

Derry Heights Plaza Expansion

Retail Study

June 9, 2026

Parcel

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Executive Summary

Context

Background

- Parcel Economics Inc. ("Parcel") has been retained by First Capital to complete a Retail Study for lands located at **6091 – 6951 Derry Road** in the Town of Milton (hereafter referred to as the "subject lands").
- First Capital is advancing a Rezoning application, with a future Site Plan Approval application to follow. This Rezoning application seeks to permit an expansion of this property, including **permissions for a new food store anchor among other retail / service commercial uses**. As part of these new land use permissions, First Capital is also seeking to remove the current cap—or maximum gross floor area—of commercial and retail uses permitted at this location.

Purpose

- As part of their complete application, this Retail Study is **one of the technical studies required by the Town in support the revised land use permissions being sought**.
- This study is intended to established the current and future market conditions in Milton, and gauge the extent to which the proposed development could negatively impact the planned function of other commercial establishments in the area, if at all.

Scope

- The scope of work for this study was informed not only by our own professional experience, but also a **pre-established terms of reference** that was confirmed with the Town of Milton in August 2025.
- It includes a range of relevant research and analysis to appropriately evaluate **current and anticipated market conditions in Milton**, as well as to estimate the amount and type of commercial space that may be

warranted in future periods to maintain appropriate service levels in the growing community (including evaluation of potential undue impacts on existing and/or proposed stores, if any).

Key Findings

Optimal Location

1

Given its existing function as a prominent retail plaza, the subject lands are well positioned to support additional retail uses. Located at the western edge of the Town's Urban Area boundary, near significant residential development, the proposed development will enhance the existing supply of retail space in a growing area of Town while also adding amenity for surrounding employment uses. The subject lands also benefit from excellent access and exposure characteristics, located at the intersection of Bronte Street and Derry Road, two prominent and frequented roadways in Milton.

Abundant Demand

2

Significant population growth in Milton over the near and longer-term planning horizon, is anticipated to generate significant demand for a range of retail uses. Based on forecasts prepared for the Town and evaluated in this study, there is anticipated to be a shortfall of retail / service commercial space in Milton by 2028, including Supermarket store space.

The proposed 2,915 square metre (31,381 square foot) food store is not expected to have any impact on existing food stores in Milton – neither today, nor going forward. Even in the short-term to 2028, the introduction of a new 2,915 square metre (31,381 square foot) food store on the subject lands, in addition to a potential new 6,345 square metre (68,300 square foot) store at 1090 Bronte Street South, is not expected to reduce the store performance of existing stores in Milton.[1] This is likely also related to the fact that residents of Milton are currently (as of 2024) slightly underserved in terms of the Town's supply of food store space on a per capita level.

[1] Even in the unlikely scenario that the food store develops across two floors for a combined 6,526 square metres (70,248 square feet), only a minor impact is anticipated across existing stores in the Town of Milton, will a full recovery expected by 2031.

3

No Adverse Impacts

Further to above, significant population growth and warranted demand estimates suggest that other retail / service commercial space proposed on the subject lands is not anticipated to have any adverse impact on the function or viability of other stores and services in the Town.

Conclusions

- The analysis prepared by Parcel supports the proposed expansion of commercial uses noted above and as currently envisioned by First Capital.
- It validates the market need and opportunity to permit a food store as a new permitted use on the subject lands, as well as the removal of the current cap on total floor area on the subject lands to accommodate the additional retail/service commercial development proposed.

1.0
Introduction

1.1 Background

Context

Parcel Economics Inc. ("Parcel") has been retained by First Capital to complete a Retail Study for lands located at 6091 – 6951 Derry Road in the Town of Milton (hereafter referred to as the "subject lands").

First Capital—the owners of the subject lands (also known as the **Derry Heights Plaza**)—are proposing to expand the range of retail / service commercial space permitted on the subject lands. Specifically, they are proposing to introduce a new food store anchor, in addition to other selected retail / service commercial uses. Like the 77,500 square feet of commercial space operating on the subject lands today, these uses would benefit from their proximity to highways, schools and parks, as well as existing and future residential uses. They would also benefit from their adjacency to a range of other existing retail amenities.

Report Timing & Context

The majority of the supporting research and analysis completed as part of this study was originally completed in 2025 as part of preparation for an application being advanced for the subject lands at that time. However, due to various delays, the submission of the application—including this Retail Study—was ultimately postponed.

First Capital has more recently prepared an updated concept plan that includes minor adjustments to the retail / service commercial space planned as part of the proposed expansion on-site. In light of these adjustments, we have updated our Retail Study, accordingly. It is important to note that while this study has been updated to reflect the amount of retail / service commercial gross floor area now envisioned for these lands as of May 2026, it continues to rely on the inventory and analysis prepared as part of the initial reporting completed in September 2025.

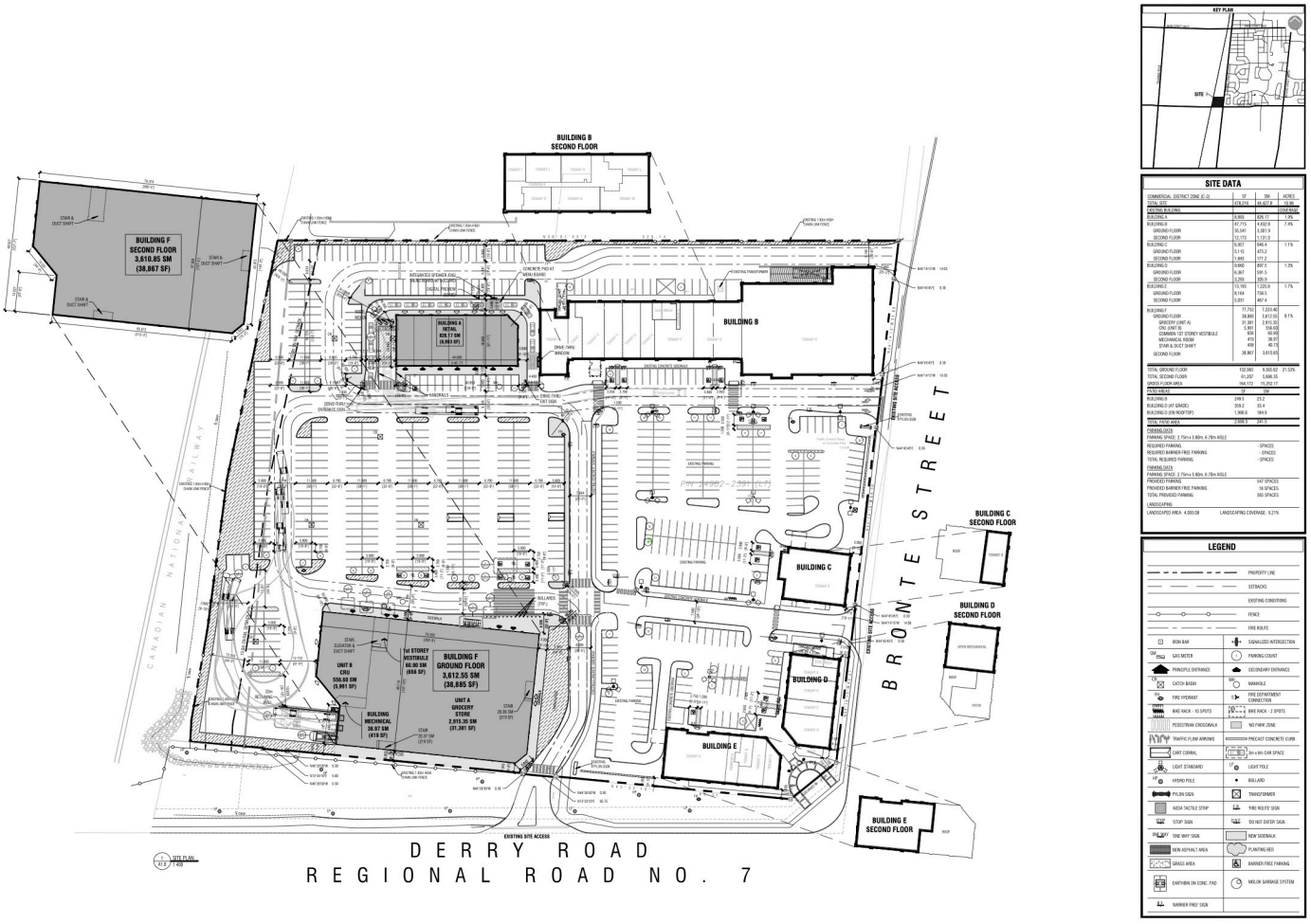
Proposed Development

The proposed development anticipates an expansion of the retail / service commercial space on-site through the development or addition of two new buildings, collectively amounting to a net increase in commercial space of some **8,050 square metres (86,645 square feet)**:

- The first building is proposed at 826 square metres (8,893 square feet) and includes multiple retail units.
- The second building anticipates a two-storey structure, with 3,612 square metres (38,885 square feet) of space, including a new food store of 2,915 square metres (31,381 square feet) and 557 square metres (5,991 square feet) of additional retail / service commercial space on the ground floor. The second floor includes an additional 3,611 square metres (38,867 square feet) of space that could ultimately be used as additional food store space and/or for other retail / service commercial uses including a fitness gym.

These building are proposed to be located just west of the existing commercial spaces that comprise the Derry Heights Plaza, as shown in Figure 1.1.

Figure 1.1
Current Concept Plan



Source: Overall proposed site plan, prepared in May, 2026 by Greystone.

1.2 Purpose

The primary purpose of this study has been to justify the proposed expansion of retail / service commercial space on the subject lands, including: (i) the introduction of the

new food store; as well as, (ii) a removal of the current cap on total floor area permitted.

To support the proposed expansion, First Capital is advancing a Rezoning application, with a future Site Plan Approval application to follow. Following a meeting with the Town, the municipality requested that a **Retail Study** be prepared to further substantiate their application for the proposed uses and to serve as one of the technical studies required to support the proposed expansion in permissions. The intent of this study is broadly to establish the current—and potential future—market conditions in the community, as well as to gauge the extent to which the subject development could negatively impact the planned function of other commercial establishments in the area, if at all.

More specifically, this Retail Study has been requested to support: (i) the **introduction of a food store** as a new permitted uses on the property; and, (ii) the **removal of the current cap on total floor area** on the subject lands to accommodate the additional retail / service commercial development proposed.

Planning Context

Milton Official Plan

The Town of Milton's current Official Plan (the "Milton OP"), designates the subject lands as *Office Employment*. Lands designated *Office Employment* are permitted to develop with a mix of employment and office uses in **addition to service commercial uses** that generate employment opportunities and support the needs of nearby residents. Per the Milton OP, Service Commercial Uses are defined as:

> *"…. a commercial operation offering services of a clerical, business, professional and administrative nature such as banking, accounting, investment and financial planning, architects and other consultants and personal service uses such as restaurants and taverns, florists, dry cleaners, tailors, travel agents, fitness centres, personal grooming shops, specialty food stores."*

The Milton OP includes permissions for a fitness centres and speciality food stores, aligning with the proposed uses for the subject lands. While existing policy does not explicitly include permissions for all types of retail uses or a food store, the uses proposed on the subject lands are in alignment with the service commercial uses permitted through the Milton OP.

The subject lands are also located in Special Policy Area 23 in the Milton OP. Policy 4.11.3.23 is included in Special Policy Area 23 and states that lands in this area can:

> *"…be developed for a range of employment uses, primarily business, professional, financial and medical offices, as well as specific supporting local commercial uses, in a mixed use development format. The local commercial uses that may be permitted are those that are complementary to, and serve the employment area and uses, as well as the Milton Hospital and residential neighbourhoods immediately adjacent to the lands."*

Accordingly, policies included in Special Policy Area 23 of the Milton OP permit the proposed local commercial uses contemplated for the subject lands. Recognizing existing policies and permissions in the Milton OP, the proposed development of the subject lands does not require an Official Plan Amendment.

Milton Zoning By-Law

The subject lands are zoned *Employment Zone Special Provision 122* in the Town's current Zoning By-Law (By-law 016-2014). *Employment Zone Special Provision 122* permits a range of uses, including the proposed fitness centre, a range of retail stores and a number of uses in the first storey of a mixed use building. While a range of uses are permitted under this special policy provision, *Employment Zone Special Provision 122* includes a cap on the maximum gross floor area for commercial and retail uses permitted on these lands.

Therefore, this Retail Study is required to support the **removal of the current cap on the maximum gross floor area for permitted retail and commercial uses** on the subject lands, such that the proposed expansion of retail / service commercial uses can be accommodated.

1.3 Approach

Based on the foregoing context for this study, the following provides a brief overview as to the scope of work undertaken as part of this Retail Study. In addition to our own extensive experience preparing equivalent studies in other jurisdictions across Ontario and Canada, this scope of work has been directly informed by a pre-established terms of reference for this study, as confirmed with the Town of Milton at the outset of our study process in August 2025.

- **Review of the subject lands** from a commercial market perspective, including evaluating its physical and access characteristics, visibility and exposure, as well as relationship with surrounding land uses (e.g., proximity to other existing / planned amenities throughout this area of Milton and beyond);
- **Delineation of a relevant Study Area** for existing and proposed new commercial uses that reflects the geography from which retailers and service providers are likely to derive the majority of their sales volume;
- Investigation of the **current and anticipated future market profile** of the Study Area and surrounding community (e.g., population forecasts, income characteristics, etc.). This includes a review of other active municipal applications and development proposals involving retail / service commercial space;
- Examination of **existing commercial space and areas** across the Study Area in terms of their locational characteristics compared to the subject lands. This includes an inventory of existing retail / service commercial space operating in the Study Area today, with a focus on food stores;
- Discussion of other **relevant market and economic factors** that could influence the viability of retail / service commercial space at a high level; and,
- Preparation of a **high-level market demand assessment** that addresses current and potential future service levels (or "needs") across the Study Area. This includes specific assessment of the **market opportunity and/or potential impact** that a new food store on the subject lands could have on existing supermarkets in the Study Area. More broadly, it also includes identification of the potential amount and type of type of retail / service commercial space that could be required in the Study Area going forward as an indication as to whether removal of the total cap on commercial space is warranted.

See **Appendix** for Terms of Reference.

1.4 Assumptions

In completing a Retail Study it is important to identify the key assumptions inherent to the approach undertaken. It is these assumptions that have informed the opportunities and potential for existing and new retail and service commercial uses in Milton over the short- and-longer-term. To this end, the following provides a summary of the key assumptions employed as part of this assignment.

Analytical Structure

- As part of this study, and in agreement with the Town of Milton, the analysis herein relies on a high-level desktop inventory of retail / service commercial uses in the Study Area. However, recognizing the specified permissions for a food store being sought by the applicant, this also includes a more detailed review of **food store space—specifically Supermarket and Grocery store space.**

- The **year 2024** has been assumed as the base for this analysis, as it represents the most recent full-year period for which updated retail expenditure data is available. The first full year (or estimated market entry) for the proposed supermarket and other retail /service commercial uses proposed on the subject lands has been assumed to be **2028**.

