

Market Impact Brief

SmartCentres Port Perry

Port Perry, Township of Scugog

June 8, 2026

Prepared for: Calloway REIT (Port Perry) Inc.

Prepared by: Tate Research

Mr. Daniel Branzea
Development Manager
SmartCentres
3200 Highway 7
Vaughan, L4K 5Z5

June 8, 2026

Re: Market Impact Brief
SmartCentres Port Perry
Port Perry, Township of Scugog

Dear Mr. Branzea:

Tate Research is pleased to provide this Market Impact Brief examining the potential impacts of adding a new supermarket and additional retail space, as well as modifying store size restrictions at SmartCentres Port Perry.

We look forward to discussing the results with you.

Yours truly,
TATE RESEARCH



Sameer Patel
Vice President



James Tate
President

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Executive Summary

Calloway REIT (Port Perry) Inc. (“Calloway”) is proposing increases to the existing maximum gross leasable floor areas for permitted retail commercial uses at SmartCentres Port Perry. Municipal approvals are required for the proposed retail commercial uses. One of the Township of Scugog’s requirements for these approvals is a Market Impact Brief. Calloway has retained Tate Research (“TR”) to undertake a Market Impact Brief analyzing the impacts, if any, of the proposed additional retail commercial uses at SmartCentres Port Perry.

SmartCentres Port Perry is a Walmart anchored open concept shopping centre (“Site” or “Subject Site”). Approximately 13,500 square metres (146,000 square feet) of retail commercial space currently exists on the Site. Calloway is proposing to continue with the full build out of vacant lands on the Subject Site which will include a new 2,488 square metre (approximately 26,800 square feet) supermarket and 1,648 square metres (approximately 17,400 square feet) of new retail space. A portion of this proposed new retail space may be comprised of smaller retail units.

The Zoning By-law 14-14, as it applies to the Subject Site through the C2-1 (Community Commercial Exception) Zone, does not set a single overall limit on total commercial floor area. Instead, it provides that different types of commercial uses have their own maximum permitted floor areas, including retail, service uses, supermarkets, and department stores.

The Subject Site is zoned C2-1. There is a cap on the maximum amount of retail commercial space in this C2-1 Zone. The C2-1 Zone includes the Subject Site and adjacent lands on the south side of Highway 7A, which include the 2,000 square metres (20,000 square foot) Taylor Ford automobile dealership . The combined maximum square footage of retail commercial space in the C2-1 Zone, which includes the Subject Site and the Taylor Ford dealership is approximately 19,900 square metres (214,000 square feet)OF .

The zoning by-law also places additional limits on how much space can be used for certain types of activities, such as food sales, and sets a combined maximum for food-related space across the site. Further limits apply to smaller retail units and certain types of stores, along with minimum unit size requirements.

Calloway is proposing to replace these individual maximums with a single, unified maximum gross leasable floor area of 20,500 square metres (220,000 square

feet) applicable to all commercial retail uses across the C2-1 Zoned lands. This proposed maximum represents an increase of 3.2% over the current maximum of 213,000 square feet.

This streamlined approach introduces greater flexibility in how space can be developed and operated, allowing the shopping centre to adapt more effectively to changing market conditions while supporting continued growth and development in Port Perry, including the creation of new employment opportunities for local residents.

It is the intention of Calloway is to remove these restrictions while implementing a new floorspace cap of 20,500 square metres (220,000 square feet) in the C2-1 Zone.

Summary of Findings

TR has reviewed the Calloway development application in the context of the market conditions in Port Perry. The following points summarize these findings.

Population growth is forecast in Port Perry.

- In Port Perry, population is forecast to increase from approximately 10,400 persons in 2025 to 12,300 persons by 2035, an increase of 1,900 persons or 18%.
- This population growth is forecast to result in market demand to support new retail commercial space.

The Port Perry Main Central Area is healthy and vibrant. It has a broad range of retail commercial uses, low vacancy levels and is differentiated from the Subject Site.

- The Port Perry Main Central Area is characterized as a healthy and vibrant commercial district with a strong heritage and pedestrian-oriented identity.
- The Main Central Area is a major presence in the community. It includes over 160 retail commercial units, totalling approximately 345,400 square feet of retail commercial space.
- The Main Central Area has a wide range of independent businesses, including both retailers and service providers. Approximately 82% of the units in the Main Central Area are independent businesses.

- The vacancy level in the Main Central Area is 3.3%. This vacancy level is below a typical balanced market level of 5.0% to 7.5%. It may be indicative of demand for additional retail commercial space in the market.
- The scale of the Main Central Area, the variety and type of tenancies and the distance from Subject Site, minimize any potential impacts that could result from the proposed Calloway development.

The addition of a supermarket on the Subject Site will not negatively impact the existing supermarkets or Main Central Area.

- No new supermarkets have opened in Port Perry in over 20 years despite significant population growth, which typically drives market demand for new retail commercial space.
- Recent market growth, along with projected future growth, support the demand for additional supermarket space.
- The proposed supermarket is a discount operator. It would introduce a new banner not currently operating in Port Perry. It is not a relocation of an existing supermarket.
- The development is not forecast to cause the closure of any existing supermarket in Port Perry.
- The proposed supermarket is expected to increase consumer choice and competition by providing a new discount grocery option.

The proposed 17,400 square foot increase in retail space at the Subject Site will not negatively impact retailers in the Main Central Area or elsewhere in the Township.

- Similar to the supermarket commentary outlined above, there has been limited retail commercial growth in Port Perry in recent years.
- Market growth, both recent and forecast, contributes to demand for retail commercial space in Port Perry. The Subject Site is well positioned to attract a portion of this demand.
- No negative impacts on the planned function of retail commercial areas are forecast as a result of the proposed moderate increase in retail commercial space.

The removal of the zoning restrictions, as proposed by Calloway, will not change the commercial character of the Subject Site.

- The Subject Site is characterized by a greater concentration of large-format retail units. It contrasts with the Main Central Area, which is primarily composed of smaller commercial units, as approximately 80% of units are smaller, being under 2,500 square feet.
- Although the proposed development concept would introduce more small units at the Subject Site, larger-format units would continue to dominate overall floor space. There will be no material change in the composition of the Subject resulting from the zoning changes proposed by Calloway.
- The Main Central Area includes a high proportion of independent retailers. The Subject Site is composed primarily of chains. This is a point of differentiation between the two areas.
- The Main Central Area is comprised of 45% retail space (as opposed to service space) in terms of square footage. Retail uses at the Subject Site currently represent 90% of the total square footage. This differentiation reduces any potential negative impacts.
- The continued distinction in unit size, tenant composition and retail format between the Subject Site and the Main Central Area increases differentiation between the two areas and reduces any potential impacts.

