

APPENDIX A

DEFINITION OF TERMS, METHODOLOGY AND ASSUMPTIONS

The purpose of this Appendix is to provide an explanation of the terms and methodology used in this commercial report:

- A-1 The first section lists some common terms in alphabetical order with definitions; and,
- A-2 The second section reviews some of the assumptions used in the mathematical modeling.

A.1 DEFINITION OF TERMS

Commercial Space Inventory

The commercial inventory of text Exhibits 1 through 4 and Appendix C, is a complete listing of all commercial space in Wasaga (with the exception of motels, and bed and breakfasts). We measured retail commercial space (from where goods are sold to the consuming public), service commercial space (from where services are performed for the general public in a store-like setting, including restaurants), and local office commercial space. We inventoried automotive wherever it occurred.

The inventory was compiled in October, 2008.

Please note that after one year, by October, 2009, up to five percent of the establishments may have changed operation. Data on the 'Commercial Turnover Rate' may be accessed on our website. Generally, the rate is slowest in malls and higher on arterials/Main Streets and in convenience plazas, and particularly high in industrial areas.

DSTM

Department store type merchandise (acronym: DSTM) was defined by Statistics Canada as the total retail sales excluding recreational and motor vehicle dealers, auto parts and other auto-related retailers and services, supermarkets and all other food stores and other miscellaneous retailers such as beer and liquor stores, pet stores, second hand merchandise stores, opticians' shops and art galleries.

DSTM has been the standard definition for retail analysis for the past 30 years or so. The only variation among analysts was the proportion of various commodity groups included or not included according to their judgement (particularly in miscellaneous stores).

Retail sales for Ontario 2007 are shown on Exhibit A-1, in total and per capita.

Expenditure Increase

We have assumed a real annual increase in expenditure of two percent compounded per annum, below that of the recent past. In the recent upgrade of retail sales figures, strong annual expenditure increases have been identified.

Gross Leasable Area (GLA)

Gross leasable area is the total floor area provided for tenant occupancy, on which the tenant pays rent, including storage areas but excluding any common areas shared in a shopping centre environment. It is measured from outside wall faces or the centre of joint partitions in square feet. For a small number of units—particularly for the adapted houses along some of the arterials where access was difficult or impracticable—for our inventory we had to estimate the area involved. Some of the larger box stores were measured off Google Earth (as were the driving distances from the subject property to various other commercial locations).

Income Per Capita

Per capita income is the average total personal income per person before taxes. Consideration of average per capita income in the trade area is critical in assessing retail spending per capita since consumer spending per capita is closely related to income level. The per capita incomes of Wasaga Beach are compared to the Provincial average in text Exhibit 7 for the year 2005.

Inflow

Inflow refers to the sales support for a retail development or total trade area which is not specifically modelled. This typically includes spending by non-trade area residents, including visitors, tourists or local employees living outside the trade areas.

Local Shares

Local share is the portion of the retail potential of the various trade areas that is spent within the Primary Trade Area, Wasaga Beach. It is influenced by factors such as:

- The depth and breadth of retail establishments in the various trade areas;
- The proximity of retail alternatives outside of these trade areas; and,
- Characteristics of the trade area population.