



urban
Metrics

33400 RICHMOND STREET

Market Impact Assessment

Lucan, Ontario

Prepared for **Farhi Holdings Corporation**

September 17, 2024



FARHI

HOLDINGS CORPORATION

This document is available in alternative formats upon request by contacting:
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September 17, 2024

Mr. Amir Farahi
Farahi Group
acting on behalf of Farhi Holdings Corporation (FHC)

Dear Mr. Amir Farahi,

RE: 33400 Richmond Street – Market Impact Assessment (Lucan, Ontario)

urbanMetrics inc. (urbanMetrics, we, our) is pleased to submit this Market Impact Assessment Report for the property located at 33400 Richmond Street in Lucan, Ontario. This report has been prepared at your request on behalf of Farhi Holdings Corporation (FHC, you, your) as part of the application process for municipal planning approval to develop a multi-family residential building on lands currently designated for highway commercial uses.

The subject property is located along a prominent commercial corridor within the Township of Lucan Biddulph. With your proposal to re-designate the land from Highway Commercial to Mixed-Use Residential, this assessment outlines the market justification for such a change in land use.

As part of this study, we evaluated several factors, including the site's locational attributes, market demand for residential housing, and the potential impact of the proposed development on the local housing and commercial market. Additionally, the report assesses the broader development pipeline in Lucan and considers the township's policy framework, including alignment with both the Official Plan and the Provincial Planning Statement.

Key findings of this report highlight the following:

- The proposed development presents a significant opportunity to meet the ongoing housing demand in Lucan.
- Current trends in commercial development indicate more favourable site alignments within the Town.
- The existing commercial inventory is sufficient to accommodate the community's future needs.

This report provides detailed analysis and professional insights regarding the potential market impact(s) of the proposed development. It is our opinion that a change in land use to support apartment-style housing supports the future needs of Lucan Biddulph, and does not represent a substantive impact on the commercial and economic health of the community.

We would be pleased to discuss this report with you or Lucan Biddulph officials as required. Should you have any questions or require clarification about content and findings contained herein, please do not hesitate to contact us.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read 'P. Thoma', with a long horizontal stroke extending to the right.

Peter Thoma, MCIP, RPP, PLE
Partner
urbanMetrics Inc.

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1.0 Introduction

urbanMetrics inc. (“UM”) has been retained by Farhi Holdings Corporation to prepare a Market Impact Assessment (“MIA”) for the property known municipally as 33400 Richmond Street, Lucan, Ontario.

Farahi Group, acting on behalf of Farhi Holdings Corporation (“The Ownership”), is seeking municipal planning approval to develop a multi-family residential building on lands currently designated for commercial uses. Specifically, Farahi is proposing to develop a 5-storey mixed use apartment building with ground floor commercial fronting on Richmond Street.

In accordance with the local Official Plan, a Market Impact Assessment is required when conversions of certain land uses are proposed by private interest. With the Ownership seeking to re-designate from **Highway Commercial** to **Mixed-Use residential**, this report is intended to provide the market-justification for a change in land use.

Prior to initiating this study, UM consulted with local planning staff to establish an appropriate scope of work (terms of reference) for this undertaking. This study has been carried out in accordance with the agreed upon scope.

1.1 Purpose of the Study

The subject site at 33400 Richmond Street, Lucan, Ontario, is currently designated and zoned as **Highway Commercial (C2-3)**, which permits a limited range of commercial services such as motels, restaurants, financial institutions, and general retail stores.

To permit residential use of the site, an Official Plan amendment is required, along with supporting documentation, including this market impact assessment (the Study).

This study provides an assessment of market demand and the potential impact of the proposed re-designation on land development patterns in the vicinity of the site.

This MIA is intended to address the following:

(1) Residential Market Implications

- Is there demand in the residential market for the proposed development? (and)
- Does the proposed development align with the policy goals and strategies outlined in the Township of Lucan Biddulph Official Plan.

(2) Commercial Market Implications

- Following the proposed redesignation of the subject lands, would the Township of Lucan Biddulph have enough Service Commercial and other commercial land to support the growing needs of the community? (and)
- Would the proposed development impact (either positively or negatively) the planned function of other commercial lands in Lucan Biddulph?

1.2 Study Approach

In preparing this study, urbanMetrics has focused our efforts on the following three (3) components:

1. **Site & Access** - An assessment of the subject site and proposed development from a market perspective, taking into account local and regional accessibility, compatibility with surrounding land uses, and access to commercial and community services.
2. **Residential Market Assessment** - An assessment of the current residential market conditions in Lucan Biddulph. This will include the impact on meeting the targets, goals, and growth projections outlined in the Township's Official and Strategic Plan's, and in accordance with the policies laid out in the Provincial Planning Statement.
3. **Commercial Market Assessment** - An assessment of the current commercial inventory and existing land use entitlements under the current zoning and OP provisions. Followed by a per-capita retail and commercial space analysis.

2.0 Site Characteristics

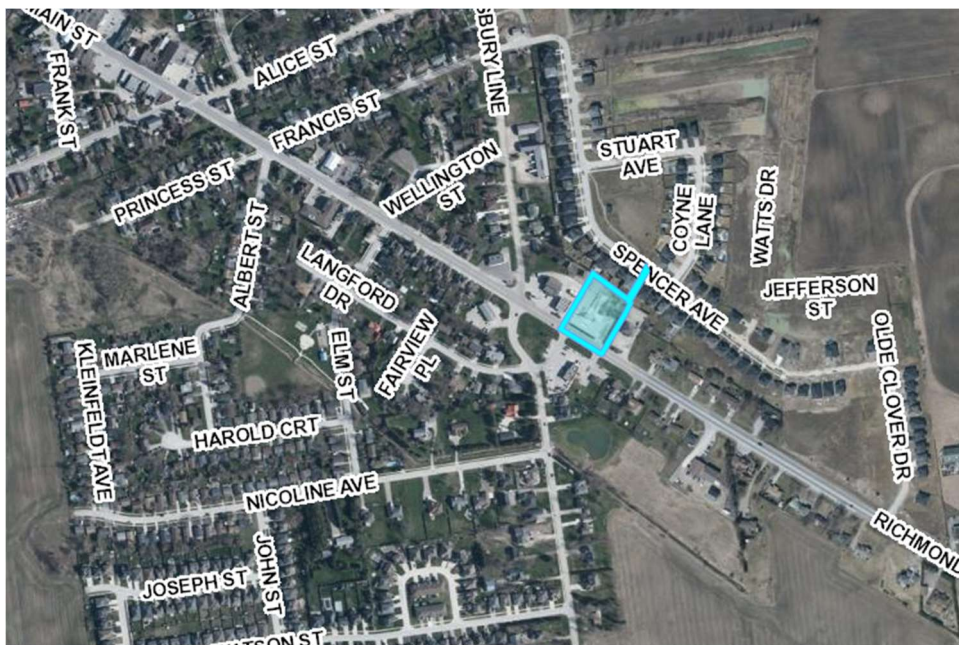
The subject site is a vacant 1.14-acre (0.46 hectare) lot located at 33400 Richmond St, Lucan, Ontario. The property has frontage and direct access to Richmond St (on the south side), and a pedestrian connection to Spencer Ave (on the north side).

Although the site is free and clear of any structures, the site had previously accommodated some limited commercial uses (i.e. an automotive repair shop), but according to our research the property has been largely “vacant” for 15 years or so.

2.1 Site Location

The site at 33400 Richmond St is located along the primary commercial spine of Lucan. It is located about half a kilometre east of what is described as Downtown Lucan. Figure 2-1 below illustrates the location of the site in reference to Lucan.

Figure 2-1: Site Location in Lucan



SOURCE: Middlesex County Zoning Map

2.2 Site Policy

Development of the subject site is governed by the policies contained in the Township of Lucan Biddulph Official Plan (Official Plan). This section of the report reviews relevant policies from the Official Plan, and the Zoning By-law.

Township of Lucan Biddulph Official Plan

The subject site is currently designated Highway Commercial with a special exception (C2-3) in the Official Plan. Section 2.1.3 of the Official Plan describes Highway Commercial as follows:

Section 2.1.3 Highway Commercial

Areas designated 'Highway Commercial' are situated along Main Street towards the periphery of the Village. They are generally developed in a space extensive manner with buildings set back from the street and with generous provision for on-site parking in marked contrast to the intensive and compact form of development characteristic of the downtown core. The 'Highway Commercial' designation includes existing commercial development as well as lands considered suitable to accommodate future commercial needs.

