



Ms. Alex Gordon  
Senior Development Coordinator  
Choice Properties Real Estate Investment Trust  
22 St. Clair Ave. East, Suite 500  
Toronto, ON  
M4T 2S5

September 30, 2019

**Re: Market Impact Commentary  
Clinic Uses - 361 South Service Road, Town of Grimsby**

Dear Ms. Gordon:

As you are aware, Tate Economic Research Inc. ("TER") has prepared a report examining the retail market impact implications of the proposed expansion of retail commercial space at 361 South Service Road in the Town of Grimsby. This report was dated February 27, 2018 ("TER Report"). It has been submitted to the Town of Grimsby and has been subject to a peer review. The peer review consultant concurred with the findings of the TER Report.

The TER Report addressed the proposed expansion of up to 35,000 square feet of retail commercial uses on the Site. It is anticipated that the majority of the expansion area will be comprised of retail and restaurant uses. However, one of the uses proposed by Choice Properties Real Estate Investment Trust ("Choice") is "clinic". The Town of Grimsby Official Plan ("OP") does not permit a clinic on the Choice Site.

TER has been requested to comment on the market implications of permitting a clinic on the Site in support of Official Plan and Zoning By-law Amendment Applications. It is our understanding that the inclusion of the clinic will not result in an increase in the size of the expansion area beyond 35,000 square feet.

**Official Plan Tests**

As stated in the TER Report, there are policies in the OP that indicate requirements for a retail market impact study and the items that the retail market study should address. A detailed description of these OP requirements and items is included in the TER Report. However, in our opinion, the primary goal of the retail market impact study requirement, as stated in Section 3.6.3.3 of the OP, is to ensure that the *"proposed use will not have a deleterious impact on the planned function of the central core area resulting in a significant diminution in service to the public or in blight."*

## TER Assessment – Current OP / Zoning

A clinic is defined in the Grimsby zoning by-law as: *means a building or part thereof used by qualified medical practitioners, dentists, osteopaths, or other drugless practitioners.*

We also note that clinics are permitted in various land use categories in the Town of Grimsby. The OP states that a medical clinic is permitted in the Neighbourhood Commercial Area and the Employment - Office designations. From a zoning perspective, a clinic is permitted in the following zones: Convenience Commercial Zone (CC), Neighbourhood Commercial Zone (NC), Downtown Main street Zone (DMS), Downtown Intensification Zone (DI), Transitional Residential Multiple - Commercial Zone (TRMC).

## TER Assessment – Current Market Conditions

A complete inventory of all ground floor retail and service space was conducted in Grimsby. Overall, this inventory included approximately 1.1 million square feet of retail commercial space in the Town. There is 547,500 square feet of retail commercial space in the Downtown District, which represents approximately half (49.7%) of the total amount of retail commercial space in Grimsby. The vacancy rate in Grimsby is 3.4%. The normal vacancy rate in a balanced retail commercial market is 5.0%-7.5%. A balanced range of vacancy typically provides opportunities for new businesses to enter a market and allows for relocations / expansions / contractions, etc. This vacancy level of 3.4% is indicative of a lack of supply of retail commercial space.

In terms of clinic space, the TER inventory determined there was a total of 79,800 square feet of “Health Care and Social Assistance Services” in Grimsby. There are 29,700 square feet of Health Care and Social Assistance Services space in the Downtown District of Grimsby, representing 37.2% of the total.

Of the 79,800 square feet of Health Care and Social Assistance Services space in the Grimsby, 64,300 square feet are “Medical / Dental Services”. The Downtown District contains 26,200 square feet of Medical / Dental Services space, representing 40.7% of all Medical / Dental Services space in the Town.

Medical / Dental Service tenants in the Downtown District occupy a variety of urban forms including free standing commercial buildings, converted residential units, strip plazas and others. For the purpose of this analysis, TER has only examined Medical / Dental Services in ground floor commercial spaces, excluding office buildings and upper floor spaces.

The following images represent a selection of Medical / Dental Service tenants in the Downtown District, indicating the range of urban forms they occupy.

**DR. JOE & ASSOCIATES**



**GRIMSBY DENTAL**



**DR. SKRINJARIC CHIROPRACTOR**



**GRIMSBY DENTURE CLINIC**



### Market Impact Commentary

In our opinion, the inclusion of a clinic as a permitted use at the Choice Site will not impact the planned function of the commercial core area, or other commercial areas in the Town of Grimsby. The core area (Downtown District) includes over 500,000 square feet of retail commercial uses. It is anticipated that the clinic use will occupy a small portion of the proposed 35,000 square feet at the Choice Site, likely representing less than 5,000 square feet, or less than 1% of the existing retail commercial space in the Downtown District.

The Choice Site is currently designated for commercial uses. The current market conditions and forecast population growth in Grimsby indicate that there is market opportunity for the Choice Proposal. The proposed inclusion of clinic as a permitted use will contribute to the opportunity for the intensification of an existing commercial site.

The Choice Proposal will not have a deleterious impact on the planned function of the central core area resulting in a significant diminution in service to the public or in blight. It is the professional opinion of TER that the development of the proposed 35,000 square feet of retail commercial space, including a clinic use, at the Choice Site, should be approved on the basis of retail market impact.

We would be pleased to discuss these comments, as required.

Yours truly,  
TATE ECONOMIC RESEARCH INC.

A handwritten signature in black ink, appearing to read "James P. Tate". The signature is fluid and cursive, with a large initial "J" and "P".

James P. Tate  
President