Market Impact Brief Conclusion

Calloway is proposing the addition of a supermarket and a limited amount of retail commercial space at the Subject Site. Calloway is also proposing to eliminate the minimum store size that applies to retail units on the Site.

As outlined in this Market Impact Brief, it is the professional opinion of TR that the proposed supermarket, the additional retail commercial space and the elimination of minimum store sizes is warranted and will not result in negative impacts on the planned retail structure of Port Perry, the Main Central Area, or any other locations in the Township of Scugog.

1 Introduction

Calloway REIT (Port Perry) Inc. (“Calloway”) is proposing increases to the existing maximum gross leasable floor areas for permitted retail commercial uses at SmartCentres Port Perry. Municipal approvals are required for the proposed retail commercial uses. One of the Township of Scugog’s requirements for these approvals is a Market Impact Brief. Calloway has retained Tate Research (“TR”) to undertake a Market Impact Brief analyzing the impacts, if any, of the proposed additional retail commercial uses at SmartCentres Port Perry.

1.1 Background

SmartCentres Port Perry is a Walmart anchored open concept shopping centre (“Site” or “Subject Site”). Approximately 13,500 square metres (146,000 square feet) of retail commercial space currently exists on the Site. Calloway is proposing to continue with the full build out of vacant lands on the Subject Site which will include a new 2,488 square metre (approximately 26,800 square feet) supermarket and 1,648 square metres (approximately 17,400 square feet) of new retail space. A portion of this proposed new retail space may be comprised of smaller retail units.

The Zoning By-law 14-14, as it applies to the Subject Site through the C2-1 (Community Commercial Exception) Zone, does not set a single overall limit on total commercial floor area. Instead, it provides that different types of commercial uses have their own maximum permitted floor areas, including retail, service uses, supermarkets, and department stores.

The Subject Site is zoned C2-1. There is a cap on the maximum amount of retail commercial space in this C2-1 Zone. The C2-1 Zone includes the Subject Site and adjacent lands on the south side of Highway 7A, which include the 2,000 square metres (20,000 square foot) Taylor Ford automobile dealership¹. The combined maximum square footage of retail commercial space in the C2-1 Zone,

¹ It is noted that the C2-1 Zone includes the Taylor Ford dealership adjacent to the Subject Site. The Subject Site is municipally addressed 1535 Highway 7A and the Taylor Ford dealership is municipally addressed as 1540 Highway 7A. The C2-1 Zone includes maximum floor space caps that apply to both the Subject Site and Taylor Ford Dealership combined.

which includes the Subject Site and the Taylor Ford dealership is approximately 19,900 square metres (214,000 square feet)².

The zoning by-law also places additional limits on how much space can be used for certain types of activities, such as food sales, and sets a combined maximum for food-related space across the site. Further limits apply to smaller retail units and certain types of stores, along with minimum unit size requirements.

Calloway is proposing to replace these individual maximums with a single, unified maximum gross leasable floor area of 20,500 square metres (220,000 square feet) applicable to all commercial retail uses across the C2-1 Zoned lands. This proposed maximum represents an increase of 3.2% over the current maximum of 213,000 square feet.

This streamlined approach introduces greater flexibility in how space can be developed and operated, allowing the shopping centre to adapt more effectively to changing market conditions while supporting continued growth and development in Port Perry, including the creation of new employment opportunities for local residents.

The proposal will also enhance the range of goods and services available to both the local community and the surrounding region. Importantly, it will complement and build upon the existing retail commercial uses on the property, consistent with the original vision for the Site as a commercial destination offering a range of commercial goods and services.

In particular, the current maximum sizes, as outlined in the Zoning By-law that applies to the Subject Site and is shared with the Taylor Ford dealership are indicated below:

- Maximum Gross Leasable Floor Area of all Retail Uses: 17,985 square metres³ (193,600 square feet).
- Maximum Gross Leasable Floor Area of Service and Other Uses: 1,860 square metres (20,000 square feet).

² This calculation includes the maximum of 193,600 square feet of Retail Uses and 20,000 square feet of Service and Other Uses. This combined maximum is rounded to 214,000 square feet and is referred to in this TR Report. It assumes that each of the component categories are built to their maximum square footage.

³ This figure represents the current maximum size, as adjusted via a Minor Variance in 2018.

- Maximum Gross Leasable Floor Area of the Supermarket: 3,255 square metres (35,000 square feet).
- Maximum Gross Leasable Floor Area of the Department Store shall be 11,615 square metres (125,000 square feet) which shall be comprised of:
 - Maximum Gross Leasable Floor Area dedicated to the sale, storage and display of food products: 3,255 square metres (35,000 square feet).
 - Maximum Gross Leasable Floor Area of non-food products: 8,365 square metres (90,000 square feet).
- Maximum aggregate Gross Leasable Floor Area devoted to the sale, storage and display of food products in a Department Store and a Supermarket: 3,255 square metres (35,000 square feet).
- Retail Uses other than a Supermarket or Department Store shall be subject to the following:
 - Minimum Gross Leasable Floor Area per Use: 233 square metres (2,500 square feet).
 - Maximum aggregate Gross Leasable Floor Area: 6,370 square metres⁴ (68,600 square feet).
 - Maximum aggregate Gross Leasable Floor Area for apparel and accessories stores: 1,760 square metres (18,950 square feet).
 - Maximum Gross Leasable Area for Building Supply Outlet: 2,325 square metres (25,000 square feet).

It is the intention of Calloway is to remove these restrictions while implementing a new floorspace cap of 20,500 square metres (220,000 square feet) in the C2-1 Zone.

1.2 Purpose of this Report

The purpose of this TR Market Impact Brief report is to analyse the market impact, if any, on the retail commercial structure of Port Perry, and the overall

⁴ This figure represents the current maximum size, as adjusted via a Minor Variance in 2018.

Township of Scugog, from the proposed development and the removal of the zoning restrictions as proposed by Calloway.

It is TR's understanding that Calloway has met with Township staff regarding this application. In particular, it is noted that the pre-consultation notes indicate the requirement for a report that demonstrates "*...the proposal is feasible and desirable on the basis of size, location and function relative to existing residential neighbourhoods and existing commercial facilities*" amongst other requirements.