2.1.3.1 Land Use

In areas designated 'Highway Commercial' on Schedule "A", uses will be characterized by those which cater to the needs of the automobile, the travelling public and single purpose shopping trips. Typical uses include motor vehicle sales and services, garden supply outlets, sale of bulk goods, restaurants and certain types of convenience retail and service outlets. The actual uses permitted shall be specified in, and regulated by, the provisions of the Zoning By-law.

2.1.3.2 Form of Development

Commercial development will be characterized primarily by buildings set back from the street and extensive areas for parking, outside storage and display. Efforts will be made to internally link adjacent development to minimize vehicle entrances and enhance public safety. In view of the location of areas designated 'Highway Commercial' at the main entrances to the Village and the tendency of highway commercial establishments to exhibit a non-distinctive appearance, a high standard of site design, creativity and amenities will be encouraged.

As stated in 2.1.3.1, under the current Highway Commercial zoning, the policies allow for:

- *animal clinic*
- *car wash*
- *drive-in or take-out restaurant*
- *financial institution*
- *market garden*
- *mobile food outlet*
- *motel*
- *motor vehicle sales establishment*
- *motor vehicle service establishment*
- *restaurant*
- *garage, public*
- *garden centre*
- *gas bar*
- *general retail store*
- *service shop*
- *bulk sales establishment (site-specific exceptions)*
- *micro-brewery (site-specific exceptions)*
- *warehouse (site-specific exceptions)*

As it currently stands, residential uses are not expressly permitted on the site under Highway Commercial zoning. To permit the development as proposed, an Official Plan Amendment (OPA) is required. In doing so, the Ownership and its consultants have taken into consideration the goals and objectives highlighted within the Official Plan to ensure that the proposed amendment, and subsequent development, follow the intent and spirit of the OP.

2.1.1 Goals And Objectives

The following goals and objectives will guide the planning, development, redevelopment and improvement of the Village of Lucan:

- a) *To encourage and direct the majority of population growth and residential development in the Municipality to the Village of Lucan;*
- b) *To ensure development and redevelopment in the Village is adequately serviced and that the necessary infrastructure is in place to accommodate such activity;*
- c) *To encourage the development and maintenance of a strong, viable downtown core as the primary commercial centre of the Municipality with its own unique sense of identity and character;*

- d) *To recognize and support the role of highway commercial areas in accommodating land extensive, vehicular-oriented commercial establishments not suited to the downtown core;*
- e) *To encourage industrial development in areas suitable for such purposes and in a manner that does not detract from existing or planned residential and/or commercial areas;*
- f) *To maintain the essential qualities of privacy, quiet enjoyment, public health and safety, and land use compatibility in residential areas.*

2.1.5.5 Medium Density Housing

Medium density residential development in the form of townhouses, apartments and other forms of multiple unit housing shall be encouraged to locate where direct or proximate access to arterial or collector roads is available; where proximity exists to commercial areas, schools, and/or parks and open space; and where municipal services are available or capable of being made available.

2.1.5.6 Housing Mix

Development proposals for large undeveloped parcels will be required to incorporate a range of housing types and densities, as permitted by this Plan, unless it is capable of being demonstrated that market, servicing, site conditions and neighbouring land use dictate otherwise.

The subject site is situated within the Village of Lucan. The area is well-serviced with hard and soft servicing that will efficiently accommodate more intensive residential redevelopments. It is proposed that this development will utilize the municipal services on Richmond St.

The Official Plan encourages development that directs population growth to the Village of Lucan, to sites that are adequately serviced, and encourages development in such a way that maintains a strong viable downtown core with a unique sense of identity and character. As the Village of Lucan has experienced growth in recent years, development patterns and demand in the housing and retail sectors have also shifted. The construction of a large retail plaza on the west side of town has altered the market dynamics, making the current zoning of the site less suitable in the town's evolving landscape. The site would now be better utilized for residential infill rather than remaining undeveloped under its existing commercial zoning.

Township of Lucan Biddulph Strategic Plan

The Township of Lucan Biddulph Strategic Plan contains policy directions that are intended to aid the Township toward achieving their Long-term Vision. This 5-year plan highlights Lucan Biddulph’s Strengths, Weaknesses, Opportunities, and Threats as a Township, and provides 5 strategic Directions to realize their objectives. The 5 Strategic Directions are; Service Enhancement, Growth Management, Healthy Communities, Accessibility, and Community Pride.

As per the policies relating to **Growth Management**;

Action 12: Promote a diversity of housing choices (types and tenures) to service a variety of populations in the urban and rural areas.

Action 13: Actively seek out partnerships for residential / mixed-use development. This could include public private non-profit partnerships.

Action 14: Develop long-range strategies for managing growth (i.e. potential for higher density while maintaining existing level of service, opportunities for new zoning, planning for commercial services demands, and effective development control functions through the statutory planning framework).

Provincial Planning Statement, 2024

On October 20, 2024, the in-force *Provincial Policy Statement, 2020* will be replaced with the new **Provincial Planning Statement, 2024**. The revised PPS will establish a new policy planning framework for land use planning and municipal policy, including new direction intended to accelerate the development of more affordable housing options for Ontarians.

This section is intended to show how the proposed land use changes would align with the new PPS. Perhaps most significantly, Section 2.2 of the new PPS specifically lays out provincial support for planning measures which “encourage the development of housing with underutilized commercial sites.”

The following policy extracts are intended to underscore the new policy imperative to accelerate creative land use solutions to advance more housing.

Section 2.1 - Planning for People and Homes

Policy 2.1.3: Planning authorities must ensure that sufficient land is available to accommodate a range and mix of land uses for at least 20 years, extending up to 30 years. This includes planning for infrastructure, public service facilities, and employment areas.

Policy 2.1.4: Planning authorities must maintain the ability to accommodate at least 15 years of residential growth through designated and available lands and must ensure a three-year supply of zoned land for new developments.

Policy 2.1.6: The achievement of complete communities should be supported by accommodating a range of land uses, housing options, and transportation modes, and by improving accessibility and social equity.

Section 2.2 - Housing

Policy 2.2.1: Planning authorities are required to provide an appropriate range and mix of housing options and densities to meet the projected needs of current and future residents. This includes setting targets for affordable housing and coordinating land use planning with housing services to address the full range of housing needs.

Policy 2.2.1(b): This policy encourages the development and redevelopment of underutilized commercial and institutional sites, including shopping malls and plazas, for residential use

Policy 2.2.1(c): Promotes densities for new housing that efficiently use land, resources, infrastructure, and public service facilities, which supports active transportation.

Sections 2.3 and 2.4 - Settlement Areas and Strategic Growth Areas

Policy 2.3.1: Settlement areas should be the focus of growth and development, and within these areas, growth should be directed towards strategic growth areas, where applicable.

Policy 2.3.1.2: Land use patterns in settlement areas should optimize existing and planned infrastructure and public service facilities, and support active and transit-supportive transportation.

Policy 2.4.1: Planning authorities are encouraged to identify and focus growth in strategic growth areas, which should accommodate significant population and employment growth, support transit networks, and provide a mix of housing options.

urbanMetrics's Opinion

The Ownership's proposed development promotes a higher density of living options for residents, with a mix of housing types and tenures. The proposal allows for the development of an underutilized site with existing services, accessibility, and nearby facilities.

In light of the above policy backdrop, the land use planning issues involving the site have been carefully reviewed and the impact the development would have on surrounding neighbourhoods has been taken into consideration.

