

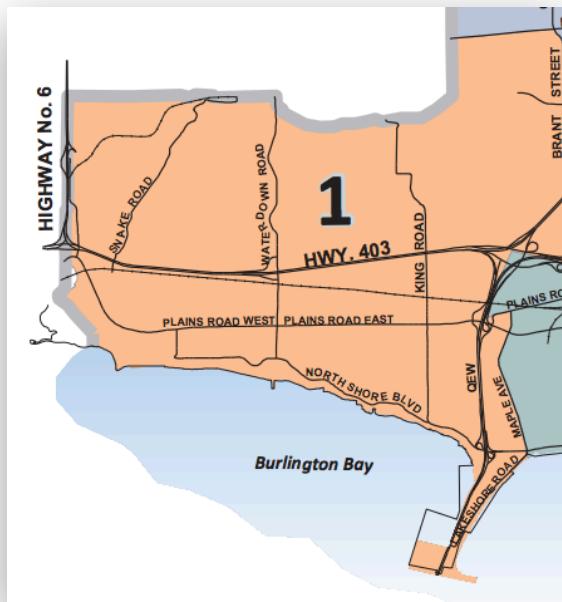


# FreshInsights

CONSULTING WITH A PURPOSE

## BIA – Ward 1

### Baseline Analysis Study



## Executive Summary

The purpose of this market research report is to provide an in-depth analysis of Ward 1 district within Burlington. The report begins by analyzing the demographic data of Ward 1 in 2016 and projected 2021. To supplement this information, Ward 1 consumer spending habits, labour force and the business landscape of the district were also analyzed. Furthermore, an analysis of the main residential and commercial intensifications projects and their impact on the future economic conditions of Ward 1 were also examined. The second half of the report takes a more macro perspective to Ward 1 by analyzing high-level retail trends and consumer profiles within Canada and office trends within Burlington. The online presence of Ward 1 was also evaluated with its correlation to prominent generational cohorts in Ward 1. Finally, the report concludes with a final recommendation and appendix summary that ties together all of the aforementioned information.

To begin, Ward 1's age distribution heavily favours the Millennial and Baby Boomer cohorts, representing a combined 56% of the total population. The income composition of Ward 1 is fairly affluent with 41% of the populace earning more than 90K on an annual basis. The marital status distribution is dominated by the statuses of "never married" and "now married", highlighting a predominately younger demographic within Ward 1. In terms of consumer spending, 27% of all household income is used for shelter, representing the largest portion of household income within Ward 1. In a close second is transportation, representing 21% of all household income, which most likely demonstrates a populace that predominately commutes to work. The labour force within Ward 1 is very diverse. However, sales and service occupations represent a large portion of this category with 26% of the total labour force. When evaluating the business composition of Ward 1, other services, including but not limited to such businesses as repair, personal care, laundry and religious services, currently account for approximately 17% of all Ward 1 business, with a business count of 56.

In examining the residential landscape of Ward 1, there are a number of new developments underway. These developments primarily consist of modern, affordable townhouses and low-rise condominiums, and industrial and office growth with many adjacent to the Aldershot GO Station. Young professionals and couples who have a limited housing budget, frequently commute to work and value the businesses and services in Burlington, will be attracted to this residential area. On a macro level, retail trends within Canada are being heavily impacted by the online growth of non-store retailing, which registered a Constant Annual Growth Rate of 6.7% from 2010 to 2015. In addition, a weak economic performance, coupled with an unemployment rate of approximately 7%, has resulted in more careful planning of household expenses and investments, benefiting chains that position themselves on the basis of low prices.

Ward 1 is a growing market, with residential and commercial intensification booming as a result of its location to larger population hubs. As the Aldershot GO is a major mobility hub, it presents high residential and employment development potential, including an opportunity for growth in younger demographics. A future shift towards retaining the current commuting workforce to work in Ward 1 presents vast opportunities for growth in expansion in a number of service and retail sectors.

## Table of Contents

Executive Summary .....	2
Demographics 2016 & Projected 2021 .....	4
Table 1: Age Distribution.....	4
Table 2: Sex Distribution .....	5
Table 3: Ward 1 Household Income Distribution .....	6
Table 4: Burlington Household Income Distribution .....	7
Table 5: Ward 1 Dwelling Distribution.....	8
Table 6: Burlington Dwelling Distribution.....	8
Table 7: Marital Status Distribution.....	9
Consumer Spending (2015 Data) .....	10
Table 8: Ward 1 Household Spending .....	10
Table 9: Burlington Household Spending .....	11
Labour Force (2015 Data).....	12
Table 10: Ward 1 Labour Force.....	12
Table 11: Burlington Labour Force .....	13
Business Landscape .....	14
Table 12: Ward 1 - Plains Road. Business Landscape.....	14
Table 13: Burlington Business Landscape.....	16
Residential and Commercial Intensification Areas in Ward 1 .....	18
Adi Development Group – 101 Masonry Court.....	18
Paletta International Corporation - Eagle Heights .....	20
Penta Properties – 1200 King Road .....	21
Consumer Profiles.....	22
Millennials .....	22
Generation X.....	23
Baby Boomers .....	24
Online Presence of Ward 1.....	25
Facebook .....	25
Burlington Suburban Office Market Analysis .....	28
Burlington Office Market .....	28
Retail Trends in Canada .....	30
Economic Uncertainty Cools Consumer Expenditure .....	30
Online Shopping Changes the Grocery Retailing Landscape.....	31
Canadian vs. US Dollar .....	31
Bipolarisation in Retailing in Canada Attracts Upscale Brands .....	31
Continued Growth in Non-Store Retailing.....	32
Final Recommendation.....	32
Appendix I: Summary of Key Opportunities.....	34

## Demographics 2016 & Projected 2021

Table 1: Age Distribution

Age Distribution (2016)				Age Distribution (2021)				2016-2021 % Cohort Change
Age Group	TOTAL	Percentage	Generational Cohorts	Age Group	TOTAL	Percentage	Generational Cohorts	
0-4	1,046	3.66%	Generation Z The Millennials	0-4	1,017	3.34%	Generation Z The Millennials	0.28%
5-9	1,159	4.06%		5-9	1,202	3.95%		
9-14	1,418	4.96%		9-14	1,414	4.64%		
15-19	1,518	5.31%		15-19	1,596	5.24%		
20-24	1,800	6.3%		20-24	1,672	5.49%		
25-29	1,778	6.22%		25-29	1,799	5.9%		
30-34	1,487	5.21%		30-34	1,473	4.83%		
35-39	1,465	5.13%		35-39	1,417	4.65%		
40-44	1,533	5.37%		40-44	1,581	5.19%		
45-49	1,860	6.51%		45-49	1,924	6.32%		
50-54	2,330	8.16%	Generation X The Baby Boomers	50-54	2,279	7.48%	Generation X The Baby Boomers	1.07% 14.03%
55-59	2,315	8.1%		55-59	2,543	8.35%		
60-64	2,023	7.08%		60-64	2,472	8.11%		
65-69	1,939	6.79%		65-69	2,072	6.8%		
70-74	1,611	5.64%	The Baby Boomers Veterans	70-74	1,908	6.26%	The Baby Boomers Veterans	24.79%
75-79	1,167	4.09%		75-79	1,515	4.97%		
80-84	954	3.34%		80-84	1,112	3.65%		
85	1,163	4.07%		85	1,471	4.83%		

### Key Takeaways

As seen above, the largest generational cohort group in 2016 is the Millennials. There are currently 8,048 Millennials living in ward 1, accounting for approximately 28.1% of the entire population. The Baby Boomers are a close second with 7,888, accounting for 27.6% of the population.

