

# COMMERCIAL REAL ESTATE MARKET ANALYSIS: BARRHAVEN COMMUNITY, ONTARIO

*Final Presentation*

Presented by:  **CRG CONSULTING**

Presented to:  **barrhaven**  
business improvement area



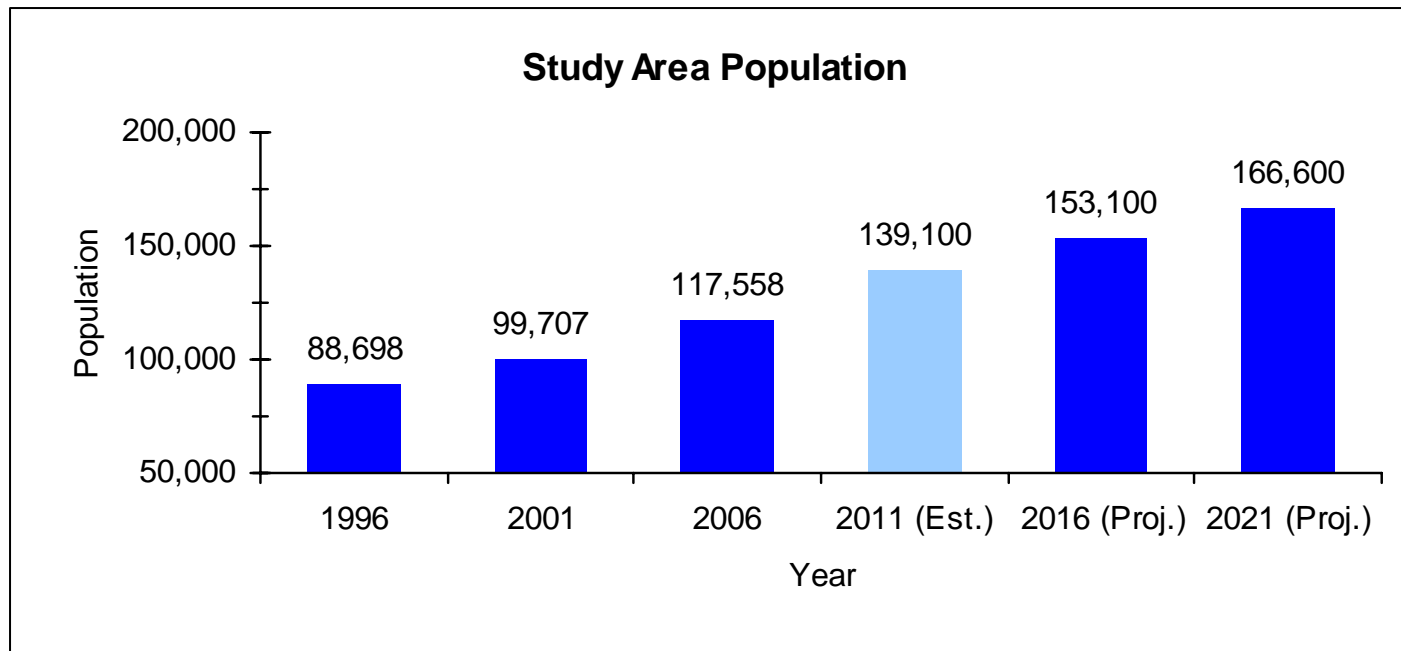
## CONTEXT (the Assignment...)

- The Barrhaven Business Improvement Area (BBIA) engaged CRG Consulting (CRG) to provide an updated and expanded "Commercial Market Analysis" for Barrhaven;
- CRG provided an initial Commercial Analysis for Barrhaven in 2003, as well as updates in 2006 and 2009;
- Main objectives of the current study were to:
  - ✓ provide an analysis of the commercial sector in and around Barrhaven;
  - ✓ to identify market opportunities and gaps; and,
  - ✓ To identify ways and means to help support and stimulate new commercial development in Barrhaven.

## CONTEXT (the Tasks...)

- Two main, but inter-related, study elements: Retail Commercial Market Analysis and Office Commercial Market Analysis:
- Retail Commercial Market Analysis:
  - Background research and data review;
  - Demographic analysis and projections;
  - Licence plate surveys and customer spotting;
  - Telephone surveys and stakeholder consultations;
  - Retail market calculations (retail potentials, inflows/outflows, warranted space); and,
  - Reporting
- Office Commercial Market Analysis:
  - Background research and market overview (inventory, research/review);
  - On-line surveys;
  - Smart Centre Research;
  - Stakeholder consultations; and,
  - Reporting.