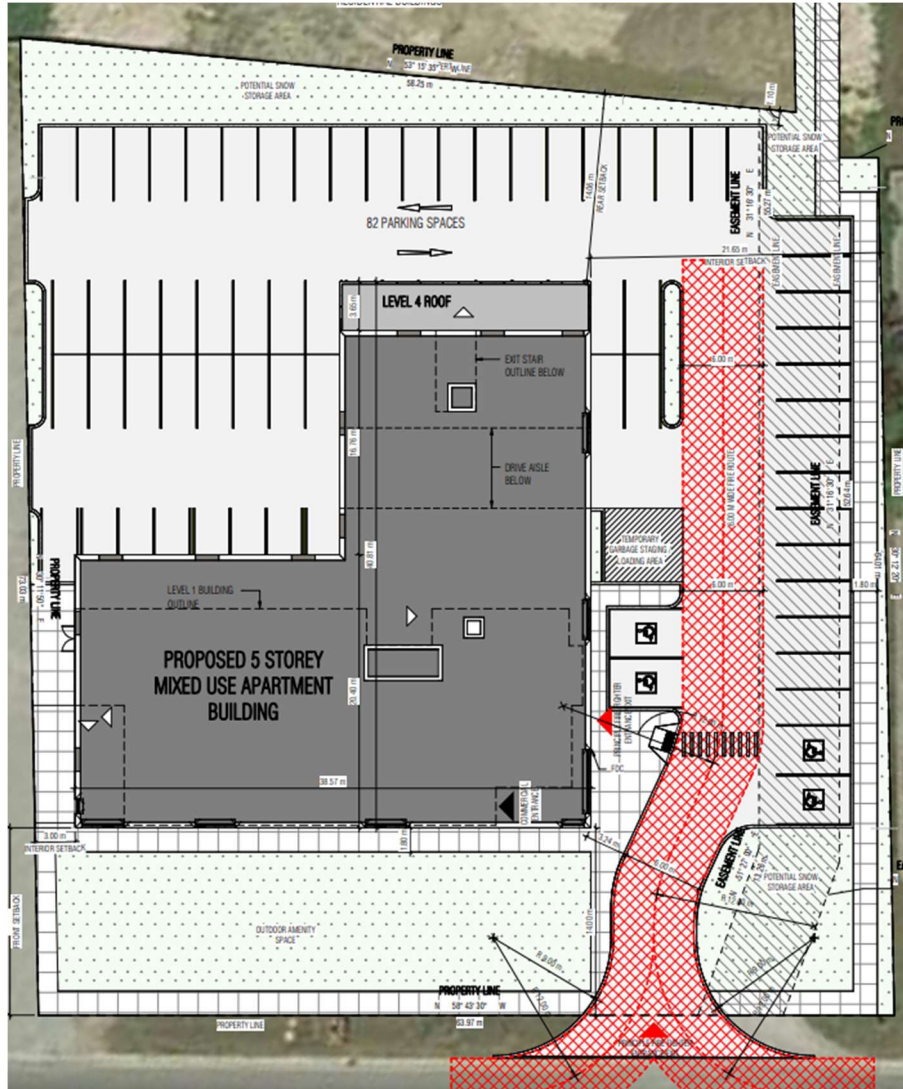
It is our professional opinion that the premise of integrating new residential uses in Lucan, within walking distance of local shops and services, is both warranted and justified. The proposed development is in keeping with the direction of the Official Plan.

2.3 Concept Plan

The Ownership is proposing to develop the subject site, pending the redesignation, to a 5-storey mixed-use apartment building, with 58 residential units, and one commercial space with approximately 930 square feet of floor area.

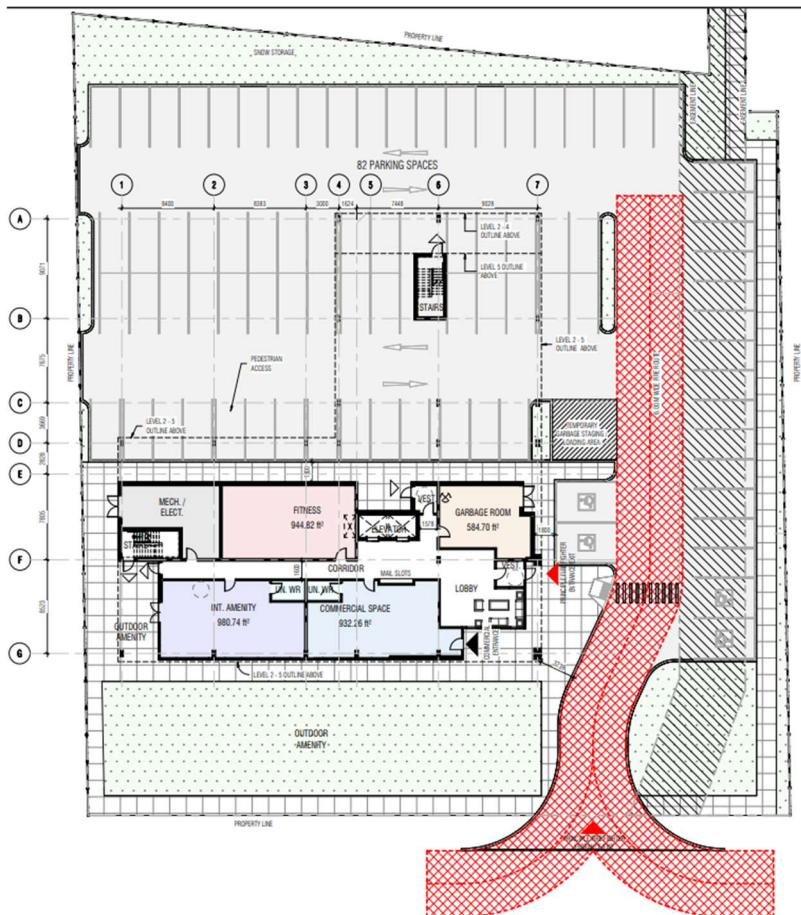
The parking, which will be located along the eastern edge of the site, and the rear of the building, will include 82 vehicle parking spots. The proposed site plan is illustrated in Figure 2-3a and Figure 2-3b.

Figure 2-3a: Site Plan Overview



Source: Baird Architecture + Engineering

Figure 2-3b: Site Plan - Ground Floor



Source: Baird Architecture + Engineering

In accordance with Persons Per Unit (PPU) value of 1.5 for Apartment residential dwellings in Lucan (as per the approved *Lucan Biddulph Development Charges Background Report*), the proposed development would reasonably accommodate upwards of 87 new residents, resulting in a new density of approximately 190 people per hectare (87 residents @ 0.46 hectares).

The ground-floor commercial space, as proposed, would deliver commercial uses catering to the needs of local residents, enabling the site to sustain its commercial function, albeit at a more appropriate and scaled-down level.

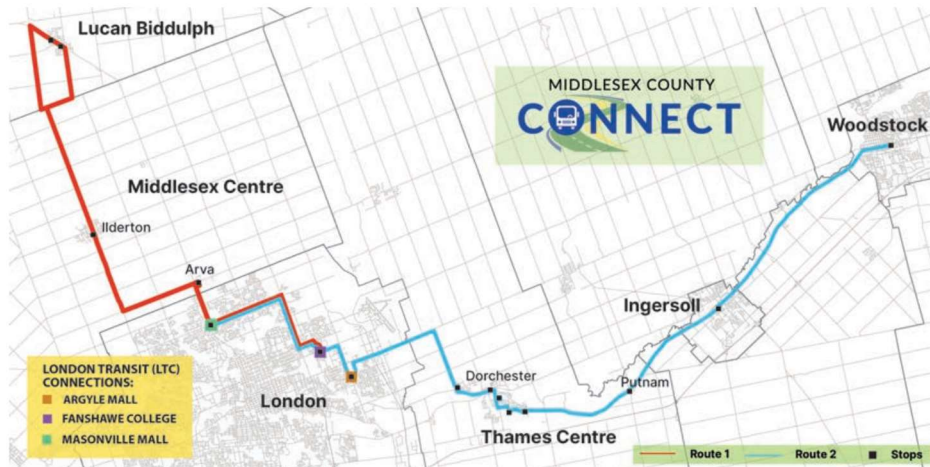
2.4 Site Access

The subject site is well located for a mixed-use development, with its proximity to downtown Lucan, retail services along Richmond St, and connectivity to other residential areas. The site's location along Richmond St (Ontario Highway 4) provides future residents direct connection to the City of London

approximately 20 kilometres south, and easy connection to Highway 7, only 3 kilometres south of the site.

The site is connected to London and the surrounding region by 2 transit routes. The Middlesex County Connect Route runs a bus route from Lucan to London via Ilderton on a weekly basis, with the bus stop being located 600m west of the site, along Lucan Main St.

