

**County of
Grande Prairie No. 1**
Alberta, Canada

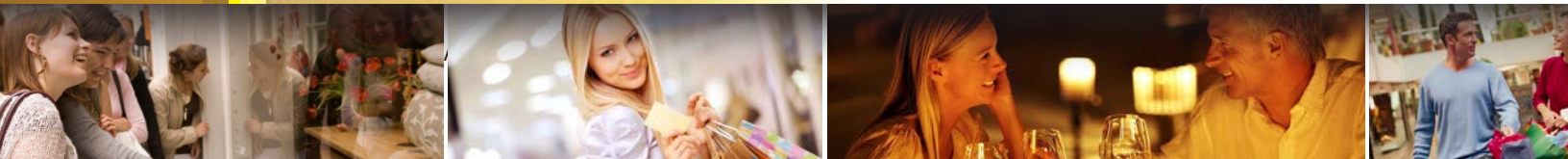


Retail Market Analysis SUMMARY January 2015

**CUSHING
TERRELL**
ARCHITECTURE INC.

Prepared for County of Grande Prairie

Prepared by Cushing Terrell Architecture Inc.



RETAIL

Market Analysis

County of Grande Prairie
Alberta





PREFACE

Cushing Terrell Architecture Inc. (“Cushing Terrell”) was commissioned by the County of Grande Prairie in December 2014 to conduct a Retail Market Analysis for the County’s retail sector.

The objective of this study is to document in detail the County, but more specifically the Hamlet of Clairmont’s future retail opportunity by quantifying the Trade Area retail expenditure profile across various retail categories/store types and the resulting floorspace demand attributable to growth in the local area, by virtue of its proximity to the City of Grande Prairie and future annexation areas.

A detailed Consumer Intercept Survey conducted by Keyfax Market Research was undertaken to augment a previous Survey conducted as part of the City of Grande Prairie’s Retail Market & Gap Analysis. This survey further isolated respondents from the County of Grande Prairie.

This document is intended to assist the County of Grande Prairie in promoting the community, working with developers and investors, as well as attracting new or expanding retailers/ formats, retaining existing retailers and providing an overall identity/positioning strategy for future developments, the most noteworthy of which is the Clairmont Heights Area Structure Plan which has within its plan boundaries a strong retail commercial component.

Reference material for this report was obtained from, but not limited to; The County of Grande Prairie, City of Grande Prairie, Commercial Real Estate Brokerage Firms, Conference Board of Canada, Local Commercial Developers, International Council of Shopping Centers and Cushing Terrell Architecture Inc.

Cushing Terrell does not warrant that any estimates contained within the study will be achieved over the identified time horizons, but that they have been prepared conscientiously and objectively on the basis of information obtained during the course of this study.

Also, any tenant references made in the report are for illustrative purposes only and should not be taken as guarantees that they will locate in the County of Grande Prairie, but rather that they could represent compatible “target” retailers or are the views of Consumer Survey Respondents.

This analysis was conducted by Cushing Terrell as an objective and independent party; and is not an agent of the County.

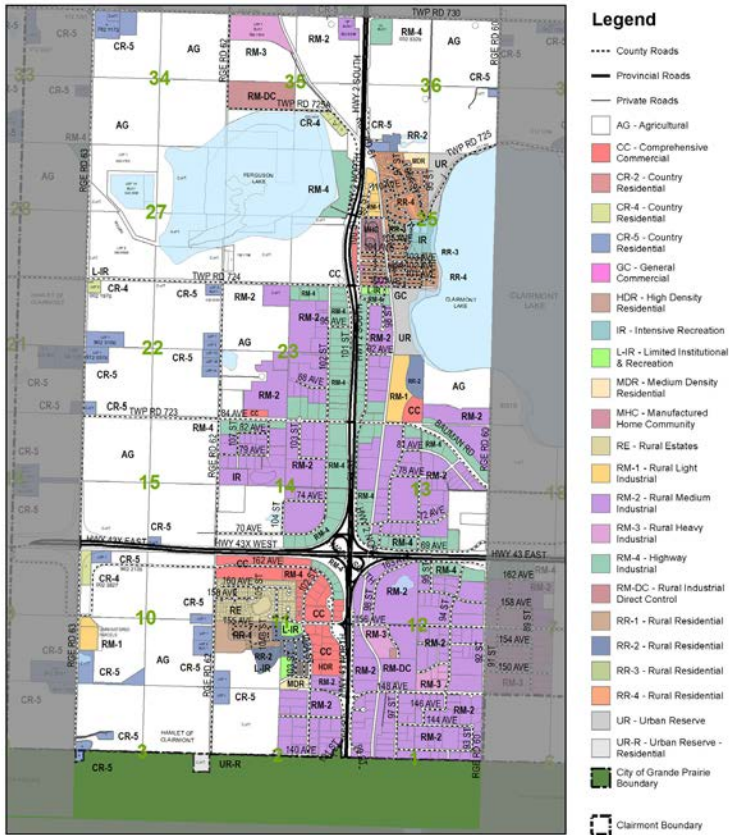
As is customary in an assignment of this type, neither our name nor the material submitted may be included in a prospectus, or part of any printed material, or used in offerings or representations in connection with the sale of securities or participation interest to the public, without the expressed permission of Cushing Terrell Architecture Inc. or the County of Grande Prairie

