), however this category represents only 19.8% of the total commercial space in Vaughan. While only 5.3% of units are greater than 10,000 square feet, they represent over 47% of all commercial space in the City. This becomes especially apparent in the

FSR category where almost 50% of the space is represented by 7.8% of the stores, all within the 20,000-50,000 and 50,000-100,000 square foot ranges. Vaughan needs to be aware of this relationship when planning for future commercial development and ensure that adequate space is provided in the smaller size ranges. Many small entrepreneurial local businesses require these smaller spaces to develop a consumer base. At the same time, few retailers require or can even support larger format stores. It is also important that the approval of large retail units does not result in the closure of other large stores which may be difficult to re-tenant, due to the limited number of tenants capable of occupying large units.

Figure 4.9

City of Vaughan Existing Commercial Space by Store Size

Store Size Range	Beer, Wine and Liquor Stores		FSR		NFSR		Services		Vacant		Total	
	Square Feet	Number of Stores	Square Feet	Number of Stores	Square Feet	Number of Stores	Square Feet	Number of Stores	Square Feet	Number of Stores	Square Feet	Number of Stores
less than 2,000	0.0%	0.0%	13.3%	64.9%	11.6%	52.4%	31.2%	66.8%	34.9%	76.0%	19.8%	62.2%
2,000 - 5,000	10.4%	18.2%	11.4%	23.4%	16.1%	27.8%	29.4%	25.3%	20.3%	18.2%	20.5%	25.5%
5,000 - 10,000	59.2%	63.6%	1.5%	1.3%	13.4%	10.5%	14.3%	5.7%	8.7%	3.0%	12.6%	7.0%
10,000 - 20,000	30.3%	18.2%	5.7%	2.2%	10.5%	4.4%	5.7%	1.1%	6.4%	1.4%	8.3%	2.4%
20,000 - 50,000	0.0%	0.0%	29.8%	5.2%	19.7%	3.7%	9.2%	0.8%	12.7%	1.0%	16.5%	2.1%
50,000 - 100,000	0.0%	0.0%	30.1%	2.6%	4.4%	0.3%	5.7%	0.2%	0.0%	0.0%	7.0%	0.4%
100,000 and over	0.0%	0.0%	8.2%	0.4%	24.4%	0.8%	4.5%	0.1%	17.0%	0.3%	15.4%	0.4%

Source: urbanMetric inc., 2009

4.3.5 Vaughan’s Existing Commercial Structure SWOT

The following section provides a summary of the strengths, weaknesses, opportunities and threats as they relate to Vaughan’s Commercial Structure (summarized in Figure 4.10).

4.3.5.1 Strengths

Vaughan is well served by a diverse range of stores not only in the goods they offer but also their size, format and ownership. In part, this is due to Vaughan’s role as a regional retail centre. As a result Vaughan is able to successfully compete in a number of niche markets. The predominant Italian and other cultural groups in the City have attracted a variety of ethnic food stores, restaurants, clothing stores, social clubs and other services, all targeting these specialized markets. There is also a high concentration of wedding industry related uses in the City, from banquet halls and caterers to dress makers and retailers, bomboniere retailers and DJs. The large Jewish community in Thornhill has also lead to a concentration of retailers offering Kosher food products.

The City’s two major shopping nodes, Vaughan Mills and the 400/7 Power Centre node have a super regional draw and also attract large numbers of tourists to the City. Vaughan’s ability to draw consumers from across the GTA increases the potential inflow expenditures for retailers making them less dependent on the expenditures of Vaughan residents.

The City's historic Village Cores provide additional opportunities for tourism-related retailing. Art galleries, restaurants and unique main streets attract consumers from outside of the City and encourage local residents to support local establishments.

Located within the centre of the GTA, immediately north of the City of Toronto, Vaughan has a distinct advantage in terms of its accessibility. Directly serviced by three 400 series highways and within minutes of others, the City is within easy automobile access to many of the surrounding GTA municipalities. Planned extensions and expansions to GO Transit, York Region Transit and Toronto Transit Commission services will greatly expand the city's accessibility by other means of transportation.

