



North Grenville - Kemptville RETAIL IMPACT ASSESSMENT – PEER REVIEW

Memorandum

TO: Phil Mosher, Deputy Director of Planning & Development
FROM: Kieron Hunt, Partner & Planning Lead
DATE: November 28, 2025
SUBJECT: North Grenville (Kemptville) Retail Impact Assessment Review

1.0 INTRODUCTION & CONTEXT

FBM was retained by Municipality of North Grenville to undertake a Peer Review to critically evaluate the technical merits of the Change of Use, Expansion and Impact Study submitted in support of a Zoning By-law Amendment (ZBLA) for 2979 County Road 43. The Peer Review entailed a review of the following studies as part of an objective, professional evaluation of the methodology and recommendations:

- Planning Rationale Report \ ZBLA 2979 County Road 43, by Consilio Planning Services D'Urbanisme.
- Change of Use, Expansion and Impact Study for a Property in North Grenville Municipality, by Shore-Tanner & Associates.

The assessment and recommendations provided herein are based on an understanding of the Kemptville market through desktop research combined with FBM's project history preparing detailed Retail Market Analysis & Gap studies across Canada including Ontario communities such as North Glengarry, East Gwillimbury, Prescott and Ottawa.

Data, where applicable and appropriate for this assessment, has been sourced to the Municipality of North Grenville, Manifold Data Mining Inc, as well as local commercial property owners/investors.

The subject property, located at 2979 County Road 43 in Kemptville, currently contains an existing commercial building of 2,225.5 m² (approximately 24,000 sq. ft.). The existing C4-5 zoning is deemed to be highly restrictive, permitting only a narrow range of uses, including retail store, restaurant, department store, and office (as summarized in **Table 1**) with a maximum GFA capped at 2,400 m² (25,833 sq. ft.).

The proposed Zoning Bylaw Amendment (ZBLA) aims to rezone the property to C3-Exception, which permits the full spectrum of Highway Commercial uses (as summarized in Table 1) intended for this major arterial corridor and increases the maximum permitted GFA to 3,000 m² (32,291 sq. ft.). The C3-Exception designation is deemed as consistent with the property's designation as "Highway Commercial" in the Municipality of North Grenville Official Plan, which aims to accommodate larger-format retail and service commercial uses serving local and regional markets.

A critical aspect of the North Grenville Official Plan (NG OP) is *Section 10.4.3*, which dictates that commercial expansion must be justified by demonstrating that expanded uses are *"timely, orderly, and meet market demand, ensuring no significant adverse impacts on existing retail establishments in the primary and secondary market areas"*.

This Peer Review specifically investigates whether the Change of Use, Expansion and Impact Study successfully meets this impact test, particularly for the proposed primary use of a new supermarket.

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Table 1 – Land Use Zoning Permitted Uses Summary

Use Classification	C3 permitted uses	C4 permitted uses	C4 -5 permitted uses
agricultural and heavy equipment supply sales and repair dealer	X		
animal care	X	X	
assembly hall		X	
auction hall	X		
automobile sales or rental agency	X		
automobile service station	X	X	
bakery	X		
brewery	X		
building supply outlet	X	X	
carwash	X	X	
chip wagon under licenced by the Municipality	X		
clinic	X		
commercial club	X	X	
commercial garage	X		
commercial recreation centre	X		
commercial school	X		
conservation uses		X	
contractor's or trades establishment	X		
contractor's yard	X		
convenience store	X	X	
custom workshop	X		
day nursery		X	
department store		X	X
dry cleaner's distribution station	X		
dry cleaner's distribution station and/or coin operated laundry		X	
equipment sales, rental and repair establishment	X		
financial services	X	X	
funeral home	X		
furniture and appliance dealer	X	X	
gas bar	X	X	
grocery store		X	
health clinic	X		
health care clinic		X	
health spa	X	X	
hotel	X	X	
institutional uses	X		
library		X	
marine/snowmobile sales and service establishment	X		
merchandise service shop	X		
mini-storage facility	X		
mobile home or travel trailer sales an service establishment	X		
motel	X	X	
nursery/garden centre/greenhouse	X	X	
office	X	X	X
outdoor patio	X	X	
parking lot	X	X	
personal service shop	X	X	
pharmacy	X	X	
place of entertainment	X	X	
post office	X	X	
printing establishment	X		
recreational establishmnet	X	X	
restaurant, including a drive-through or take-out restaurant	X	X	X
retail establishment	X	X	X
service outlet	X	X	
shopping centre		X	
specialty food store	X	X	
supermarket	X	X	
tavern		X	
tavern or liquor licensed premises	X		
taxi station	X		
theatre	X		
tourist establishment	X		
transportation depot	X		
veterinary clinic	X	X	
warehouse	X		
wholesale outlet	X		
workshop	X		
buildings, strcutres and use accessory to a permitted use	X	X	X

