

Peer Review:

urbanMetrics inc.

White Church Urban Boundary Expansion Area – Commercial Needs Analysis

Hamilton, ON

April 30, 2025

Prepared for: City of Hamilton

Prepared by: Tate Research





Dave Heyworth
A/Director and Senior Advisor – Strategic Growth
Planning and Economic Development Department
City of Hamilton
71 Main Street West, 7th Floor
Hamilton ON L8P 4Y5

April 30, 2025

Re: Peer Review:
urbanMetrics inc.
White Church Urban Boundary Expansion Area
Commercial Needs Analysis
City of Hamilton, Ontario

Dear Mr. Heyworth:

Tate Research is pleased to submit our peer review of the above noted report, to the City of Hamilton.

Thank you for the opportunity to conduct this assignment on your behalf and we look forward to discussing the results with you.

Yours truly,

TATE RESEARCH

A handwritten signature in black ink, appearing to read "James Tate".

James Tate
President

A handwritten signature in black ink, appearing to read "Sameer Patel".

Sameer Patel
Vice President

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1 Background

1.1 Mandate

Tate Research (“TR”) was retained by the City of Hamilton (“City”) to conduct a peer review of the urbanMetrics inc. (“uM”) report *“White Church Urban Boundary Expansion Area – Commercial Needs Analysis, Hamilton, Ontario”*. The White Church Urban Boundary Expansion Area, referred to in this peer review as “Proposed Urban Expansion Area”, is limited by Airport Road East to the north, Upper James Street to the west, White Church Road East to the south, and Miles Road to the east.

This uM report was prepared for Whitechurch Landowners Group inc. (“Whitechurch LOG”) and is dated February 3, 2025. It is referred to in this document as the “uM Report”.

1.2 Scope of Work

TR’s scope of work for this peer review of the uM Report included:

- In person site inspections and a review of the existing and planned commercial market within, and near, the Proposed Urban Expansion Area;
- Review of other commercial market studies relevant to the local region, including our own research;
- Review of the Mount Hope Secondary Plan;
- Commentary on the appropriateness of the uM methodology, including its inputs, assumptions, and forecast data;
- A review of uM estimates of existing market conditions, in comparison to TR in-house data;
- Assessment of whether the uM Report appropriately evaluates the demand for proposed commercial space in the Proposed Urban Expansion Area;
- Commentary on whether the uM Report demonstrated that the proposed population would be adequately served by existing and proposed surrounding commercial;
- Commentary on the validity of the uM conclusions;

- Preparation of a letter summarizing questions for uM; and,
- Preparation of a report summarizing our findings.

1.3 Background and Purpose of uM Report

As indicated in the uM Report, uM *“has been retained by the Whitechurch Landowners Group Inc. to prepare a Commercial Needs Assessment for the White Church Urban Boundary Expansion Area ... in the City of Hamilton, Ontario.”*¹

The uM Report also states: *“this analysis is intended to identify the amount and types of commercial space needed to support the daily and weekly needs of the forecast population within subject lands and surrounding area, as well as the estimated employment generated by the required commercial space.”*²

1.4 Conclusions of uM Report

Based on the analysis in the uM Report, uM states the following conclusions:

- *“The Study Area will contain approximately 32,800 residents by 2051.*
- *Between existing commercial space, development applications with commercial space, the potential of the District Commercial zoned lands, and the Commercial block in the White Church Urban Boundary Expansion Area the study area could accommodate 1.39 million square feet of retail. It is very unlikely that the majority of this space will be required or be developed as commercial space over the 2051 time horizon.*
- *There will be need for between 95,900 and 135,900 square feet of additional Food Store Retail (FSR) space by 2051. This represents one to three major grocery stores and assorted specialty and convenience stores.*
- *There will be a need for an additional 8,700 to 13,900 square feet of Beer, Wine, and Liquor (BWL) retail space by 2051. This space may develop as stand-alone stores (e.g. LCBO), or within grocery stores and convenience stores under the new permissions for alcohol sales.*

¹ uM Report, page 2.

² uM Report, page 2.