Other Assumptions

- It is assumed that a reasonable degree of economic stability will prevail in the Province of Ontario, and specifically the Town of Milton, over the course of the development planning horizon identified in this study.

- The statistical inputs relied upon in our analysis are considered sufficiently accurate for the purposes of this analysis. These statistical sources—including Statistics Canada Census data, municipal information and third-party real estate information—have ultimately informed a number of the key underlying assumptions and inputs utilized in our analysis relating to the performance of commercial real estate in the Town of Milton.

- References to the Canadian dollar in this report generally reflect its 2024 value, including the range of supporting statistical inputs and research that have informed our baseline market assumptions. Additional adjustments have also been made to reflect real growth in expenditures for future periods, where applicable.

In the event that material changes occur that could influence the foregoing assumptions, the various analytical assumptions, key research findings and other strategic recommendations contained in this report should be reviewed or updated, accordingly.

2.0

Site Context

2.1 Site Characteristics

The subject lands are located at 6901 – 6951 Derry Road, in the Town of Milton, as shown in Figure 2.1. Centrally located in Milton, the subject lands are situated immediately north of Derry Road, west of Bronte Street South. The subject lands are located less than five kilometres from Highway 401 and are surrounded by well-established neighbourhoods that contain notable residential development in addition to schools, parkland, the Milton District Hospital and other commercial amenities.

Figure 2.1

Subject Lands Location



Source: Parcel.

2.2 Surrounding Land Uses

The subject lands are located on Derry Road, which runs east-west along the south end of the property and connects the subject lands to established residential areas. The subject lands are also situated along Bronte Street, which is characterized as an employment area, including a mix of multi-tenant retail / service commercial and office buildings, in addition to other employment uses. The subject lands, including the proposed expansion, align with the existing vision and format of development in this area, making it a **suitable, and potentially optimal location, for additional retail uses.**

North

Directly north of the subject lands are lands designated *Office Employment Area*. *Office Employment Area* lands extend north just beyond Heslop Road and are currently comprised with a range of business uses, employment land uses, and industrial and business park uses including limited food services, car dealerships, self-storage and automotive uses.

East

East of the subject lands, on the north side of Derry Road are lands designated *Residential Area* and developed with primarily single- and semi-detached units. East and north of the subject lands is a retail plaza, including a speciality food store and bakery, in addition to personal care services, limited food services and a daycare. On the south side of Derry Road, east of the subject lands, is the Milton District Hospital, a community hospital operated by Halton Healthcare Services.

South

South of Derry Road are lands designated *Residential Office Area*. Excepting a small medical centre containing a pharmacy and medical clinic, these lands are generally comprised of single- and semi-detached units. Lands south of the hospital on the east side of Bronte Street South are generally comprised of residential development in addition to an Elementary Catholic School and Sunny Mount Park.

West

The boundary of the Town's *Established Urban Area* is located just west of the subject lands, beyond which is comprised of residential development and a number of neighbourhood parks. To the west of the subject lands, just

west of Scott Boulevard are two retail / service commercial areas. The property on the north side of Derry Road contains a pharmacy, banks and limited food services while the property to the south of Derry Road includes a bank and a No Frills supermarket.

Based on our review, there are also a number of residential developments planned surrounding the subject lands, particularly just south of Louis St. Laurent Ave. This includes a sizeable development planned for the southwest corner of Louis St. Laurent Ave and Bronte Street W that includes over 600 low- and medium-density housing units, in addition to multiple apartment buildings. Residents of this subdivision represent an additional source of customer support for existing and future retail space integrated on the subject lands.

2.3 Access

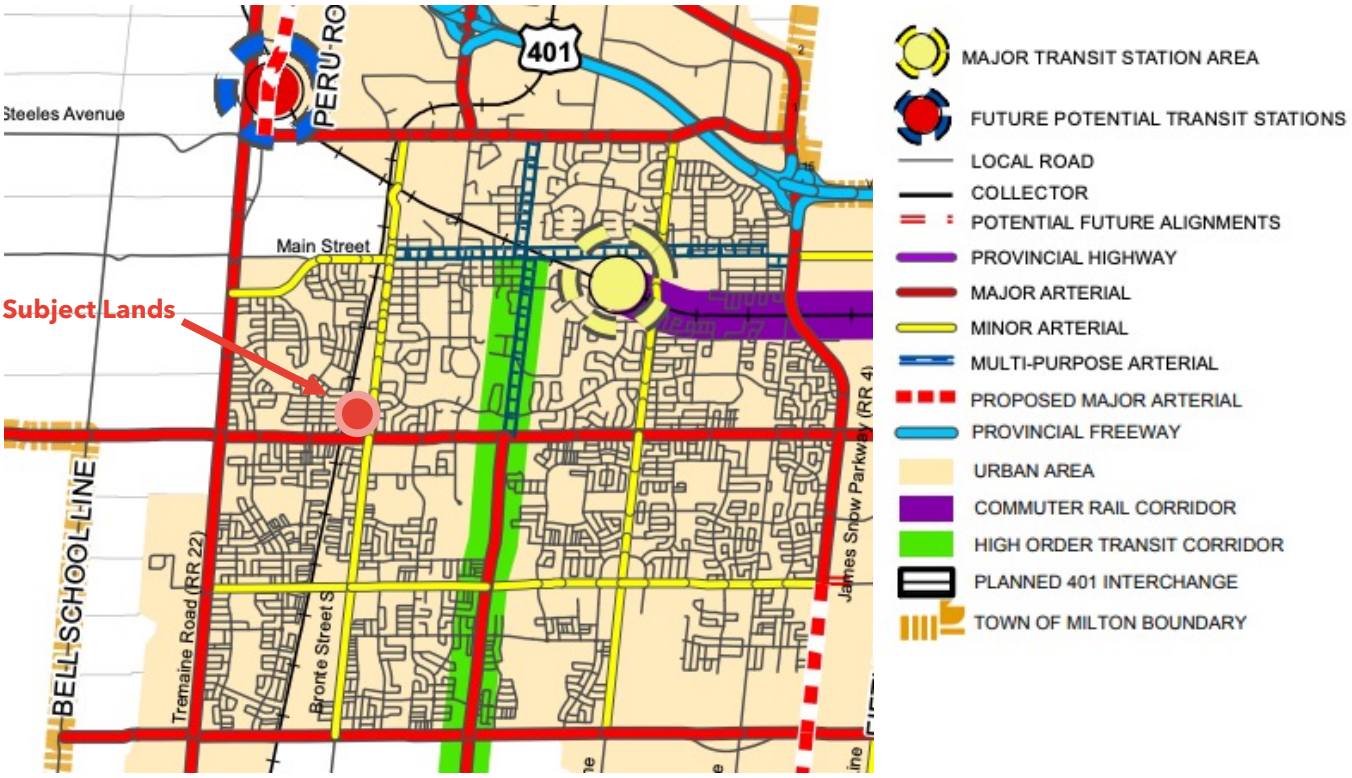
Pedestrian traffic generated by local roadways, transit opportunities and other visitors of the area, in addition to a significant and growing residential population in the immediate vicinity, increases the viability of expanding retail / service commercial uses on the subject lands.

Transportation and access are critical when evaluating the retail/service commercial potential of a site or area. The subject lands are situated at the northwest corner of Derry Road and Bronte Street South, a *Major Arterial* and *Minor Arterial* respectively. Specifically:

- *Major Arterials* in Milton carry high volumes of traffic, designed to serve and support inter-regional and regional travel needs. They are also intended to support higher order transit opportunities and active transportation.
- *Minor Arterials* are designed to support and serve local travel demands in the area and carry moderate to high traffic volumes. They are expected to accommodate local truck traffic and local transit services. Similar to above, they are also intended to accommodate active transportation options.

Figure 2.2

Town of Milton – Transportation Plan



Source: Parcel based on the Town of Milton 2024 Official Plan, Schedule E – Transportation Plan.

Existing roadways help **enhance access and exposure to existing and future retail / service commercial uses on the subject lands**. They also advance the connectivity of the subject lands to neighbouring uses, including furthering the ability and ease with which residents and visitors can access, visit and shop at the site. There is also a bus stop on the northeast corner of Derry Road and Bronte Street South, improving connectivity between the subject lands and those residing in the north and west end of Milton.

The subject lands are also about four kilometres southwest of the Milton Go Station, or Major Transit Station Area. Proximity to the GO Station and associated transit services could further improve the accessibility of the subject lands as it could increase the number of commuters and other travellers that pass by the subject lands each day.

2.4 Study Area

Study Area Delineation

The total market influence of any retail / service commercial development extends across a wide geographic area that is difficult to capture through any particular boundary. However, in order to determine if there is demand for any retail use, including the supermarket being proposed on the subject lands, it is key to establish an appropriate Study Area. This Study Area is necessary to estimate the associated market, competitive inventory and market conditions that could influence the future operation of retail uses at this location, in addition to the anticipated need for additional retail / service commercial uses to support the growing population in the area more generally.

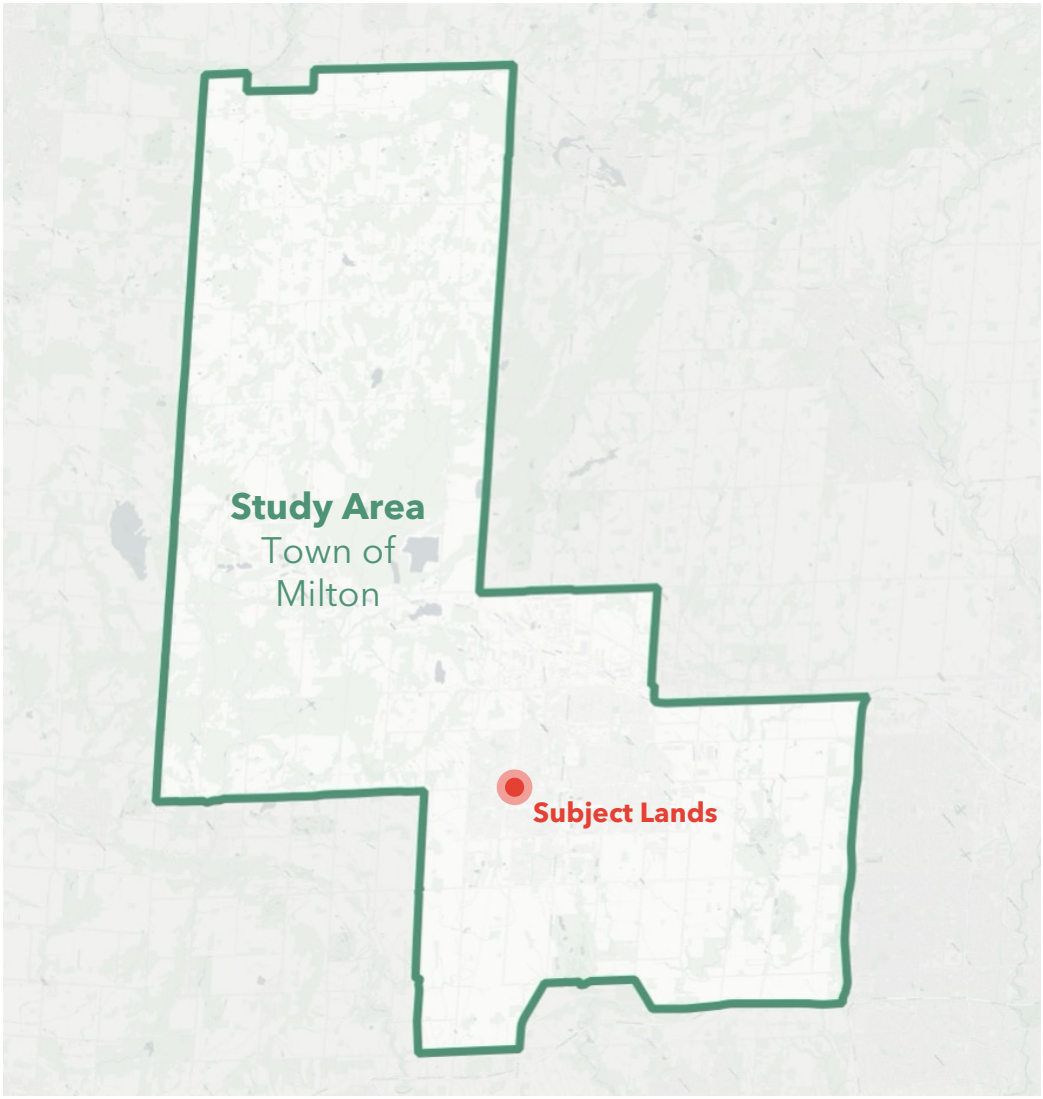
Recognizing the location of the subject lands in the Town of Milton and the primary role of this assessment to determine the extent to which the subject development could negatively impact the planned function of other commercial establishments in the area, if at all, Parcel has **delineated the Town of Milton as the Study Area** as shown in Figure 2.3. Milton represents the primary area from which new retail / service commercial uses on the subject lands are expected to derive most of their customer support (i.e., the largest share of market activity).

The Study Area delineated above is based on a wide range of factors, including:

- Geographic distances and travel times;
- The location of existing competition in the area, including for purposes of this analysis the location of existing supermarket space;
- The nature and size of development being contemplated on the subject lands, particularly in the context of surrounding land uses;
- The access characteristics of the subject lands, including exposure, connectivity and visibility to the surrounding local and regional road network;
- Natural and human-made barriers to movement that could restrict or influence the movement of customers to and from the site; and,
- Customer origins data utilized as part of this analysis and summarized herein.

Figure 2.3

Map of the Study Area (Town of Milton)



Source: Parcel.

In addition to **residents of the Study Area**, additional sales potential and market support is anticipated to be available from **inflow traffic**, including employees who work in the area but live elsewhere, the visiting public and other passing traffic. As detailed below, the inflow assumptions—particularly those associated with the proposed food store—have been informed by mobile analytics data, as well as consideration for the existing distribution, location and size of stores located across Milton and elsewhere (i.e., those in Halton Region and beyond). Inflow is intended to capture additional sales affiliated with permanent residents of the surrounding area, including employees, tourists and other visitors.

Mobile Analytics (Customer Origins)

One of the factors used to inform this Study Area has been the use of anonymized cell phone data to determine customer origins (i.e., "mobile analytics" data). This mobile analytics information was used to understand the shopping patterns of existing Milton residents. It was also used to provide a more direct understanding of potential "inflow" to existing retail / service commercial uses in the Town, particularly existing food stores operating in Milton, at locations similar to the subject lands.