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2.0 General Observations

The overall Planning Rationale Report which seeks a rezoning of the subject property from C4-5 to C3-exception is valid and supported by this Peer Review, with the exception of allowing “the full range of uses allowed under Section 19 – C3 Highway Commercial Zone”. The exception to this should be a limitation to the size a traditional grocery/supermarket footprint occupying a maximum of 1,400 m² (15,069 sq. ft.). The current C4-5 zoning does limit future retail opportunities along a well-travelled commercial corridor and should mirror adjacent land areas to allow for continued economic growth, while recognizing other development areas actively being marketed in the community.

The Change of Use, Expansion and Impact Study also demonstrates the economic viability of the market and the general, long-term need for additional commercial space (C3 uses). However, the Study fails to demonstrate the necessity or impact of an additional larger floorspace grocery/supermarket due to its reliance on unrealistic capita density figures of 6.0 sq. ft./capita for grocery/supermarket and 40 sq. ft. per capita for overall retail demand. These unsupported methodological assumptions lead to a false conclusion regarding competitive impacts, failing to satisfy the mandatory requirements set out in North Grenville OP Section 10.4.3.

Moreover, the Study did not include the following tasks, typically required as part of a comprehensive Retail Impact Assessment:

- Visual depiction of the impacted trade area
- Detailed category-specific retail spending estimates and forecasts
- Quantified category-specific demand forecasts
- Detailed, accurate retail inventory tabulations
- Quantified retail sales or demand transference and recovery timelines

3.0 Peer Review Methodology

This review employed established methodologies used in retail economic analysis to conduct an objective assessment of the Change of Use, Expansion and Impact Study’s claims.

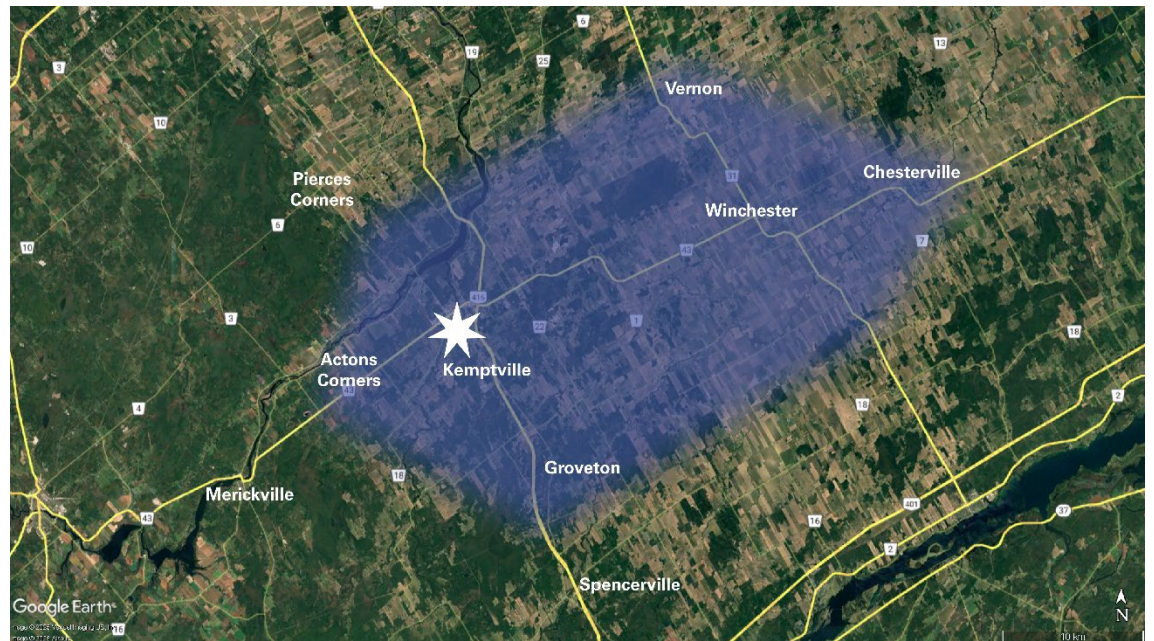
The approach involved four key steps:

1. **Delineated Trade Area & Spending:** Summarize the realistic Trade Area by providing a visual and supporting population and household summary including specific grocery/supermarket household spending.
2. **Inventory Assessment:** Detailed quantification of the existing anchor grocery/supermarket Gross Floor Area (GFA) within the defined Trade Area to establish a reliable baseline of current market saturation.
3. **Per Capita Benchmarking Validation:** Establishing comparative Canadian standards for grocery square footage per capita based on specific project examples from across Canada with comparable rural/urban fringe locational contexts.
4. **Floorspace Demand Quantification:** Applying industry proven spending and market share demand forecasting to quantify the specific grocery/supermarket demand.

4.0 Kemptville Trade Area Delineation & Spending Potential

Figure 1 below provides a visual representation of the realistic trade area for Kemptville’s retail offering and specifically its draw for most of its grocery/supermarket retail sales penetration.

1 – Kemptville Retail Trade Area



For analyzing commercial land use, particularly along a major highway corridor like County Road 43, the definition of the customer base extends beyond simple political boundaries. While the Change of Use, Expansion and Impact Study utilizes the combined North Grenville/Kemptville municipal population (24,000 residents estimated for 2025), the location of the Subject Site dictates that a drive time and polygon-based trade area definition is more appropriate.

For retail destinations to which customers are expected to drive, such as grocery/supermarkets greater than 20,000 sq. ft., the most accurate measure of the Primary Trade Area (PTA) is typically a 15 to 20-minute drive time polygon, supplemented by other competitive influences (e.g. Smiths Falls and Ottawa). This method accounts for the road network, speed limits, and traffic patterns, providing a realistic picture of the accessible customer base. The Peer Review's delineated trade area identifies an estimated resident population of 30,099 for 2025 which is seen to be a reasonable base for this PTA considering Kemptville's function as a regional hub drawing from surrounding rural areas and benefiting from its proximity to Highway 416. This trade area figure of 30,000 exceeds the 24,000-person estimated in the Change of Use, Expansion and Impact Study.

It is important to acknowledge the impact and role of external grocery influences on luring spending from the identified trade area. This is most evident by Costco which is located less than one half hour drive from Kemptville. It is therefore expected that not all of the trade area spending on grocery/supermarket spending will be captured by Kemptville grocery/supermarket retailers. This Peer Review applies a reasonable assumption that 80% of the trade area spending potential is captured by current grocery/supermarket retailers in the Kemptville defined trade area.

Table 2 provides a summary of the grocery/supermarket retail spending attributable to the defined trade area and also includes an estimated inflow attributable to other audiences that may frequent the community such as tourists and passing motorists.



Table 2 – Trade Area Grocery/Supermarket Spending – 2025 and 2030

2025				
Retail Spending by Merchandise Category	KEMPTVILLE TRADE AREA Per Household Retail Spending	KEMPTVILLE TRADE AREA Aggregate Retail Spending	KEMPTVILLE TRADE AREA Inflow Spending Estimate	TOTAL KEMPTVILLE TRADE AREA Retail Spending
Grocery & Convenience	\$8,979	\$105,632,057	\$2,112,641	\$107,744,698
2030				
Retail Spending by Merchandise Category	KEMPTVILLE TRADE AREA Per Household Retail Spending	KEMPTVILLE TRADE AREA Aggregate Retail Spending	KEMPTVILLE TRADE AREA Inflow Spending Estimate	TOTAL KEMPTVILLE TRADE AREA Retail Spending
Grocery & Convenience	\$9,437	\$118,202,136	\$2,364,043	\$120,566,179

5.0 Kemptville Trade Area Grocery/Supermarket Inventory

Table 3 below summarizes the estimated existing anchor grocery space in the Kemptville/North Grenville Market Area.

