



2.4 Retail Gap Assessment

Excerpt from MDB Insight – Petawawa Economic Action Strategy

A retail gap assessment was conducted for Petawawa and several area comparator communities. Based on the population in a given community as well as the daily commuters that travel to it, the assessment identifies whether sub-sectors in retail, personal services, and food services are under-supplied or over-supplied for a particular area. The findings help to clear some of the “noise” when thinking about the kinds of retail or other services that are in need in a community and can inform policy decisions about planning for new commercial developments and attracting investment in the sector.

A “gap” is defined as a specific industry sub-sector that does not have enough of a particular business type to meet local demand, based on how the rest of the province is normally composed, while a surplus means that there are potentially too many businesses in a given subsector for the existing resident and commuter population to easily sustain. Meanwhile, a gap that is exhibited across multiple communities may represent an opportunity to draw from an even broader catchment than would normally be the case, while a local gap may be impacted by a surplus in other communities in a push-pull way.

With that in mind, there are some exceptions to the notion of surplus retail which pertain to higher-order goods. These items represent the kinds of goods or services that people are willing to travel a larger distance to enjoy or purchase. For example, people are generally more willing to travel a greater distance to shop for a new car or an off-road vehicle than for some fast food or a pet groomer.

Petawawa was compared to Pembroke, Arnprior, Renfrew (Town), and Laurentian Valley. Key findings from the analysis include the following:

- **The largest gap for Petawawa is in the food service and restaurants retail sector.** Even though Petawawa has improved since 2014, the town is still **significantly below capacity in full-service restaurants and limited-service eating places (fast food)**. Though statistically Petawawa is capable of supporting more limited service eating establishments, consultations have also indicated that there is a preference to focus on attracting a greater diversity of full-service restaurants. The opportunities in this category are even more relevant if tourism is a focus area of expansion for the community, as **these types of establishments are essential for building a vibrant place for people to visit**.
- In terms of full-service restaurants, there are no comparator communities that are over capacity; however many are under – such as Pembroke, Arnprior, and Laurentian Valley. This means there is a great opportunity for Petawawa to capture not only the local market, but also the surrounding market in this sector.
- Another **gap for Petawawa lies in the clothing and accessories retail sector**. The community is under capacity for **woman’s clothing stores, family clothing stores, shoe stores, and jewelry stores**. With a growing population and the desire to create more of a downtown core feel, there is an opportunity for

more clothing and accessory stores to open up in Petawawa. When analysing comparator communities, Pembroke and Renfrew stand out as being over capacity in this retail sector. Specifically, Pembroke is overcapacity in men’s clothing, woman’s clothing, jewellery, and luggage and leather goods stores, while Renfrew is overcapacity in woman’s clothing, family clothing, and shoe stores. These markets may represent existing pulls for retail that would not necessarily commute to Petawawa for other shopping, whereas it is likely that many people from Petawawa already shop in Pembroke. It should also be noted that online shopping may pose a threat to stores in this retail sector, as well as the increase in minimum wages across the province which may reduce some growth outlooks for some retailers. This means stores that specialize in unique items and can draw from surrounding communities for reasons of uniqueness and quality may fulfil local niches in market demand for original goods. Also, key brand name stores that have good exchange policies for online purchases may also compliment Petawawa. Moreover, **given Petawawa’s generally young population, some large-name retailers that target teens and young adults may be ripe for the community.**

Retail Gap Assessment Detailed Findings

Methodology

A retail gap analysis was conducted for Petawawa to identify areas of retail and personal commercial services that hold the potential to support additional growth based on the size of each population, as well as commuter populations flowing into the community. By comparing the actual number of businesses in Petawawa relative to the theoretical amount that the population can statistically support, sub-sectors were flagged if they were either under-serviced or over-serviced.

The gap analysis works on a positive/negative scale system, where a low negative value represents under-serviced, and a high positive value represents over-serviced. The numerical values represent the number of businesses that are either in over-supply or under-supply. For example, for full-service restaurants below, there is a score of -8.3 for 2016, indicating that for the size of Petawawa’s population and commuter-shed, it should be able to accommodate approximately eight more businesses in that category (-8.3).

Since people are willing to travel to nearby communities for their retail needs, it is important to understand Petawawa’s potential opportunities in the context of its neighbours. Therefore, the capacity results and opportunities for Petawawa have also been compared to Pembroke, Arnprior, Renfrew (Town), and Laurentian Valley in this analysis.

Figure 45: Population Growth and Commuters to Municipalities for Petawawa and Comparators (2014-2016)

Municipality	Population 2014	Commuters 2014	Total 2014	Population 2016	Commuters 2016	Total 2016
Petawawa	16,707	2,422	19,129	17,187	2,460	19,647
Pembroke	14,076	4,439	18,515	13,882	4,685	18,567
Arnprior	8,523	2,703	11,226	8,795	2,545	11,340
Renfrew (Town)	8,223	2,392	10,615	8,223	2,390	10,613
Laurentian Valley	9,495	1,356	10,851	9,387	1,460	10,847

Source: Statistics Canada: Census 2016, Catalogue No. 98-400-X2016325, NHS 2011, Catalogue No. 99-012-X2011032.