- *There will be a need for an additional 304,000 to 414,500 square feet of Non-Food Store Retail (NFSR) by 2051.*
- *There will be a need for a total of 783,500 square feet retail and service commercial space, made up of 743,200 square feet of occupied space and 40,300 square feet of vacant space. This would achieve a healthy vacancy rate of 5.5%.*
- *Overall, there will be a need for an estimated total of 835,800 square feet of commercial space in the Study Area including existing and new commercial space, as well as vacant space by 2051. In our professional opinion there is more than sufficient designated commercial lands to accommodate this need.”³*

1.5 Exchange with uM

As a component of the peer review process, TR requested additional details from uM regarding the uM Report. This request was in the form of a letter emailed to uM on April 16, 2025 (“TR Letter”).

The TR Letter (appended to this report) included questions related to commercial supply and population forecasts, build-out timing, Floor Space Index (FSI) assumptions, inflow assumptions, and walkability considerations.

As of the date of this TR peer review report, uM has not acknowledged receipt of the TR Letter and have not provided a response to the questions submitted. In our experience, it is typical for the applicant’s consultant to acknowledge receipt of the questions and provide an indication of timing of responses. TR would typically consider the responses before finalizing the peer review. However, TR was instructed by the City to proceed with finalizing the peer review report based on the information available.

³ uM Report, page 34.

2 Peer Review Findings of the uM Report

2.1 Methodology & Approach

The uM Report follows a methodological approach that is consistent with industry practices for assessing retail commercial need. TR reviewed the analysis and noted no material mathematical errors. The analysis is based on a combination of expenditure-based forecasts for retail categories and a per capita-based approach for service commercial uses.

Overall, TR agrees with the methodology of examining the demand for retail commercial uses, subject to the commentary outlined in greater detail below.

2.2 Section 2.0 Site Context

The Site Context section of the uM Report provides an overview of the location and boundaries of the Proposed Urban Expansion Area. The uM Report states that the proposed retail commercial lands in the Proposed Urban Expansion Area (“Subject Commercial Lands”) are located at “the southeast corner of White Church Road East and Airport Road East.”⁴ TR notes that the Subject Commercial Lands are located at the southeast corner of Upper James Street and Airport Road East.

The uM Report also states that “the lands on either side of Upper James Street north of Airport Road East are also designated as District Commercial in the UHOP.”⁵ However, TR notes that there are no District Commercial designations on the east side of Upper James Street north of Airport Road East. The Subject Commercial Lands would be the only commercial lands located on the east side of Upper James Street.

2.3 Section 3.0 Commercial Market Overview

uM completed an in-person inventory of retail commercial space within the Study Area. This approach is appropriate.

With respect to future retail commercial sites, the uM Report identifies a total of 1.39 million square feet of commercial space that could be potentially developed at full buildout. This total includes 452,000 square feet within the Proposed Urban Expansion Area and 851,000 square feet on the surrounding District Commercial

⁴ uM Report, page 6.

⁵ uM Report, page 6.

lands. The estimate assumes an FSI of 0.25 across the designated and zoned commercial lands.

The uM Report states that *“In the City of Hamilton existing shopping centres typically have a FSI between 0.20 to 0.30, which represents a built form with ample surface parking surrounding single-storey commercial buildings. Given current trends and zoning requirements, it is likely that new commercial development in this area will be more pedestrian focused and can likely develop at higher density than existing shopping centres.”*⁶ As discussed in the TR Letter, TR anticipates that new retail centres will be built at higher densities than existing retail centres and therefore, the 0.25 FSI ratio used by uM may be inappropriate.

It is noted that if a higher FSI were incorporated into the uM analysis, the amount of commercial floor space warranted would be unchanged. However, the land requirement for this space would be reduced, as development would occur at a higher density.

2.4 Section 4.0 Commercial Needs Analysis

The Commercial Needs Analysis section of the uM Report uses population growth and per capita retail expenditure to forecast warranted commercial space to 2051. TR has reviewed this analysis and is in general concurrence with the inputs and findings of the uM analysis. We caution that there appears to be no decrease in per capita ratios in the service commercial space analysis summarized in Figure 4-7. uM holds the per capita ratios constant, which could lead to an overstatement of demand.

It is also noted the uM analysis assumes an inflow rate of 15% for retail spending from non-residents. uM does not provide support for this inflow assumption.

Although TR has not undertaken our own research as that is beyond the scope of this peer review, based on our experience, this inflow rate may be too low. Therefore, the uM analysis may understate support for retail commercial space at the Site and in the Study Area.

⁶ uM Report, page 18.