To assess market adequacy, it is necessary to first establish the current supply of primary grocery/supermarket space within the trade area. The trade area, defined in this Peer Review, serves an estimated population of 30,000 in 2025. The major commercial corridor along County Road 43 and the Kemptville Mall currently host several large-format anchor grocery tenants.

Table 3 illustrates a trade area that currently contains 142,923 sq. ft. of primary grocery/supermarket GFA. This includes convenience and limited assortment retailers, such as Giant Tiger, Bulk Barn, and Dollarama, M&M and Natures Way Select Foods, Moose Mart, and Circle K who also contribute to the overall grocery/supermarket retail landscape but are typically excluded from the anchor supermarket GFA calculation.

Table 3 Estimated Existing Grocery and Convenience Inventory (Kemptville/North Grenville)

Grocery Inventory	Gross Floor Area (sq. ft.)	% Allocation Grocery Floor Area	Net Grocery Floor Area (sq. ft.)
Food Basics	30,031	100%	30,031
Jonsson's Independent	48,550	100%	48,550
B&H Community Grocer	19,343	100%	19,343
Walmart	90,000	25%	22,500
Giant Tiger	18,482	50%	9,241
Bulk Barn	5,059	100%	5,059
Dollarama 1	9,000	10%	900
Dollarama 2	11,080	10%	1,108
Circle K	2,000	75%	1,500
Nature's Way Select Foods	1,991	100%	1,991
M&M Market	1,500	100%	1,500
Moose Mart Inc	1,200	100%	1,200
TOTAL			142,923
Foodland Winchester	30,750	100%	30,750
Dollarama Winchester	8,750	10%	875
Mike Dean Local Grocer (Chesterville)	9,500	100%	9,500
TOTAL			41,125
<i>Former Peavy Mart</i>	30,622		

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It is worth noting that the Change of Use, Expansion and Impact Study did not provide a comprehensive floorspace inventory nor did it account for prominent grocery/supermarket retailers such as B&H Community Grocer and the two Dollaramas. Also, and importantly, smaller specialty grocery retailers such as M&M Meat Market, Natures Way Select Foods, Circle K and Moose Mart were omitted from the inventory. Additionally, the inventory appeared to count two Your Independent Grocer (page 17), though it's possible this could have been an oversight whereby one was intended to be B&H. The omission of these smaller businesses is notable as it downplays the potential sales transference impact on smaller local businesses who would likely be more susceptible to an increase in competition.

6.0 Per Capita Benchmarking Validation

The estimated existing supply of 142,923 sq. ft. of grocery/supermarket space documented in **Table 3**, serving an estimated 2025 population of 30,099, results in a current floorspace ratio of **4.75 square feet per capita**, which is considered higher than average and indicative of current oversupply in the market.

The establishment of this current density baseline is crucial for any market analysis seeking to quantify saturation levels. By estimating the existing GFA based on typical national industry standards for the identified anchor tenants (such as the substantial size of a Your Independent Grocer and the allocated grocery space within a Walmart Supercentre), it is determined that the Kemptville market is already operating at the upper boundary of the accepted industry optimal range (4.0 to 5.0 sq. ft./capita) for local-serving grocery/supermarket retail. This finding immediately introduces scrutiny toward the Change of Use, Expansion and Impact Study's fundamental assertion that a significant shortage of supermarket space currently exists through its use of an industry standard of 6.0 sq. ft./capita.

Table 4 uses comparable rural and urban fringe market study data as sourced to FBM's Retail Market and Gap Analyses since 2020. These detailed market studies yield an overall average of 3.77 sq. ft./capita which further supports consideration for the fact that a typical grocery/supermarket per capita floorspace does not average 6.0 in a rural and urban fringe context.

