

JULY 2017



HIGH LEVEL RETAIL MARKET ANALYSIS



Prepared for the Town of High Level, Mackenzie County

Prepared by Cushing Terrell Architecture Inc.

**CUSHING
TERRELL**
ARCHITECTURE INC.

RETAIL

Market Analysis

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Member of
International Council
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IP3 Retail
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i PREFACE



Cushing Terrell Architecture Inc. (“Cushing Terrell”) was commissioned by the Town of High Level and MacKenzie County in February 2017 to conduct a Retail Market Analysis for the Town and County. The same is being conducted for the Hamlet of La Crete, but will be provided under a separate cover.

The study was carried out over the period of February to July 2017.

The objective of this study is to thoroughly document the Town of High Level’s current retail inventory. Then estimate the realistic retail Trade Area area for which it serves and the retail expenditure profile across various retail categories/store types as an indication of retail inflow/outflow and opportunities therein that the Town of High Level could potentially pursue. The end result is to fill gaps and bolster the local retail market by retaining or attracting greater market share of resident, passing motorists, transient workers and overnight visitors in the community.

Retail spending (i.e. demand), the Town’s retail inventory, and its corresponding productivity (i.e. supply) was estimated to identify gaps in High Level’s current provision of shops and services.

This document is intended to assist the Town of High Level, MacKenzie County and the Regional Economic Development Initiative (REDI) in promoting the community, working with developers and investors, as well as attracting new or expanding retailers and formats. It further aims to retain existing retailers as part of a wider Economic Development Strategy for business retention and attraction and succession planning.

Reference material for this report was obtained from, but not limited to: the Town of High Level, MacKenzie County, Commercial Real Estate Brokerage Firms, International Council of Shopping Centers, and Cushing Terrell Architecture Inc.

Cushing Terrell does not warrant that any estimates contained within the study will be achieved over the identified time horizons, but that they have been prepared conscientiously and objectively on the basis of information obtained during the course of this study.

Also, any tenant references made in the report are for illustrative purposes only and should not be taken as guarantees that they will locate in the Town or County, but rather that they could represent compatible “target” category types to pursue either for local businesses or external regional businesses.

This analysis was conducted by Cushing Terrell as an objective and independent party, and is not an agent of the Town of High Level or MacKenzie County.

As is customary in an assignment of this type, neither our name nor the material submitted may be included in a prospectus, or part of any printed material, or used in offerings or representations in connection with the sale of securities or participation interest to the public, without the expressed permission of the Town of High Level, MacKenzie County or Cushing Terrell Architecture Inc.

*Cushing Terrell Architecture Inc.
May 2017*



EXECUTIVE SUMMARY

INTRODUCTION

Cushing Terrell Architecture Inc. ("Cushing Terrell") was commissioned by the Town of High Level and MacKenzie County in February 2017 to conduct a Retail Market Analysis for the Town and County.

LOCATION CONTEXT SUMMARY

In the joint MDP between Mackenzie County and the Town of High Level, Highway Commercial is listed as an area of focus for future development, as evidenced by the recent development at Bison Crossing. The document also states the recognition of the importance of economic development and ensuring land is available for such endeavors.

Located on the Mackenzie Highway, approximately 800 km from Edmonton and 725 km south of Yellowknife, High Level is a transportation and service centre for a large trading area of approximately 28,000 people (2017 estimate).

Traffic patterns generally mirror the locations where retail nodes could be prominent. Traffic counts are important considerations for retailers and in particular branded or chain retailers.

For local businesses the current traffic volume accessing the Downtown, particularly at 98th Ave is strong compared to all other intersections along Hwy 35. With an improved alignment at Hwy 35 at 100th Ave, this should serve businesses in the downtown well.

The location of Bison Crossing as a future retail development once it regains traction and begins infilling on vacant lots will boost the traffic counts at the intersection of Hwy 35 and Hwy 58 west.

Vacant lots and the location of Bison Crossing represents a strong asset for the community in attracting higher profile businesses for whom the requirement to penetrate not just the local market, but the passing motorists is a mandatory prerequisite for profitability. There will be pressure on the Downtown if and as Bison Crossing develops, thus reinforcing the need to ensuring improved access into the downtown as well as perhaps more utilized incentives for storefronts and development.

Most notably, any new-to-market tenants/retailers drawn to the community as the economics improve, especially those with brand recognition will in all likelihood seek to locate within Bison Crossing.

It is recommended that the Town of High Level use this current economic cycle to ensure its Downtown businesses are well-positioned to compete and complement growth in the community that will likely gravitate to Bison Crossing.

RETAIL TRADE AREA SUMMARY

Utilizing a trade area approach provides a much more accurate depiction of the Primary, Secondary and Total Trade Areas for High Level, rather than being solely dependent upon the smaller localized Town-only population bases.

The Total Trade Area (PTA + STA N + STA S) population is estimated for 2017 to be just over 28,000. This population is forecast to generally remain in and around that level over the foreseeable horizon.

Within the Total Trade Area, the Primary Trade Area (PTA), is estimated to have a population around 9,000 residents while the STA N is comprised of an additional 4,200 residents, while the STA S has an additional 14,800.

ii EXECUTIVE SUMMARY



Although the Trade Area population growth dynamics for High Level may not exhibit strong projected growth, the trend nonetheless suggests that focus should be on diligently attracting the types of retail that would benefit the community while not detrimentally impacting existing retailers. Similarly, efforts should be focused on trying to increase the existing market penetration for sustaining existing business vitality and for ensuring proper business succession planning.

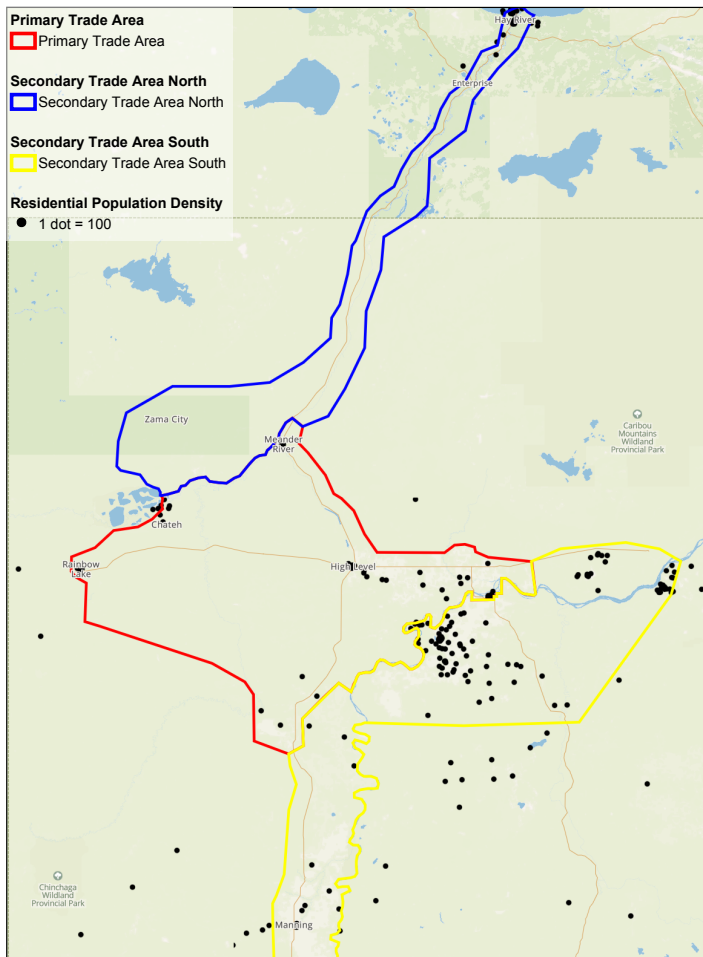
The development of Bison Crossing would also be incumbent upon garnering additional inflow and capture of existing spending dollars that is currently outflowing to larger markets, most notably the City of Grande Prairie.

Clearly however and subject to changing economics, new population growth will not be the primary determinant to retail growth, but rather better marketing and penetration of the exiting market.

A summary of the current age profile reveals a slightly older family profile. In total, the median age ranges from 29 to 35 years of age, which is a young profile. For the PTA in particular, the median age is 29.1 combined with a dominant age group of 0 to 4 years, suggesting a strong family formation, which bodes well for family apparel, grocery and services. The STA N as a more remote area has an older demographic, while the STA S and its large family Mennonite culture in and around La Crete is a very young family dynamic.

Approximately 35% of the Primary Trade Area's population is currently under the age of 20 years. This age cohort represents an age cohort that may not be the strongest spending segment, but they are nonetheless very influential in the spending of other household members.

A summary of the current average Household Income in the Retail Trade Area reveals an average Household Income in 2017 estimated at \$97,583 (PTA), \$134,210 (STA N) and \$82,474 (STA S). The PTA household income represents a very healthy level for consumer spending, particularly when combined with the cost of living. The very high incomes of the STA N correlates directly with the older demographic, which is a segment that typically spends money on grocery rather than eating out and on vehicles and vacations.





EXECUTIVE SUMMARY

Total Trade Area retail spending is estimated at \$269.2 million (2017 year-end estimate). Excluding the STA S, the Trade Area spending is \$159.5 million.

The Top 5 retail spending categories for the Total Trade Area are:

1. *Grocery & Specialty Foods* - \$62.8 Million
2. *Auto/RV/Motorsport* - \$47.8 Million
3. *Clothing & Apparel* - \$19.5 Million (\$24.2 million including Footwear)
4. *Home Electronics and Appliances* - \$16.3 Million
5. *Restaurant F&B* - \$15.6 Million

High Level's retail core is a well-entrenched area, and is recognized as a hub for the north region, where the opportunity to tap into passing motorists and overnight visitors has been a historic attribute of the community.

The Town of High Level's share of the Total Trade Area spending is estimated at only 16%, which further illustrates the importance of the wider trade area to High Level's success. Overall, the PTA represents a share of 35% of total trade area spending, which is considered low for the market and further illustrates the fact that the STA S is not in all likelihood a major draw to the High Level retail market. If excluding the STA S, the share of total trade area spending by the PTA increases to almost 60%, which is more appropriate.

The overall spending profile is healthy, though opportunities are somewhat limited because of relatively slow/flat population growth, requiring an approach that should entail stronger penetration of the existing market rather than focusing on new growth.

RETAIL MARKET SUMMARY

The High Level retail market has an estimated retail floor space of approximately 405,314 sf. This retail floor space is comprised of retail premises that range from Grocery Stores to Restaurants to Personal Services such as Optometrists and Salons. Of note, Rainbow Lake has an approximate retail inventory of 25,000 sf of which the Rainbow Foods Grocery accounts for 7,200 sf or almost one-quarter of the floorspace).

A review of the current vacancy and nature of the vacancies provides additional cues for prospective business interests in the community.

In particular, the overall vacancy rate is estimated at 11.4% which is higher than the industry standard for a healthy retail market that should be in the 3% to 5% level.

The implications of vacancy are two-fold. Firstly, the opportunity may exist to attract businesses into existing vacant spaces that will have lower rent costs applied and as a result may be more attractive to local businesses who may not have the sales productivity to justify higher rents. Secondly, higher vacancy rates would suggest that any new development should be very targeted for uses that have the ability to create benefit for the greater good rather than impacting existing businesses even more.

The Top 5 retail categories in terms of overall retail floor space in High Level are:

- | | |
|--|-----------|
| 1. <i>Grocery & Specialty Foods</i> | 67,910 sf |
| 2. <i>Restaurant F&B</i> | 36,976 sf |
| 3. <i>Clothing & Apparel</i> | 34,900 sf |
| 4. <i>Specialty Retail</i> | 32,925 sf |
| 5. <i>Home Improvement & Gardening</i> | 30,225 sf |

ii EXECUTIVE SUMMARY



Restaurants are a notable category of relative strength in the community and has a correlation with the young demographic profile. For example, the Boston Pizza is estimated to be performing at an average sales productivity in the range of \$375 to \$400 per sf. This figure is lower than comparable figures for more urban markets, but is relatively stable for a market like High Level.

The estimated retail space per capita ratio for the High Level retail trade area is estimated 31 sf/capita, which is ideally situated in the market for stability and resilience.

RETAIL DEMAND SUMMARY

Current estimates from the inventory and spending attributes suggests that High Level currently garners 29% market share of the total trade area retail spending, as well as "miscellaneous inflow" that accounts for passing 'pit-stop' motorists and overnight visitors. If the STA South is excluded from the former analysis, then High Level garners 50% market share of the total trade area spending.

The key to High Level's retail opportunity lies in incrementally and slowly increasing the overall market share of sales, realizing that the draw of Grande Prairie, Peace River (Wal-Mart) will still continue to be a major factor in attracting spending in the DSTM type categories.

If High Level were to increase its current market share penetration of the TOTAL Trade Area by 10% from an estimated 29% to 39%, of the total Trade Area then the total demand by the year 2022, without new population growth could be 93,000 sf.

Alternatively, if High Level were to increase its current market share penetration of the PTA and STA North only by 4% from an estimated 50% to 54%, then the total demand by the year 2022, without new population growth could be 28,000 sf.

The bottom line of using both approaches is to illustrate the fact that if High Level wishes to add more retail to its current inventory, it will have to market and penetrate not just the existing PTA and STA North, but also penetrate the STA South. The Mennonite community in and around La Crete is very supportive of their own local retail setting, which is why they have their own well-defined and supported trading region.

Another key component for High Level's retail success in terms of attracting new development and tenants also lies in creating a strong reason to stop and stay in the community. Bison Crossing's location is well-suited, but overall retail must find ways to penetrate and garner more of its existing residents spending.

Given current vacancies in the community, combined with development projects, most notably Bison Crossing, there is sufficient land for the foreseeable future to accommodate any long term retail growth when measured against slow population growth.

The overall message is that retail demand could or most of it could be accommodated in existing retail vacancies or developable land if the quality of the space is adequate and compatible and not obsolete.

High Level may not have huge demand forecasts, but with strategic messaging, collaborations and awareness can retain and attract business opportunities that could utilize existing vacancies or new land for the betterment of the community, while not providing a negative impact Downtown.

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Photos courtesy of <http://www.discoverthepeacecountry.com/htmlpages/highlevel-extra/sign-big.jpg>

1.0 introduction

1.1 SCOPE OF STUDY & PROJECT BACKGROUND

Cushing Terrell Architecture Inc. ("Cushing Terrell") was commissioned by the Town of High Level and MacKenzie County in February 2017 to conduct a Retail Market Analysis for the Town and County. The same is being conducted for the Hamlet of La Crete, but this document is provided under a separate cover.

The study was carried out over the period of February to July 2017.

The objective of this study is to thoroughly document the Town of High Level (as well as and including Rainbow Lake) current retail inventory. The study then estimates the realistic retail Trade Area area for which it serves and the retail expenditure profile across various retail categories/store types as an indication of retail inflow/outflow and opportunities therein that the Town of High Level could potentially pursue. The end result is to fill gaps and bolster the local retail market by retaining or attracting greater market share of resident, passing motorists, visitor and student spending in the community.

1.2 REPORT STRUCTURE

Cushing Terrell conducted on-the-ground research in February 2017 to gain a firm understanding of existing and future retail prospects in High Level. The purpose of this research was to establish a solid foundation and baseline for determining the depth of retail opportunity, associated gaps in the market provision of shops and services, and to determine what type of retail could fill these gaps.

To respond to the work program process, the document is presented in the following sections:

Section 1 - Introduction:

Introduces the study process and structure.

Section 2 - Location Context:

Lays out the important regional and local context of the Town of High Level as a location where prospective retailers could express interest.

Section 3 - Retail Trade Area Profile:

Identifies and defines the Primary and Secondary Retail Trade Areas and documents the population and expenditure profiles generated from within these respective trade areas, against which estimates of floor space demand can be attributed.

Section 4 - Retail Supply:

Assesses the location and characteristics of High Level's current nodes of retail activity ("supply"), including developing or future planned retail sites. Fieldwork assessments included identifying and quantifying the entire Town's retail inventory by retailer, merchandise category and NAICS industry classification.

Section 5 - Retail Demand:

Quantifies the Trade Area spending and sales productivities, resulting in "demand" associated with each retail category over the next 5 years for High Level. Demand estimates are then applied against supply to estimate the magnitude of inflow and outflow of retail on a category-by-category basis.