Customer Origins: Source Data

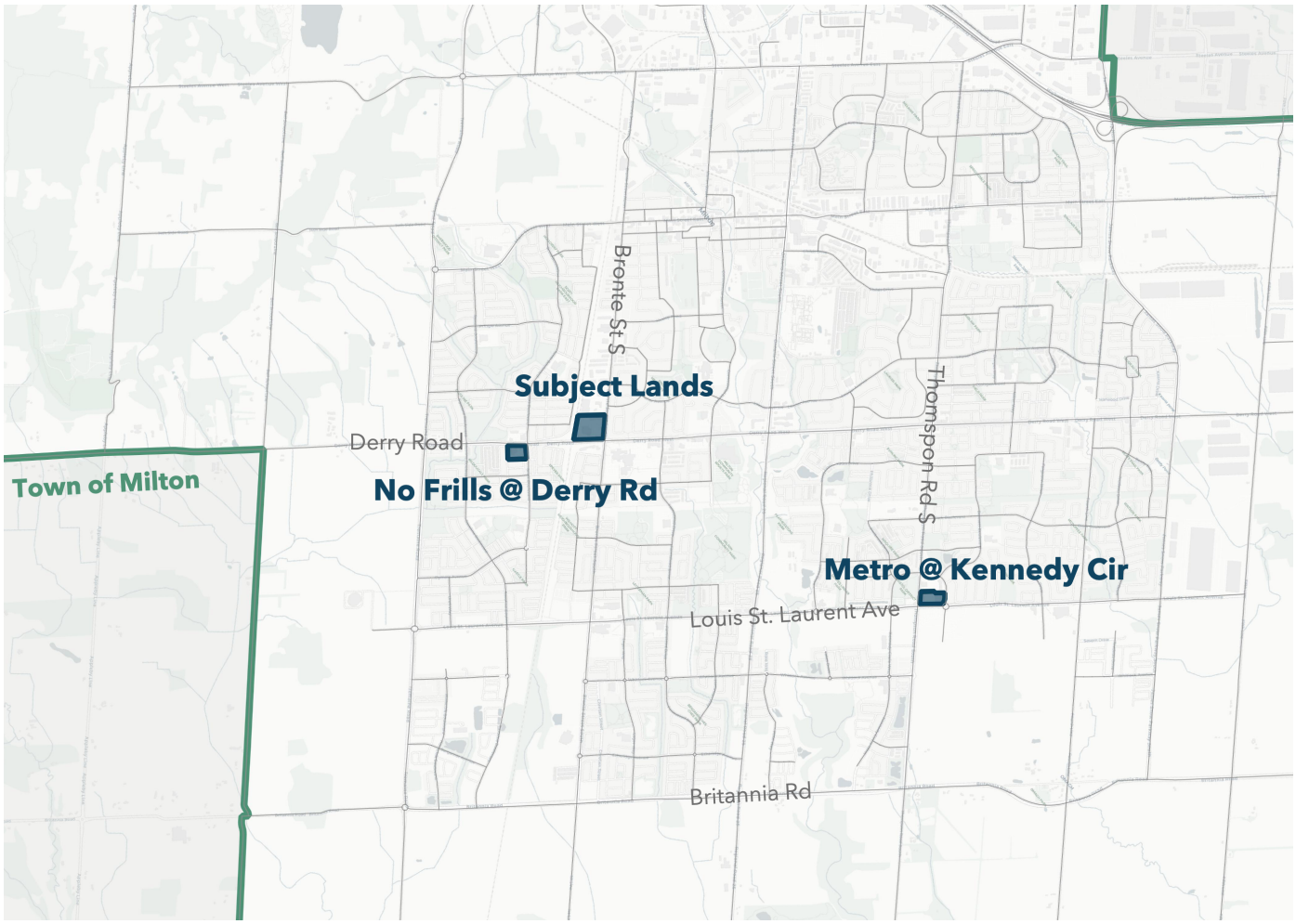
Mobile analytics data employed for this assessment is based on data available through a third-party provider to determine the travel behaviours of residents, employees and other individuals who have visited select commercial areas in Milton over the full-year 2024. It is based on and affiliated with anonymized data that is acquired through location-enabled mobile device tracking. Customer origins are tied to—and based on—the common evening location affiliated with each device, or the location that each devices spends the majority of its evening hours.

For the purposes of this analysis, and to further our understanding of the type of amount of inflow that could be attained by a future food store on the subject lands, Parcel completed customer origins for three locations in Milton. Figure 2.4, excepting the subject lands, all of the locations chosen currently operate a food store:

- The subject lands at **6901-6951 Derry Road**
- No Frills at **6520 Derry Road**; and,
- Metro at **1050 Kennedy Circle**.

Figure 2.4

Surveyed Retail Locations



Source: Parcel.

The results of this analysis are shown below in Figure 2.5 and Figure 2.6. Specifically, these figures show the geographic distribution and percentage breakdown associated with total visits to each commercial area. These totals deliberately include repeat visitation to highlight the tendency of locals to visit a given area more frequently, thereby providing more spending volume and customer support for a given retail establishment.

As detailed, retail locations with a food store in Milton, draw a significant **80% of visitation from individuals residing in Milton**. A comparable 20% of visitation to each of these locations is affiliated with individuals residing outside the Town or Study Area (i.e., inflow support).

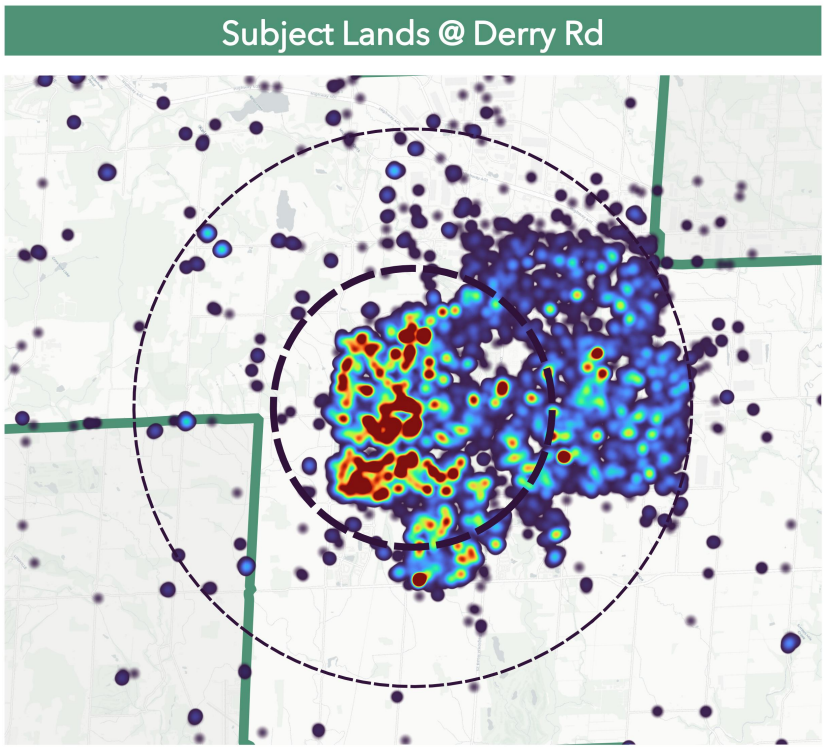
By comparison, the Derry Heights Plaza–which does not currently host a food store–draws a lesser **71% of its visits from Milton residents**. A more notable 29% of visitation is affiliated with individuals residing outside of Milton.

The customer origins data suggests that food store tenants serve as a key location and focal point for nearby residents, drawing a more significant share of visits from local residents than those further afield.

This is further validated in examining the share of visits accrued from within 2.5 kilometers of each location. As detailed, the No Frills and Metro locations draw a heightened 56% and 63% of visits from those residing within 2.5 kilometers, while the Derry Heights plaza draws approximately 50% of visits from those residing within 2.5 kilometers.

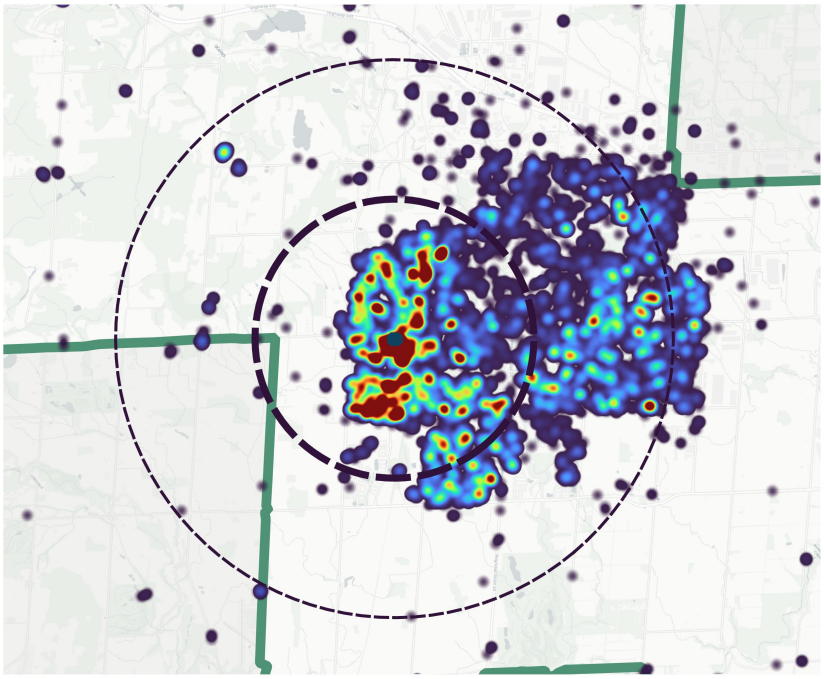
Figure 2.5

Summary of Visitation (Customer Origins – Maps)

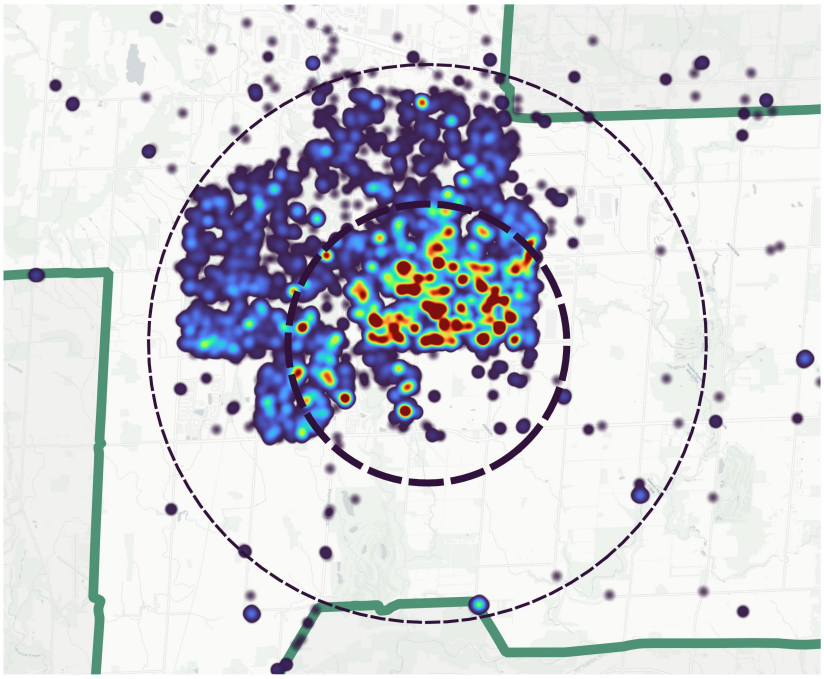


Continued…

No Frills @ Derry Rd



Metro @ Kennedy Cir



Source: Parcel based on mobile analytics for full-year 2024.

Figure 2.6

Summary of Visitation (Customer Origins – Percentage Distribution)

	Subject Lands at 6901-6951 Derry Rd	No Frills at 6520 Derry Rd	Metro at 1050 Kennedy Cir
2.5km Radius	51%	56%	63%
5.0km Radius	19%	20%	16%
Rest of Milton	1%	4%	1%
Town of Milton	**71%**	**79%**	**81%**
Other Halton Region	6%	4%	3%
All Other	23%	17%	16%
Total	**100%**	**100%**	**100%**

Source: Parcel based on mobile analytics for full-year 2024.

3.0

Market Profile

3.1 Population

In evaluating commercial market demand in the Study Area, it is important to establish the local population base and any projected changes in future years. Both represent key inputs in determining the current and anticipated future demand for commercial space—particularly a new food store—in the Study Area. These characteristics provide an understanding of potential growth in the customer base that are likely to patronize commercial facilities in Milton.

To determine the potential impact, if any, of the proposed food store and other proposed new commercial uses on the site, we have relied on the current and forecast population for the Study Area (i.e., Milton). Based on most recently available full-year data, this analysis assumes 2024 as the base year.

Population forecasts for the Study Area, or Town of Milton, are based on forecasts included in the Town's *2024 Draft Residential and Non-Residential Needs Analysis*, which were prepared as part of the Town's Official Plan Review. Forecasts for Halton Region are based on those included in the 2022 *Halton Region Modified Land Needs Assessment Report* and are included for comparison purposes only.

Figure 3.1 details the following key observations:

- As of 2024, there were approximately **152,800 persons** in the Study Area, or 23% of the 2024 Halton Region population.
- By 2031, it is estimated that the Town's population will have grown to **245,900 persons**, representing growth of 8.7% per year over the 2024 population. Growth in Milton over this period is anticipated to outpace the Region. By 2031, Milton is anticipated to represent an increased 32% of Halton Region's population.
- While accelerated growth is forecast to occur over the shorter-term period to 2031, the Town's population is anticipated to reach **400,400** persons by 2051. This represents growth of 162% from the current 2024 population, or average annual growth of 6.0%.

Figure 3.1
Study Area Population

	Historical[1]		Current[1]	Forecast[2]		
	2016	2021	2024	2031	2041	2051
Town of Milton	**114,400**	**138,900**	**152,800**	**245,900**	**333,900**	**400,400**
Average Annual Growth		*4,900*	*4,633*	*13,300*	*8,800*	*6,650*
Average Annual Growth Rate		*4.3%*	*3.3%*	*8.7%*	*3.6%*	*2.0%*
Halton Region	**565,500**	**620,400**	**656,900**	**768,000**	**931,000**	**1,100,000**
Average Annual Growth		*10,980*	*12,167*	*16,400*	*16,300*	*16,900*
Average Annual Growth Rate		*1.9%*	*2.0%*	*2.4%*	*2.1%*	*1.8%*

Source: Parcel.
[1] Statistics Canada Census data, adjusted for net under coverage.
[2] Forecasts included in the 2024 Draft Residential and Non-Residential Needs Analysis prepared by Watson & Associates Economists Ltd. for the Town's Official Plan Review and forecasts included in 2022 Halton Region's Modified Land Needs Assessment Report prepared by Hemson Consulting.

