

**J.C. WILLIAMS GROUP**

**Market Analysis for  
Sherwood Park Mall,  
Sherwood Park, Edmonton**

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# Market Analysis For Sherwood Park Mall, Sherwood Park, Edmonton

## 1.0 Introduction

J.C. Williams Group was retained by T&T Properties to evaluate Sherwood Park Mall in Sherwood Park just outside of Edmonton, Alberta.

This evaluation report is designed to support the development of the mall. Much of the information contained in this evaluation is the result of primary research conducted by the consultants. This research included an inventory of the existing retail/commercial space, and the competition. As well, there is secondary sourced statistics and GIS mapping.

### *1.1 Background and Project Understanding*

Sherwood Park Mall is located on the northeast corner of Sherwood Drive and Granada Boulevard. It is located in the heart (or downtown) of the fast growing residential community of Sherwood Park in Strathcona County. The mall contains over 465,000 square feet including over 30,000 square feet of office space. There are approximately 90 stores and 2,334 parking stalls.

Sherwood Park Mall has gone through a recent addition to the north of the existing mall. Additions include Montana's, Chapters, Galaxy Cinema, Shoppers Drug Mart, and Sears among other retailers. At present, Sherwood Park Mall is the only enclosed shopping centre east of the City of Edmonton in the CMA.

## 2.0 Fact-finding and Analysis

The fact-finding and analysis step is vital to the development of a customized and comprehensive action plan. This section of the initial evaluation provides general demographic and retail/commercial data on the community and the trade areas.

### 2.1 Market Situation

While Sherwood Park is separate from the City of Edmonton, it is still considered a bedroom community for the city. This fast growing urban community of over 47,000 is easily accessible to Downtown Edmonton in 20 minutes. Development in Sherwood Park began in the early 1950s primarily to accommodate employees of industries in the area. It has become a community of choice for people wanting to live outside Edmonton in an urban centre with big city amenities.

The Edmonton region benefits from a very strong energy sector and is a sought after location to work and live. While every province witnessed an increase in their unemployment rates from May 2000 to May 2001, Alberta's unemployment rate continued to fall from 4.9% to 4.5%. Unemployment for Sherwood Park and Strathcona County is in the range of 2.4% which is substantially below that of Alberta and Canada.

#### Unemployment Rates for Selected Areas

Location	May 2001
Edmonton	5.4%
Calgary	4.3%
Vancouver	5.4%
Regina	5.6%
Winnipeg	5.1%
Alberta	4.5%
Canada	7.0%

Source: Statistics Canada

In Strathcona County, there are over 23 employers that have over 100 employees each primarily located in or in close proximity to Sherwood Park. In addition, most county offices are located in Sherwood Park.

Sherwood Park is separated from the City of Edmonton by an extensive industrial park. There are a number of oil refineries including Imperial Oil, Shell Canada, and PetroCanada located in this corridor.

Other major employers include AltaSteel Ltd. Strathcona County, Alberta Enirofuels, and Shaw Pipe Protection. As noted the fast growing energy sector is prompting more Canadians to locate to Edmonton and Sherwood Park, and is benefiting from this interest.

Retail sales for the province of Alberta grew by 8.1% in 2000 over 1999, and they are continuing to grow by over 9% in the first quarter of 2001. By contrast, Canada's retail sales grew by 6.2% in 2000 and are currently growing by 4% for the first quarter of 2001.

Projected 2001 retail sales for the Edmonton CMA of which Sherwood Park and Strathcona County are included are as follows:

	<b>In millions</b>
<b>Total Retail Sales</b>	<b>\$8,403.8</b>
<i>Automotive</i>	\$2,676.8
<b>Total Sales Less Automotive</b>	<b>\$5,727</b>
<i>Food Sales</i>	\$2,041
<i>Drug Stores</i>	\$525.4
<b>Total Sales Less Auto, Food, and Drug</b>	<b>\$3,160.6</b>
<b>Apparel Sales</b>	<b>\$802.8</b>
<i>Women's Clothing</i>	\$322.8
<i>Men's Clothing</i>	\$153.0
<i>Other Clothing</i>	\$220.8
<i>Shoe Stores</i>	\$106.2
<b>Household Furniture, Appliance, Electronics</b>	<b>\$553.8</b>
<b>General Merchandise</b>	<b>\$428.7</b>
<b>Other Retail</b>	<b>\$1,375.3</b>

Two benchmarking surveys conducted in Sherwood Park in 1993 and 1999 revealed that growing number of residents have increased the goods and services purchased in Sherwood Park by an average of 11%. Retail merchandise and services ranked in terms of where residents prefer to shop for various items is indicated in the following table.

<b>Commodity</b>	<b>% in 1993</b>	<b>% in 1999</b>	<b>% Change</b>
<b>Retail Merchandise</b>			
Computer	5.8%	12.1%	108.6%
Electronic and video	17.8%	31.6%	77.5%
Small appliances	34.9%	60.2%	72.5%
Children's clothing & shoes	43.2%	66.5%	53.9%
Adult clothing & shoes	33.7%	51.5%	52.8%
Sporting goods	36.6%	47.3%	29.2%
Jewellery	41.1%	52.9%	28.7%
Furniture	5.0%	6.3%	26.0%
Optical, glasses, lenses	54.9%	65.9%	20.0%
New car or truck	14.9%	16.0%	7.4%
Large appliances	6.0%	5.7%	-5.0%
Hardware & home improvement	78.0%	72.8%	-6.7%
<b>Food and Drugstore</b>			
Groceries <sup>1</sup>	85.8%	98.2%	14.5%
Bakery	88.8%	96.1%	8.2%
Drugstore	94.5%	96.9%	2.5%
Liquor	98.8%	98.2%	-0.6%
<b>Eating and Drinking</b>			
Restaurants	45.5%	69.0%	51.6%
Fast food	95.6%	96.5%	0.9%
<b>Services</b>			
<b>Personal Services</b>			
Car or truck service	48.0%	56.9%	18.5%
Barber, beauty salon	77.0%	84.0%	9.1%
Plumbing	82.0%	89.3%	8.9%
Dry cleaning, laundry	92.3%	95.4%	3.4%
Travel agent	57.0%	56.1%	-1.6%
<b>Financial Services</b>			

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<sup>1</sup> The 1993 survey asked for preferred grocery store in Edmonton, while the 1999 survey asked just for the preferred grocery store allowing for choices in the local community.

Insurance	36.7%	41.4%	12.8%
Banking	87.3%	92.6%	6.1%
<b>Professional Service</b>			
Lawyer	39.6%	57.4%	44.9%
Medical doctor	73.0%	81.9%	12.2%
Optometrist	61.5%	65.0%	5.7%
Dentist	65.6%	69.1%	5.3%
Veterinarian	90.2%	90.6%	0.4%
Accountant	49.2%	47.8%	-2.8%

*Source: 1993 and 1999 Market Area Studies*

Since 1993 there has been a marked increase in residents' preferences to purchase more goods and services locally. This is tied with the community's retail development at Sherwood Park Mall and along Baseline and Wye Roads.

### **Sherwood Park Mall Location**

Sherwood Park Mall is located at the heart of the growing central business area of the community. The mall is an integral part of the central business area encompassing local businesses, county government offices, three of the local high schools, Festival Place, recreation spaces, churches, and a planned commercial development. Vehicular traffic through Sherwood Drive and Granada Boulevard is equivalent to that of Baseline Road and Wye Road.

### **Observations**

The largest increases were noted in electronics and video equipment, small appliances, children's and adult clothing and footwear, and restaurants. Sherwood Park is very strong for local neighbourhood goods and services such as groceries, doctors, and dry cleaning and weaker for big-ticket items such as furniture and appliances but these categories are growing.

It is likely that this trend will continue as the size of this market grows and more stores open. This is an excellent opportunity for retailers to gain early market share.

### **Sherwood Park Population Profile**

Sherwood Park is the largest centre in Strathcona County and the second largest community outside of Edmonton for 120 km. For the purposes of this study, Sherwood Park is defined as the area contained within a 5 km radius of Sherwood Park Mall.