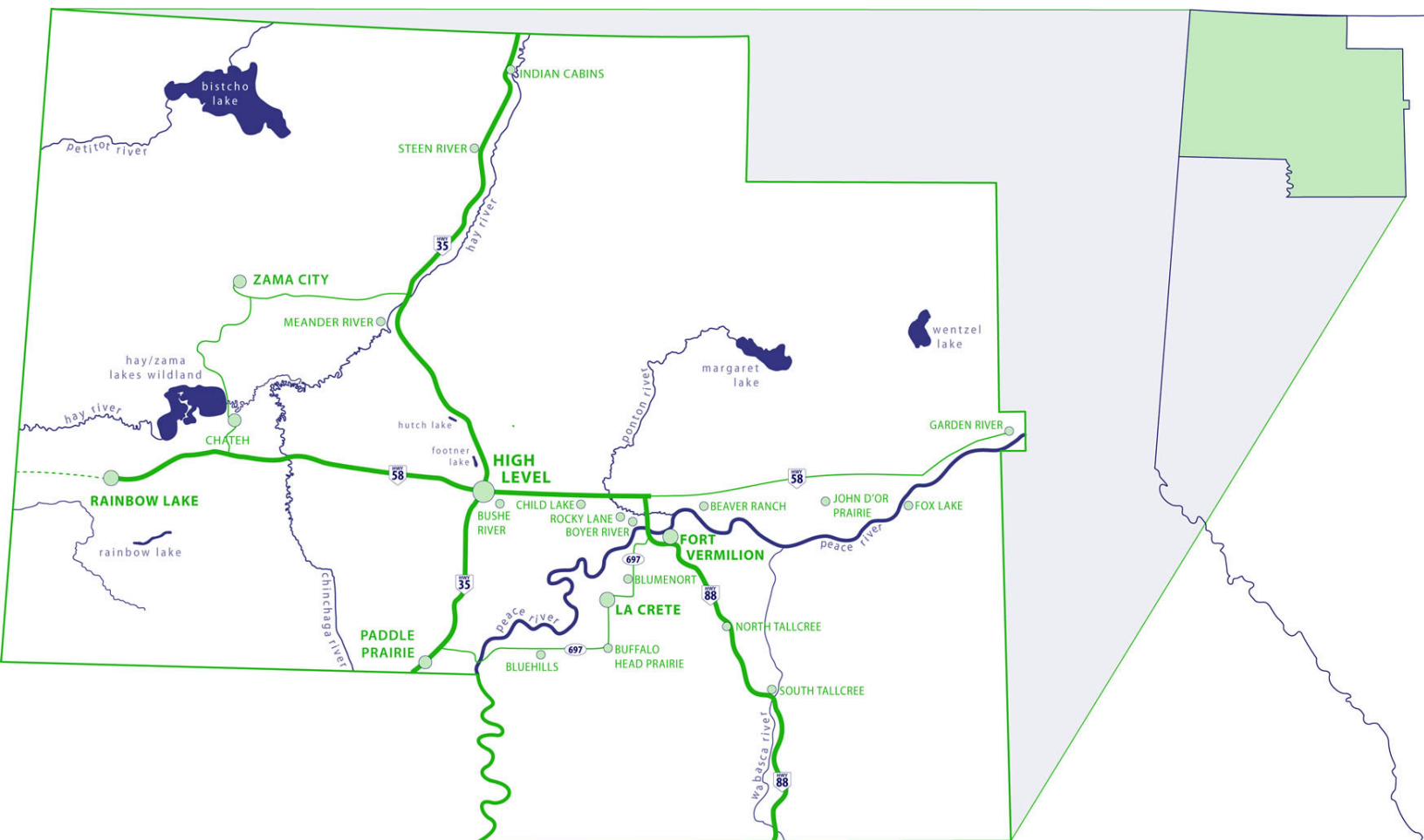


Photo courtesy of <http://www.rediregion.ca/wp-content/uploads/2012/07/REDIFullDownload.jpg>

1.3

SOURCES OF INFORMATION

During the course of this study, a number of resources were used to quantify retail market supply and demand conditions largely comprising primary and secondary research.

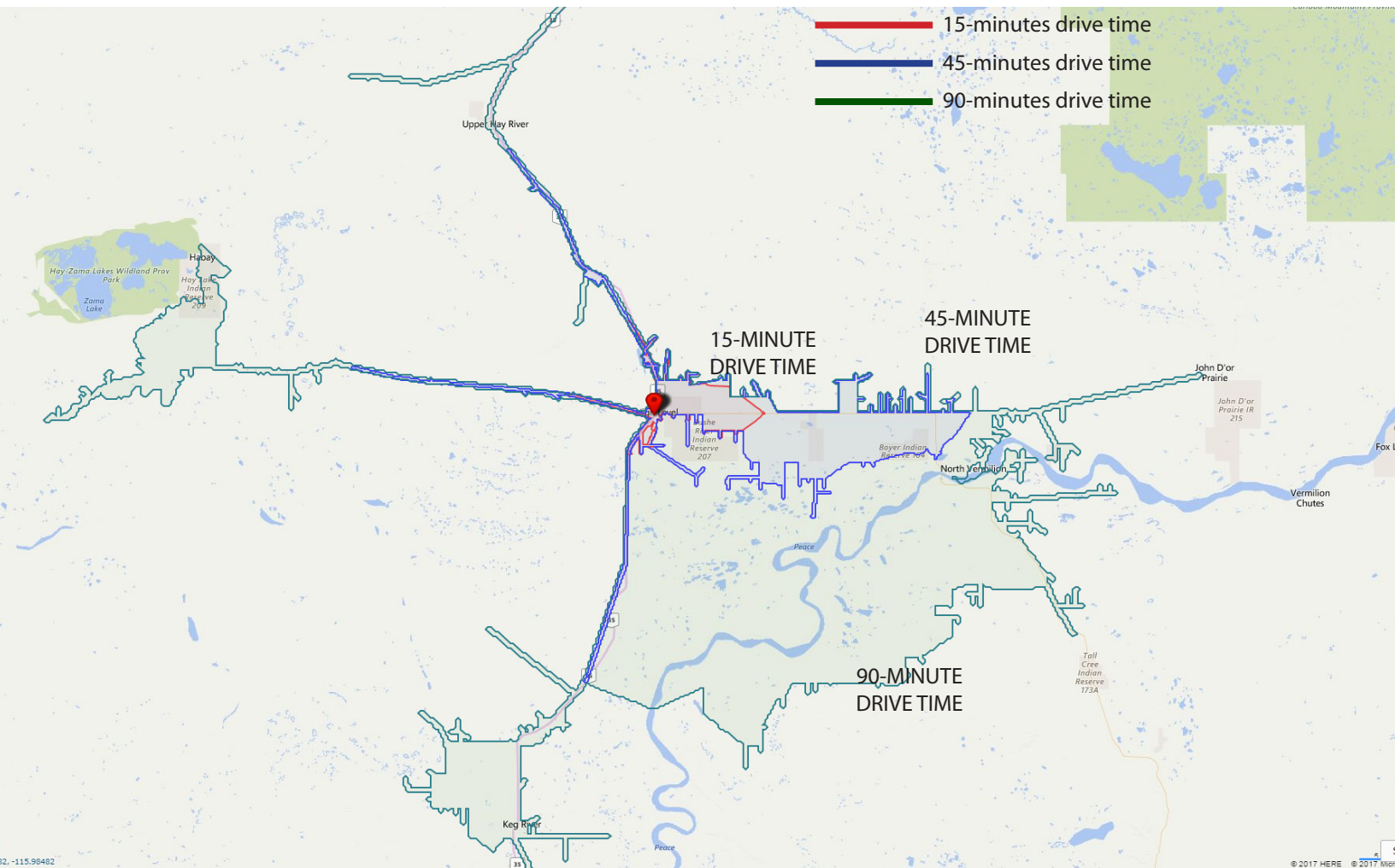
The following sources of information were used in this Retail Market Analysis:

- Alberta Ministry of Transportation, Highways 1 to 986 Traffic Volume History 2003-2016
- Town of High Level Zoning and GIS database
- Cushing Terrell Architecture Inc. Detailed Retail Inventory Fieldwork, February 2017.
- REDI Retail Market Overview and Trade Area Profiles, 2016 (Cushing Terrell)
- Pitney Bowes Demographics & Spending Data, 2016/2017
- Business Inventory listings

Cushing Terrell would like to thank the following firms and organizations from whom additional information was obtained to provide supplemental retail development, project profiles market and tenant information:

- Century 21 Prime Realty, High Level
- M & M Real Estate, High Level
- Conference Board of Canada Metropolitan Outlook, Spring 2016
- International Council of Shopping Centers
- Statistics Canada
- Pitney Bowes
- High Level & District Chamber of Commerce
- REDI (Regional Economic Development Initiative)

Figure 2.1
15-45-90 MINUTE DRIVE TIME FROM JUNCTION OF HWY 35 & 58



2.0 location context

2.1 INTRODUCTION

Location factors are an essential foundation to retail success, and an understanding of these factors can help create the necessary conditions for attracting and retaining retail businesses in a community. This section identifies the Town of High Level regional and local characteristics as they relate to the attraction and retention of retail businesses and merchandise categories.

2.2 LOCAL & REGIONAL CONTEXT

Mackenzie County is Alberta's largest county by area at 7,760,000 hectares of land, and includes the communities of High Level, La Crete, Fort Vermillion, Zama City, and Rainbow Lake located within the boundaries. Highway access to the County is attained through Highway 35, with rail and air services both provided via the Town of High Level.

Economic areas of focus in this County include agriculture, forestry, tourism, and the oil & gas industry. The geographic diversity of the area ranges from flat arable land, to boreal forests with many lakes, allowing for the wide range of resource based economic pursuits.

In the joint MDP between Mackenzie County and the Town of High Level, Highway Commercial is listed as an area of focus for future development, as evidenced by the recent development at Bison Crossing. The document also states the recognition of the importance of economic development and ensuring land is available for such endeavors.

Located on the Mackenzie Highway, approximately 800 km from Edmonton and 725 km south of Yellowknife, High Level is a transportation and service centre for a large trading area of approximately 28,000 people (2017 estimate).

From a retail perspective, Figure 2.1 illustrates the average drive times from the Town of High Level at 15, 45 and 90 minute increments. As a regional hub for the north, High Level within 90-minutes drive time is able to access communities such as Hay River to the north via Hwy 35, Rainbow Lake to the west via Hwy 58 west (and 2-hours to Zama to the northwest), La Crete to the southeast and Keg River to the south via Hwy 35.

The High Level Airport is located north of High Level at Footner Lake and has a 5,000 foot paved air strip.

2.3 TRANSPORTATION CONTEXT

One of the most significant aspects to successful commercial development relates to patterns of transportation. The ability to be accessible as well as visible to high volumes of traffic are among the most influential considerations for retail businesses.

For a secondary market such as High Level a retail location relative to strong and accessible transportation patterns remains an important component. This may be slightly less essential for a local independent business.

Figure 2.2
TOWN OF HIGH LEVEL AADT TRAFFIC COUNTS
 (Source: Alberta Transportation 2016)



However, it is paramount for a recognized brand that it have access to as much customer base as necessary, largely because the cost overhead of either acquiring a Franchise License or operating as a corporate entity has a bottom line that must be adhered to.

The Alberta Ministry of Transportation provides detailed traffic counts on major highways and junction points. The most recent 2016 data documented in the form of Average Annual Daily Traffic (AADT) from this Provincial source is shown in **Figure 2.2** and as follows:

1) Hwy 35 & Hwy 58 east/98th Ave west

North on Hwy 35 = 1,650
 East on Hwy 58 = 3,200
 West on 98th Ave = 3,370
 South on Hwy 35 = 3,090

98th Ave is a current entry point from Highway 35 into the commercial and institutional core of the community, however future improvements are planned to provide a more direct alignment from Hwy 35 at 100th Ave, which is "Main Street" for the Town of High Level.

2) Hwy 35 & Hwy 58 west/114th Ave east

North on Hwy 35 = 3,470
 East on 114th Ave = 2,160
 West on Hwy 58 = 1,710
 South on Hwy 35 = 2,440

Traffic patterns generally mirror the locations where retail nodes could be prominent. Traffic counts are important considerations for retailers and in particular branded or chain retailers.

For local businesses the current traffic volume accessing the Downtown, particularly at 98th Ave is strong compared to all other intersections along Hwy 35. With an improved alignment at Hwy 35 at 100th Ave, this should serve businesses in the downtown well.

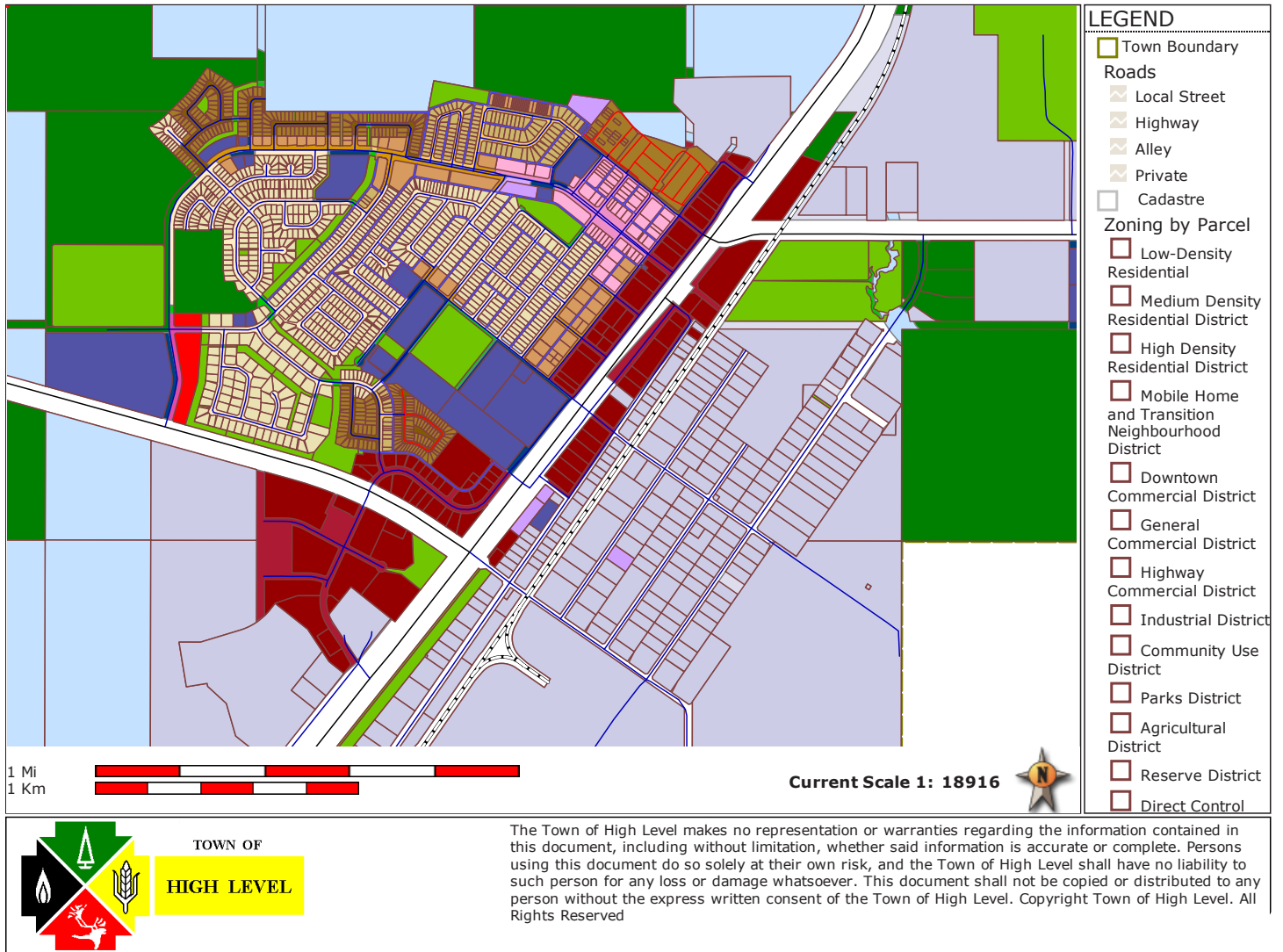
The location of Bison Crossing as a future retail development once it regains traction and begins infilling on vacant lots will boost the traffic counts at the intersection of Hwy 35 and Hwy 58 west.

Accordingly, vacant lots and the location of Bison Crossing represents a strong asset for the community in attracting higher profile businesses for whom the requirement to penetrate not just the local market, but the passing motorists is a mandatory prerequisite for profitability. There will be pressure on the Downtown if and as Bison Crossing develops, thus reinforcing the need to ensuring improved access into the downtown as well as perhaps more utilized incentives for storefronts and development.

Most notably, any new-to-market tenants/retailers drawn to the community as the economics improve, especially those with brand recognition will in all likelihood seek to locate within Bison Crossing.

It is recommended that the Town of High Level use this current economic cycle to ensure its Downtown businesses are well-positioned to compete and complement growth in the community that will likely gravitate to Bison Crossing.

Figure 2.3
TOWN OF HIGH LEVEL ZONING
 (Source: Town of High Level 2017)



<https://munisightes.munisight.com/TownofHighLevel/Content/Site/PrintMapPage.aspx?siteId=1>

Figure 2.3 provides a zoning map which illustrates the areas for retail that include:

- Downtown Commercial (DC)
- General Commercial (GC)
- Highway Commercial (CC)

The Bison Crossing Development, located at the southwest corner of Hwy 35 and Hwy 58 west, comprises a total of approximately 58 acres, of which 30% is sold.

