



Retail Trade Area Analysis and Retail Demand (Update)

City of Langley, BC

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“Colliers commends the City of Langley for taking the initiative to consistently and regularly invest in effective market research, which can not only generate fresh understanding of shifting market supply, demographic, and demand dynamics, but also contribute benchmark ideas and lessons from other relevant markets.”

INTRODUCTION



This report is an update of a previous Retail Trade Area Brief which was completed in April 2009.

Reasons for Update:

- Examine new demographics
- Consider changed competitive climate
- Re-evaluate the trade area
- Calculate retail demand

Addition for 2012 Report:

- Regional retail overview
- Local Supply overview
- Detailed demographic tables
- 2012 – 2016 forecasting:
 - ✓ Retail potential
 - ✓ Restaurant food & beverage potential

REGIONAL CONTEXT



Major new competitive retail projects at various stage of planning and completion throughout Metro Vancouver:

- | | |
|------------------------------------|-----------------------|
| • Luxury Outlet Mall | Richmond |
| • High Street | Abbotsford |
| • Oakridge Redevelopment | Vancouver |
| • Guilford Centre Redevelopment | Surrey |
| • Tsawwassen Commons | Tsawwassen |
| • Tsawwassen Mills | Tsawwassen |
| • Plaza at New Westminster Station | New Westminster |
| • <u>Park Royal Expansion</u> | <u>West Vancouver</u> |

New Retail Area (Above Projects):

3.53 million SF

LOCAL RETAIL OVERVIEW



- Economic downturn → vacancy rates from 1.6% to 3.0%
- Current vacancy → 2.5%

Metro Vancouver Retail Market Trends				
Langley/Aldergrove Sub-Market				
4th Quarter 2009 to 2nd Quarter 2012				
Market Factor	4Q 2009	4Q 2010	4Q 2011	2Q 2012
Total # of Centres	10	11	11	11
Total GLA (sf)	1,344,669	1,466,586	1,466,586	1,466,586
Anchor Rate Range (\$/sf)	\$15-20	\$10-18	\$11-30	\$11-30
CRU Rate Range (\$/sf)	\$25-35	\$20-30	\$12-46	\$12-46
Pad Rate Range (\$/sf)	\$30-35	\$28-35	\$26-45	\$26-45
Vacant GLA (sf)	21,226	43,939	42,504	36,772
Vacancy Rate (%)	1.58%	3.00%	2.90%	2.50%

Source: Colliers International - Metro Vancouver Retail Reports.

“Since 2010, local market condition have strengthened substantially”