Ward 1 will see its largest percentage growth within The Baby Boomer and Veteran cohorts, growing at 14% and 25% to reach 8,995 and 4,098 individuals in 2021 respectively. The Millennials, who are currently the largest cohort in Ward 1, will experience negative population growth of approximately 1% to reach 7,957 in 2021. The Baby Boomer population will emerge as the largest cohort in Ward 1 by 2021.

**Table 2: Sex Distribution**

Sex (2016)			Sex (2021)			2016-2021
Sex	TOTAL	%	Sex	TOTAL	%	% Change
Male	13,789	48.27%	Male	14,743	48.39%	6.92%
Female	14,777	51.73%	Female	15,724	51.61%	6.41%

***Key Takeaways***

The distribution of male to female remains fairly constant from 2016 – 2021 at approximately 48% and 51% respectively. The male category will grow at approximately 6.9% to reach 14,743 individuals in 2021. The female category will grow at approximately 6.4% to reach 15,724 individuals in 2021.

Table 3: Ward 1 Household Income Distribution

Household Income Distribution (2016)			Household Income Distribution (2021)				2016 - 2021	
Income	TOTAL	%	Income Bracket	Income	TOTAL	%	Income Bracket	% Change Bracket
< \$10 K	270	2.3%	\$10 K - \$40 K	< \$10 K	301	2.41%	\$10 K - \$40 K	6.49%
\$10-\$20K	690	5.88%		\$10-\$20K	740	5.92%		
\$20-\$30K	861	7.34%		\$20-\$30K	918	7.35%		
\$30-\$40K	1,030	8.78%		\$30-\$40K	1,077	8.62%		
\$40-\$50K	972	8.28%		\$40-\$50K	1,005	8.04%		
\$50-\$60K	893	7.61%		\$50-\$60K	931	7.45%		
\$60-\$70K	850	7.24%		\$60-\$70K	883	7.07%		
\$70-\$80K	760	6.48%		\$70-\$80K	805	6.44%		
\$80-\$90K	622	5.3%		\$80-\$90K	678	5.43%		
\$90-\$100K	553	4.71%		\$90-\$100K	608	4.87%	\$90 K +	7.71%
> \$100K	4,235	36.09%	\$90 K +	> \$100K	4,549	36.41%	5,157 (41%)	
			4,788 (41%)					

### Key Takeaways

The largest percentage of individuals in 2016 in Ward 1 is in the income bracket of \$90,000+. This bracket is expected to grow at approximately 7.7% to remain at 41% of the total population in 2021.

Table 4: Burlington Household Income Distribution

Household Income Distribution (2016)				Household Income Distribution (2021)				2016 - 2021	
Income	TOTAL	%	Income Bracket	Income	TOTAL	%	Income Bracket	% Change Bracket	
< \$10 K	1,715	2.25%	\$10 K - \$40 K	< \$10 K	1,854	2.29%	\$10 K - \$40 K	7.51%	
\$10-\$20K	4,099	5.38%		\$10-\$20K	4,422	5.45%			
\$20-\$30K	4,982	6.54%		\$20-\$30K	5,351	6.6%			
\$30-\$40K	6,156	8.08%		\$30-\$40K	6,598	8.13%			
\$40-\$50K	6,144	8.07%		\$40-\$50K	6,562	8.09%			
\$50-\$60K	6,100	8.01%		\$50-\$60K	6,494	8.01%	\$40 K - \$90 K		
\$60-\$70K	5,842	7.67%		\$60-\$70K	6,214	7.66%			
\$70-\$80K	5,499	7.22%		\$70-\$80K	5,826	7.18%			
\$80-\$90K	4,920	6.46%		\$80-\$90K	5,203	6.41%			
\$90-\$100K	4,539	5.96%	\$90 K +	\$90-\$100K	4,797	5.91%	\$90 K +		
> \$100K	26,176	34.36%	30,715 (40%)	> \$100K	27,786	34.26%	32,583 (40%)	6.08%	

### Key Takeaways

There are a number of key takeaways when comparing the Burlington household income distribution and the Ward 1 household income distribution. To begin, the Ward 1 data presented in table 3 significantly correlates to the Burlington data presented in table 4, with income brackets only differing by one or two percent. To continue, growth within the lower income brackets is significantly faster in Burlington than in Ward 1. In contrast, growth within the higher income bracket of 90K+ is faster in Ward 1 than in Burlington overall.

Table 5: Ward 1 Dwelling Distribution

Occupied Private Dwellings by Tenure (2016)			Occupied Private Dwellings by Tenure (2021)			2016-2021
Type	TOTAL	%	Type	TOTAL	%	% Change
Owner-Occupied Dwellings	8,600	73.28%	Owner-Occupied Dwellings	9,048	72.41%	5.21%
Renter-Occupied Dwellings	3,136	26.72%	Renter-Occupied Dwellings	3,447	27.59%	9.92%

#### *Key Takeaways*

Owner-occupied dwellings represent approximately 73% of all Ward 1 dwellings in 2016. However, renter-occupied dwellings will grow by approximately 9.9% to reach 28% of the total dwelling market in Ward 1 by 2021.

Table 6: Burlington Dwelling Distribution

Occupied Private Dwellings by Tenure (2016)			Occupied Private Dwellings by Tenure (2021)			2016-2021
Type	TOTAL	%	Type	TOTAL	%	% Change
Owner-Occupied Dwellings	59,499	78.11%	Owner-Occupied Dwellings	62,554	77.13%	5.13%
Renter-Occupied Dwellings	16,673	21.89%	Renter-Occupied Dwellings	18,553	22.87%	11.28%

#### *Key Takeaways*

There are very minimal differences when comparing the Burlington and Ward 1 dwelling distribution. Owner-occupied dwellings are approximately 5% higher in Burlington overall than in Ward 1, representing 78% of the total population. In contrast, renter-occupied dwellings are approximately 5% lower in Burlington overall than in Ward 1, representing 22% of the total population.

Table 7: Marital Status Distribution

Marital Status (2016)			Marital Status (2021)			2016-2021
Status	TOTAL	%	Status	TOTAL	%	% Change
Never Married	5,698	24.59%	Never Married	5,959	23.84%	4.58%
Now Married	13,205	56.98%	Now Married	14,348	57.41%	8.66%
Separated	775	3.34%	Separated	809	3.24%	4.39%
Widowed	1,967	8.49%	Widowed	2,241	8.97%	13.93%
Divorced	1,530	6.60%	Divorced	1,635	6.54%	6.86%

### *Key Takeaways*

“Now married” represents approximately 57% of Ward 1’s populace in 2016 and is expected to grow by 4.6% to remain at 57% in 2021. The “Never married” status is second in line, representing 25% of the population in 2016. This is expected to grow by 4.5% to account for 24% of the total Ward 1 populace in 2021. The largest growth is seen in the widowed category, growing at 14% to reach 9% of the total Ward 1 populace. This is most likely the result of an aging Ward 1 population.