The Concept Plan, as shown in Figure 2.4 envisions a total retail program in the order of 265,000 sf. Presently, the development is anchored by a Canadian Tire (25,500 sf) and Tim Hortons (3,476 sf). The concept plan envisions a mix that could include a potential theatre, grocery anchor, furniture and other junior box and CRU retail spaces.

In addition to the retail component, Bison Crossing also envisions a component of Light Industrial uses.

Figure 2.4
BISON CROSSING CONCEPT PLAN

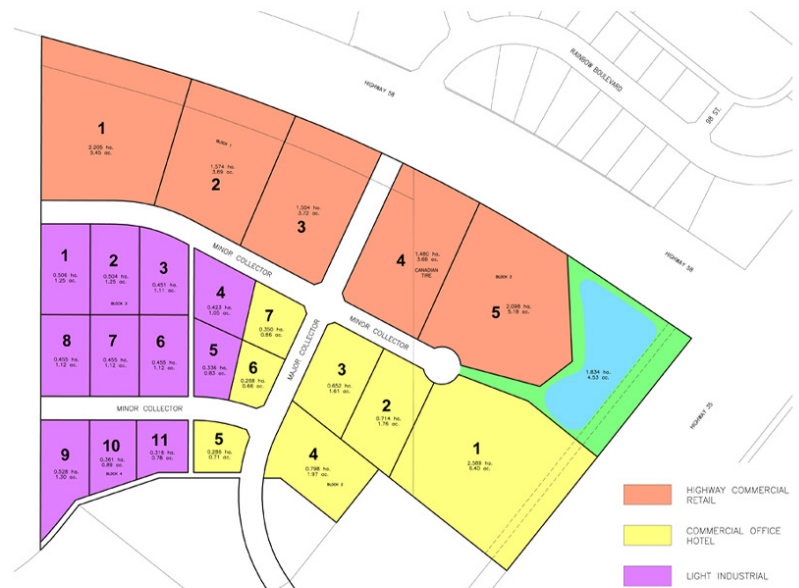




Photo courtesy of Cushing Terrell Architecture Inc.

3.0 retail trade area

3.1

INTRODUCTION

In order to create a framework for evaluating retail demand and subsequent gaps in the provision of shops and services, it is necessary to define and identify the Trade Area from which High Level's retail sales are most frequently and likely to be sourced and generated.

The Trade Area recognizes drive times, demographics, spending attributes and competition, which collectively portray the market to prospective tenants, developers and investors.

Identifying the Trade Area is important for understanding the total market potential available to current and future retailers. The local and regional residential base has particular demographic and spending habits that provide insight as to the type of compatible retail tenants, the amount of retail floor space supportable in the market, and the current inflow or outflow of retail sales, and for which categories such inflow or outflow exists.

As a first step, a Trade Area was delineated to identify the geographic region from which regular patronage could be expected, based on a series of boundary determinants.

Major considerations in defining a Retail Trade Area were applied to the Town of High Level to determine its most realistic Trade Area, as well as to help sensitize potential market share inputs from respective Trade Areas.

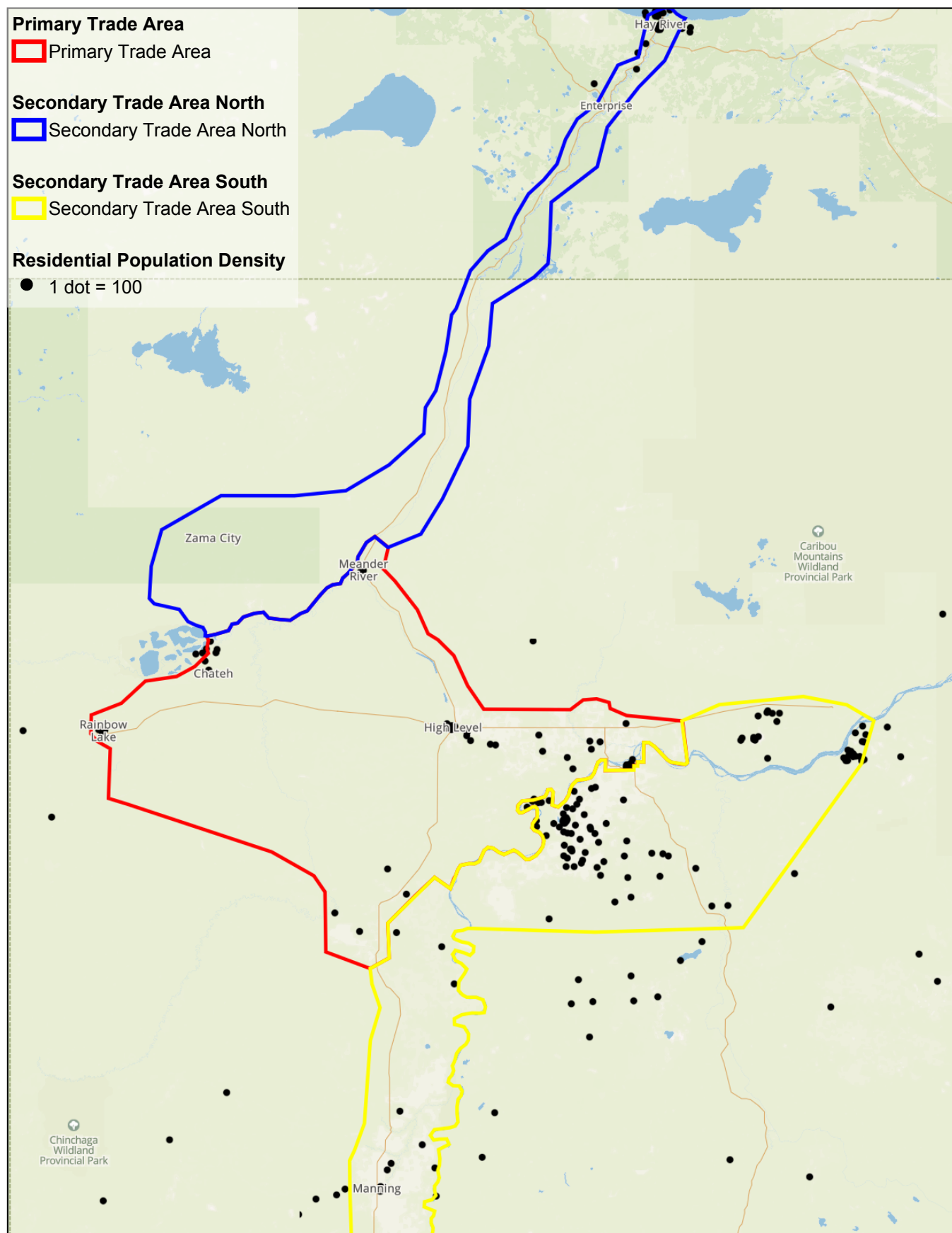
Retail Trade Area Determinants

- i. Transportation networks, including streets and highways, which affect access, drive times (Figure 3.1), commuting and employment distribution patterns;
- ii. Major infrastructure projects both planned or under development which could affect future travel patterns;
- iii. Overall Community development vision, including an understanding of key nodes' characteristics;
- iv. Local and regional competitive environment, present and future;
- v. Proposed generative uses (retail, cultural, civic, etc.) and their relationship within the wider market;
- vi. Significant natural and man-made barriers (e.g. water features, highways and industrial areas);
- vii. De facto barriers resulting from notable socioeconomic differentiation;
- viii. Patterns of existing and future residential and commercial development; and
- ix. Economic realities, such as provincial retail sales taxes.

A Trade Area is typically subdivided to provide a more refined analysis of the retail opportunity. These subdivisions include a Primary Trade Area from which the majority of retail sales originate, as well as Secondary Trade Area(s), each of which is specifically determined based on the identified trade area determinants.

Figure 3.1

TOWN OF HIGH LEVEL RETAIL TRADE AREA WITH RESIDENTIAL DENSITY



For this particular study, the Retail Trade Area shown in **Figure 3.1** utilized a combination of drive times of up to 90 minutes and competitive forces. For example, residents of La Crete have a strong propensity to shop within their own community. However, communities like Manning to the south and Hay River to the North are likely to use High Level as their regional hub for shops and services.

The resulting Trade Area for High Level comprises the following Primary and Secondary Trade Areas:

Primary Trade Area (PTA) includes the Town of High Level and extends to the north to include Meander River, the east to include Chateh and Rainbow Lake and south include Paddle Prairie. A major boundary to the south east of the PTA is the Peace River, which provides a natural divide for the subsequent STA South Trade Area.

Secondary Trade Area North (STA North) is represented by the area located north to include the communities of Hay River and Zama.

Secondary Trade Area South (STA South) is represented by the area located south and east of the Peace River and includes the notable communities of La Crete, Fort Vermillion, Fox Lake and Manning. La Crete is the subject of its own retail trade area, but in the context of the regional positioning of High Level, this PTA South is nonetheless considered more a component to High Level's trade area than is High Level to La Crete's trade area.

3.2 POPULATION PROJECTIONS

Using data sources that include the most recent Statistics Canada Census release as well as Pitney Bowes (2017), population estimates and growth forecasts were tabulated for each of the identified Trade Areas.

The Town of High Level's most recent census data from the February 2017 Statistics Canada release revealed a declining population from 3,641 in 2011 to 3,159 for 2017. Conversely, MacKenzie County's population increased from 10,927 in 2011 to 11,171 in 2016. Much of this growth took place in La Crete.

However, utilizing a trade area approach as shown in **Figure 3.1** and documented in **Tables 3.1 to 3.4** provides a much more accurate depiction of the Primary, Secondary and Total Trade Areas for High Level, rather than being solely dependent upon the smaller localized population bases.

To that end, **Tables 3.1 & 3.2** provide a breakdown of the Trade Area Population and one that is much more appealing to the business community.

The Total Trade Area (PTA + STA N + STA S) population is estimated for 2016 to be just over 28,000. This population is forecast to generally remain in and around that level over the foreseeable horizon.

Within the Total Trade Area, the Primary Trade Area (PTA), is estimated to have a population around 9,000 residents while the STA N is comprised of an additional 4,200 residents, while the STA S has an additional 14,800.

Even if the trade area were to expand beyond the boundaries as shown in **Figure 3.1**, the impact would not be significant since most of the population nodes are smaller.

Table 3.1

TRADE AREA DEMOGRAPHIC SUMMARY

(Source: Pitney Bowes 2017 and Cushing Terrell Architecture Inc.)

2017 Demographic Snapshot	Primary Trade Area		Secondary Trade Area North		Secondary Trade Area South	
		%		%		%
2011 Census*	8,917		4,113		14,080	
2017 Population estimate	9,022		4,234		14,846	
2020 Population projection	8,872		4,501		14,892	
% Population Change (2011-17)	1.2%		3.0%		5.4%	
% Population Change (2017-20)	-1.7%		6.3%		0.3%	
2017 Population by Age	9,022		4,234		14,846	
0 to 4 years	1,025	11%	285	7%	1,930	13%
5 to 19 years	2,132	24%	807	19%	4,531	31%
20 to 24 years	737	8%	342	8%	1,295	9%
25 to 34 years	1,438	16%	682	16%	1,903	13%
35 to 44 years	1,253	14%	515	12%	1,654	11%
45 to 54 years	1,087	12%	592	14%	1,259	8%
55 to 64 years	752	8%	568	13%	1,081	7%
65 to 74 years	376	4%	297	7%	743	5%
75 to 84 years	183	2%	101	2%	342	2%
85 years and over	39	0%	46	1%	108	1%
Median Age	29.1		35.0		23.7	
2017 Families	2,702		1,318		3,733	
Married couples	1,371	51%	663	50%	2,661	71%
Without children at home	506	19%	291	22%	886	24%
With children at home	865	32%	373	28%	1,775	48%
Common-law couples	628	23%	309	23%	479	13%
Without children at home	223	8%	144	11%	149	4%
With children at home	405	15%	165	13%	330	9%
Lone-parent families	703	26%	346	26%	593	16%
Average Persons Per Family	3.0		2.7		3.6	
Average Children Per Family	1.2		1.0		1.8	
2017 Households	2,989		1,641		3,951	
Persons per household	3.0		2.6		3.8	
Average household income	\$ 97,583		\$ 134,210		\$ 82,474	
Median Estimated Household Income	\$ 75,980		\$ 113,155		\$ 59,248	

Table 3.2

TRADE AREA POPULATION PROJECTIONS SUMMARY 2011 TO 2027

(Source: Pitney Bowes 2017 and Cushing Terrell Architecture Inc.)

2017 Estimates and Projections Population Trends	Primary Trade Area	Secondary Trade Area North	Secondary Trade Area South
Total Population			
2011 Census*	8,917	4,113	14,080
2017 estimated	9,022	4,234	14,846
2020 projected	8,872	4,501	14,892
2022 projected	8,774	4,678	14,922
2027 projected	8,577	4,990	15,022
Change in Population (persons)			
2011 to 2017	104	121	766
2017 to 2020	-150	266	46
2020 to 2022	-98	177	30
2022 to 2027	-197	312	100
Change in Population (percent)			
2011 to 2017	1.2%	3.0%	5.4%
2017 to 2020	-1.7%	6.3%	0.3%
2020 to 2022	-1.1%	3.9%	0.2%
2022 to 2027	-2.2%	6.7%	0.7%
Rate of Change in Population (percent per year)			
2011 to 2017	0.2%	0.5%	0.9%
2017 to 2020	-0.6%	2.1%	0.1%
2020 to 2022	-0.6%	2.0%	0.1%
2022 to 2027	-0.4%	1.3%	0.1%
* Population counts have been adjusted by MapInfo for census undercounts.			

The Trade Area population growth dynamics for High Level do not exhibit strong projected growth, which suggests that focus should be on diligently attracting the types of retail that would benefit the community while not detrimentally impacting existing retailers. Similarly, efforts should be focused on trying to increase the existing market penetration for sustaining existing business vitality and for ensuring proper business succession planning.

The development of Bison Crossing would also be incumbent upon garnering additional inflow and capture of existing spending dollars that is currently outflowing to larger markets, most notably the City of Grande Prairie.

Clearly however and subject to changing economics, new population growth will not be the primary determinant to retail growth, but rather better marketing and penetration of the exiting market.

Table 3.3

TRADE AREA POPULATION AGE BREAKDOWN

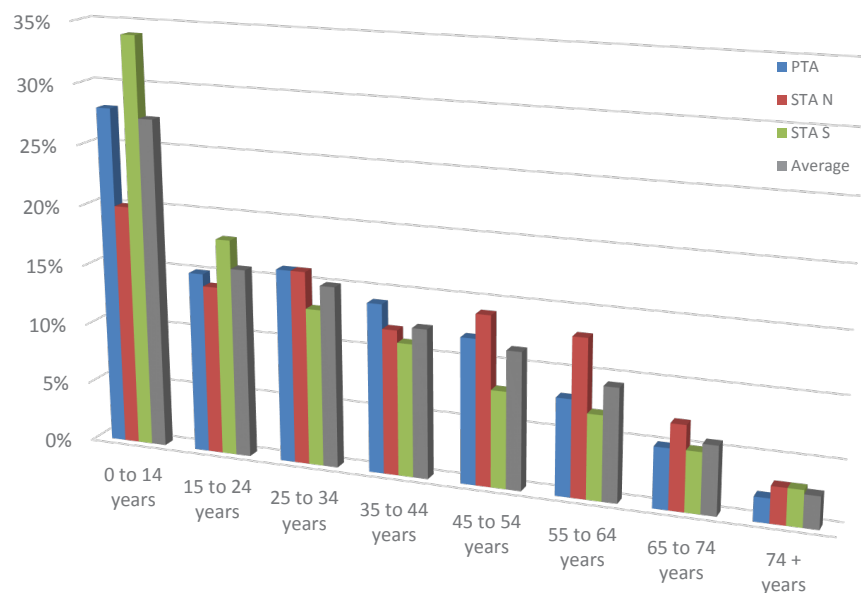
(Source: Pitney Bowes 2017 and Cushing Terrell Architecture Inc.)

2017 Estimates and Projections Population by Age and Sex	Primary Trade Area		Secondary Trade Area North		Secondary Trade Area South	
		%		%		%
2017 Estimated Population	9,022	% base	4,234	% base	14,846	% base
0 to 4 years	1,025	11%	285	7%	1,930	13%
5 to 9 years	823	9%	257	6%	1,641	11%
10 to 14 years	697	8%	306	7%	1,537	10%
15 to 19 years	612	7%	245	6%	1,353	9%
20 to 24 years	737	8%	342	8%	1,295	9%
25 to 29 years	758	8%	357	8%	1,028	7%
30 to 34 years	680	8%	325	8%	875	6%
35 to 39 years	655	7%	263	6%	870	6%
40 to 44 years	598	7%	253	6%	784	5%
45 to 49 years	554	6%	268	6%	640	4%
50 to 54 years	533	6%	324	8%	618	4%
55 to 59 years	462	5%	352	8%	582	4%
60 to 64 years	290	3%	216	5%	499	3%
65 to 69 years	227	3%	179	4%	411	3%
70 to 74 years	149	2%	118	3%	333	2%
75 to 79 years	125	1%	61	1%	214	1%
80 to 84 years	57	1%	41	1%	127	1%
85 years and over	39	0%	46	1%	108	1%
Median Age	29.1		35.0		23.7	
Dominant Age Group	0 to 4		25 to 29		0 to 4	

Figure 3.2

TRADE AREA POPULATION AGE BREAKDOWN

(Source: Pitney Bowes 2017 and Cushing Terrell Architecture Inc.)