In 1996, Sherwood Park had a census population of 43,127 and that number increased to 47,682 in 2000 for an estimated annual growth of 2.7%. Edmonton CMA grew by almost 62,000 from 1996 to 2000 for an annual growth rate of 1.8%.

	<b>1996</b>		<b>2000</b>		<b>2005</b>
<b>Sherwood Park</b>	43,127		47,682		56,691
% Change: Total		10.6%		18.9%	
Average/Year		2.7%		3.8%	
Sherwood Park Population Share of Edmonton CMA	5.0%		5.1%		5.8%
<b>Edmonton CMA</b>	862,597		924,164		972,545
% Change: Total		7.1%		5.2%	
Average/Year		1.8%		1.0%	

*Source: Statistics Canada, MapInfo*

Over the next five years, Sherwood Park is expected to grow by 3.8% per year to reach an estimated population of almost 57,000 people. Edmonton CMA is expected to grow at a healthy rate of 1.0% per year to reach over 970,000 people by 2005.

### **Observations**

**Within the high growth Alberta and Edmonton economies, Sherwood Park is out-pacing this growth by three times.**

**Because of Sherwood Park's unique geographic location and exceptional economy, it should not be linked to the somewhat over-stored situation in Edmonton. The Sherwood Park community can sustain itself by creating a vibrant retail environment of quality, high covenant retailers to satisfy local demand.**

## *2.2 Sherwood Park Mall Trade Area Delineation*

Trade area delineation is a fundamental part of any market analysis. This section of the report delineates a trade area for Sherwood Park Mall based on location factors of the site, the natural and man-made barriers, the direct competitive retail environment, and the time travel distance.

### **Factors Influencing the Trade Area Delineation**

The trade area is considered to be the geographic region from which a majority of the sales originate. The remaining sales are in-flow, or sales derived from areas outside of the delineated trade area. The boundaries of the trade area are influenced by the following factors:

- the size and type of the existing commercial environment;
- accessibility and visibility;
- travel time features;
- the relative location and strength of competitive retail facilities; and
- natural and man-made barriers.

While each of these factors in isolation has a bearing on the trade area boundaries, it is their cumulative effect that leads to the definition of the trade area. The importance of each of these factors was considered for the trade area boundaries. The trade area delineation is the composite trade area of the existing 390,000 square feet of retail space located in the mall.

**The size and type of the existing commercial environment: Sherwood Park Mall is an average sized enclosed mall anchored by Zellers, Safeway, Shoppers Drug Mart, Galaxy Cinemas, Chapters, and Sport Chek that functions more as a regional mall.**

The mall is traditional to contemporary in the mid-price range. Apart from carrying an assortment of fashion apparel the mall also contains a number of neighbourhood/convenience stores and services as well as regional destination operations.

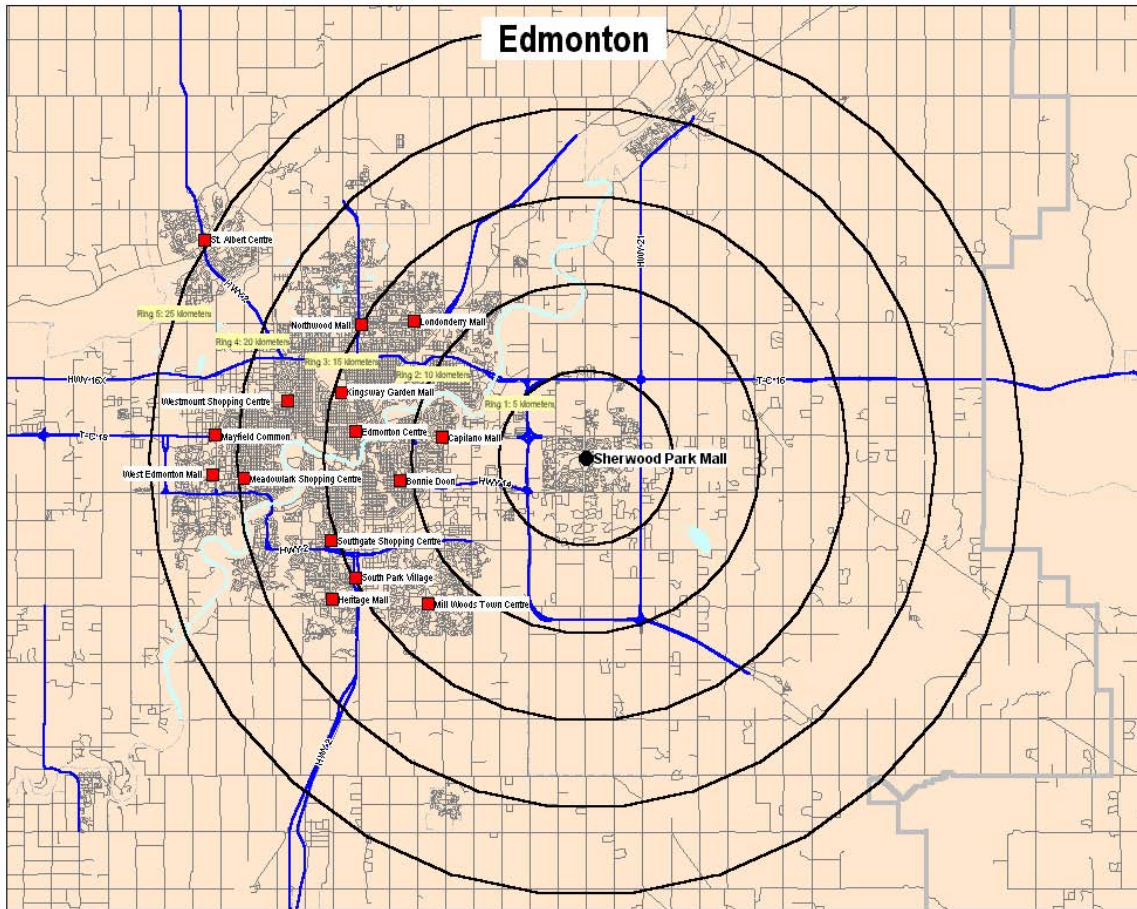
**Accessibility: Good to Excellent**

Highway 16A (Baseline Road) and Sherwood Park Freeway (Wye Road) provide direct and immediate access to the Sherwood Park community from the east and west and Highway 21 and 14/216 provide easy access from the north and south. The mall is located off these major roads in the middle of the built up residential sector. The mall is accessible from a number of points on Sherwood Drive and Granada Boulevard, and Gatewood Boulevard.

**Visibility: Good**

Sherwood Park Mall is not directly visible from the major roads/highways going through the built up area. However, it is located in the “downtown” heart of the residential community and directly visible near a number of civic buildings and parks.

# Malls in Edmonton



Another important consideration is Sherwood Park itself. Within Sherwood Park, there is increased retail pressure from developments along Baseline Road and Wye Road. Several supermarkets have been added to Baseline Road as well as the Safeway on Wye Road. Other retailers include:

**Wye Road**

- Canadian Tire
- Wal-Mart
- London Drugs
- Home Hardware
- IGA
- Safeway

**Baseline Road**

- Revelstoke Home Centre
- Winners
- Mark's Work Wearhouse
- Staples
- Real Canadian Superstore
- IGA
- Save On

**Observations**

Sherwood Park is quickly building up the critical mass of traditional and new concept retailers that will adequately serve the local market without the need to shop in Edmonton.

The malls located on the east side of Edmonton, including Capilano Mall and Bonnie Doon, are weak and undifferentiated; and so offer no reason for Sherwood Park residents to shop there.

A retail hierarchy is forming with traditional fashion stores locating in Sherwood Park Mall and "downtown" and large format stores opening on the arterial roads.

### **Trade Area Boundaries**

As can be seen on the map on the following page, the trade area for Sherwood Park Mall is divided into different segments depending on their importance. The total trade area extends westward into the eastern sections of the City of Edmonton and includes the entire Strathcona County extending a further 50 km to the east.

