

PEMBERTON COMMERCIAL
ANALYSIS

VILLAGE OF PEMBERTON

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EXECUTIVE SUMMARY

G.P. Rollo & Associates (GPRA) was commissioned by the Village of Pemberton to study the current and future demand for commercial land in Pemberton. The Village of Pemberton will be going through a Zoning Bylaw update in 2011, and requires a clear understanding of what its commercial land needs will be going forward.

The Village of Pemberton's desire to enhance its downtown core complicates the issue as a majority of Pemberton's vacant commercial land is located along Highway 99. If there is not enough demand to support development both along the Highway 99 corridor and the town centre, it is likely that the development in the Pemberton's downtown would be delayed if commercial development is pursued along the Highway.

The report findings included:

- Pemberton has an estimated current retail inventory of 122,550 square feet, including over 16,000 square feet of vacant space.
- Pemberton has a trade area population of 5,355 as of 2010. The population was forecasted to grow by between 3.6% and 1.2% until 2035. The trade area population in 2035 was forecasted to be 8,461.
- The average household income for the total trade area was just over \$52,000.
- Based on a set of assumptions, it was estimated that the total area of supportable retail space for Pemberton in 2010 was 111,046 square feet. By 2035 the total warranted retail area is expected to be approximately 198,520 square feet.
- Based on the existing inventory, Pemberton will likely need to add approximately 77,000 square feet of retail space over the next 25 years under the base case scenario and almost 120,000 sq. ft. under the high demand scenario.
- Currently zoned vacant commercial lands in Pemberton were estimated to total 38 acres, 82% of which were outside of the town core.
- The total potential retail gross building area along the highway is estimated to be 413,000 square feet, while the potential supply in the town centre is estimated to be 148,000 square feet.

Based on the assumptions used in this report, the Village of Pemberton has sufficient land area to support future retail demand past 2035. Given the surplus of vacant commercial lands, the Village of Pemberton is in the position of potentially directing where commercial development might be located in the near term.

To support the enhancement of the town centre, it is recommended that the Village of Pemberton promote commercial development downtown rather than along Highway 99. In the short-term, additional commercial development along Highway 99 could delay development in the town centre.

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1.0 INTRODUCTION

G.P. Rollo & Associates has been retained by the Village of Pemberton to prepare an assessment of the amount of lands required to satisfy current and future demand for commercial space.

The Village of Pemberton's updated Official Community Plan has recently been introduced for statutory readings and a public hearing. An important aspect of implementing strategies of the Official Community Plan is to clearly understand the future commercial demand within the Village. Among other issues, Pemberton has recently seen development of commercial space along Highway 99, which has raised the question of whether there will be sufficient future demand to allow for revitalization of Pemberton's town centre. The goal of this report is to provide an understanding of the demand for commercial space in the Village of Pemberton over the next 25 years.

The conclusions from this study are intended to inform the new OCP, and future land-use designations.

The report is structured as follows:

- Planning Background – providing an overview of Pemberton's current land use designations, its regional context, and plans for the downtown.
- Competitive Supply – provides an overview of the role played by retail supply in Whistler, Squamish, Vancouver and Kamloops in shaping growth potential for commercial areas in Pemberton.
- Commercial Inventory – provides a comprehensive inventory of all retail and service commercial businesses in the Village of Pemberton; this provides a baseline indication of the level of Village servicing across retail commercial categories.
- Trade Area Delineation and Commercial Expenditure Analysis – retail trade areas for Pemberton are delineated and the spending potential in each retail category is assessed and projected. The outcome is an assessment of the amount of space that trade area expenditure can support today (vs. current supply, indicating where gaps exist), how space supportable will change in coming years, and where opportunities exist for growth.
- Commercial Land Assessment – based on the foregoing analysis, an assessment of future commercial land needs in Pemberton is conducted. Recommendations for OCP land designation are provided.
- Financial Analysis - a financial analysis of two hypothetical development scenarios was created to assess the viability of development. The two development scenarios included a location within the downtown and another on the Highway.

2.0 PLANNING BACKGROUND

2.1 OVERVIEW OF PEMBERTON

The Village of Pemberton is located within the Squamish Lillooet Regional District (SLRD) on Highway 99, approximately 32 kilometres north of Whistler, 91 kilometres north of Squamish and 150 km north of Vancouver. Pemberton is 267 km south west of Kamloops.

Figure 1: Pemberton / Whistler / Squamish



The above map displays the Squamish Lillooet Regional District. Within Electoral Area C, Pemberton is the largest urban area and would serve as the commercial hub for the majority of its residents.

The 2006 Census of Canada indicated a total Village population of 2,192.

In recent years, the Village of Pemberton and its surrounding area has seen significant growth. From 1996 to 2006 the Village of Pemberton grew by over 150%. Much of the growth in Pemberton is linked to growth in Whistler. It is suggested that up to 50% of Pemberton’s labour force works in Whistler.

Between 1996 and 2006 the area surrounded by Electoral Area C, including Pemberton and First Nation Reserves, grew by over 50%. Overall, growth within the Village of Pemberton accounted for over 70% of the population growth in Electoral Area C.

There are two varying population forecasts that could be used for Pemberton, by BC Stats and Urban Futures. While both forecasts are actually for the SLRD as a whole, the growth rates can be used as a proxy for Pemberton.

BC Stats forecast slower growth over the long term, which matches current estimates by the Village of Pemberton, so the BC Stats growth rates will be used in this report.

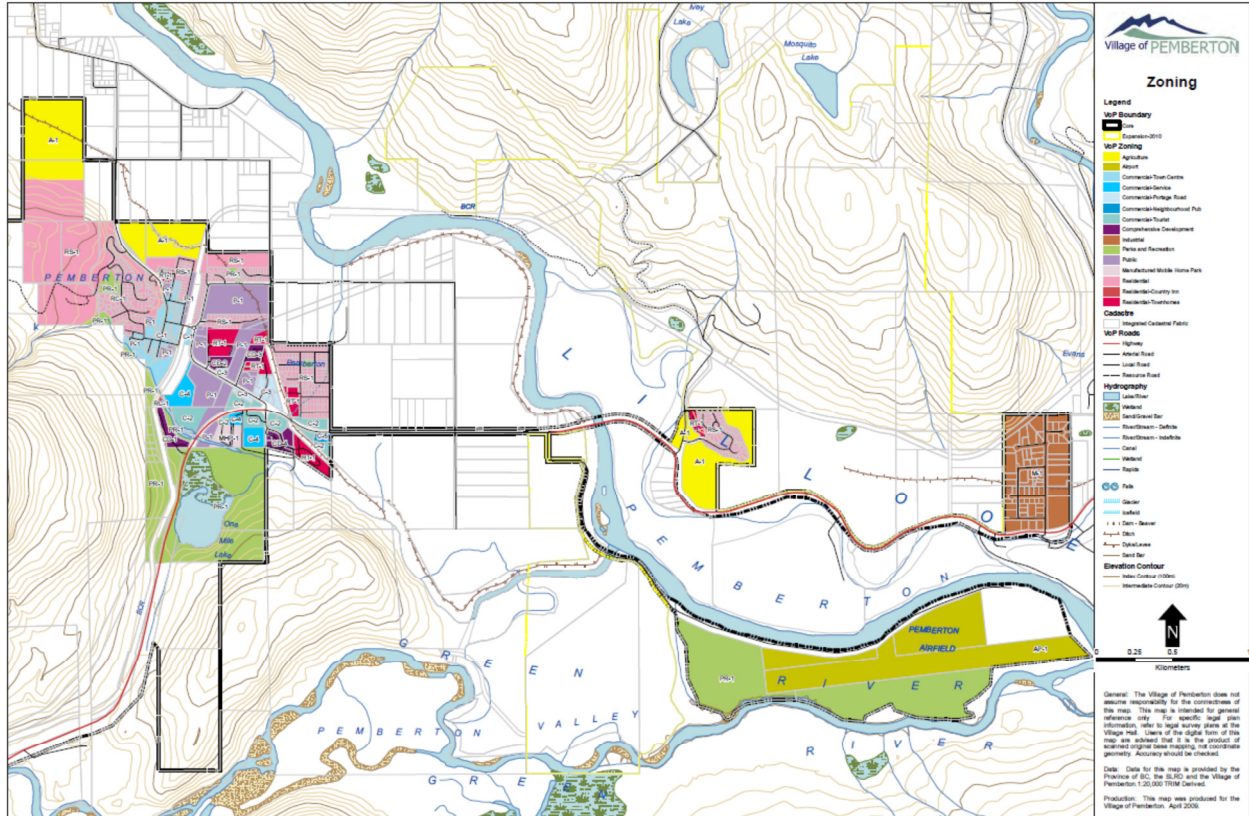
Table 1: SLRD Growth Rates

SLRD Population Growth Rates		
	BC Stats	Urban Futures
2010	3.1%	2.4%
2011	2.8%	2.5%
2012	2.7%	2.5%
2013	2.5%	2.6%
2014	2.4%	2.7%
2015	2.3%	2.8%
2016	2.3%	2.8%
2017	2.2%	2.8%
2018	2.1%	2.8%
2019	2.0%	2.8%
2020	2.0%	2.8%
2021	1.9%	2.7%
2022	1.8%	2.6%
2023	1.8%	2.5%
2024	1.7%	2.5%
2025	1.7%	2.5%
2026	1.7%	2.4%
2027	1.6%	2.4%
2028	1.5%	2.4%
2029	1.5%	2.3%
2030	1.4%	2.3%
2031	1.4%	2.2%
2032	1.3%	2.2%
2033	1.3%	2.2%
2034	1.2%	2.2%
2035	1.2%	2.2%