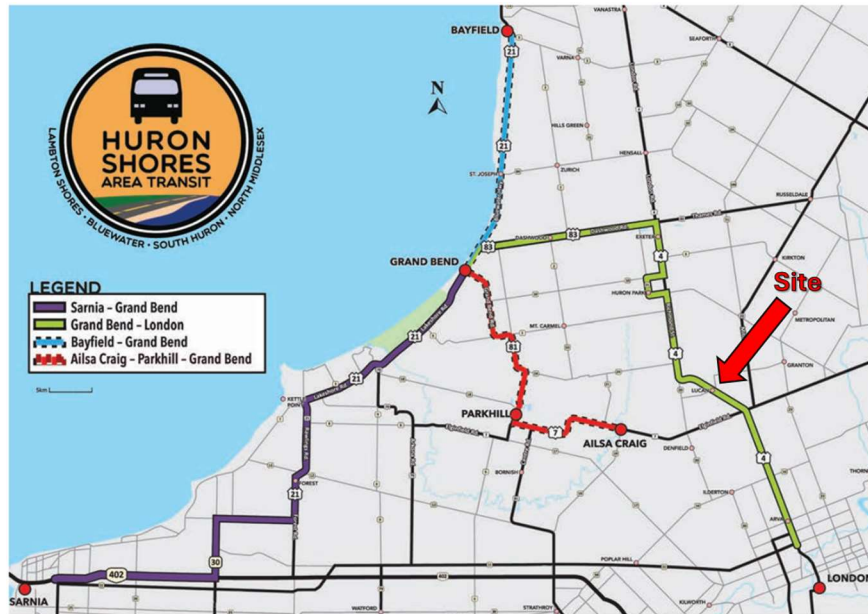
Figure 2-4a - Middlesex County Connect Map



SOURCE: Township of Lucan Biddulph Community Guide, 2024

Huron Shores Area Transit similarly runs a bus on a route between Grand Bend and London, with a stop along Lucan Main St. located 1.5km from the site. This provides Lucan with connectivity to Lake Huron and the City of London, seven days a week.

Figure 2-4b – Huron Shores Area Transit Map



SOURCE: Township of Lucan Biddulph Community Guide, 2024

The site would enhance local connectivity by introducing new residents within walking distance of Lucan’s downtown, while also generating market demand for new retail businesses in the rapidly developing eastern part of the town. The site is also within 2km from the two local schools in Lucan, and from the Library, Municipal buildings, the Lucan Medical Centre, and the community centre.

The site offers 82 parking spots, with 1.28 spots per unit totaling 74 for the residents, including 4 barrier free accessible spots, with an additional 5 spots for visitors, and 3 spots for retail customers, making it easy for residents of the site, and visitors to the site to access via private vehicles. Paired with right-in, right-out, left-in, left-out turning access on Richmond St, the site can be accessed from both directions with relative ease and minimal disruption to free-flowing traffic.

The site is further accessible via a pedestrian pathway at the northeastern point of the lot, providing a connection to Spencer Ave to the north, allowing residents of the nearby community to access the commercial part of the site on foot, and further allowing residents of the site to access the park located on Spencer Ave.

In summary, the site enjoys excellent local and regional accessibility for a mixed-use site and is within walking distance of many commercial, recreational and institutional amenities.

2.5 Surrounding Land Uses

The site is located immediately west of Lucan Dental, east of MacEwan Gas Station and Clarke’s Variety and north of Tim Horton’s.

Land uses surrounding the site include:

- **North:** Directly north of the site is a newly built residential neighbourhood comprised of single detached homes, zoned R2. A pedestrian pathway connects the subject site to this neighbourhood, connecting to Spencer Ave. Immediately north from that pedestrian pathway there exists a designated Open Space, which provides future residents of the site access to a large community park with amenities such as tennis and basketball courts, and outdoor covered seating and picnic benches.
- **East:** Directly adjacent to the site on the east are lands designated as Highway Commercial, currently occupied by a single-story building housing a dental office. About 300 meters further east along Richmond Street, there are single detached residential homes and a 57-unit, four-story residential apartment building that is currently under construction.
- **South:** South of the site, across Richmond St exists a Highway Commercial lot currently occupied by Tim Hortons, and four R1-zoned residential lots consisting of single detached homes abutting the south edge of the street. South from those lots is Barry's Bay, a designated Open Area.
- **West:** Directly west of the subject site exists a highway commercial lot, zoned C2, which contains a MacEwen Gas Station and a convenience store. The lot immediately west of Saintsbury Line contains the Ontario Provincial Police's Middlesex-Lucan station. Further west along Richmond St are lands designated Mixed-Use residential, and the beginning of downtown Lucan approximately 500m west.

Alternative options for future Highway Commercial Uses

There are several vacant or underutilized Highway Commercial (C2) sites located in Lucan Biddulph that are better suited for the intended uses outlined in the zoning regulations. In our professional opinion, focusing Highway Commercial developments on these sites would be more appropriate due to their greater suitability within the commercial market and their enhanced capacity to meet the town's needs.

269 Lucan Main St:

- This site, also zoned Highway Commercial (C2) and featuring an existing structure, has hosted commercial tenants more recently than the subject site and is currently vacant and ready for occupancy. There is higher market demand for Highway Commercial uses at this location, as it offers better positioning with less surrounding competition and improved accessibility for commercial patrons.

392 Lucan Main St:

- The approximately 12.5-acre undeveloped site on the northwest side of town, located just west of Biddulph Veterinary, is zoned for Highway Commercial use. The large lot size offers significant potential to accommodate the uses specified in the Zoning By-law. Additionally, its location in an area with lower through traffic ensures that the impact on Lucan Main Street would be minimal, thereby preserving the town's usual traffic flow. Additionally, being situated across from the newly developed Glenns Shopping Center at 315 Lucan Main Street enhances its appeal as a prime location for retail development.

164 Lucan Main St:

- This site, previously home to the Foodland grocery store, is located in the heart of the Village's downtown core. With Foodland's recent move to the Glenns Shopping Centre at 315 Lucan Main Street on the northwestern edge of town, the site at 164 Lucan Main Street is now vacant, representing one of the largest unoccupied retail spaces in Lucan. Re-activating this site with a new commercial use should be a top priority to help maintain the vibrancy and economic vitality of the downtown area.

3.0 Residential Market Impact

In recent years, Ontario's housing market has been marked by significant demand and rapidly escalating prices, particularly in growing urban and suburban areas. The Province's growth has placed immense pressure on municipalities – large and small - to provide adequate housing while balancing other land use priorities. This has led to increased interest in optimizing underutilized land, including lands originally designated for commercial use, to meet residential needs.

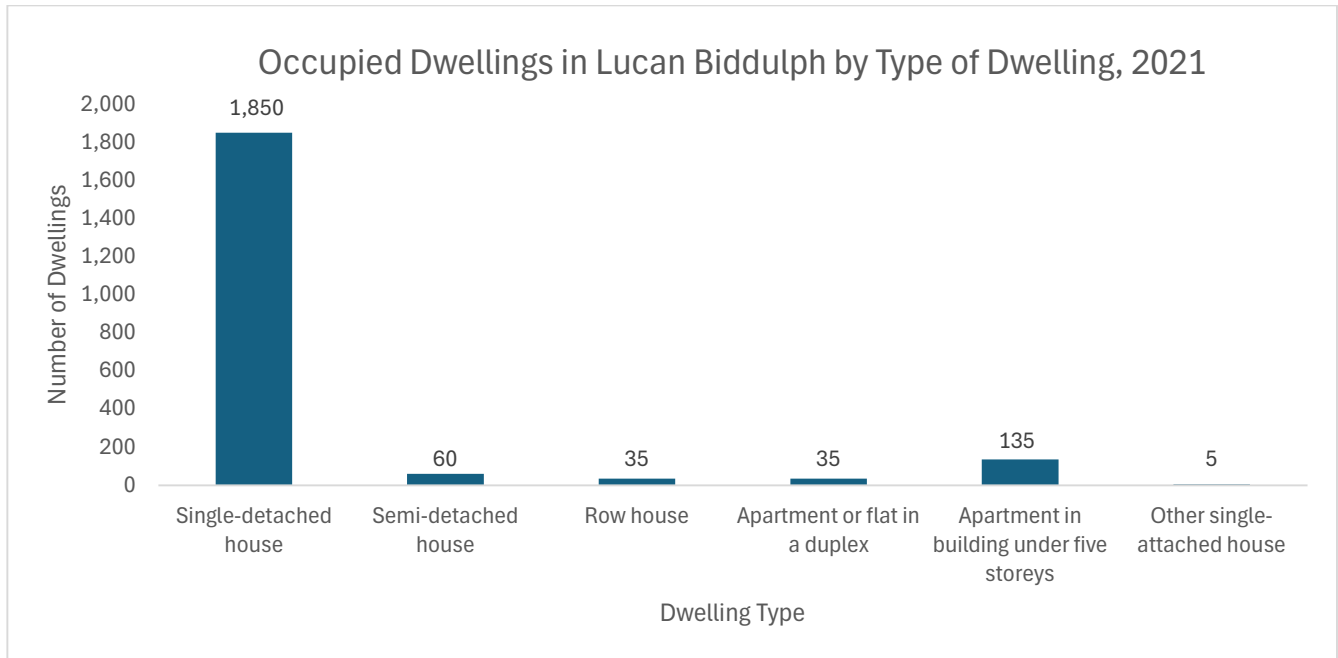
This section will provide a detailed analysis of this trend in the context of the impact on the housing market in Lucan, addressing both the local housing demand, and the compliance with policies and objectives of sustainable community planning.