Cushing Terrell Architecture Inc. - January 2015



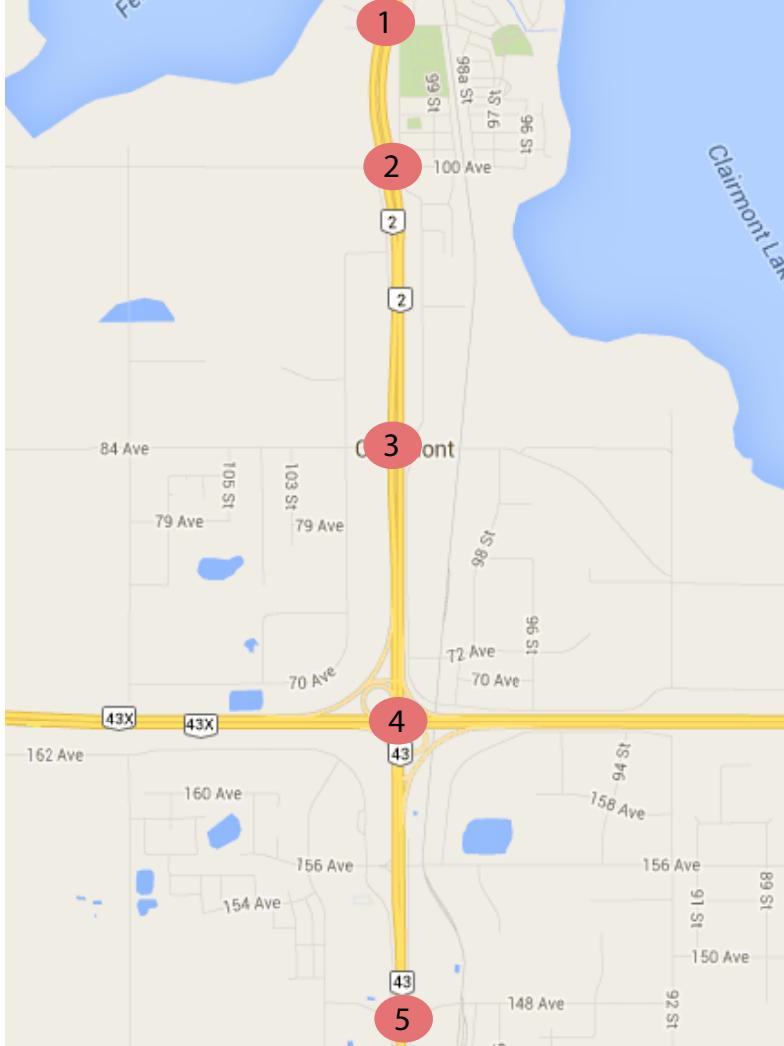
COUNTY OF GRANDE PRAIRIE LAND USE MAP

(Source: County of Grande Prairie 2014)



COUNTY OF GRANDE PRAIRIE TRAFFIC COUNTS

(Source: County of Grande Prairie)



1 CONTEXT

10-minutes

DRIVE TIME TO NEAREST MAJOR RETAIL IN CITY OF GRANDE PRAIRIE

~25,000 vehicles (north & southbound)

AVERAGE DAILY TRAFFIC COUNTS AT HWY 2 & 148TH AVE (#5)

>20,000 vehicles (north & southbound)

AVERAGE DAILY TRAFFIC COUNTS AT HWY 43 & HWY 2 (#4)

13,000 - 15,000 vehicles (north & southbound)

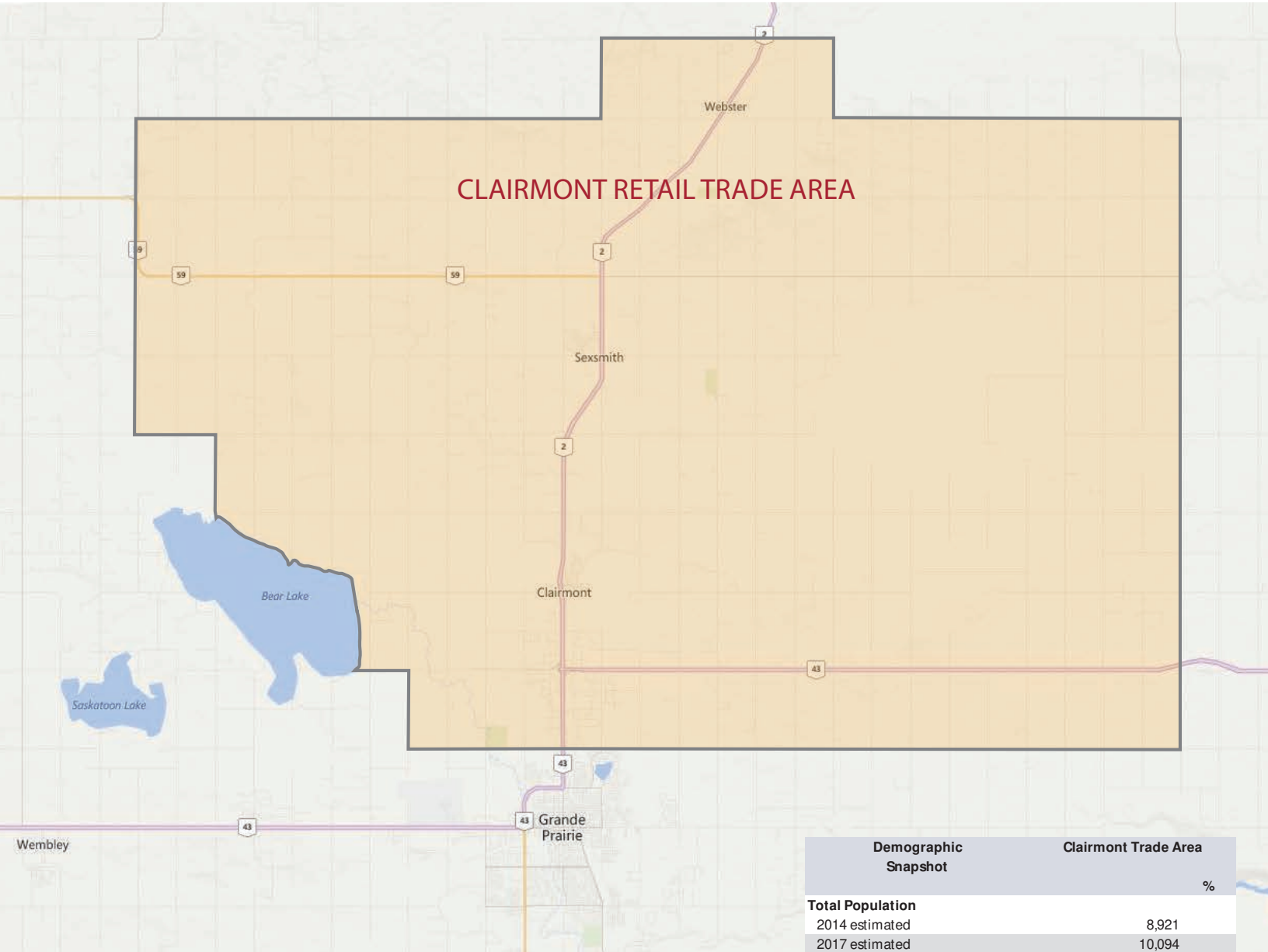
AVERAGE DAILY TRAFFIC COUNTS IN CENTRE OF CLAIRMONT HWY 2 & 100 AVE (#2)

260,000 residents

COUNTY (AND CITY) CONSERVATIVE TRADING REGION SPANNING NORTHWEST ALBERTA, NORTHEASTERN BRITISH COLUMBIA AND NORTHWEST TERRITORIES

