

MARKET REPORT ON WASAGA BEACH

Prepared for
Town of Wasaga Beach

© JOHN WINTER ASSOCIATES LIMITED
Suite 201, Two Wheeler Avenue
Toronto, Ontario, M4L 3V2

(416)-691-1870 Fax: 694-6258
john.winter@sympatico.ca
www3.sympatico.ca/john.winter

December 2008

EXECUTIVE SUMMARY

The Town of Wasaga Beach commissioned John Winter Associates Limited to revisit the commercial panoply of the Town in 2008 and document their progress towards a higher level of since our 1999 report.

The *Market Needs Study Wasaga Beach* (August, 1999) indicated a significant deficiency in the provision of commercial stores and services. Indeed the publicity of this phenomenon was one reason for the significant developer interest in Wasaga Beach over the past nine years.

The Town has grown faster than anticipated (our previous population forecast for 2016 has already been surpassed). Wasaga Beach Council now wishes to know how far Wasaga Beach has come and how much more commercial might be supportable in the near- to medium-term future.

Our research focussed on (a) an updated commercial inventory of the municipality, (b) licence plate collection in various locations to test the drawing power of that concentration to consumers living outside Wasaga Beach, and (c) a household interview survey conducted in November, 2008 of shopping patterns of 315 Wasaga Beach residents.

KEY FINDINGS

Rapid recent population growth to 16,770 persons (Census definition) or 21,130 (full-time equivalent population, adding in the seasonal dwellers and subtracting out the time spent by the snowbirds in other locations).

Twenty-eight percent population growth envisaged to 2016.

Rapid recent commercial inventory growth, more than doubled since 1999, to 772,125 square feet, with a low vacancy rate, 3.7 percent (lower than in 1999). Commercial productivity in terms of sales per square foot is solid and relatively high.

Population growth and inventory expansion means that Wasaga Beach is retaining more of its residents' expenditures, a shift from 42 percent retained (1999) to 55 percent retained (2008). However, there is still \$110 million in annual expenditures escaping the retailers in the municipality, thus holding out the opportunity to support many more retailers within the boundaries of the municipality.

COMMERCIAL STRENGTHS

Critical Mass Wasaga Beach has reached a critical mass of (full-time equivalent) population to support a wide range of commercial retail and services. As retail follows residential, after a pause, the commercial appears. The municipality will soon surpass Collingwood in resident population, but due to weak growth up until this decade, it still has considerably less commercial space.

Four Leading Chains anchor the commerce, *Wal-Mart* supercentre, *Real Canadian Superstore*, *Canadian Tire* and *Shoppers Drug Mart*. The adjacent specialty stores and services can receive synergies from these major magnets.

Traffic volumes are substantial on the Mosley/River Road axis.

Considerable Leakage remains to be recaptured, particularly in automotive sales and service, furniture/furnishings, home improvements, apparel and restaurants. This leakage ranges in total from a contemporary \$110 million to a possible \$164 million in 2016. Leakage recapture should propel significant commercial building even in a recessionary environment.

No Pedestrian Downtown Unlike many other Ontario Towns, Wasaga Beach has no pedestrian-orientated historic downtown that needs to be "protected" from competitive influences (as occurred in Collingwood with the *Wal-Mart* hearing there). Any development can proceed along the Mosley/River Road axis without fear of undermining historic locations.

COMMERCIAL CHALLENGES

Seasonal visitors skew the sales towards the summer season (when a summer month's sales may be up to 50 percent higher than an "average month"). The inflows are significant. Many of the tourist establishments close down after the brief summer season. They are now much less important in the overall commercial mix due to growth in retailers that are shopped on a weekly basis (supermarkets, drug stores, department and other general merchandisers are typically shopped on a weekly basis).

Seniors comprise a larger than normal proportion of the population compared to other non-retirement communities. Seniors are not the prime consumers (young families are). Seniors also tend to be "snowbirds", not in the municipality year round.