3.1 Existing Housing Stock

In reviewing the market demand for residential housing in Lucan Biddulph, we analyzed the current market conditions, the historical housing growth, and the current existing breakdown of housing by type.

Our review of the current housing conditions informs our further analysis of future housing needs in section 3.4 of this report.

As per the Statistics Canada 2021 Census, there were 2,115 occupied private dwellings in the Township of Lucan Biddulph. These are broken down by dwelling type as seen in figure 3-1a below.

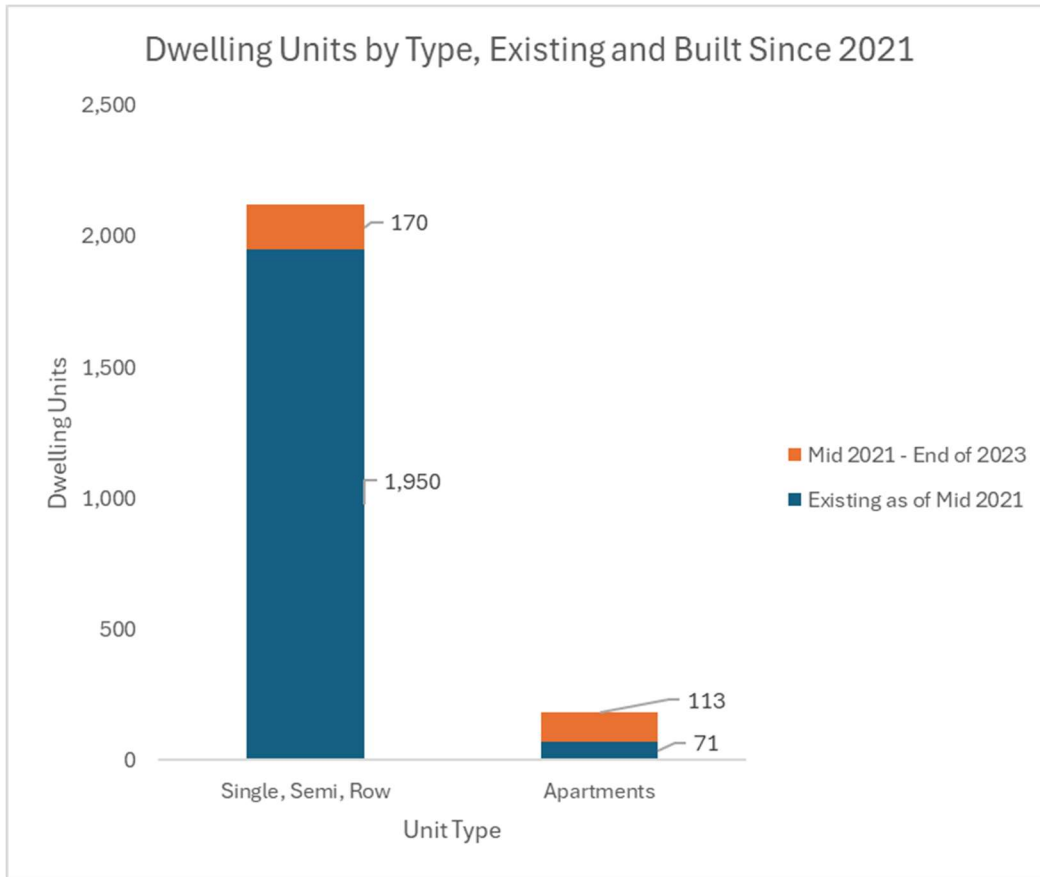
Figure 3-1a: Dwelling Count by Type in Lucan Biddulph

With 87% of dwellings in Lucan being single-detached homes, the housing mix is heavily skewed towards low-density, land-intensive development. To promote a more sustainable housing mix and meet future demand for diverse housing types, balancing the supply of different housing options should be a top priority.

Using recent residential building permit data received from local planning staff, we have determined that since the 2021 census (July 1, 2021), through the end of 2023, a total of 283 new residential units have been constructed.

The construction of dwelling unit by type can be seen below in figure 3-1b. With these newly constructed residential developments as of the end of 2023, Lucan Biddulph's residential stock is 2,398 units, still heavily skewed to low density dwellings.

Figure 3-1b: Existing Dwelling Count by Type

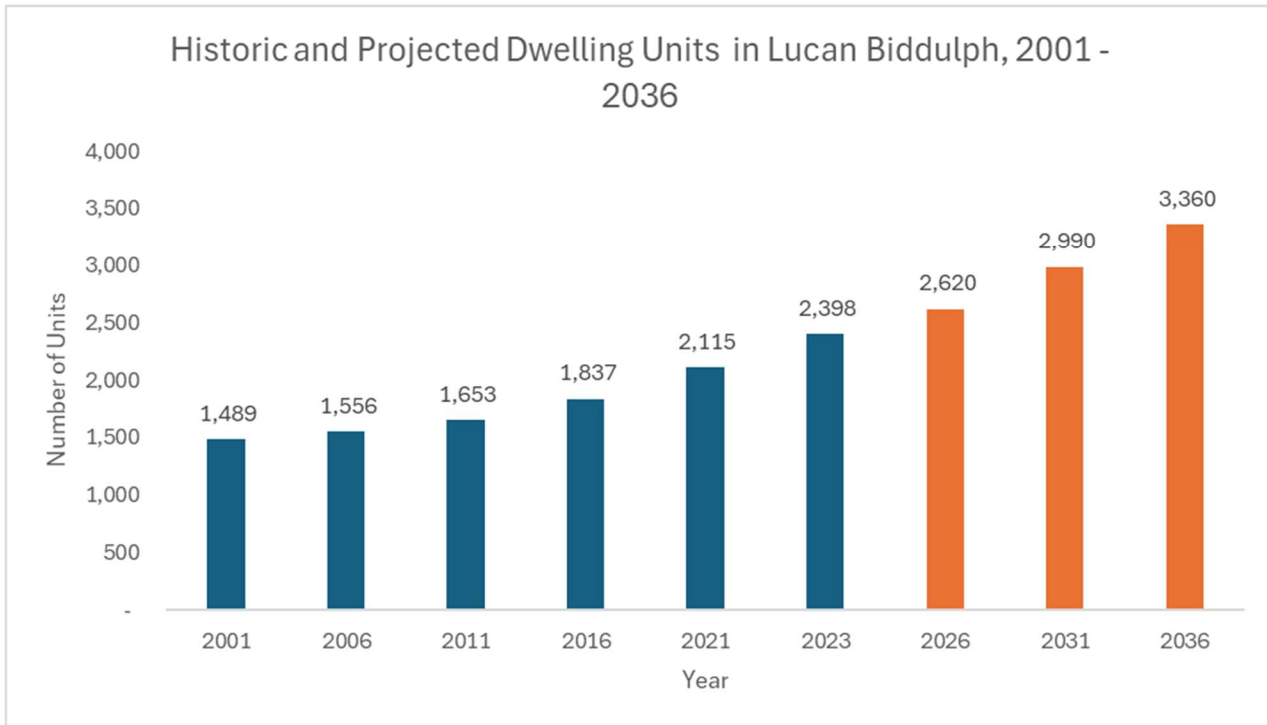


The rapid increase in development is another sign of the increasing demand for housing (of all types) in Lucan Biddulph.