3.2 Income & Other Demographics

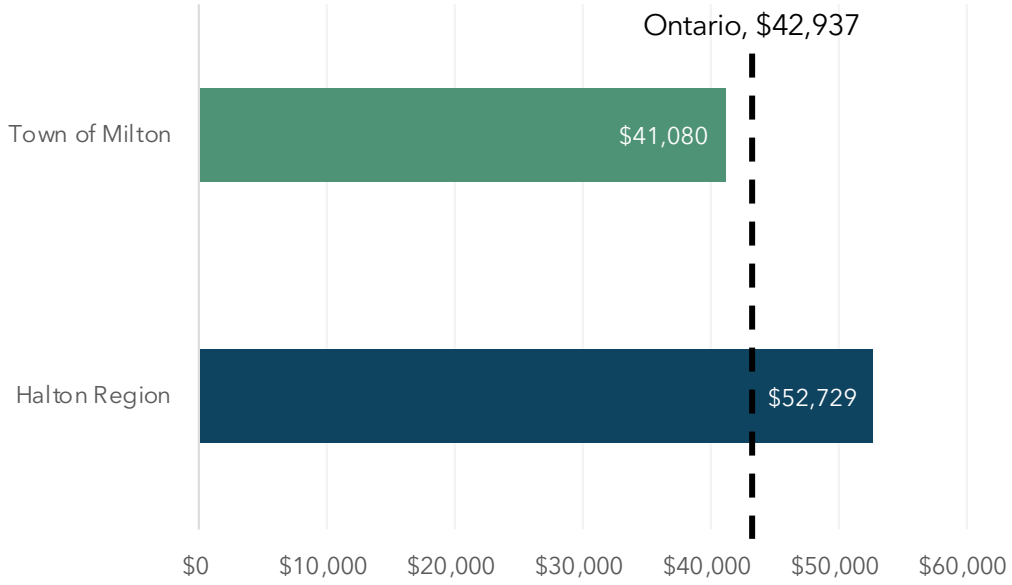
Income

Per capita income data from the 2021 Census has been used to estimate the potential spending power of residents in the Study Area. Average per capita income of an area is an important input when considering current and future demand for retail / service commercial space.

Figure 3.2 details that in 2020, the average per capita income in Milton was **slightly below the Province**, at $41,080. It was also **below the average per capita income of Halton Region**, by approximately 22%.

The lower per capita income of the Study Area could influence local resident's potential spending and demand for retail / service commercial space in the area.

Figure 3.2
Average Per Capita Income



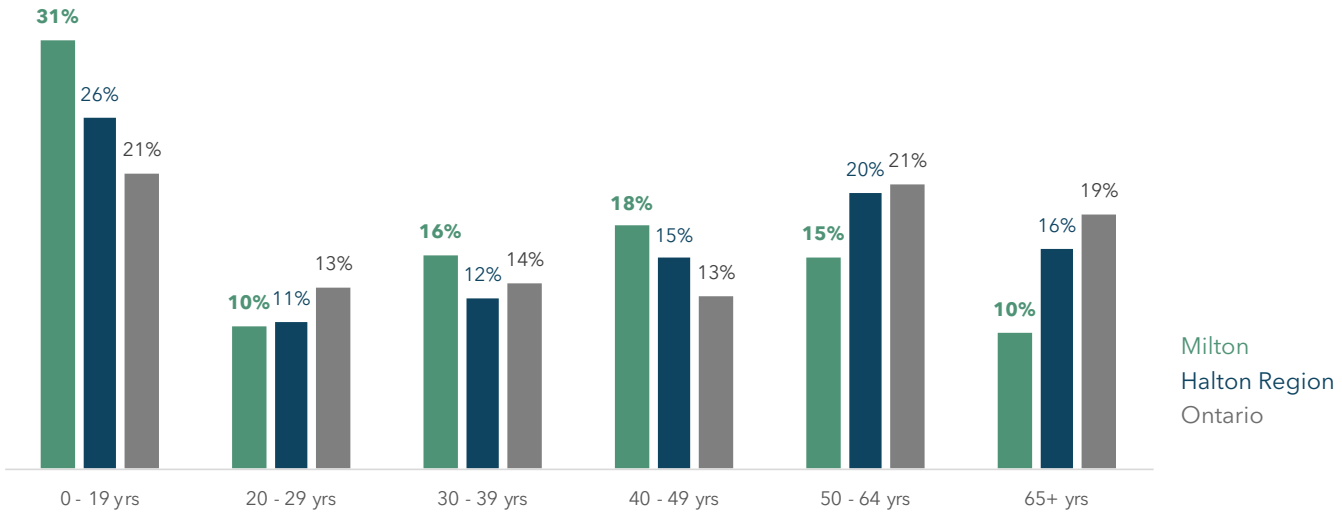
Source: Parcel based on 2021 Statistics Canada Census data.

Other Demographics

Age Profile

Relative to the Region and Province, Figure 3.3 shows that the Town is home to a higher proportion of people under the age of 30 and a much lower proportion of people over the age of 65.

Figure 3.3
Age Profile



Source: Parcel based on 2021 Statistics Canada Census data.

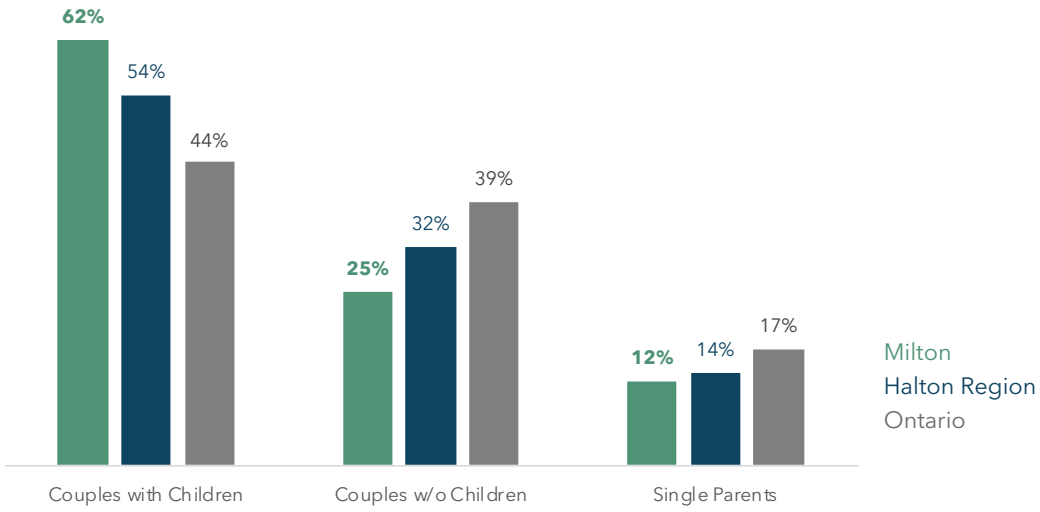
Family Profile

Figure 3.4 identifies that:

- Milton is home to a **higher proportion of couples with children** than the Region and Province.
- The Town contains a notably lower proportion of single parents than the Province, and a slightly lower proportion of single parents that the Region.
- Halton Region, and to a greater extent the Province, feature a much higher proportion of couples without children than the Town of Milton. Combined with age composition identified above, the Town appears to be home to **notable amount of young families** and a smaller amount of empty nesters and retirees.

Figure 3.4

Family Characteristics

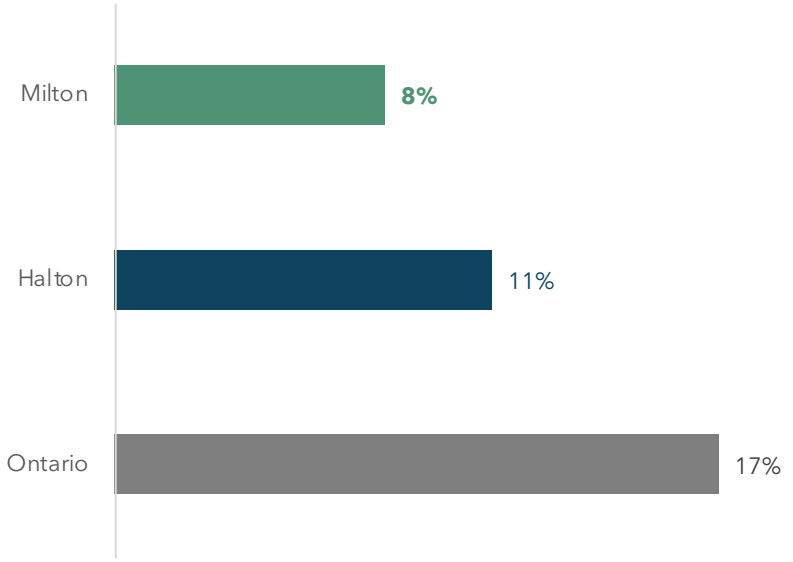


Source: Parcel based on 2021 Statistics Canada Census data.

Halton Region and the Province also contain a higher share of single person than Milton. In fact, less than one in ten residents in Milton are single, validating the **predominance of families** residing in the Study Area. This is favourable to demand for retail / service commercial uses in the area, as single persons typically have lower household incomes simply due by virtue of only one person earning an income as opposed to two.

Figure 3.5

Persons Not in a Census Family (Single-Persons)



Source: Parcel based on 2021 Statistics Canada Census data.

4.0

Commercial Inventory

4.1 Existing Commercial Space

A review of the existing and potentially competitive retail and service facilities surrounding the subject lands is key to understanding what commercial roles and functions are currently provided for residents and visitors to the Study Area.

To this end, a desktop inventory of all existing retail / service commercial space across the Study Area was conducted by Parcel in September 2025. This inventory includes all retail stores and service-based commercial facilities, specifically:

- **Food Retail Stores:** Inclusive of Supermarkets & Grocery Stores, and Other Food Retail Stores (e.g., Convenience & Specialty Food Stores (e.g., baked goods stores, butchers etc.) and Beer, Wine & Liquor Stores).
- **Non-Food Retail Stores:** Health & Personal Care Stores (e.g., pharmacies etc.), General Merchandise stores (e.g., dollar stores, Canadian Tires, etc.), Clothing & Accessory stores, Furniture & Electronic stores, and Building & Outdoor Home Supply stores.
- **Services:** Financial Institutions, Health services, Personal Care services (e.g., hair salons, nail salons etc.), Food services (e.g., restaurants, fast-food etc.), Other Professional & Educational services.

Existing Space (Total)

Figure 4.1 summarizes the results of our inventory. As shown, the Study Area currently contains approximately **3.7 million square feet** of retail / service commercial space, including:

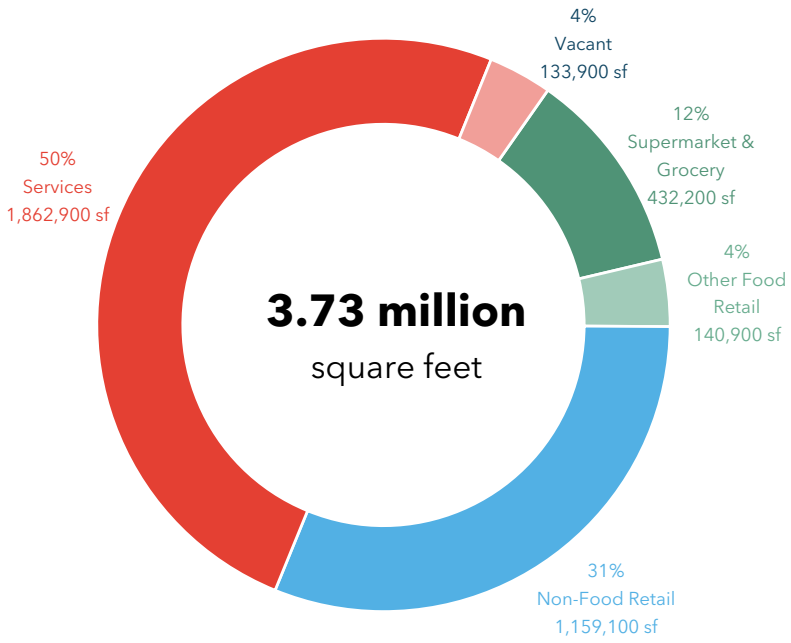
- **573,100 square feet** of Food Retail Store space, including 432,200 square feet of Supermarket and Grocery store space and 140,900 square feet of Other Food Retail space;
- **1,159,100 square feet** of Non-Food Retail Store space; and

- **1,862,900 square feet** of Services space.

There is also 133,900 square feet of vacant retail / service commercial space, representing nearly 4% of all retail / service commercial space in the Study Area. This can be considered on the lower end of a healthy vacancy rate range, which typically falls between 4 – 6% (depending on the context and location). Lower vacancy could be an indicator of unmet demand in the area, however it could also reflect or be adjusted based on forthcoming development applications across the Town.

Figure 4.1

Existing Study Area Inventory



Source: Parcel based on desktop inventory completed in September 2025.

Parallel Retail Analysis: Town-Wide Retail Commercial Needs Study

Tate Research ("TR") was retained by the Town of Milton to conduct a Town-wide Retail Commercial Needs Study in 2025. Consistent with above, TR completed a retail/service commercial space inventory that estimated the total supply of space across the Town. Recognizing this context and similarity in the time this work was completed, we have compared our inventory and analysis against the work completed for the Town to ensure that the findings and conclusions of each are in alignment and do not contradict one another.

At a high-level, differences in estimates of the Town's existing retail / service commercial supply are to be expected. What is more important, is the amount or breakdown of space, and/or how existing space impacts the need for new space across the Town going forward. Of particular importance to this analysis is the quantum of Supermarket and Grocery store space identified in the Town. Based on our review, these two estimates differ by just 5%, which in our opinion represents an acceptable degree of variability for this type of analysis.

Food Retail Space

Given the focus of this Retail Study to determine the need and potential impact of a new food store on the subject lands, Parcel has provided more specific detail on the existing supply of Food Retail stores in the Study Area as of September 2025. This includes a specific examination of Supermarket and Grocery stores.

Supermarket & Grocery Stores

Parcel has identified the existing supply of Supermarket and Grocery stores in Milton to determine the extent by which the needs of current and future residents can be met by existing stores in the Town.

