

**SHORE·TANNER & ASSOCIATES**  
REAL ESTATE APPRAISERS AND CONSULTANTS

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**MARKET DEMAND STUDY:  
PROPOSED AQUA WORLD RESORT  
AND CONVENTION CENTRE  
AUGUSTA, ONTARIO**

Prepared for:

***Mr. Stefano Ferrante***

Prepared by:

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## I. EXECUTIVE SUMMARY

On behalf of Mr. Stefano Ferrante, this study has been carried out by Shore-Tanner & Associates. Its purpose is the estimation of market demand on a large parcel of vacant land for a combination of resort facility, including water-based features and a hotel, to be named *Aqua World Resort and Convention Centre*. The major findings of the study are summarized below, followed by more detailed substantiation in the main body of the report and its appendices.

### A. Subject Site and Proposed Developments

The Subject Site is approximately 260 acres in size, is vacant, located in the Township of Augusta, about 90 kilometres south of the City of Ottawa.

It has frontage on the Provincial Highway 401, and is only 1.4 kilometers from an interchange from this highway. The Prescott Bridge to the U.S. is up to 10 minute drive from the Site. The Ivy Lea Bridge to the U.S. is within up to 40 minutes drive west, and the Cornwall Bridge to the U.S. is within less than one hour drive east of the Site.

A large, unique, multi-activity development has been proposed for this Site in three or four phases, consisting of the following major components:

1. Approximately 150,000 sq. ft. of various leisure, recreation, entertainment, and amusement development, including a 55,000 sq. ft. indoor water park, a hotel (Phase One).
2. A 200-room hotel (Phase One).
3. Approximately 200 housing units (Phases Two and Three).
4. Vacation cottages for up to 12 persons (Phases Three and possibly Four).

The proponent has carried out extensive research regarding the concept, and is currently seeking additional investors. The name chosen for the proposed development is *Aqua World Resort and Convention Centre*.

## B. Brief Summary of Major Findings

1. The Primary Market Area for the proposed centre, from which at least 50% of its customers are expected to be generated, has a current population of almost 2 million. This population is estimated to increase by an average of 27,680 or 1.4% annually to 2.2 million by 2026 (Table 2.5). Typically, most regional facilities, including the Canadian Tire Centre, Calypso Park, Rideau Centre, National Arts Centre, and Casino Lac Leamy generate at least 50% of their total sales from within their Primary Market Areas.
2. Including northern New York State,<sup>1</sup> and areas within up to 2 hours drive from the Primary Market Area, the total population is at least 7 million at present.
3. With a current population of at least 1.4 million, and the third highest income levels in Canada, the National Capital Region (NCR) is the largest component of the (Primary) Market Area.
4. The 2 million residents of the Market Area are estimated to have spent \$5.450 **billion** at various amusement, leisure, games, recreation and sports facilities within, and outside this area. Furthermore, this spending is estimated to increase by an average of \$150.6 million or 2.76% annually to a total of \$6.936 **billion** by the year 2026 (Table 3.6).
5. Water park amusement facilities have become increasingly more popular in the past 15-20 years. There are at least 800 of them in Canada, U.S. and Mexico. Their average annual attendance has been as low as 750,000 to as high as 2.4 million in 2015.
6. The water-based component of these parks range in size from 10,000 sq. ft. to 120,000 sq. ft.
7. In order to appeal to all socio-demographic groups, it is essential that water parks provide a wide variety of non-water-based activities, amusements, recreation, games and other such pastimes as well.
8. Having a hotel within or at water parks significantly increases attendance, as well as hotel spending, especially on food, beverages, retail/accessory products, and spa services.

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<sup>1</sup> Within up to one hour drive from the Subject Site, there are three bridges and points of entry into New York State, U.S.A.

9. Each resident of the Market Area generates demand for hotel rooms for special events, when they receive family, friends, etc. In our estimation, this demand is 0.43 room-night per resident per year.
10. In each of the next 10 years, the Market Area is estimated to require between 46 and 50 new/additional hotel rooms.

## **C. Recommendations**

### **C.1. Context**

Amusement parks, especially those with water-based activities, have increasingly become more popular in the last 15-20 years. Socio-demographic changes, lifestyle preferences, and the relatively modest costs of attendance at these parks, are the main reasons for their increased popularity.

Within the Subject Site's Primary Market Area, which has a current total population of almost 2 million, the only major water park is Calypso Park in Limoges, about 40 minutes drive from downtown Ottawa. It is an outdoor water park, has been well attended, and new features have been added to it since it was opened in June 2010.

While it is a unique, innovative and popular amusement facility, Calypso is a uni-dimensional attraction since it provides only water-based activities. Due to a large, growing, affluent and diverse socio-demographic population in the Subject Site's Market Area, **it is a great marketing advantage for the proposed *Aqua World Resorts and Convention Centre* to offer more than Calypso Park in terms of size, number and variety of amusements, games, activities, features, and attractions in an integrated concept.** In other words, another facility of the same type and size as Calypso Park would represent a gross under-utilization of the Subject Site's market potential, in our view. The Highway 401 access, and the three bridges/entry points to the U.S. within up to one hour drive provide an excellent and rare opportunity for the development of a **world-class, multi-faceted, amusement facility, including an indoor water park, an adult-only outdoor spa, other water and non-water-based features, a full service hotel, and convention facilities.**

## C.2. Components and Features<sup>2</sup>

The major components of the recommended Aqua World Resorts and Convention Centre are:

