Dillon Growth Update Report (2018)

Appendix F – Commercial Land Supply and Demand (2015 – 2065)

Retail Gap Analysis (2019)

Section 5.6 - Retail Gap Analysis (2019)

Market Growth Study (2015)

Retail Market Growth Potential

Table 1 - Industrial

Table 2 - Retail

Table 3 - CoStar March 21

Table 4 – Square footage Used

Dillon Growth Update Report (2018)

Appendix F - Commercial Land Supply and Demand (2015 - 2065)

	ALTERNATE POPULATION			ALTERNATE SCENARIO COMMERCIAL LAND DEMAND AND SUPPLY				
	Population	Annual Growth	Cumulative Growth	Demand per 1,000 new residents (gross acres)	Annual Demand (gross acres)	Cummulative Demand (gross acres)	Commercial Land Supply within Current Growth Area (gross acres)	Commercial Land Supply within Anticipated Growth Area (gross acres)
2015	58,690							
2016	62,328	3,638	3,638	5	18	18	147	0
2017	65,911	3,583	7,221	5	18	36	111	0
2018	69,421	3,510	10,731	5	18	54	93	0
2019	72,793	3,372	14,103	5	19	73	74	0
2020	76,014	3,221	17,324	5	19	92	55	0
2021	79,231	3,218	20,541	5	19	111	36	0
2022	82,530	3,299	23,840	5	19	131	16	0
2023	85,881	3,351	27,191	5	20	150	-3	-3
2024	89,343	3,462	30,653	6	20	170	-23	-23
2025	**92,769**	**3,426**	**34,079**	**6**	**20**	**190**	**-43**	**-43**
2026	96,201	3,432	37,511	6	20	211	-64	-64
2027	99,671	3,469	40,981	6	21	232	-85	-85
2028	103,013	3,342	44,323	6	21	252	-105	-105
2029	106,341	3,329	47,651	6	21	274	-127	-127
2030	109,622	3,280	50,932	6	21	295	-148	-148
2031	112,978	3,356	54,288	6	22	317	-170	-170
2032	116,452	3,473	57,762	6	22	339	-192	-192
2033	119,998	3,546	61,308	6	22	361	-214	-214
2034	123,639	3,641	64,949	6	22	383	-236	-236
2035	**127,307**	**3,668**	**68,617**	**6**	**23**	**406**	**-259**	**-259**
2036	130,978	3,671	72,288	6	23	429	-282	-282
2037	134,721	3,742	76,031	6	23	452	-305	-305
2038	138,505	3,785	79,815	7	23	475	-328	-328
2039	142,316	3,811	83,626	7	24	499	-352	-352
2040	146,130	3,814	87,440	7	24	523	-376	-376
2041	149,937	3,806	91,247	7	24	547	-400	-400
2042	153,804	3,868	95,114	7	24	572	-425	-425
2043	157,687	3,883	98,997	7	25	596	-449	-449
2044	161,594	3,906	102,904	7	25	621	-474	-474
2045	**165,534**	**3,941**	**106,844**	**7**	**25**	**647**	**-500**	**-500**
2046	168,736	3,202	110,046	7	25	672	-525	-525
2047	171,942	3,206	113,252	7	26	698	-551	-551
2048	175,037	3,095	116,347	7	26	724	-577	-577
2049	178,013	2,976	119,323	7	26	750	-603	-603
2050	180,861	2,848	122,171	7	26	776	-629	-629
2051	183,574	2,713	124,884	7	27	803	-656	-656
2052	186,144	2,570	127,454	8	27	830	-683	-683
2053	188,564	2,420	129,874	8	27	857	-710	-710
2054	190,826	2,263	132,136	8	27	884	-737	-737
2055	**193,021**	**2,195**	**134,331**	**8**	**28**	**912**	**-765**	**-765**
2056	195,144	2,123	136,454	8	28	940	-793	-793
2057	197,193	2,049	138,503	8	28	968	-821	-821
2058	199,165	1,972	140,475	8	28	997	-850	-850
2059	201,057	1,892	142,367	8	29	1,025	-878	-878
2060	202,867	1,810	144,177	8	29	1,054	-907	-907
2061	204,591	1,724	145,901	8	29	1,084	-937	-937
2062	206,279	1,688	147,589	8	29	1,113	-966	-966
2063	207,929	1,650	149,239	8	30	1,143	-996	-996
2064	209,541	1,611	150,851	8	30	1,173	-1,026	-1,026
2065	**211,112**	**1,572**	**152,422**	**8**	**30**	**1,203**	**-1,056**	**-1,056**

Appendix F - Commercial Land Supply and Demand (2015 - 2065)

