STUDY SYNOPSIS – COMMERCIAL MARKET ANALYSIS, BARRHAVEN

January 9, 2006

1. **2006 Study Area Population:** 135,700 (121,500 in Zones 1, 2 and 3).

2. **Population Growth:** Projected at 170,000 in 2011, near 200,000 in 2016 (includes Zone 4.

3. **Spending Potential:** $1.2 billion currently, could exceed $2.0 billion in 2011, exceed $2.6 billion in 2016 (with Rideau River bridge in place).

4. **Relevance of Zone 4:** 16.2% of total in 2011, 21.3% in 2016 – important contributor.

5. **Commercial Inventory:** 1.4 million square feet in 271 outlets. About 71% retail, 24% services, 5% vacancy (about one-half of vacancy is vacated food store).

6. **Commercial Inventory Growth:** A decade ago, 244,500 square feet. Today it has 1.4 million square feet, an increase of about 1.2 million square feet (an average addition of 120,000 square feet per year).

7. **Origin of Customers:** 69% from within study area, 31% from sectors beyond (24% from other parts within the City of Ottawa boundaries and more than 7% from areas outside.

8. **Outflows:** Nearly two-thirds (63.7%) of the expenditures among Barrhaven residents are done elsewhere, with the most notable being in GAFO (General Merchandise, Apparel, Furniture/Furnishing and Other) stores (81.6%), department stores (80.1%) and personal services (71.3%). These store types present the most favourable opportunities for the realignment of dollars spent elsewhere.

9. **Supermarket Inflows/Outflows:** Overall, the existing supermarkets in Barrhaven attract near 30% of their business from outside the community (study area). Conversely, 42.5% of the supermarket dollars provided by the permanent study area population is spent elsewhere.

10. **Additional Supportable Space:**

    - Supermarkets: Additional supportable space currently is negligible. Another 127,000 square feet by 2011, 191,000 square feet by 2016.
    - General retail: another 540,000 square feet of all types of retail, particularly in the categories of furniture, furnishings, appliances and electronics, which are not well-represented in the community. By 2016, another 800,000 square feet, of this type of space.
    - Restaurants: another 80,000 square feet 2011, 122,000 square feet by 2016.
    - Personal Services: another 48,000 square feet by 2011, 90,000 square feet by 2016.
    - Automotive sales and service, which is a current gap in the market, could represent another 245,000 square feet by 2011 and 572,000 square feet by 2016.
    - Office services of all types, another current gap in the market, could represent another 170,000 square feet by 2011 and 716,000 square feet by 2016.

11. **Consumer Research**:

    - **Preferred Restaurants:** Kelsey's, Broadway's and Swiss Chalet are the most significant restaurant attractions in Barrhaven. McDonald's Wendy's and Tim Horton's follow.

- **Main reasons for liking to shop in Barrhaven:** Reasons associated with “Close / Convenient”, “Variety / Selection” and “Prices/ Specials/ Service” are the most frequently mentioned motivating factors for shopping in Barrhaven.

- **Reasons for not liking to shop in Barrhaven:** Reasons associated with “Poor / Lack of Variety / Selection”, “Too Far / Not Convenient” and “Traffic / Congestion / Too Crowded” are the most frequently mentioned unfavourable reasons for not shopping in Barrhaven.

- **Additional desired stores or services:** An “Indoor Mall” and “Electronics/Computer Stores” are the most frequently mentioned new stores desired for Barrhaven.

12. **Conclusions/Recommendations:**

- On average, business volume is growing. Residents and businesses generally have a positive outlook on the community. There is an apparent need for more local employment opportunities and more services.

- In addition to additional personal services, there is an apparent need for more restaurants, apparel stores, department store space, electronics stores and enclosed retail facilities. Although not a preferred retail format among developers, enclosed retail facilities would provide a much more comfortable shopping environment.

- Barrhaven does not have a significant employment base. Thus, a significant portion of its population leaves the area for employment. This “gravity” of employment towards the more inner areas of the city creates the opportunity for convenient retail spending in these sectors. It is expected that Barrhaven will be characterized as having a net outflow of sales for some time. This net outflow will be reduced to some extent, once RCMP begins occupying the former JDS complex, scheduled to start approximately one year from now. Ultimately, 3,200 persons are planned to work at the premises, all of whom will be moved in by early 2010.

- A promotional program is suggested, which could be part of a more comprehensive retail strategy that includes:

  - Understanding the size of the catchment area. Promotion should be to the entire market, not just Barrhaven. Retailers need to communicate to the market that Barrhaven more than ever, can service their every need.

  - The need to create an upgraded image and “identity” for Barrhaven. Often mentioned in the course of our research was a “community identity”.

  - The restaurants. More seem to be required and they need to be different than the mainstream family restaurants and roadhouses.

  - A co-operative effort to ensure effectiveness. The BIA is a first step in this regard. Retailers need to be proactive to combat vulnerability from growing competition inside the community and elsewhere.

  - Ensure that every customer knows “what else” can be found in Barrhaven. A promotional piece listing the Barrhaven businesses and mapping their locations might be considered.