2.2 PEMBERTON COMMERCIAL DESIGNATIONS

The existing Zoning Map for Pemberton is seen below:

Figure 2: Pemberton Land Use Designations



The commercial designations are displayed in shades of blue. Within the Zoning Bylaw, there are five different commercial designations, including:

- C-1 Town Centre
- C-2 Service – (*Gas stations*)
- C-3 Portage Road
- C-4 Neighbourhood Pub
- C-5 Tourist – (*Intended for hotels*)

2.3 SQUAMISH LILLOET REGIONAL DISTRICT – ELECTORAL ‘AREA C’ OCP

The SLRD Official Community Plan for Electoral Area C impacts the Village of Pemberton as it governs growth for all the lands outside of Pemberton’s boundaries. The most recent OCP for Electoral Area C is dated August 20th, 2008.

Of particular interest are plans for lands adjacent to Mt. Currie area and to a lesser extent the corridor to D’Arcy.

The D'Arcy corridor does not have a large community core area, but the OCP does designate commercial lands near Birken.

The SLRD OCP for Electoral Area C does promote commercial development in both lands adjacent to the Mt. Currie reserve and the D'Arcy corridor areas. The OCP make references to commercial lands and growth that would influence future development. While only a small number of sites have been designated for commercial development around Mt. Currie or the D'Arcy corridor, additional commercial sites would be supported by the SLRD if they were considered suitable.

Within the Commercial Context section, the OCP states:

"...With respect to commercial land supply, there is some availability of commercial land within the Village of Pemberton but there will be some shortfall in the 20-year time frame."

"The 20-year shortfall has been assumed to be on the order of 20 ha after the development of existing inventory in Pemberton."

The SLRD OCP also states as one of its objectives is to promote the viability of the Village of Pemberton's downtown core, and the development of urban forms within the Pemberton core.

One of the commercial policies in the OCP is to discourage developers from 'strip' developments that could "detract from the overall quality of the commercial area".

It is recommended that the SLRD discuss future commercial development on Electoral Area C lands with the Village of Pemberton, given the impact that additional commercial space will have on downtown Pemberton. It is also suggested that SLRD OCP's claim regarding a shortfall of commercial land in Pemberton be amended.

2.4 MT. CURRIE

The Mt. Currie Reserve residents have traditionally been reliable consumers at Pemberton commercial businesses; as such, any additional commercial development in the Mt. Currie area would likely impact sales in Pemberton.

A supermarket was recently developed on the Mt. Currie First Nations reserve to serve its local convenience grocery needs. According to Pemberton grocery retailers, the new Mt. Currie convenience grocery store has done little to change pre-construction grocery spending flows to grocers in Pemberton. It is possible that future developments in Mt. Currie could lead to shifts in spending patterns, new significant retail development within Mt. Currie is unlikely in the short to medium term.

Figure 3: SLRD Land Use Bylaw – Surrounding Pemberton

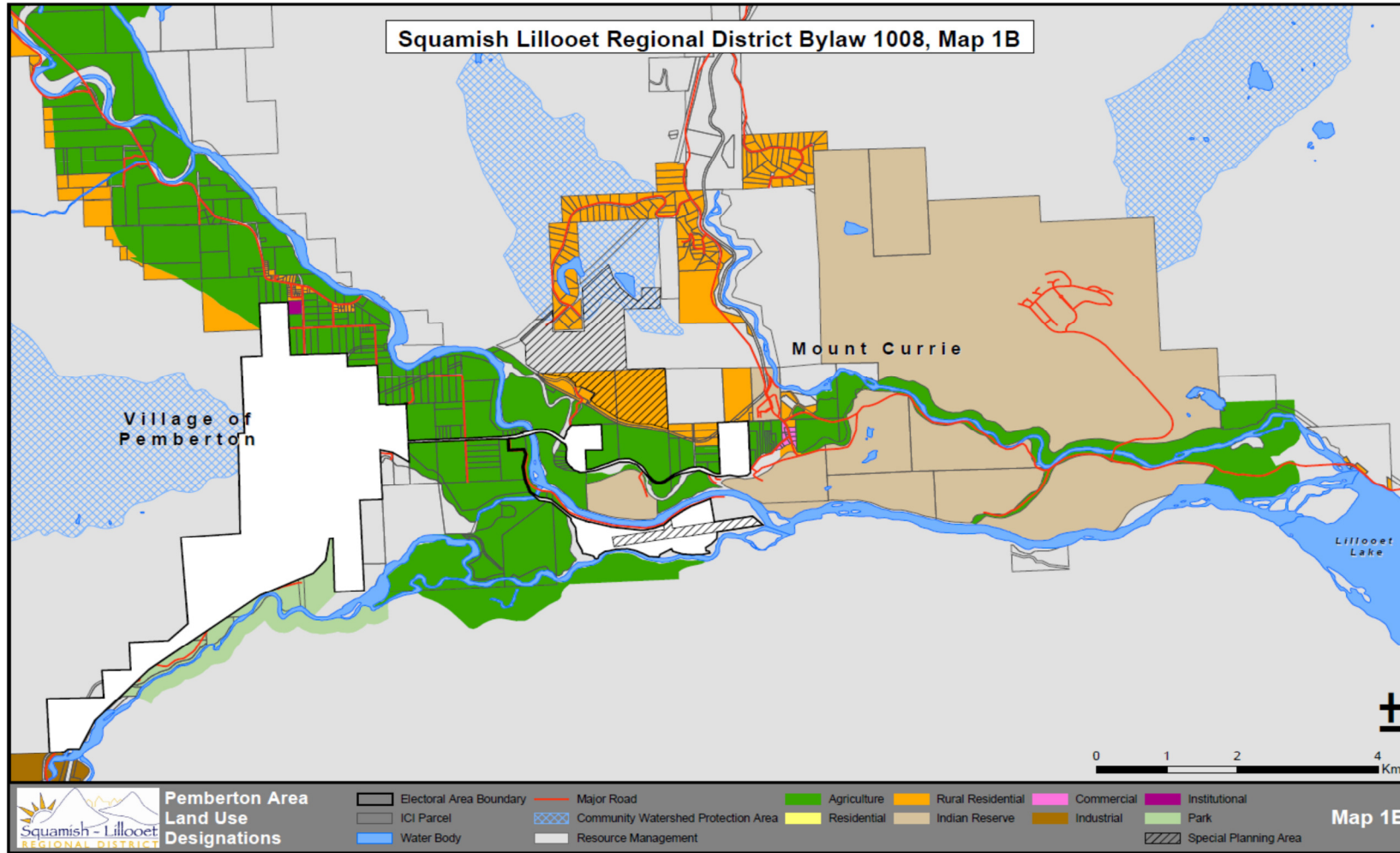
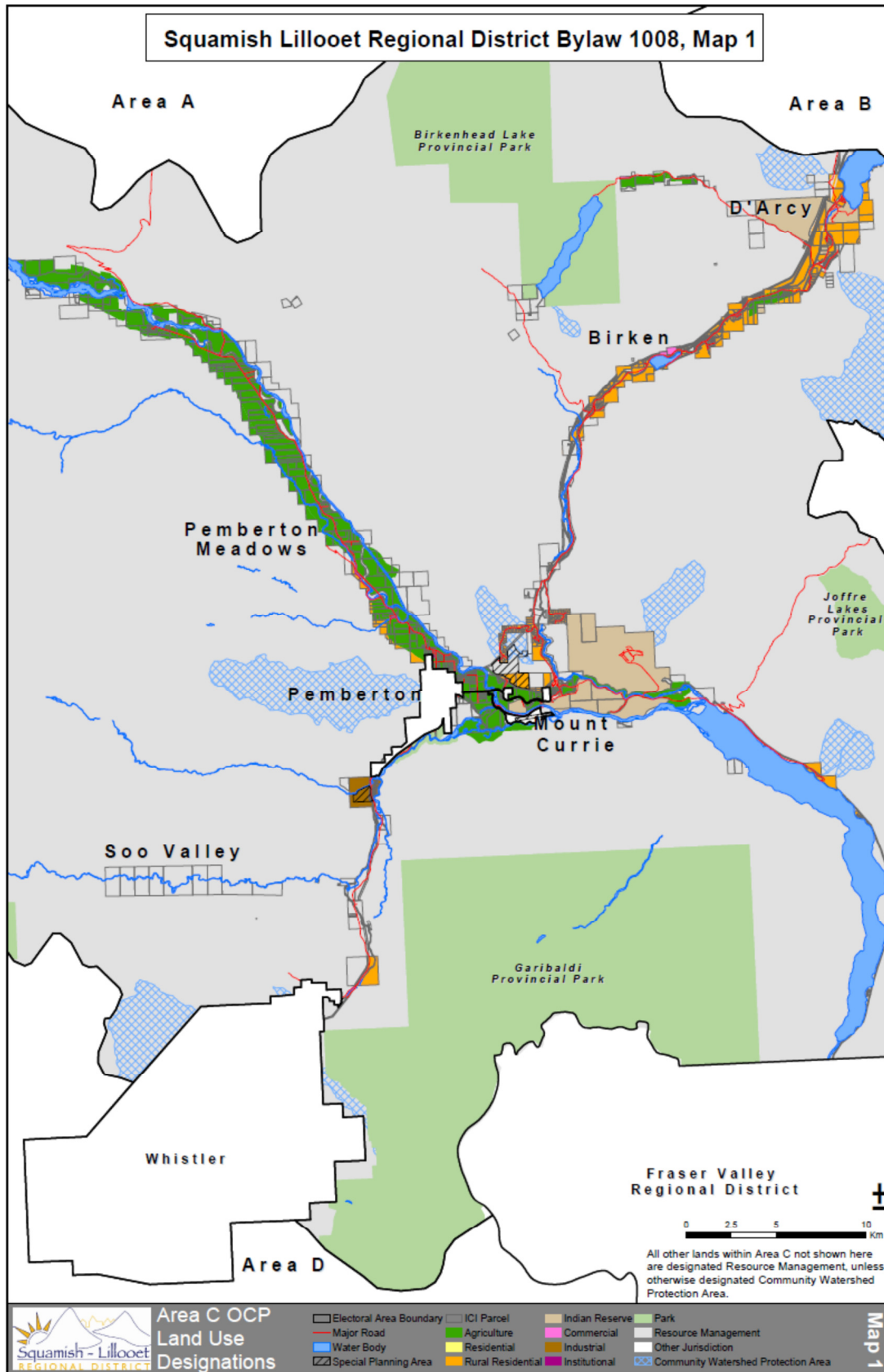