Table 4 also presents a scenario where if the subject property at 2979 County Rd 43 were included in the inventory, the overall grocery/supermarket floorspace ratio would be 5.77 which would exceed the industry standard and suggest an over-retailed grocery/supermarket sector in Kemptville.

Similarly, the comparable examples in **Table 4**, in which detailed retail inventories were tabulated for each community, yielded an overall retail floorspace per capita ratio of **19.7 sq. ft.** This figure is half of the figure used as an industry standard in the Change of Use, Expansion and Impact Study and subsequently applied against population growth to quantify future demand.

To further support the optimal floorspace per capita ratio applicable to Kemptville, the following **Figure 2** provides a visual representation of the relationship between a community's trade area size and its optimal per capita floorspace ratio. This figure is informed by market data from FBM's extensive project work over the past 5+ years, combined with the consultant team's experience over the past 20-years. This analysis suggests that the optimal per capita floorspace ratio for Kemptville should be in the range of **25 to 30 sq. ft.** and not 40 sq. ft. as identified in the Change of Use, Expansion and Impact Study.

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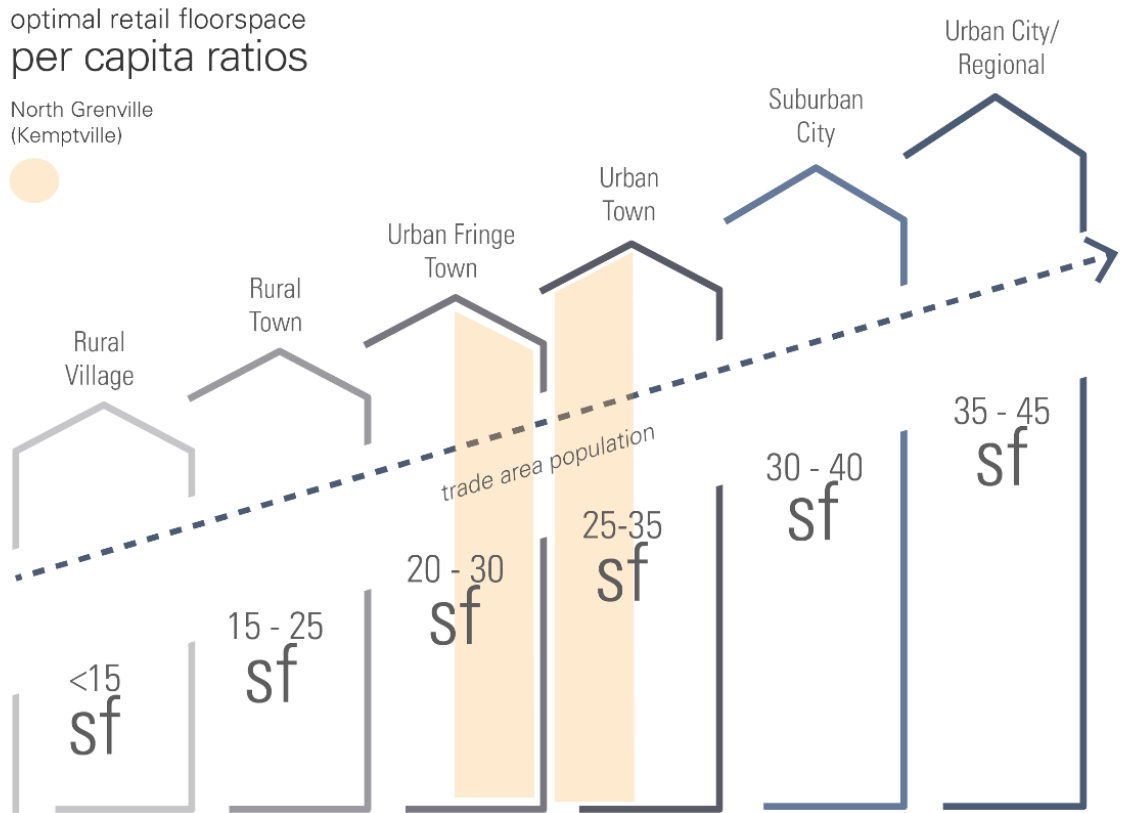
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Table 4 Estimated Existing Grocery and Convenience Inventory (Kemptville/North Grenville)