## Consumer Spending (2015 Data)

Table 8: Ward 1 Household Spending

Household Spending in Ward 1		\$ PER HOUSEHOLD	PERCENTAGE
CATEGORY			
Shelter		\$21,604	27.16%
Transportation		\$16,613	20.89%
Food		\$10,162	12.78%
Recreation		\$5,698	7.16%
Household Operation		\$5,480	6.89%
Clothing		\$4,948	6.22%
Health Care		\$3,245	4.08%
Household Furnishings and Equipment		\$2,868	3.61%
Education		\$2,457	3.09%
Miscellaneous Expenditures		\$2,440	3.07%
Tobacco Products and Alcoholic Beverages		\$1,735	2.18%
Personal Care		\$1,730	2.18%
Reading Materials and Other Printed Matter		\$302	0.38%
Games of Chance (net)		\$247	0.31%
<i>Total</i>		\$79,529	100.00%

### *Key Takeaways*

The table above shows the current consumption per household as a dollar amount. The average total current consumption per household is estimated to be \$79,529. The top four areas of consumer spending are shelter, transportation, food and recreation with a dollar per household amount of \$21,604, \$16,613, \$10,162 and \$5,698 respectively.

Table 9: Burlington Household Spending

Total Current Consumption		
CATEGORY	\$ PER HOUSEHOLD	PERCENTAGE
Shelter	\$20,862	27.77%
Transportation	\$15,438	20.55%
Food	\$9,438	12.57%
Recreation	\$5,426	7.22%
Household Operation	\$5,350	7.12%
Clothing	\$4,648	6.19%
Health Care	\$3,017	4.02%
Household Furnishings and Equipment	\$2,741	3.65%
Education	\$2,307	3.07%
Miscellaneous Expenditures	\$2,178	2.90%
Personal Care	\$1,641	2.18%
Tobacco Products and Alcoholic Beverages	\$1,575	2.10%
Reading Materials and Other Printed Matter	\$275	0.37%
Games of Chance (net)	\$216	0.29%
<i>Total</i>	\$75,112	100.00%

### *Key Takeaways*

The table above shows the current consumption per household as a dollar amount. The average total current consumption per household for Burlington is estimated to be \$75,112, approximately \$4,400 less than in Ward 1. The top four areas of consumer spending are shelter, transportation, food and recreation with a dollar per household amount of \$20,862, \$15,438, \$9,438 and \$5,426 respectively. The only two categories than switched positions in the descending dollar amount ranking were personal care and tobacco products and alcoholic beverages.

## Labour Force (2015 Data)

Table 10: Ward 1 Labour Force

Labour Force Employment of Ward 1 Residents		
CATEGORY	NUMBER OF EMPLOYEES	PERCENTAGE
Sales and Service Occupations	7,096	25.93%
Business, Finance and Administration Occupations	5,056	18.47%
Management Occupations	4,431	16.19%
Trades, Transport, Equipment Operators and Related Occupations	3,092	11.30%
Occupations in Social Science, Education, Government Service and Religion	2,335	8.53%
Natural and Applied Sciences and Related Occupations	1,749	6.39%
Health Occupations	1,700	6.21%
Occupations Unique to Processing, Manufacturing and Utilities	838	3.06%
Occupations in art, culture, recreation and sport	873	3.19%
Occupations Unique to Primary Industry	293	1.07%
<i>Total</i>	27,367	100.00%

### *Key Takeaways*

Sales and service occupations currently account for approximately 25% of the entire labour force within Ward 1, with approximately 7,100 employees. Business, Finance and Administrative Occupations and Management Occupations are a close second, representing approximately 19% and 16% of the entire labour force within Ward 1 respectively.

Table 11: Burlington Labour Force

Labour Force Employment of Ward 1 Residents		
CATEGORY	NUMBER OF EMPLOYEES	PERCENTAGE
Sales and Service Occupations	45,586	24.85%
Business, Finance and Administration Occupations	36,726	20.02%
Management Occupations	27,651	15.07%
Trades, Transport, Equipment Operators and Related Occupations	19,248	10.49%
Occupations in Social Science, Education, Government Service and Religion	15,911	8.67%
Natural and Applied Sciences and Related Occupations	13,125	7.15%
Health Occupations	9,474	5.16%
Occupations Unique to Processing, Manufacturing and Utilities	7,798	4.25%
Occupations in art, culture, recreation and sport	5,535	3.02%
Occupations Unique to Primary Industry	2,407	1.31%
<i>Total</i>	183,461	100.00%

### *Key Takeaways*

Sales and service occupations currently account for approximately 25% of the entire labour force within Burlington, with approximately 7,100 employees, showing almost an exact correlation in percentage terms to Ward 1. Business, Finance and Administrative Occupations and Management Occupations are a close second, representing approximately 20% and 15% of the entire labour force within Burlington respectively. The descending rank in number of employees is the same in terms of category value as Ward 1.

## Business Landscape

Table 12: Ward 1 - Plains Road. Business Landscape

Plains Road Business Composition			
CATEGORY	NUMBER OF BUSINESSES	PERCENTAGE	
Other Services - Repair, Personal Care, Laundry, Religious, etc.	56	17.23%	
Retail: Home, Food, Automobiles, Personal Care	44	13.54%	
Health Care and Social Services	41	12.62%	
Accommodation and Food Services	37	11.38%	
Banking, Finance and Insurance	23	7.08%	
Professional, Scientific, and Technical Services	21	6.46%	
Retail: Hobby, Media, General Merchandise	18	5.54%	
Construction	16	4.92%	
Administrative and Support and Waste Management and Remediation Services	11	3.38%	
Real Estate and Rentals	11	3.38%	
Wholesalers	11	3.38%	
Arts, Sports, Entertainment, and Recreation	10	3.08%	
Manufacturing - Electronics, Furniture, Machinery, Metal, Transportation, Misc.	9	2.77%	
Education	5	1.54%	
Information	3	0.92%	
Unclassified	3	0.92%	
Holding Companies and Managing Offices	2	0.62%	
Manufacturing - Processed Food, Textiles, Clothing	2	0.62%	
Public Administration	1	0.31%	
Transportation and Warehousing: Couriers and Messengers, Warehousing and Storage	1	0.31%	
<i>Total</i>	325	100.00%	

### *Key Takeaways*

Other services, including but not limited to such businesses as repair, personal care, laundry and religious services, currently account for approximately 17% of all Ward 1 business, with a business count of 56. Retail, including but not limited to such businesses as home, food, automobiles and personal care, and health care and social services, account for approximately 14% and 13% for a business count of 44 and 41 respectively.

Table 13: Burlington Business Landscape

Plains Road Business Composition		
CATEGORY	NUMBER OF BUSINESSES	PERCENTAGE
Retail: Home, Food, Automobiles, Personal Care	772	12.73%
Other Services - Repair, Personal Care, Laundry, Religious, etc.	713	11.75%
Professional, Scientific, and Technical Services	618	10.19%
Health Care and Social Services	614	10.12%
Construction	429	7.07%
Accommodation and Food Services	414	6.82%
Manufacturing - Processed Food, Textiles, Electronics, Furniture, Machinery, Metal, Transportation, Misc.	389	6.41%
Wholesalers	377	6.21%
Banking, Finance and Insurance	328	5.41%
Retail: Hobby, Media, General Merchandise	259	4.27%
Administrative and Support and Waste Management and Remediation Services	236	3.89%
Real Estate and Rentals	228	3.76%
Education	177	2.92%
Arts, Sports, Entertainment, and Recreation	122	2.01%
Transportation and Warehousing: Couriers and Messengers, Warehousing and Storage	110	1.81%
Public Administration	103	1.70%
Information	78	1.29%
Unclassified	74	1.22%
Utility Services: Power, Gas, Steam, Water and Sewage	8	0.13%
Agriculture, Forestry, Fishing and Hunting	7	0.12%
Holding Companies and Managing Offices	6	0.10%
Mineral, Oil and Gas Extraction	4	0.07%
<i>Total</i>	6,066	100.00%