The trade area can be divided into sub-areas, which identify their relative importance to the retail/commercial sales of Sherwood Park Mall. Typically, these areas are labeled as the Immediate Trade Area (ITA), Primary Trade Area (PTA), and the Secondary Trade Area (STA). In addition, a portion of the sales to the mall originates from outside the delineated trade area. This represents “in-flow” from undetermined areas outside of the designated trade area. Together, these different sources of retail/commercial sales represent the total sales to the retailers in the mall.

### **Immediate Trade Area**

The Immediate Trade Area for Sherwood Park Mall contains the majority of the built up area. It extends 5 km in each direction from Sherwood Park Mall.

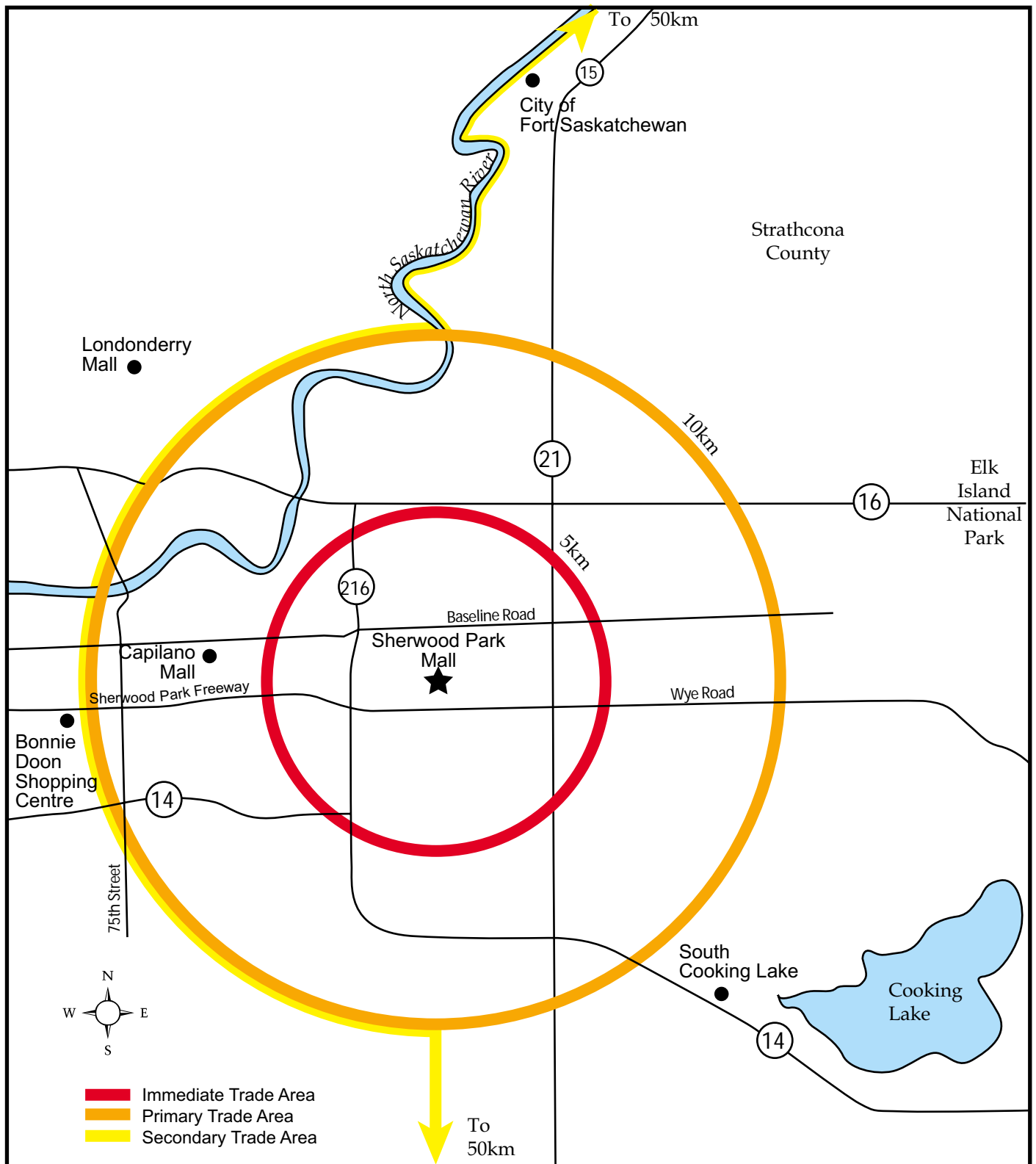
### **Primary Trade Area**

The Primary Trade Area for Sherwood Park Mall comprises the area contained within 10 km of the mall. It extends past the industrial area to the eastern sections of the City of Edmonton (near 75<sup>th</sup> Street) and east to the town of Androssan.

### **Secondary Trade Area**

The Secondary Trade Area constitutes the area contained within the Primary Trade Area and extends to the northeast along the North Saskatchewan River and to the south along Regional Road 232.

## Sherwood Park Mall Trade Areas



### TRADE AREA POPULATION CHARACTERISTICS

	1996 Population	% Change: 1996/2000	Average/ Year	2000 Population	% Change: 2000/2005	Average/ Year	2005 Population
Immediate Trade Area	43,127	10.6%	2.7%	47,682	18.9%	3.8%	56,691
Primary Trade Area	72,159	8.5%	2.1%	78,258	6.1%	1.2%	83,070
Secondary Trade Area	44,540	15.0%	3.8%	51,221	5.9%	1.2%	54,234
Total Trade Area	159,826	10.8%	2.7%	177,161	9.5%	1.9%	193,998

Source: Statistics Canada, MapInfo

### *2.3 Trade Area Population Characteristics*

The past, current, and future populations for the Total Trade Area, Immediate Trade Area, Primary Trade Area, and the Secondary Trade Area are listed below. Populations for the Primary Trade Area exclude the Immediate Trade Area and populations for the Secondary Trade Area exclude the Immediate and Primary Trade Areas. The population for the Total Trade Area is the sum of the Immediate, Primary and Secondary Trade Areas.

#### **Total Trade Area**

In 1996, the trade area contained 159,826 people. By 2000, the trade area increased by approximately 17,000 people to 177,161. This population growth represents an overall increase of approximately 11%, or an annual increase of 2.7%. The Total Trade Area population is estimated to be just under 200,000 by the 2005, representing an annual growth rate of 1.9% over a five-year period. Overall population growth in the trade area has increased at a better than average rate.

#### **Immediate Trade Area**

Between 1996 and 2000, the population within this area grew by over 4,500. This is equivalent to almost 2.7% per year. The population growth is expected to accelerate and reach over 56,000 by 2005. This is the fastest growing trade area segment.

#### **Primary Trade Area**

Between 1996 and 2000, the Primary Trade Area grew by over 6,000 people (from 72,159 to 78,258). This represented an increase of approximately 8.5% over the four-year period, or an annual increase of approximately 2.1%. The Primary Trade Area is expected to grow at a slower rate than the Immediate Trade Area at approximately 1.2% per year.

#### **Secondary Trade Area**

The Secondary Trade Area has grown from 44,540 people in 1996 to 51,221 by 2000. During the last half of the 1990s the population grew by almost 4% per year. Between 2000 and 2005, the population is forecasted to grow to almost 55,000 for a slower average annual rate of 1.2%.

#### **Observations**

With a total 2005 trade area population of 200,000, the urban community of Sherwood Park will become a major retail/commercial centre in its own right.