Key Gap Findings

Food Service & Restaurants

Retail Sector – Food Service & Restaurants	Gap		2014-2016
	2014	2016	
722310 - Food service contractors	-1.30	-1.28	0.02
722320 - Caterers	-1.17	-1.25	-0.09
722330 - Mobile food services	-0.25	-0.27	-0.02
722410 - Drinking places (alcoholic beverages)	-0.17	-1.11	-0.95
722511 - Full-service restaurants	-9.36	-8.30	1.06
722512 - Limited-service eating places	-9.95	-8.12	1.83

Source: Statistics Canada, Canadian Business Patterns, 2014, 2016.

The largest gap for Petawawa is in the food service and restaurants retail sector. Even though Petawawa has improved since 2014, **the town is still significantly below capacity in full-service restaurants and limited-service eating places (fast food).** According to the analysis, there is also room to grow in the categories of food service contractors, caterers, and drinking places. The opportunities in this category are **even more relevant if tourism is a focus area of expansion for the community, as these types of establishments are essential for building a vibrant place for people to visit.** When analysing comparator communities, Pembroke, Arnprior, and Renfrew are all over capacity in limited-service eating places, whereas Petawawa and Laurentian Valley are under capacity. Populations from Petawawa and Laurentian Valley likely commute to the other nearby communities for their needs in this retail sector.

In terms of full-service restaurants, there are no comparator communities that are over capacity; however many are under – such as Pembroke, Arnprior, and Laurentian Valley. This means there is a great opportunity here for Petawawa to capture not only the local market, but also the surrounding market in this retail sector.

Clothing & Accessories

Retail Sector – Clothing & Accessories	Gap		2014-2016
	2014	2016	
448110 - Men's clothing stores	-0.70	-0.71	-0.01
448120 - Women's clothing stores	-2.09	-2.91	-0.82
448130 - Children's and infants' clothing stores	-0.57	-0.58	-0.01
448140 - Family clothing stores	-2.48	-2.36	0.12
448150 - Clothing accessories stores	0.44	-0.60	-1.04
448191 - Fur stores	-0.04	-0.03	0.01
448199 - All other clothing stores	-0.26	-0.19	0.08
448210 - Shoe stores	-1.78	-1.86	-0.09
448310 - Jewellery stores	-1.73	-1.71	0.02
448320 - Luggage and leather goods stores	-0.27	-0.22	0.06

Source: Statistics Canada, Canadian Business Patterns, 2014, 2016.

Another **gap for Petawawa lies in the clothing and accessories retail sector.** The community is under capacity for woman's clothing stores, family clothing stores, shoe stores, and jewellery stores. With a growing population and the desire to create a downtown core that will entice the local population, there is an opportunity for more clothing and accessory stores to open up in Petawawa.

When analysing comparator communities, Pembroke and Renfrew stand out as being over capacity in this retail sector. Specifically, Pembroke is overcapacity in men's clothing, woman's clothing, jewellery, and

luggage and leather goods stores, while Renfrew is overcapacity in woman’s clothing, family clothing, and shoe stores.

Overall, there seems to be a lack of shoe stores in the area, with Petawawa, Arnprior, and Laurentian Valley all showing as under capacity. This could present an opportunity for Petawawa to service its own population as well as the surrounding area.

However, it should be noted that online shopping may pose a threat to stores in this retail sector. **This means stores that specialize in unique items and can draw from surrounding communities for reasons of uniqueness and quality may fulfil local niches in market demand for original goods.**

Pharmacy, Health, & Beauty

Retail Sector – Pharmacy, Health, & Beauty	Gap		2014-2016
	2014	2016	
446110 - Pharmacies and drug stores	-2.08	-2.37	-0.29
446120 - Cosmetics, beauty supplies and perfume stores	-0.87	-1.01	-0.13
446130 - Optical goods stores	-1.42	-1.43	-0.01
446191 - Food (health) supplement stores	0.04	0.99	0.95
446199 - All other health and personal care stores	-1.36	-1.52	-0.15

Source: Statistics Canada, Canadian Business Patterns, 2014, 2016.

According to the analysis, **Petawawa has a gap in almost all the sections of the pharmacy, health, and beauty retail sector.** These gaps have all grown in the community since 2014, albeit, slightly. The growing need for these retail establishments likely comes from the growing population of the community.

When analysing comparator communities, both Pembroke and Renfrew are overcapacity in some sub-sectors. Specifically, Pembroke is overcapacity in pharmacies and drug stores, while Renfrew is overcapacity in optical good stores, food (health) supplement stores, and all other health and personal care stores. Other than Petawawa, only Laurentian Valley is under-serviced in this retail sector, specifically in pharmacies and drug stores.

Since many of these sub-sectors could be considered essential needs for some residents (e.g., pharmaceuticals, eyeglasses), it is likely residents of Petawawa commute out for their needs in this retail sector. Therefore, there could be room for Petawawa to grow in this area as well as serving other surrounding communities that also need these retail establishments, such as Laurentian Valley.

Other (Unspecified Categories)

Retail Sector – Unspecified	Gap		2014-2016
	2014	2016	
811111 - General automotive repair	0.02	-2.33	-2.34
445110 - Supermarkets and other grocery (except convenience) stores	0.38	-1.52	-1.90
812115 - Beauty salons	-2.93	-4.09	-1.16

Source: Statistics Canada, Canadian Business Patterns, 2014, 2016.

Although not part of a larger trend in their over-arching sectors, there are a few sub-sectors that seem to have noteworthy gaps – gaps that have grown since 2014 – in Petawawa. These **sub-sectors include general automotive repair, supermarkets and other grocery stores, and beauty salons.**