### *Key Takeaways*

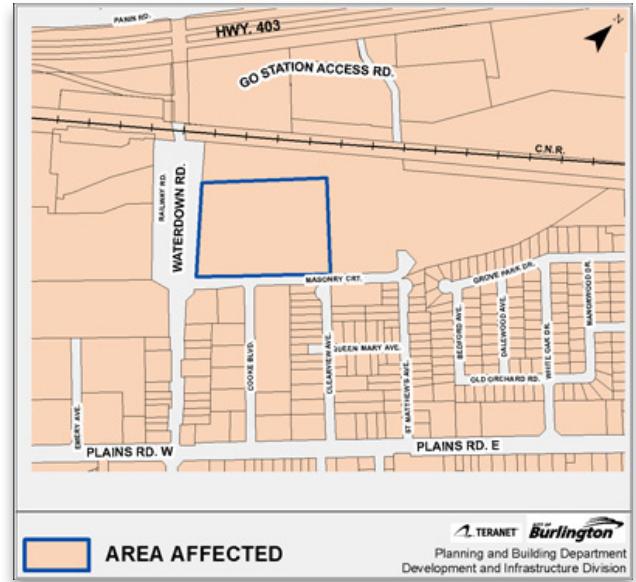
Retail services, including but not limited to such businesses as home, food, automobiles, personal care, currently account for approximately 13% of all Burlington business, with a business count of 772. Other services, including but not limited to such businesses as repair, personal care, laundry, and religion and professional, scientific and technical services account for approximately 12% and 10% for a business count of 713 and 618 respectively.

## Residential and Commercial Intensification Areas in Ward 1

Throughout the city of Burlington, there are many development projects taking place. In Ward 1 specifically, there are a total of 8 development projects that are on-going or have yet to be started. Below, we have highlighted the three largest and most impactful projects in Ward 1. Each project summary is highlighted with an analysis and key takeaways section.

### Adi Development Group – 101 Masonry Court

Adi Development Group (ADG) is currently developing 3.08 hectares of land for residential use. The development includes 160 stacked townhouses, 66 standard townhouses and 60 back-to-back townhouses for a total of 286 homes with several mid-rise condominiums and limited retail offerings. The planning of this area was centred around developing a more intensive, pedestrian and transit oriented space, allowing for accessibility within Burlington while still attracting commuters. The primary advantage of this development is its proximity to the Aldershot Go Station and downtown Burlington, as commuters do not necessarily require a car. Another advantage is that every space includes a private outdoor area, a feature that is becoming increasingly rare and sought after with new development. Additionally, the land surrounding this development provides strong prospects for further residential and commercial development.



ADG prides themselves in crafting premium and contemporary structures throughout high profile neighbourhoods in Burlington with many past successes including their Mod'rn and LINK condominium projects. With four decades of condominium development experience, ADG clearly understands the needs and future potential of the Burlington market. The townhouses at 101 Masonry Court start at \$200,000 for a 1 bedroom stacked townhome with a parking spot at an additional charge of \$35,000. Given the diversity of the townhomes in this development, pricing significantly ranges depending on the type of home, therefore this will attract a diverse group of buyers.

Sales for the first several phases of the 101 Masonry Court developments have come quickly, as the development was sold out after the first week on the market. To date, 80% of the entire development is sold, with only the smaller, less expensive townhome units available. The proximity to the Aldershot Go Station is the primary motivator for purchase. Additionally, many buyers are purchasing units as long-term investment properties, given the superior location and

future development potential. Therefore, tenancy and consequently the broader community will experience turnover depending on the length and number of rental properties available.

### *Key Takeaways*

Given the different types and sizes of the homes, diverse pricing scale and premium craftsmanship of the condominiums at 101 Masonry Court, ADG is targeting older millennials and the younger portion of generation X who can benefit from the lower entry price of a townhome while also providing flexibility for navigating throughout Burlington and commuting to work. Considering most of this development consists of stacked townhomes and mid-rise condominiums, it can be assumed that young couples and professionals will account for the majority of these sales. Stacked townhomes are too small to house a full family, so it is unlikely that families or soon to be parents will purchase this type of space. Additionally, stacked townhomes are synonymous with staircases, making this property format unattractive for older people and others with mobility limitations.

The remaining 126 properties consist of more traditional townhomes, which will attract young families who can benefit from the additional space, privacy and relatively lower price compared to a traditional free standing home in Burlington. These houses are priced closer to \$500,000 so these families likely have a consistent annual income with a reasonable amount of disposable income. The average price of a freestanding house in Burlington is close to the higher end townhomes at \$659,000 so families who opt for a home at 101 Masonry Court clearly value the modern craftsmanship and innovative layout of the neighbourhood over a more traditional family home.<sup>1</sup>

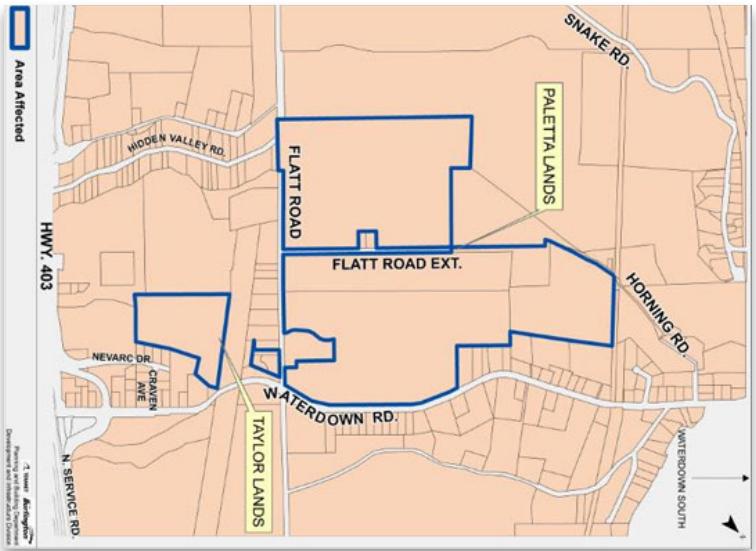
In looking at the household income distribution of older millennials and the younger portion of generation X it is evident that these two groups have significant spending power with average incomes around \$50,000-\$90,000 annually. Average incomes for residents of 101 Masonry Court are likely even higher than this projection as most residents are likely working professionals given the proximity to the Aldershot Go Station. Other than housing and transportation, these two demographic clusters spend a significant amount of their income on food, recreation, household operation and clothing. Therefore, it can be assumed that residents of 101 Masonry Court will spend a considerable amount of money in retail businesses and services in Burlington. Additionally, given the prevalence of young families, it can be assumed that health care services and education will also be prioritized financially.

---

<sup>1</sup> Real Estate Market Report for Burlington, ON. (2016, August ). Retrieved December 8, 2016, from Real Estate Wealth, <http://www.canadianrealestatemagazine.ca/top-neighbourhoods/burlington-on-13838.aspx>

## Paletta International Corporation - Eagle Heights

Paletta International Corporation is developing 171 single-detached homes and 624 cluster houses for a total of 815 units on a 97-hectare parcel on the north side of Flatt Road. The development has been met with resistance from local community groups who are against converting the open land into a residential area due to the potential for disrupting the local community and the costs associated with servicing the new development. Their concerns revolve around the high population density specifically associated with cluster housing (attached homes). Despite the protest efforts, the development is slowly moving forward as the increased land density poses favourable economic implications in the long term.