Figure 4: SLRD Land Use Bylaw



2.5 VILLAGE OF PEMBERTON DOWNTOWN PLANS

The Village of Pemberton has recently invested in studies analysing how Pemberton's town centre could be revitalized. These studies include a 'Downtown Enhancement Strategy' and an additional document with recommendations for Frontier Street. Both documents were prepared by MVH Urban Planning and Design in coordination with the Village of Pemberton.

This investment in analyzing strategies to enhance or revitalize Pemberton's town core indicates the importance the local community is placing on the downtown. It is also believed that improving Pemberton's town centre will help Pemberton capture increasing tourist spending, primarily from tourists visiting Whistler, but also from visitors in the summer driving the scenic Highways between Calgary and Vancouver.

Given the investment and commitment given to enhancing the town centre, it is important that the commercial growth strategy supports the enhancement strategies.

Recommendations from these studies include:

- Increased densities downtown
- Create a sense of arrival / improve signage
- Improve pedestrian experience
- Create Frontier Square – replacing an existing parking lot
- Creation of Corner Plazas at the intersection of Frontier and Portage
- Development of a community Market Hall & Co-op on Frontier Street

Figure 5: Frontier Street Revitalization Plan

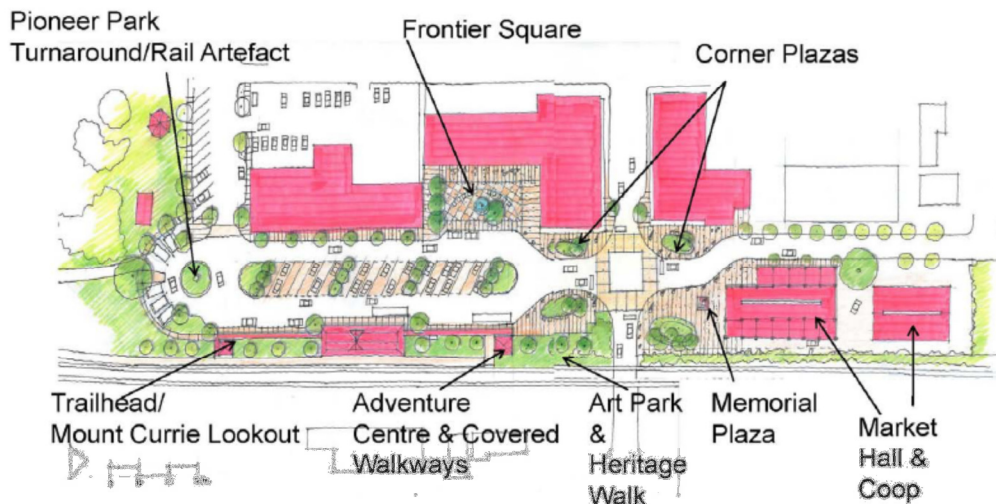


Figure 5 above highlights some of the improvements suggested for Frontier Street, including a Market Hall / Co-op Building on the north end of the street.

The ability for Pemberton to meet the goals stated in these studies will be based on a variety of factors, including macro market and economic conditions, as well as residential growth in Whistler. It is felt that the recent development of staff and affordable housing in Whistler has slowed growth in Pemberton, highlighting a component of the relationship between Whistler and Pemberton.

Beyond these factors, another critical issue will be the extent to which the Village is able to direct commercial and retail investment driven by future growth in commercial spending towards the village core vs. the periphery village lands on Highway 99.

To this point, continuing development along Highway 99 or Portage Road could be seen as limiting the potential for downtown enhancement. If growth in Pemberton is not sufficient to support new commercial space on Highway 99, Portage Road, as well as the town centre, strategic decisions will need to be made on where this growth will be focused.

Therefore, the desire to improve Pemberton's town centre will be impacted by the future commercial lands strategy. For example, if there are vacant commercially designated lands adjacent to the highway, and development of these lands is not differently incented than development downtown, prevalent market dynamics make it likely that these highway lands will be developed before redevelopment occurs in the town centre.

This is an issue faced by many jurisdictions. Developers are often attracted to lands outside of a town centre as these lands often face fewer complexities than sites within a town centre, and are often less expensive to purchase. For Pemberton, sites along the Highway have the added feature of providing visibility from Highway traffic and more space for easy parking.

3.0 COMPETITIVE SUPPLY

Pemberton is a community tied to Highway 99. A majority of its labour force works in Whistler approximately 25 minutes away, which makes Whistler an important retail destination for Pemberton residents. Additionally the size and diversity of Vancouver will always be a strong draw for Pemberton residents, while Squamish has developed multiple popular big box stores adjacent to the Highway.

The upgrades to Highway 99 reduced travel times between Whistler and Vancouver, and has made it much easier for Pemberton residents to drive to Squamish or Vancouver for shopping excursions.

The retail development along the Highway 99 corridor has also greatly expanded in recent years, serving both tourists visiting Whistler and all residents of the Sea to Sky corridor.

Ultimately, with a total trade area population of just over 5,200, discussed in Section 5.0, Pemberton does not have the critical mass to significantly reduce the proportion of expenditures trade area residents make outside of Pemberton.

The major competitors to Pemberton are Whistler, Squamish, Vancouver and to a lesser extent Kamloops.

3.1 WHISTLER

Whistler has the closest competitive supply to Pemberton. With a large proportion of Pemberton's labour force working in Whistler, there is the potential for convenience purchases, such as day to day groceries, to be made there. Nester's Market, the northern most grocery-anchored commercial node in Whistler, likely attracts some Pemberton residents who work in Whistler.



Nester's Market, Whistler

However, the retail in Whistler is predominantly geared towards tourists, and this provides competition for Pemberton as well. The retail mix in Whistler is especially strong in the apparel, sporting & recreational goods, restaurants, and personal services. Of these categories, Pemberton would have the most difficulty competing with apparel and sporting & recreational goods stores.

It is clear that any Pemberton resident looking for ski / snowboard equipment or active apparel would shop in Whistler, making it difficult for any similar store to be successful in Pemberton.

Whistler also offers an excellent selection of restaurants and personal services, such as massage, physiotherapists, hair salons, etc. that would attract spending from Pemberton residents. While a number of personal services businesses are located in Pemberton, they compete with Whistler businesses due to the number of Pemberton residents who work in Whistler.

Pemberton retailers in these categories will always face stiff competition from Whistler given the size of selection and its proximity.

3.2 SQUAMISH

In recent years Squamish has seen significant big box development along Highway 99. These large format retail developments were intended to serve the entire Sea to Sky corridor's residents as well as tourists.

