

11. Demand & Supply Reconciliation

In this section, we have summarized the reconciliation of the demand projections and the potential supply of commercial space in Vaughan to 2031.

11.1 Total Supply & Demand by 2031

Figure 11.1 illustrates the total residual demand and supply of retail and selected service commercial space in the City of Vaughan as of 2031.

Based on our analysis, by 2031 there will be demand for over 8.1 million square feet of additional food, non-food retail and selected retail and service space.

Approximately 60% or 5.1 million square feet has already been committed (Figure 11.1). This includes projects for which building permits have been issued (577,000 square feet); approved site plan, zoning and Official Plan amendments (514,000 square feet); and sites designated in secondary plans (1.8 million square feet). In addition, some 2.2 million square feet of commercial space is situated

within proposed developments, which are under review by the City with respect to site plan, zoning or Official Plan amendments. Based on discussions with staff, it is likely that commercial development will occur on these sites, although the form and scale may ultimately change from that presented in the original applications.

As indicated in Figure 11.1, if all of the demand is taken into consideration and all of the proposed developments are built, there would still be a shortfall by 2031 of approximately 3.0 million square feet. It is important to recognize that the largest share of this space may be subject to modifications, so that the total committed space

Figure 11.1

Future Commercial Space Demand and Supply Reconciliation in Vaughan, 2031

All Commercial Categories	2031
	Square Feet
<u>Demand</u>	
Non-Food Store Retail	3,896,000
Food Store Retail	804,800
Commercial Services	2,135,900
Local Offices	1,249,000
Beer Wine and Liquor	69,700
Total Demand	8,155,400
<u>Potential Supply</u>	
Greenfield Sites with Commercial Development Potential	1,806,500
Commercial Developments with Building Permit Approvals by Major Intersection Site Plan, Zoning and Official Plan Applications In Progress or Under Review	2,236,000
Approved Site Plan, Zoning and Official Plan Applications	514,300
Total Supply	5,134,000
Unfulfilled Demand	3,021,400

Source: urbanMetrics inc., 2009

represents a general estimate. In that some sites may be not be developed to their full potential or may be converted to other uses, the committed space, which totals over five million square feet, may represent the high end of the range.

11.2 Distribution of Unallocated Space by Retail Category

As indicated in the previous section, we estimate that approximately 75% of the committed space or 3.9 million square feet could comprise food and non-food retail tenants. The total demand for food and non-food retail space would be in the order of 4.8 million square feet (including beer/liquor/wine stores) by 2031, as illustrated in Figure 11.2. As a result, there will be an unfulfilled demand of retail space in the order of 0.9 million square feet. Unfulfilled demand for services and local offices space would, therefore, amount to approximately 2.1 million square feet. If the unfulfilled supply of offices is proportionally related to the warranted space, then local offices would represent about 40% of this remaining space, or about 800,000 square feet, with services accounting for the remaining 1.3 million square feet.

Figure 11.2

Warranted Additional Commercial Space in Vaughan by Census Year and Type of Space

	2009*	Cumulative Additional Space					Total Space 2031
		2011	2016	2021	2026	2031	
Demand							
Non-Food Store Retail	7,067,600	537,100	1,583,000	2,464,700	3,216,600	3,896,000	10,963,600
Food Store Retail	1,349,800	110,000	318,400	497,300	654,500	804,800	2,154,600
Commercial Services	3,339,200	246,000	743,500	1,214,500	1,668,300	2,135,900	5,475,100
Local Offices	1,630,400	133,300	414,500	689,800	962,600	1,249,000	2,879,400
Beer Wine and Liquor	81,900	7,100	22,600	37,900	53,400	69,700	151,600
Total	13,468,900	1,033,500	3,082,000	4,904,200	6,555,400	8,155,400	21,624,300

Source: urbanMetrics inc., 2009

* Does not include vacant space.

11.3 Geographical Distribution of Future Warranted Space

Between 2009 and 2031, population growth will amount to some 142,800 persons or an estimated 56,400 households¹⁴. Based on the land budget estimates by Urban Strategies, discussions with Vaughan staff, and our understanding of the residential development opportunities in the City, we have assumed the following general distribution of population.

Development in Intensification Projects	40.0%
Development in Existing Greenfield Developments	37.5%
Development in Whitebelt Areas	17.5%
Low Density Development in Existing Areas	5.0%
Total	100.0%

¹⁴ Urban Strategies has estimated the need to accommodate approximately 64,850 new housing units in Vaughan between 2006 and 2031 as per their Where and How to Grow land budget report. Based on the estimated population growth between 2006 and 2009 of 27,255 persons and an average household size of 3.25, we estimate that approximately 8,400 housing units were added during that period.