	BASE POPULATION			BASE SCENARIO COMMERCIAL LAND DEMAND AND SUPPLY				
	Population	Annual Growth	Cumulative Growth	Demand per 1,000 new residents (gross acres)	Annual Demand (gross acres)	Cummulative Demand (gross acres)	Commercial Land Supply within Current Growth Area (gross acres)	Commercial Land Supply within Anticipated Growth Area (gross acres)
2015	58,690							
2016	61,967	3,277	3,277	5	13	13	147	0
2017	64,921	2,954	6,231	5	13	27	120	0
2018	67,649	2,728	8,959	5	14	40	107	0
2019	70,233	2,584	11,543	5	14	54	93	0
2020	72,646	2,413	13,956	5	14	69	78	0
2021	75,036	2,390	16,346	5	14	83	64	0
2022	77,381	2,345	18,691	5	15	97	50	0
2023	79,736	2,355	21,046	5	15	112	35	0
2024	82,104	2,368	23,414	5	15	127	20	0
2025	84,528	2,424	25,838	5	15	142	5	0
2026	86,899	2,371	28,209	5	15	158	-11	-11
2027	89,300	2,401	30,610	5	16	173	-26	-26
2028	91,730	2,431	33,040	5	16	189	-42	-42
2029	94,160	2,430	35,470	5	16	205	-58	-58
2030	96,626	2,465	37,936	5	16	221	-74	-74
2031	99,176	2,550	40,486	6	16	237	-90	-90
2032	101,770	2,594	43,080	6	17	254	-107	-107
2033	104,385	2,615	45,695	6	17	271	-124	-124
2034	106,983	2,598	48,293	6	17	288	-141	-141
2035	109,574	2,591	50,884	6	17	305	-158	-158
2036	112,112	2,537	53,422	6	17	323	-176	-176
2037	114,593	2,481	55,903	6	18	340	-193	-193
2038	117,054	2,461	58,364	6	18	358	-211	-211
2039	119,493	2,439	60,803	6	18	376	-229	-229
2040	121,879	2,385	63,189	6	18	394	-247	-247
2041	124,223	2,344	65,533	6	18	413	-266	-266
2042	126,574	2,351	67,884	6	19	431	-284	-284
2043	129,000	2,426	70,310	6	19	450	-303	-303
2044	131,521	2,521	72,831	6	19	469	-322	-322
2045	134,111	2,590	75,421	7	19	489	-342	-342
2046	136,321	2,209	77,631	7	19	508	-361	-361
2047	138,495	2,174	79,805	7	20	528	-381	-381
2048	140,630	2,136	81,940	7	20	548	-401	-401
2049	142,725	2,095	84,035	7	20	568	-421	-421
2050	144,776	2,051	86,086	7	20	588	-441	-441
2051	146,780	2,004	88,090	7	21	609	-462	-462
2052	148,734	1,954	90,044	7	21	630	-483	-483
2053	150,636	1,902	91,946	7	21	650	-503	-503
2054	152,484	1,847	93,794	7	21	672	-525	-525
2055	154,273	1,790	95,583	7	21	693	-546	-546
2056	156,003	1,729	97,313	7	22	715	-568	-568
2057	157,670	1,667	98,980	7	22	736	-589	-589
2058	159,271	1,602	100,581	7	22	758	-611	-611
2059	160,805	1,534	102,115	8	22	780	-633	-633
2060	162,269	1,464	103,579	8	22	803	-656	-656
2061	163,662	1,392	104,972	8	23	825	-678	-678
2062	164,979	1,318	106,289	8	23	848	-701	-701
2063	166,221	1,242	107,531	8	23	871	-724	-724
2064	167,385	1,164	108,695	8	23	894	-747	-747
2065	168,468	1,084	109,778	8	23	918	-771	-771

5.6 RETAIL SPACE PER CAPITA

Retail space per capita is an industry measure of the ratio of retail space against a city's population. An examination of retail space per capita provides a general indication of whether a market is under-retailed or over-retailed.

In most urban markets in Canada and the United States, a typical benchmark for ALL retail space per capita is in the range of 30 sf to 40 sf (Source: International Council of Shopping Centers), though this often only refers to "organized" shopping space in centres larger than 10,000 sf.

Therefore, when quantifying an entire City's retail inventory that includes street-front retail as well as retail in areas such as light industrial buildings, it is reasonable to forecast a higher ratio of retail space per capita.

For a comparable market like Airdrie this figure is more likely to fall in the 50 sf per capita range given the locational context with the City of Calgary and its competitive retail nodes, but realizing the wider trade area it serves to the east and north.

Most markets that fall within the 30 to 40 sf per capita range are typically self-serving, 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 City of Airdrie against the City's 2018 municipal census population, the resulting per capita ratio is approximately 39 sf, which suggests the City is in line with where it should be, but does exhibit some degree of residual demand for which the per capita space ratio can be further used as a guide when forecasting future demand for the City. When forecasting future demand using per capita it is often more prudent to use a conservative figure of 20 to 30 sf per capita so as to not over reach but also to recognize that new retail space is likely to be of an "organized" format.