3.3

AGE PROFILE

A summary of the current age profile, as documented in **Table 3.3 and Figure 3.2** reveal a slightly older family profile. In total, the median age ranges from 29 to 35 years of age, which is a young profile. For the PTA in particular, the median age is 29.1 combined with a dominant age group of 0 to 4 years, suggesting a strong family formation, which bodes well for family apparel, grocery and services. The STA N as a more remote area has an older demographic, while the STA S and its large family Mennonite culture in and around La Crete is a very young family dynamic.

Table 3.2 reveals that 35% of the Primary Trade Area's population is currently under the age of 20 years. This age cohort represents an age cohort that may not be the strongest spending segment, but they are nonetheless very influential in the spending of other household members.

Another attribute of this demographic is a propensity for on-line purchases, which suggest that future physical retail should be cautiously introduced, except for Food & Beverage which is seen as a spending opportunity worth pursuing.

From a retail perspective, spending on discretionary items such as Automobiles & Recreational Vehicles/Motorsports, Fashion, House & Home, Food & Beverage (away from home), Sporting Goods, and Entertainment & Leisure is expected to be quite strong, especially in a community with outdoor recreational opportunities and family demographics (refer to **Table 3.3 and Figure 3.2**).

Therefore, High Level, like other similar Northern Alberta markets should look to consolidating and focusing on a provision of shops and services that are most compatible and sought by the target demographic profiles, but also looking to integrate new retail into vacancies in the Downtown.

3.4

HOUSEHOLD INCOME PROFILE

Household incomes are among the most direct determinants in identifying patterns of spending and potential thereof for retail, food & beverage, entertainment and services.

A summary of the current average Household Income in the Retail Trade Area as documented in **Table 3.4 and Figure 3.3**, reveals an average Household Income in 2017 estimated at \$97,583 (PTA), \$134,210 (STA N) and \$82,474 (STA S). The PTA household income represents a very healthy level for consumer spending, particularly when combined with the cost of living. The very high incomes of the STA N correlates directly with the older demographic, which is a segment that typically spends money on grocery rather than eating out and on vehicles and vacations. The income of the STA S is indicative of a more frugal trade area whose spending in High Level is not likely to be significant.

Table 3.4 reveals that Average Household Income in the PTA is forecast to grow, over the 5-year period 2017 to 2022, to an estimated \$107,000.

Figure 3.3 illustrates that approximately 35% of households in the PTA have an average Household Income of over \$125,000. Thus, the income profile represents overall economic health and stability for retail opportunities even in the face of challenging provincial economics.

Table 3.4

TRADE AREA HOUSEHOLD INCOME BREAKDOWN

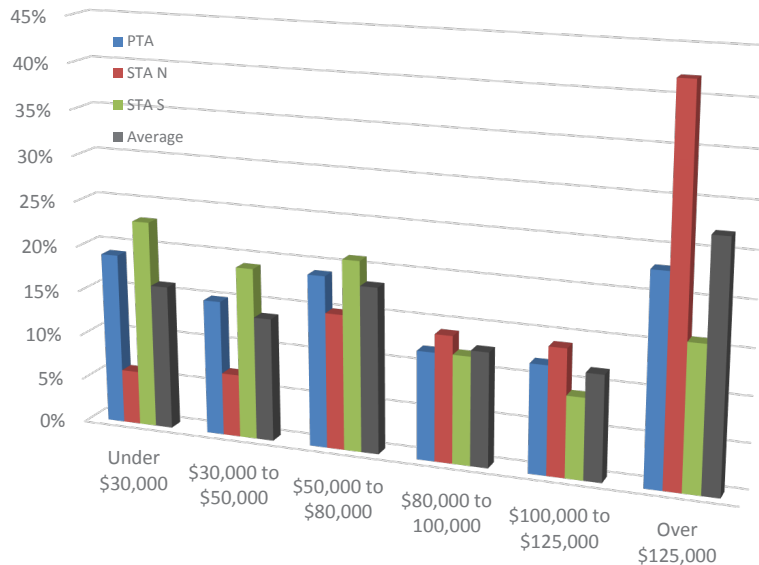
(Source: Pitney Bowes 2017 and Cushing Terrell Architecture Inc.)

2017 Estimates and Projections Income Trends	Primary Trade Area		Secondary Trade Area North		Secondary Trade Area South	
Average household income						
2017 estimated	\$	97,583	\$	134,210	\$	82,474
2020 projected	\$	103,638	\$	141,240	\$	87,777
2022 projected	\$	107,642	\$	145,953	\$	91,305
Aggregate household income (\$000)						
2017 estimated	\$	291,689	\$	220,200	\$	325,835
2020 projected	\$	306,353	\$	245,486	\$	348,305
2022 projected	\$	315,941	\$	263,228	\$	363,355
Change in average household income						
2017 to 2020	\$	6,056	\$	7,030	\$	5,302
2020 to 2022	\$	4,003	\$	4,713	\$	3,528
Change in aggregate household income (\$000)						
2017 to 2020	\$	14,664	\$	25,286	\$	22,470
2020 to 2022	\$	9,588	\$	17,742	\$	15,050
2017 Estimated Households by Income	2,989	% base	1,641	% base	3,951	% base
Under \$5,000	47	2%	9	1%	76	2%
\$5,000 to 9,999	66	2%	15	1%	95	2%
\$10,000 to 14,999	101	3%	18	1%	149	4%
\$15,000 to 19,999	148	5%	23	1%	226	6%
\$20,000 to 29,999	203	7%	39	2%	364	9%
\$30,000 - 39,999	212	7%	52	3%	388	10%
\$40,000 - 49,999	226	8%	71	4%	369	9%
\$50,000 to 59,999	207	7%	91	6%	333	8%
\$60,000 - 79,999	356	12%	155	9%	528	13%
\$80,000 - 99,999	357	12%	222	14%	472	12%
\$100,000 - 124,999	344	12%	236	14%	350	9%
\$125,000 - 149,999	275	9%	232	14%	221	6%
\$150,000 - 174,999	175	6%	180	11%	128	3%
\$175,000 - 199,999	104	3%	118	7%	85	2%
\$200,000 - 249,999	64	2%	72	4%	60	2%
\$250,000 and over	104	3%	106	6%	107	3%
Median Estimated Household Income	\$	75,980	\$	113,155	\$	59,248

Figure 3.3

TRADE AREA HOUSEHOLD INCOME BREAKDOWN

(Source: Pitney Bowes 2017 and Cushing Terrell Architecture Inc.)



3.5

RETAIL SPENDING PROFILE

Building upon the Trade Area demographic profile analysis, an assessment was made of the Trade Area's retail spending profile. This provides a more refined understanding of the opportunity for retail within the Town of High Level.

The key questions it seeks to answer are:

- How much do Trade Area residents spend on Convenience retail (such as Grocery and Pharmacy), on Comparison retail¹ (such as Fashion and Home Furnishings), and Leisure (Food & Beverage and Entertainment)?
- What spending patterns or trends does the Trade Area expenditure profile demonstrate? And how is spending forecast to change over the coming years?
- What types of retail goods and services are garnering inflow of sales dollars and which categories are exhibiting outflow of sales (or leakage)?

Detailed information of retail spending within the Trade Area was collected from Pitney Bowes, a leading supplier of demographic and consumer expenditure information, using 2017 data. The data was compiled into groups according to where the respondent was from in order to build a spending profile for each respective Trade Area.

Each of the major three categories of spending (Convenience, Comparison and Leisure) was assessed at a detailed category-by-category level then aggregated into major categories.

The initial task involved developing an understanding of how each of the delineated Trade Area residents spend their shopping and leisure dollars on a per capita basis for each of the 20 merchandise categories.

Having established the Trade Area boundaries, population and demographic profile, the size of the retail market and its anticipated growth was projected using retail spending data from Pitney Bowes.

Table 3.5

TRADE AREA RETAIL SPENDING 2017

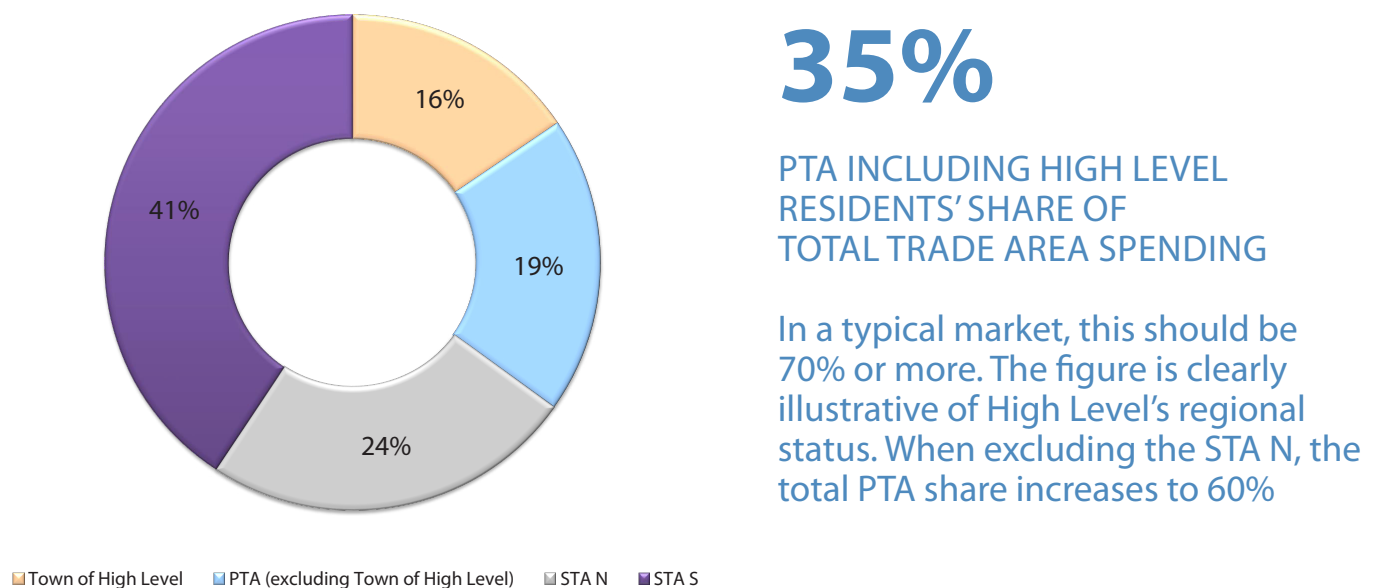
(Source: Pitney Bowes 2017 and Cushing Terrell Architecture Inc.)

Retail Spending by Merchandise Category	2017 (estimate)				
	Town of High Level Aggregate Retail Spending	PTA (including Town of High Level) Aggregate Retail Spending	STA North Aggregate Retail Spending	STA South Aggregate Retail Spending	TOTAL Trade Area Aggregate Retail Spending
Grocery & Specialty Foods	\$8,386,234	\$21,063,483	\$15,128,379	\$26,566,524	\$62,758,386
Pharmacy	\$814,648	\$2,755,858	\$1,770,639	\$3,864,078	\$8,390,575
Alcohol & Tobacco	\$2,186,144	\$5,254,662	\$4,327,317	\$6,527,052	\$16,109,031
Personal Services	\$1,896,119	\$4,074,007	\$2,824,161	\$4,705,641	\$11,603,809
Clothing & Apparel	\$3,209,610	\$6,919,535	\$5,110,074	\$7,487,145	\$19,516,754
Footwear	\$730,863	\$1,596,126	\$1,112,598	\$1,932,039	\$4,640,763
Jewelry & Accessories	\$675,436	\$1,177,666	\$758,142	\$932,436	\$2,868,244
Health & Beauty	\$830,116	\$1,853,180	\$1,412,901	\$2,236,266	\$5,502,347
Home Furnishings & Accessories	\$3,183,830	\$5,350,310	\$3,065,388	\$5,021,721	\$13,437,419
Home Electronics & Appliances	\$2,870,603	\$5,723,935	\$4,008,963	\$6,554,709	\$16,287,607
Home Improvement & Gardening	\$849,451	\$2,483,859	\$1,581,924	\$3,480,831	\$7,546,614
Books & Multimedia	\$629,032	\$1,365,973	\$1,081,419	\$1,351,242	\$3,798,634
Sporting Goods & Recreation	\$582,628	\$1,087,996	\$784,398	\$1,193,202	\$3,065,596
Toys & Hobbies	\$525,912	\$983,381	\$820,500	\$1,050,966	\$2,854,847
Miscellaneous Specialty	\$1,260,642	\$2,731,946	\$1,824,792	\$3,583,557	\$8,140,295
Restaurant F&B	\$2,529,018	\$5,368,244	\$4,330,599	\$5,914,647	\$15,613,490
Drinking Establishment	\$601,963	\$1,144,787	\$982,959	\$1,165,545	\$3,293,291
Entertainment & Leisure	\$1,840,692	\$3,422,405	\$2,610,831	\$4,263,129	\$10,296,365
Auto Parts & Accessories	\$654,812	\$1,766,499	\$1,130,649	\$2,682,729	\$5,579,877
Auto/RV/Motorsports Dealership	\$7,523,893	\$17,868,242	\$10,884,753	\$19,134,693	\$47,887,688
TOTAL RETAIL CATEGORIES ONLY	\$41,781,646	\$93,992,094	\$65,551,386	\$109,648,152	\$269,191,632

Figure 3.4

AGGREGATE RETAIL SPENDING BY TRADE AREA

(Source: Pitney Bowes 2017 and Cushing Terrell Architecture Inc.)



As illustrated in **Table 3.5**, the Total Trade Area is estimated at \$269.2 million (2017 year-end estimate). Excluding the STA S, the Trade Area spending is \$159.5 million.

High Level's retail core is a well-entrenched area, and is recognized as a hub for the north region, where the opportunity to tap into passing motorists and overnight visitors has been a historic attribute of the community. The Town of High Level's share of the Total Trade Area spending is estimated at only 16%, which further illustrates the importance of the wider trade area to High Level's success. Overall, the PTA represents a share of 35% of total trade area spending, which is considered low for the market and further illustrates the fact that the STA S is not in all likelihood a major draw to the High Level retail market. If excluding the STA S, the share of total trade area spending by the PTA increases to almost 60%, which is more appropriate.

The overall spending profile is healthy, though opportunities are somewhat limited because of relatively slow/flat population growth, requiring an approach that should entail stronger penetration of the existing market rather than focusing on new growth.

Figures 3.5 and 3.6 illustrate the retail spending as summarized by the larger categorizations of Grocery & Conveniences, Comparison Merchandise (also known as Department Store Type Merchandise), Restaurants & Entertainment and Auto/RV/Motorsports Parts and Sales (excluding auto service).

As shown in **Figure 3.6** and as is more common in rural or secondary markets, the share of spending on Grocery and Conveniences (37%) is high when compared to other segments, while the spending on Restaurants & Entertainment (11%) is comparable to other more urban

markets. This spending does not necessarily mean that spending is occurring in High Level, but is rather a component of their spending that likely occurs outside of the High Level Trade Area. As a comparison, recent studies for the City of Grande Prairie and City of Chestermere have Grocery & Conveniences spending share at 31% and 32% respectively, while the spending on Restaurants & Entertainment are at 10% and 12% respectively.

Regardless of where residents spend their money, realizing that spending will occur in Grande Prairie, the Top 5 retail spending categories for the Total Trade Area are:

1. *Grocery & Specialty Foods - \$62.8 Million*
2. *Auto/RV/Motorsport - \$47.8 Million*
3. *Clothing & Apparel - \$19.5 Million (\$24.2 million including Footwear)*
4. *Home Electronics and Appliances - \$16.3 Million*
5. *Restaurant F&B - \$15.6 Million*

Figure 3.5
TRADE AREA RETAIL SPENDING SUMMARY 2017
 (Source: Pitney Bowes 2017 and Cushing Terrell Architecture Inc.)