The new supermarket will represent an increase of approximately 7,900 square feet over the current maximum of 35,000 square feet⁵ for the **"Maximum aggregate Gross Leaseable Floor Area devoted to the sale, storage and display of food products in a Department Store and a Supermarket."** The 17,400 square feet of retail space will represent 3,800 square feet over the current maximum of 68,600 square feet for the **"Maximum aggregate Gross Leaseable Floor Area in Retail Uses other than a Supermarket or Department Store."** This TR Market Impact Brief addresses the proposed increase in these maximums by 10,000 square feet⁶ in the sale, storage and display of food products category and 5,000 square feet⁷ in the retail category and/or the removal of these individual maximums in favour of an overall GLFA for the Subject Site. In addition, this Market Impact Brief addresses the minimum store size of 2,500 square feet.

1.3 Work Plan

There are no specific requirements in the Township of Scugog Official Plan ("Scugog OP") for the preparation of a Market Impact Brief. TR understands that, based on meetings between Calloway and Township staff regarding this development application, the Township requires a Market Impact Brief, rather than a more detailed market impact analysis.

Accordingly, TR has developed an appropriate work plan based on our experience in Port Perry and in other markets. This work plan includes a focus on the addition of supermarket space and retail space to recognize the current development concept proposed by Calloway. It also includes an assessment of

⁵ This calculation recognizes the cap of 35,000 square feet of space devoted to the sale, storage and display of food products, including 16,100 square feet in the Walmart and proposed 26,800 square foot supermarket.

⁶ Rounded up from 7,900 square feet.

⁷ Rounded up from 3,800 square feet.

retail store sizes to forecast the impacts, if any, of removing the minimum retail store size restriction.

The research and analysis program undertaken by TR included the following tasks:

- Review of Documents, including Township of Scugog Official Plan.
- Site and Access Assessment.
- Inventory of Supermarkets and All Other Food Stores in Port Perry.
- Inventory of the Main Central Area of Port Perry.
- Review of Population Forecasts.
- Review of Main Central Area Inventory.
- Assessment of Market Demand and Impact of Supermarket.
- Assessment of Impact of Removal of Minimum Store Size Restriction.
- Conclusion.

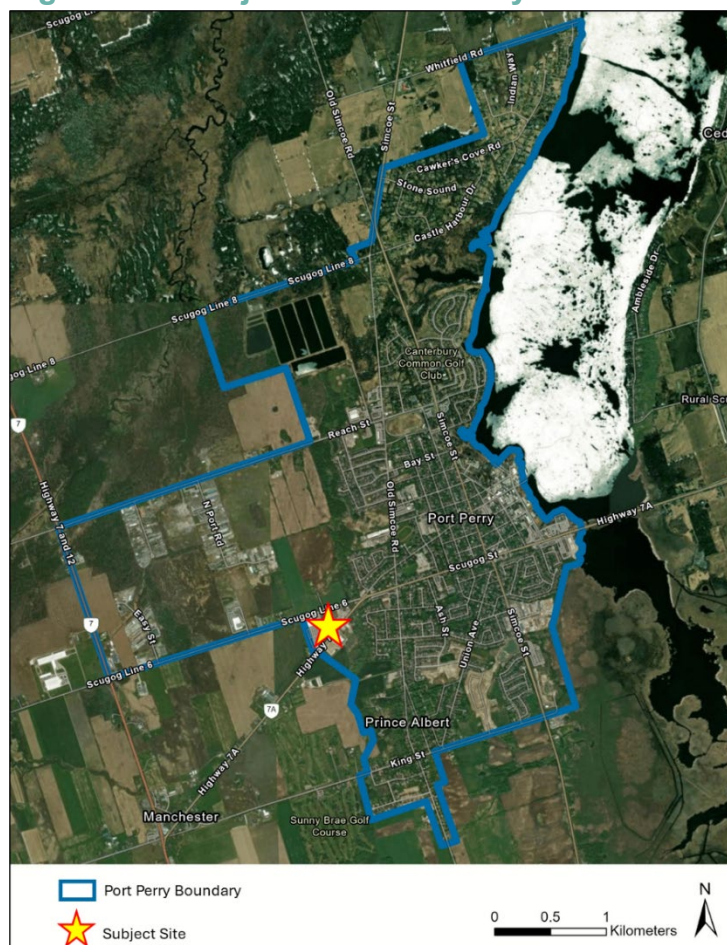
2 Development Concept and Context

This section of the report summarizes the Calloway development proposal and the planning policies that guide development on the Subject Site.

2.1 Subject Site in Port Perry Context

The Subject Site is municipally addressed as 1535 Highway 7A, in western Port Perry. The Site has frontage on both Highway 7A and Scugog Line 6, with access points from each road. The Site is approximately 2.5 kilometres west of the Port Perry Main Central Area, near the Port Perry urban boundary in a largely agricultural/undeveloped area. The Subject Site in the context of Port Perry is indicated in Figure 2-2, below.

Figure 2-2: Subject Site Port Perry Context



Source: Tate Research; Basemap: ESRI ArcGIS. Annotated by TR.