# MARKET OVERVIEW (Demographic Highlights...)



- Local area (trade area) population has increased rapidly, current (2011) population estimated at 139,100, an increase of >50,000 people since 1996.
- Population projected to continue to grow rapidly in the future, adding 27,500 people over the next decade (166,600 people by 2021).
- Local population is young, affluent and dominated by owner occupied households.

# BARRHAVEN TRADE AREA...

**EXHIBIT 1:  
BARRHAVEN  
CUSTOMER SPOTTING**

**Number of Barrhaven Customers  
by Dissemination Area**



**Origin of Barrhaven Customers, 2011**

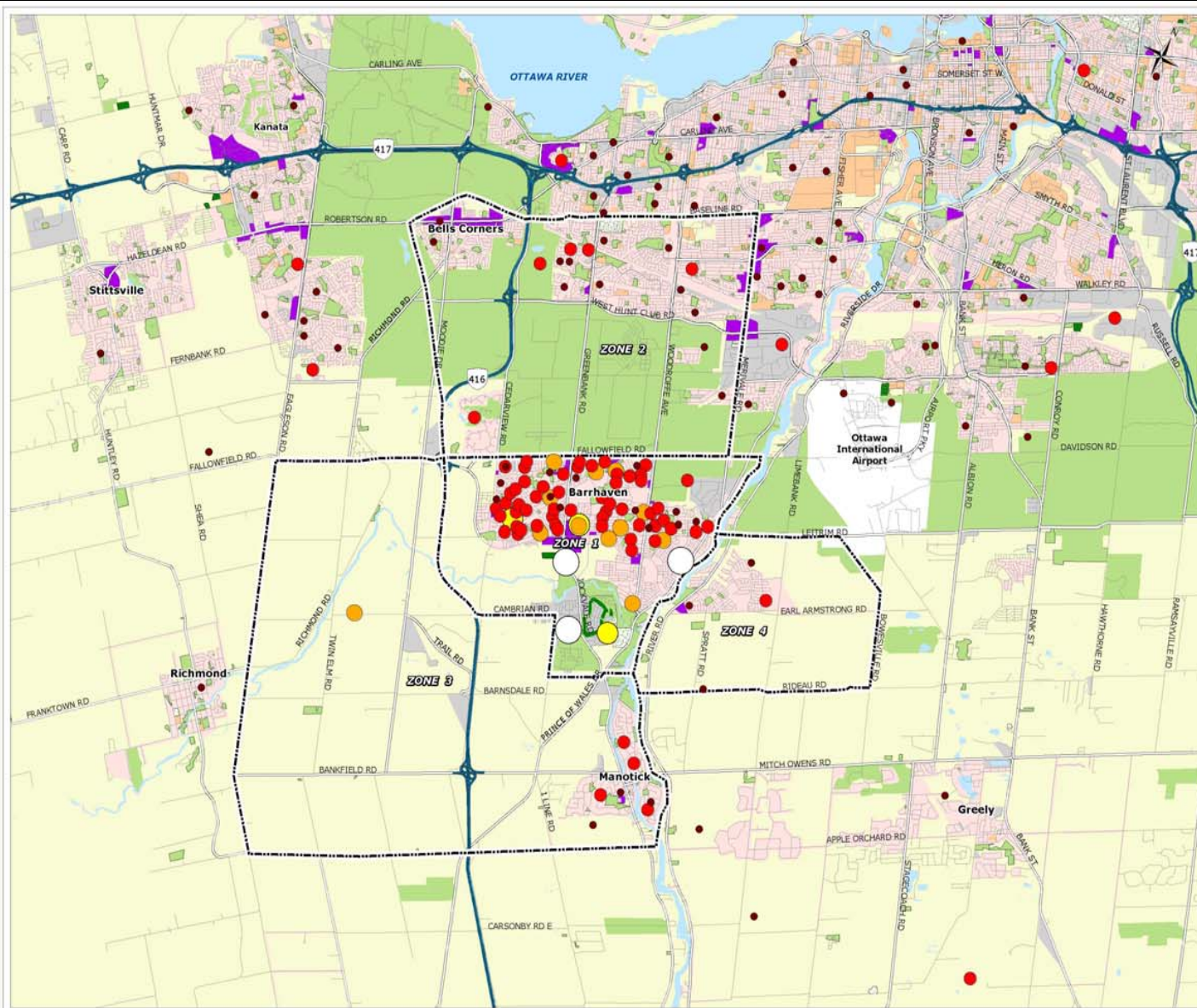
| Zone                             | Customers  | Pct.          |
|----------------------------------|------------|---------------|
| Zone 1                           | 392        | 65.4%         |
| Zone 2                           | 23         | 3.8%          |
| Zone 3                           | 22         | 3.7%          |
| Zone 4                           | 6          | 1.0%          |
| <b>Sub-total, Study Area</b>     | <b>443</b> | <b>74.0%</b>  |
| Urban Ottawa West                | 49         | 8.2%          |
| Urban Ottawa East                | 24         | 4.0%          |
| Rural Ottawa                     | 32         | 5.3%          |
| <b>Sub-total, Other Ottawa</b>   | <b>105</b> | <b>17.5%</b>  |
| <b>Sub-total, City of Ottawa</b> | <b>548</b> | <b>91.5%</b>  |
| Other                            | 51         | 8.5%          |
| <b>TOTAL</b>                     | <b>599</b> | <b>100.0%</b> |