## Population Characteristics

The main findings according to the 2000 estimated census for the Total Trade Area population (including analysis of the Primary Trade Area) as they compare to Edmonton CMA and Alberta averages are as follows:

	<b>Immediate</b>	<b>Primary</b>	<b>Secondary</b>	<b>Edmonton CMA</b>	<b>Alberta</b>
<b>Population</b>	47,682	125,940	177,161	924,164	2,946,492
<b>Households</b>	13,825	39,540	64,989	319,065	979,175
<b>Persons Per Household</b>	3.45	3.19	2.73	2.90	3.01
<b>Age Profile</b>					
0-19	30%	29%	29%	28%	28%
20-34	21%	20%	20%	22%	22%
35-49	25%	25%	25%	25%	25%
50-64	17%	16%	16%	15%	15%
65+	7%	10%	10%	10%	10%
<b>Average Household Income</b>					
<b>Average Household Income</b>	\$82,043	\$65,565	\$64,956	\$57,450	\$58,888
Under \$20,000	7%	14%	14%	21%	21%
\$20,000-\$39,999	16%	22%	23%	26%	26%
\$40,000-\$59,999	22%	24%	24%	22%	22%
\$60,000-\$79,999	23%	19%	19%	15%	14%
\$80,000-\$99,999	16%	11%	11%	8%	8%
\$100,000 and over	16%	10%	10%	8%	9%
<b>Owned Dwellings</b>	89%	79%	81%	64%	68%
<b>Rented Dwellings</b>	11%	21%	19%	35%	32%
<b>Occupation</b>					
Management	11%	9%	8%	8%	8%
Business, Finance, Admin	23%	22%	22%	20%	18%
Natural and Applied Sciences	6%	5%	6%	5%	5%
Health	5%	5%	5%	5%	4%
Social Science, Ed., Govt, Rel.	8%	6%	6%	7%	6%
Art, Culture, Rec., Sport	3%	2%	2%	3%	2%
Sales and Service	24%	26%	25%	27%	26%
Trades, Transport, Equipment	12%	15%	16%	14%	15%
Primary Industry	2%	2%	4%	3%	8%
Processing, Mfg, Utilities	4%	5%	6%	5%	5%

Source: Statistics Canada, MapInfo

## Observations

The main findings include:

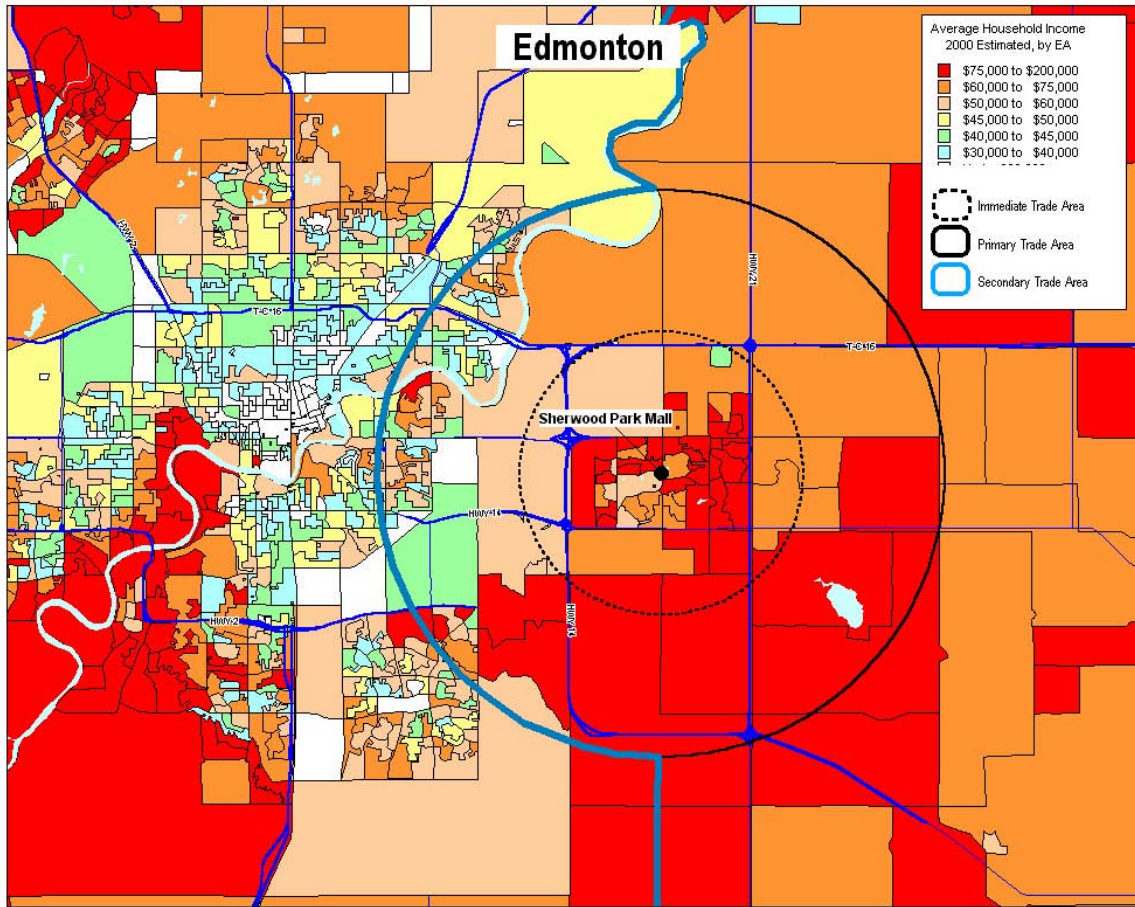
- The average number of persons per household is 3.45 in the Immediate Trade Area, which is greater than the other trade areas suggesting the area has a large number of young families with children.
- The persons per household in the Primary Trade Area is relatively high (3.19) compared to the CMA (2.90) indicating the area attracts a significant number of younger households with children. The persons per household in the Secondary Trade Area is considerably lower (2.73) indicative of more empty nesters.
- The age profile of the Immediate Trade Area is slightly weighted toward young children and teenagers, with less emphasis on the senior population compared to the CMA and the province.
- The Primary Trade Area is more similar to the Secondary Trade Area, the CMA, and the province in terms of age breakdowns.
- Average household income in the Immediate Trade Area is approximately 43% greater than the CMA. The Primary Trade Area's average household income, albeit less than the Immediate Trade Area's, is still 14% greater.
- Thirty-two percent of households in the Immediate Trade Area earn more than \$80,000 compared to 21% of the Primary Trade Area households and 16% of the CMA's households.
- A significant percentage of the working population is employed in management, business, finance, or administrative positions (34%) compared to the CMA (30%).

**Compared to the City and the province, the Sherwood Park Mall's trade area is a community that has a:**

- **rapidly growing population immediately surrounding the centre and a growing population just outside;**
- **a significant number of young households with young children;**
- **high household income; and**
- **strong professional skilled workforce.**

People in the 20 to 39 years of age bracket tend to spend more on department store-type merchandise due to family formation and career building. This includes home furniture, appliances, furnishings, and fashion. People in the 40 to 59 years of age bracket tend to be replacement spenders due to the fact that they replace many previous purchases (e.g. home furniture, apparel, vacations) with higher end products and services.

# Average Household Income



### **Socio-economic Characteristics of the Trade Area**

In order to identify the type of consumers living in the delineated trade area, J.C. Williams Group applied a PSYTE<sup>2</sup> analysis. PSYTE analysis is a system that classifies neighbourhoods and their households into clusters, groups, or neighbourhoods based on their underlying socio-economic and demographic composition. People with similar cultural backgrounds, means, and perspectives naturally gravitate toward one another – or cluster – to form relatively homogeneous communities. Once settled in, people naturally emulate their neighbours, adopt similar social values, tastes, and expectations, and most importantly of all, share similar patterns of consumer behaviour towards products, services, media, and promotions.

There are 60 clusters across Canada and they are given a number from one to sixty based on average household income, with Cluster One being the wealthiest.

In the Immediate Trade Area, not surprisingly, the suburban clusters dominate over the urban, rural, and town clusters. Ninety-two percent of households are classified as suburban and 6% are considered urban. The top five groups for the Immediate Trade Area include:

- Suburban affluent
- Suburban upscale families
- Suburban younger families
- Urban older singles and couples
- Suburban older singles and couples

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<sup>2</sup> PYSTE is MapInfo's market segmentation system based on 1996 Census. Numbers may not add up to 100% due to rounding errors.