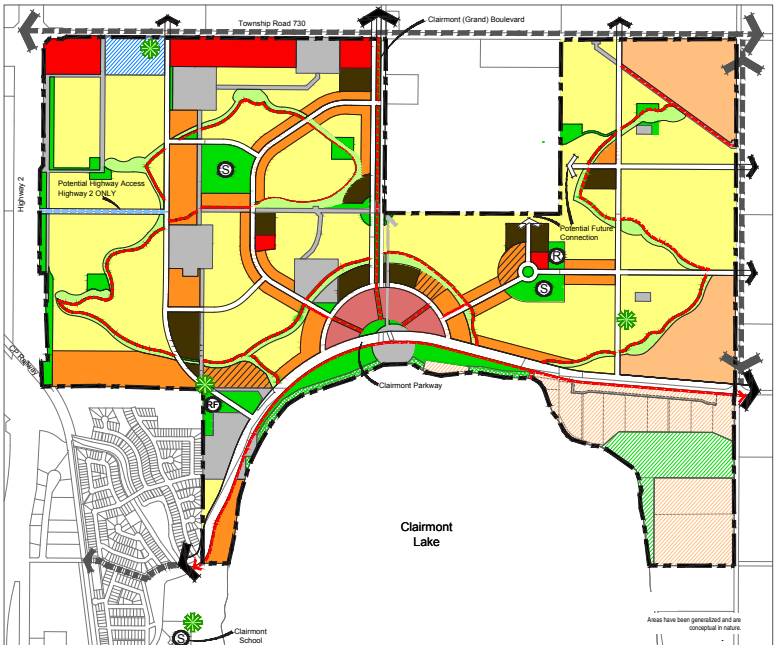
4 - 5 hours

DRIVE TIME TO CITY OF EDMONTON



| Demographic Snapshot | Clairmont Trade Area | % |
|---------------------------|----------------------|---|
| Total Population | | |
| 2014 estimated | 8,921 | |
| 2017 estimated | 10,094 | |
| 2020 projected | 13,584 | |
| 2025 projected | 18,128 | |
| % Pop. Change (2014-2020) | 52.27% | |
| % Pop. Change (2020-2025) | 33.45% | |

CLAIRMONT HEIGHTS AREA STRUCTURE PLAN



Clairmont Heights Area Structure Plan
County of Grande Prairie No. 1, Alberta

Legend

- Existing Estate Residential
- Estate Residential
- Low Density Residential
- Medium Density Residential
- High Density Residential
- Seniors Housing Complex
- Village Centre (Commercial / Residential)
- Commercial
- Parks and Open Space
- Environmental Reserve (ER)
- Proposed Environmental Reserve (ER)
- Pipeline Right-of-Way / Well Buffer
- Stormwater Management Facility / Swale
- Water Reservoir
- Religious Assembly
- School Site
- Recreation Facility
- Potential Eco-recycling Facility
- Abandoned Well
- Active Well
- Arterial Grand Boulevard
- Arterial Roadway Upgrade
- Collector Roadway
- Collector Roadway Upgrade
- Potential Trail
- Proposed Potential Access Road
- ASP Boundary

Areas have been generalized and are conceptual in nature.

parioplan
in association with
EIDOS Lettner

| | |
|--|--------------|
| 2013 Total Population by Age | 8,817 |
| 0 to 4 years | 779 8.80% |
| 5 to 19 years | 2,013 22.80% |
| 20 to 24 years | 500 5.70% |
| 25 to 34 years | 1,499 17.00% |
| 35 to 44 years | 1,359 15.40% |
| 45 to 54 years | 1,257 14.30% |
| 55 to 64 years | 874 9.90% |
| 65 to 74 years | 365 4.10% |
| 75 years & over | 171 2% |
| Median Age | 32.7 |
| 2013 Educational Attainment (15 years+) | 6,578 |
| Less than a bachelor degree | 6,263 95.20% |
| Bachelor degree & higher | 315 4.80% |
| 2013 Households | 3,117 |
| Persons per household | 2.8 |
| Average household income | \$106,810 |

2 RETAIL TRADE AREA PROFILE

10,000 residents

CLAIRMONT'S LOCAL TRADE AREA POPULATION BY 2017 GROWING TO OVER 18,000 BY 2025 (WITH DEVELOPMENT OF CLAIRMONT HEIGHTS)

32.7 years

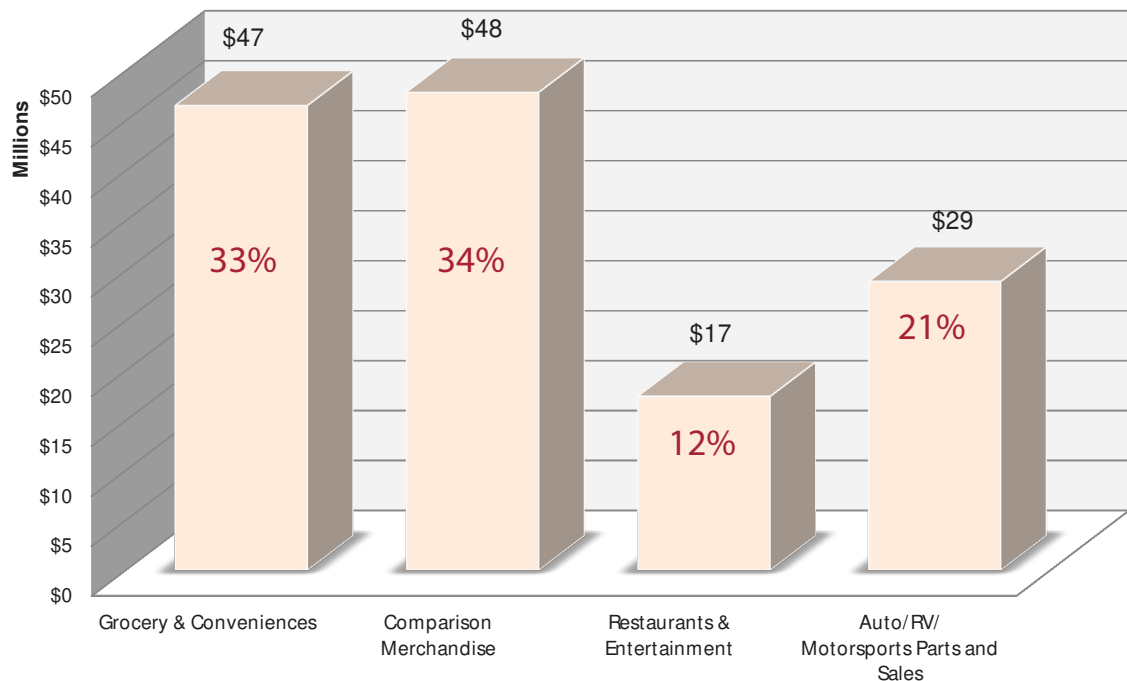
AVERAGE AGE OF TRADE AREA (54.3% OF TRADE AREA UNDER 34 YEARS OF AGE)