Currently, the Town of Milton contains **432,200 square feet of Supermarket and Grocery** store space as shown and detailed in Figure 4.2. Specifically, our review identified 13 Supermarket and Grocery stores in Milton,

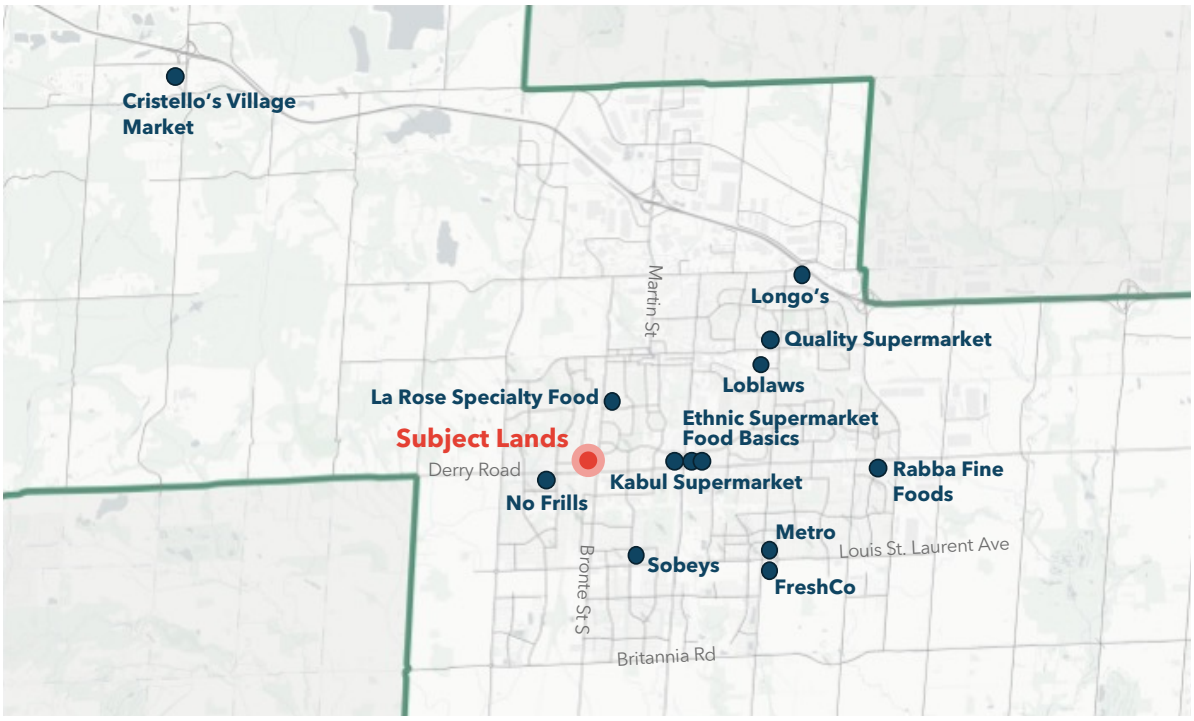
including: Longo's, Metro, FreshCo, Food Basics, Sobeys, Loblaw Superstore, No Frills and six smaller independent grocery stores[2]. The FreshCo at 9060 Louis St. Laurent Avenue is the newest store to open in Milton.

Our review also identified that these stores average 33,000 square feet. The largest store in Milton is the Loblaws Real Canadian Superstore at 117,600 square feet. This compares to many of the smaller independent grocery stores, which track smaller at around 6,000 square feet.

[2] Identified Supermarket and Grocery stores in Milton excludes the food store component of Wal-Mart as retail sales associated with this store are not captured under Supermarket & Grocery store sales. As a department store, sales affiliated with Wal-Mart are captured under General Merchandise. To maintain consistency in our market analysis herein, Wal-Mart has therefore been excluded from our Supermarket & Grocery demand assessment.

Figure 4.2

Existing Supermarket & Grocery Stores in Milton



Store	Address	Square Footage
No Frills	6520 Derry Road	30,300 sf
Sobeys	1035 Bronte St. S	59,300 sf
FreshCo	9060 Louis St. Laurent Ave	47,400 sf
Metro	1050 Kennedy Circle	53,800 sf
Loblaws Real Canadian Superstore	820 Main St E	117,600 sf
Longo's	1079 Maple Ave	55,000 sf
Food Basics	500 Laurier Ave	30,400 sf
Ethnic Supermarket	575 Ontario St S	14,200 sf
Rabba Fine Foods	10220 Derry Rd	3,500 sf
Quality Supermarket	18 Thompson Rd N	2,900 sf
Cristellos Village Market	35 Crawford Cres	4,600 sf
Kabul Supermarket	550 Ontario St	3,800 sf
La Rose Specialty Food	327 Bronte St S	9,400 sf

Source: Parcel based on inventory completed in September 2025. Rounded to the nearest 100 square feet. The square footage for the Loblaws Superstore excludes some 18,100 square feet of mezzanine space.

Based on the current population of 152,800 and the existing supply of Supermarket and Grocery store space at 432,200 square feet, there is estimated to be 2.8 square feet of Supermarket and Grocery store space per capita in Milton. Based on our professional experience across other equivalent retail / service commercial inventories across Southern Ontario, it is common for Supermarket and Grocery store space to be supplied at around 3.5 square feet of Supermarket and Grocery store space per capita.

Recognizing this trend, it is possible that **residents of Milton are currently underserved** today and that there could already be demand for additional Supermarket and Grocery store space in the Study Area.

Other Food Retail Stores

Parcel has also identified 140,900 square feet of additional Other Food Retail store space in the Study Area. This includes speciality food stores (e.g., bakeries, butchers etc.), convenience stores and beer, wine and liquor stores.

4.2 Proposed Commercial Space

Parcel has also gathered information on any planned / proposed commercial developments in Milton for an improved understanding of the competitive influences that could impact available market support and the need for new retail / service commercial space, including a new food store, in the Study Area. Applications identified herein represent the most current and up to date information available in September 2025, as confirmed with planning staff at the Town of Milton.

Proposed Space (Total)

Based on available municipal information, Parcel has identified that there is approximately **341,800 square feet of new retail / service commercial space** under application in Milton, as shown in Figure 4.3.

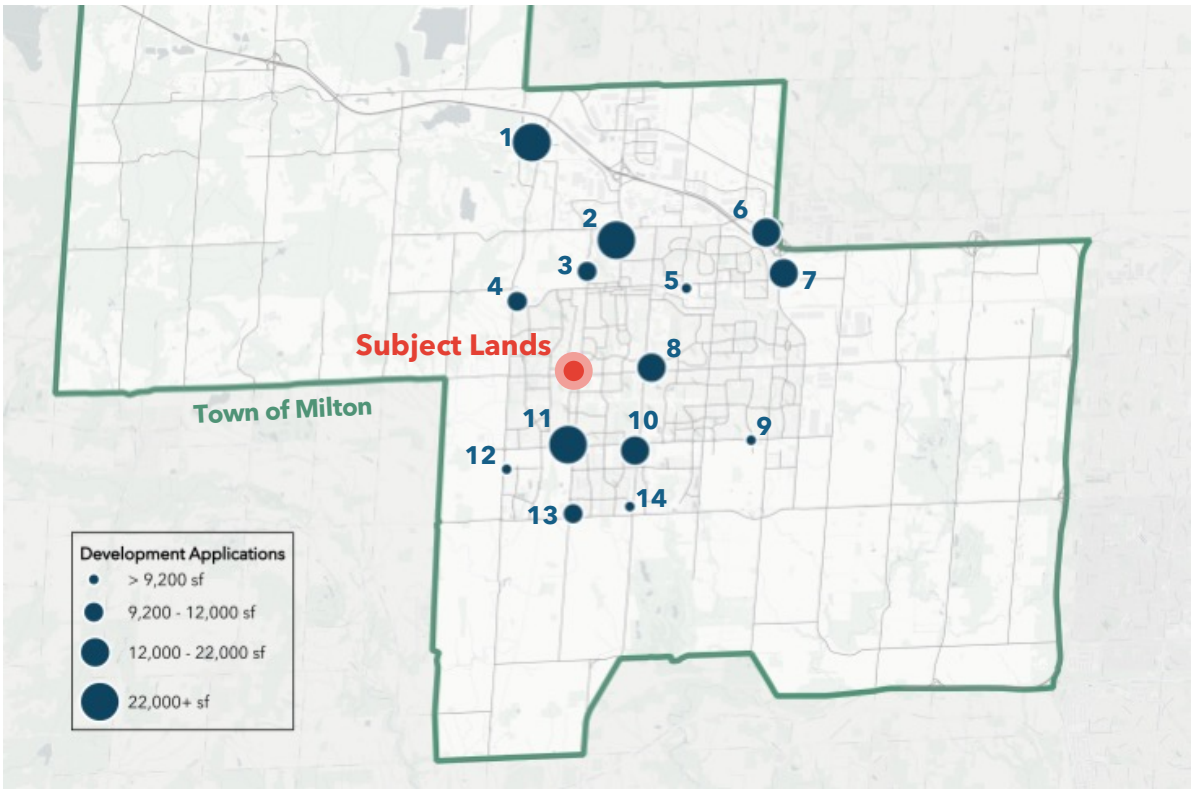
This excludes four applications related to, or affiliated with, a new or expanded gas station or car wash[3]. Existing applications identified in Figure 4.3 also exclude any pre-consultation applications that have yet to determine the size or scale of commercial development on-site[4].

[3] These applications include: a truck gas station proposed at 7443 Trafalgar Road with an unknown square footage; a gas station and car wash (16,000 sf) at Tremaine Road and 3 Sideroad; a gas station and convenience store (5,300 sf) at 6781 Trafalgar Road; and a car wash and oil change store at 6712 Fifth Lane with an unknown square footage.

[4] This includes a potential car repair shop at 141 Chisholm Drive, a Business Park Block at New Tremaine Road and 3 Side Road, and potential commercial development anticipated as part of Remington North and Remington South.

Figure 4.3

Proposed New Commercial Space in Milton



ID	Address	Sq. Ft
1	Milton Meadows - Block 86.	30,000
2	150 Steeles Ave E, 248, 250 & 314 Martin St	37,600
3	28, 60 & 104 Bronte St N	11,400
4	7419 Tremaine Rd	10,000
5	700 & 706 Main St E	5,400
6	1220-1290 Steeles Ave E	13,200
7	51 James Snow Pkwy	21,400
8	550 Ontario St. S.	21,900
9	SW Corner Louis St. Laurent & Ferguson	4,800
10	6360 Regional Rd 25	12,400
11	1090 Bronte St S	150,200
12	SE Corner Gordon Krantz Ave & Tremaine Rd	9,100
13	1572, 1582, 1592, 1620, 1612 Chretien St	9,500
14	6096-6110 Regional Rd. 25.	4,900
Total		**341,800**

Source: Parcel based on data available through the Town of Milton in September 2025. Rounded to the nearest 100 square feet.

Proposed Supermarket & Grocery Store Space

In conjunction with above, Parcel has also reviewed existing applications to determine if there are any other applications that intend to, or could potentially, introduce new Supermarket and Grocery store space, similar to what is being proposed on the subject lands.

Based on our review, there is only one application in the development pipeline that proposes or could introduce new Supermarket and Grocery store space. The development at 1090 Bronte Street South (the southwest corner of Bronte St S & Louis St. Laurent Ave) is planned to include **a new 6,345 square metre (68,300 square foot) Fortino's supermarket**. This development is located some 1.5 kilometers south of the subject lands, directly abutting the 40 acre area being planned and developed by Fieldgate with a mix of residential townhomes and medium density apartments.

Previously there was an application at the southwest corner of Bronte and Louis St. Laurent Avenue for a range of retail / service commercial uses, including a supermarket anchor. However, based on discussions with staff at the Town of Milton, this application no longer has proposal status and it is unknown if it is proceeding with the same format in the future. As a result, Parcel has not included this development as an active application, nor considered it as a potential future Supermarket and Grocery store space.

New Supermarket and Grocery store space on Bronte Steet, in addition to that proposed on the subject lands, represent the only new Supermarket and Grocery store space currently proposed in Milton. Collectively, this includes 99,700 square feet of new Supermarket and Grocery space.[5]

[5] In the unlikely event that the second floor of the two-storey building envisioned on the subject lands is occupied by a food store, this would increase total proposed supermarket and grocery store space to approximately 138,500 square feet.

5.0

Market Assessment

5.1 Food Retail Stores

Relying on research and other statistical inputs gathered, we have undertaken a detailed expenditure-based market demand analysis for new Food Retail store space. This includes new Supermarket and Grocery store space in addition to Other Food Retail store space (e.g., convenience and specialty food stores), specific to the Town of Milton. This detailed analysis has been conducted for these categories, to support the introduction of a food store at this location.

Supermarket & Grocery Stores

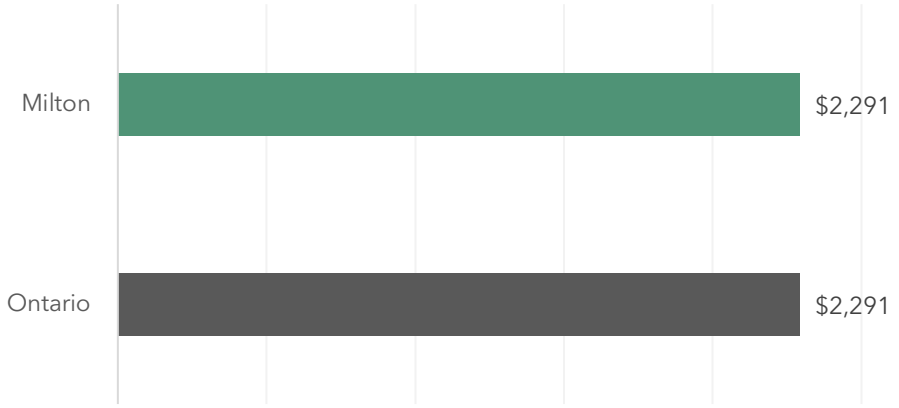
Expenditure Potential

In 2024, the average Ontarian spent approximately $2,300 at Supermarket and Grocery stores. Food spending is relatively inelastic, meaning that spending does not necessarily change with income to the same degree as with other retail categories. This is likely related—in part—to the fact that higher income individuals are more likely to spend more money on food services (i.e., restaurants) as opposed to spending significantly more at grocery stores.

Recognizing Milton resident' per capita income relationship to the provincial average (as illustrated in Figure 3.2) and based on a regression analysis of Ontario household spending by income quartile, there has been minimal adjustment in Milton residents' Supermarket and Grocery store spending relative to the Provincial average, as shown in Figure 5.1.

Figure 5.1

Supermarket & Grocery Store Spending



Source: Parcel, based on the population of Milton, Statistics Canada Retail Trade (20-10-0008-01) and Household Spending by Household Income Quintile (11-10-0223-01) data. Includes an adjustment for e-commerce spending at 4.1%.

Based on the Supermarket and Grocery store spending in Figure 5.1 and the 2024 population in Figure 3.1, we estimate that residents of Milton in 2024 spent $345.1 million dollars at Supermarket and Grocery stores. Approximately $258.8 million (75%) of which was spent at Supermarket and Grocery stores in Milton.