Figure 3-1c demonstrates the historical housing stock in Lucan Biddulph, and figure 3-1d shows the average cost of housing since 2001.

There are many factors at play in the rapid increase in demand across Ontario, such as the shift away from large metropolitan centres due to Covid-19, the persistent decline in Person’s Per Unit per dwelling, and the increase in immigration to Canada.

Figure 3-1c: Dwelling Count by Type



SOURCE: urbanMetrics inc, using StatsCan Census Data, with projections to 2036 using Middlesex County Residential Building Permit data.

Figure 3-1c shows the growth in the housing stock since 2021. The 2,115 dwellings in Lucan Biddulph demonstrates a change of 626 new dwellings since 2001, with 278 units (44.4%) of that increase occurring between the previous two census years. Based on new residential unit building permits issued since the 2021 census, it is estimated that the current housing stock for Lucan Biddulph in 2024 sits at ~2,435 dwelling units.

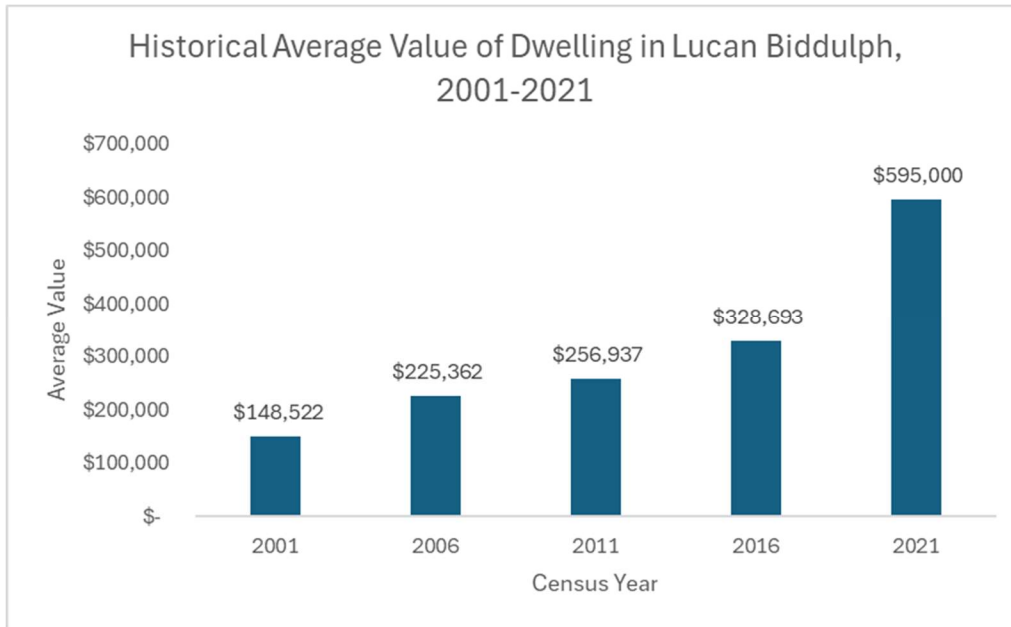
Table 3-1d presents the historical data on new residential housing permits issued annually in Lucan Biddulph, categorized by dwelling type. The trend highlights the average changes in demand for new housing, allowing us to make assumptions about future demand needs. It also reflects the ongoing year-over-year demand for housing as available supply is absorbed.

Table 3-1d: Residential Construction Permits Granted in Lucan Biddulph, 2024-2023

Year	New Dwelling Unit Permits	New Apartment Units	Total
2023	31	0	31
2022	46	113	159
2021	79	0	79
2020	75	23	98
2019	85	0	85
2018	71	0	71
2017	70	23	93
2016	29	0	29
2015	51	0	51
2014	36	11	47
Average	-	-	74.3

By evaluating the current residential housing sales market using data obtained from local real estate companies, along with listings on MLS retrieved via Realtor.ca, as of August 21, 2024. Our analysis involved compiling the current market value of homes in Lucan, and accounting for the 39 new homes currently for sale, we estimate that the average price of a dwelling in Lucan Biddulph to be \$771,382. By comparing this with the average dwelling values retrieved from the 2021 Census(Figure 3-1e), we can see an average growth of 29.6% over the past 3 years, or an average increase in housing value of 9.86% per year.

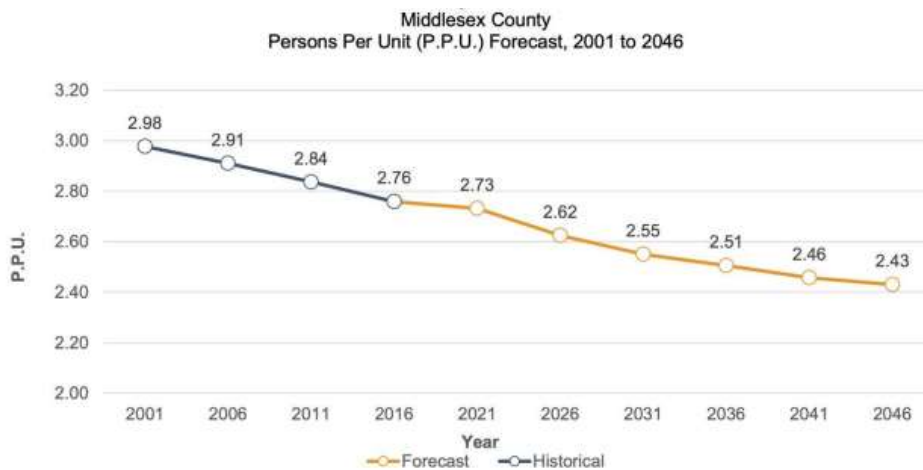
Figure 3-1e: Dwelling Value by Type



SOURCE: urbanMetrics inc, using StatsCan Census Data

Figure 3-1e illustrates the trend of rising dwelling values over the past five census years, showing an 81% increase between 2016 and 2021. This marks a significant surge in value compared to the province-wide average increase of 59.4% in Ontario during the same period. This substantial rise in home values can be linked to the rapid growth in Middlesex County; however, the limited diversity in housing types in Lucan Biddulph is likely a key contributing factor.

Figure 3-1f: Middlesex County – Persons Per Unit Forecast, 2001-2046



SOURCE: Middlesex County, Population Projections Report, 2021

As seen in Figure 3-1f, the Persons Per Unit (PPU) has historically been declining; and is projected to follow that trend through 2046. However, despite the continual decline since 2001, the change in PPU between 2016 and 2021 can be considered minimal, yet these years demonstrated the most significant increase in average house value in Lucan Biddulph.

While the rapid increase in housing value is not unique to Lucan Biddulph, the significant discrepancy from the typical growth seen on average across Ontario can be attributed to the Township's lack of diverse housing options (Figure 3-1a). This lack of housing diversity, paired with the continual forecasted decline in PPU, and forecasted growth of the Township, the price of housing may continue to rise with the even greater increase in demand.

3.2 Development Pipeline

Based on our communication with planning staff, we've identified six active residential developments in Lucan. These projects are at various stages of development and will collectively add 315 new dwelling units to the town in the coming years. Figure 3-2a shows the locations of the developments in the town, and their respective unit counts.

Figure 3-2a: Ongoing Development Projects in Lucan



As per Table 3-1c in the section above, the average permits granted per year since 2014 is approximately 74 new dwelling unit permits. This number directly corresponds to the demand for new housing units, and the absorption of newly built housing in the area.

Based on the 10-year average of new dwelling unit permits granted, and accounting for the 315 units currently in the residential development pipeline, our projections determine that the current housing supply in Lucan, including these ongoing developments, be absorbed in ~4.25 years.

Table 3-2b: Ongoing Residential Development Projects in Lucan

Developer	Location	Info
Timber Ridge Subdivision	Saintsbury Line near Kent Ave and Gilmour Dr	68 Single Family Homes 58 single storey condos = 126 total units
Pemic Lucan Land Corp	Kleinfeldt Ave and Princess St	12 Single Family units 4 Semi-detached units = 16 total units
Ausable Fields	Scott's Dr (Elizabeth & William St)	12 Single fam 78 townhomes = 90 total units
Pemco Kent Land Corp	Kent Ave	18 condo units = 18 units
Cloverfeld Apartments	33318 Richmond St	57-unit apartment = 57 units
Huls Custom Homes	Richmond St, Clandeboye Dr, Porte St	8 Semi Detached Units = 8 units
Total		315 units

3.3 Housing Needs

Based on the projections of growth for the Township of Lucan Biddulph, and the housing demand projections previously published by the municipality, the following section summarizes the housing needs for Lucan and the surrounding area.