The impact from a Pemberton resident's perspective is that they no longer need to drive to Vancouver for some of the most popular large retailers. New stores along Highway 99 in Squamish include Wal-Mart, Home Depot, Canadian Tire, and London Drugs. One outcome of these large-format retail developments along Highway 99 in Squamish is that it has slowed redevelopment of Squamish's downtown.

The Pemberton market will likely never have the size to attract these large-format retailers, so Squamish will continue to attract Pemberton resident spending.

3.3 VANCOUVER

Vancouver will always be a destination for Pemberton residents to go on major shopping excursions and a location for major purchases, as well as a place to look for special / unique items. Trips to Vancouver are likely multi-purpose and might combine comparison shopping with culture, errands, sports or school trips as well as social and family visits.

3.4 KAMLOOPS

While Kamloops is 270 km away from Pemberton, some residents still reportedly make the trip quasi-regularly. The main retail attraction in Kamloops is likely the Costco store. There are also Costco's located in Vancouver and Burnaby, but some residents are likely drawn towards central BC for family or other reasons.

4.0 COMMERCIAL INVENTORY

4.1 INVENTORY OVERVIEW

The commercial inventory for the purposes of this study was completed by GPRA. All commercial floor areas were visually estimated and are not exact.

The total commercial area in Pemberton was compared with BC Assessment data; however, BC Assessment Data was not divided by retail category so GPRA's estimates were used.

The following table displays the estimated retail inventory for Pemberton:

Pemberton Retail Commercial Inventory	
<i>(Square feet)</i>	
Convenience Goods & Services	
Grocery & Specialty Food	20,500
Pharmacy	1,770
Alcohol & Tobacco	3,250
Services	20,800
Comparison Goods	
Apparel	3,440
Footwear & Fashion Accessories	700
Cosmetics, Health, Bath & Beauty	2,750
Jewellery & Accessories	
Home/Portable Electronics & Appliances	590
Multimedia, Books & Music	590
Home Furnishings & Accessories	1,770
Home Improvement	11,330
Toys / Hobbies / Pets	4,530
Sporting & Recreational Goods	2,880
Food & Beverage	
Restaurants	16,500
Pubs / Lounges / Restaurants	3,000
Entertainment & Leisure	
Movies / Events (Non-Sport)	
Leisure & Recreation	
Automotive (incl. services)	11,500
Vacant	16,650
TOTAL	122,550
Source: GPRA	

Dividing the commercial inventory by retail category was necessary in order to compare it with trade area expenditures. In some instances, such as the IDA/Rexall Pharmacy, stores were divided between different categories. The IDA/Rexall Pharmacy includes Home Furnishings, Gifts / Toys, and Electronics categories as well as Pharmacy.

The largest retail category by floor area was Personal Services, (20,800 square feet) which includes banks, hair salons, medical / dental providers, real estate services, and financial services. The second largest retail category was grocery and specialty food which includes the two main grocery stores in Pemberton.

The third largest category represented in Pemberton was Restaurants, at 16,500 square feet. The Pubs / Lounges / Restaurants category highlights locations that are primarily alcohol serving.

Home Improvement and Automotive categories were the only other categories to have over 10,000 square feet of space.

Vacant retail space in Pemberton was calculated to be almost 14% of the total, or 16,650 square feet. Vacancies were approximately split 60:40 between Portage Road and downtown, with the majority of vacant space on Portage Road.

5.0 TRADE AREA ANALYSIS

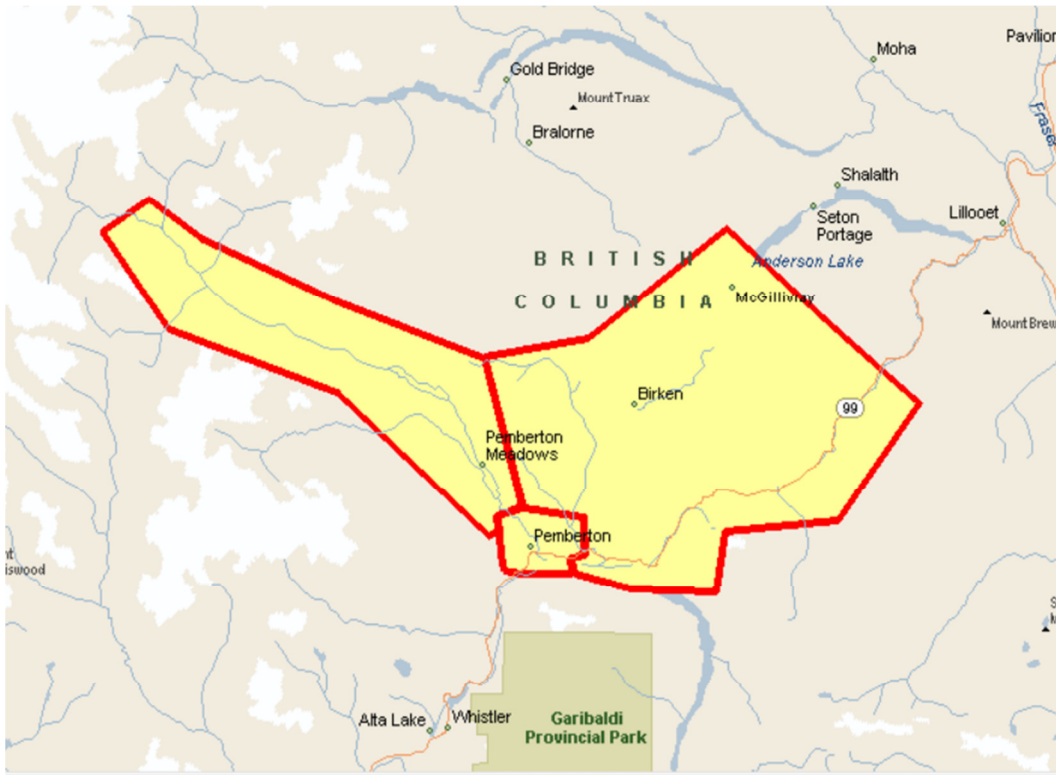
The trade area for the Village of Pemberton was delineated to identify the resident population and its spending.

The trade area was divided into three separate sub-areas, to provide an indication of where spending was coming from.

Ultimately, given the similar competitive environment from Whistler, Squamish, and Vancouver, it is expected that residents in the three trade areas will spend approximately the same percentage of overall expenditures within Pemberton.

The trade area map is displayed below:

Figure 6: Total Trade Area – Divided Into Three Sub-Areas



The differences between the three trade areas will be discussed in more detail within the following section, but almost 58% of the total trade area population resides in the small sub-area surrounding Pemberton Village. A further 30% of the trade area lives between Mt. Currie and D’Arcy, with the remainder living in the Pemberton Meadows area.

The trade area population would include all residents within these boundaries, including residents on the Mt. Currie reserve, as well as those living in the Pemberton Meadows and D’Arcy corridors.

6.0 COMMERCIAL EXPENDITURE ANALYSIS

6.1 POPULATION

In order to forecast the viable amount of retail space warranted in Pemberton, population projections are required.

There are two population projections for Pemberton available, one from a growth study done by Urban Futures for the Squamish Lillooet Regional District in 2008, and the other is SLRD growth projections from BC Stats.

Neither of these forecasts are ideal as Pemberton and its surrounding area form just a small piece of the SLRD, and growth in Pemberton is likely based on different factors than the rest of the regional district. One factor exclusive to Pemberton will likely be development in Whistler. For example, staff housing in Whistler developed for the 2010 Olympics will likely slow growth in Pemberton.

For the purposes of this study, however, the SLRD growth forecast rates from BC Stats were used, as they were more in line with the Village of Pemberton which forecasts that growth will be between 1 – 2% over the next decade, and BC Stats was more conservative than Urban Futures. .

The BC Stats population growth forecast results in the following population projections.

Table 2: Population Growth by Trade Area

Forecasted Population Growth by Trade Area					
	Pemberton	Pemberton Meadows	Mt. Currie / D'Arcy	TOTAL	Forecasted Growth Rate
2010	3,090	646	1,618	5,355	3.11%
2015	3,502	732	1,834	6,069	2.32%
2020	3,888	813	2,036	6,738	1.98%
2025	4,248	888	2,224	7,361	1.70%
2030	4,584	959	2,400	7,942	1.42%
2035	4,883	1,021	2,557	8,461	1.16%

Source: GPRA / BC Stats

All three trade areas were expected to grow at the same rate as the SLRD.

By 2035 the total trade area is expected to have a population of almost 8,500, with the Pemberton Village trade area representing almost 60% of the total trade area population. The Urban Futures growth projections forecast a population of just under 10,000 by 2035.

Historically, population in Pemberton has been averaging an annual growth rate of 7.30% since 1998. Growth occurred primarily in spurts, with 1998 and 1999 achieving growth of approximately 20%. From 2006 to 2008, the average annual growth rate was 0.79%.

6.2 DEMOGRAPHICS

The following demographics are based on the most recent census year, 2006.

6.2.1 Household Size

Over 60% of the trade area households consist of 1 or 2 people.