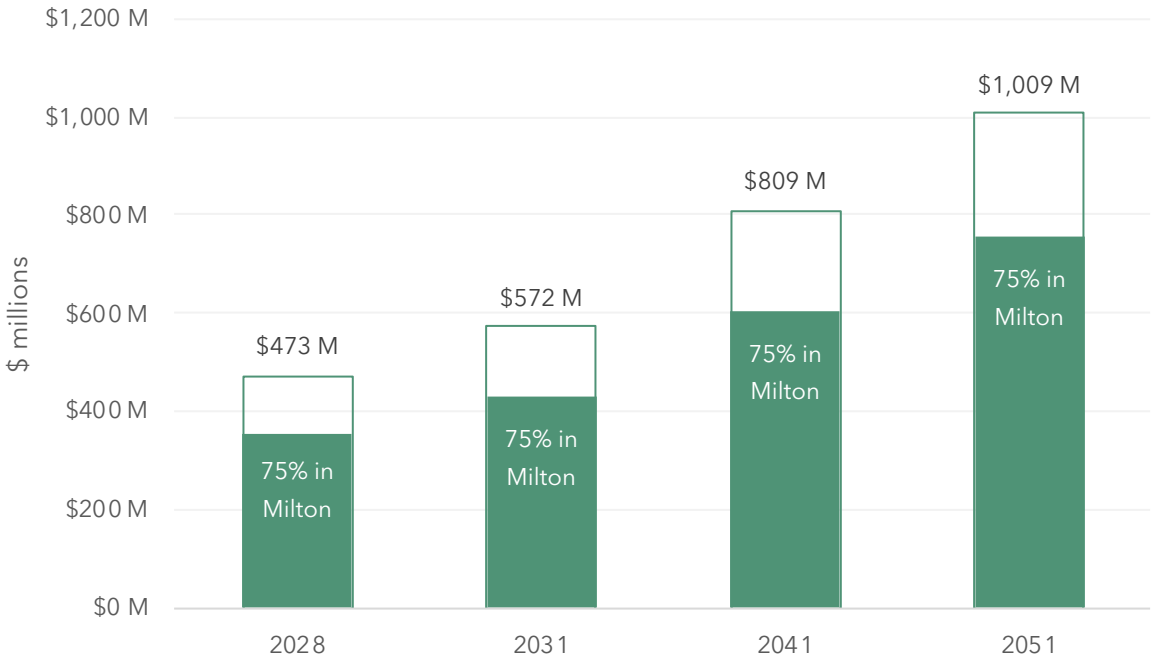
Local Market Capture

The portion or market capture relied upon for this analysis is based on a range of factors including typical consumer spending patterns for various types of goods and services, transportation and access, and other opportunities available in other nearby markets (including Oakville and Mississauga).

Figure 5.2 forecasts the expected growth in Supermarket and Grocery store expenditures across Milton to 2051. We have assumed that going forward, the Town will continue to capture 75% of residents' Supermarket and Grocery store spending. In our opinion, this is a conservative assumption recognizing the introduction of new space anticipated in Milton over this period.

Figure 5.2

Forecast Supermarket & Grocery Store Spending



Source: Parcel based on population forecasts in Figure 3.1, Supermarket and Grocery store spending in Figure 5.1 and estimates of capture and inflow rates.

Inflow Sales

As previously summarized, Parcel analyzed customer origins to existing food stores in Milton to better understand residents shopping patterns. This was in addition to an examination of existing customer origins to the subject lands. Part of the reason for this assessment was to understand the impact of inflow (i.e., customers who live outside the Town of Milton) on existing Supermarket and Grocery stores operating in the area.

Inflow is another factor that will influence demand for the proposed development, in addition to any other application proposing retail / service commercial space in Milton. This includes demand affiliated with visitors of the Study Area, including people who work in Milton but live elsewhere, in addition to demand generated by tourists and other visitors. Based on this assessment, it was identified that approximately 20% of visits to select food stores in Milton, including one near the subject lands, were affiliated with people residing outside the Town (see Figure 2.5).

In addition to our mobile analytics assessment, inflow estimates are also informed by our own evaluation of Supermarket and Grocery stores in Milton, in addition to those located elsewhere (including Oakville and Mississauga). This includes consideration of the size, amount and location of existing offerings in the Study Area.

Based on this approach, our analysis conservatively estimates that 15% of Supermarket and Grocery store sales are from residents outside the Study Area.

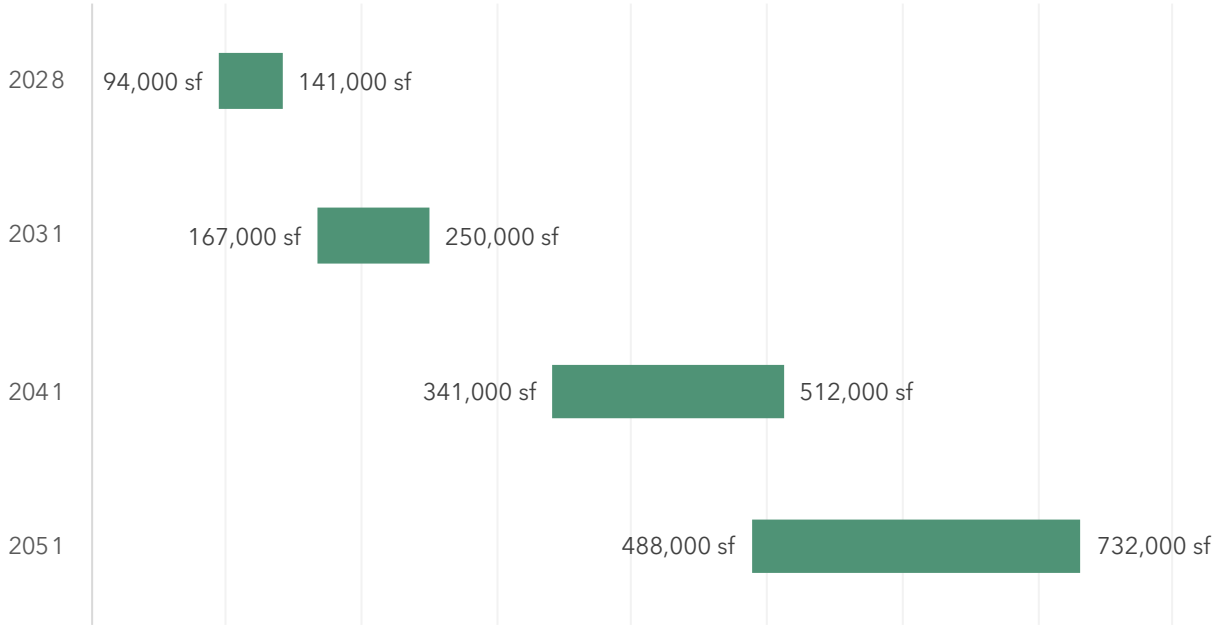
Warranted Space

As a result, when combining both the estimated market capture of local resident spending and inflow sales from other visitors, it is estimated that currently existing Supermarkets and Grocery stores in the Study Area achieve an average sales performance level of $705 per square foot.

Holding inflow constant over the forecast period and based on similar sales per square foot performance levels for the subject development, we estimate that **between 94,000 and 141,000 square feet of additional Supermarket and Grocery store space could be supported in Milton by 2028** the year the food store on the subject lands is estimated to open. This is anticipated to increase to between 167,000 and 250,000 square feet of space by Milton by 2031. By 2051, upwards of 488,000 square feet of additional Supermarket and Grocery store will be warranted as detailed in Figure 5.3.

Figure 5.3

Forecast Demand for Additional Supermarket & Grocery Store Space, 2028 – 2051



Source: Parcel.

Potential Sales Impact

Recognizing that an important part of this study is to determine the potential impact, if any, that the proposed supermarket store could have on existing and other new supermarkets in the Study Area, Parcel has also prepared a sales impact (transfer) analysis to better understand the potential impact that the proposed food store on the subject lands could have on existing Supermarket and Grocery stores operating in the Study Area.

This impact assessment is important in identifying if the proposed food store will impact the function of existing and/or proposed Supermarket and Grocery stores in the Study Area.

This accompanying assessment has also considered the introduction—and potential impact—of the other 68,300 square foot food store proposed in the Study Area. In conducting this assessment it was determined that:

- The introduction of a new 31,400 square foot supermarket on the subject lands, in addition to a potential new 68,300 square foot store at 1090 Bronte Street South, is **not expected to reduce the store performance of existing Supermarket and Grocery stores in Milton** in 2028, the anticipated first year of operation for both stores. Specifically, our analysis indicates that notwithstanding the potential entrance of these two new stores, existing stores are actually expected to see an increase in store performance to $759 per square foot by 2028, up from the current 2024 performance level of $705 per square foot. By 2031, existing sales performance levels are expected to have increased even further, forecast at nearly $940 or 33% above existing store performance levels (see Figure 5.4). This dynamic is only further evident over the longer term to 2041 and beyond.[6]

- This dynamic is largely because the sales volume available from Study Area residents going forward far exceeds what is required to support the development of these new food stores. It is also influenced by significant population growth anticipated for Milton over the forecast period, in addition to the existing undersupply of supermarket space in Milton on a per capita basis.

Figure 5.4

Anticipated Impact of New Supermarket & Grocery Stores, 2028 – 2051

	Residual Demand from 2024	Change in Existing Stores Sales / SF from 2024	
		% Change	Sales / SF
… in 2028	$19.9	8%	$759
… in 2031	$85.5	33%	$938
… in 2041	$254.6	98%	$1,398
… in 2051	$395.8	153%	$1,783

	Residual Demand from 2024	Change in Existing Stores Sales / SF from 2024	
		% Change	Sales / SF
… in 2028	($9.9)	-4%	$678
… in 2031	$52.4	20%	$848
… in 2041	$218.3	84%	$1,299
… in 2051	$356.2	138%	$1,675

Source: Parcel.

[6] If the second floor of the two-storey building proposed on the subject lands is also occupied by supermarket space, the amount of supermarket space on the subject lands could increase to some 6,526 square metres (70,250 square feet). This would also increase the total supermarket space under application in Milton to 12,871 square metres (138,550 square feet). In this unlikely scenario, a minor reduction in the store performance of existing supermarkets could be expected (a reduction of 4%) in 2028. That said, the store performance of existing and new supermarkets is anticipated to have fully recovered in 2031, with an increase in store performance to $848 per square foot, or a 20% increase from existing store performance levels.

Other Food Retail Stores

Expenditure Potential

The average Ontarian spent approximately $1,050 at Other Food Retail stores in 2024, including convenience and specialty food stores and beer, wine and liquor stores. Consistent with Supermarket and Grocery store spending, spending at Other Food Retail stores is relatively inelastic, meaning that spending does not necessarily rise with income. As a result, and due to the similarity between Milton residents' per capita income relationship to the provincial average, the regression analysis of Ontario household spending by income quartile has minimal impact on Milton residents' Other Food Retail store spending as shown in Figure 5.5.

Figure 5.5

Other Food Retail Store Spending



Source: Parcel, based on the population of Milton, Statistics Canada Retail Trade (20-10-0008-01) and Household Spending by Household Income Quintile (11-10-0223-01) data. Includes an adjustment for e-commerce spending at 4.1%.

Based on Other Food Retail store spending in Figure 5.5 and the 2024 population in Figure 3.1, we estimate that residents of Milton in 2024 spent $158.2 million dollars at Other Food Retail stores. Approximately $87.0, or 55% of which, was estimated to be spent at Other Food Retail stores in Milton.

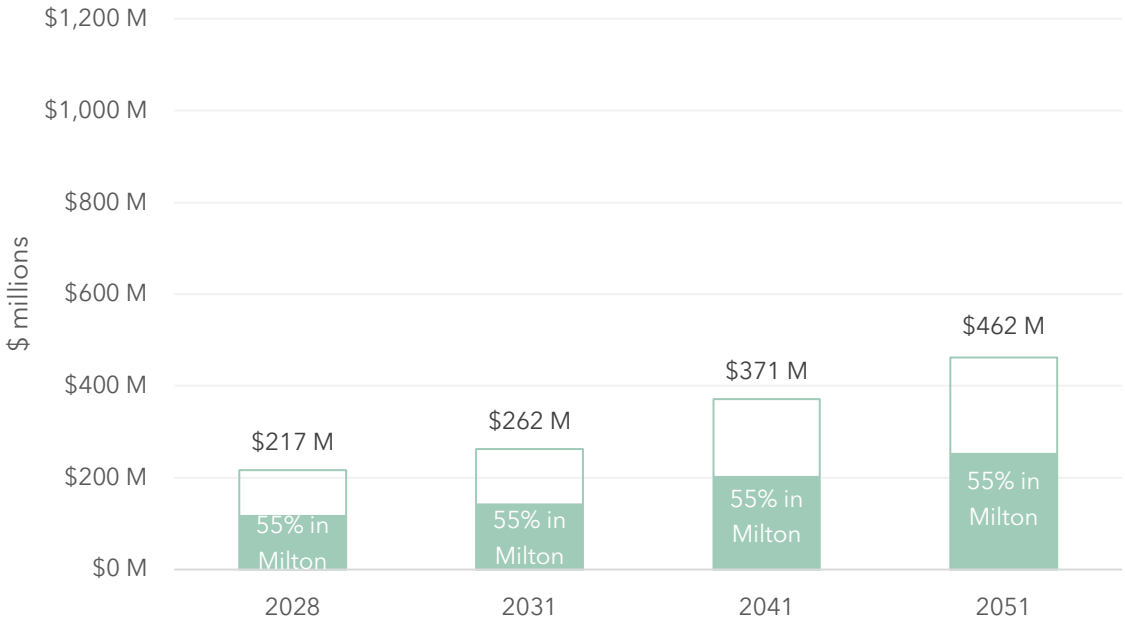
Market Capture

The portion or market capture relied upon for this analysis is based on a range of factors including typical consumer spending patterns for various types of goods and services, transportation and access, and other opportunities available in other nearby markets. Figure 5.6 forecasts the expected growth in Other Food Store expenditures

across Milton to 2051. We have assumed that going forward, the Town will continue to capture 55% of residents Other Food Retail store spending.

Figure 5.6

Other Food Retail Store Spending



Source: Parcel based on population forecasts in Figure 3.1, Other Food Retail store spending in Figure 5.5 and estimates of capture and inflow rates.

Inflow Sales

Our examination of customer origins to plazas in Milton included locations that had Food Retail stores, including Supermarket and Grocery Stores, in addition to Other Food Retail stores (i.e., convenience and/or speciality food stores, and beer, wine and liquor stores). As a result, we have also relied on this customer origins analysis to help inform our estimates of inflow (i.e., customers who live outside the Town of Milton) on Other Food Retail stores operating in the Study Area today, and going forward. We have also considered the broader distribution, location and availability of Other Food Retail stores in Milton and surrounding markets, as applicable.