Almost all of the future committed commercial space in Vaughan is situated in Greenfield development areas, which will be adequately served in terms of future commercial facilities. While a small amount of additional commercial space (approximately 100,000 square feet) will be required to serve the future Kleinburg-Nashville- population, this will not be significant in relation to the unallocated space.

It is also important to note that many of the City's employment area designations also permit some commercial uses, such as restaurants, banquet halls, social clubs, financial institutions, fitness/martial arts studios, building supply outlets, professional and technical services, and others. Approximately 15% of the existing inventory is comprised of commercial space in areas designated for industrial uses. We have assumed that this would be reduced in future years, due a policy direction to concentrate commercial services in transit and pedestrian supportive nodes and to generally reduce retailing in employment areas. In future years, we have assumed that approximately 8% of future commercial space will occur in employment areas. This would amount to approximately 600,000 square feet¹⁵.

Consequently, the balance of the unfulfilled demand or about 2.3 million square feet would be required in intensification areas and the Whitebelt. Based on the above population allocation, after deducting the future Greenfield population, approximately 70% of new residents will be accommodated through intensification. The remaining 30% will be Whitebelt growth.

For the most part, detailed planning for intensification areas is still in process. Future planning for intensification must be undertaken with a view towards accommodating a share of uncommitted commercial space required to serve the future population of these areas. Strategies that help facilitate the development of commercial space in intensification areas should be devised. These strategies should focus on ensuring that basic retail facilities such as grocery stores and supermarkets are able to locate in close proximity to significant intensification areas and are thus able to provide for the needs of new residents.

Distributing the balance of unfulfilled demand on the basis of the population distribution would provide for an allocation of approximately 1.6 million square feet to intensification areas and 700,000 square feet in the Whitebelt. This would represent a supply of approximately 28 square feet of commercial space per capita, which would provide for a mix of local serving and higher order commercial opportunities..

The ability to accommodate additional commercial space into individual intensification areas will ultimately depend on detailed analysis of local traffic circulation patterns, site constraints, land use compatibility, environmental factors, servicing constraints, and

¹⁵ Total future warranted space between 2009 and 2031 of 8,155,400 multiplied by 8% and rounded to the nearest 100,000 square feet..

others. The areas with the greatest potential for residential intensification are the Vaughan Metropolitan Centre, Yonge and Steeles, including Steeles south of Highway 7, the Highway 7 corridor and the Steeles Avenue corridor. We would assume that these areas also hold the greatest opportunity for commercial intensification.

New commercial space within the Vaughan Metropolitan Centre should fulfill a number of functions:

- Serving the convenience and weekly shopping needs of a new high density residential population;
- Serving the convenience needs of the new office workforce;
- Providing specialty retail, flagship retail and service outlets, and other regional retail opportunities to serve the entire City and its trade area; and
- Providing hospitality and other visitor services.

The Vaughan Metropolitan Centre will contain the highest urban densities in Vaughan and will be connected to the subway system. Retail uses in this area should be oriented to pedestrian routes and the subway. Unlike other intensification areas, as a regional retail centre, The Vaughan Metropolitan Centre could support enclosed commercial space, providing that it was sufficiently anchored, connected to the subway system and maintained a strong orientation to exterior pedestrian routes.

The Yonge and Steeles area, including portions of Steeles west of Yonge, Thornhill Village and Yonge south of Highway 7, contains a mix of low density commercial uses, older strip plazas, high density residential condominiums and some historic properties. Given its future as a subway alignment, the Yonge/Steeles area has considerable residential intensification potential and may also have longer term potential for new office development. Commercial space in this area should be primarily oriented to serving:

- The convenience and weekly shopping needs of new and existing residents;
- Serving the convenience needs of the local business community; and,
- Providing specialty retail and service opportunities for persons living within its broader trade area; traffic passing on Yonge Street and persons along the north Yonge Subway route.

Intensification along this corridor will be primarily facilitated through the introduction of higher order transit due to road capacity constraints. As a result, new retail space should be primarily oriented to the new markets evolving in the future, including: new residents, new businesses and persons for whom the subway is a common travel mode. There will also be a continued need to serve passing automobile traffic on these high volume arterial roads.