Community	Province	Municipality Population	Trade Area Population	Grocery, Convenience & Specialty Food Inventory	Grocery Space Per Capita (vs Municipality Population)	Grocery Space Per Capita (vs Trade Area Population)	Index to Average	Overall Retail Space Per Capita
Bonnyville	Alberta	6,359	27,239	124,977	19.65	4.59	1.22	22.20
Canmore	Alberta	15,990	34,563	160,827	10.06	4.65	1.23	25.30
Lac La Biche	Alberta	8,648	26,645	101,958	11.79	3.83	1.01	21.80
Morinville	Alberta	11,092	19,343	75,799	6.83	3.92	1.04	14.20
Olds	Alberta	9,720	45,007	180,528	18.57	4.01	1.06	17.60
Wetaskiwin	Alberta	13,248	45,235	87,585	6.61	1.94	0.51	17.70
Bridgewater	Nova Scotia	9,826	49,604	195,567	19.90	3.94	1.05	19.50
Mount Albert	Ontario	9,904	15,166	37,530	3.79	2.47	0.66	7.00
North Glengarry	Ontario	10,144	15,166	81,455	8.03	5.37	1.42	27.20
Prescott	Ontario	4,244	19,230	51,350	12.10	2.67	0.71	n/a
North Battleford	Saskatchewan	20,736	41,171	168,937	8.15	4.10	1.09	24.20
Average		10,901	30,761	115,138	11.4	3.77		19.7
North Grenville (Kemptville)		20,104	30,099	142,923	7.11	4.75	1.26	n/a
North Grenville (Kemptville) If 2979 County Rd 43 Included		20,104	30,099	173,545	8.63	5.77	1.53	n/a

Source: FBM Rural and/or Urban Fringe Retail Market and Gap Analyses 2020 through 2025

Figure 2 Optimal Per Capita Floorspace Ratio



Source: FBM & Key Planning Strategies

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7.0 FLOORSPACE DEMAND QUANTIFICATION

Realizing that per capita floorspace demand forecasting is a very high-level approach to forecasting and quantifying retail demand and resulting impacts, this Peer Review utilized a detailed spending analysis that quantified demand based on trade area spending, retail sales productivity and market share forecasting. **Table 5** provides a detailed outline of the current grocery/supermarket floorspace demand.

By applying a reasonable retail sales productivity estimate of \$600 per sf specific to grocery/supermarket retail against the total grocery/supermarket retail spending figure of \$107.8 million, the resulting warranted retail space generated by the identified trade area could be just under 179,574 sf. However, it is unrealistic to assume that all of the grocery spending is retained in the trade area, particularly given the close proximity and attraction of Costco in Ottawa. Therefore, this Peer Review applies a trade area market share/market capture of 80%. The resulting demand forecast illustrates current demand for grocery/supermarket at less than 1,000 sq. ft., which suggests a market balance that is equitable for existing grocery/supermarket businesses. Considering continued trade area growth by 2030, demand could increase to 17,832 sq. ft.

However, if future demand by 2030 is absorbed by a potential grocery/supermarket of 30,000 sq. ft. at the subject site (2979 County Rd 43), resulting demand would revert to negative and this would suggest an impact on competing businesses whereby sales would have to be transferred and sales productivity estimates would likely decline.

Based on the market share analysis, the optimal or maximum floorspace for any potential grocery/supermarket retailer by 2030 should be in the range of 1,400 m² (15,069 sq. ft.) to allow for sustainable market-driven demand that is in balance with the existing grocery/supermarket inventory.