Estimating that 10% of Other Food Retail store sales are from residents living outside the Study Area, it is estimated that existing Other Food Retail stores in Milton currently achieve and average sales performance level of nearly $690 per square foot. This sales performance level may appear low but is likely related to the composition of Other Food Retail store tenants currently operating in the area, including a predominance of convenience stores and

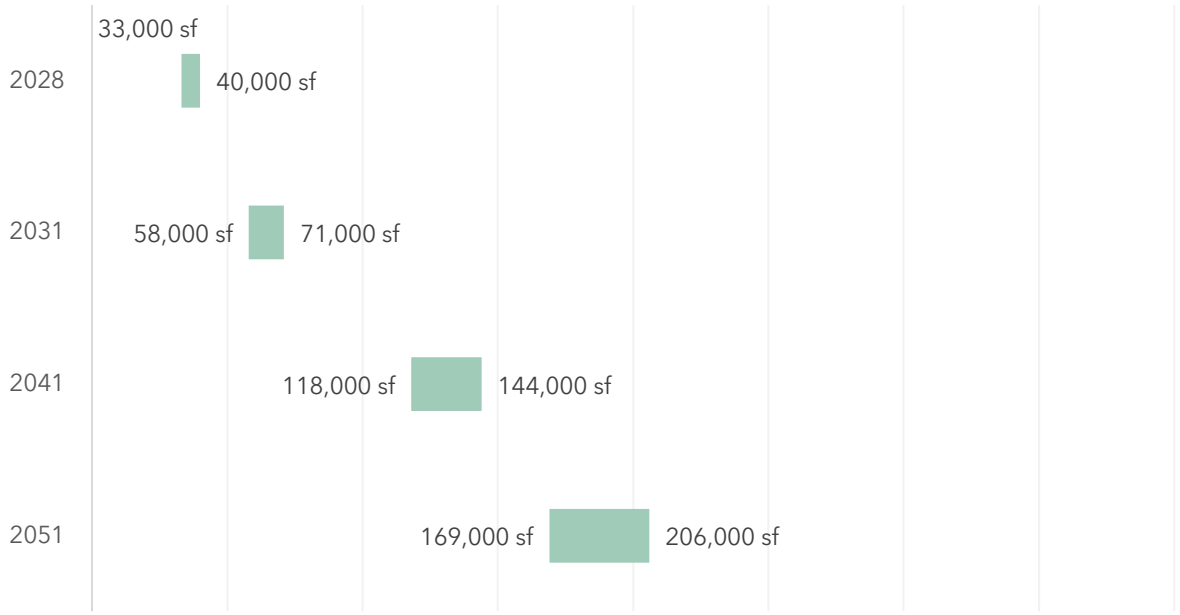
privately owned food markets. There is a comparably small share of specialty food stores—including meat shops, baked goods stores, and confectionary and nut stores—which typically attain higher sales per square foot levels.

Warranted Space

Holding inflow constant over the forecast period, we estimate that between 33,000 and 40,000 square feet of additional Other Food Retail store space could be supported in Milton by 2028, the anticipated year additional retail / service commercial space on the subject lands will open. By 2031, this is estimated to increase to between 58,000 and 71,000 square feet of additional Other Food Retail store space by 2031. By 2051, upwards of 169,000 square feet of additional Other Food Retail store space could be warranted as detailed in Figure 5.3.

Figure 5.7

Forecast Demand for Additional Other Food Retail Store Space, 2028 – 2051



Source: Parcel.

5.2 Non-Food Retail & Services

Parcel has forecast demand for Non-Food Retail and Services space in Milton using a slightly different per capita approach. Our extensive experience inventorying commercial space in communities across Southern Ontario has yielded a typical amount of Non-Food Retail and Service Commercial store space that can be estimated or expressed on a per capita basis. This 'per capita' approach has been used to estimate the amount of additional Non-Food Retail and Service Commercial space warranted in the Study Area over the forecast period, and based on our inventory in Figure 4.1.

Below we have summarized our assessment of current Non-Food Retail and Service Commercial space requirements in the Study Area, based on the current population of 152,800 persons. This assessment has relied on the underlying assumption that every resident requires approximately 18.0 square feet of non-food retail space per capita and around 17.0 square feet of service commercial space per capita. These assumptions are based on the full spectrum of stores typically included in these categories (i.e., including larger format space uses in addition to those more conducive to smaller unit sizes and/or mixed-use development formats).

Parcel has intentionally included all categories to estimate the full range or maximum amount of space that could be supported by the Study Area over the forecast period. Realistic assumptions with respect to likely market captures and inflow have also been included. These assumptions vary by retail and service store category to reflect differences in shopping patterns across various store types.

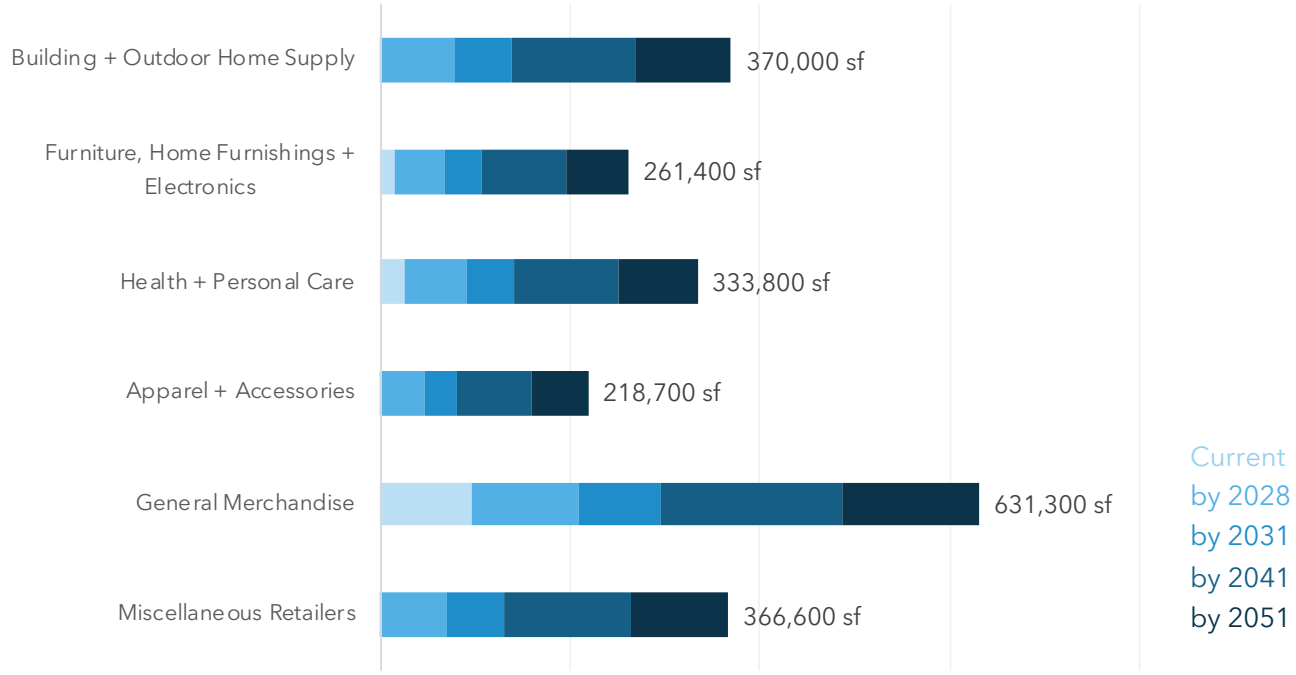
Non-Food Retail

In estimating the potential additional of Non-Food Retail store space required in the Study Area over the forecast period, it appears that a number of store categories warrant additional space even in our base year of 2024, increasing in-line with population growth anticipated in the Study Area to 2051. Currently, it appears that Building and Outdoor Home Supply, Apparel and Accessories, and Miscellaneous Retail stores are balanced or slightly over-stored, while Furniture and Electronics, Health and Personal Care and General Merchandise stores are under-stored. By 2051, **all Non-Food store space categories are anticipated to need a significant amount of new space** as shown in Figure 5.8.

By 2028, we estimate that Study Area residents could potentially support 561,000 square feet of additional Non-Food Retail space, increasing to 2.18 million square feet by 2051. The proposed expansion of retail uses on the **subject lands would contribute to supporting anticipated demand affiliated with population growth** in the Study Area.

Figure 5.8

Additional Non-Food Retail Store Space



Source: Parcel.

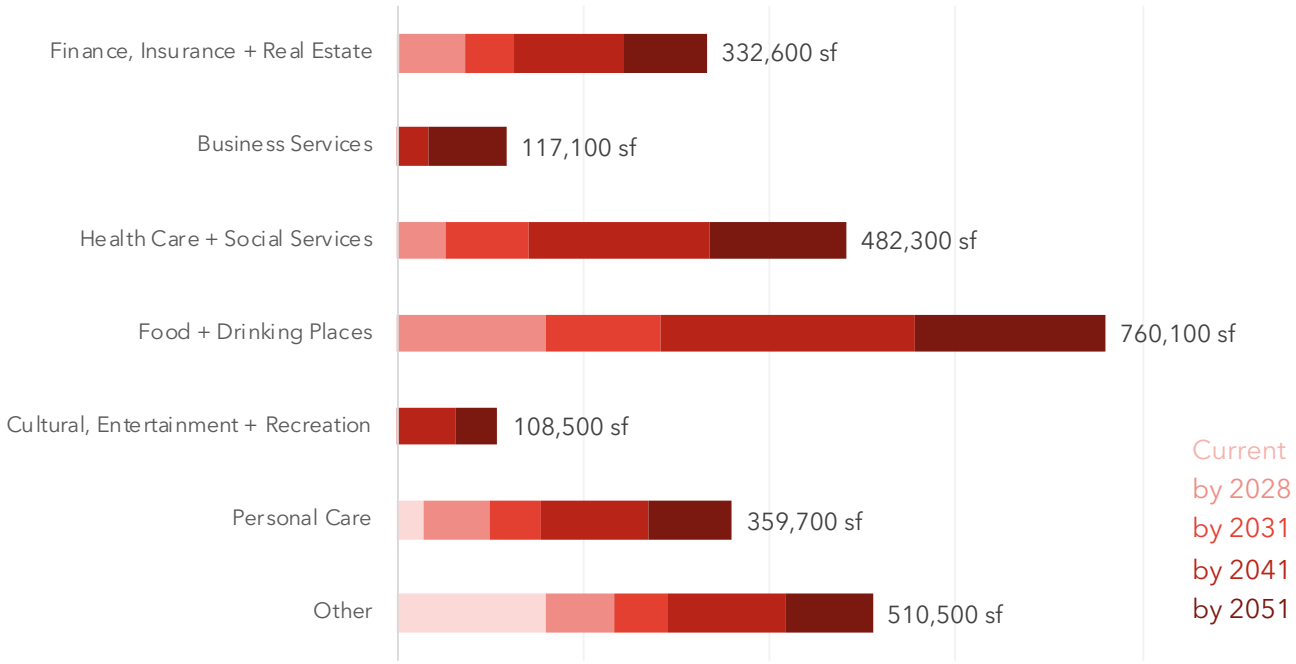
Services

In estimating the potential additional service commercial space required over the forecast period, it similarly appears that select store categories warrant additional space as of 2024, increasing in-line with population growth anticipated in the Study Area to 2051. Business Services, Health Care and Social Services, Food and Drinking Places, and Cultural, Entertainment and Recreation appear to be overstored today but, like all other Service categories, are estimated to require new space by 2051 as shown in Figure 5.9.

By 2028, we estimate that Study Area residents could potentially support 469,700 square feet of additional service commercial space, increasing to 2.67 million square feet of additional space by 2051. The proposed expansion of commercial space on the subject lands could accommodate some of this anticipated demand.

Figure 5.9

Additional Service Commercial Space



Source: Parcel.
Business Services includes: Professional + Scientific Services; Selected Office Administrative Services; Selected Educational Services.
Other includes: Consumer Goods Rental; Personal + Household Goods Repair + Maintenance; Selected Civic + Social Organizations; Transportation.

5.3 Summary

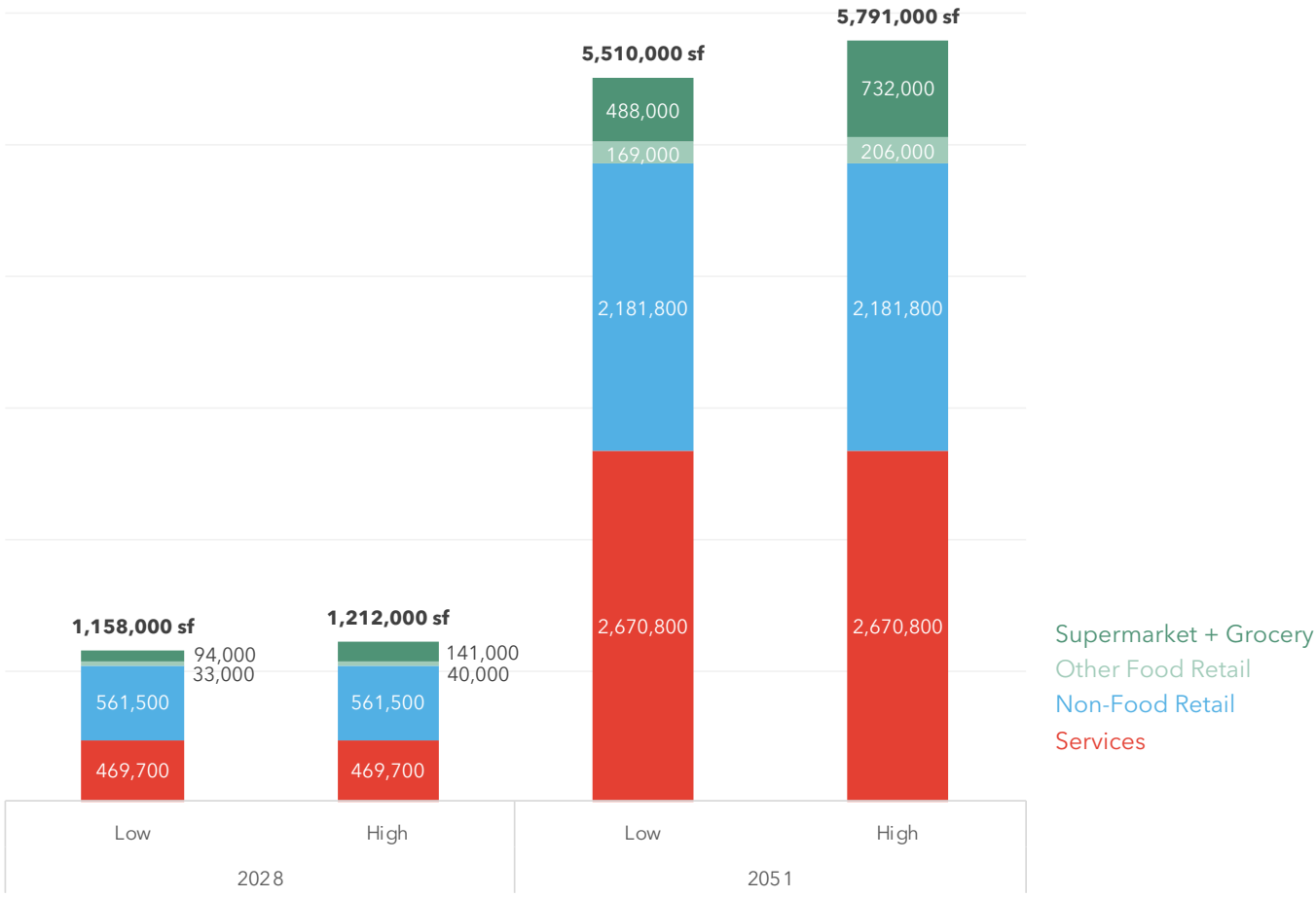
Part 1: Demand Summary

Aggregating the distinct analyses by store category above, we estimate that Milton could support approximately **1.2 million square feet of additional retail / service commercial space** by 2028. Subject to future changes to existing applications in the development pipeline or the addition of new applications proposing to include retail / service commercial space, existing applications (some 341,800 square feet) have the potential to account for between 28% and 30% of the space warranted by Study Area residents.