The location of the proposed development is on the edge of the current urban boundary; however, it is positioned very close to the King's Highway 403 with an entrance off Waterdown Road. The Aldershot Go Station is also relatively close; however, a car is needed for commuters using the Go trains. Therefore, the location is ideal for commuters who still value local Burlington businesses and services. Additionally, Eagle Heights is ideal for aging couples who are near retirement or retired as it provides privacy while still being relatively connected to Burlington and Hamilton.

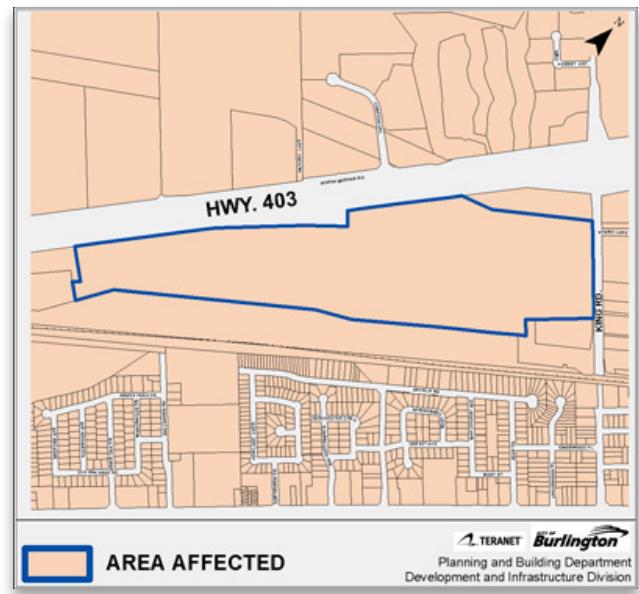
To date, no physical construction has begun as Paletta International Corporation is still working with various government organizations to finalize the planning for the proposed property development.

### *Key Takeaways*

The Eagle Heights development will inject the Aldershot community with a significant number of new residents, likely younger couples and families who often commute to Toronto or Hamilton. Eagle Heights provides a housing alternative that is presumably more affordable than homes in central Burlington. Additionally, given the large number of individual homes, potential residents can benefit from a new, rural community that is difficult to replicate in more populated areas. Considering local community groups are against the development of this land, it can be presumed that Burlington residents may be against living in these properties, especially older residents who are looking to preserve historical Burlington areas.

## Penta Properties – 1200 King Road

Penta Properties is looking to develop 49.17 hectares of land with a focus on industrial and office activities. Penta Properties currently has several active retail projects located near the proposed industrial and office property, with additional projects in Toronto and Hamilton. Therefore, they have a strong understanding of Burlington and the surrounding consumer markets. Construction on this project has not begun yet and it is likely that these properties will be completed in the 2020s. There has not been pushback from the community; rather more planning is required before proceeding with construction.



Other residential areas, existing employment zones, the King's Highway 403 and the Aldershot Go Station, surround the proposed King Road development. The Aldershot Go Station is within a kilometre so this industrial and office area is ideal for commuters, as no vehicle is needed.

### *Key Takeaways*

The King Road development looks to significantly increase prestige type offices and industrial uses that require high visibility along major transportation routes. In addition, Penta Properties has agreed to construct a service road within five years of the commencement of the construction of any building on the site, opening transportation routes in the area. The increase in both the industrial and office properties provides a unique opportunity for local employment in the industrial, office and retail sector.

## Consumer Profiles

After evaluating the age distribution and corresponding generational cohorts within Ward 1, FreshInsights developed in-depth consumer profiles of the three largest cohorts. The three largest generational cohorts were the Millennials, representing 28% of the entire Ward 1 population, Generation X, representing 20% of the entire Ward 1 population, and The Baby Boomers, representing 28% of the entire Ward 1 population.

### Millennials

“Millennial” refers to people born between 1980 and 2000, which is why this demographic group is becoming the primary focus of businesses in 2016. With spending power that has surpassed baby boomers and their untraditional lifestyles, engaging millennials is beneficial to the long-term success of a business, however they are difficult to connect with. Looking at the household income distribution in Ward 1, millennials on average earn between \$40,000 to \$90,000 annually. Spending habits prioritize housing, transportation, food and recreation, with recreation expenditures accounting for a larger percentage of their annual income in comparison to other demographic segments.

In examining local business environments, it is evident that millennial’s value community and familiarity. Consequently, they prefer to support local businesses as this directly improves their native community instead of benefitting larger corporations. This is supported in a recent Edelman Digital study, which shows that 40% of millennial participants prefer to shop locally even if it costs more than a big box store.<sup>2</sup> Additionally, millennials value a customer-centric shopping experience. Smaller, localized businesses are more likely to provide a tailored shopping experience, as they are more flexible and adaptable to consumer needs. It’s also easier to motivate employees in a local setting as they likely feel more connected to the brand in comparison to a large big box retailer. Therefore, local businesses or Canadian franchises will resonate well with the millennial consumer base in Aldershot as it aligns with their personal values and increases their willingness to pay.

A unique purchasing habit amongst millennials is their impulsive nature, as they opt to deal with the repercussions of their purchases later. In a survey conducted by Times Magazine, 52% of millennials were more likely to make impulse purchases over any other demographic segment. Despite these rapid spending habits, millennials put a lot of thought into the products and services they purchase. Given their cosmopolitan nature, millennials view their purchases through a global lens, which for example, leads to a higher preference for “organic” products. This further reinforces millennials’ desire to shop at smaller retailers with a more authentic and sustainable product offering. However, their impulsive nature also speaks to the geographic distribution of retail outlets. In developing Aldershot, the placement, organization and types of retailers should be prioritized, especially with the increase of parking lot plazas. To optimize a

---

<sup>2</sup> Millennials prefer “Shopping down the Street.” (2015). Retrieved December 8, 2016, from The Brief, <http://thegbrief.com/articles/millennials-prefer-shopping-down-the-street-568>

local shopping centre, a diverse range of businesses should be located within walking distance of each other to maximize the potential for an impulse purchase. This can include several types of food vendors, accompanied by a grocery store and perhaps a hair salon. This diverse group of businesses ensures that consumers will regularly frequent the area, with the potential for spill over purchases at other, less relevant shopping outlets. In regards to food vendor selection, millennials prioritize healthy options over more traditional fast food outlets. Additionally, millennials tend to deviate from the traditional daily three meal format, opting for frequent snack breaks instead.<sup>3</sup> Millennials typically share their favourite products and food vendors with their parents, as they have significant influence over their parents purchasing decisions. Therefore, when evaluating the business landscape preferences among millennials, generation X and veterans, millennials should be prioritized given their influence over older generations and their expected lifespan.

## Generation X

“Generation X” refers to people born between 1960 and 1980. This generation is often overlooked in marketing campaigns as businesses have jumped at the opportunity to target millennials. This lack of attention is in part due to several stereotypes such as their scepticism towards new ideas and their questioning of conventionality. Although these stereotypes are certainly not true for all of generation X, marketers have identified their ability to be influenced by millennials as a primary reason why there are not more marketing initiatives targeted at generation X. In other words, marketers believe targeting millennials indirectly influences generation X.