>\$107,000

AVERAGE HOUSEHOLD INCOME OF TRADE AREA POPULATION

>\$140.7 million

TOTAL TRADE AREA SPENDING



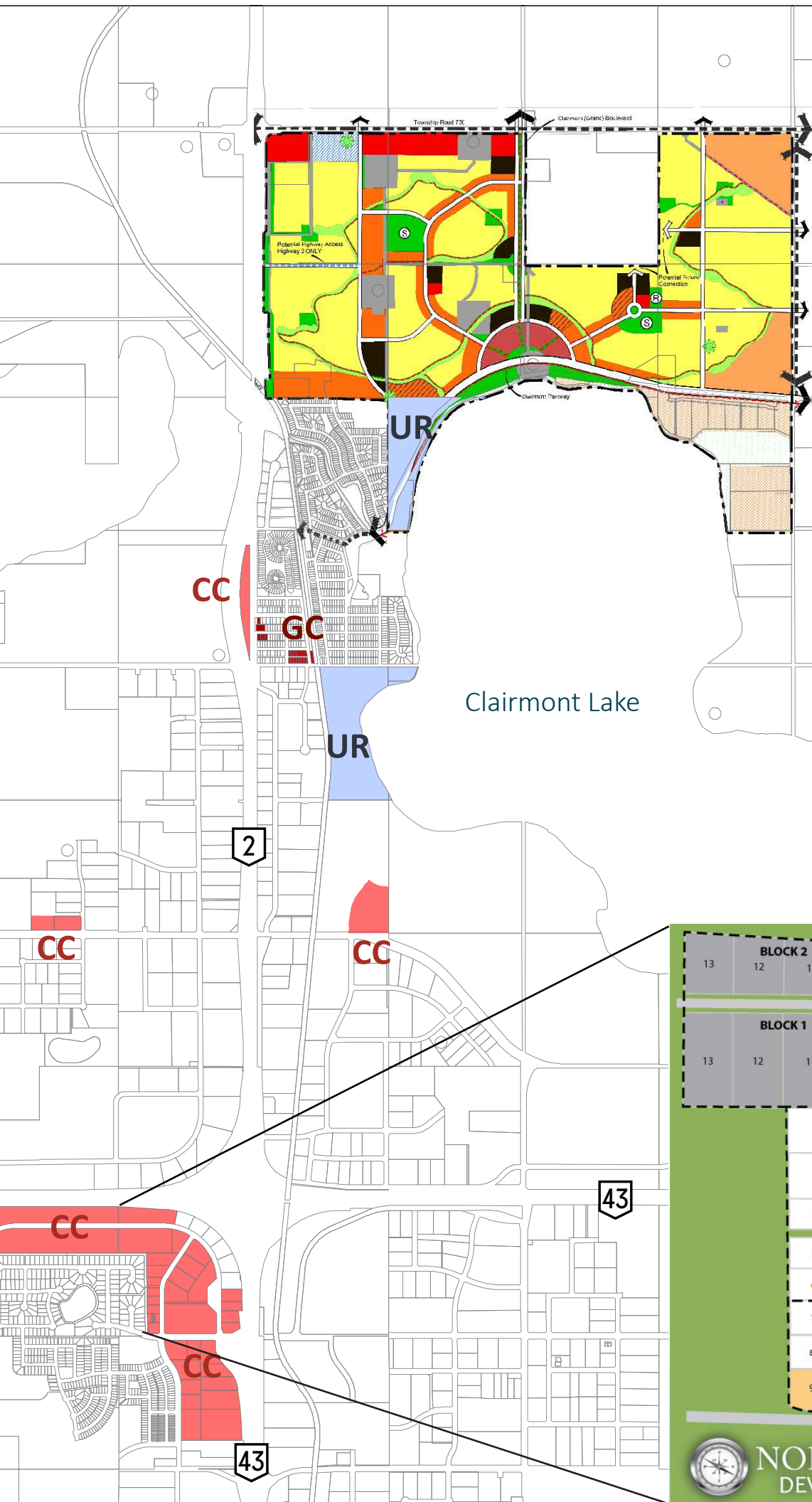
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NORTHWEST DEVELOPMENTS

- LOT FOR SALE
- LOT SOLD
- FUTURE DEVELOPMENT

3 RETAIL MARKET SUPPLY

196 acres

COMMERCIALLY-ZONED LAND COMPRISED OF 9 DISTRICTS IN CLAIRMONT

132,000 sf (City of Grande Prairie has an inventory of 3.9 million sf)

CURRENT AMOUNT OF RETAIL FLOORSPACE IN CLAIRMONT INCLUDING RV DEALERSHIPS COMPRISING ALMOST 65,000 SF OF THAT TOTAL.

<5,000 sf

AMOUNT OF TOTAL GROCERY/CONVENIENCE RETAIL IN CLAIRMONT AS OF 2014

ALTHEN CORNER & COUNTY CROSSING

CURRENT NODES OF HIGHWAY COMMERCIAL RETAIL DEVELOPMENT WITH LOTS & SPACE FOR LEASE

CLAIRMONT RETAIL INVENTORY BY MERCHANDISE CATEGORY

| Merchandise Category | CLAIRMONT |
|-------------------------------------|----------------|
| Grocery & Specialty Foods | 3,000 |
| Alcohol & Tobacco | 2,200 |
| Pharmacy | 0 |
| Personal Services | 750 |
| Clothing & Apparel | 0 |
| Footwear | 0 |
| Jewelry & Accessories | 0 |
| Health & Beauty | 0 |
| Home Electronics & Appliances | 0 |
| Home Furnishings & Accessories | 0 |
| Home Improvement & Gardening | 23,000 |
| Books & Multi-Media | 0 |
| Sporting Goods & Outdoor Recreation | 500 |
| Toys & Hobbies | 0 |
| Specialty Retail | 0 |
| Full Service F&B | 3,000 |
| Limited Service F&B | 5,450 |
| Entertainment & Leisure | 1,200 |
| Auto Parts & Accessories | 15,000 |
| Auto/RV/Motorsports Dealership | 63,500 |
| VACANT | 14,869 |
| TOTAL | 132,469 |