## Socio-economic Characteristics of the Trade Area

	Immediate Trade Area	Primary Trade Area	Edmonton CMA	Alberta
<b>URBAN GROUPS</b>	<b>6%</b>	<b>24%</b>	<b>37%</b>	<b>25%</b>
<b>U1 Urban Elite</b>	<b>0%</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>
<b>U3 Urban Older Singles &amp; Couples</b>	<b>5%</b>	<b>14%</b>	<b>9%</b>	<b>5%</b>
28 Conservative Homebodies	5%	14%	8%	4%
<b>U4 Urban Young Singles</b>	<b>1%</b>	<b>4%</b>	<b>17%</b>	<b>13%</b>
<b>U6 Urban Downscale</b>	<b>0%</b>	<b>5%</b>	<b>9%</b>	<b>4%</b>
48 Struggling Downtowns	0%	4%	6%	3%
58 Aged Pensioners	0%	1%	1%	1%
59 Big City Stress	0%	1%	2%	1%
60 Old Grey Towers	0%	0%	1%	0%
<b>SUBURBAN GROUPS</b>	<b>92%</b>	<b>67%</b>	<b>46%</b>	<b>37%</b>
<b>S1 Suburban Affluent</b>	<b>51%</b>	<b>29%</b>	<b>15%</b>	<b>14%</b>
03 Suburban Executives	7%	3%	3%	3%
06 Mortgaged in Suburbia	5%	9%	3%	4%
07 Technocrats & Bureaucrats	39%	17%	8%	6%
<b>S2 Suburban Upscale Families</b>	<b>25%</b>	<b>13%</b>	<b>8%</b>	<b>6%</b>
05 Boomers & Teens	5%	2%	1%	1%
16 Old Bungalow Burbs	20%	11%	4%	2%
<b>S3 Suburban Older Singles &amp; Couples</b>	<b>4%</b>	<b>6%</b>	<b>4%</b>	<b>3%</b>
10 Suburban Nesters	2%	2%	1%	1%
17 Aging Erudites	1%	5%	3%	2%
<b>S4 Suburban Younger Families</b>	<b>12%</b>	<b>19%</b>	<b>20%</b>	<b>14%</b>
14 Satellite Suburbs	12%	6%	6%	4%
23 Kindergarten Boom	0%	13%	14%	11%
<b>TOWN GROUP</b>	<b>2%</b>	<b>10%</b>	<b>14%</b>	<b>20%</b>
<b>T1 Town Upscale</b>	<b>2%</b>	<b>7%</b>	<b>9%</b>	<b>9%</b>
13 Blue Collar Winners	0%	4%	5%	3%
27 Old Towns' New Fringe	2%	3%	5%	4%

Source: Statistics Canada, MapInfo

## Observations

The following are the most salient findings:

- The Immediate Trade Area is dominated by the Cluster “Technocrats and Bureaucrats” (S7). The cluster is characterized as middle-aged maintainers of large families who live in large, new, single detached homes in suburban areas of large and medium-sized cities. They are very well educated and tend to work in managerial and public sector professions. Most households have two wage earners.
- Another important cluster is “Old Bungalow Burbs.” These households are characterized as late middle-aged comfortable suburban households with older teenagers or empty nests. Their homes are moderately priced, large, single detached, and built in the 1960s. They include a variety of upscale occupations and education levels are modest in relation to income.
- The third most important cluster for the Immediate Trade Area is “Satellite Suburbs.” These households tend to be upper middle class, middle-aged maintainers of large families. The children are of all ages. They tend to be college educated with grey collar and managerial occupations most often with two wage earners. Most homes are owned, heavily mortgaged, new, single detached dwellings.
- Similar to the Immediate Trade Area, the largest cluster in the Primary Trade Area is “Technocrats and Bureaucrats”.
- The next largest cluster is “Conservative Homebodies.” This cluster includes older singles, couples, and small families. They tend to have middle income derived from middle status blue/grey collar work. Education attainment tends to be lower.
- Another important cluster is “Kindergarten Boom.” These households tend to be younger families in newer suburban single and semi-detached homes. Many families have three or more children. Typical education levels are college diploma and occupations tend to include grey and white collar.
- The majority of these socio-economic groups are in the big spending phase of their lives.

## Household Expenditure

Household expenditure on retail shopping goods and services is broken down for each trade area, Edmonton CMA, and Alberta. Households in the Immediate Trade Area spend more per household on all major commodities except tobacco and smokers supplies. Household income is approximately 38% greater in the Immediate Trade Area compared to the Edmonton CMA. Generally, households spend between 10% and 40% more on most commodities compared to their counterparts in the rest of the city. Households in the Immediate Trade Area spend 27% more on women's clothing, 30% more on men's clothing, and 39% more on children's clothing.

	<b>Immediate Trade Area</b>	<b>Primary Trade Area</b>	<b>Secondary Trade Area</b>	<b>Edmonton CMA</b>	<b>Alberta</b>
<b>Households</b>	17,407	46,560	64,989	353,541	1,102,386
Household Operation	\$2,688	\$2,413	\$2,411	\$2,257	\$2,400
Household Furnishings	\$1,660	\$1,433	\$1,431	\$1,299	\$1,386
Household Equipment	\$687	\$603	\$621	\$542	\$274
Women's Footwear	\$172	\$152	\$148	\$140	\$147
Women's Wear	\$1,113	\$949	\$911	\$870	\$919
Men's Footwear	\$158	\$138	\$138	\$126	\$134
Men's Wear	\$736	\$627	\$608	\$562	\$590
Children's Footwear	\$65	\$54	\$53	\$46	\$48
Children's Wear	\$236	\$196	\$195	\$171	\$182
Clothing Material	\$226	\$202	\$187	\$200	\$202
Health Care	\$1,090	\$995	\$988	\$955	\$1,058
Personal Care	\$612	\$567	\$561	\$528	\$547
Hair Care	\$383	\$334	\$318	\$301	\$303
Computer	\$449	\$395	\$376	\$348	\$341
Photo Goods and Services	\$148	\$135	\$134	\$124	\$131
Other Recreation	\$2,804	\$2,491	\$2,441	\$2,262	\$2,449
Home Entertainment	\$654	\$600	\$574	\$555	\$593
Movie Theatres	\$76	\$66	\$61	\$62	\$59
Reading Materials	\$323	\$273	\$260	\$253	\$261
Tobacco and Smokers Supplies	\$464	\$482	\$500	\$500	\$537
Alcohol Purchased	\$441	\$403	\$407	\$381	\$396
Food Purchased	\$7,002	\$6,241	\$6,121	\$5,766	\$5,976

Source: Statistics Canada, MapInfo

The maps on the following pages illustrate household expenditure levels for the delineated trade areas. The maps are indexed showing enumeration areas where household expenditure per household is greater than the Alberta average, and those that are lower than the Alberta average.