In examining local business environments, generation X prioritizes convenience and price above all else. Unlike millennials, generation X is likely to make a shopping list and follow it precisely eliminating the potential for an impulse purchase. They are very practical with their money as they look to spend only when something is truly needed. This is partially due to range of other financial commitments that include supporting elders and children with debt from college tuition and mortgages. Generation X is also going at the primary life stage for marriage, starting a family and buying a home. Therefore, they have minimal disposable income and this will likely be the reality for years to come, as they must support their children. In planning the Aldershot business landscape, position necessities such as grocery stores, big box retailers and other essential service businesses near family neighbourhoods. Additionally, those under the generation X umbrella who are native to Burlington may also be very supportive of local business initiatives. They frequently read the local paper and they’re also likely part of broader local organizations, so improving their hometown is a priority. However, given their lack of disposable income, this generation should not be prioritized in the short term as a key target market for Aldershot.

---

<sup>3</sup> Millennials are the Tastemakers in food. (2016). Retrieved from <http://www.millennialmarketing.com/2012/06/millennials-are-literally-the-tastemakers-in-food/>

## Baby Boomers

“Baby Boomer” refers to people born between 1940 and 1960. This segment accounts for the current demographic shift as 9.4 million Canadians will be 60 years old and above by 2020, accounting for a 21.6% increase from 2014.<sup>4</sup> Baby boomers benefitted from high paying jobs as they entered the workforce during a prosperous time, resulting in a significant amount of disposable income. With these higher disposable incomes, baby boomers tend to make impulsive purchases, complicating retirement economics in the future. Additionally, while 80% of baby boomers believe they are healthy, their doctors say otherwise, given their poor lifestyle choices predominantly consisting of smoking cigarettes, lack of physical activity and alcoholism. Despite poor health trends, baby boomers follow a traditional three meal format, making them less likely to miss a meal. Additionally, baby boomers are less interested in convenient, snack foods given their dietary schedule and caloric needs. Baby boomers also still contribute to the economy during retirement. Retired Canadians on average spend \$2,400 a month, largely for housing, transportation, food and clothing. Travel and medical expenses represented the lowest percentage of this monthly expenditure.

A 2014 Tork Green Business survey showed 55% of baby boomers tend to be gravitate towards environmentally friendly products, compared to 39% of Canadians under the age of 34. Amongst the shoppers who indicated they were environmentally aware, 43% indicated they were willing to pay more for products and services that are responsibly manufactured or delivered.<sup>5</sup> This trend further reinforces interest in local businesses, as local products are typically less refined and they have a smaller carbon footprint, as the products are not transported over long distances.

As baby boomers move into retirement, many choose to sell their homes, opting to downsize as they no longer require the extra space and they also unlock capital. Baby boomers also tend to rent their newfound property as it is more economical and it provides flexibility if they decide to move to a retirement home. Condominiums, townhomes and apartments are among the popular choices when a baby boomer decides to downsize. Therefore, in planning the business environment in Aldershot, new housing developments might attract more baby boomers than expected. Consequently, health care service centres and other retirement-oriented businesses could benefit from being closely located to such developments.

---

<sup>4</sup> Consumer Lifestyles in Canada. (2015, August). . Euromonitor International.

<sup>5</sup> Consumer Lifestyles in Canada. (2015, August). . Euromonitor International.

## Online Presence of Ward 1

### Facebook

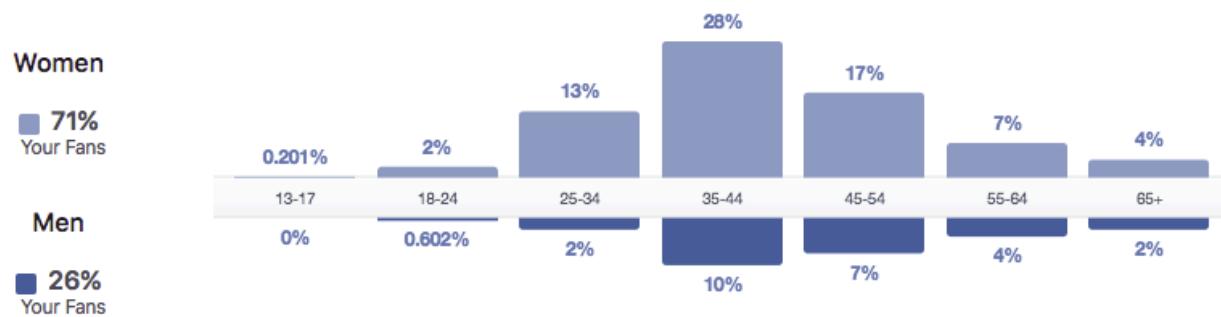
This section looks to provide an overview of the demographics that are engaging with Aldershot Village BIA's Facebook page.

#### *The People Who Like Aldershot Village BIA's Page*

##### *Demographics*

This is the cumulative demographic breakdown of everyone who has liked the Aldershot Village BIA Facebook Page.

**The people who like your Page**



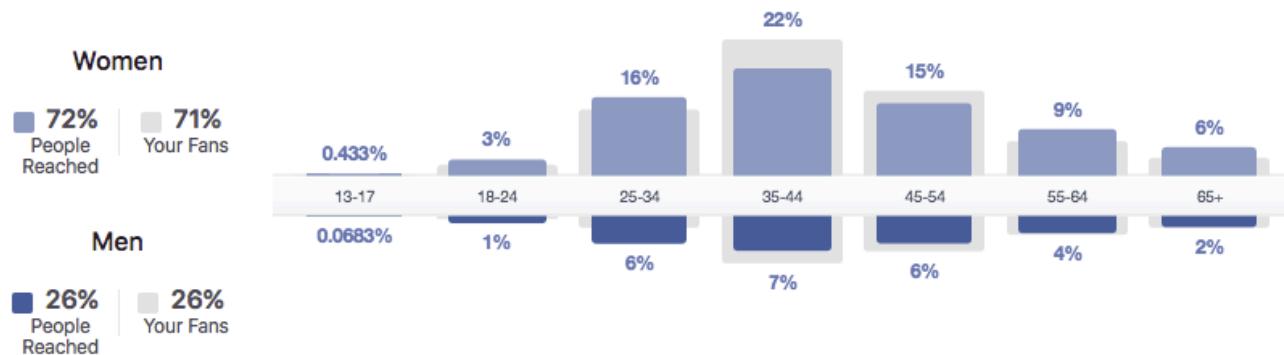
The largest age group who have liked the Aldershot Village BIA's Facebook page for both women and men is ages 35-44, representing approximately 28% and 10% of all likes respectively. The second largest category is the age group of 45-54 for both women and men, representing 17% and 7% of all likes respectively.

#### *People Reached*

This is the cumulative demographic and city breakdown of the number of people that have been reached by Aldershot Village BIA's posts in the last 28 days.

## Demographics

The number of people your post was served to in the past 28 days.



The largest age group who have been reached by the Aldershot Village BIA's Facebook page in the last 28 days for both women and men is ages 35-44, representing approximately 22% and 7% of all people reached respectively. The second largest category is the age group of 25-34 for both women and men, representing 16% and 6% of all people reached respectively.