CLAIRMONT HEIGHTS

FUTURE RETAIL DEVELOPMENT COMPRISING 40 ACRES OF HIGHWAY COMMERCIAL, NEIGHBOURHOOD COMMERCIAL AND MIXED-USE COMMERCIAL

COUNTY CROSSING
HWY 2 NORTH

LIQUOR
STORE



Quiznos
SUB

COMING
SOON

panago

4 RETAIL DEMAND

135,000 sf

RETAIL FLOORSPACE DEMAND IN CLAIRMONT AS OF Y/E 2014

30,000 sf

TRADE AREA COULD SUPPORT A 25,000 SF GROCERY TENANT AT LESS THAN 50% MARKET SHARE

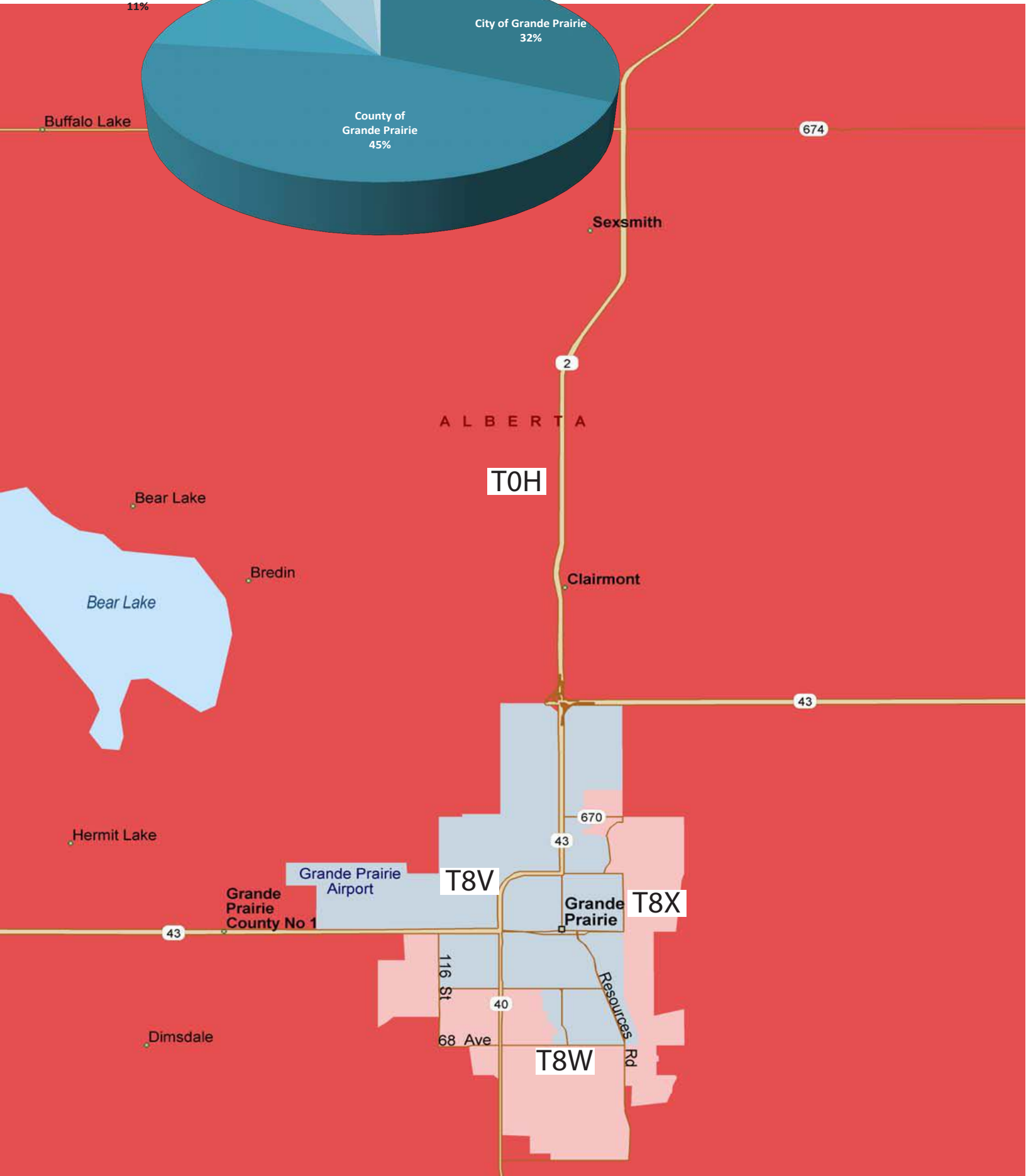
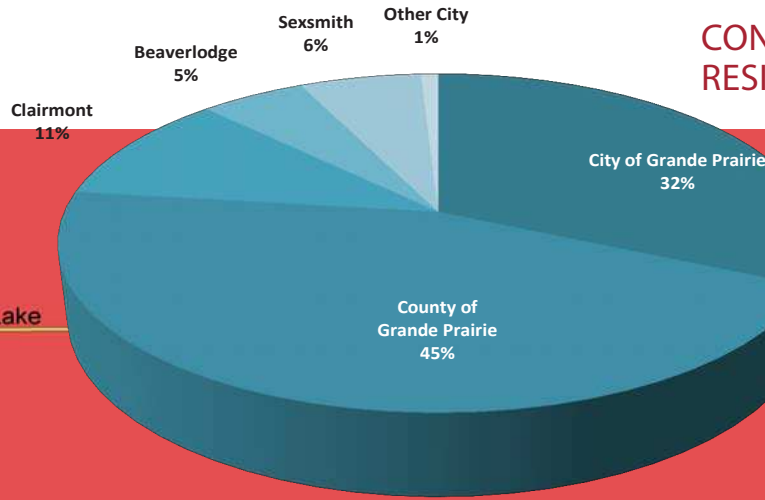
>250,000 sf

TOTAL RETAIL FLOORSPACE SUPPORTABLE BY TRADE AREA BY 2025 AT AN OVERALL RETAINED MARKET SHARE FROM TRADE AREA OF 35%

| Retail Category | 2016 | | 2020 | | 2025 | | Growth in Floorspace Demand | | | |
|-------------------------|-------------------------------------|-----------------------------|----------------|---------------|----------------|---------------|--------------------------------|---------------|--------|-------|
| | Mix SF | % of Mix | Mix SF | % of Mix | Mix SF | % of Mix | 2016-2020 | 2020-2025 | | |
| CONVENIENCE | Grocery & Specialty Foods | 29,988 | 22.3% | 42,296 | 22.3% | 56,428 | 22.2% | 12,308 | 14,132 | |
| | Pharmacy | 4,867 | 3.6% | 6,862 | 3.6% | 9,158 | 3.6% | 1,995 | 2,296 | |
| | Alcohol & Tobacco | 7,625 | 5.7% | 10,752 | 5.7% | 14,345 | 5.7% | 3,127 | 3,593 | |
| | Personal Services | 8,813 | 6.5% | 12,422 | 6.5% | 16,588 | 6.5% | 3,608 | 4,166 | |
| | Clothing & Apparel | 3,932 | 2.9% | 5,548 | 2.9% | 7,407 | 2.9% | 1,615 | 1,859 | |
| | Footwear | 929 | 0.7% | 1,306 | 0.7% | 1,741 | 0.7% | 377 | 435 | |
| | Jewelry & Accessories | 259 | 0.2% | 368 | 0.2% | 492 | 0.2% | 109 | 124 | |
| COMPARISON | Health & Beauty | 1,519 | 1.1% | 2,137 | 1.1% | 2,858 | 1.1% | 618 | 721 | |
| | Home Furnishings & Accessories | 3,000 | 2.2% | 4,230 | 2.2% | 5,646 | 2.2% | 1,229 | 1,416 | |
| | Home Electronics & Appliances | 1,509 | 1.1% | 2,128 | 1.1% | 2,840 | 1.1% | 619 | 712 | |
| | Home Improvement & Gardening | 10,815 | 8.0% | 15,269 | 8.0% | 20,383 | 8.0% | 4,454 | 5,114 | |
| | Books & Multimedia | 442 | 0.3% | 622 | 0.3% | 830 | 0.3% | 180 | 209 | |
| | Sporting Goods & Outdoor Recreation | 2,558 | 1.9% | 3,623 | 1.9% | 4,835 | 1.9% | 1,065 | 1,212 | |
| | Toys & Hobbies | 488 | 0.4% | 681 | 0.4% | 894 | 0.4% | 193 | 213 | |
| | Miscellaneous Specialty | 5,319 | 3.9% | 7,491 | 3.9% | 10,005 | 3.9% | 2,172 | 2,514 | |
| | LEISURE | Full Service Restaurants | 6,820 | 5.1% | 9,614 | 5.1% | 12,834 | 5.1% | 2,794 | 3,220 |
| | | Limited Service Restaurants | 3,295 | 2.4% | 4,648 | 2.4% | 6,201 | 2.4% | 1,353 | 1,553 |
| Entertainment & Leisure | | 6,510 | 4.8% | 9,176 | 4.8% | 12,243 | 4.8% | 2,666 | 3,067 | |
| AUTO | | Auto Parts & Accessories | 3,571 | 2.6% | 5,010 | 2.6% | 6,722 | 2.7% | 1,440 | 1,712 |
| | Auto/RV/Motorsports Dealership | 32,510 | 24.1% | 45,854 | 24.1% | 61,200 | 24.1% | 13,344 | 15,346 | |
| Total | 134,768 | 100.0% | 190,036 | 100.0% | 253,650 | 100.0% | 55,268 | 63,614 | | |