Table 3: Average Household Size

Average Household Size				
	Pemberton	Pemberton Meadows	Mt. Currie / D'Arcy	TOTAL
1 Person	29%	26%	24%	27%
2 Persons	36%	37%	29%	34%
3 Persons	17%	16%	18%	17%
4 - 5 Persons	18%	20%	22%	19%
6 or More	1%	2%	8%	3%
Households	1,161	250	537	1,948

Source: GPRA / Statistics Canada

Households within the Pemberton trade area have a higher proportion of smaller households. Mt. Currie / D'Arcy trade area has a much higher percentage of large families, including 8% of all households having 6 or more people.

6.2.2 Home Ownership

Households living in Pemberton are much more likely to be renting than households in the Pemberton Meadows or Mt. Currie / D'Arcy trade area.

Table 4: Home Tenure

Home Ownership				
	Pemberton	Pemberton Meadows	Mt. Currie / D'Arcy	TOTAL
Own	68%	73%	77%	71%
Rent	32%	27%	23%	29%

Source: GPRA / Statistics Canada

On average, 71% of trade area households own their home. The highest home ownership rates are found in the Mt. Currie / D'Arcy trade area.

6.2.3 Household Income

The average household income for the total trade area is just over \$52,000.

The Mt. Currie / D'Arcy trade area has a lower average income, and a significantly lower median income than the other trade areas.

Average Household Income			
	Pemberton	Pemberton Meadows	Mt. Currie / D'Arcy
Under \$10,000	6%	0%	13%
\$10,000 - \$19,999	7%	14%	14%
\$20,000 - \$29,999	13%	14%	14%
\$30,000 - \$39,999	11%	8%	14%
\$40,000 - \$49,999	16%	12%	16%
\$50,000 - \$59,999	7%	10%	4%
\$60,000 - \$69,999	17%	16%	10%
\$70,000 - \$79,999	3%	14%	4%
\$80,000 - \$89,999	3%	4%	6%
\$90,000 - \$99,999	5%	0%	2%
\$100,000 and over	12%	6%	5%
Median Household Income	\$47,897	\$51,000	\$37,466
Average household income	\$54,205	\$52,514	\$47,275
Per capita income	\$19,084	\$22,056	\$15,529

Source: GPRA / Statistics Canada

Pemberton Meadows has the highest median income at \$51,000, and the highest per capita income of the three trade areas at \$22,056.

6.3 RETAIL EXPENDITURES

Total trade area retail expenditures are based on CanEx Surveys (Canadian Expenditure Surveys) completed by Statistics Canada. The table below displays the total retail expenditure by category from residents of the Pemberton trade area (not the entire trade area, but only the smaller sub-area that surrounds the town core).

Table 5: Trade Area Retail Expenditures: 2010 to 2035

Pemberton Trade Area Retail Expenditures						
	2010	2015	2020	2025	2030	2035
<i>Population</i>	3,090	3,502	3,888	4,248	4,584	4,883
Retail Categories						
Convenience Goods & Services	\$14,523,545	\$17,732,346	\$21,207,793	\$24,959,118	\$29,013,614	\$33,297,095
Grocery & Specialty Food	\$7,681,325	\$9,378,420	\$11,216,541	\$13,200,571	\$15,344,944	\$17,610,425
Pharmacy	\$711,062	\$868,163	\$1,038,318	\$1,221,980	\$1,420,485	\$1,630,201
Alcohol & Tobacco	\$1,972,899	\$2,408,787	\$2,880,896	\$3,390,482	\$3,941,250	\$4,523,124
Services	\$4,158,260	\$5,076,977	\$6,072,038	\$7,146,085	\$8,306,935	\$9,533,345
Comparison Goods	\$14,279,885	\$17,434,853	\$20,851,992	\$24,540,382	\$28,526,856	\$32,738,474
Apparel	\$2,677,076	\$3,268,544	\$3,909,161	\$4,600,630	\$5,347,982	\$6,137,541
Footwear & Fashion Accessories	\$806,095	\$984,192	\$1,177,089	\$1,385,297	\$1,610,332	\$1,848,077
Cosmetics, Health, Bath & Beauty	\$1,103,319	\$1,347,084	\$1,611,105	\$1,896,084	\$2,204,095	\$2,529,500
Jewellery & Accessories	\$497,377	\$607,267	\$726,288	\$854,756	\$993,608	\$1,140,301
Home/Portable Electronics & Appliances	\$3,748,312	\$4,576,456	\$5,473,417	\$6,441,578	\$7,487,983	\$8,593,486
Multimedia, Books & Music	\$818,651	\$999,522	\$1,195,423	\$1,406,874	\$1,635,414	\$1,876,862
Home Furnishings & Accessories	\$1,489,770	\$1,818,916	\$2,175,414	\$2,560,211	\$2,976,105	\$3,415,488
Home Improvement	\$1,781,710	\$2,175,357	\$2,601,715	\$3,061,918	\$3,559,313	\$4,084,799
Toys / Hobbies / Pets	\$859,252	\$1,049,093	\$1,254,710	\$1,476,648	\$1,716,523	\$1,969,945
Sporting & Recreational Goods	\$498,325	\$608,423	\$727,671	\$856,385	\$995,501	\$1,142,473
Food & Beverage	\$3,301,250	\$4,030,621	\$4,342,123	\$5,673,290	\$6,594,890	\$7,568,539
Restaurants	\$2,663,928	\$3,252,490	\$3,503,856	\$4,578,034	\$5,321,715	\$6,107,397
Alcohol Sales - Pubs / Lounges / Restaurants	\$637,322	\$778,131	\$838,268	\$1,095,256	\$1,273,175	\$1,461,143
Entertainment & Leisure	\$1,426,571	\$1,741,755	\$2,083,129	\$2,451,602	\$2,849,854	\$3,270,598
Movies / Events (Non-Sport)	\$364,507	\$445,041	\$532,266	\$626,416	\$728,174	\$835,679
Leisure & Recreation	\$1,062,064	\$1,296,714	\$1,550,863	\$1,825,187	\$2,121,680	\$2,434,918
Automotive (incl. auto purchases)	\$11,626,208	\$14,194,877	\$16,976,998	\$19,979,962	\$23,225,617	\$26,654,576
Automobile Goods & Services	\$11,626,208	\$14,194,877	\$16,976,998	\$19,979,962	\$23,225,617	\$26,654,576
Total Retail Spending	\$45,157,459	\$55,134,452	\$65,462,036	\$77,604,354	\$90,210,831	\$103,529,283
Total Retail Spending (Excluding Automobile)	\$33,531,251	\$40,939,574	\$48,485,037	\$57,624,391	\$66,985,214	\$76,874,706

*Based on CANEX Canadian 2008 Estimates & GPRA Projections

Total retail spending in 2010 for residents within the Pemberton trade area is estimated to be over \$44 million, including automotive spending. Not including automotive, total spending in Pemberton is estimated to be over \$33 million. By 2025 retail spending from this trade area is expected to increase to almost \$78 million and to over \$103 million by 2035, including automotive.

In many retail studies the Automotive category is separated out, or not included because it forms such a large percentage of total spending.

Within the Pemberton Meadows trade area, total expenditure is much less, given the smaller population.

The table below displays the total retail expenditure by category from residents of the Pemberton Meadows trade area.