LOCAL DEMOGRAPHIC TREND

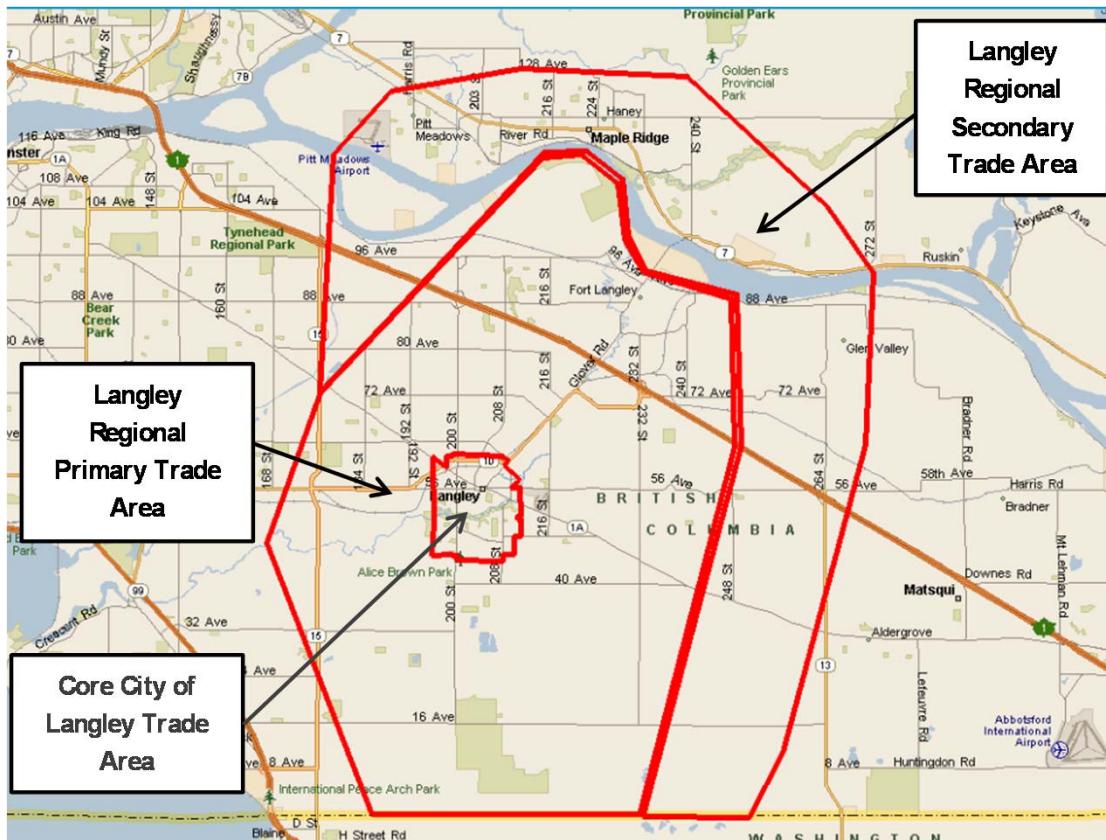


- Population → City: 25,081 (↑ 1.2% annually '06 – '11)
→ Regional: 154,041 (↑ 3.6% annually '06 – '11)
- Daytime population → 32,093 (59% at work)
- Age Profile → significantly below provincial profile
- Household Size → significantly below provincial profile

“Younger working singles and couples are more inclined to work within neighbourhood, frequent restaurants and bars, and seek and experience in their neighbourhood.”

RETAIL TRADE AREA

- Primary Trade (PTA) → 60% of expenditure generated
- Secondary Trade (STA) → 25% of expenditure generated



RETAIL EXPENDITURE - CITY



Retail Expenditure Potential (2011 to 2016)			
Core City of Langley Trade Area			
	2012	2016	Change
TRADE AREA POPULATION	25,081	26,688	(2011-2016)
INCOME (PDI)	\$ 28,954	\$ 30,129	
TOTAL INCOME POTENTIAL	\$726,191,460	\$804,103,210	
RETAIL SALES / INCOME	44.4%	44.4%	
TOTAL RETAIL POTENTIAL	\$322,248,500	\$356,821,900	
Motor vehicle and parts dealers (441)	\$ 65,551,664	\$ 72,584,571	\$ 7,032,907
Furniture and home furnishings stores (442)	\$ 10,149,147	\$ 11,238,029	\$ 1,088,882
Electronics and appliance stores (443)	\$ 11,353,155	\$ 12,571,212	\$ 1,218,057
Building Material and Garden Equipment Supplies (444)	\$ 17,668,292	\$ 19,563,888	\$ 1,895,596
Food and beverage stores (445)	\$ 81,817,036	\$ 90,595,023	\$ 8,777,987
Health and Personal Care Stores (446)	\$ 21,930,440	\$ 24,283,313	\$ 2,352,873
Gasoline stations (447)	\$ 36,312,770	\$ 40,208,695	\$ 3,895,925
Clothing and clothing accessories (448)	\$ 21,244,327	\$ 23,523,588	\$ 2,279,262
Sporting goods, hobby, book and music stores (451)	\$ 9,825,409	\$ 10,879,557	\$ 1,054,149
General merchandise stores (452)	\$ 36,898,644	\$ 40,857,426	\$ 3,958,782
Miscellaneous store retailers (453)	\$ 9,497,618	\$ 10,516,598	\$ 1,018,980
TOTAL - MAJOR RETAIL CATEGORIES (TOTAL POTENTIAL)	\$ 322,248,500	\$ 356,821,900	\$ 34,573,400

Source: Colliers International Consulting

“The City of Langley’s annual retail expenditure potential is expected to grow by nearly \$34.7 million over the next 4 years.”

RETAIL EXPENDITURE - PTA



Retail Expenditure Potential (2011 to 2016)