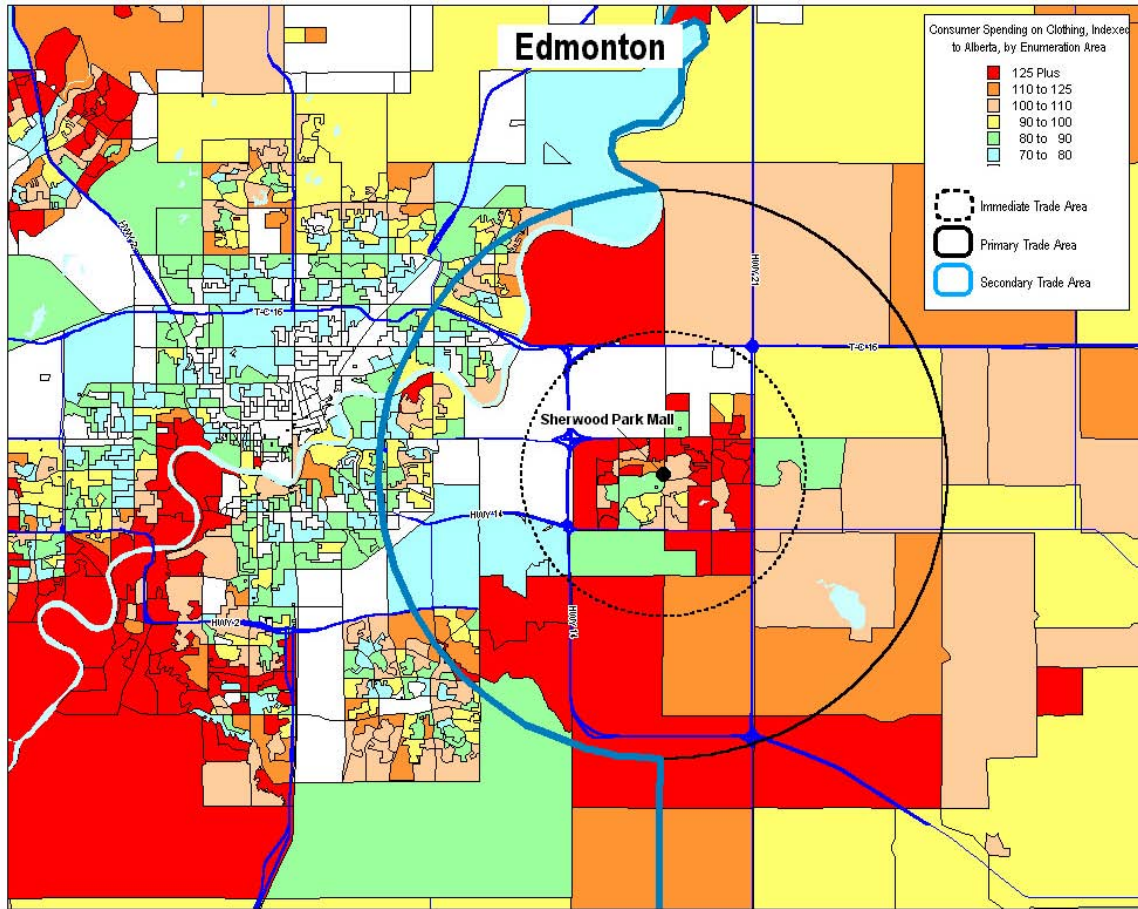
### **Observations**

While higher expenditures follow household income, the Sherwood Park area is a growing area in terms of expenditure on both fashion items such as clothing and big ticket items such as furniture.

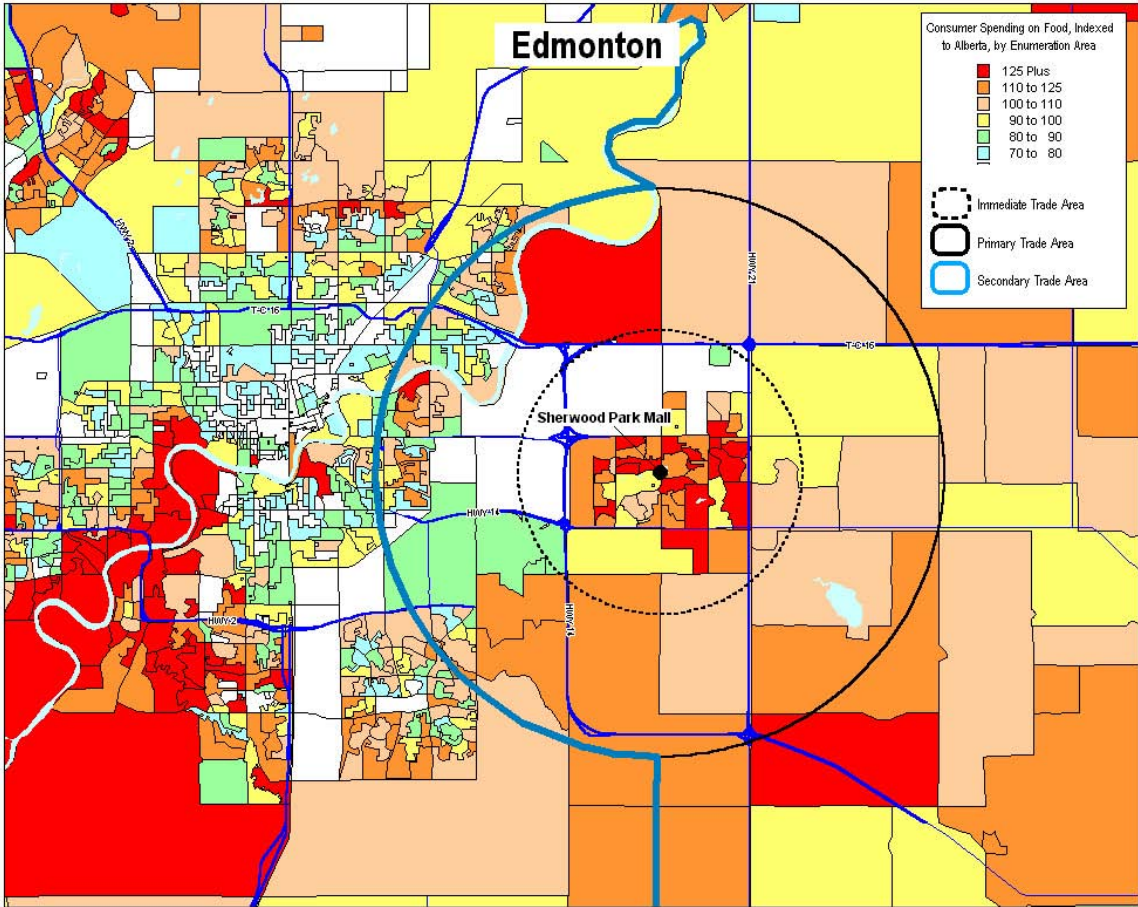
Sherwood Park Mall is ideally located in the heart of a growing community with higher than average disposable income, especially compared to other regional malls such as Bonnie Doon Shopping Centre and Londonderry Shopping Centre.

It is interesting to note that the northeast corner of the Millwood community is more fashion conscious than the rest of that suburb and it will be important for Sherwood Mall to attract those residents to shop in their mall.