3 TR Commentary & Discussion

In addition to the concerns noted above and in the TR Letter, TR provides the following commentary and discussion points. This information is summarized in three sections:

- Commercial Needs Conclusions
- Assumed Redevelopment Potential of Mount Hope
- Walkability of Planned Commercial

These points are expanded upon below.

3.1 Commercial Needs Conclusions

This analysis presented below in Figure 3-1 summarizes the findings of the uM Report relating to retail commercial demand and supply. There are two sources of potential supply: District Commercial lands that are already designated and the proposed Urban Expansion Area's Commercial Block. The uM Report indicates potential for 851,000 square feet in the District Commercial lands and 452,000 square feet in the White Church Commercial Block. In total, the uM Report indicates 1,302,000 square feet of total potential supply within the defined Study Area.

Figure 3-1: Retail Commercial Potential Summary

| Component | Estimated Space (sq. ft.) |
|---|--------------------------------------|
| White Church Expansion Area (16.8 ha @ 0.25 FSI) ¹ | 452,000 |
| District Commercial (31.6 ha @ 0.25 FSI) ¹ | 851,000 |
| Study Area Potential Future Commercial Space¹ | 1,302,000 |
| Warranted Additional Space² | 783,500 |
| Surplus Future Commercial Space³ | 518,500 |

Source: Tate Research Based on uM Report.

¹uM Report - Figure 3-4, Page 19.

²uM Report - Figure 4-8, Page 32; Calculated by TR (Total Occupied Commercial Space (+) Vacant Space & Other Uses).

³Surplus calculated by TR (Study Area Potential Future Commercial Space (-) Warranted Additional Space).

The Warranted Additional Space by 2051 across the Study Area, including the Proposed Urban Expansion Area, is estimated at 783,500 square feet, as shown in Figure 4-8 (page 32 of the uM Report).

The uM Report concludes: *“In our professional opinion there is more than sufficient designated commercial lands to accommodate this need.”*⁷ In TR’s opinion, the uM analysis could be interpreted to indicate that the Study Area’s future demand for retail commercial space is already being met by designated lands within the Study Area.

3.2 Assumed Redevelopment Potential of Mount Hope

uM estimates that the Study Area could accommodate over 1.3 million square feet of future commercial space at full buildout. This estimate is based on applying a uniform 0.25 FSI across the Proposed Urban Expansion Area’s Commercial Block and the District Commercial designated lands in the rest of the Study Area, as shown in Figure 3-4, page 19 of the uM Report. TR notes that this assumption may overstate the amount of future retail commercial space, as outlined in greater detail below:

Figure 3-2: Existing Uses in District Commercial Designated Lands



Source: Tate Research. Basemap from uM Report, Figure 3-1.

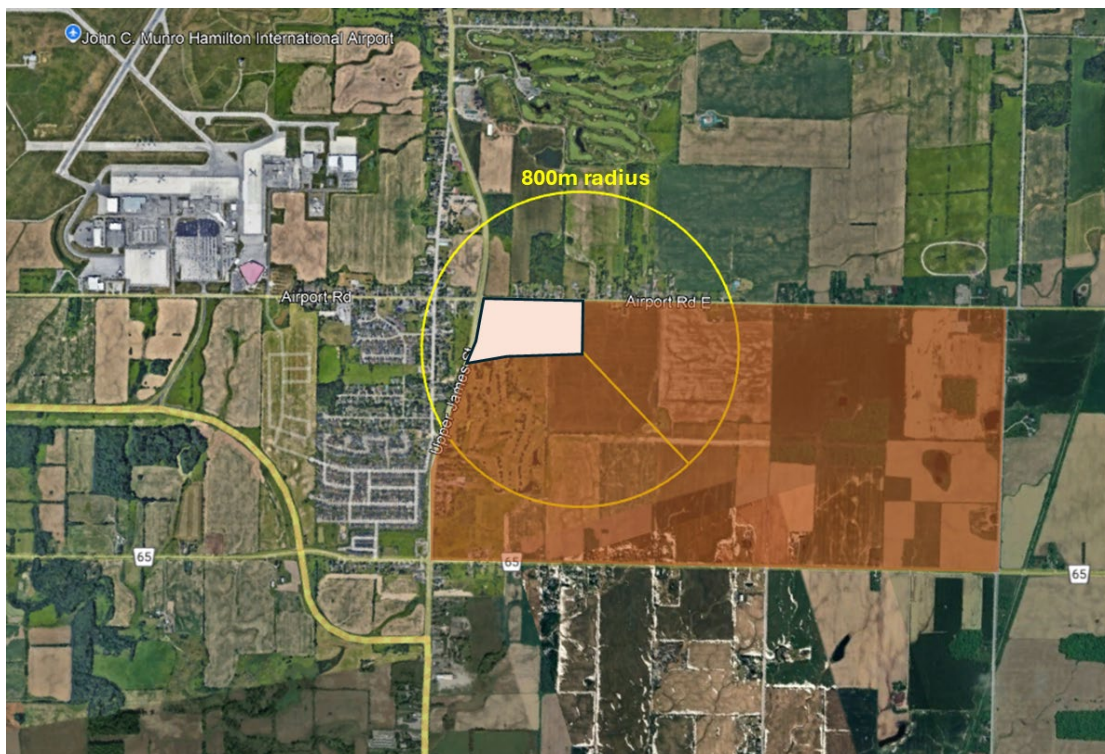
⁷ uM Report, page 34.