Langley Regional PTA

	2012	2016	Change (2011-2016)
TRADE AREA POPULATION	154,041	182,070	
INCOME (PDI)	\$ 33,767	\$ 35,138	
TOTAL INCOME POTENTIAL	\$5,201,443,330	\$6,397,526,000	
RETAIL SALES / INCOME	42.8%	42.8%	
TOTAL RETAIL POTENTIAL	\$2,227,403,900	\$2,739,600,100	
Motor vehicle and parts dealers (441)	\$ 453,097,628	\$ 557,288,379	\$ 104,190,750
Furniture and home furnishings stores (442)	\$ 70,151,604	\$ 86,283,112	\$ 16,131,508
Electronics and appliance stores (443)	\$ 78,473,789	\$ 96,519,001	\$ 18,045,212
Building Material and Garden Equipment Supplies (444)	\$ 122,124,456	\$ 150,207,231	\$ 28,082,775
Food and beverage stores (445)	\$ 565,525,007	\$ 695,568,669	\$ 130,043,662
Health and Personal Care Stores (446)	\$ 151,584,716	\$ 186,441,939	\$ 34,857,223
Gasoline stations (447)	\$ 250,996,377	\$ 308,713,521	\$ 57,717,144
Clothing and clothing accessories (448)	\$ 146,842,254	\$ 180,608,938	\$ 33,766,684
Sporting goods, hobby, book and music stores (451)	\$ 67,913,903	\$ 83,530,847	\$ 15,616,944
General merchandise stores (452)	\$ 255,045,977	\$ 313,694,335	\$ 58,648,358
Miscellaneous store retailers (453)	\$ 65,648,189	\$ 80,744,127	\$ 15,095,939
TOTAL - MAJOR RETAIL CATEGORIES (TOTAL POTENTIAL)	\$ 2,227,403,900	\$ 2,739,600,100	\$ 512,196,200

Source: Colliers International Consulting

“The Regional PTA’s annual retail expenditure potential is expected to grow by \$512 million over the next 4 years, from \$2.2 billion to \$2.7 billion.”

RETAIL EXPENDITURE - STA



Retail Expenditure Potential (2011 to 2016)

Langley Regional STA

	2012	2016	Change (2011-2016)
TRADE AREA POPULATION	93,049	101,232	
INCOME (PDI)	\$ 32,033	\$ 33,334	
TOTAL INCOME POTENTIAL	\$2,980,681,340	\$3,374,471,840	
RETAIL SALES / INCOME	43.4%	43.4%	
TOTAL RETAIL POTENTIAL	\$1,293,075,300	\$1,463,909,000	
Motor vehicle and parts dealers (441)	\$ 263,036,871	\$ 297,787,795	\$ 34,750,924
Furniture and home furnishings stores (442)	\$ 40,725,127	\$ 46,105,497	\$ 5,380,370
Electronics and appliance stores (443)	\$ 45,556,407	\$ 51,575,058	\$ 6,018,651
Building Material and Garden Equipment Supplies (444)	\$ 70,896,939	\$ 80,263,436	\$ 9,366,497
Food and beverage stores (445)	\$ 328,304,363	\$ 371,678,054	\$ 43,373,691
Health and Personal Care Stores (446)	\$ 87,999,510	\$ 99,625,501	\$ 11,625,991
Gasoline stations (447)	\$ 145,710,985	\$ 164,961,485	\$ 19,250,500
Clothing and clothing accessories (448)	\$ 85,246,368	\$ 96,508,629	\$ 11,262,262
Sporting goods, hobby, book and music stores (451)	\$ 39,426,074	\$ 44,634,821	\$ 5,208,747
General merchandise stores (452)	\$ 148,061,900	\$ 167,622,990	\$ 19,561,090
Miscellaneous store retailers (453)	\$ 38,110,758	\$ 43,145,733	\$ 5,034,975
TOTAL - MAJOR RETAIL CATEGORIES (TOTAL POTENTIAL)	\$ 1,293,075,300	\$ 1,463,909,000	\$ 170,833,700

Source: Colliers International Consulting

“The Regional STA’s annual retail expenditure potential is expected to grow by \$170 million over the next 4 years, from 1.3 billion to 1.5 billion.”



RETAIL EXPENDITURE – Food & Beverage



City of Langley Trade Areas

Restaurant Food & Beverage Potential	2012	2016	Increase (2011-2016)
City of Langley	\$ 25,276,398	\$ 27,359,987	\$ 2,083,588
Regional PTA	\$ 149,076,098	\$ 186,087,782	\$ 37,011,684
Regional STA	\$ 88,131,763	\$ 99,539,327	\$ 11,407,564

Source: Environics 2012 Survey Data, Colliers Trade Areas

“The total annual trade area increase (in annual Restaurant Food & Beverage expenditure potential) over the 2012 – 2016 period of roughly \$50 million would be sufficient to support over 84,000 sf of new restaurant floor space, a significant portion of which could be situated in current and expanded City of Langley nodes and centres.”

RETAIL TRENDS

Food trucks



Pop-up retail



Hot “grab & go”
food concept



“Some interesting trends could be adopted locally with the express purpose of reinforcing downtown Langley’s image as a unique destination far different from any institutionally-owned and operated shopping centres”

Effective means of generating interest & investment:

- Consider offering Golden Ears Bridge toll validation for Downtown shoppers
- Event programming focused on Downtown
- Stimulate interest in franchise operations – focus on specialty / niche areas
- Foster relationships with retailers actively exploring “pop-up” retail concepts as a catalysts for a new brand launch or marketing / awareness campaign