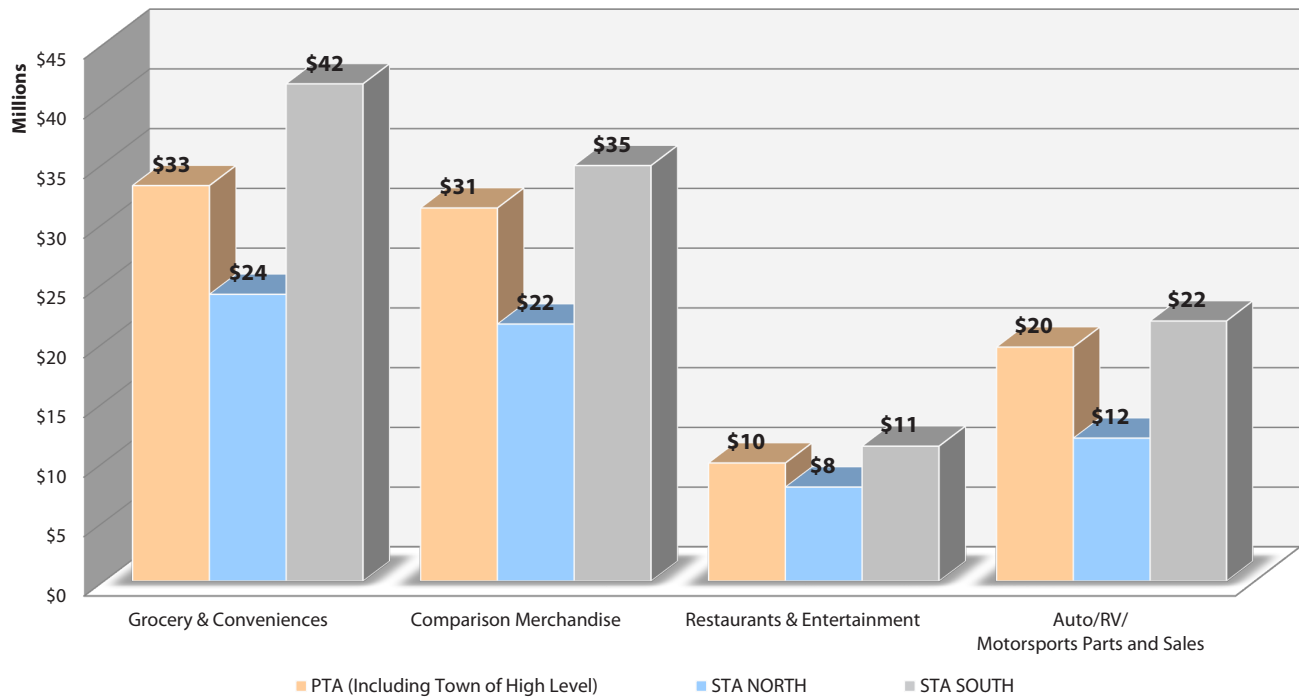
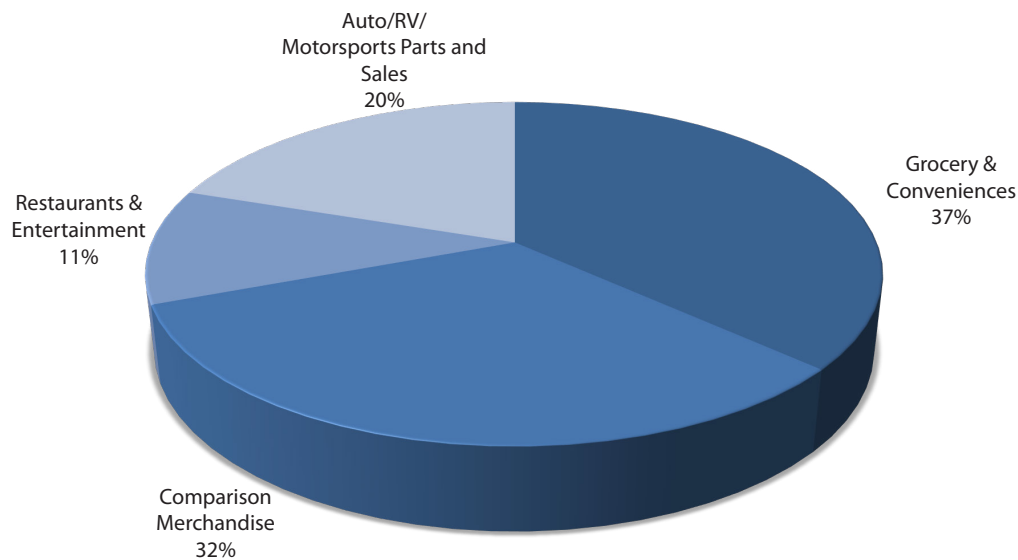


Figure 3.6

TRADE AREA RETAIL SPENDING BY GENERAL CATEGORY

(Source: Pitney Bowes 2017 and Cushing Terrell Architecture Inc.)



¹ Comparison Retail comprises retail categories that one would usually compare prices or shop around. Examples include Automobiles, Fashion, Footwear, House & Home, Books, Specialty Retail. The term Comparison Retail is synonymous with the Industry Term DSTM, which refers to Department Store Type Merchandise or GAFO, which refers to General Merchandise, Apparel Accessories, Furniture and Other Stores.



Photo courtesy of Cushing Terrell Architecture Inc.

4.0 retail supply

4.1 INTRODUCTION

The dynamics of the overall retail market provide critical indicators as to the performance of the retail and moreover the magnitude of demand and resulting opportunity for which certain market segments can be filled.

This section will provide a detailed inventory of the tenants that comprise the current retail market for High Level. Smaller nodes such as Rainbow Lake were accounted for, but the focus lies in the main hub for retail for High Level's Trade Area. The purpose of the competitive evaluation is to identify a foundation for demand and current retail performance (also known as retail sales productivity) followed by identifying the potential types of tenants and/or merchandise categories for whom High Level, and to a lesser degree communities like Rainbow Lake or Zama may represent a compatible fit, if appropriate.

4.2 HIGH LEVEL RETAIL MARKET

To document the retail inventory, Cushing Terrell conducted on-the-ground fieldwork in which every street front retail premise was documented in terms of the retail store, merchandise category, estimated unit size, vacancy as well as North American Industry Classification System (NAICS) code.

The inventory was categorized into the same merchandise categories that were profiled in the retail spending so that a direct comparison could be taken. In some cases where retail data was not available, store sizes were estimated using leasing plans, brokerage websites, Geographic Information Systems (GIS), and satellite mapping measurements.

As documented in **Tables 4.1 and 4.2** and **Figure 4.1** the High Level retail market has an estimated retail floor space of approximately 405,314 sf. This retail floor space is comprised of retail premises that range from Grocery Stores to Restaurants to Personal Services such as Optometrists and Salons. Of note, Rainbow Lake has an approximate retail inventory of 25,000 sf of which the Rainbow Foods Grocery accounts for 7,200 sf or almost one-quarter of the floorspace).

The inventory also distinguishes between Professional Medical, Finance/Insurance/Real Estate Services or other Non-Retail that may occupy traditional street front spaces, but typically do not have a retail productivity. Regardless, many of these uses even if not traditional retail are essential to the lifeblood of retail and are part of the overall market demand analysis.

Table 4.1 RETAIL MARKET SNAPSHOT

Total retail floorspace (Excluding NON-RETAIL Streetfront)	405,314
VACANT	46,188
% VACANT	11.4%
Retail Space Per Capita (against PTS + STA North Trade Area Population 13,256)	30.6

4.3 RETAIL VACANCY

A review of the current vacancy and nature of the vacancies provides additional cues for prospective business interests in the community.

In particular, the overall vacancy rate is estimated at 11.4% which is higher than the industry standard for a healthy retail market that should be

Figure 4.1

HIGH LEVEL RETAIL INVENTORY BY CATEGORY

(Source: Cushing Terrell Architecture Inc.)

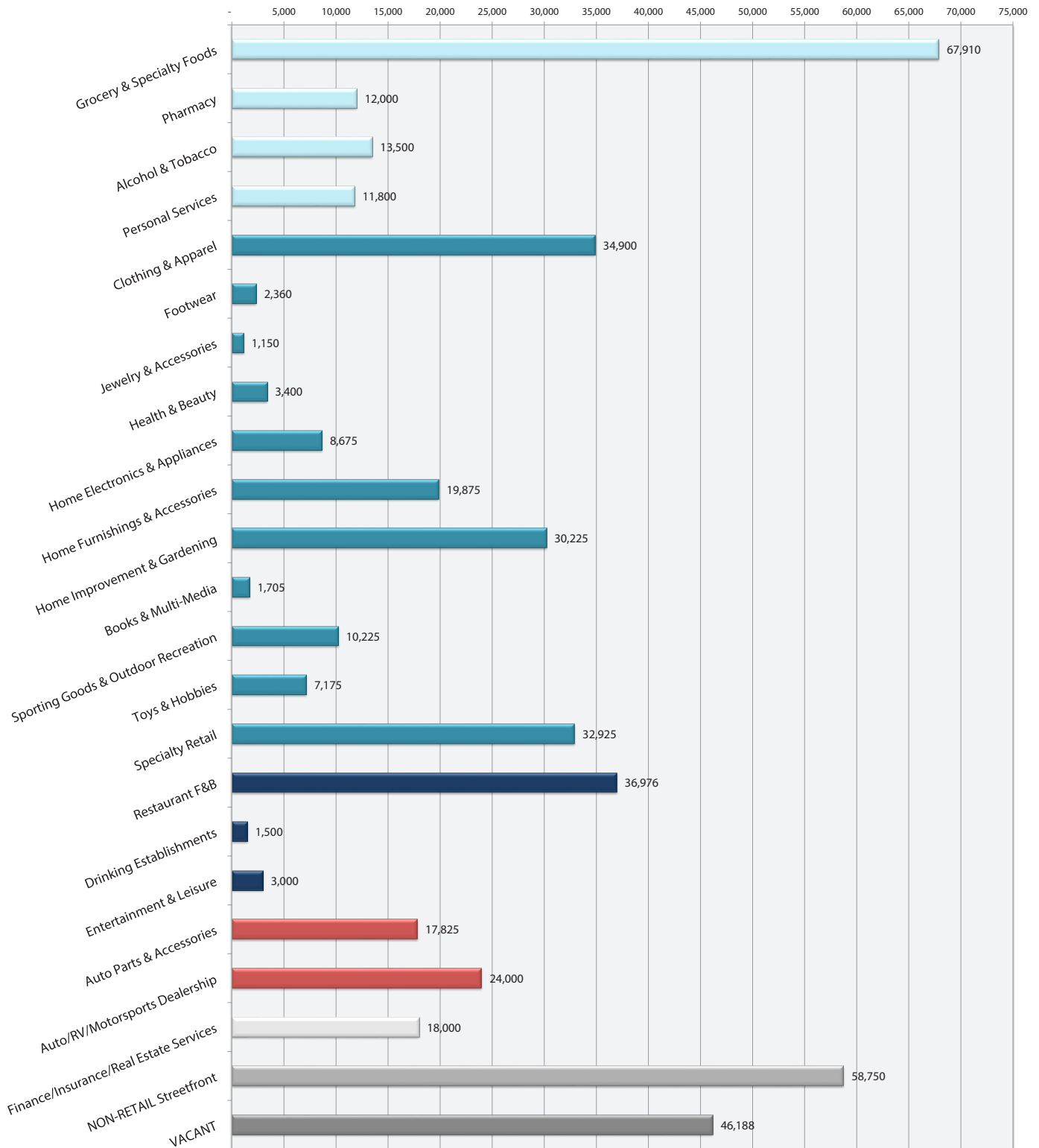


Table 4.2

HIGH LEVEL RETAIL INVENTORY SUMMARY

Merchandise Category	Existing Inventory (SF)	Existing Inventory (%)
Grocery & Specialty Foods	67,910	14.6%
Pharmacy	12,000	2.6%
Alcohol & Tobacco	13,500	2.9%
Personal Services	11,800	2.5%
Clothing & Apparel	34,900	7.5%
Footwear	2,360	0.5%
Jewelry & Accessories	1,150	0.2%
Health & Beauty	3,400	0.7%
Home Electronics & Appliances	8,675	1.9%
Home Furnishings & Accessories	19,875	4.3%
Home Improvement & Gardening	30,225	6.5%
Books & Multi-Media	1,705	0.4%
Sporting Goods & Outdoor Recreation	10,225	2.2%
Toys & Hobbies	7,175	1.5%
Specialty Retail	32,925	7.1%
Restaurant F&B	36,976	8.0%
Drinking Establishments	1,500	0.3%
Entertainment & Leisure	3,000	0.6%
Auto Parts & Accessories	17,825	3.8%
Auto/RV/Motorsports Dealership	24,000	5.2%
Finance/Insurance/Real Estate Services	18,000	3.9%
NON-RETAIL Streetfront	58,750	12.7%
VACANT	46,188	10.0%
TOTAL	464,064	100.0%

Table 4.3

RETAIL INVENTORY BY NAICS CODES

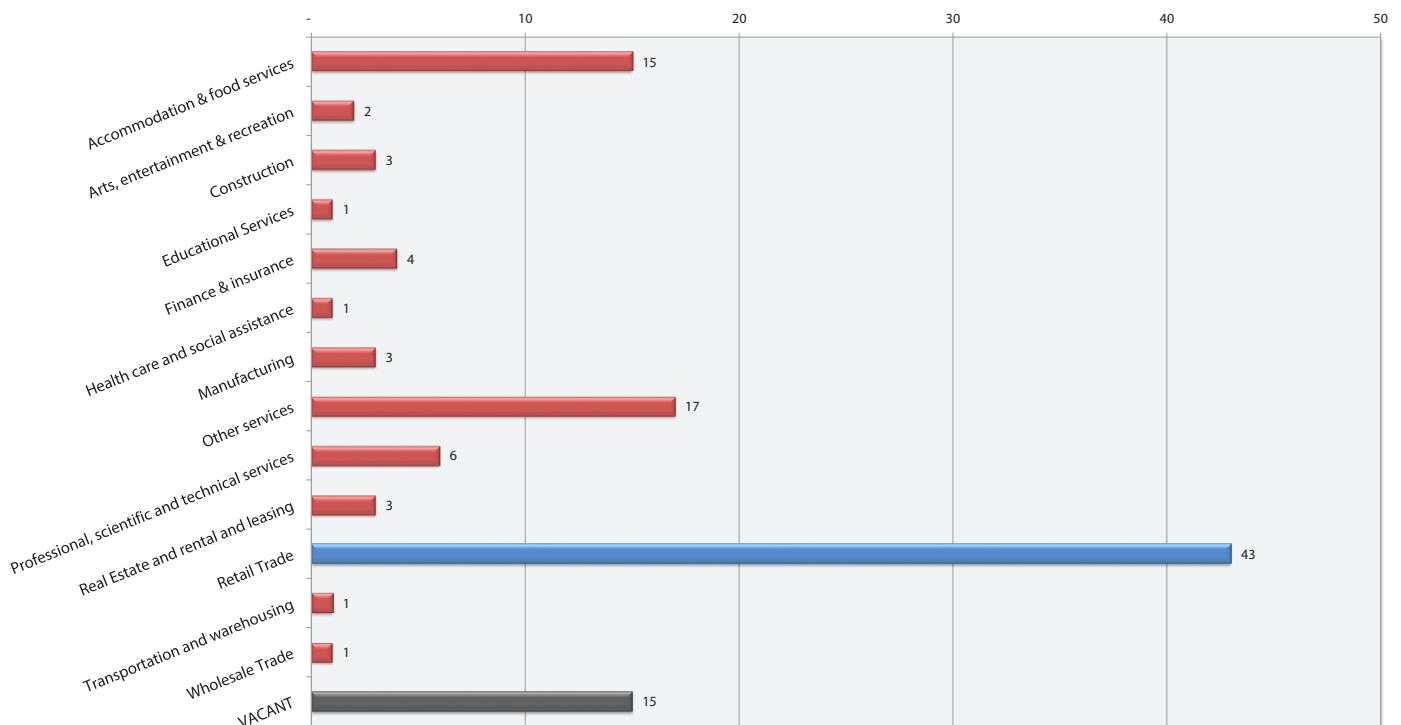
(Source: Statistics Canada and Cushing Terrell Architecture Inc.)

NAICS CATEGORY	Existing Inventory (SF)	Existing Inventory (%)
Accommodation & food services	15	13.0%
Arts, entertainment & recreation	2	1.7%
Construction	3	2.6%
Educational Services	1	0.9%
Finance & insurance	4	3.5%
Health care and social assistance	1	0.9%
Manufacturing	3	2.6%
Other services	17	14.8%
Professional, scientific and technical services	6	5.2%
Real Estate and rental and leasing	3	2.6%
Retail Trade	43	37.4%
Transportation and warehousing	1	0.9%
Wholesale Trade	1	0.9%
VACANT	15	13.0%
TOTAL	115	100.0%

Figure 4.2

RETAIL INVENTORY BY NAICS CODES

(Source: Statistics Canada and Cushing Terrell Architecture Inc.)



4

Figure 4.3
RETAIL VACANCY IMAGERY

Source: Photos by Cushing Terrell Architecture Inc.)



in the 3% to 5% level.

The implications of vacancy are two-fold. Firstly, the opportunity may exist to attract businesses into existing vacant spaces that will have lower rent costs applied and as a result may be more attractive to local businesses who may not have the sales productivity to justify higher rents. Secondly, higher vacancy rates would suggest that any new development should be very targeted for uses that have the ability to create benefit for the greater good rather than impacting existing businesses even more.