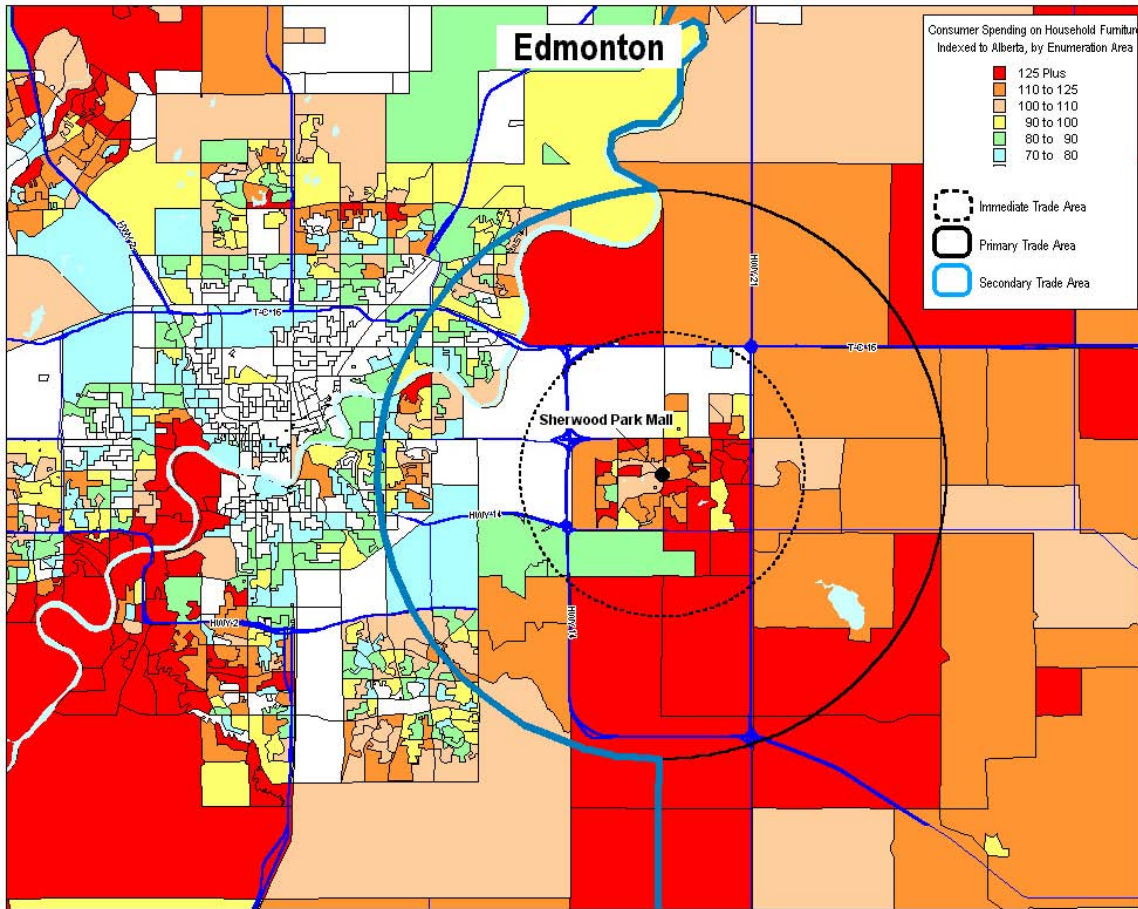
# Household Expenditure – Clothing



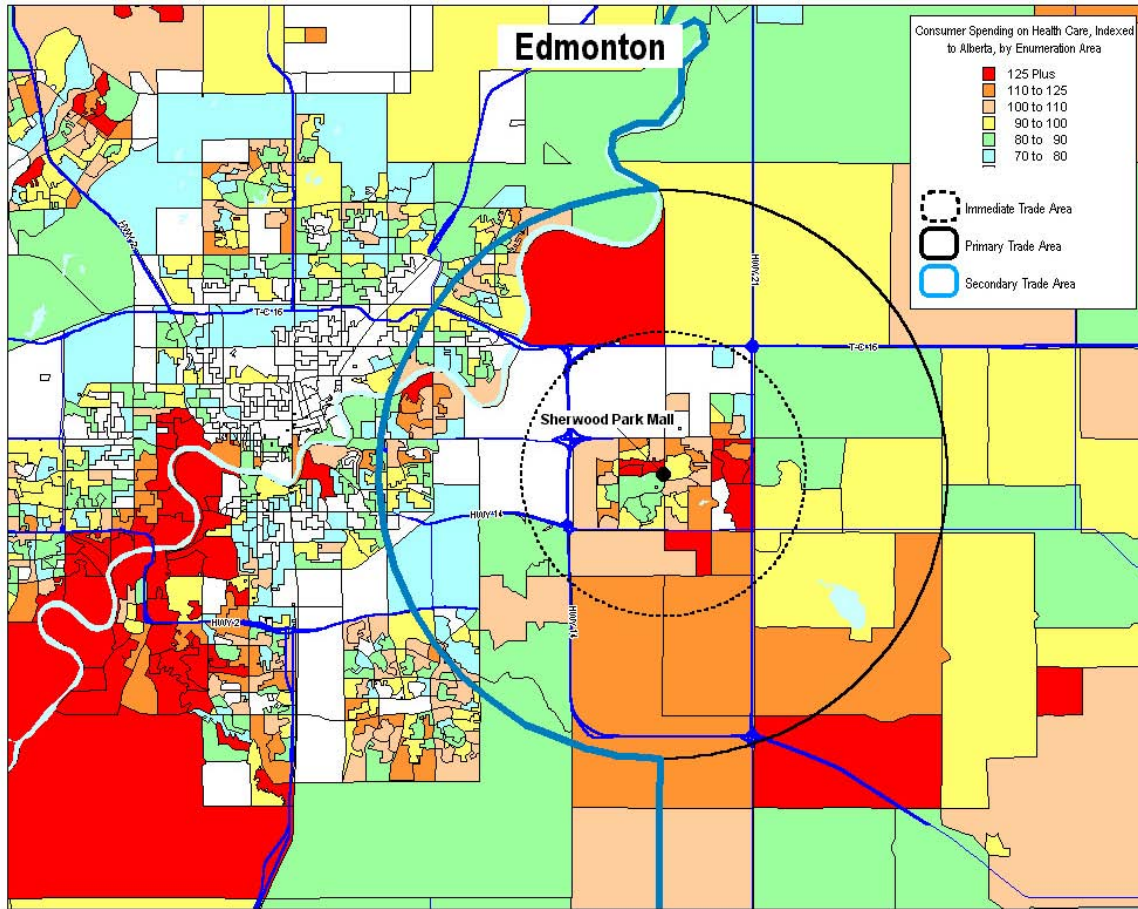
# Household Expenditure – Food



# Household Expenditure – Household Furniture



# Household Expenditure – Health Care



## *2.4 Retail/Commercial Audit*

An audit of the existing retail/commercial businesses at Sherwood Park Mall was conducted during the third week of May 2001 in order to understand completely the current retail situation in the area. The following are the most salient findings based on the retail audit:

- In total there are 88 retail/commercial operations and one library. The total retail square footage is 386,451 square feet.
- Retail operations account for 59% of the number of operations and almost 240,000 (62%) of the square footage.
- Apparel operations occupy one-quarter of the total number of stores. This is average for most malls.
- Apart from Zellers and Safeway, leisure and entertainment store types represent a significant amount of square footage. Ten leisure retail stores account for 11% (44,000) of the available square footage, and two entertainment operations occupy almost 50,000 square feet of space.

## SHERWOOD PARK MALL RETAIL AUDIT

STORE TYPE	Number of Operations		Square Footage	
	Number	% of Total	GLA	% of Total
<b>RETAIL MERCHANDISE</b>				
General Merchandise	3	3%	119,297	31%
Apparel	23	26%	48,239	12%
<i>Women's Apparel</i>	8	9%	17,556	5%
<i>Men's Apparel</i>	2	2%	5,091	1%
<i>Family Apparel</i>	9	10%	16,174	4%
<i>Shoe Stores</i>	4	5%	9,418	2%
Jewellery and Accessories	11	13%	15,478	4%
Home Furnishings/Repair	2	2%	7,103	2%
Electronics	3	3%	3,414	1%
Leisure ( <i>books, specialty goods, crafts, hobby, sporting, etc.</i> )	10	11%	44,149	11%
<b>Total Retail Merchandise</b>	<b>52</b>	<b>59%</b>	<b>237,680</b>	<b>62%</b>
<b>RETAIL FOOD/CONVENIENCE/BEAUTY</b>				
Grocery	1	1%	50,856	13%
Specialty Food/ Health Food Stores	3	3%	2,649	1%
Drug and Beauty Store	3	3%	12,539	3%
<b>Total Retail Food/Convenience</b>	<b>7</b>	<b>8%</b>	<b>66,044</b>	<b>17%</b>
<b>SERVICES</b>				
Personal ( <i>hair salon, cleaners, travel, copy center, etc.</i> )	10	11%	6,968	2%
Financial Institutions ( <i>banks, insurance, real estate brokers</i> )	4	5%	7,303	2%
Medical Offices	1	1%	2,292	1%
<b>Total Services</b>	<b>15</b>	<b>17%</b>	<b>16,563</b>	<b>4%</b>
<b>EATING/DRINKING</b>				
Restaurant	2	2%	11,937	3%
Food Court	9	10%	3,680	1%
<b>Total Eating/Drinking</b>	<b>11</b>	<b>13%</b>	<b>15,617</b>	<b>4%</b>
<b>MISCELLANEOUS</b>				
Entertainment/Recreation	2	2%	49,545	13%
<b>Total Miscellaneous</b>	<b>2</b>	<b>2%</b>	<b>49,545</b>	<b>13%</b>
<b>VACANT</b>	<b>1</b>	<b>1%</b>	<b>1,002</b>	<b>0%</b>
<b>TOTAL RETAIL AND NON-RETAIL</b>	<b>88</b>	<b>100%</b>	<b>386,451</b>	<b>100%</b>

Source: T&T Properties, J.C. Williams Group

## 2.5 Market Positioning

During the retail inventory, the consumer appeal of each retail establishment at Sherwood Park Mall was assessed. This was done based on two parameters: income/price and fashion/lifestyle.