5.7 SUMMARY & IMPLICATIONS

The resulting inventory for the City of Airdrie illustrates a community oriented retail offering that is rapidly evolving into a quasi-regional location, with enviable accessibility attributes.

The City of Airdrie has an estimated retail floor space of approximately 2.95 million sf.

When applying the retail inventory for the City of Airdrie against the City's population, the resulting per capita ratio is approximately 45 sf, which suggests the City is under-retailed and has a current day residual demand from as little as 5 sf to as much as 15 sf per capita or 92,000 sf to 275,000 sf.

The biggest threat to Airdrie's retail outlook, particularly from a larger retail perspective will continue to come from CrossIron Mills as well as the New Horizon Mall and to a lesser extent the repositioned Deerfoot City. Other areas further away notably Deerfoot Meadows, Downtown Calgary Stephen Avenue and the Chinook Centre will continue to attract destination shoppers for very specific brands.

That said, there is sufficient growth forecast in Airdrie over the next decade to suggest that continued retail development will take place and will have the potential to attract retailers that may already exist at CrossIron Mills, particularly as the City of Airdrie's self servicing retail trade area surpasses 100,000.

Market Growth Study (2015)

Retail Market – Growth Potential

- Sustainable Retail square footage growth projections were based on maintaining a desired density level as the population of Airdrie grows.

Retail Density	2015	2019	2027	2029
20psf/capita	1,173,800	1,300,000	1,700,000	1,800,000
25psf/captia	1,467,250	1,625,000	2,125,000	2,250,000
30psf/capita	1,760,700	1,950,000	2,550,000	2,700,000
Population	58,690	65,000	85,000	90,000

- The current retail inventory consists largely of big-box power centres, freestanding retailers and retail strip malls. The majority of current retail activity occurs in suburban-styled retail centres; as such the opportunity to develop a 'destination' retail node mirrors with the City's intention contained within the 2014 adopted Airdrie City Plan.

Table 1

INDUSTRIAL

B & A					COSTAR - MARCH 2021			
Period	Absorption	New Supply	Availability Rate		Period	12 Mo Net Absorption SF	Under Construction SF	Availability Rate
2016	128,757	91,081	2.8%		2016	132,557	107,282	8.7%
2017	106,808	107,282	2.8%		2017	129,611	17,600	7.6%
2018	(38,851)	17,600	3.9%		2018	(46,266)	-	7.6%
2019	(59,889)	79,790	6.8%		2019	(96,162)	51,460	9.4%
2020	(7,893)	51,490	6.9%		2020	67,708	-	9.5%

Industrial SF Inventory per Capita

Inventory SF	Population	SF Per Capita
5,298,120	70,564	75.08

Table 2

RETAIL

B & A					COSTAR - March 2021			
Period	Absorption	New Supply	Availability Rate		Period	12 Mo Net Absorption SF	Under Construction SF	Availability Rate
2016	170,241	174,694	1.5%		2016	170,241	126,933	1.3%
2017	148,871	173,049	2.4%		2017	148,871	7,033	2.3%
2018	27,542	31,385	2.5%		2018	27,542	43,207	2.5%
2019	62,809	43,828	1.7%		2019	62,809	22,839	1.9%
2020	41,644	38,728	1.7%		2020	41,644	-	1.9%

Retail SF Inventory per Capita

Inventory SF	Population	SF Per Capita
2,773,136	70,564	39

Table 3

COSTAR - MARCH 2021			
Period	12 Mo Net Absorption SF	Construction SF	Availability Rate
2016	11,727	-	0.47%
2017	(546)	-	0.56%
2018	3,126	-	0.13%
2019	(502)	23,642	0.19%
2020	2,926	-	3.26%

Inventory sf/capita - Airdrie		
Inventory SF	Populuation	SF Per Capita
763,677	70,564	10.82

Table – 4

The table below summarizes the square footage used in the study:

	Retail	Office	Industrial
Total Sqft	2,966,403	194,430	5,173,690
Occupied Sqft	2,776,148	193,585	4,961,334
Vacant Sqft	190,255	845	212,356
Q2 Vacancy %	6.41%	0.43%	4.10%
Q4 Vacancy %	5.85%	0.34%	6.52%

The following tasks were completed to ensure accurate stats:

- An assessor inspected all properties in the city to verify whether the space was vacant or occupied.
- RFI (Request for Information) data was cross-referenced to ensure accuracy.
- Properties that were under construction at the time of the study were not included in the calculations.
- The following property types were not included in the study (City Facilities, Churches, Schools, Public Buildings)