A review of current retail/commercial space or land for lease or sale (excluding Bison Crossing and where information is available) in High Level is summarized as follows:

- DOWNTOWN 9901 100 Ave, 3 spaces with 2 existing tenants, 5,242 sf listed for sale at \$469,900
- DOWNTOWN 10001 100th St, Town Centre Mall, 12,400 sf available in 2 spaces; Space 1 - 10,000 sf (divisible into 5,000 sf), listed for lease at \$12 per sf per annum and Space 2 - 2,400 sf (divisible into 1, 200 sf), listed for lease at \$15 per sf per annum
- DOWNTOWN 100th St vacant lot, 0.16 acres, listed for sale at \$59,900
- DOWNTOWN 98th St vacant building, 6,250 sf, listed for sale at \$450,000
- 10014 97th St, 2 lots and 2 vacant buildings; restaurant 3,250 sf and 2nd building 2,700 sf), listed for sale at \$388,000
- 9904 Rainbow Blvd, vacant commercial lot <1 acre, listed for sale at \$105,000
- 10902 Rainbow Blvd (former fast food), 1,888 sf listed for sale at \$550,000
- 11206 Chinchaga Dr, 0.93 acre commercial lot, listed for sale at \$105,000
- 9805 100th St, 0.2 acre commercial lot, listed for sale at \$35,000

Figure 4.4 REPRESENTATIVE HIGH LEVEL RETAIL IMAGERY

Source: Photos by Cushing Terrell Architecture Inc.)



Photos courtesy of Cushing Terrell Architecture Inc.

- Former RONA 95th St, 10,710 sf, listed for sale at \$1,550,000

4.4

RETAIL INVENTORY BY CATEGORY

Table 4.2 (and Appendix A) provides a breakdown of High Level's retail inventory by category. Designating retail categories to the overall inventory makes it possible to conduct a category void analysis for High Level.

The Top 5 retail categories in terms of overall retail floor space in High Level are:

1. <i>Grocery & Specialty Foods</i>	67,910 sf
2. <i>Restaurant F&B</i>	36,976 sf
3. <i>Clothing & Apparel</i>	34,900 sf
4. <i>Specialty Retail</i>	32,925 sf
5. <i>Home Improvement & Gardening</i>	30,225 sf

Restaurants are a notable category of relative strength in the community and has a correlation with the young demographic profile. For example, the Boston Pizza is estimated to be performing at an average sales productivity in the range of \$375 to \$400 per sf. This figure is lower than comparable figures for more urban markets, but is relatively stable for a market like High Level.

Although the inventory is high for Restaurants, the category itself benefits from the notable hotel inventory in the community, though there are not many newer restaurant formats with the exception of Boston Pizza or Tim Horton's.

There is though room for food and beverage brands to enter the market given the spending profile, demographics and current market share penetration (forthcoming in Section 5.0).

4.5

RETAIL INVENTORY BY NAICS

Table 4.3 and Figure 4.2 provides a breakdown of the North American Industry Classification System (NAICS) for High Level's street front businesses. High Level's street front inventory is comprised of almost 37% of businesses that are traditional Retail in their classification, followed by almost 13% in the Accommodations & Food Services classification. Rounding out the top 3 industries are the Other Services, which in High Level comprise Health & Beauty businesses. Combined, these 3 classifications account for 65% of High Level's businesses that occupy street front spaces in the community. The strong presence of Finance/Insurance/Real Estate services is equally important to acknowledge as banks in particular are the lifeblood to Main Streets and Downtowns and every effort should be made to ensure they stay in High Level's downtown area.

4.6

RETAIL SPACE PER CAPITA

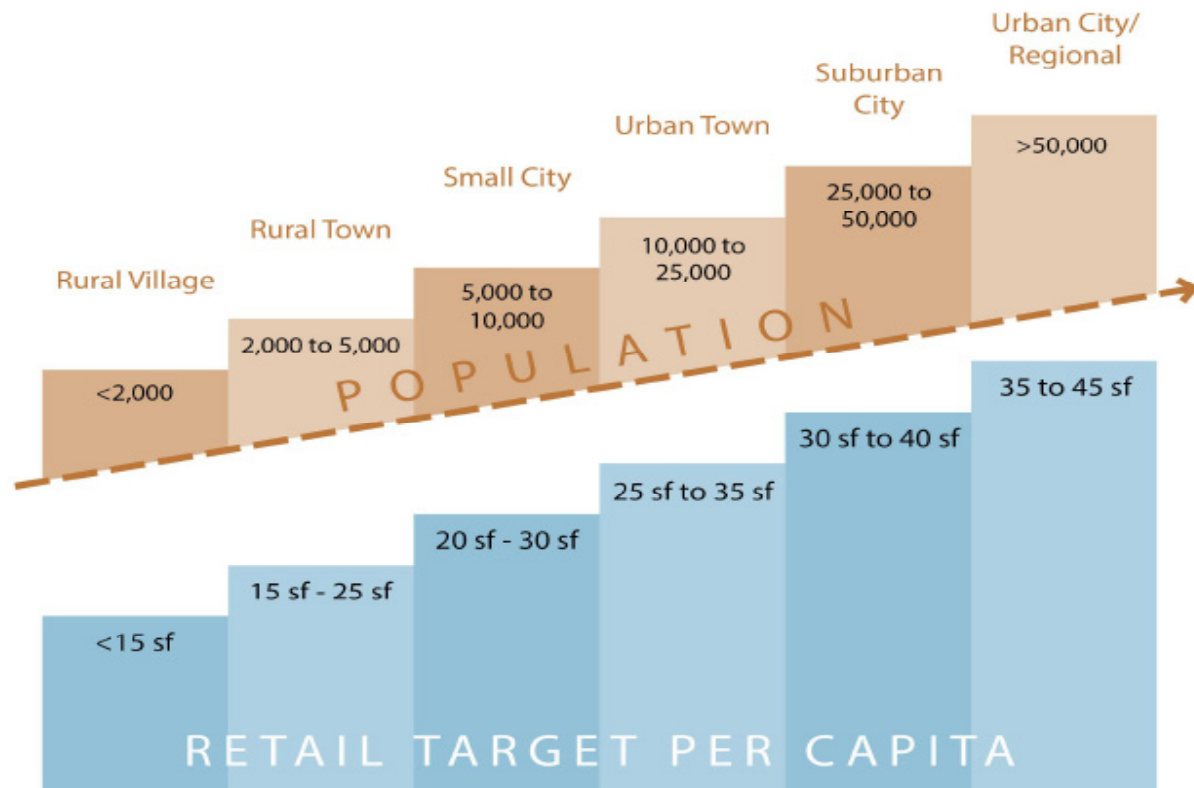
Utilizing data from Cushing Terrell's extensive retail inventory tabulation in conjunction with Demographic Data provided by Statistics Canada and Pitney Bowes, the approximate retail space per capita ratio has been estimated for the High Level retail market.

As a starting point, **Figure 4.5** depicts the Target Retail Space Per Capita, which provides a baseline for determining how much retail per capita is best suited to a community, according to its population size. How much retail a community is able to support is crucial

Figure 4.5

RETAIL SPACE PER CAPITA GROWTH CONTINUUM

Source: Cushing Terrell Architecture Inc.)



for determining future land use plans: a local government wants to have as much evidence as possible to demonstrate to potential retailers the opportunity and untapped potential in their community.

Per Capita ratios can also be used as a methodology to gauge future demand, if and as population growth occurs.

In predominantly rural areas such as MacKenzie County, many communities with retail services are shopping destinations for not only the residents of that community, but a larger regional area, as is the case for High Level. The current retail space per capita, as calculated by Cushing Terrell takes into account a trade area beyond simply the Town of High Level by using a drive time analysis and other criteria to form the retail trade (as noted in Section 3).

Figure 4.5 is meant to illustrate a general indication of retail opportunity and representation for communities.

Many location specific factors contribute to an area's overall retail market, and cannot be addressed in a general chart or graph. Such locational factors can include specialized demands of a community, or unique characteristics that warrant certain retail traits. Aside from unique locational factors that each retail trade area has, **Figure 4.5** provides beneficial direction and insight for communities to consider when trying to understand the opportunities of their retail market.

Retail space per capita is an industry measure of the ratio of retail space against a city's population. An examination of retail space per capita provides a general indication of whether a

market is under-retailed or over-retailed.

In most urban markets in Canada and the United States, a typical benchmark for ALL retail space per capita is in the range of 30 sf to 40 sf (Source: International Council of Shopping Centers).

This figure can be misleading however as this it accounts for organized shopping center space only in centers larger than 10,000 sf. Therefore, when factoring in all retail including street front retail, urban markets are usually much higher than this figure. It also means that rural markets, since they don't have the same type of retail infrastructure need to factor all space into their equation, since they are predominantly main street and multiple property owner/business owner driven.

Using **Figure 4.5** as a benchmark for retail space in communities and for a comparable market like High Level which is more rural and reaches a wider area given the more remote nature, this figure should fall in the 25 to 35 sf per capita range.

Accordingly, the estimated retail space per capita ratio for the High Level retail trade area is actually 31 sf/capita, which is perfectly situated in the market for stability and resilience.

Generally, and when looking at the current market dynamics, such as inventory, this figure would suggest that High Level is at a stage of relative balance for its retail inventory against its trade area.



5.0 retail demand

5.1 INTRODUCTION

The following section will assess the amount of supportable floor space in the Town of High Level as justified by the Trade Area it serves. After determining the supportable and residual floor space (if and as determined), the retail analysis will measure the difference between the supply and demand as presented in terms of inflow or outflow of retail sales and the net resulting implications on demand and tenant prospects.

5.2 RETAIL FLOOR SPACE DEMAND

In most typical urban market scenarios, forecasting retail demand would largely be predicated and have a close correlation with population growth and the inherent opportunities that would naturally come from a growing trade area.

However in secondary or rural markets and since population growth forecasts in High Level are not expected to provide this requisite increase, an alternative approach to demand is applied. While the overall retail market in High Level seems to be in balance, there are opportunities within the existing retail inventory to accommodate new business opportunities.

With this understanding of High Level's market dynamic and population growth, the key to forecasting new floorspace demand must look at the notion of achieving a greater market share of the existing spending for categories that represent strength today.

From Cushing Terrell's extensive analysis of the current retail inventory, retail sales productivity estimates were applied to each of the respective categories to provide an indication of the current estimated retail sales that the community's businesses are generating.

A sounding board for retail productivities are the lease rates which average between \$9 - \$12 per sf for current spaces and would likely be in the \$12 - \$15 per sf for new space. When applying typical industry rent to sales ratios, this would suggest that businesses sales productivity would need to be in the \$150 to \$200 range in order to reasonably justify rents. The more remote nature of High Level also would suggest lower sales productivities than market like Grande Prairie.

In applying sales productivities as shown in **Tables 5.1 & 5.2** against the Town's current retail inventory of occupied space only suggests that High Level currently garners 29% market share of the total trade area retail spending (refer to Table 5.1), which also factors in a "miscellaneous inflow" component to account for passing 'pit-stop' motorists as well as overnight visitors. Table 5.2 however reveals that if the STA South is excluded, then High Level garners 50% market share of the total trade area spending.

The key to High Level's retail opportunity lies in incrementally and slowly increasing the overall market share of sales, realizing that the draw of Grande Prairie, Peace River (Wal-Mart) will still continue to be a major factor in attracting spending in the DSTM type categories.

5.2.1 DEMAND BASED ON MARKET SHARES OF TOTAL TRADE AREA

The analysis of market shares as shown in **Table 5.3 and Figure 5.1** illustrates that in particular, merchandise categories that include Grocery & Conveniences, Pharmacy, Personal Services, Home Furnishings & Accessories, Restaurants (limited and full-service) and drinking establishments could boost their market share of total trade area spending to provide sufficient demand to warrant additional businesses in the community by 2022.

TABLE 5.1

HIGH LEVEL ESTIMATED RETAIL MARKET SHARE AND PRODUCTIVITY BASED ON TOTAL TRADE AREA (PTA + STA N + STA S)

Miscellaneous Spending Inflow Factor ¹	Merchandise Category	2017				
		2017 Total Trade Area Retail Spending (with Misc Inflow)	2017 Estimated Retail Sales Productivity (\$psf)	2017 Estimated Market Share	2017 Estimated Retail Sales \$ (Inflow)	2017 Current Town/MD Retail Inventory (sq. ft.) ²
5%	Grocery & Specialty Foods	\$65,896,305	\$375	39%	\$25,466,250	67,910
5%	Pharmacy	\$8,810,104	\$375	51%	\$4,500,000	12,000
5%	Alcohol & Tobacco	\$16,914,483	\$375	30%	\$5,062,500	13,500
5%	Personal Services	\$12,183,999	\$175	17%	\$2,065,000	11,800
0%	Clothing & Apparel	\$19,516,754	\$175	31%	\$6,107,500	34,900
0%	Footwear	\$4,640,763	\$200	10%	\$472,000	2,360
0%	Jewelry & Accessories	\$2,868,244	\$200	8%	\$230,000	1,150
0%	Health & Beauty	\$5,502,347	\$250	15%	\$850,000	3,400
0%	Home Furnishings & Accessories	\$13,437,419	\$225	15%	\$1,951,875	8,675
0%	Home Electronics & Appliances	\$16,287,607	\$175	21%	\$3,478,125	19,875
5%	Home Improvement & Gardening	\$7,923,945	\$150	57%	\$4,533,750	30,225
0%	Books & Multimedia	\$3,798,634	\$150	7%	\$255,750	1,705
0%	Sporting Goods & Recreation	\$3,065,596	\$175	58%	\$1,789,375	10,225
0%	Toys & Hobbies	\$2,854,847	\$150	38%	\$1,076,250	7,175
10%	Miscellaneous Specialty	\$8,954,325	\$150	55%	\$4,938,750	32,925
30%	Restaurant F&B	\$20,297,537	\$150	27%	\$5,546,400	36,976
50%	Drinking Establishments	\$4,939,937	\$150	5%	\$225,000	1,500
0%	Entertainment & Leisure	\$10,296,365	\$125	4%	\$375,000	3,000
20%	Auto Parts & Accessories	\$6,695,852	\$300	80%	\$5,347,500	17,825
5%	Auto/RV/Motorsports Dealership	\$50,282,072	\$400	19%	\$9,600,000	24,000
		\$285,167,135	\$246	29%	\$83,871,025	341,126

TABLE 5.2

HIGH LEVEL ESTIMATED RETAIL MARKET SHARE AND PRODUCTIVITY BASED ON PTA AND STA NORTH TRADE AREAS ONLY

Miscellaneous Spending Inflow Factor ¹	Merchandise Category	2017 (PTA & STA NORTH ONLY)				
		2017 PTA & STA N only Retail Spending (with Misc Inflow)	2017 Estimated Retail Sales Productivity (\$psf)	2017 Estimated Market Share	2017 Estimated Retail Sales \$ (Inflow)	2017 Current Town/MD Retail Inventory (sq. ft.) ²
5%	Grocery & Specialty Foods	\$38,001,455	\$375	67%	\$25,466,250	67,910
5%	Pharmacy	\$4,752,822	\$375	95%	\$4,500,000	12,000
5%	Alcohol & Tobacco	\$10,061,078	\$375	50%	\$5,062,500	13,500
5%	Personal Services	\$7,243,076	\$175	29%	\$2,065,000	11,800
0%	Clothing & Apparel	\$12,029,609	\$175	51%	\$6,107,500	34,900
0%	Footwear	\$2,708,724	\$200	17%	\$472,000	2,360
0%	Jewelry & Accessories	\$1,935,808	\$200	12%	\$230,000	1,150
0%	Health & Beauty	\$3,266,081	\$250	26%	\$850,000	3,400
0%	Home Furnishings & Accessories	\$8,415,698	\$225	23%	\$1,951,875	8,675
0%	Home Electronics & Appliances	\$9,732,898	\$175	36%	\$3,478,125	19,875
5%	Home Improvement & Gardening	\$4,269,072	\$150	106%	\$4,533,750	30,225
0%	Books & Multimedia	\$2,447,392	\$150	10%	\$255,750	1,705
0%	Sporting Goods & Recreation	\$1,872,394	\$175	96%	\$1,789,375	10,225
0%	Toys & Hobbies	\$1,803,881	\$150	60%	\$1,076,250	7,175
10%	Miscellaneous Specialty	\$5,012,412	\$150	99%	\$4,938,750	32,925
30%	Restaurant F&B	\$12,608,496	\$150	44%	\$5,546,400	36,976
5%	Drinking Establishments	\$2,234,133	\$150	10%	\$225,000	1,500
0%	Entertainment & Leisure	\$6,033,236	\$125	6%	\$375,000	3,000
25%	Auto Parts & Accessories	\$3,621,435	\$300	148%	\$5,347,500	17,825
5%	Auto/RV/Motorsports Dealership	\$30,190,645	\$400	32%	\$9,600,000	24,000
		\$168,240,345	\$246	50%	\$83,871,025	341,126

NOTES & ASSUMPTIONS

¹ Miscellaneous Inflow accounts for residents falling outside of the Primary & Secondary Trade Areas as well as Hotel Visitors, Passing Motorists and College Students, not accounted for in residential base

² Retail inventory includes inventory in Town of High Level but does NOT include current vacancies totaling 38,900 sq. ft.