By 2051, Study Area residents could support between **5.5 million square feet and 5.8 million square feet of additional retail/service commercial space in the Study Area.** Existing applications could consume approximately 6% of this space if all applications fruition as currently proposed. This would reduce the 2051 net new space required to between 5.2 million square feet and 5.4 million square feet.

Figure 5.10

Total Space Warranted in Milton, 2031 & 2051



Source: Parcel.

Parallel Retail Analysis: Town-Wide Retail Commercial Needs Study

The reporting and analysis completed as part of the Town-wide Retail Commercial Needs Study in 2025 identified the quantum of retail / service commercial space that could be required across the Town in 2051. Forecasts included as part of the Town-Wide study anticipate a need for slightly less new retail / service commercial space in Milton by 2051 when compared to the analysis included in this Retail Study. However, based on our review, this is likely due to: (i) differences in the current supply of retail / service commercial space identified in each of the Parcel and TR analyses; and, (ii) variability in the assumed store performance levels across each category today and going forward. This is even more likely given that other analytical assumptions—including current and future capture and inflow rates—are comparable across each analysis.

Either way, **both analyses and reports identify the need for a significant amount and diversity of space across the Town of Milton to 2051**. This includes a need for significant amount of new supermarket and grocery store space. Furthermore, both studies identify that existing residents are underserved on a per capita level, thereby suggesting that additional space on the subject lands is both warranted and likely needed to support population growth across the Town to 2051.

Part 2: Impact Summary

Based on the forecast demand conditions—or commercial "needs"—of the Study Area, the proposed development is not anticipated to result in any undue impacts to existing or proposed commercial uses in Milton.

The following provides a brief summary of our key research observations in this regard:

- The subject lands propose to expand by approximately 8,050 square metres (86,645 square feet) of retail / service commercial space. This includes one building that proposes to include 826 square metres (8,893 square feet) distributed between multiple retail units. It also includes a second building that contains 3,612

square metres (38,885 square feet), including 2,915 square metres (31,381 square feet) of new space for a food store and 557 square metres (5,991 square feet) of new space on the ground floor that could support a range of uses. An additional 3,611 square metres (38,867 square feet) of retail / service commercial space is planned as part of the second floor of this building. This space could be used as additional food store space and/or as space for other retail / service commercial uses.

- Recognizing the existing function of the subject lands as a retail hub, the proposed expansion will **enhance local retail amenities**, at a location already established for retail purposes. Simultaneously, it could help **enhance the diversity of retail uses in the area, without having any impact** on other existing or proposed commercial facilities in the area from the perspective of competition or potential "sales transfer".

- Based on the analysis above, there appears to be **demand for a significant / meaningful expansion of the Town's retail / service commercial supply**, both currently and into the future. In fact, it is our opinion that the Study Area is underserved across a number and range of store categories today, as evidenced by our inventory and demand assessment. This furthers the need for the proposed space on the subject lands.

- There is an identified need for the food store space being planned for the subject lands. While there are a number of Supermarket and Grocery stores across Milton today, it is estimated that **residents could already benefit from an expanded supply of Supermarket and Grocery store space** today. Further, significant population growth in the Study Area is anticipated to further this need. The proposed food store on the subject lands is well positioned to support population growth, particularly given substantial residential development evolving just south of the subject lands at Louis St. Laurent Avenue and Bronte Street. It is also key given only one other new food store was identified across other existing applications in Milton.

- Parcel identified a range of proposals across the Study Area that propose to introduce varying amounts and types of retail / service commercial space. Collectively, existing proposals include approximately 341,800 square feet of new space. This means that existing applications could consume up to 30% of anticipated 2031 demand and just 6% of demand generated by Study Area residents to 2051. The proposed expansion on the **subject lands would provide additional and necessary support** to demand generated by Study Area residents.

Part 3: Other Considerations

As a parallel input to the foregoing analysis, we have also considered a range of retail market trends that could influence the need for commercial space at the subject lands longer-term. At a high-level, these trends include growth in e-commerce ("online shopping"), shifts in the composition of chains vs. independents, typical store sizes and formats, blurring of traditional merchandise and store categories, increased segmentation within the broader

commercial hierarchy (e.g., regional-serving / neighbourhood-scaled / main-street style nodes), growth in "experiential" and other non-traditional retail formats, among a range of other factors.

In the context of commercial development in Milton, these recent and potential future changes to macroeconomic conditions have caused:

- A reduction in the scale of commercial development at a "macro level" and on the basis of growth.
- Increased opportunity and need to **leverage the benefits of co-location / proximity to other existing and planned commercial nodes** in Milton.

On the basis of these trends, the results of our analysis reflects a gradual reduction in the amount of retail / service commercial space required on a per capita level. Notwithstanding this dynamic, significant new retail / service commercial supply is warranted across the Study Area over the forecast period, largely due to substantial population growth anticipated for Milton to 2051. In light of these trends, the proposed expansion of retail / service commercial uses on the subject lands represents a **prime and immediate opportunity to expand retail offerings at a prominent, well-located commercial site in Town**.

Further to above, retail development and acquisition is increasingly challenged by rising development costs, including record increases to hard construction costs as well as rising interest rate environments. Rising costs have caused additional uncertainty and risk, impacting the development of ground floor commercial units in mixed use buildings and standalone retail plazas.

Rising development costs suggest that the Town could be increasingly challenged to acquire meaningful commercial space going forward. It would therefore be valuable for the Town to support the proposed expansion of the subject lands, as it will both enhance their existing supply and diversify retail uses at a strategic and established commercial node.

6.0
Conclusions

Overall, it is our opinion that the subject lands represents an optimal location for the expansion of new retail / service commercial space—specifically a food store—largely due to the anticipated growth trajectory for Milton over the forecast period to 2051.

- First Capital—the owners of Derry Heights Plaza at 6091 – 6951 Derry Road in Milton—are proposing to expand the range of retail / service commercial spaces on the subject lands through the addition of two new buildings. This includes:
  - A 826 square metres (8,893 square feet) building, inclusive of multiple retail units.
  - The second building anticipates a two-storey structure, with 3,612 square metres (38,885 square feet) space, including a new food store of 2,915 square metres (31,381 square feet) and 557 square metres (5,991 square feet) of additional retail / service commercial space on the ground floor. The second floor includes an additional 3,611 square metres (38,867 square feet) of space that could ultimately be used as additional food store space and/or for a range of other retail / service commercial uses including a fitness gym.
- Like existing stores on the subject lands, the proposed uses would benefit from their proximity to highways, schools, parks, and existing and future residential uses. Access and exposure from key roadways in the Town will also enhance their attractiveness to residents, employees and visitors of the area. The proposed expansion aligns with the existing vision and format of development in this area, making it a **suitable, and potentially optimal location, for expanded retail uses**.
- The subject lands are designated *Office Employment* and are permitted to develop with a range of employment, office and service commercial uses. Permissions for the subject lands include identification of fitness centres and speciality food stores, which align with uses proposed on the subject lands. This Retail Study is required to **support the introduction of a new food store and other retail uses** on the subject lands and to support the removal of the current maximum gross floor area cap that is tied to these lands.
- The population of Milton is anticipated to grow significantly over the forecast period to 2051. By 2051, the Town is estimated to grow to 400,400 persons, which represents growth of 162% from Milton's current 2024 population. The analysis in this study identifies that there is not a sufficient supply of future retail /

service commercial space in Milton to accommodate forecast demand. Rather, population growth is anticipated to generate demand for upwards of 487,000 square feet of Supermarket and Grocery store space, and over 169,000 square feet of Other Food Retail store space by 2051. An additional 4.85 million square feet of new Non-Food Retail and Services space is also anticipated to be required. This includes demand and justification for the minimum 2,915 square metres (31,381 square feet) supermarket store that could be accommodate on the subject lands up to an unlikely maximum of 6,526 square metres (70,248 square feet). It also provides sufficient justification to substantiate the development of a range of other retail / service commercial space that could be accommodated as part of an expansion to the subject lands.

- Recognizing existing population growth, the supply of retail / service commercial space in Milton, existing trends and other applications involving new retail / service commercial space, new retail uses proposed as part of the expansion of the subject lands are **not anticipated to have any adverse impact** on the existing or planned function of other stores and services across Town. This includes consideration for the unlikely scenario that the food store develops across two floors on the subject lands for a combined 6,526 square metres (70,248 square feet). If this occurs, only a minor impact is anticipated across existing stores in the Town of Milton in 2028, will a full recovery expected by 2031. It is likely that the proposed expansion to the subject lands will provide a valuable increase to the supply of commercial uses in Milton, positioning the Town to better support population growth while also introducing range of retail uses—including a supermarket—that will complement existing offerings on the subject lands and elsewhere in the area.

Appendix:

Terms of Reference

Parcel

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Joshua Butcher
Senior Director, Development
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August 11, 2025

First Capital
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RE: Derry Heights Plaza, Milton – Retail Study Terms of Reference

Pursuant to our recent discussions with you and your planning consultants, Bousfields Inc. ("Bousfields), Parcel Economics Inc. ("Parcel") has been asked to prepare the following terms of reference for a *Retail Study*, which is to be included as one of the technical studies required in support of your proposed development at First Capital's Derry Heights property in the Town of Milton, Ontario.

Context

- First Capital is actively advancing Rezoning and Site Plan Approval applications to permit an expansion of their **Derry Heights** property, comprised of a range of new retail/service commercial uses. Based on our review of preliminary site plans / development concepts, this includes a proposed new food store anchor, among other selected retail/service uses.

- Following your Pre-Application Consulting (PAC) meeting with the Town, the municipality has requested that a **Retail Study** be prepared in support of your application to support the introduction of the commercial uses noted above. This would focus specifically on the introduction of a food store as a new permitted use on the property, as well as a removal of the current cap on total commercial floor area on the site to accommodate the additional retail/service commercial development.

- To address the municipality's requirement for this type of market study, the primary purpose of our supporting research and analysis will be to establish the current—and potential future—market conditions in the community, as well as to specifically gauge the extent to which the subject development could negatively impact the planned function of other commercial establishments in the area, if at all.

Scope

The following provides an overview of the specific work tasks that we intend to complete as part of our engagement.

Confirmation of Scope of Work

Based on our extensive experience preparing similar studies in municipalities across Canada, we trust that the following work plan will meet the core requirements of the Town, but we would nonetheless be happy to—and indeed encourage you to—confirm this work plan with municipal staff upon initiating our work program. Parcel is also happy to participate in direct discussions with municipal staff to confirm these parameters at the outset of our engagement.

As such, we further note that the exact work plan undertaken by Parcel will be subject to any further feedback from the Town, the broader project consulting team and/or First Capital in confirming this terms of reference.

- Participation in an **initial start-up meeting** with representatives of First Capital, other relevant project consultants (e.g., Bousfields) and municipal staff, as applicable.
- **Confirm the terms of reference** for this market assessment with municipal staff at the outset of our study, per above (including direct coordination via Bousfields).
- Review any **readily available background documents**, including previous planning rationales or existing market studies specific to the subject site / surrounding area, relevant municipal planning policy documents relating to current as-of-right permissions on the subject lands, as well as any community-wide strategies or plans specific to commercial development / economic development / complete communities, etc.
- Review **current conditions at the site** and evaluate the immediate surrounding area from a market perspective (e.g., physical and access characteristics, relationship with surrounding land uses, consideration for area's relationship with other settlement areas, etc.).

- Delineate a relevant **Study Area**—or "Trade Area"—representing the primary geography for which the existing and proposed new commercial uses at the site are expected to derive the majority of their sales volume.

- Establish current **demographic profile** for the predefined study area, plus identification of any available community-wide population / employment forecasts as a determinant of future commercial space "needs". This will also include a review of proposed residential developments in the community.

- Prepare a high-level inventory of **existing and proposed retail/service commercial uses** within the Study Area. This would primarily focus on a "desktop" inventory, supplemented with in-person fieldwork to validate our findings, where necessary – with a particular focus on food stores (supermarkets / grocery stores and other related specialty food establishments, etc.). We will also rely on available municipal development application statistics to identify potential future commercial space deliveries within the identified Study Area.

- Identify the **origins of existing customers** that visit commercial tenants operating at the existing Derry Heights property and/or other nearby commercial nodes, as well as provide our commentary as to how this is likely to change upon market entry of additional new commercial space on the site, as currently envisioned.

- We will prepare a **high-level market demand assessment** to establish the appropriate amount of retail/service commercial space that should be integrated as part of the future development of this area. While this analysis will again focus primarily on the need for food store space in the community, we can also provide our more general commentary as to: (i) the general types of retail and/or service uses that may be most viable in this community area (i.e., specific to food retail but also in relation to non-food retail / services); and, (ii) how this could influence the size and mix of new commercial space considered on the site.

- Based on the foregoing, we will **determine the impact—if any—of the proposed expanded commercial space envisioned** on the ability of this area to maintain appropriate service levels within the growing community and the continued functioning of existing and/or proposed commercial establishments throughout the surrounding area.

- To supplement the quantitative analysis above, we will provide a **separate discussion of other relevant market / economic factors** that could influence the viability of new commercial spaces at the site. This will include our commentary on: (i) trends in the retail sector; (iii) the broader context of the site relative to other predominantly residential developments in the surrounding area and as the community continues to evolve; as well as other relevant trends or factors.

- Prepare **standalone market report** to summarize the results of our various background research and professional observations, as well as to highlight other key considerations for the subject commercial development. This will also involve parallel coordination with other project consultants from other related disciplines, including most notably the planning justification report being prepared by Bousfields, as applicable.

- Issue **final reporting** in a format suitable for submission to the municipality (likely a brief letter style deliverable, accompanied by relevant supporting research and analysis via appendices or similar).

If you—or municipal staff—have any questions relating to the foregoing, please do not hesitate to contact us. We would be happy to coordinate a meeting to provide a more detailed overview of our proposed work plan and anticipated deliverables for this project.

Sincerely,

Parcel

Parcel Economics Inc.



Chris White, PLE

Principal



Parcel

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