4.3.5.2 Weaknesses

Much of Vaughan's existing commercial space is in formats that can be described as either sprawling or 'big box.' The lack of identifiable, aesthetically appealing and desirable commercial spaces within the community creates a situation in which the City's commercial areas lack cachet.

There are few areas that provide opportunities for consumers to walk between stores. Many of which are virtually inaccessible by means other than an automobile. While the City is very well served on a per capita basis, there is a distinct lack of small scale local and convenience shopping opportunities.

Vaughan's development as a community of communities is one of its strengths and one of its major weaknesses. It means that there is no city-wide historical commercial identity or traditional shopping area. Consumers have traditionally shopped in their local communities (Woodbridge, Thornhill, Maple and Kleinburg) and regional centres. This lack of a downtown deprives the city not just of a shopping centre but also of a significant civic gathering place.

4.3.5.3 Opportunities

Proposals for extensions and expansions to public transportation networks in Vaughan will help support higher density development within the City. Two potential sites have been identified. First, the future TTC subway extension will support the critical residential mass that will be needed to support the future downtown commercial uses being proposed in the Vaughan Metropolitan Centre. Second, another site has been identified for subway expansion located at Yonge and Steeles where significant opportunities will arise for both residential and commercial intensification for areas including, Thornhill, the Steeles corridor, and the Vaughan Mills area.

The proposed development of the Vaughan Metropolitan Centre as the new downtown for the City provides the opportunity to fill a gap in the City's commercial structure. The city currently lacks an identifiable downtown and as a result a complete commercial

identity. The development of a downtown will help Vaughan build on its existing tourism retail industry.

4.3.5.4 Threats

The success of the future Vaughan Metropolitan Centre is heavily dependent on market conditions. The sheer magnitude of creating an entirely new urban environment needs long term leadership and the ability to maintain momentum and support for the project.

The stores, buildings and infrastructure in the Village Cores are aging and will require improvements and revitalization. As some of the most recognizable areas of the City, if they are not maintained, the Village Cores may negatively impact the communities in which they are located. Kleinburg, which not long ago had a somewhat rural character, is being enveloped by surrounding urban development. Its character as a rural village is threatened, which may alter its appeal to visitors.

As Vaughan’s population grows, new commercial space will be required. However, it is important that efforts are made to ensure that new developments do not negatively impact existing retailers, especially the smaller local independent retailers that make Vaughan’s commercial structure so unique. As Vaughan grows, so will neighbouring municipalities and competition from commercial developments outside of Vaughan. The City needs to ensure that it is aware of commercial developments in the surrounding municipalities and plans accordingly so as not to oversupply the market.

Figure 4.10

Vaughan’s SWOT

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Size, diversity and ability to serve niche markets • Super regional drawing power • Geographic centrality • Village cores • Proximity to Toronto • Strength of existing retailers – independent and corporate • Tourism retailing - Vaughan Mills • Restaurant and wedding industries 	<ul style="list-style-type: none"> • Sprawling retail formats and ‘Big Box’ development • Lacks a commercial sense of place • Lack of cache as a retail destination • Lack of local scale retailing • Limited accessibility by means other than automobile • Lack of aesthetic appeal • Community of communities • No city wide historical identity or traditional shopping area 	<ul style="list-style-type: none"> • New subways extensions • Development of the Vaughan Corporate Centre • Intensification in areas such as Thornhill, the Steeles corridor, and Vaughan Mills area • Expanding tourism related retail • Capitalizing on plans for a new hospital to help achieve critical mass 	<ul style="list-style-type: none"> • VCC dependency on uncertain market and creative approaches to create something from nothing • Need long term leadership • Ability to maintain momentum • New development may push out independent retailers • Aging village cores • Competition from neighbouring municipalities

Source: urbanMetrics inc. 2009