## City

People Reached	
City	Number of People Reached
Burlington, ON	1,526
Hamilton, ON	1,052
Toronto, ON	251
Oakville, ON	154
Mississauga, ON	74

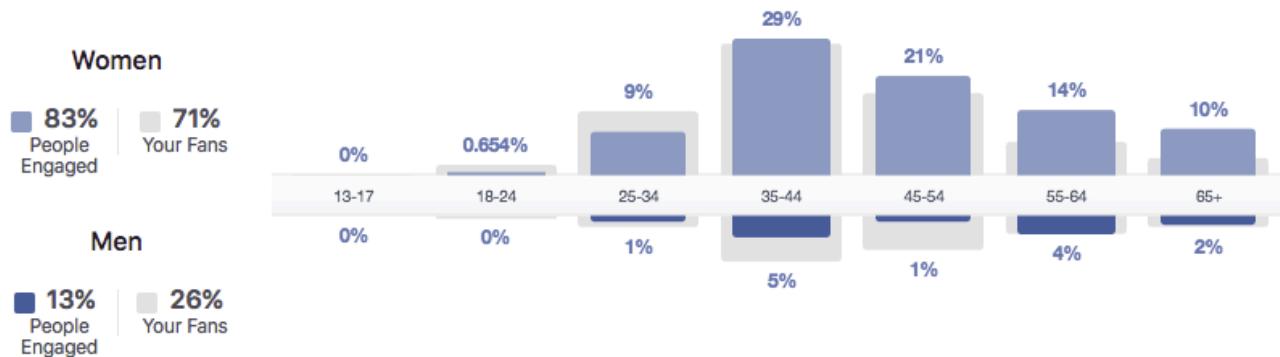
Burlington has the largest amount of people reached with 1,526. Second and third are Hamilton and Toronto, with 1,052 and 251 people reached respectively.

## People Engaged

This is the cumulative demographic and city breakdown of the number of people who have liked, commented on, or shared a post or engaged with the Aldershot Village BIA page in the last 28 days.

## Demographics

The people who have liked, commented on, or shared your posts or engaged with your Page in the past 28 days.



The largest age group who have engaged with the Aldershot Village BIA's Facebook page in the last 28 days for both women and men is ages 35-44, representing approximately 29% and 5% of all people who have engaged respectively. The second largest category for women is the age group of 45-54, representing 21% of all people who have engaged. The second largest category for men is the age group of 55-64, representing 4% of all people who have engaged.

## City

People Engaged	
City	Number of People Reached
Burlington, ON	90
Hamilton, ON	32
Waterdown, ON	4
Oakville, ON	4
Toronto, ON	4

Burlington has the largest amount of people engaging with Aldershot Village BIA's Facebook page with 90 people engaging over the last 28 days. Second and third are Hamilton and Waterdown, with 32 and 4 people engaging respectively.

## Online Presence Key Insight

In all three Facebook categories evaluated, including the people who like, are reached, or are engaging with the Aldershot Village BIA Facebook page seem to have a key commonality. Demographics are fairly consistent across all categories, with the majority of individuals falling in the category of 35-44. The secondary categories fall within the age groups of 25-34 and 45-54. This correlates to the Ward 1 demographic analysis as these age groups falls into the largest generational cohorts of Millennials, Generation X and The Baby Boomers.

# Burlington Suburban Office Market Analysis

The following section looks to identify the key trends within the Burlington office market.

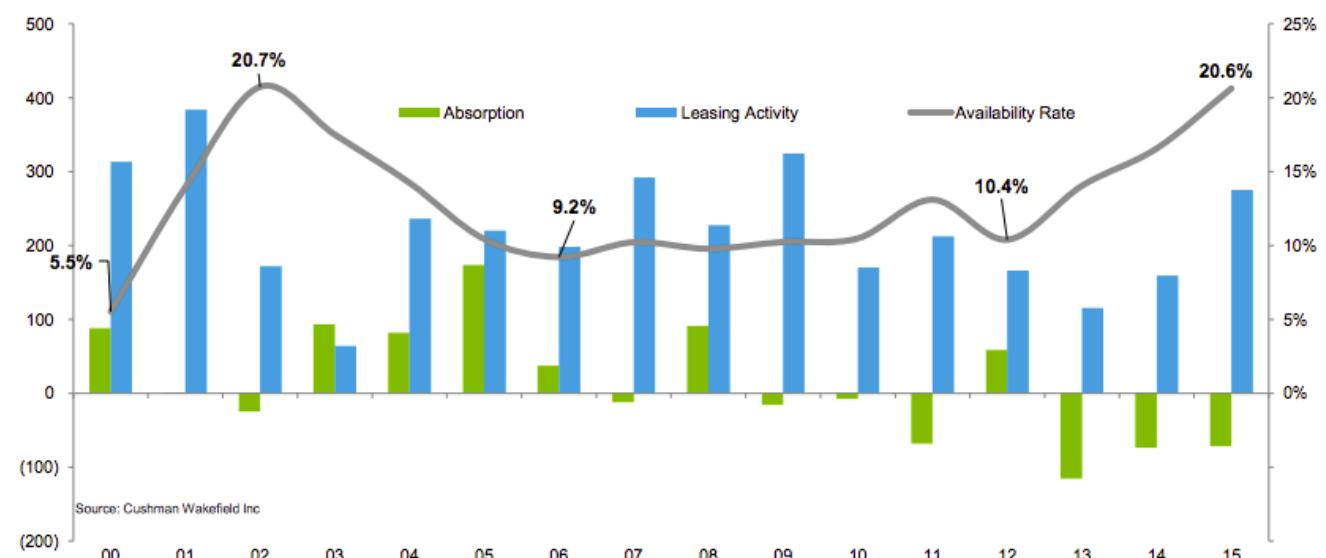
## Burlington Office Market

### Vacancy Rates

The total office inventory in the GTA adds up to 175 million square ft., of which Burlington accounts for approximately 2.0% of total inventory at around 3.2 million square feet.<sup>6</sup>

Burlington's economic strength lies in its diversity of economic base, its location within the GTA and proximity to Hamilton, and superior access to transportation infrastructure.

Furthermore, Burlington has seen increasing availability rates and negative absorption over the past 3 years. Vacancy as year-end 2015 approached a record high of 20.6%, which was last achieved in 2002.<sup>7</sup> The result is an absorption rate that has consistently remained negative, with more new space being delivered than is being absorbed. A historical snapshot of the Burlington office node can be seen below.



The 20.6% availability rate is higher than its competitors. This is for two specific reasons. The first is that Burlington is located in an extremely competitive market with numerous alternatives for potential tenants. The second is that tenants have placed an emphasis on newer buildings with lower operating costs and the ability to deliver on corporate social responsibility metrics.

<sup>6</sup> Burlington & GTA Suburban Office Market Analysis. (2016, May). . Deloitte.

<sup>7</sup> Ibid.

## Pricing: Gross and Net Rental Rates

Burlington offers the lowest rental rates in the GTA West market. Rental rates in Burlington average \$17.00 psf, which is marginally lower than the GTA West average. This suggests that pricing is not necessarily a major factor impacting above-average vacancy rates.<sup>8</sup> The table below shows the comparison between Burlington and the GTA market.

GTA Class A Rents		
Submarkets	Average Gross Rent (\$/SF)	Average Net Rent (\$/SF)
<b>GTA Central</b>	50.87	25.12
<b>GTA North</b>	35.89	17.21
<b>GTA East</b>	30.65	15.61
<b>GTA West</b>	31.50	17.16
<b>Highway 427 Corridor</b>	34.44	16.60
<b>Bloor/Islington</b>	41.42	20.54
<b>Mississauga City Centre</b>	35.58	18.37
<b>Hurontario Corridor</b>	28.76	15.10
<b>Airport</b>	30.16	16.19
<b>Meadowvale</b>	31.84	19.13
<b>Oakville</b>	32.00	18.74
<b>Burlington</b>	<b>29.91</b>	<b>16.96</b>

Source: Deloitte

## Workplace Transformation

The office market is shifting within Burlington and the surrounding area. The workplace is evolving rapidly as landlords attempt to address the current pressures faced by office occupiers. As Burlington is in a very competitive location, Ward 1 should look to familiarize itself with workplace transformation trends.