- A portion of the lands designated District Commercial are currently occupied by residential dwellings (see Figure 3-2 above). In the future, not all of these properties may be redeveloped into retail commercial uses.
- The District Commercial (C6) zoning designation permits a broad range of uses other than retail commercial, including hotels, motor-vehicle-related uses, funeral homes, commercial schools, commercial parking facilities, laboratories, and offices, among others.⁸ These uses may be developed in place of, or in combination with, traditional retail commercial uses. Therefore, the lands may not be developed for retail commercial uses, which has been assumed in the uM Report.

3.3 Walkability of Planned Commercial

The Proposed Urban Expansion Area includes one location for retail commercial uses. TR agrees that this location is appropriate for retail commercial uses. However, from a retail planning perspective, a single location of retail commercial uses is not considered to be easily walkable to all future residents.

Figure 3-3: Walkable Perimeter from the Proposed Commercial Block



Source: Tate Research.

⁸ Zoning By-law 05-200, Section 10.6 District Commercial (C6) Zone. 10.6.1 Permitted Uses.

The single proposed commercial area is located more than 2 kilometres from the eastern boundary of the Proposed Urban Expansion Area. Typically, 800-metres is considered a walkable distance. Therefore, this proposed plan would result in a portion of the Proposed Urban Expansion Area being outside of a typical walking distance. It is noted in the TR Letter that the uM Report does not comment on the viability of additional retail commercial locations within the Study Area.

4 Conclusion

It is reiterated that uM has not responded to questions posed by TR. It is noted that there may be clarification provided by uM that may address the concerns raised by TR in this peer review.

In the absence of a response from uM, TR provides the following conclusions:

- TR finds that the methodological approach used by uM is generally consistent with industry practice and includes standard forecasting methods such as expenditure-based modelling for retail demand and per capita modelling for service commercial uses.
- The assumed redevelopment of all District Commercial designated lands in the Study Area as retail commercial uses may overstate future retail supply.
- The single planned commercial block is not within walkable distance of all future residents within the Proposed Urban Expansion Area. There has not been an analysis of the opportunity for additional retail commercial locations in the Proposed Urban Expansion Area.
- The uM analysis demonstrates that the amount of nearby designated commercial space exceeds the identified need, which could be interpreted to indicate that additional commercial designations are not required to meet the projected demand. This oversupply of commercial space situation could still exist even if the supply of retail commercial space is overstated. The uM Report states that *“This analysis is intended to identify the amount and types of commercial space needed to support the daily and weekly needs of the forecast population within subject lands and surrounding area.”*⁹ Based on our review, the uM Report does not demonstrate demand for the amount of retail commercial proposed at the Site.
- In our opinion, a retail centre of 452,000 square feet may be larger than required to *“support the daily and weekly needs of the forecast population...”*¹⁰

⁹ uM Report, page 2.

¹⁰ uM Report, page 2.

- The uM Report identifies that there is a need for an additional 783,500 square feet of retail and service commercial space. This space relates to the Study Area at build-out. The uM Report indicates potential future commercial space of 851,000 square feet in lands designated District Commercial in the Study Area. There is more supply than demand, according to the uM Report. If the Proposed Urban Expansion Area was developed with the proposed commercial block of 452,000 square feet, it would impact the market demand available to support the designated District Commercial lands in the Study Area. The development of the Proposed Urban Expansion Area, as proposed, could adversely impact the planned function of the existing designated District Commercial lands within the Mount Hope Secondary Plan.