CONSUMER SURVEY RESPONDENT "HEAT MAP" BY POSTAL CODE (forward sortation area e.g. T8V)

CONSUMER SURVEY RESPONDENTS RESIDENCE OF ORIGIN



5 CONSUMER INTERCEPT SURVEY

62% of survey respondents

ALMOST 2/3 OF RESPONDENTS WERE FROM THE COUNTY OF GRANDE PRAIRIE/CLAIRMONT/SEXSMITH

>38.5%

AMOUNT OF SURVEY RESPONDENTS WHOSE HOUSEHOLD INCOME IS GREATER THAN \$125,000 (63.5% OVER \$100,000)

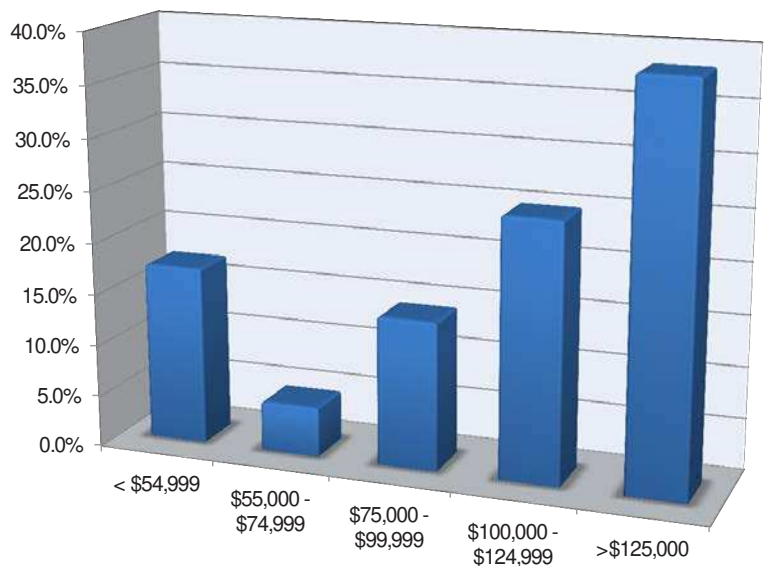
>45%

AMOUNT OF SURVEY RESPONDENTS BETWEEN THE AGES OF 18-34 YEARS

CONSUMER SURVEY RESPONDENTS DEMOGRAPHIC PROFILE

| All Survey Respondents Profile | | |
|------------------------------------|------------|--------|
| RESPONDENT AGE | | |
| 18 - 24 Years | 23 | 20.4% |
| 25 - 34 Years | 28 | 24.8% |
| 35 - 44 Years | 30 | 26.5% |
| 45 - 54 Years | 17 | 15.0% |
| 55 - 64 Years | 11 | 9.7% |
| 64 - 74 Years | 3 | 2.7% |
| 75 + Years | 1 | 0.9% |
| | 113 | |
| RESPONDENT GENDER | | |
| Female | 43 | 38.1% |
| Male | 70 | 61.9% |
| | 113 | |
| RESPONDENT HOUSEHOLD INCOME | | |
| < \$54,999 | 18 | 17.3% |
| \$55,000 - \$74,999 | 5 | 4.8% |
| \$75,000 - \$99,999 | 15 | 14.4% |
| \$100,000 - \$124,999 | 26 | 25.0% |
| >\$125,000 | 40 | 38.5% |
| (9 refusals) | 104 | 100.0% |

CONSUMER SURVEY RESPONDENTS HOUSEHOLD INCOME PROFILE





5

Real Canadian Superstore

PREFERRED CONVENIENCE SHOPPING CENTRE FOR SURVEY RESPONDENTS LIVING IN THE COUNTY/CLAIRMONT/SEXSMITH TRADE AREA

Prairie Mall

PREFERRED COMPARISON (DEPARTMENT STORE TYPE MERCHANDISE) SHOPPING CENTRE FOR SURVEY RESPONDENTS LIVING IN THE COUNTY/CLAIRMONT/SEXSMITH TRADE AREA

Full Service Restaurants, Grocery & Banks

MOST SOUGHT AFTER STORE TYPES TO INCREASE SPENDING IN GRANDE PRAIRIE AND MORE SPECIFICALLY IN CLAIRMONT

Olive Garden & Red Lobster

MOST SOUGHT AFTER FULL SERVICE RESTAURANTS IN GRANDE PRAIRIE

Tim Hortons & Starbucks

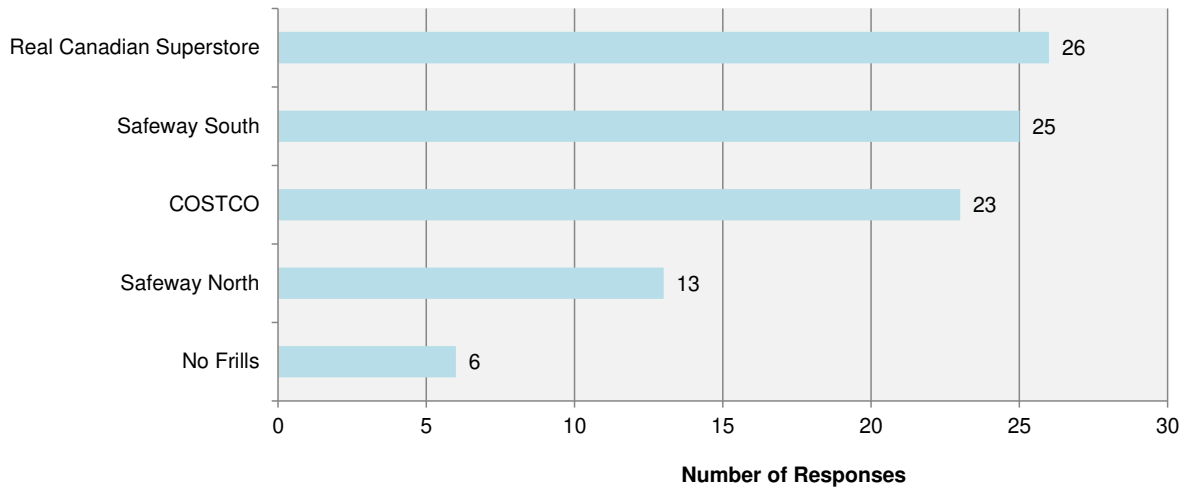
SURVEY RESPONDENTS WANT MORE TIM HORTONS AND STARBUCKS IN GRANDE PRAIRIE, PARTICULARLY IN CLAIRMONT *(It is understood that at the time of this report, Tim Hortons is in the development permit stage for a location in Clairmont along Hwy 2).*

IKEA, Chapters/Indigo, Shoppers DM & Toys R Us

MOST SOUGHT AFTER NON-F&B RELATED RETAILERS IN GRANDE PRAIRIE.