³ 2021 Estimated Retail Sales reflect an inflationary increase in spending at 1.0% per annum.

This opportunity is summarized for key categories as follows:

Grocery & Convenience new demand	43,000 sf
market share increase from 39% to 60%	
Restaurant F&B new demand	12,800 sf
market share increase from 27% to 35%	
Drinking Places new demand	7,200 sf
market share increase from 5% to 25%	

If High Level were to increase its current market share penetration by 10% from an estimated 29% to 39%, of the total Trade Area then the total demand by the year 2022, without new population growth could be 93,000 sf.

5.2.2 DEMAND BASED ON MARKET SHARES OF PTA & STA N ONLY

The analysis of market shares as shown in **Table 5.4 and Figure 5.2** illustrates that in particular, merchandise categories that include Grocery & Conveniences, Restaurants (limited and full-service) and drinking establishments could boost their market share of total trade area spending to provide sufficient demand to warrant additional businesses in the community by 2022.

This opportunity is summarized for key categories as follows:

Grocery & Convenience new demand	6,600 sf
market share increase from 67% to 70%	
Restaurant F&B new demand	7,200 sf
market share increase from 44% to 50%	
Drinking Places new demand	2,400 sf
market share increase from 10% to 25%	

If High Level were to increase its current market share penetration by 4% from an estimated 50% to 54%, of the total PTA and STA North Trade Area spending then the total demand by the year 2022, without new population growth could be 28,000 sf.

The bottom line of using both approaches is to illustrate the fact that if High Level wishes to add more retail to its current inventory, it will have to market and penetrate not just the existing PTA and STA North, but also penetrate the STA South, which will have difficulties, particularly for categories such as Drinking Places or where alcohol is a factor. The Mennonite community in and around La Crete is very supportive of their own local retail setting, which is why they have their own defined trading region.

Another key component for High Level's retail success in terms of attracting new development and tenants also lies in creating a strong reason to stop and stay in the community. Bison Crossing's location is well-suited, but overall retail must find ways to penetrate and garner more of its existing residents spending.

5.3 DEVELOPING SUCCESSFUL RETAIL

According to ICSC's "Developing Successful Retail in Secondary and Rural Markets", targeted retail recruitment should reach out to those retailers or developers who may not have discovered a respective community yet.

However, the process to attract businesses must be tempered by reality and thus cognizant of the following:

- Pay attention to the geographic base of operations for retailers. Do not expect retailers to deviate significantly from their base of operations to serve a small community;
- Accept that most retailers have established minimum trade area populations or income thresholds for success based on years of operating experience;

FIGURE 5.1
HIGH LEVEL 2022 NET POTENTIAL DEMAND BY CATEGORY

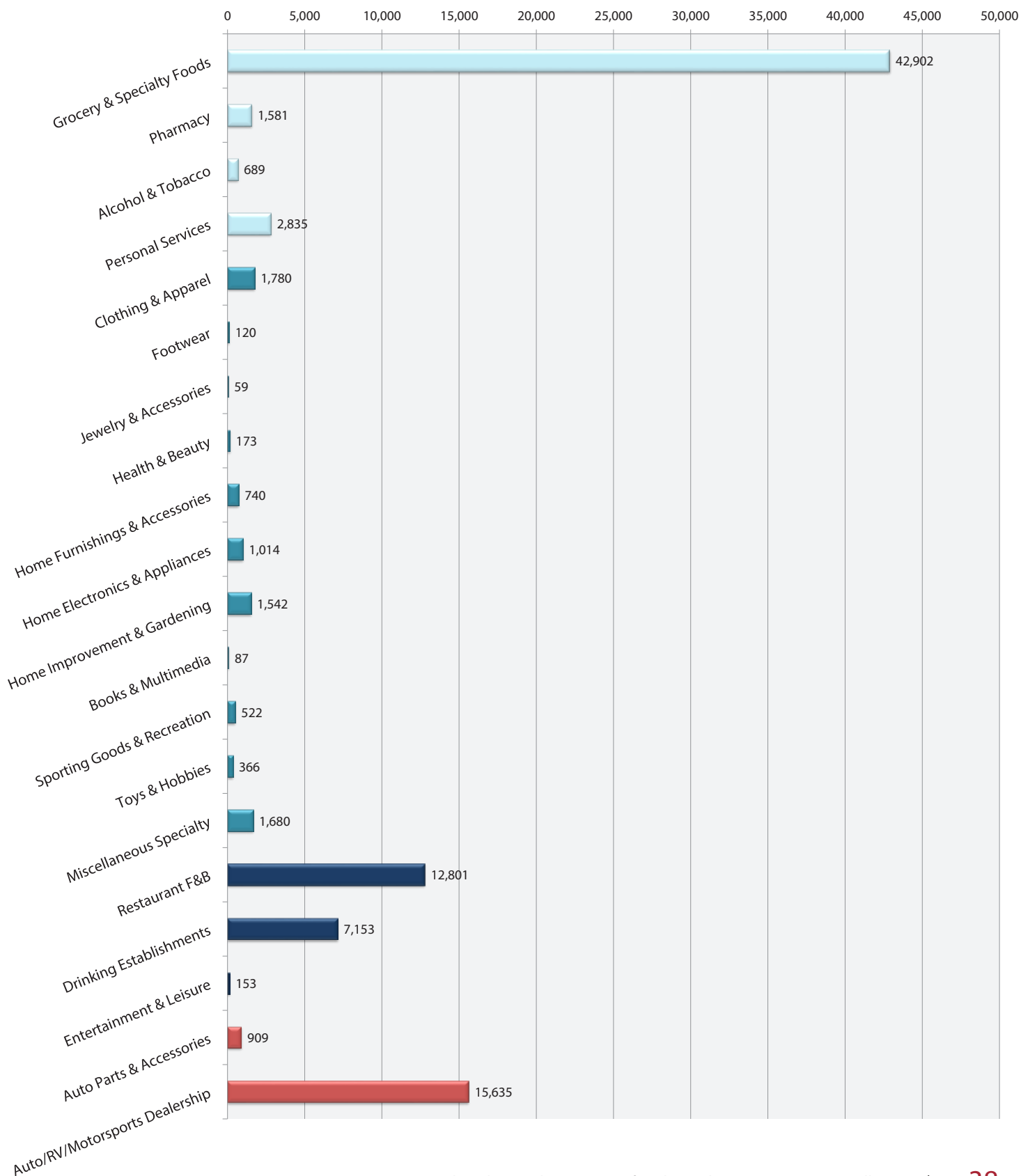


TABLE 5.3

HIGH LEVEL 2022 TARGETED RETAIL MARKET SHARE AND RESULTING DEMAND FORECAST

Miscellaneous Spending Inflow Factor ¹	Merchandise Category	2022			
		2022 Target Market Share of Retail Spending	2022 Estimated Retail Sales \$ (Inflow) ²	2022 Potential Retail Inventory	2022 Potential Net Future Retail Floorspace Demand
5%	Grocery & Specialty Foods	60%	\$41,554,607	110,812	42,902
5%	Pharmacy	55%	\$5,092,729	13,581	1,581
5%	Alcohol & Tobacco	30%	\$5,320,738	14,189	689
5%	Personal Services	20%	\$2,561,101	14,635	2,835
0%	Clothing & Apparel	31%	\$6,419,044	36,680	1,780
0%	Footwear	10%	\$496,077	2,480	120
0%	Jewelry & Accessories	8%	\$241,732	1,209	59
0%	Health & Beauty	15%	\$893,359	3,573	173
0%	Home Furnishings & Accessories	15%	\$2,118,429	9,415	740
0%	Home Electronics & Appliances	21%	\$3,655,544	20,889	1,014
5%	Home Improvement & Gardening	57%	\$4,765,017	31,767	1,542
0%	Books & Multimedia	7%	\$268,796	1,792	87
0%	Sporting Goods & Recreation	58%	\$1,880,651	10,747	522
0%	Toys & Hobbies	38%	\$1,131,150	7,541	366
10%	Miscellaneous Specialty	55%	\$5,190,676	34,605	1,680
30%	Restaurant F&B	35%	\$7,466,520	49,777	12,801
50%	Drinking Establishments	25%	\$1,297,981	8,653	7,153
0%	Entertainment & Leisure	4%	\$394,129	3,153	153
20%	Auto Parts & Accessories	80%	\$5,620,276	18,734	909
5%	Auto/RV/Motorsports Dealership	30%	\$15,854,089	39,635	15,635
		39%	\$112,222,646	433,867	92,741

NOTES & ASSUMPTIONS

¹ Miscellaneous Inflow accounts for residents falling outside of the Primary & Secondary Trade Areas as well as Hotel Visitors, Passing Motorists and College Students, not accounted for in residential base

² Retail inventory includes inventory in Town of High Level but does NOT include current vacancies totaling 38,900 sq. ft.

³ 2021 Estimated Retail Sales reflect an inflationary increase in spending at 1.0% per annum.

Specific categories for which target market shares are estimated for future demand

FIGURE 5.2

HIGH LEVEL 2022 NET POTENTIAL DEMAND BY CATEGORY BASED ON PTA AND STA NORTH TRADE AREAS ONLY

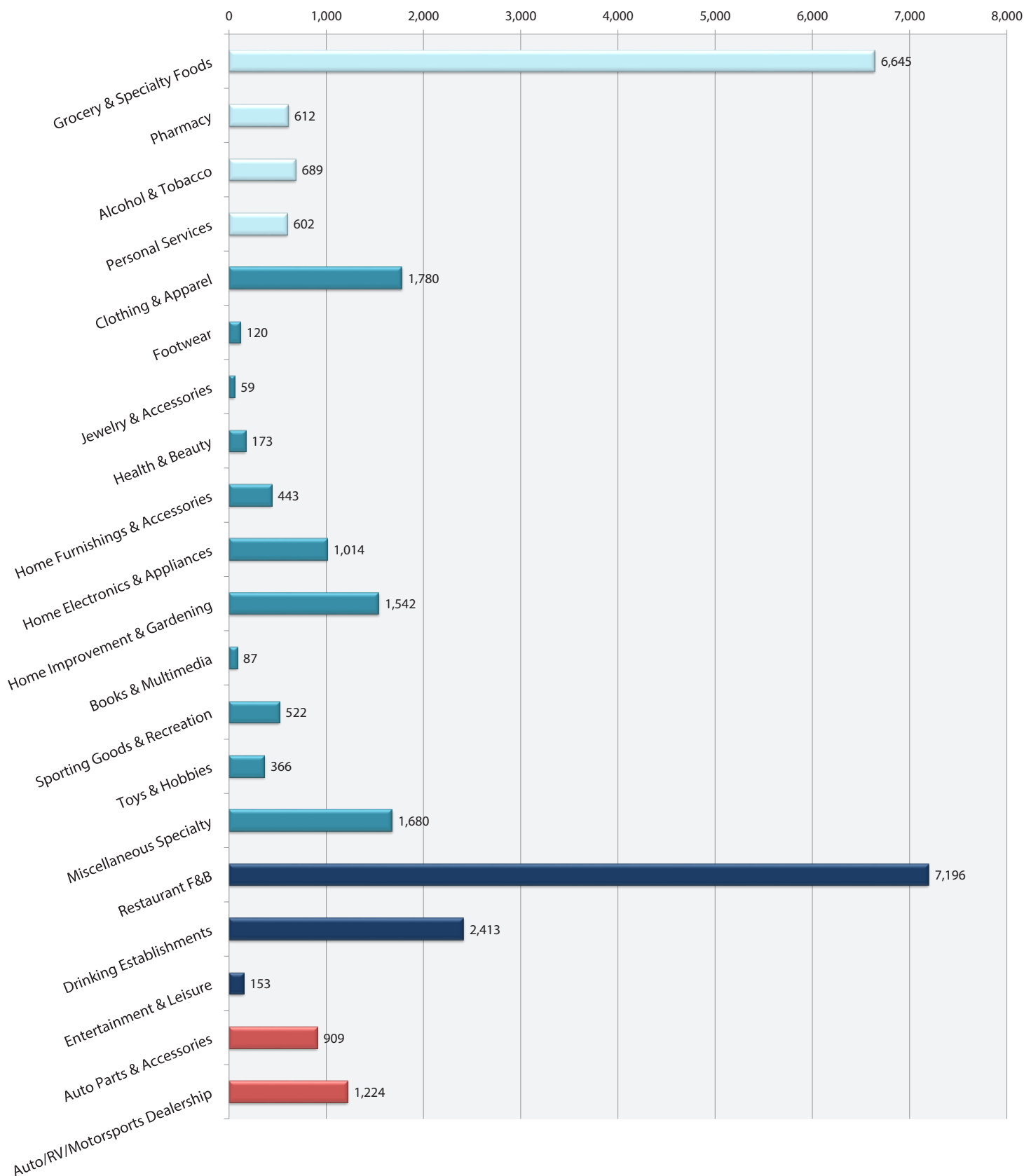


TABLE 5.4

HIGH LEVEL 2022 TARGETED RETAIL MARKET SHARE AND RESULTING DEMAND FORECAST BASED ON PTA AND STA NORTH TRADE AREAS ONLY

Miscellaneous Spending Inflow Factor ¹	Merchandise Category	2022 (PTA & STA NORTH ONLY)			
		2022 Target Market Share of Retail Spending	2022 Estimated Retail Sales \$ (Inflow) ²	2022 Potential Retail Inventory	2022 Potential Net Future Retail Floorspace Demand
5%	Grocery & Specialty Foods	70%	\$27,957,938	74,555	6,645
5%	Pharmacy	95%	\$4,729,545	12,612	612
5%	Alcohol & Tobacco	50%	\$5,320,738	14,189	689
5%	Personal Services	29%	\$2,170,336	12,402	602
0%	Clothing & Apparel	51%	\$6,419,044	36,680	1,780
0%	Footwear	17%	\$496,077	2,480	120
0%	Jewelry & Accessories	12%	\$241,732	1,209	59
0%	Health & Beauty	26%	\$893,359	3,573	173
0%	Home Furnishings & Accessories	23%	\$2,051,440	9,118	443
0%	Home Electronics & Appliances	36%	\$3,655,544	20,889	1,014
5%	Home Improvement & Gardening	106%	\$4,765,017	31,767	1,542
0%	Books & Multimedia	10%	\$268,796	1,792	87
0%	Sporting Goods & Recreation	96%	\$1,880,651	10,747	522
0%	Toys & Hobbies	60%	\$1,131,150	7,541	366
10%	Miscellaneous Specialty	99%	\$5,190,676	34,605	1,680
30%	Restaurant F&B	50%	\$6,625,828	44,172	7,196
5%	Drinking Establishments	25%	\$587,024	3,913	2,413
0%	Entertainment & Leisure	6%	\$394,129	3,153	153
25%	Auto Parts & Accessories	148%	\$5,620,276	18,734	909
5%	Auto/RV/Motorsports Dealership	32%	\$10,089,696	25,224	1,224
		54%	\$90,488,996	369,354	28,228

NOTES & ASSUMPTIONS

¹ Miscellaneous Inflow accounts for residents falling outside of the Primary & Secondary Trade Areas as well as Hotel Visitors, Passing Motorists and College Students, not accounted for in residential base

² Retail inventory includes inventory in Town of High Level but does NOT include current vacancies totaling 38,900 sq. ft.

³ 2021 Estimated Retail Sales reflect an inflationary increase in spending at 1.0% per annum.

Specific categories for which target market shares are estimated for future demand

- Understand that the limited consumer spending in small communities simply cannot support some retailers offering specialized merchandise assortments;
- Be realistic about how the business opportunity in a respective community ranks against other opportunities in front of the retailer; and
- Understand the co-tenancy requirements that retailers have established as predictors of success.

Overall, commercial real estate continues to shift to meet the rapidly changing tastes and needs of target markets. Consumers now value uniqueness, and they are quick to switch their brand allegiance. These emerging trends require new developments that are adaptable and flexible, which can stay relevant and retain their consumer base.

One of the most critical aspects to being proactive and understanding whom to target starts with creating a business case based on some statistical foundation.

A statistical business case is typically required to explain the merits of a community, in this case the Town of High Level. It is important to first establish an understanding of the communities before promoting any specific site option.

Accordingly, High Level was profiled to illustrate and document the following statistical facts:

- Geographic delineation of the retail trade area that reflects a realistic drive time or market penetration;
- Demographic and economic profiles of the trade area population;

- Growth projections for the trade area population;
- Annual retail spending;
- Sales performance of key retail categories;
- Current estimated retained market share of trade area spending; and
- Current supportable retail space.

Retail Development Fundamentals

Retail development, whether in smaller communities such as those found throughout Mackenzie County, or larger markets like those on the fringe of a larger secondary/urban market like Grande Prairie, are driven by critical business fundamentals that must be acknowledged and considered when identifying retail opportunities.