Table 5 – Market Share Floorspace Grocery/Supermarket Demand 2025 and 2030

Retail Spending by Merchandise Category	TOTAL KEMPTVILLE TRADE AREA Retail Spending	ESTIMATED RETAIL SALES PRODUCTIVITY (\$ per sq. ft.)	SUPPORTABLE FLOORSPACE (sq. ft.) Current Productivities	2025		
				KEMPTVILLE SHARE OF MARKET SPENDING DEMAND	KEMPTVILLE CURRENT FLOORSPACE (sq. ft.)	KEMPTVILLE RESIDUAL DEMAND (sq. ft.)
Grocery & Convenience	\$107,744,698	\$600	179,574	80%	142,923	736
			If including 2979 County Road 43	80%	173,545	-29,886
Retail Spending by Merchandise Category	TOTAL KEMPTVILLE TRADE AREA Retail Spending	ESTIMATED RETAIL SALES PRODUCTIVITY (\$ per sq. ft.)	SUPPORTABLE FLOORSPACE (sq. ft.) Current Productivities	2030		
				KEMPTVILLE SHARE OF MARKET SPENDING DEMAND	KEMPTVILLE CURRENT FLOORSPACE (sq. ft.)	KEMPTVILLE RESIDUAL DEMAND (sq. ft.)
Grocery & Convenience	\$120,566,179	\$600	200,944	80%	142,923	17,832
			If including 2979 County Road 43	80%	173,545	-12,790

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8.0 SUMMARY

This Peer Review was conducted to critically evaluate the technical merits of the Change of Use, Expansion and Impact Study submitted in support of a Zoning By-law Amendment (ZBLA) for 2979 County Road 43. The ZBLA proposes to rezone the property from Shopping Centre Commercial Exception 5 (Zone C4-5) to Highway Commercial Zone C3, allowing for a Gross Leasable Floor Area (GFA) up to 3,000 m² (approximately 32,300 sq. ft.).

The analysis confirms that the ZBLA is fundamentally aligned with planning policy objectives for intensification and economic diversification within the designated Urban Settlement Area and Highway Commercial corridor. Furthermore, the trade area possesses strong demographic and economic characteristics, including favourable growth forecasts and healthy average household income affluence, supporting long-term commercial expansion.

However, the core technical viability of the proposed supermarket use is questioned. The Change of Use, Expansion and Impact Study's calculated demand for supermarket space relies on an inflated benchmark of 6.0 sq. ft. per capita, significantly exceeding proven, comparable industry-accepted optimal limits of 4.0 to 5.0 sq. ft. per capita. Based on reasonable planning standards (4 sq. ft./capita), the Kemptville trade area is currently considered optimally saturated (4.75 sq. ft./capita). The introduction of a new 2,787 m² (30,000 sq. ft.) grocery store would result in an immediate post-development per capita ratio of 5.77 sq. ft. per capita, which would constitute market over-saturation.

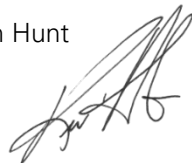
Consequently, the Change of Use, Expansion and Impact Study's assertion that the competitive impact would be "insignificant and temporary" (page 7) is not quantified, nor statistically proven. The introduction of a new grocery/supermarket store as indicated in Table 5 with negative residual demand, would inevitably result in sales transference and lower sales productivity at existing grocery/supermarket and smaller specialty grocery stores. This would result in an adverse impact, which would directly contravene Section 10.4.3 of the North Grenville Official Plan.

The proposed ZBLA should be validated to permit the broader range of C3 (Highway Commercial) uses, allowing for adaptive reuse and general commercial expansion needed by the growing community. However, the Change of Use, Expansion and Impact Study's conclusion regarding the immediate, urgent need for a larger format grocery/supermarket is opposed due to methodological deficiencies and the demonstrated risk of competitive over-saturation in the short to medium term. The Municipality should consider employing appropriate planning mechanisms to manage the timing and scale of any permitted grocery/supermarket use on the subject site, with a maximum grocery/supermarket GFA not to exceed 1,400 m² (15,069 sq. ft.).

Ultimately, the private sector will assess the competition, market share and sales productivity forecast necessary to open a successful grocery/supermarket operation. This Peer Review does not recommend a blanket ban on grocery/supermarket as the current building at 2979 County Rd 43 represents a compatible, sustainable candidate for adaptive re-use and smart planning. At issue however is managing the size of the grocery to limit adverse sales transference from existing retailers in the community.

Respectfully submitted
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