2.2 Calloway Proposal

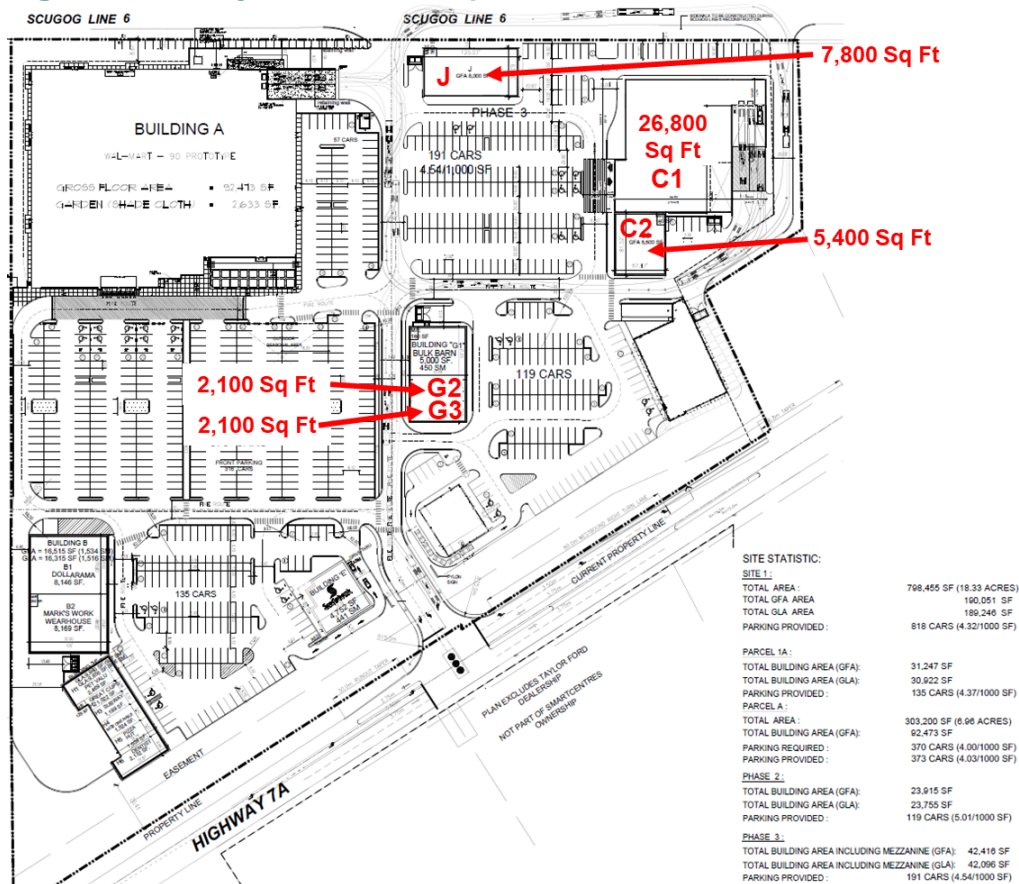
There is a concept plan for the proposed development the Subject Site. The concept plan indicates the existing Walmart Supercentre, as well as the other tenants on the Subject Site. The tenants on the Subject Site include Dollarama, Mark's Work Warehouse, Scotiabank, Pet Valu, Bulk Barn, LCBO, Subway, and Pizza Hut. The proposed development is indicated as Phase 3 of the development and proposes a 26,800 square foot supermarket and 17,400 square feet of additional retail space.

As introduced previously, there are multiple components of the Calloway development proposal. These are:

- C1 – 26,800 square foot supermarket.
- C2 – 5,400 square foot retail building.
- G2 – 2,100 square foot retail building.
- G3 – 2,100 square foot retail building.
- J – 7,800 square foot retail building (could be subdivided, subject to tenant interest and requirements).

A concept plan of the Calloway development proposal illustrating the additional properties is indicated in Figure 2-1, on the following page.

Figure 2-1: Subject Site Concept Plan



Source: Tate Research; Provided by Petroff Partnership Architects, issued January 8, 2026.
Annotated by TR.

2.3 Development Concept and Context Summary

The Subject Site is a Walmart anchored retail centre located in western Port Perry. The Site is located approximately 2.5 kilometres west of the Port Perry Main Central Area. Calloway is proposing the addition of a 26,800 square foot supermarket and 17,400 square feet of additional retail space on the Subject Site.

3 Supermarket Competition

This section of the report focuses on the existing supply of supermarkets in Port Perry. It is based on in-person fieldwork undertaken by TR in April 2026.

3.1 Port Perry Supermarket Competition

There are three supermarkets currently operating in Port Perry. The locations of these supermarkets are indicated in Figure 3-1, below. The following points are made with respect to Figure 3-1:

- The three supermarkets in Port Perry are Food Basics, Foodland, and Your Independent Grocer.
- The supermarkets include two Full-Service Supermarkets (Foodland and Your Independent Grocer) and one Discount Supermarket (Food Basics).
- These supermarkets total 79,400 square feet.
- Two (Foodland and Your Independent Grocer) of the three supermarkets are located in the Main Central Area of Port Perry.

Figure 3-1: Port Perry Supermarkets



Source: Tate Research; Basemap: ESRI ArcGIS. Annotated by TR.

It is noted that there is approximately 16,000 square feet of space devoted to the sale, storage and display of food products in the Walmart Supercentre. However, Walmart Supercentres are classified as Department Stores by Statistics Canada Retail Trade data. As such, Walmart is not considered a supermarket although TR recognizes that it competes with existing supermarkets in Port Perry and will also be competitive with the proposed supermarket at the Site.

It is also noted that there has not an introduction of a new supermarket in Port Perry in many years. TR undertook the original market impact analysis studying the introduction of the Walmart at the Site in 2007. At that time, there were also three supermarkets totalling approximately 79,400 square feet, unchanged from the current situation.

3.2 Supermarket Competition Summary

There are three supermarkets in Port Perry. These supermarkets total approximately 79,400 square feet. There have been no new supermarkets opened in Port Perry in over 20 years.

4 Main Central Area Assessment

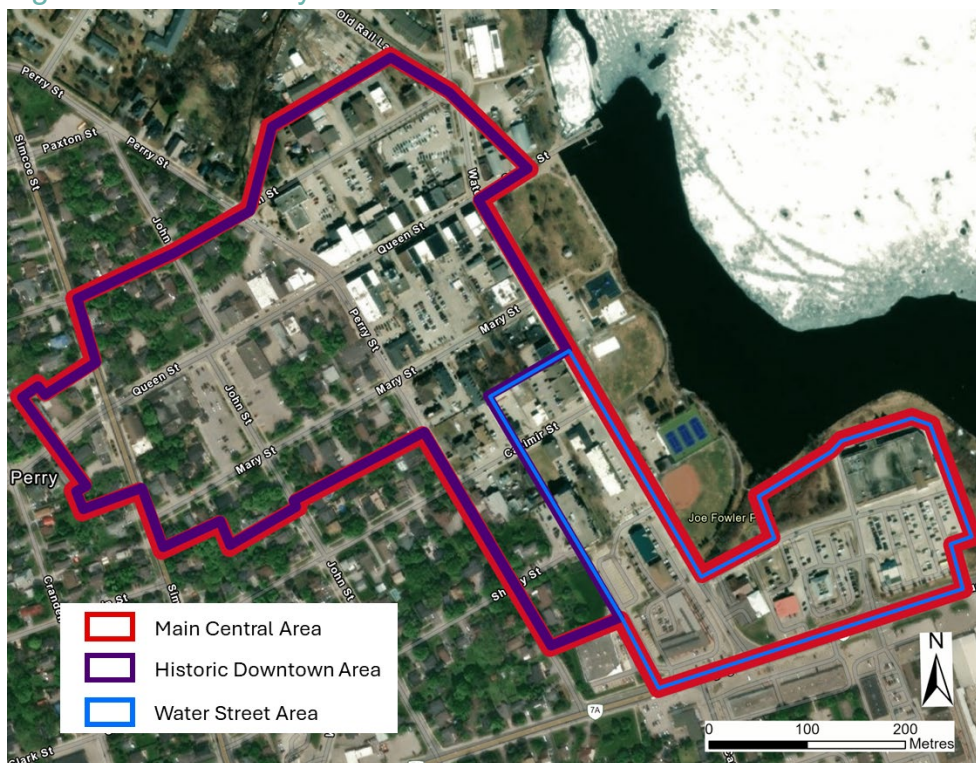
This section of the report focuses on the existing supply of retail commercial space in the Port Perry Main Central Area.