As with the Yonge Street Corridor in North York, new retail space should be street related, with potential for multi-level commercial uses associated with subway stations. Street related parking should be considered, depending on road capacity, to minimize the need for on-site parking. On-site parking should be encouraged to be located behind buildings or underground to strengthen the pedestrian realm. Parking in front of buildings and plaza style parking should be discouraged, especially in the vicinity of transit stations, with the potential for the highest densities and greatest pedestrian activity.

The Highway 7 and Steeles Avenue corridors also have good potential for intensification. Steeles Avenue, between Jane and Keele Streets, was the subject of a detailed design study, which led to OPA 620 to implement an intensification strategy for this area. As the location for the future southern most subway station in York Region, this portion of Steeles Avenue has been targeted for higher density residential and office uses. It will also be the location for a significant transit hub, connecting the future subway, with east-west GO and VIVA transit services, commuter parking facilities, and York University. It will, therefore, be important to orient a large share of future retail activity in this area around the transit node. The function of retail space in this area would be to serve:

- Future residents and local office workers;
- The broader market entering the area by transit;
- York University students; and,
- Passing vehicular traffic travelling along Steeles Avenue.

As with Steeles Avenue, portions of Highway 7 outside of the Vaughan Metropolitan Centre are currently occupied by lower density employment and commercial uses, including the area west of Dufferin Street, the area west of Highway 400, the area in the vicinity of Martin Grove and a number of other smaller nodes.

The portion of the former Vaughan Corporate Centre west of Highway 400, will play an important supporting role with respect to the Vaughan Metropolitan Centre. Currently as a large format retail node, it attracts customers from across York Region and the City of Toronto. With strong local connections with the Vaughan Metropolitan Centre to the east, it can bolster the regional draw of the VMC. At the same time, this western gateway can provide a location for the larger format retailers that may not fit with the concept for the Vaughan Metropolitan Centre. The function of commercial space in this area should be to:

- Act as a regional retail draw for the Vaughan Trade Area;
- Accommodate large format retail uses not appropriately accommodated within the Vaughan Metropolitan Centre;

- Through strong local vehicular, transit and pedestrian connections encourage cross visitation with the Vaughan Metropolitan Centre.

The other parts of Highway 7 with intensification potential will be situated on an important vehicular and transit corridor. For the most part these areas will likely be predominantly residential in character, with retail space supporting new residents of the area and continuing to serve passing vehicular traffic.

In addition to the above, other future intensification areas of note, include the areas on around the two enclosed shopping centres – Vaughan Mills and the Promenade, and the area around the future hospital site at the northeast quadrant Major Mackenzie and Highway 400.

In that the hospital will not consume the entire Major Mackenzie/Highway 400 site, an opportunity presents itself for residential intensification. From a commercial perspective, however, the area is already well served by retail uses along Major Mackenzie Drive between the site and the Maple Core area, including two adjacent supermarkets. Retail uses on the site should, therefore be limited to serving the convenience needs of the new residents on the site and, secondarily to serving passing traffic, hospital visitors and visitors to Canada's Wonderland immediately south of the hospital site.

A trend occurring across Canada is the concentration of large format and other retail uses adjacent to enclosed shopping centres. This has already occurred around both the Promenade and Vaughan Mills. The Promenade and vicinity has already been developed with a number of residential condominium towers, as well as, some medium density formats. Desira Drive has become a trendy restaurant and retail destination and is supported by the concentrated residential population in the area. New commercial space in this area should be focused on serving the needs of new residents and be designed to encourage cross visitation with the Promenade.

Vaughan Mills is already largely built out with commercial uses. Residential intensification on and in the vicinity of the site will likely be limited in the short term. Retailing associated with higher density residential uses, should be focused on serving the local needs of the future population.

In summary, there will be approximately three million square feet unfulfilled demand by 2031, beyond the space already committed and approved in the City. Approximately 600,000 square feet would be in the form of commercial uses appropriate to industrial areas, including business and related services, building supply outlets, and other services. Approximately 100,000 square feet would be required to serve the neighbourhood needs of the future population in the Kleinburg-Nashville community. The balance should be divided between intensification nodes and new residential development planned for the Whitebelt.

It is also important to recognize that the unfulfilled demand may change, depending on the extent to which commercial development occurs on the committed sites, particularly those designated in the Carrville and Vellore communities for which applications have yet to be submitted, and whether any commercial space is approved on other sites outside of the committed supply. As a result, this geographical analysis should be considered as a general guideline to assist in more detailed planning of individual areas within the City.