Table 6: Pemberton Meadows Trade Area Retail Expenditures: 2010-2035

Pemberton Meadows Trade Area Retail Expenditures						
	2010	2015	2020	2025	2030	2035
<i>Population</i>	646	732	813	888	959	1,021
Retail Categories						
Convenience Goods & Services	\$3,709,011	\$4,528,472	\$5,416,029	\$6,374,039	\$7,409,473	\$8,503,385
Grocery & Specialty Food	\$2,027,264	\$2,475,163	\$2,960,282	\$3,483,909	\$4,049,854	\$4,647,763
Pharmacy	\$251,560	\$307,139	\$367,337	\$432,313	\$502,541	\$576,734
Alcohol & Tobacco	\$480,102	\$586,174	\$701,061	\$825,068	\$959,097	\$1,100,695
Services	\$950,086	\$1,159,995	\$1,387,348	\$1,632,749	\$1,897,981	\$2,178,193
Comparison Goods	\$3,711,169	\$4,531,107	\$5,419,180	\$6,377,748	\$7,413,784	\$8,508,333
Apparel	\$601,986	\$734,987	\$879,041	\$1,034,529	\$1,202,584	\$1,380,129
Footwear & Fashion Accessories	\$205,324	\$250,687	\$299,821	\$352,854	\$410,174	\$470,731
Cosmetics, Health, Bath & Beauty	\$222,478	\$271,632	\$324,870	\$382,334	\$444,443	\$510,059
Jewellery & Accessories	\$157,270	\$192,017	\$229,651	\$270,273	\$314,177	\$360,561
Home/Portable Electronics & Appliances	\$893,797	\$1,091,271	\$1,305,154	\$1,536,015	\$1,785,534	\$2,049,145
Multimedia, Books & Music	\$187,542	\$228,977	\$273,855	\$322,296	\$374,652	\$429,964
Home Furnishings & Accessories	\$351,248	\$428,853	\$512,905	\$603,630	\$701,687	\$805,282
Home Improvement	\$625,730	\$763,977	\$913,712	\$1,075,334	\$1,250,017	\$1,434,566
Toys / Hobbies / Pets	\$328,943	\$401,619	\$480,334	\$565,297	\$657,127	\$754,144
Sporting & Recreational Goods	\$136,853	\$167,089	\$199,837	\$235,185	\$273,390	\$313,752
Food & Beverage	\$641,375	\$783,079	\$843,599	\$1,102,221	\$1,281,272	\$1,470,435
Restaurants	\$546,338	\$667,044	\$718,596	\$938,896	\$1,091,416	\$1,252,549
Alcohol Sales - Pubs / Lounges / Restaurants	\$95,038	\$116,035	\$125,003	\$163,325	\$189,856	\$217,886
Entertainment & Leisure	\$190,860	\$233,028	\$278,700	\$327,998	\$381,280	\$437,571
Movies / Events (Non-Sport)	\$60,394	\$73,738	\$88,190	\$103,790	\$120,650	\$138,462
Leisure & Recreation	\$130,465	\$159,290	\$190,510	\$224,208	\$260,630	\$299,109
Automotive (incl. auto purchases)	\$3,842,161	\$4,691,039	\$5,610,458	\$6,602,860	\$7,675,465	\$8,808,647
Automobile Goods & Services	\$3,842,161	\$4,691,039	\$5,610,458	\$6,602,860	\$7,675,465	\$8,808,647
Total Retail Spending	\$12,094,576	\$14,766,726	\$17,567,966	\$20,784,866	\$24,161,274	\$27,728,371
Total Retail Spending, excl. Automotive	\$8,252,415	\$10,075,686	\$11,957,508	\$14,182,006	\$16,485,809	\$18,919,724

*Based on CANEX Canadian 2008 Estimates & GPRA Projections

Total retail spending in 2010 for residents within the Pemberton Meadows trade area is estimated to be over \$12 million, including automotive spending.

By 2025 retail spending from this trade area is expected to increase to almost \$21 million and to almost \$28 million by 2035.

Within the Mt. Currie / D'Arcy trade area, total expenditure is higher than in Pemberton Meadows, and less than 50% of the spending from the trade area around Pemberton.

The table below displays the total retail expenditure by category from residents of the Mt. Currie / D'Arcy trade area.

Table 7: Mt. Currie/D'Arcy Trade Area Retail Expenditures: 2010-2035

Mt. Currie / D'Arcy Trade Area Retail Expenditure						
	2010	2015	2020	2025	2030	2035
<i>Population</i>	1,618	1,834	2,036	2,224	2,400	2,557
Retail Categories						
Convenience Goods & Services	\$8,085,591	\$9,872,004	\$11,806,865	\$13,895,314	\$16,152,545	\$18,537,258
Grocery & Specialty Food	\$5,023,205	\$6,133,022	\$7,335,062	\$8,632,519	\$10,034,833	\$11,516,345
Pharmacy	\$325,811	\$397,795	\$475,760	\$559,915	\$650,871	\$746,963
Alcohol & Tobacco	\$1,299,879	\$1,587,072	\$1,898,129	\$2,233,879	\$2,596,762	\$2,980,140
Services	\$1,436,696	\$1,754,116	\$2,097,913	\$2,469,001	\$2,870,080	\$3,293,809
Comparison Goods	\$6,767,613	\$8,262,835	\$9,882,308	\$11,630,332	\$13,519,627	\$15,515,624
Apparel	\$1,231,082	\$1,503,074	\$1,797,669	\$2,115,648	\$2,459,325	\$2,822,413
Footwear & Fashion Accessories	\$425,318	\$519,286	\$621,064	\$730,920	\$849,655	\$975,095
Cosmetics, Health, Bath & Beauty	\$454,381	\$554,771	\$663,504	\$780,867	\$907,715	\$1,041,727
Jewellery & Accessories	\$241,067	\$294,328	\$352,015	\$414,281	\$481,579	\$552,677
Home/Portable Electronics & Appliances	\$1,815,843	\$2,217,032	\$2,651,559	\$3,120,578	\$3,627,501	\$4,163,055
Multimedia, Books & Music	\$364,010	\$444,433	\$531,540	\$625,561	\$727,180	\$834,539
Home Furnishings & Accessories	\$687,696	\$839,633	\$1,004,197	\$1,181,824	\$1,373,806	\$1,576,630
Home Improvement	\$843,884	\$1,030,329	\$1,232,269	\$1,450,238	\$1,685,822	\$1,934,712
Toys / Hobbies / Pets	\$442,569	\$540,349	\$646,254	\$760,567	\$884,117	\$1,014,646
Sporting & Recreational Goods	\$261,765	\$319,599	\$382,238	\$449,850	\$522,927	\$600,130
Food & Beverage	\$1,362,281	\$1,663,260	\$1,791,804	\$2,341,118	\$2,721,422	\$3,123,204
Restaurants	\$1,024,598	\$1,250,971	\$1,347,651	\$1,760,800	\$2,046,835	\$2,349,023
Alcohol Sales - Pubs / Lounges / Restaurants	\$337,683	\$412,290	\$444,153	\$580,317	\$674,587	\$774,181
Entertainment & Leisure	\$460,606	\$562,371	\$672,592	\$791,564	\$920,149	\$1,055,998
Movies / Events (Non-Sport)	\$129,424	\$158,019	\$188,990	\$222,419	\$258,550	\$296,722
Leisure & Recreation	\$331,181	\$404,352	\$483,602	\$569,144	\$661,599	\$759,276
Automotive (incl. auto purchases)	\$4,557,892	\$5,564,903	\$6,655,595	\$7,832,865	\$9,105,278	\$10,449,554
Automobile Goods & Services	\$4,557,892	\$5,564,903	\$6,655,595	\$7,832,865	\$9,105,278	\$10,449,554
Total Retail Spending	\$21,233,983	\$25,925,374	\$30,809,164	\$36,491,193	\$42,419,022	\$48,681,637
Total Retail Spending, excl. Automotive	\$16,676,091	\$20,360,471	\$24,153,569	\$28,658,328	\$33,313,744	\$38,232,083

*Based on CANEX Canadian 2008 Estimates & GPRA Projections

Total retail spending in 2010 for residents within the Mt. Currie / D'Arcy trade area is estimated to be over \$21 million, including automotive spending.

By 2025 retail spending from this trade area is expected to increase to over \$36 million and to almost \$49 million by 2035.

Total trade area expenditures are displayed in the table below (not including any expenditure from visitors or residents outside of the trade area):

Table 8: Total Trade Area Expenditures: 2010-2035

Total Trade Area Expenditure						
	2010	2015	2020	2025	2030	2035
<i>Population</i>	5,355	6,069	6,738	7,361	7,942	8,461
Retail Categories						
Convenience Goods & Services	\$26,318,148	\$32,132,823	\$38,430,687	\$45,228,471	\$52,575,632	\$60,337,738
Grocery & Specialty Food	\$14,731,794	\$17,986,605	\$21,511,885	\$25,316,999	\$29,429,631	\$33,774,532
Pharmacy	\$1,288,433	\$1,573,097	\$1,881,415	\$2,214,208	\$2,573,896	\$2,953,899
Alcohol & Tobacco	\$3,752,880	\$4,582,033	\$5,480,087	\$6,449,428	\$7,497,109	\$8,603,959
Services	\$6,545,041	\$7,991,088	\$9,557,299	\$11,247,835	\$13,074,996	\$15,005,348
Comparison Goods	\$24,758,668	\$30,228,795	\$36,153,480	\$42,548,462	\$49,460,267	\$56,762,430
Apparel	\$4,510,143	\$5,506,605	\$6,585,870	\$7,750,807	\$9,009,891	\$10,340,083
Footwear & Fashion Accessories	\$1,436,736	\$1,754,166	\$2,097,973	\$2,469,071	\$2,870,161	\$3,293,903
Cosmetics, Health, Bath & Beauty	\$1,780,178	\$2,173,487	\$2,599,479	\$3,059,285	\$3,556,253	\$4,081,287
Jewellery & Accessories	\$895,714	\$1,093,611	\$1,307,953	\$1,539,310	\$1,789,364	\$2,053,540
Home/Portable Electronics & Appliances	\$6,457,952	\$7,884,758	\$9,430,129	\$11,098,171	\$12,901,019	\$14,805,686
Multimedia, Books & Music	\$1,370,202	\$1,672,932	\$2,000,818	\$2,354,731	\$2,737,246	\$3,141,365
Home Furnishings & Accessories	\$2,528,714	\$3,087,402	\$3,692,517	\$4,345,665	\$5,051,599	\$5,797,401
Home Improvement	\$3,251,323	\$3,969,663	\$4,747,696	\$5,587,489	\$6,495,152	\$7,454,076
Toys / Hobbies / Pets	\$1,630,763	\$1,991,061	\$2,381,298	\$2,802,512	\$3,257,768	\$3,738,735
Sporting & Recreational Goods	\$896,942	\$1,095,111	\$1,309,747	\$1,541,420	\$1,791,817	\$2,056,355
Food & Beverage	\$5,304,906	\$6,476,960	\$6,977,526	\$9,116,629	\$10,597,584	\$12,162,179
Restaurants	\$4,234,863	\$5,170,505	\$5,570,102	\$7,277,731	\$8,459,965	\$9,708,969
Alcohol Sales - Pubs / Lounges / Restaurants	\$1,070,043	\$1,306,455	\$1,407,424	\$1,838,898	\$2,137,619	\$2,453,210
Entertainment & Leisure	\$2,078,037	\$2,537,154	\$3,034,422	\$3,571,164	\$4,151,283	\$4,764,166
Movies / Events (Non-Sport)	\$554,326	\$676,797	\$809,446	\$952,625	\$1,107,374	\$1,270,863
Leisure & Recreation	\$1,523,711	\$1,860,356	\$2,224,976	\$2,618,539	\$3,043,909	\$3,493,303
Automotive (incl. auto purchases)	\$20,026,260	\$24,450,820	\$29,243,051	\$34,415,687	\$40,006,360	\$45,912,778
Automobile Goods & Services	\$20,026,260	\$24,450,820	\$29,243,051	\$34,415,687	\$40,006,360	\$45,912,778
Total Retail Spending	\$78,486,018	\$95,826,551	\$113,839,166	\$134,880,413	\$156,791,127	\$179,939,291
Total Retail Spending, excl. Automotive	\$58,459,758	\$71,375,732	\$84,596,115	\$100,464,725	\$116,784,766	\$134,026,513