4.1 Port Perry Main Central Area

The Main Central Area is a designated area in the Scugog OP and is the central retail commercial hub of Port Perry. The Scugog OP indicates in Section 4.2.1 that objectives of the Main Central Area include “*maintain and promote the Main Central Area as the focal point for commerce, tourism and pedestrian-scale activity in the Township*” and to “*encourage tourism and development in the Main Central Area that capitalizes on expected growth in the Region of Durham and beyond*”.

The Main Central Area is comprised of the Historic Downtown Area and the Water Street Area. Figure 4-1, below, indicates the area within the Main Central Area.

Figure 4-1: Port Perry Main Central Area Boundaries



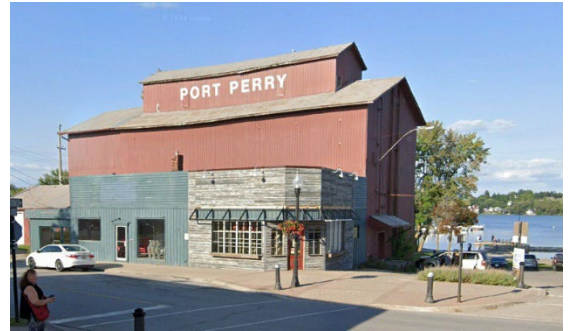
Source: Tate Research; Basemap: ESRI ArcGIS.

4.2 Port Perry CBD Inventory

TR undertook a complete inventory of retail commercial space in Port Perry Main Central Area in April 2026. This inventory included all ground floor retail commercial space in the Main Central Area. This inventory is summarized in Figure 4-2, which follows.

The following observations relate to the overall distribution of retail commercial space in the Main Central Area:

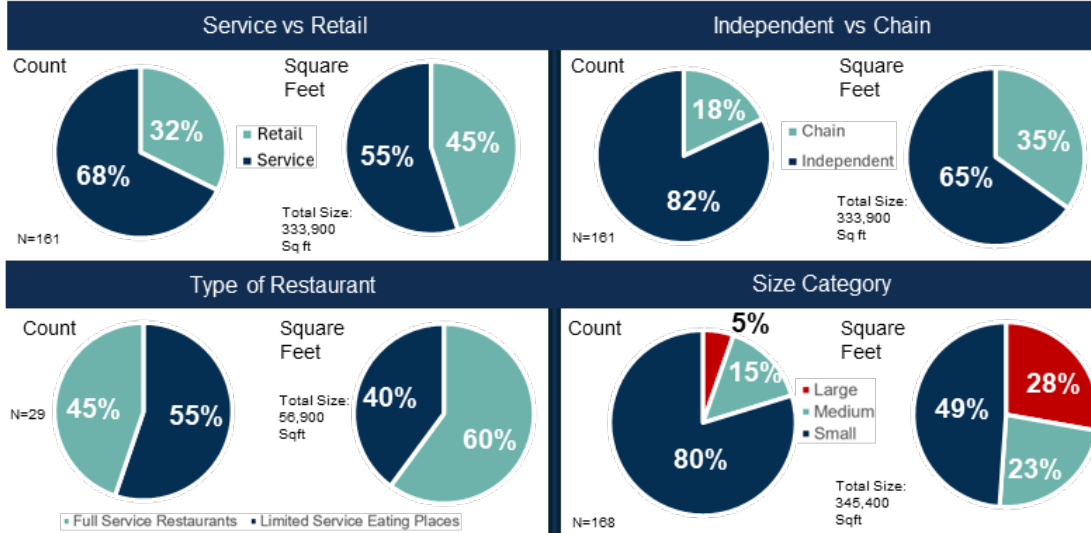
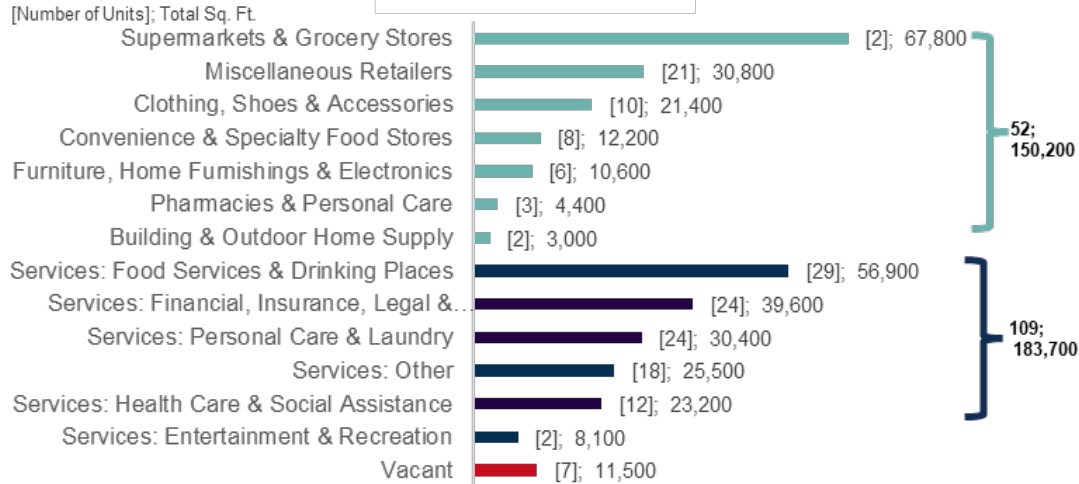
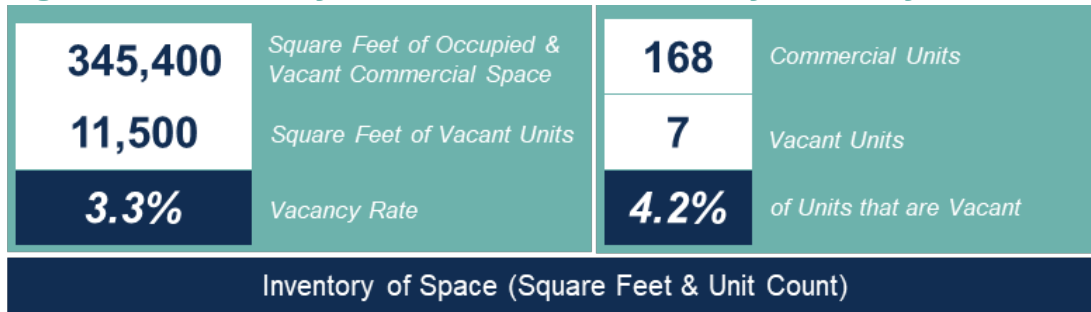
- The Main Central Area includes historic shopping and entertainment facilities.
- It contains cafes, restaurants, shops, and entertainment, many of which are housed within heritage buildings.
- There is a total 168 units in the Main Central Area accounting for 345,400 square feet of occupied and vacant retail commercial space.
- Retail uses comprise 45% (150,200 square feet) of the total occupied retail commercial space and 32% (52 units) of the total occupied retail commercial units in the Main Central Area.
- Service uses comprise 55% (183,700 square feet) of the total occupied retail commercial space and 68% (109 units) of the total occupied retail commercial units in the Main Central Area.
- The vacancy rate in the Main Central Area is 3.3% (11,500 square feet). A typical vacancy rate in a healthy and balanced market is between 5.0% and 7.5%.
- The largest category of retail space is Supermarket & Grocery Stores, accounting for 67,800 square feet.
- The largest category of retail tenants, in terms of number of units, is Miscellaneous Retailers with 21 units.