Appendix - TR Letter



Mr. Douglas R. Annand &
Mr. Daniel Bailey
urbanMetrics inc.
15 Toronto Street, Suite 602
Toronto, ON
M5C 2E3

April 16, 2025

**Re: Questions Relating to Peer Review of:
urbanMetrics inc. “White Church Urban Boundary Expansion Area –
Commercial Needs Analysis, Hamilton, Ontario” prepared for
Whitechurch Landowners Group inc., February 3, 2025.**

Dear Doug and Daniel:

Tate Research has been retained by the City of Hamilton to conduct a peer review of the above noted urbanMetrics inc. report (“uM Report”). We have undertaken a preliminary review of the uM Report and have prepared the following initial questions and information requests:

1. District Commercial Designated Lands (Section 2.1): On page 6, the uM Report states that *“the lands on either side of Upper James Street north of Airport Road East are also designated as District Commercial in the UHOP.”* There are no designated commercial lands on the east side of Upper James Street north of Airport Road. Is this reference to Upper James Street intended to be Homestead Drive?
2. Population Forecast (Section 2.4): The uM Report states on page 11: *“we have assumed a general estimate of development timing with site preparation work beginning in 2026 and a phase of 1,000 units being completed every two years until buildout of the Expansion Area in 2042.”* This forecast represents 500 units per year. On page 2, it is noted that uM has used a persons per unit (PPU) factor of 3.5. The PPU multiplied by the number of units represents annual growth of 1,750 persons per year.

However, Figure 2-7 indicates the 2041 population of the White Church Boundary Expansion Area as 18,400 persons. By 2051, this population is forecast at 26,700, representing growth of 8,300 persons. This growth

appears to be inconsistent with the statement from page 11, that indicates build out of the expansion area in 2042. Please provide more detail regarding this population increase.

3. Existing FSI ratios (Section 3.4): The uM Report states in page 18: *"In the City of Hamilton existing shopping centres typically have a FSI between 0.20 and 0.30."* Please provide examples of Hamilton shopping centres that support this statement.
4. FSI Forecasts (Section 3.4): It is stated on page 18: *"Given trends and zoning requirements, it is likely that new commercial development in this area will be more pedestrian focused and can likely develop at higher density than existing shopping centres."* Please comment on why uM did not increase the forecast FSI.
5. Designated Commercial Lands (Section 3.1): The estimate of 1.3 million square feet of future commercial space in page 19 of the uM Report appears to include lands that are currently occupied by residential dwellings. Please clarify if it has been assumed that these existing uses will be demolished and replaced by commercial uses at the .25 FSI ratio.
6. Inflow Assumptions (Section 4.2): The Food Store Retail, Beer, Wine and Liquor Retail and Non-Food Store Retail categories all use an inflow factor of 15%. The text describing these analyses (on pages 28, 29 and 30) all refer to *"...the minimal inflow expected."* Please provide an explanation of why inflow for retail commercial proposed at the intersection of two arterial roads is expected to be "minimal".
7. Walkability of Proposed Retail Commercial in the Study Area: On page 18, the uM Report states: *"...it is likely that new commercial development in this area will be more pedestrian focused..."*. TR notes that a distance of 800 metres is typically considered to be walkable. The proposed commercial area in the White Church Secondary Plan ("Secondary Plan") is approximately 2 kilometres from the eastern boundary of the Secondary Plan. Therefore, a portion of future residents in the Secondary Plan area will not be within a typical walkable distance of the commercial at the Site. Please comment on the rationale for recommending a single retail commercial location (as opposed to more than one location) in the Secondary Plan.

8. Population Basis for Retail Expenditure (Section 4.2): Figure 2-7 on page 12 indicates a Study Area population of 11,300 in 2031 and 24,400 in 2041. However, Figure 4-3 on page 27 indicates a Study Area population of 13,063 in 2031 and 30,564 in 2041. Please explain this difference in population forecasts. Furthermore, we note that the analyses summarized in Figures 4-4, 4-5 and 4-6 rely on forecasts from Figure 4-3, and therefore may require revision.

We look forward to your response and are available to discuss these comments further with you, as required.

Yours truly,
TATE RESEARCH

A handwritten signature in black ink, appearing to read 'James P. Tate', is positioned above the printed name and title.

James P. Tate
President