Section 3.3 of the Municipal Comprehensive Review (MCR), prepared by Findlater & Associates and published by the Township of Lucan Biddulph in April 2021, projects that by 2046, the housing stock will need to grow by 810 to 1,370 new households.

This projection, combined with the MCR’s anticipated persons per unit figure of 2.56 by 2046, indicates an even greater demand for housing, as more units will be needed to accommodate smaller household sizes. Based on these findings, the MCR recommends that the municipality set a target for 20% of all new residential developments to consist of medium to high-density housing.

As per the Official Plan:

2.1.5.8 Supply of Building Lots

The Municipality will attempt to maintain at all times, subject to limitations imposed as a result of servicing constraints and market demand, a minimum 10-year supply of land designated and available for residential development and intensification, and a 3-year supply of residential building lots.

Based on our analysis of the existing housing stock and demand trends in Section 3.2, as well as the current demand for more diverse, higher-density housing and the available residential development pipeline, we believe that the opportunity for additional housing options in Lucan should be leveraged to ensure that the 10-year housing supply policy requirement is fulfilled. In our view, the projected growth of Lucan Biddulph, combined with rapid absorption, and the relatively short-term future supply in the pipeline, signals the necessity of adding more dwelling units to meet future demand.

Our analysis projects that by 2036, Lucan Biddulph will have approximately 3,360 dwelling units, representing a 40% increase, or 962 additional units, from the current housing stock. Assuming residential development permits are keeping pace with demand, the municipality’s annual absorption rate averages 74 dwelling units.

With only 315 dwelling units currently in the development pipeline—enough to supply the market for about 4.25 years—Lucan Biddulph is facing a shortfall of 425 units needed to maintain a 10-year housing supply.

The proposed development offers an additional 58 housing units, which would provide approximately 10 months of housing supply for the township. With its provision of appropriate commercial space and effective infill use of underutilized land, we recommend capitalizing on this development opportunity to ensure a stable and consistent growth of the housing supply.

4.0 Commercial Market Impact

In this section of the report, we evaluate the commercial health of the local market. In doing so, we consider the current supply of retail and service commercial space (in terms of size and composition) and the extent to which this supply is capable of supporting market growth (i.e. population growth) over the next decade.

Section 4.1 addresses the existing commercial structure (the supply). Section 4.2 considers the future retail growth potential, and 4.3 addresses the commercial market need.

4.1 Existing Commercial Structure (Supply)

Figure 4-1 below summarize the results of our field research undertaken in August 2024 in Lucan Biddulph. For the purposes of this study, have undertaken an “inventory” of retail and service commercial uses in Lucan to understand the depth and scope of the community’s retail/service commercial landscape. The geographic focus of our inventory (the Study Area) encompasses the Town of Lucan exclusively. The extent to which Lucan residents leverage stores and service outside of this Study Area are generally deemed as “outflow”

In total, our inventory identifies 156,500 square feet of retail and service commercial space in the Village of Lucan. This inventory includes 22,400 square feet of food store retail, 44,200 square feet of non-food store retail, and 69,000 square feet of service-based retail. Additionally, there is 18,000 square feet of vacant space; indicating an overall commercial vacancy rate of 10.1%.

Most of the retail space in Lucan is situated in downtown Lucan, and the newly built Glens Shopping Centre at the northeast edge of town. It is important to note that these commercial establishments located in the Village of Lucan also serve the day-to-day needs of nearby Granton, as well as other rural residents in the vicinity.

As Lucan is a relatively small community, a notable number of their service retail and commercial spaces occupy non-conventional spaces, such as flexible industrial, mixed-use or shared units, and home-based business.

Figure 4-1: Lucan Commercial Inventory

Trade Category	Size (ft ²)
Supermarkets & Grocery	16,300
Convenience & Specialty Food	6,100
Food Store Retail Subtotal	22,400
Beer, Wine & Liquor	2,900
Beer, Wine & Liquor Subtotal	2,900
Apparel and Accessories	1,000
Cannabis Retailer	1,000
Pharmacies & Personal Care	1,600
Miscellaneous Retailers	7,100
Furniture, Home Furnishings & Electronics Store	12,800
Building and Outdoor Home Supply	12,000
General Merchandise	8,700
Non-Food Store Retail Subtotal	44,200
Health Care	13,600
Food Services & Drinking Places	14,300
Finance	1,800
Personal Care	10,800
Professional, Scientific & Technical Services	7,900
Personal & Household Goods Repair & Maintenance	11,100
Insurance and Real Estate	1,000
Selected Office Administrative Services	2,900
Cultural, Entertainment & Recreation	3,600
Selected Civic & Social Organizations	2,000
Services	69,000
Vacant	18,000
Vacant	18,000
Total	156,500

SOURCE: urbanMetrics inc.

As a rule of thumb, we would ascribe a standard per-capita service ratio of around 25.0 square feet per capita to small town, rural or localized markets. This per-capita service ratio recognizes that certain “higher order” retail uses have limited capacity to operate in small markets and tend to be found in larger (regional) markets. For example, department stores and warehouse membership clubs (such as Walmart and Costco, respectively) typically require minimum population thresholds and are reserved for medium to larger markets. A similar expectation would exist for other mainline Canadian retailers such as Winners/Homesense, Best Buy, Home Depot, etc.

Based on existing population levels in the Lucan study area (~6,700 residents) a retail/service level of 25 square feet per capita would reasonably drive the need for approximately ~165,000 square feet.

With 156,500 square feet of commercial space, the Town of Lucan – on balance – has a *reasonable* supply of retail and service commercial space to support the day-to-day needs of residents. We would suggest that the current inventory is, in fact, “balanced” and commensurate with expected need.

4.2 Future Retail Growth Potential

The subject site is currently zoned as "Highway Commercial" according to 2.1.3.1 of the Official Plan, a zoning which permits virtually all uses presently found in Lucan's commercial inventory.

The subject site is approximately 1.1 acres. Assuming typical/standard commercial coverage factors, taking account space for parking, setbacks and circulation for vehicles and deliveries (10% to 30% buildable area), the subject lands could theoretically accommodate somewhere in the order of 4,500 to 14,500 square feet of space. This represents a net addition of about 3 to 10% of the total commercial space presently available in the entire Town.

urbanMetrics has reviewed the availability of other vacant (‘greenfield’) commercial lands in Lucan. These lands have commercial entitlements which could similarly support future retail/service market growth.

Our town-wide estimates suggest that Lucan has approximately 5.75 hectares (14.25 acres) of unrealized future commercial growth potential. At conventional development standards this would reasonably yield upwards of 62,000 to 186,000 square feet of retail space. In other words, Lucan has planned commercial potential to effectively *double* the amount of commercial space that presently exists (156,500 sf).

Notwithstanding future growth capacity, we would also draw attention to the market vacancy levels in the town.

Our fieldwork has identified a rather high commercial vacancy rate, sitting at just above 10%. This level of vacancy signals that the town is currently a “tenant’s market.” Generally speaking, when

vacancy rates drift higher than 6 to 8%, developers and lenders will be reticent to build unless there are rational, extenuating circumstances (i.e. the vacant commercial space is exceedingly poor quality, or it is poorly located with limited visibility and exposure or some other market impediment).

Based on the existing *elevated* vacancy levels in Lucan, adding more commercial space would potentially undermine the ability of existing landlords with vacant store fronts from securing quality tenants. Based on vacancy rates alone, Lucan does not require additional commercial space, nor as we shall see in the next section require policies to safeguard against future space/service shortfalls.

4.3 Commercial Market Need

In this section we evaluate the capacity of Lucan’s existing commercial base to grow in step with anticipated future population. For the purposes of this analysis, we will consider growth expectations to the year 2036.