- The largest category of service space is Food Services and Drinking Places, accounting for 56,900 square feet.
- The largest category of service tenants (units) is Food Services and Drinking Places, accounting for 29 units.
- The Main Central Area is predominantly occupied by independent businesses. Of the 161 occupied retail commercial units in the Main Central Area, 82% are occupied by independent businesses, while 18% are occupied by chains.
- Of the occupied retail commercial space in the Main Central Area, 65% is occupied by independent businesses, while 35% are occupied by chains.
- Of the 168 total retail commercial units in the Main Central Area, 80% of them are categorized by TR as being “small” (under 2,500 square feet), 15% are categorized as “medium” (2,501 to 4,000 square feet), and 5% are categorized as “large” (over 4,000 square feet).



Figure 4-2: Port Perry Main Central Area Inventory Summary



Full-service restaurants have wait staff who take orders, serve food and drinks, and provide table-side service. **Limited-service restaurants** have customers order and pay at a counter or register, with food brought to the table or available for takeout/delivery. **Drinking Places** are places where alcohol and drinks are provided, usually bars or pubs.

TR generally defines a **chain business** by having four or more locations

TR categorized Units that are under 2,500 Square Feet as "**Small**" Units, from 2,501-4,000 Square Feet are "**Medium**", and Units that are above 4,000 Square Feet are categorized as "**Large**".

Source: Tate Research. Based on in-person inventory conducted in April 2026.

4.3 Main Central Area Assessment Conclusion

There are 345,400 square feet of retail commercial space in the Main Central Area. The vacancy rate is 3.3%, which is considered below normal levels. There is a balanced mix of retail and service space, as retail uses represent 45% of the total occupied space. The majority of retail commercial businesses in the Main Central Area are independents, and it contains cafes, restaurants, shops, entertainment, and other services, many of which are housed within heritage buildings.

5 Population Analysis

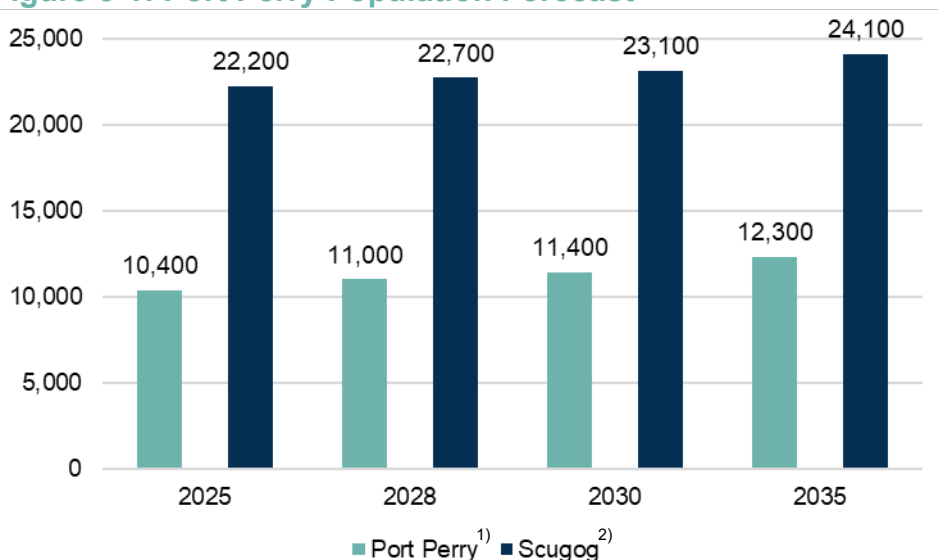
Market support for new retail commercial space is typically influenced by population levels. Accordingly, this section of the report focuses on the future population in the Port Perry.

5.1 Population Forecast

Port Perry is anticipated to experience population growth in the future. Port Perry is the largest urban centre in Township of Scugog and is forecast to capture approximately 50% of the population growth in the County until 2046.

As indicated in Figure 5-1, below, Port Perry's population is forecast to grow from 10,400 persons in 2025 to 12,300 persons by 2035. This increase represents growth of approximately 1,900 persons or 18%. Overall, the population forecasts indicate growth in the City.

Figure 5-1: Port Perry Population Forecast



Source: Tate Research

¹⁾ Based on Environics Data, Port Perry percentage of total Township of Scugog population.

²⁾ Based on a straight line interpretation of the 2024 Development Charges Background Study conducted by Hemson Consulting, dated February 22, 2024.

5.2 Development Applications

Based on TR's review of development applications in Port Perry, as of May 2026, Port Perry has 15 active development projects, at various stages of development. These active developments are indicated in Figure 5-2, on the following page.