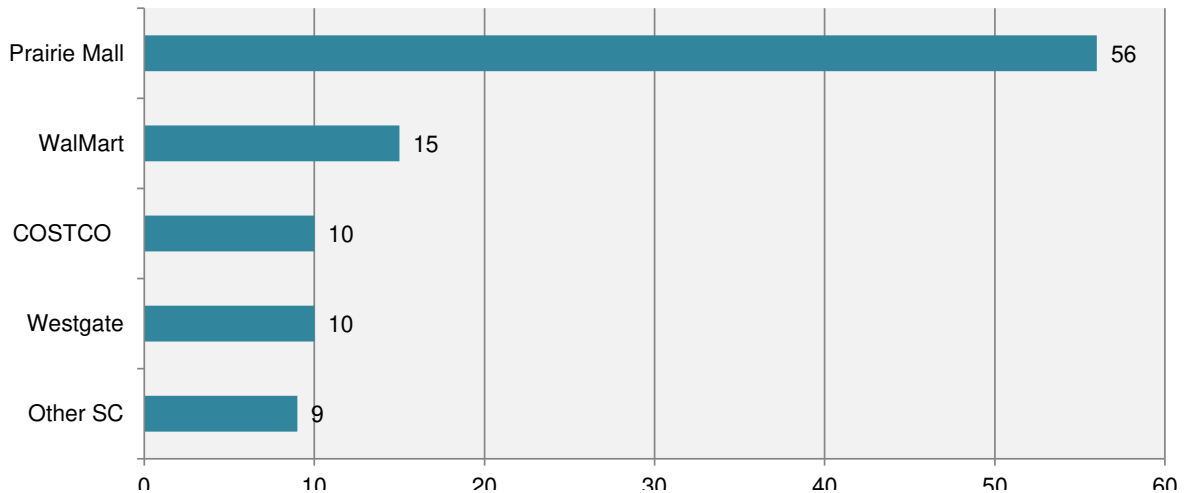
WHAT IS YOUR PRIMARY CONVENIENCE SHOPPING CENTRE?

Q1A: Primary Convenience SC



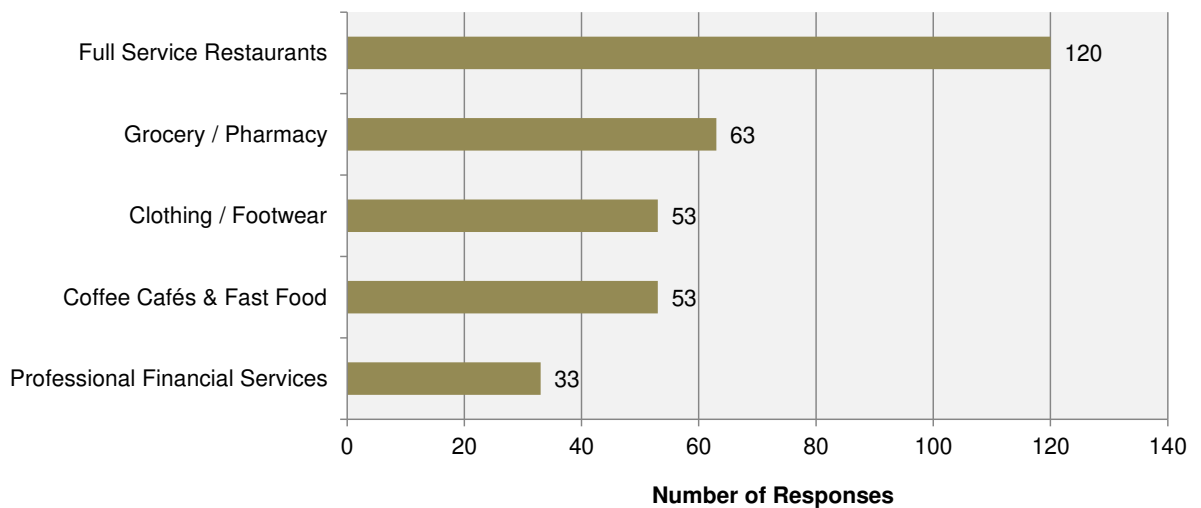
WHAT IS YOUR PRIMARY COMPARISON SHOPPING CENTRE?

Q2A: Primary Comparison SC

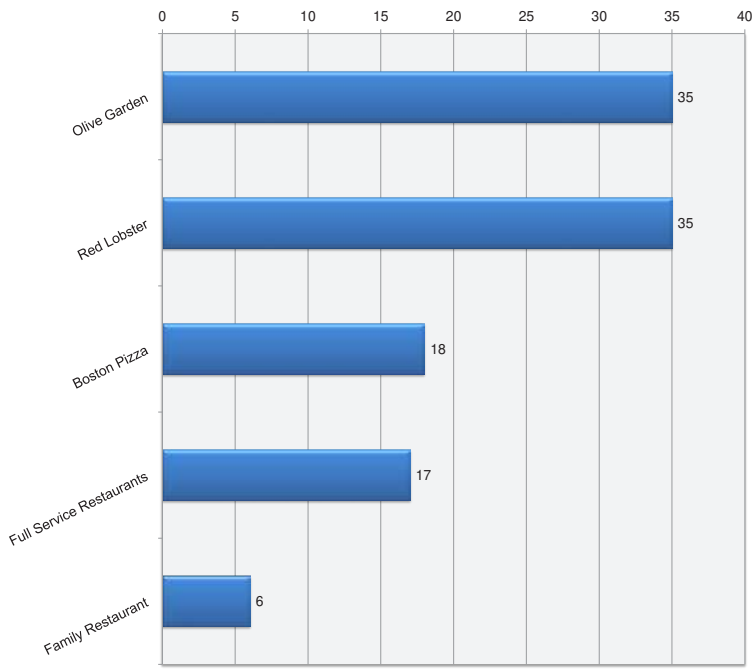


WHAT NEW STORES/SERVICES WOULD INCREASE YOUR SPENDING IN GRANDE PRAIRIE?