As noted earlier in the report, the three largest generational cohorts are the Millennials, Generation X and The Baby Boomers. The work habits of each generational cohort are becoming increasingly pronounced are included below:

---

<sup>8</sup> Burlington & GTA Suburban Office Market Analysis. (2016, May). . Deloitte.

## Millennials

- Work anywhere, anytime and with access
- Thrive on lots of visual stimulation
- Prefer informal, group focused settings
- Expect a high degree of technology

## Generation X

- Work with flexibility and balance
- Adapt well to mobile and diverse work settings with a focus on work/life balance
- Like amenities and less formal

## The Baby Boomers

- Benefit from collaborative work space
- Open but reticent about new technology
- Require acoustic privacy

In addition to the above work habits, one of the most significant trends in workplace transformation is the availability of public transportation to and from work. In specific, Millennials desire transit-connected offices. Millennials are more likely to stay in a job when they work in agile workplaces located in urban growth centres, which are accessible through public transit. Aldershot provides a very unique opportunity as a mobility hub in which there is a plethora of potential office space that can be transformed to fit the needs of the Millennial workforce. As the Aldershot GO is a major transportation site, it presents high residential and employment development potential.

## Retail Trends in Canada

This section looks to provide a macroeconomic perspective of the most notable retail trends within Canada. The most notable retail trends are as follows:

### Economic Uncertainty Cools Consumer Expenditure

A weak economic performance, largely as a result of lower oil prices and a weak jobs market, has resulted in a reduction in consumer confidence towards salaries than in recent years. The weak economic performance, coupled with an unemployment rate of approximately 7%, has resulted in more careful planning of household expenses and investments.<sup>9</sup> Operators within the retailing sector have especially felt this trend towards careful spending within the Canada. Canadian consumers, in recent years, have become “deal hunters”, benefiting chains that

---

<sup>9</sup> Retailing in Canada. (2016, January). . Euromonitor International.

position themselves on the basis of low prices. This includes such retailers as Walmart, Costco and Dollarama. Retailers which position themselves as good value and consistently deliver on low price promises are expected to continue experiencing significant growth.

## Online Shopping Changes the Grocery Retailing Landscape

Internet retailing continues to be a major driver of growth within most consumer markets. Growth in Internet retailing is unlikely to slow in the near future as growth in the use of smartphones and tablets has also increased rapidly.<sup>10</sup> In order to remain competitive in the market, retailers have been struggling to adjust both marketing and operational strategies to follow consumers across different channels, including between different brick-and-mortar channels and between store-based and digital channels.<sup>11</sup> Retailers, which resist merging online and offline strategies, will struggle to survive in the increasingly present Internet environment.

## Canadian vs. US Dollar

The Canadian dollar lost value against the US dollar in 2015 and 2016 and is currently valued at 0.7546CAD/USD as of December 7<sup>th</sup>, 2016. However, this should provide incentive to domestic manufacturers, who can leverage relatively low commodity prices to create new jobs and stimulate Canada's economy.

## Bipolarisation in Retailing in Canada Attracts Upscale Brands

For the past several years, retailing in Canada has demonstrated a trend of bipolarisation, with retailers finding more success at the low- and high-ends of the market than in the middle.<sup>12</sup> With reduced disposable incomes, consumers generally showed a preference to spend those dollars on products that were either perceived to be high quality, or those with a very low price. This trend relates heavily in the context of the overall trend of health and wellness products, where consumers are willing to pay a premium for natural, organic and generally better-quality products.

Table 14: Sales in Retailing by Store-based vs. Non-store: Value 2010 - 2015 (CAD Million)<sup>1</sup>

	2010	2011	2012	2013	2014	2015	Constant Annual Growth Rate (2010 - 2015)
Store-based Retailing	308,937	311,613	318,085	322,268	329,115	328,116	1.20%
Non-store Retailing	8,041	8,502	9,195	10,018	10,619	11,135	6.70%
Retailing	316,977	320,115	327,281	332,287	336,734	339,252	1.40%

<sup>10</sup> Retailing in Canada. (2016, January). Euromonitor International.

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

## Continued Growth in Non-Store Retailing

Growth in Non-store retailing continued to outpace store-based, registering a CAGR of 6.7% from 2010 – 2015 to reach sales of 11,135 million.<sup>13</sup> Forrester Research Inc. projects that 10% of all Canadian retail spending in 2019 will be conducted online.<sup>14</sup> Technology and Non-store retailing channels continue to place significant hurdles to store-based retailers.

## Final Recommendation

Throughout this research study, there have been a number of “key takeaways.” This concluding section looks to pull out the overarching trends that can be applied to Ward 1 when looking to the near future.

To begin, it is clear that the younger generation, especially the Millennials, will have a major impact on the future economic standing of Ward 1. The Millennials are currently the largest cohort within Ward 1 and will remain a strong and dominant cohort well into 2021. It is also evident from the research that the marital status of Ward 1 will be dominated by individuals who have “never married” or who have “now married”, showing a trend towards younger demographics who are single or are starting relatively new families. The majority of individuals within Ward 1 are within the income brackets of \$40k - \$90K and \$90K+, demonstrating a modestly affluent population and working population. In addition, household spending trends show that approximately 21% of all household spending is for transportation. This most likely means that a significant portion of the populace is using Ward 1, and its convenient access to both the highway and the Aldershot GO Station, to commute outwards to work.

The commuting trend within Ward 1 is further demonstrated by the recent residential and commercial intensification of a few key areas. These areas included the ADI Development Group at 101 Masonry Court, the Paletta International Corporation at the north side of Flatt Road and the Penta Properties development at 1200 King Road. The target markets seem to be that of the younger generation, especially younger couples and professionals, who would use these properties as a central hub for commuting.

Therefore, given the aforementioned information, there seems to be a number of opportunities within Ward 1. The first is the opportunity for Ward 1 to develop a diverse portfolio of service jobs. These include both office and commercial developments. Given the mix in household income, both experienced and entry-level jobs will be required. Currently, there is a large influx of young professionals and couples that are using Aldershot as a central location for commuting elsewhere. As already noted, the high transportation costs as a portion of household income could be significantly reduced and the resulting increase in disposable income could be spent

---

<sup>13</sup> Ibid.

<sup>14</sup> Mohammad, Q. (2016, February 21). After years in the slow lane, Canada's e-commerce ecosystem is booming. Retrieved December 8, 2016, from Canadian Business, <http://www.canadianbusiness.com/innovation/canada-e-commerce-innovators/>

A vertical decorative strip on the left side of the page featuring a repeating pattern of faceted, metallic-looking cubes in shades of grey and teal.

elsewhere if a larger portion of the local demographics worked within a close proximity to their dwelling.

A strong local workforce also positively impacts other areas such as retail. The younger generation, with an increase in disposable income and whose spending habits prioritizes food, recreation and housing, now give leverage for Ward 1 to attract a diverse portfolio of unique shops and offerings that appeal to this demographic. However, given Canada's current and future outlook of its retail environment, selection of these shops and offerings should be carefully selected.

In conclusion, Ward 1 is a growing market, with residential, commercial and industrial intensification booming as a result of its location to larger population hubs. As the Aldershot GO is a major mobility hub, it presents high residential and employment development potential, including an opportunity for growth in younger demographics. A future shift towards retaining the current commuting workforce to work in Ward 1 presents vast opportunities for growth in expansion in a number of service and retail sectors.

## Appendix I: Summary of Key Opportunities