*Based on CANEX Canadian 2008 Estimates & GPRA Projections

Total retail spending for the entire trade area in 2010 is estimated to be over \$78 million, including automotive spending.

By 2025 retail spending from the total trade area is expected to increase to almost \$135 million and to almost \$180 million by 2035.

These totals do not include inflow, or expenditures from people who do not live within the trade area. Inflow would include spending from tourists to residents of Whistler, and also include people just passing through Pemberton who stop for food along Highway 99.

6.4 TOTAL WARRANTED RETAIL SPACE

Calculating total warranted retail space from total expenditure relies on three key assumptions:

- **Total 'Inflow' spending.** Inflow is the spending from people who are not residents of the trade area. This includes residents from Whistler, tourists, and people just stopping for lunch travelling Highway 99.
- **Market Share of resident spending.** This is the percentage of total spending trade area residents make within Pemberton.
- **Floorspace productivity levels.** Industry wide floorspace productivity levels (sales per square foot) are used for each retail category.

In order to account for a range of potential Inflow and Market Share assumptions a range of scenarios was created.

Table 9: Estimated Range of Supportable Retail Space

Estimated Range of Supportable Retail Space						
	2010	2015	2020	2025	2030	2035
Low Scenario	93,702	108,852	121,865	138,702	153,409	167,512
Base Case Scenario	111,046	129,000	144,551	164,377	181,805	198,520
High Scenario	134,295	156,008	174,656	198,791	219,868	240,082

Source: GPRA

Manipulation of the estimated Inflow and Market Shares for retail space in Pemberton resulted in the above retail floorspace forecasted demand.¹

The Base Case Scenario assumes there is demand for 111,000 square feet of retail space in Pemberton as of 2010. This matches what is currently occurring in the market, as there is over 120,000 square feet of space, with a significant percentage vacant.

The High Scenario suggests there is demand for approximately 134,000 square feet of space, slightly more than the estimated 122,000 supply that currently exists.

It is possible that as the Village of Pemberton grows, Inflow might grow due to increased visitor expenditures, which could potentially move demand towards the High Scenario by 2035. However, a population of under 10,000 in 2035 will not likely attract major retailers, especially given the competition from Whistler and Squamish.

It should be noted that if the more aggressive Urban Futures population forecasts were used, retail demand by 2035 would be 193,000 sq. ft., 226,000 sq. ft., and 276,000 under the low, base and high scenarios respectively.

¹ Using the Grocery category as an example Inflow was projected to range from 15%, 20% to 25% for the three scenarios. While the market share for the three scenarios were 60%, 70%, and 75%.

The base case total amount of warranted retail space by retail category is displayed below:

Table 10: Net Square Feet of Retail Space Supportable, Base Case: 2010-2035

Net Square Feet Supportable		2010	2015	2020	2025	2030	2035
Retail Categories	Capture						
Convenience Goods & Services		52,590	61,093	69,520	77,846	86,100	94,016
Grocery & Specialty Food	70%	24,262	28,184	32,072	35,914	39,721	43,373
Pharmacy	65%	1,888	2,194	2,496	2,795	3,091	3,376
Alcohol & Tobacco	60%	4,304	5,000	5,690	6,372	7,047	7,695
Services	60%	22,135	25,714	29,262	32,766	36,240	39,572
Comparison Goods		32,441	37,686	42,884	48,020	53,112	57,995
Apparel	20%	4,068	4,725	5,377	6,021	6,659	7,272
Footwear & Fashion Accessories	15%	810	941	1,071	1,199	1,326	1,448
Cosmetics, Health, Bath & Beauty	20%	1,338	1,554	1,769	1,980	2,190	2,392
Jewellery & Accessories	10%	252	293	334	374	413	451
Electronics & Appliances	5%	1,040	1,208	1,375	1,540	1,703	1,859
Multimedia, Books & Music	5%	309	359	408	457	506	552
Home Furnishings & Accessories	40%	4,561	5,299	6,030	6,752	7,468	8,154
Home Improvement	65%	11,912	13,838	15,747	17,633	19,503	21,296
Toys / Hobbies / Pets	50%	6,128	7,119	8,101	9,071	10,033	10,955
Sporting & Recreational Goods	50%	2,022	2,349	2,673	2,994	3,311	3,615
Food & Beverage		17,104	19,869	20,366	25,318	28,003	30,577
Restaurants	65%	14,571	16,927	17,351	21,569	23,856	26,050
Alcohol Sales - Pubs / Restaurants	65%	2,532	2,942	3,015	3,749	4,146	4,527
Entertainment & Leisure		1,171	1,361	1,548	1,734	1,918	2,094
Movies / Events (Non-Sport)	10%	312	363	413	463	512	559
Leisure & Recreation	10%	859	998	1,135	1,271	1,406	1,535
Automotive (incl. auto purchases)		7,740	8,992	10,232	11,458	12,673	13,838
Automobile Goods & Services	12%	7,740	8,992	10,232	11,458	12,673	13,838
Total Floor Area Supported		111,046	129,000	144,551	164,377	181,805	198,520
Total Floor Area Supported, less automotive		103,306	120,008	134,319	152,919	169,132	184,682

*Based on CANEX Canadian 2008 Estimates & GPRA Projections

The above table estimates the area of warranted floor space by retail category. Determining the warranted square feet of retail space for each category is based on market standard productivity rates for each retail category. Stores might be viable at a much lower productivity rate depending on the age of their building and lease rate.

Some categories, such as Jewellery and Accessories do not warrant sufficient demand for dedicated stores, but rather are likely made available in Pemberton within the merchandise mix of a diversified store.

It is forecasted that by 2035 Pemberton Village will have demand for approximately 185,000 square feet of retail space not including automotive, or 199,000 including automotive. Given that Pemberton currently has 123,000 square feet of retail space, it is estimated that an additional 76,000 square feet would be warranted by 2035.

It should be noted that the estimates of warranted retail space are based on current industry norms for productivity rates. As some existing older retail space in Pemberton lease for lower rates, requiring lower sales revenue, the total warranted retail area in Pemberton would be slightly higher than indicated. There will likely also always be demand for new retailers offering a more contemporary merchandise mix, as trends in retail are ever changing.

7.0 COMMERCIALLY DESIGNATED LAND ASSESSMENT

7.1 VACANT COMMERCIAL LANDS IN PEMBERTON

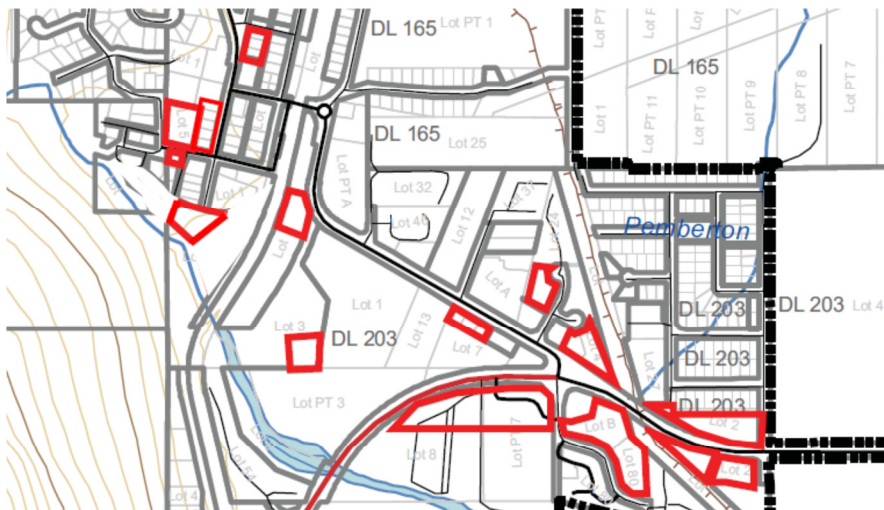
In the previous section it was outlined that future demand for retail space within the Village of Pemberton is likely to increase from 111,000 square feet in 2010 to approximately 199,000 square feet by 2035, roughly doubling in demand.