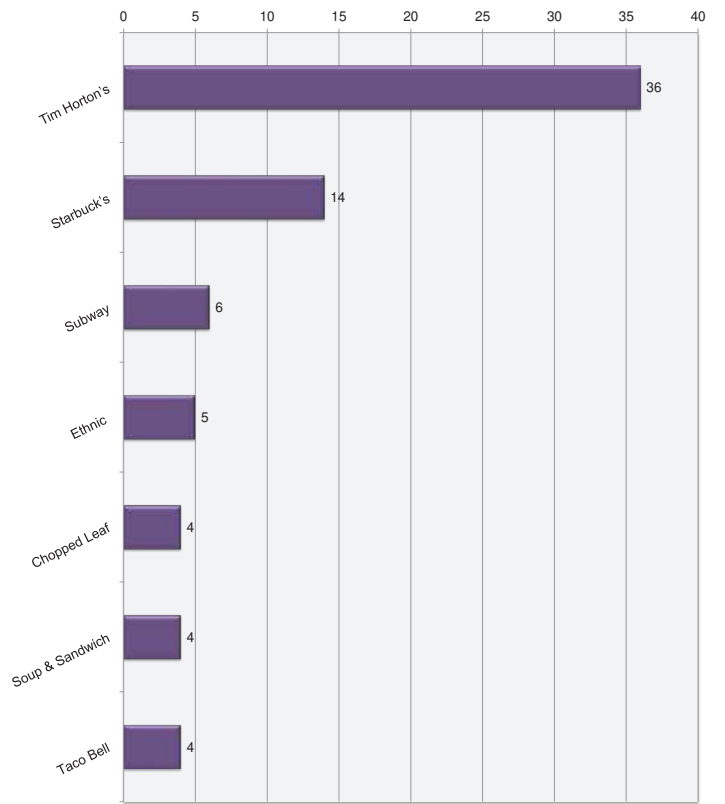
Q22: New Stores/Services to Increase Spending in Grande Prairie



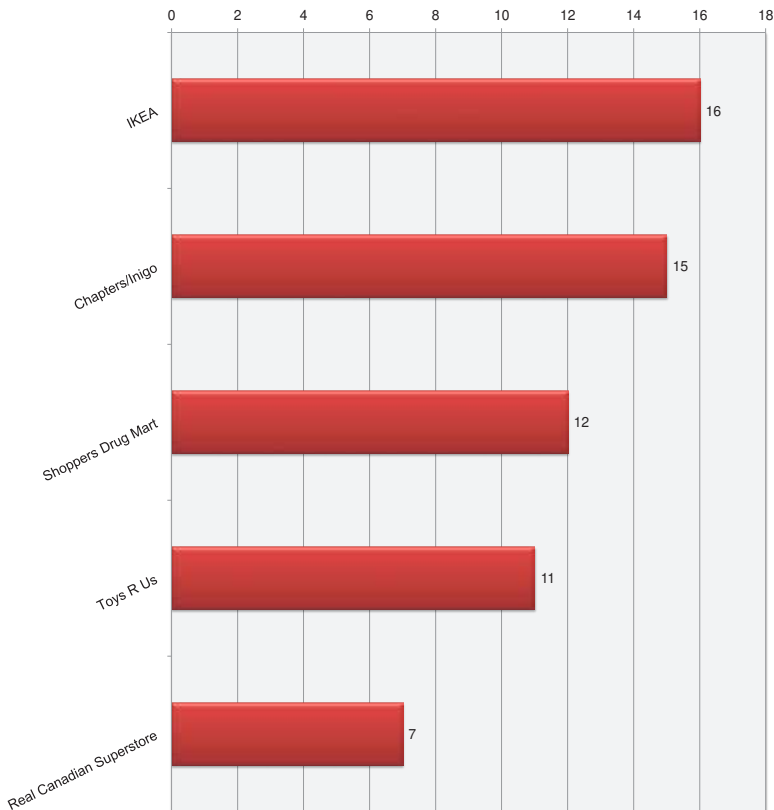
WHAT FULL-SERVICE RESTAURANTS DO YOU WANT TO SEE IN GRANDE PRAIRIE?



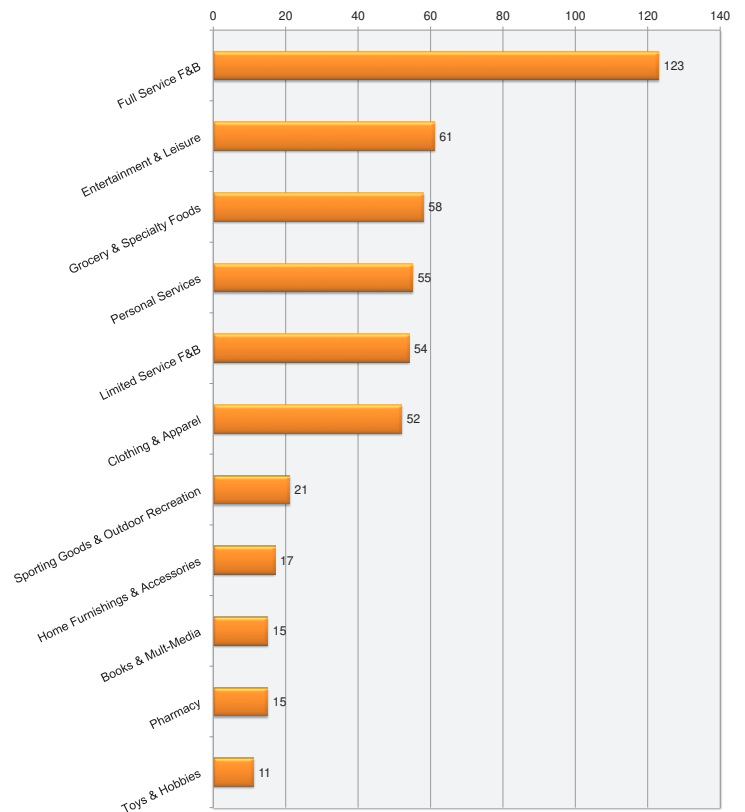
WHAT LIMITED-SERVICE RESTAURANTS DO YOU WANT TO SEE IN GRANDE PRAIRIE?

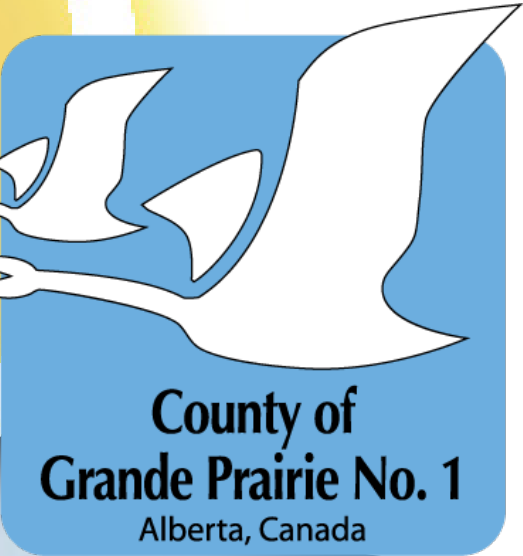


WHAT NON F&B STORES DO YOU WANT TO SEE IN GRANDE PRAIRIE?



WHAT TYPES OF STORES DO YOU WANT TO SEE IN GRANDE PRAIRIE?





**CUSHING
TERRELL**
ARCHITECTURE INC.