Based on our experience as market consultants, we have opted to employ a per capita approach to test and evaluate the existing and future need for commercial space across major commercial store categories. Our per capita approach tests the inventory of occupied commercial space (supply) and adjusts for patterns of consumer “outflow” (i.e. Lucan area residents making purchases in non-Lucan shops and services) and “inflow” (i.e. non-Lucan residents stopping to make purchases in Lucan, such as tourists, visitors and rural residents travelling into Lucan)

In Figure 4.3a urbanMetrics has evaluated the current composition of retail and services employing typical space per capita service levels totalling 25 sf per person. Our findings show that Lucan has relatively balanced market. Our calculations suggest that the total net new space (14,900 sf) could be met entirely by the amount of vacant space (15,600 sf). There is no immediate market *need* for additional retail at this time. From a growth management perspective, the reduction of vacancy – including the re-tenanting of several large spaces in the center of the town – should be prioritized over the creation of new development.

Figure 4.3a - Per Capita Analysis Table of Current Population

Local Commercial Needs - Retail Category	Typical Space Per Capita (Sq Ft)	Total Space Required by Residents (Sq Ft)	Target Capture	Space Required (Sq Ft)	Inflow	Total Warranted Space (Sq Ft)	Less: Existing and Future Space	Total Net New Space Required
Current								
Study Area Population (2024)	6,700	A × B × C = D ÷ (1-E) =				F	G	H
Store Categories								
Food Store Retail	5.0							
Convenience and Speciality Food	1.5	10,050	70%	7,035	30%	10,100	6,100	4,000
Supermarkets & Grocery	3.5	23,450	70%	16,415	30%	23,500	16,300	7,200
Beer, Wine Liquor	0.5	3,350	80%	2,680	20%	3,400	2,900	500
Non-Food Store Retail	6.5							
Pharmacies & Personal Care Stores	1.5	10,050	70%	7,035	10%	7,800	1,600	6,200
Other Non-Food Store Retail	5.0	33,500	80%	26,800	20%	33,500	42,600	9,100
Services	13.0							
Food Services & Drinking Places	3.0	20,100	50%	10,050	35%	15,500	14,300	1,200
Finance, Insurance and Real Estate	1.5	10,050	70%	7,035	15%	8,300	2,800	5,500
Health Care	1.5	10,050	75%	7,538	20%	9,400	13,600	4,200
Personal Care	2.0	13,400	75%	10,050	20%	12,600	10,800	1,800
Other Services	5.0	33,500	70%	23,450	20%	29,300	27,500	1,800
Total	25.0					153,400	138,500	14,900
						VACANT		15,600

In Figure 4.3b we have assumed a population increase from 6,700 to 8,600 by 2036. Assuming no changes to the current size and composition of retail space, Lucan would need approximately ~58,000 square feet of new space to keep pace with growth.

Figure 4.3b - Per Capita Analysis Table of Future Population

Local Commercial Needs - Retail Category	Typical Space Per Capita (Sq Ft)	Total Space Required by Residents (Sq Ft)	Target Capture	Space Required (Sq Ft)	Inflow	Total Warranted Space (Sq Ft)	Less: Existing and Future Space	Total Net New Space Required								
Future																
Study Area Future Population (2036)	8,600	A	×	B	×	C	=	D	÷	(1-E)	=	F	-	G	=	H
<u>Store Categories</u>																
Food Store Retail	5.0															
Convenience and Speciality Food	1.5	12,900	70%	9,030	30%	12,900	6,100	6,800								
Supermarkets & Grocery	3.5	30,100	70%	21,070	30%	30,100	16,300	13,800								
Beer, Wine Liquor	0.5	4,300	80%	3,440	20%	4,300	2,900	1,400								
Non-Food Store Retail	6.5															
Pharmacies & Personal Care Stores	1.5	12,900	70%	9,030	10%	10,000	1,600	8,400								
Other Non-Food Store Retail ¹	5.0	43,000	80%	34,400	20%	43,000	42,600	400								
Services	13.0															
Food Services & Drinking Places	3.0	25,800	50%	12,900	35%	19,800	14,300	5,500								
Finance, Insurance and Real Estate	1.5	12,900	70%	9,030	15%	10,600	2,800	7,800								
Health Care	1.5	12,900	75%	9,675	20%	12,100	13,600	1,500								
Personal Care	2.0	17,200	75%	12,900	20%	16,100	10,800	5,300								
Other Services ²	5.0	43,000	70%	30,100	20%	37,600	27,500	10,100								
Total	25.0					196,500	138,500	58,000								

We would suggest that this growth could be better captured on commercial sites elsewhere in the Town, including both infill opportunities in the downtown and greenfield lands already designated for highway commercial, specifically those in the vicinity of the new Glens Shopping Centre.

As we pointed out in the previous section Lucan has land use policy provisions in place to support the creation of upwards of 186,000 square feet of new commercial space. The amount of space needed in 2036 (~58,000) falls well within the capacity limits for growth.

Bottom line: Commercial uses are clearly not “needed” on the subject lands. The likelihood of these uses being developed in the foreseeable future is limited at best and would simply result in a more fractured, less cohesive commercial offering.

In our opinion, the realization of residential uses on the subject site will have far greater community benefits compared to preserving the legacy highway commercial function.

5.0 Conclusions

Key Findings

- Lucan Biddulph should actively encourage mixed-use development, as it promotes higher density, a diverse range of housing options and tenure types, and fosters more walkable, livable, and accessible communities. By providing a broader array of housing choices, mixed-use developments can help maintain more affordable and stable housing prices, especially considering the trend toward a declining number of persons per unit.
- With the current supply of existing retail and commercial services, and the availability of vacant space, Lucan Biddulph can comfortably service the commercial needs of its projected population until 2031.
- This development provides an opportunity to backfill underutilized sites with much needed residential space to supply Lucan’s housing stock. This will allow Lucan to meet its housing requirements without having to sprawl further from existing retail and commercial services.

The proposed mixed-use development at 33400 Richmond Street in Lucan offers a valuable opportunity to meet the housing needs of the growing population while efficiently making use of underutilized land. The Market Impact Assessment demonstrates that the proposed development aligns with the Township of Lucan Biddulph’s strategic goals of promoting higher density and diverse housing options. The analysis shows that Lucan Biddulph’s commercial inventory is sufficient to meet the community’s needs for the foreseeable future, indicating that the transition of this site from Highway Commercial to a mixed-use residential designation is both timely and warranted.

The addition of 58 residential units, along with commercial space, will contribute to the local housing stock and support the township’s growth objectives without requiring further urban sprawl. The development’s strategic location near existing commercial and community services, coupled with excellent local and regional accessibility, will enhance the livability and attractiveness of the area. This project supports the Township’s broader objectives of fostering sustainable development, maintaining a vibrant downtown, and meeting the long-term housing needs of Lucan Biddulph.

In conclusion, the proposed re-designation and development of 33400 Richmond Street is justified and consistent with the Township’s planning policies, addressing both the immediate and future needs of the community. The project is poised to contribute positively to Lucan’s development, supporting a balanced and sustainable growth trajectory.

Appendix A

Table from 2023-year end report on housing

Table 2: Permit Summary and Comparison to Previous Years

Year	# of Permits	New Dwelling Units	Construction Value (\$)	Fees Collected (\$)	Development Charges Collected (\$)
2020	158	75	27,948,289	170,481	510,484
2019	145	85	33,172,924	202,000	500,000
2018	119	71	27,339,304	187,433	424,600
2017	117	70 + 23 unit apartment	25,402,899	153,983	502,000
2016	91	29	10,278,085	77,506	175,000
2015	127	51	20,533,435	132,000	266,600
2014	91	36 + 11 Condo Units	16,773,200	114,119	172,863
2013	95	38	14,025,745	145,548	149,800
2012	91	30	10,992,400	101,836	116,600
2011	100	27	17,535,650	131,027	82,400
2010	92	37	11,080,150	132,477	112,727
2009	72	22 + 4 condo units	9,802,900	88,776	11,450
2008	102	33 + 36 condo units	21,353,720	137,626	25,035

Table 4: New Dwelling Location Summary and Comparison to Previous Years

Year	Lucan	Clandeboye	Granton	Rural Areas
2023	20	0	8	3
2022	39 + 3 apartments (23+58+32 units)	0	0	7
2021	73	0	2	4
2020	69 + 23 unit apartment	0	0	6
2019	81	0	0	4
2018	67	1	0	3
2017	69 + 23 unit apartment	0	1	0