An important question for the Village of Pemberton is whether it has enough lands to satisfy future commercial demands, and where should this additional retail space ideally be located.

While it is likely that some existing retail locations will be redeveloped, the majority of new retail space will likely be developed on currently vacant lands.

The Village of Pemberton provided the following map of vacant commercially zoned lands:

Figure 7: Pemberton Vacant Commercial Lands



While this map might not be exhaustive, it does highlight how the majority of vacant commercially zoned lands are adjacent to Highway 99.

According to the map there is over 38 acres of vacant commercially designated lands in Pemberton.

Of these vacant lands, approximately 82%, or over 31 acres, are found along Portage Road or Highway 99. The remaining 18%, or almost 8 acres, is found in the town core.

7.2 FUTURE LAND DEMAND

Determining how much retail space can fit on these vacant lands will be based largely on site coverage allowances. The following site coverage assumptions were used:

- Town Centre site coverage: 50%
 - Site coverage on some town centre sites will be higher, but 70% of the town centre vacant land is on one site south of Municipal Hall, which is currently separated from the commercial core of the Town Centre so not presently ideal for commercial development.
- Highway 99 / Portage Road site coverage: 30%
 - Actual site coverage could be higher, but 30% is typical for strip centre type commercial developments. It's also likely that development along the Highway could be multi-use combining a residential or institutional development with a commercial component on a separate part of the site.

These site coverage assumptions lead to the following estimates of future commercial supply:

- Town Centre has space for an additional 148,000 square feet of gross buildable commercial space.
- Highway 99 & Portage Road lands have space for an additional 413,000 square feet of gross buildable commercial space.

As indicated in Section 6, it is forecast that by 2035 Pemberton will only require an additional 76,000 square feet of retail space under the Base Case Scenario. (This is assuming 199,000 square feet of demand in 2035 and an existing retail inventory of 123,000 square feet).

Even if a more aggressive scenario were assumed, including increased spending from tourists and a higher capture rate from trade area residents, Pemberton will only require an additional 117,000 square feet of retail space.

(If the more aggressive population growth rates were assumed, using Urban Futures projections, additional demand would range between 70,000 sq. ft. in the low scenario to 103,000 sq. ft. in the base scenario, and 153,000 sq. ft. in the high scenario.)

Additionally, it is likely that some existing commercial buildings in Pemberton could be redeveloped with increased commercial density, reducing the need for vacant lands.

Therefore, it is estimated that that Village of Pemberton currently has more than enough commercially zoned land to last the next 30 years of growth.

7.3 DEVELOPMENT STRATEGIES & OCP RECOMMENDATIONS

Given the vacant commercially zoned lands, it is clear that Pemberton has sufficient supply for the long term.

With the short term over-supply of commercial lands, the Village of Pemberton must decide if it wants to prioritize which areas are to be developed first.

With relatively limited demand for new retail space in the short term, there is a potential scenario where commercial development along Highway 99 precludes any new viable commercial development in the town centre.

The scenario of commercial development at the urban fringe is one that repeats itself in jurisdictions of all sizes in North America. Developing a site on the edge of a town centre is often much less complex and therefore cheaper and more attractive for developers.

Additionally in Pemberton's case, developing along Highway 99 brings added visibility for the project, which would be attractive for retailers.

Pemberton has recognized the importance of its downtown core, and has invested in studies suggesting recommendations on how the town centre could be revitalized. However, significant new commercial developments along Highway 99 will impact the redevelopment and revitalization efforts of the Pemberton Town Centre.

Therefore, it is recommended that the Village of Pemberton makes efforts to promote commercial development in the town core rather than along the Highway. If possible, commercially designated lands could be re-designated for other uses.

8.0 ECONOMICS OF COMMERCIAL DEVELOPMENT

Understanding the potential to develop new commercial space in Pemberton also requires one to have an understanding of the financial feasibility of commercial development. Towards that end, GPRA has examined the financial feasibility of commercial development in downtown Pemberton, Portage Road and Highway 99.

Commercial Development for Downtown and Portage Road

The potential for mixed residential and commercial development has been examined. Development has assumed to be undertaken at a floor space ratio of 2 on a hypothetical un-developed or under-utilized half acre site. Land prices are assumed to be in the order of \$50 per sq. ft. of land in downtown Pemberton and \$45 per sq. ft. of land on Portage Road and \$40 per sq. ft. of land on Highway 99.

- 1) Mixed residential and commercial development:
 - a) It is assumed that it would take 1.5 to 2 years to secure approvals and complete construction of a mixed use development. Thus, the earliest a mixed commercial and residential building would enter the market would be summer to winter, 2012.
 - b) Parking requirements are 2 parking stalls per residential unit and 1 stall per 300 sq. ft. for commercial space.
 - c) Commercial prices are assumed to be \$20 (net) per sq. ft. for renting newly developed commercial space, alternately \$285 per sq. ft. as strata space and \$350 per sq. ft. for residential units of an average 870 sq. ft.
 - d) The financial analyses indicate that mixed commercial rental and strata residential is not viable unless the developer is willing to apply residential profits to reduce commercial costs and hold the costs as a long term investment. On the other hand, if the retail component could be sold as strata, development could be viable. However, the demand for commercial strata will be low (due to affordability and limited demand) and could eliminate the prospects for developing commercial strata space in Pemberton.
 - e) The viability of downtown mixed use development could be enhanced if the Village were to consider relaxing their parking requirements. Two spaces per residential development and 3 spaces per 1,000 sq. ft. of commercial area may not be required from a market perspective in the downtown area.
 - f) Examination of the viability of mixed development on Portage Road has similar conclusions as mixed use in downtown Pemberton. Eased parking requirements and the opportunity to pursue residential only development

would enhance project viability. Pursuing residential only development on Portage Road is worthy of encouraging as it would add additional population that could support downtown Pemberton businesses.

- 2) Speculative commercial (office over retail) development:
 - a) The viability of a speculative three storey commercial building, with two stories of office over ground floor retail has been examined.
 - b) Under current economic and market conditions (i.e. limited demand able to pay economic rents of over \$20 N3 per sq. ft. of space) and onerous parking requirements, such a building is not financially feasible to pursue.
 - c) With improved economic and market conditions and relaxed parking requirements, it is possible that one small commercial building could be developed in the downtown over the next 5-10 years.
- 3) Commercial development for owner-occupiers
 - a) There is very likely an interest from some Pemberton business owners to build commercial space for their businesses as well as additional speculative retail and office space.
 - b) The market and economic conditions for this to occur over the next several years is good and at least 1-2 such developments can be expected to occur in the downtown over the next decade.
 - c) The potential for this to occur would be enhanced with relaxed parking requirements.
- 4) Multiple family residential development
 - a) An analysis of the financial feasibility of residential alone with a floor space ratio of 2 has been undertaken.
 - b) The viability of residential only development will be impaired by Pemberton's low population growth rate, affordability, too high parking requirements and competitive projects in Whistler and Pemberton.
 - c) Financial analyses indicate that residential development under current economic and market conditions plus Pemberton's parking requirements is marginally profitable and risky to pursue.
 - d) Residential only development for peripheral downtown locations should be considered to be an important strategy to secure more downtown or near downtown population to support Pemberton commercial businesses.

Highway 99 Commercial Development

Developers and commercial businesses will continue to express an interest in developing commercial space on Highway 99.

- 1) GPRA has examined the financial feasibility of a 30,000 sq. ft. highway multi-tenant commercial development. Given commercial parking needs, a site of 2 acres has been assumed.
- 2) Based on this analysis, GPRA has concluded that there are conditions under which development could be viable, although like the downtown, it will be challenged with high construction costs and limitations on businesses to pay high enough rents to support viable development.
- 3) It is expected that there will be increasing interest from the development community to explore commercial development opportunities along Highway 99.
- 4) As highway commercial space will limit the potential for downtown commercial development, Pemberton may wish to limit the amount of commercial development outside the downtown commercial area.
- 5) Other development scenarios along the Highway (including mixed-use, speculative commercial, or a pure multi-family project), would be slightly more viable than downtown given marginally lower land costs along the Highway and large parcels which are easier to assemble. These factors make development along the Highway potentially more attractive to developers than downtown, regardless of the use.