0 0.75 1.5 3 4.5 Kilometres

1:100,000  
Scale is approximate



613-596-2910



## RETAIL MARKET HIGHLIGHTS...

- Barrhaven is a well established, popular and highly successful regional retailing node, with 1.5 million square feet of commercial space, and a market vacancy of only 3.8%.
- The Barrhaven trade area represents a very large and growing retail market, with a spending potential of \$1.4B (2011), which is forecast to reach \$2B (by 2021).
- A full 7 out of every 10 available retail dollars are spent locally, and spending capture rates have increased dramatically in the last decade.
- The Barrhaven market can currently (2011) support significant additional retail commercial space. Major gaps exist in Automotive and Office/Other Services. Retail opportunities and gaps will increase in future years, as a result of population growth:

| Additional Supportable Retail Space Barrhaven (sq. ft.) |                  |                  |                  |
|---|------------------|------------------|------------------|
| Retail/Service Type                                     | Currently (2011) | By 2016          | By 2021          |
| Supermarkets  | 83,000           | 128,700          | 173,300          |
| Pharmacies  | 47,000           | 81,600           | 115,300          |
| Beer, Wine and Liquor                                   |                  | 3,700            | 6,000            |
| Department Stores                                       |                  | 167,100          | 190,400          |
| Home and Auto Supply                                    | 3,600            | 38,800           | 42,600           |
| Specialty GAFO  |                  | 250,770          | 338,770          |
| Home Improvement  |                  | 190,000          | 190,800          |
| Restaurants   |                  | 60,390           | 81,590           |
| Personal Services                                       | 12,760           | 33,660           | 63,260           |
| Automotive  | 182,800          | 211,000          | 412,500          |
| Office and Other Services                               | 195,990          | 266,490          | 550,240          |
| <b>Total Additional Supportable Space</b>               | <b>525,150</b>   | <b>1,432,210</b> | <b>2,164,760</b> |

Source: CRG Consulting

## RETAIL MARKET HIGHLIGHTS (con't...)

- Countering the many positives are concerns over:
  - ✓ the short-term ability to develop new commercial space in Barrhaven and particularly in the Town Centre;
  - ✓ the impact of potential competing sites;
  - ✓ changes to the City's LRT plan; and
  - ✓ whether market interest exists for new development in the Town Centre, given planning guidelines in place in this area.
- On balance and despite the challenges, Barrhaven is clearly an established, popular and highly successful regional retailing node.
- It is of a market size, scale and location that is attractive to major retailers, and it is on the "radar" of major retailers seeking new locations (Target, Lowes, etc). Future prospects are very positive.

## OFFICE MARKET HIGHLIGHTS...

- The office market in Barrhaven has two main components: one business park – the South Nepean Business Park, with three major office buildings, and a handful of smaller professional office buildings occupied mostly by local medical and other professionals. The flagship office project in the community is the RCMP's national headquarters.
- Demand exists for additional office space, mostly for local professionals.
- This reflects the growing local population and the lack of sufficient services and firms.
- There is an identified need for upwards of 200,000 square feet of office space currently and this requirement will increase in future years.
- The key impediment or challenge to new office development in Barrhaven is the lack of anchor tenants. Most of the office users are small, and lack significant financial covenants needed to kick-start a project. Nonetheless, demand clearly exists and new office development can be supported.

## OFFICE MARKET HIGHLIGHTS (con't...)

- The Barrhaven area is also home to several hundred emerging businesses. Many report they will soon reach the stage where they require more formal accommodations, as well as access to various businesses services.
- Small business centres and incubator type facilities have been successfully introduced in other municipalities to serve this segment and an opportunity exists for this type of development in Barrhaven.
- Other office opportunities in Barrhaven include the potential for the development of flex type space. Potential location for a node of this type would be within the South Nepean Business Park.
- In the longer term, the presence of the RCMP represents a very strong catalyst for additional campus style office development.

# CONCLUSIONS/QUESTIONS?