Figure 5-2: Port Perry Active Development Applications

	Count	Total Units	P.P.U	Population
Development Applications	15	717	2.6	1,900

Source: Tate Research. Based off the Township of Scugog Current Planning Applications, Subdivision and Condominium Map.

*Population figure rounded to the nearest 100.

Of these 15 active developments, 14 include a residential component with a combined total of 717 units. Based on a Persons Per Unit factor (“P.P.U”) of 2.6⁸, TR estimates there will be approximately 1,900 persons in the 717 units being developed.

It is recognized that these development applications are in various stages of the development process and that not all are expected to be developed as proposed. However, these applications are indicative of growth underway in Port Perry and are supportive of the population forecasts outlined above.

5.3 Population Analysis Conclusion

Port Perry is forecast to experience considerable population growth in the future. This growth will provide support for existing and proposed retailers, including those at the Subject Site as well as elsewhere in Port Perry and beyond.

⁸ Based off 2025 P.P.U forecast from the 2024 Development Charges Background Study conducted by Hemson Consulting, dated February 22, 2024.

6 Market Impact Brief

This section of the report focuses on the potential impacts, if any, of the proposed addition of a supermarket and retail uses at Subject Site on the planned retail and service function of the Port Perry Main Central Area. It also provides an assessment of the anticipated impact of eliminating the minimum retail unit size that applies to the Subject Site.

6.1 Population Growth

As noted above, population growth is forecast to increase from approximately 10,400 persons in 2025 to 12,300 persons by 2035, an increase of 1,900 persons or 18%. In a general sense, population growth forecast for Port Perry indicates market demand for additional retail commercial space and offsets impacts of additional retail commercial space proposed at the Subject Site.

6.2 Port Perry Main Central Area

The Port Perry Main Central Area is a healthy and vibrant retail commercial environment that serves the local and surrounding area residents. The Main Central Area is noted as offering *“a welcoming Victorian main street, lined with gorgeous heritage buildings and charming storefronts”*⁹.

The Main Central Area benefits from a strong concentration of independently owned shops (82% of units are independent), restaurants, cafés, and service-oriented businesses that contribute to a diverse and active commercial mix.

This strength of the Main Central Area is further reinforced by low retail commercial vacancy levels, with an approximately 3.3% vacancy rate. This vacancy level is below a typical balanced market level of 5.0% to 7.5%. It may be indicative of demand for additional retail commercial space in the market

The Main Central Area offers a unique experience to residents that differentiates itself from retail centres such as the Subject Site.

⁹ <https://downtownsofdurham.ca/downtowns/port-perry/>

6.3 Supermarket Demand Assessment

There have been no new supermarkets opened in Port Perry in over 20 years. The population in Port Perry was approximately 8,500 in 2006¹⁰. In 2025, Port Perry has a population of 10,400, an increase of approximately 22%, with the population forecast to increase by an additional 18% by 2035. Population growth typically supports new retail space.

The supermarket proposed on the Subject Site is a banner that is not currently represented in Port Perry. It is not proposed to be a relocation of any of the existing three supermarkets in Port Perry. Based on TR's review of the existing supermarkets and the overall market conditions, no supermarket closures are forecast as a result of the proposed new supermarket on the Subject Site. Instead, the proposed supermarket will provide a new discount alternative for Port Perry and area consumers, increasing choice and competition.

6.4 Other Retail Market Demand Assessment

Similar to the supermarket commentary outlined above, there has been limited retail commercial growth in Port Perry in recent years. The proposed 17,400 square feet of retail space at the Site is considered to be limited in the Port Perry context.

Market growth, both recent and forecast, contributes to demand for retail commercial space in Port Perry. The Subject Site is well positioned to attract a portion of this demand.

6.5 Retail Impact Assessment

The proposed supermarket and additional retail commercial space are considered to be warranted based on market demand. This section of the report quantitatively and qualitatively addresses impact of the proposed space, with a particular focus on the Main Central Area of Port Perry.

The type of retail at the Subject Site is differentiated from the offerings in the Main Central Area. This differentiation reduces any potential negative impacts of the proposed development on the Main Central Area.

¹⁰ Statistic Canada (rounded to the nearest 100) - <https://www12.statcan.gc.ca/census-recensement/2006/dp-pd/hlt/97-550/index.cfm?TPL=P1C&Page=RETR&LANG=Eng&T=801&SR=1&S=1&O=A&RPP=9999&PR=0&CMA=0>

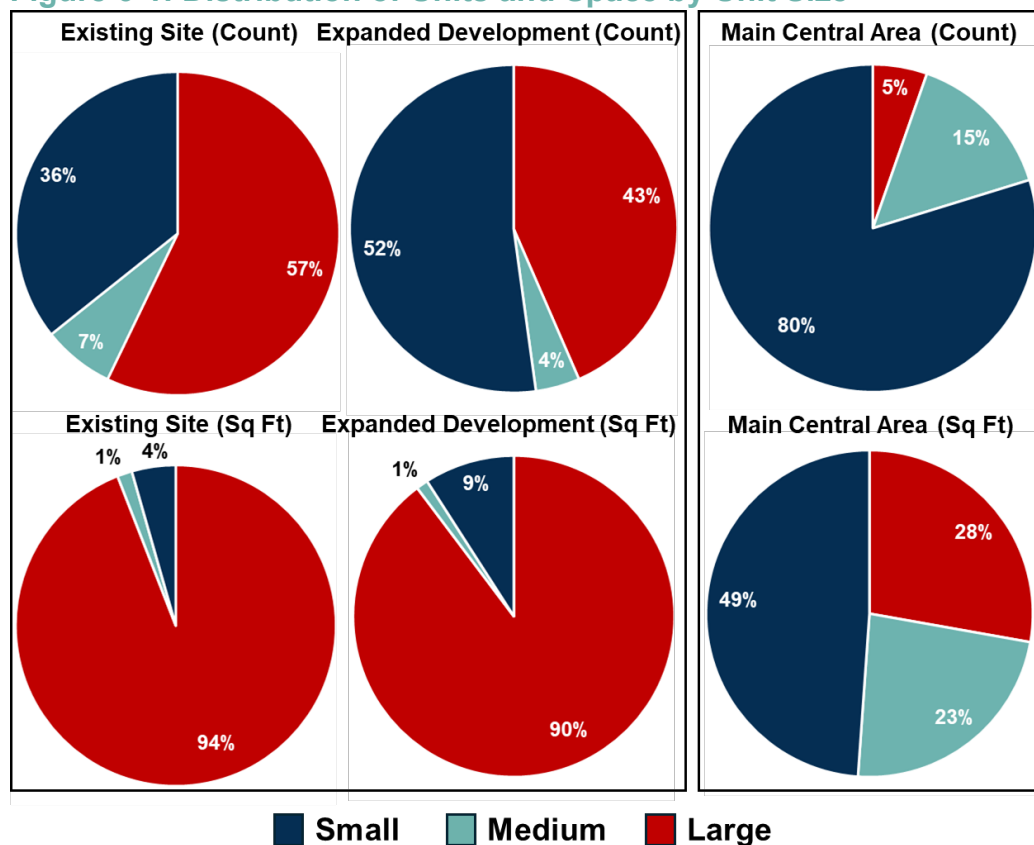
Retail vs. Service Space Differentiation