<b>Income</b>	General income ranges used are LOW (household income under \$15,000), MODERATE, and UPPER (household income of \$50,000 or more).
<b>Lifestyle</b>	There are also three lifestyle groups:
<b><i>Traditional</i></b>	those consumers with conservative spending values, i.e. in terms of fashion they tend to wear “classic” clothing that does not go out of style quickly.
<b><i>Contemporary</i></b>	consumers who like to keep up-to-date and are aware of fashion trends.
<b><i>Avant Garde</i></b>	those consumers who lead or set fashion trends, buying “the very latest”; often this is a highly visible but not very large segment.

Each business was rated according to what type of customer it would appeal to under each parameter. The customer appeal information is summarized for Sherwood Park Mall, Bonnie Doon Shopping Centre, Capilano Mall, Londonderry Mall, Kingsway Mall, and Southgate Shopping Centre.

Outlining the character of existing retailing on the dimensions of income and lifestyle provides a useful tool for the analysis of strengths, weaknesses, and opportunities. It suggests opportunities that are more specific than store category analysis.

Sherwood Park Mall includes a variety of traditional and contemporary stores in the mid-priced range. Within the mall the north end of the mall has a more contemporary feel and the southern end towards Zellers has a more traditional feel. However, some retailers such as Sport Chek are more contemporary.

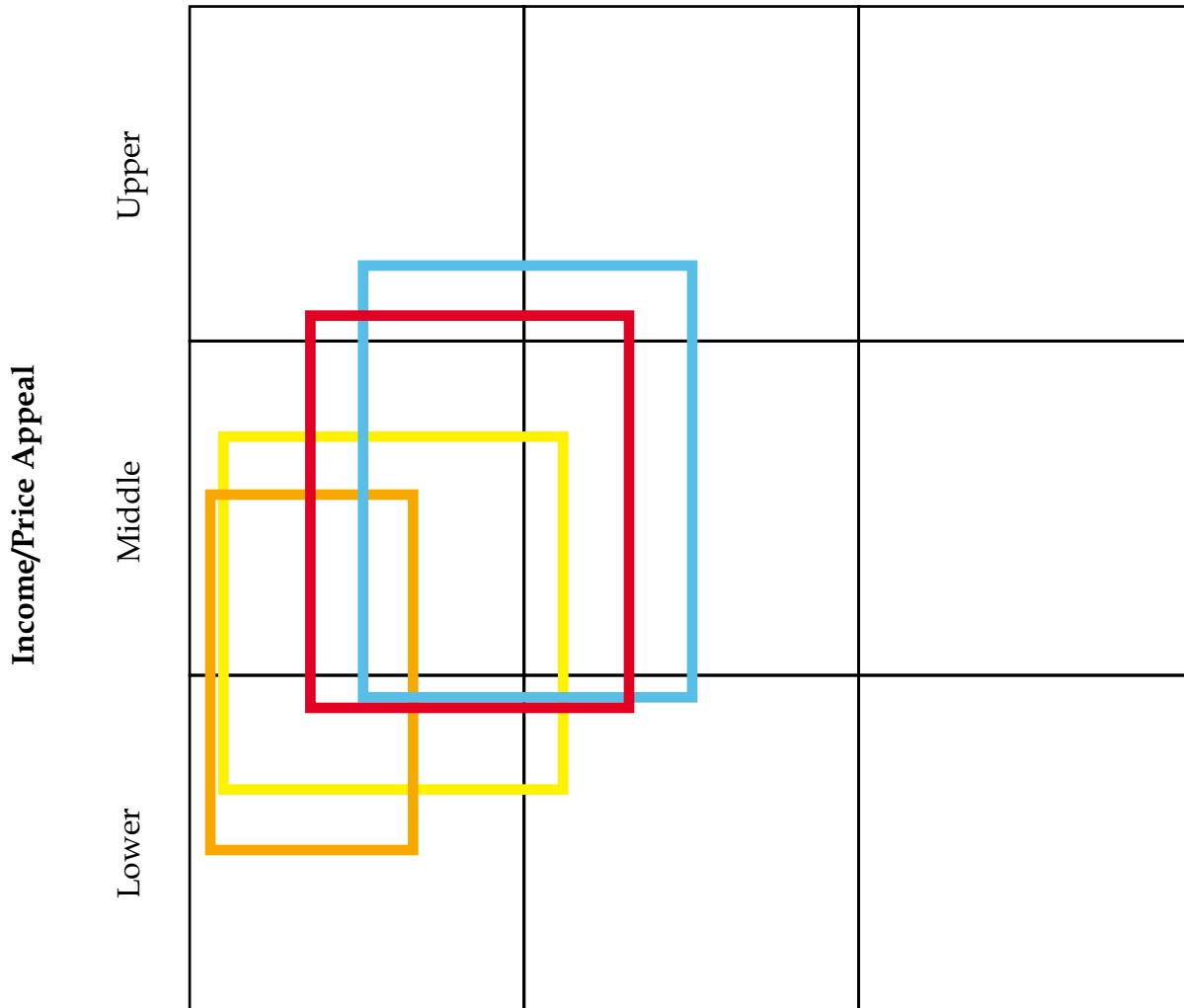
# Positioning Grid for Sherwood Park Mall

## Lifestyle/Fashion Appeal

Traditional

Contemporary

Avant Garde



- Sherwood Park Mall
- Capilano Mall
- Bonnie Doon Shopping Centre
- St. Albert Centre

### 3.0 Strengths and Opportunities

Key strengths for Sherwood Park Mall include:

- **Strong residential population growth:** Sherwood Park including Strathcona County is growing at a phenomenal rate of at least 2% per year, with the area immediately surrounding the mall accelerating to 3.8% per year.
- **Good economic climate:** Alberta's economy does not appear to be slowing down despite the economic worries taking over other sections of North America. The future for energy is strong. This will attract more people to the area and ensure that consumers continue to spend money.
- **Quality national retailers with a strong fashion and leisure niche:** Sherwood Park Mall includes enough clothing retailers to attract local residents for comparison-shopping needs particularly for clothing, however, shoe stores are weak.
- **Central to all residents:** Sherwood Park Mall is located in the centre of the growing urban community making it equally accessible to most residents. It is also located next to community schools, the County hall, parks, churches, and Festival Place.
- **Separate from Edmonton:** While it appears that the City of Edmonton is over-stored, Sherwood Park is a separate community that is growing rapidly. So while Edmonton may have sufficient retailers Sherwood Park can accommodate additional retail growth.

#### Opportunities

Key retailers that will do well in this young family with high household income environment beyond a department store include:

- Quality fashion and apparel retailers that appeal to young families (e.g. Dalmy's, Laura, Jacob, Thyme Maternity)
- Young casual wear (e.g. Gap, Old Navy, Eddie Bauer, Roots, American Eagle Outfitters, Le Chateau, Danier Leather, West Coast, Guess, Club Monaco)
- Children's wear (Gap Kids, Disney Store, Gymboree)
- Footwear (Aldo, Naturalizer, Calderone, Pegabo, Nine West, Town Shoes)
- Home Furnishings and Electronics (e.g. Bombay Co., Benix & Co., Battery Plus, Future Shop or Best Buy)
- Health and Beauty (Body Shop, Crabtree & Evelyn, H2O, GNC, Fruits and Passion)