By way of a checklist, these include:

- Population characteristics of consumer base;
- The reality that retail follows consumers;
- Consistent and high shopper traffic is a prerequisite for most retailers;
- The consumer base must demonstrate sufficient buying power to be of interest to retailers;
- Chain retailers have a limited number of prototypical store formats that they are willing to operate. Deviating from these established formats is done only as a last resort in circumstances where demand for a location by a retailer or developer is high;
- Most retailers require sites with convenient access, high visibility, and ample parking;
- Most retailers expand in well-defined geographic areas that coincide with their distribution networks and their familiarity with consumer preferences;

- Most retailers have established criteria for site selection. For example, Shoppers Drug Mart typically requires a population of 10,000 people in order to build a 15,000 sf store;
- The clustering of compatible retailers has become the norm;
- Retailers cannot generally survive rent-to-sales ratios in excess of 15%. Retailers have a threshold level of sales they know they must achieve to be profitable; and
- Retailers attempt to maximize profitability by operating the fewest number of stores possible in any market to avoid sales transference.

5.4

SUMMARY & IMPLICATIONS

Given current vacancies in the community, combined with development projects, most notably Bison Crossing, there is sufficient land for the foreseeable future to accommodate any long term retail growth when measured against slow population growth.

The overall message is that retail demand could or most of it could be accommodated in existing retail vacancies or developable land if the quality of the space is adequate and compatible and not obsolete.

With limited population increase, but an increase in overall market share penetration of trade area spending (total or PTA and STA N only) by 5 to 10%, High Level could add to its retail inventory by 30,000 to 100,000 sf, though the reality is that this figure is more accurately depicted at approximately 30,000 sf to 50,000 sf in specifically targeted categories/business types and to be most reasonable and feasible to achieve over the next 5 years.

For many businesses with recognized brands, the likelihood of attracting a corporate run store is limited, but the franchise model is a distinct possibility. The optimal approach for this target is to look at a market like Grande Prairie or Edmonton to see if existing franchise holders would be interested in additional locations. This approach is preferred by franchisers as there is a built in relationship with the franchisees who understand the business model.

The second approach for succession planning is often overlooked in smaller or rural markets, where a successful local business may be family run and is of value to the community, but its future is up-in-the-air because no one is able to take over.

An organization such as Succession Matching (www.successionmatching.com) provides a road map for businesses to ensure they can continue in their respective communities. Succession planning looks to understand the Consumer Segment, Value Proposition, Revenue Streams, Distribution Channels and Key Partnerships.

High Level may not have huge demand forecasts, but with strategic messaging, collaborations and awareness can retain and attract business opportunities that could utilize existing vacancies or new land for the betterment of the community, while not providing a negative impact Downtown.

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Mackenzie County



RETAIL MARKET ANALYSIS

CUSHING
■ TERRELL
ARCHITECTURE INC.

APPENDICES

Retail Business Name	Community	General Retail Category	Est. Area (SF)	NAICS Sector #	NAICS Sector Name	NAICS Industry #	NAICS Industry Name
Caesar's	High Level	Alcohol & Tobacco	10,000	44-45	Retail Trade	445310	Beer, wine and liquor stores
Four Winds Liquor	High Level	Alcohol & Tobacco	1,500	44-45	Retail Trade	445310	Beer, wine and liquor stores
Liquor Store	High Level	Alcohol & Tobacco	1,000	44-45	Retail Trade	445310	Beer, wine and liquor stores
Liquor Store	High Level	Alcohol & Tobacco	1,000	44-45	Retail Trade	445310	Beer, wine and liquor stores
Fountain Tire	High Level	Auto Parts & Accessories	4,000	44-45	Retail Trade	441320	Tire dealers
Norpine Auto Supply	High Level	Auto Parts & Accessories	8,000	44-45	Retail Trade	441310	Automotive parts & accessories stores
Aurora Signs, Truck Accessories, Paintball	High Level	Auto Parts & Accessories	2,000	44-45	Retail Trade	441310	Automotive parts & accessories stores
High Level Motor Products	High Level	Auto/RV/Motorsports Dealership	6,000	44-45	Retail Trade	441110	New car dealers
Northstar Chrysler	High Level	Auto/RV/Motorsports Dealership	8,000	44-45	Retail Trade	441110	New car dealers
True North Ford	High Level	Auto/RV/Motorsports Dealership	10,000	44-45	Retail Trade	441110	New car dealers
Vector Video	High Level	Books & Multi-Media	1,000	53	Real Estate and rental and leasing	53223	Video tape and disc rental
Funky Boutique	High Level	Clothing & Apparel	8,000	44-45	Retail Trade	448140	Family clothing stores
Mark's	High Level	Clothing & Apparel	10,000	44-45	Retail Trade	448140	Family clothing stores
Boreal Raven Apparel	High Level	Clothing & Apparel	3,000	44-45	Retail Trade	448140	Family clothing stores
Warehouse One	High Level	Clothing & Apparel	2,000	44-45	Retail Trade	448140	Family clothing stores
Lily's Clothing	High Level	Clothing & Apparel	1,000	44-45	Retail Trade	448120	Women's clothing stores
Flamingo Lounge	High Level	Drinking Establishments	1,500	72	Accommodation & food services	722410	Drinking places
Indoor Golf	High Level	Entertainment & Leisure	3,000	71	Arts, entertainment & recreation	713940	Fitness & recreational sports centres
ATB Financial	High Level	Finance/Insurance/Real Estate Services	4,500	52	Finance & insurance	522111	Personal and commercial banking
BMO Bank	High Level	Finance/Insurance/Real Estate Services	3,000	52	Finance & insurance	522111	Personal and commercial banking
CIBC	High Level	Finance/Insurance/Real Estate Services	3,500	52	Finance & insurance	522111	Personal and commercial banking
Money Mart	High Level	Finance/Insurance/Real Estate Services	1,300	52	Finance & insurance	522111	Personal and commercial banking
Mann & Mann Insurance	High Level	Finance/Insurance/Real Estate Services	2,500	54	Professional, scientific and technical services	52421	Insurance agencies and brokerages
H&R Block	High Level	Finance/Insurance/Real Estate Services	1,200	54	Professional, scientific and technical services	541212	Offices of accountants
The Cooperators	High Level	Finance/Insurance/Real Estate Services	1,000	54	Professional, scientific and technical services	52421	Insurance agencies and brokerages
M and M Real Estate	High Level	Finance/Insurance/Real Estate Services	1,000	53	Real Estate and rental and leasing	53132	Offices of real estate agents and brokers
The Bargain Shop TBSI	High Level	General Merchandise	14,000	44-45	Retail Trade	452999	All other miscellaneous general merchandise stores
Fields	High Level	General Merchandise	9,000	44-45	Retail Trade	452999	All other miscellaneous general merchandise stores
Canadian Tire	High Level	General Merchandise	25,500	44-45	Retail Trade	444130	Hardware stores
Extra Foods / Independent Grocer	High Level	Grocery & Specialty Foods	35,000	44-45	Retail Trade	445110	Supermarkets & other grocery (except convenience) stores
Mac's Convenience	High Level	Grocery & Specialty Foods	2,000	44-45	Retail Trade	445120	Convenience stores
Super A Foods	High Level	Grocery & Specialty Foods	20,000	44-45	Retail Trade	44510	Supermarkets & other grocery (except convenience) stores
Hub Mini Mart & Country Chicken	High Level	Grocery & Specialty Foods	2,500	44-45	Retail Trade	445120	Convenience stores
Shell Convenience	High Level	Grocery & Specialty Foods	2,000	44-45	Retail Trade	44711	Gas Stations with convenience stores
Petro Canada Convenience	High Level	Grocery & Specialty Foods	1,200	44-45	Retail Trade	44711	Gas Stations with convenience stores
Esso Convenience	High Level	Grocery & Specialty Foods	4,000	44-45	Retail Trade	44711	Gas Stations with convenience stores
Hair By Demir	High Level	Health & Beauty	500	81	Other services	812116	Unisex hair salons
Hair Unique	High Level	Health & Beauty	750	81	Other services	812116	Unisex hair salons
Modern Touch Esthetics	High Level	Health & Beauty	750	81	Other services	812115	Beauty salons

Retail Business Name	Community	General Retail Category	Est. Area (SF)	NAICS Sector #	NAICS Sector Name	NAICS Industry #	NAICS Industry Name
The Source	High Level	Home Electronics & Appliances	3,000	44-45	Retail Trade	443144	Computer & software stores
Red Rabbit Communications/TELUS	High Level	Home Electronics & Appliances	3,500	44-45	Retail Trade	44314	Electronics and appliances stores
Home Hardware #2	High Level	Home Furnishings & Accessories	14,000	44-45	Retail Trade	444110	Home centres - All examples
Home Hardware #1	High Level	Home Improvement & Gardening	14,000	44-45	Retail Trade	444130	Hardware stores
Tru Value Hardware	High Level	Home Improvement & Gardening	11,500	44-45	Retail Trade	444130	Hardware stores
Rew Electric	High Level	NON-RETAIL Streetfront	4,000	23	Construction	23899	All other specialty trade contractors
Tombri General Contracting	High Level	NON-RETAIL Streetfront	3,500	23	Construction	23899	All other specialty trade contractors
Northern Services Plumbing Heating	High Level	NON-RETAIL Streetfront	1,500	23	Construction	23822	Plumbing, heating and air-conditioning contractors
Training & Safety Services	High Level	NON-RETAIL Streetfront	1,500	61	Educational Services	611690	All other schools and instruction
Blue Sky Dental	High Level	NON-RETAIL Streetfront	3,500	62	Health care and social assistance	621210	Office of dentists
MonDo Embroidery & Design	High Level	NON-RETAIL Streetfront	1,000	31-33	Manufacturing	313310	Textile & fabric finishing
Longway Water Vacuum	High Level	NON-RETAIL Streetfront	1,250	31-33	Manufacturing	333910	Pump and compressor manufacturing
Northern Services Equipment	High Level	NON-RETAIL Streetfront	2,500	81	Other services	8113	Commercial and industrial machinery and equipment
Northern Services Equipment	High Level	NON-RETAIL Streetfront	7,500	81	Other services	8113	Commercial and industrial machinery and equipment
Car Wash Fast Lube	High Level	NON-RETAIL Streetfront	2,750	81	Other services	811192	Car washes
Petro Canada Car Wash	High Level	NON-RETAIL Streetfront	750	81	Other services	811192	Car washes
GREGG Distributors	High Level	NON-RETAIL Streetfront	9,000	81	Other services	8113	Commercial and industrial machinery and equipment
Acklands Grainger	High Level	NON-RETAIL Streetfront	4,000	81	Other services	8113	Commercial and industrial machinery and equipment
U-Wash Car Wash	High Level	NON-RETAIL Streetfront	1,500	81	Other services	811192	Car washes
Glassmasters	High Level	NON-RETAIL Streetfront	1,000	81	Other services	811122	Automotive glass replacement shops
High Level Vet Clinic	High Level	NON-RETAIL Streetfront	1,000	54	Professional, scientific and technical services	541940	Veterinary services
Accountant Office	High Level	NON-RETAIL Streetfront	1,500	54	Professional, scientific and technical services	541212	Offices of accountants
Office	High Level	NON-RETAIL Streetfront	1,000	54	Professional, scientific and technical services	hi	Offices of accountants
U-Haul	High Level	NON-RETAIL Streetfront	1,500	53	Real Estate and rental and leasing	532120	Truck, utility trailer and RV rental and leasing
Canada Post	High Level	NON-RETAIL Streetfront	2,000	49	Transportation and warehousing	4911	Postal service
The Little Farm Store	High Level	NON-RETAIL Streetfront	5,000	41	Wholesale trade	4183	Agricultural supplies merchant wholesalers
Print Perfect	High Level	NON-RETAIL Streetfront	1,500	31-33	Manufacturing	32311	Printing
Jagged Edge Fitness Centre	High Level	Personal Services	2,750	71	Arts, entertainment & recreation	713940	Fitness & recreational sports centres
Fitness Centre & Tanning Salon	High Level	Personal Services	1,500	81	Other services	812990	Other personal care services
Laundromat	High Level	Personal Services	1,000	81	Other services	812310	Coin-operated laundries and dry cleaners
Tattoo	High Level	Personal Services	300	81	Other services	812990	Other personal care services
Wally's Barber Shop	High Level	Personal Services	750	81	Other services	812114	Barber Shops
Mister Cuts Barber Shop	High Level	Personal Services	1,000	81	Other services	812114	Barber Shops
High 'n' Dry Cleaners, Waterworks, Laundromat	High Level	Personal Services	4,500	81	Other services	812310	Coin-operated laundries and dry cleaners
High Level Valu-Drugs/IDA Pharmacy	High Level	Pharmacy	12,000	44-45	Retail Trade	446110	Pharmacies & drug stores

Retail Business Name	Community	General Retail Category	Est. Area (SF)	NAICS Sector #	NAICS Sector Name	NAICS Industry #	NAICS Industry Name
A&W	High Level	Restaurant F&B	3,000	72	Accommodation & food services	722512	Limited service eating places
Boston Pizza	High Level	Restaurant F&B	5,000	72	Accommodation & food services	722511	Full-service restaurants
Canton Chinese & Western	High Level	Restaurant F&B	2,500	72	Accommodation & food services	722511	Full-service restaurants
Family Chinese & Western	High Level	Restaurant F&B	3,500	72	Accommodation & food services	722511	Full-service restaurants
KFC	High Level	Restaurant F&B	2,000	72	Accommodation & food services	722512	Limited service eating places
Matt's Pizza	High Level	Restaurant F&B	1,500	72	Accommodation & food services	722512	Limited service eating places
Quizno's	High Level	Restaurant F&B	1,000	72	Accommodation & food services	722512	Limited service eating places
Shorty's Pizza	High Level	Restaurant F&B	4,500	72	Accommodation & food services	722511	Full-service restaurants
Subway	High Level	Restaurant F&B	1,000	72	Accommodation & food services	722512	Limited service eating places
Tim Hortons	High Level	Restaurant F&B	3,476	72	Accommodation & food services	722512	Limited service eating places
Stardust Restaurant	High Level	Restaurant F&B	2,000	72	Accommodation & food services	722511	Full-service restaurants
Best Western Hotel Restaurant	High Level	Restaurant F&B	2,500	72	Accommodation & food services	722511	Full-service restaurants
Days Inn Hotel Restaurant	High Level	Restaurant F&B	2,500	72	Accommodation & food services	722511	Full-service restaurants
Aspendos Greek Restaurant	High Level	Restaurant F&B	2,500	72	Accommodation & food services	722511	Full-service restaurants
Kit Office Plus	High Level	Specialty Retail	2,000	44-45	Retail Trade	453210	Office supplies & stationery stores
Traditions Café & Gift Gallery	High Level	Specialty Retail	3,000	44-45	Retail Trade	453220	Gift, novelty & souvenir stores
Your Dollar Store With More	High Level	Specialty Retail	12,000	44-45	Retail Trade	452999	All other miscellaneous general merchandise stores
Landmart Imported Goods	High Level	Specialty Retail	2,000	44-45	Retail Trade	453220	Gift, novelty & souvenir stores
FYI Doctors	High Level	Specialty Retail	1,000	44-45	Retail Trade	446130	Optical goods stores
Treasure Chest	High Level	Specialty Retail	1,500	44-45	Retail Trade	453220	Gift, novelty & souvenir stores
Total Elegance	High Level	Specialty Retail	1,000	44-45	Retail Trade	453220	Gift, novelty & souvenir stores
Bear Necesseties Gifts	High Level	Specialty Retail	3,000	44-45	Retail Trade	453220	Gift, novelty & souvenir stores
NorthwesTel Retail Centre	High Level	Specialty Retail	1,400	44-45	Retail Trade	44314	Electronics and appliances stores
Home Blessings Gift Shop	High Level	Specialty Retail	2,000	44-45	Retail Trade	453220	Gift, novelty & souvenir stores
Source For Sports	High Level	Sporting Goods & Outdoor Recreation	5,500	44-45	Retail Trade	45111	Sporting goods stores
The Learning Store	High Level	Toys & Hobbies	1,750	44-45	Retail Trade	45112	Hobby, toy and game stores
VACANT (former Rona)	High Level	VACANT	10,000		VACANT		
VACANT Storefront	High Level	VACANT	2,300		VACANT		
VACANT Storefront	High Level	VACANT	3,500		VACANT		
VACANT Strip Centre Storefront	High Level	VACANT	2,500		VACANT		
VACANT fast food	High Level	VACANT	1,888		VACANT		
VACANT Strip Centre	High Level	VACANT	1,000		VACANT		
VACANT Highway Commercial	High Level	VACANT	9,000		VACANT		
VACANT Strip Centre	High Level	VACANT	2,000		VACANT		
VACANT Highway Commercial	High Level	VACANT	1,000		VACANT		
VACANT Storefront	High Level	VACANT	2,500		VACANT		
VACANT Storefront	High Level	VACANT	1,500		VACANT		
VACANT Storefront	High Level	VACANT	1,000		VACANT		
VACANT Storefront	High Level	VACANT	3,000		VACANT		
VACANT Storefront	High Level	VACANT	3,500		VACANT		
VACANT Storefront	High Level	VACANT	1,500		VACANT		