TR inventory of the Main Central Area indicated that retail space (as opposed to service space) represents 45% of total occupied space in terms of square footage. Retail uses at the Subject Site currently represent 90% of the total square footage. This analysis demonstrates that there is a much greater service component in the Main Central Area than at the Site. This differentiation reduces any potential negative impacts.

Unit Size Differentiation

The TR inventory also categorizes units by size. TR categorized small units as being under 2,500 square feet, medium units from 2,500-4,000 square feet, and large units above 4,000 square feet. The distribution of units and space for the existing Subject Site, Expanded Development¹¹ on the Subject Site, and Main Central Area are indicated in Figure 6-1, below.

Figure 6-1: Distribution of Units and Space by Unit Size



Source: Tate Research.

¹¹ The Expanded Development is defined by TR as encompassing the proposed 26,800 square foot supermarket and the additional 17,400 square feet of retail space on the Subject Site.

Unit sizes are a differentiating factor when comparing the Subject Site to the Main Central Area. The Subject Site includes a greater concentration of larger units than the Main Central Area. This distribution of unit sizes will remain consistent after the implementation of the zoning changes proposed at the Site.

The following points are made with respect to Figure 6-1:

- The majority of the Subject Site is comprised of larger units, in terms of both number of units and square footage.
 - The current distribution of unit sizes indicates that 36% of the number of units at the Subject Site are small¹²¹³, 7% are medium, and 57% are large.
 - The Expanded Development would change the distribution of unit sizes to 52% small, 4% medium, and 43% large.
 - In the Subject Site, as it exists currently, small units make up 4% of the total space, medium units make up 1%, and large units make up 94%.
 - In the Expanded Development, small units will make up 9%, medium units will make up 1%, and large units will make up 90% of the total space on the Subject Site.
- Small units comprise the greatest concentration of space in the Main Central Area, in terms of both unit sizes and square footage.
 - The Main Central Area is comprised has a larger percentage of units under 2,500 square feet with 80% of units being small, 15% being medium, and 5% being large.
 - The distribution of space in the Main Central Area also shows a bias towards small unit sizes with 49% of the total space being represented by units under 2,500 square feet.

¹² The 2,500 square foot minimum on the Site applies to retail uses only. All of the units at the Subject Site that are under 2,500 square feet are service uses.

¹³ It is noted that one of the proposed buildings (Building J) is 7,800 square feet but has the opportunity to be demised into smaller units. For this purpose, TR has reasonably estimated that there will be five approximately 1,500 square feet units in Building J.

- As indicated in Figure 6-1, the Expanded Development does not materially change the composition of the Subject Site. The Subject Site will remain differentiated from the Main Central Area.

6.6 Store Size Restriction Assessment

Minimum size restrictions are in place in some municipalities in Ontario. Proponents of these restrictions typically suggest that differentiation by store size results in lesser impact on other existing retail nodes, particularly in downtowns. These same proponents indicate that a minimum size restriction will reduce the likelihood of an existing tenant in the market (such as one located in the Main Central Area) relocating to a new format retail centre and that store size restrictions will differentiate the proposed development from the downtown.

Downtown Relocation

Based on our considerable experience throughout the Province, TR has observed that a new format retail centre outside of the downtown core rarely results in the relocation of smaller downtown retailers. This observation has held true even in instances where there were no size restrictions in place.

A number of downtown retailers are independent operators, whereas typically, large format retail developments, such as the proposed Calloway development, tend to cater to national chain tenants. This trend results primarily from the financial stability and corporate covenants that major chain retailers can offer potential landlords and their financial backers.

For many independent retailers, flexibility in business operations is a key advantage of being locating in a traditional downtown, rather than within a large retail centre. Independent businesses often prefer the ability to set their own hours of operation based on customer demand, staffing availability, etc. In contrast, large retail centres frequently require tenants to adhere to standardized operating hours established by the landlord, which can increase operating costs and reduce flexibility. As a result, many independent retailers may be reluctant to relocate to a large retail centre, even if space is available.

Most new format retail centres, such as the proposed Calloway development, are constructed only after the space is leased to a secure, national tenant. There are few, if any, examples of lending institutions that would finance the construction of new retail commercial space, based on the financial guarantees provided by an independent retailer.

Differentiated Function

It is the opinion of TR that the Subject Site and the Port Perry Main Central Area provide differentiated functions, and that size restrictions will not play a role in furthering this differentiation. Therefore, it is the opinion of TR that the elimination of minimum retail unit sizes on the Subject Site will not impact the Main Central Area, nor will it significantly diminish the differentiation between the Subject Site from the function of the Main Central Area.

Minimum store sizes, as well as restrictions on store types, were introduced in previous planning regimes as one of the methods to attempt to differentiate downtown areas from “power centres”. Often these restrictions were negotiated agreements between the power centre developer and the municipality, or even between competitive interests. These restrictions were intended to contribute to maintaining the prosperity of downtown core areas.

The absence of minimum store sizes will not prejudice or impact the Main Central Area. It is our professional opinion that minimum store sizes are not warranted on the proposed development on Subject Site in Port Perry.

6.7 Market Impact Brief Conclusion

Calloway is proposing the addition of a supermarket and a limited amount of retail commercial space at the Subject Site. Calloway is also proposing to eliminate the minimum store size that applies to retail units on the Site.

As outlined in this Market Impact Brief, it is the professional opinion of TR that the proposed supermarket, the additional retail commercial space and the elimination of minimum store sizes is warranted and will not result in negative impacts on the planned retail structure of Port Perry, the Main Central Area, or any other locations in the Township of Scugog.