1. An indoor water park in the range of 50,000-60,000 sq. ft. with the potential for expansion to a total of up to 100,000 sq. ft.<sup>3</sup>
2. An outdoor adult-only spa with ample surrounding grounds, landscaping, **engaging** features such as fountains, hot tubs, steam rooms, sauna, and man-made grotto.
3. An outdoor skating rink.
4. A large children's centre with a trampoline area, various physical and electronic games such as those offered at FunHaven, 2-4 lanes of bowling, a day-care centre, snack bar, party room (for birthday celebrations, etc.). This centre is recommended to be available to day-trippers at an extra cost, in additions to the hotel guests. Shows, games, engaging entertainment such as the following should be offered:
  - Lazer Frenzy
  - Forest Friend
  - Northern Light Arcade
  - Moon Glow Golf
  - Magi-Quest
5. A 200-room full service hotel, with a large fitness centre, a retail accessory store, a 12,000 sq. ft. convention centre, smaller meeting rooms, a bingo hall, a billiard area, large TV screens for sporting games, an attractive lobby, large buffet service, and other features identified in Table 1.1 .
6. An approximately 7,000 sq. ft. restaurant-bar/pub in two floors, with a stage and a simulated golf screen, for musical events, Karaoke, etc., one coffee shop and at least one more snack bar. Room services to be provided by the restaurant-bar and/or the coffee shop.

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<sup>2</sup> A number of our independently developed recommendations happen to coincide with what the Centre's proponents have had in mind.

<sup>3</sup> Water park features, games, physical design, layout and other specifics are highly technical and specialized. We are aware of the proponent's research and due-diligence, have looked at drawings and photographs made available to us. We have also reviewed the same for numerous existing water parks on the internet. From the perspective of success in the marketplace, the highest emphasis should be on safety of the equipment, and ensuring that they would represent the state-of-the-art in quality.

7. An 18-hole mini-golf course, plus an indoor simulated golf.
8. A spa offering various beauty, relaxation and leisure services.<sup>4</sup>
9. A kennel for pets (day-care, grooming, walking services).
10. Zip-line rides.
11. A large tent with an air mattress to jump on (for children).
12. Outdoor height-jumping into a large air mattress for pre-teens to young adults.
13. A temporary Recreation Vehicle Park (until the land is needed for other developments).
14. Camping facilities.
15. Vacation cottages.

**The recommended hotel would add significantly to the overall attraction and use of the recommended Aqua World Resort and Convention Centre.** It would attract a wide variety of socio-demographic groups to the Centre, including family vacationers, tourists, business conventions, wedding and birthday celebrations, and many other special events, in addition to those who would come primarily for its water park and other amusements. The use of the indoor water park, the outdoor adult-only spa, as well as the children's centre, should be included in the Centre's admission price, and/or in the hotel room charges. All other features would cost extra. However, **parking is recommended to be free at all times which is sure to be a welcome aspect of the Centre** (Calypso and many other parks charge for parking). The above recommendations constitute the entire centre's development in three or four phases.

### **C.3. Admission Costs**

For the use of the indoor water park, the outdoor adult-only spa, and the children's centre, we recommend the following admission prices:

|             | <b>To 3:00 pm</b> | <b>After 3:00 pm</b> |
|-------------|-------------------|----------------------|
| • Adults    | \$42.00           | \$37.00              |
| • 2-13 Year | \$29.00           | \$25.00              |
| • Under 2   | Free              | Free                 |

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<sup>4</sup> Nordic Spa, which is a chain business, is an example of the type of spa to consider for the Subject Site.

The children's centre is recommended to be available for the children of those who come to the Centre just for the day (i.e., do not stay at the hotel), at the cost of \$15 per child.

For the hotel rooms, recommended average rates are as follows, which include the use of the indoor water parks, the outdoor adult-only spa, the children's centre, the hotel gym and its other amenities:

- One Night           \$249-\$325 per room
- Two Nights         \$199-\$270 per room per night

At an overall average admission price of \$35 and an estimated 800,000 visitors, the Centre's total revenue would be \$28 million annually. Food and beverage revenue can be up to 25% of the \$28 million, or \$7 million. Assuming that the zip-line rides and all of the other revenue-producing features would be added in Phases 2-4, **the recommended Centre's total annual revenue (i.e., base-case scenario) would be approximately \$35 million.**

Assuming that the hotel would have an occupancy rate of 75% at stabilization, with an overall average of 2 occupants, and nightly room rent of \$260, its total annual revenue would be \$14.2 million. Food and beverage at an average of \$50 per person per day is estimated at \$5 million annually. The number of daily admission-paying visitors in this case would be (800,000 less 109,000 hotel guests) 690,500, and at \$35 per person, their total admission would be \$24.2 million, plus the \$7 million for food and beverages.

**The estimated total gross annual revenues for the combination of hotel guests and day-passes is estimated at \$54.2 million consisting of** (revenues from other sources, such as zip-lines, kennels, children's centre, would be additional).

|                            |                |
|----------------------------|----------------|
| Day Pass Admissions        | \$28.0 Million |
| Day Pass Food and Beverage | \$7.0 Million  |
| Hotel Room Charges         | \$14.2 Million |
| Hotel Food and Beverage    | \$5.0 Million  |

Mortgage and operating costs have to be deducted from the above to arrive at net income.

#### **C.4- Approximate Development Costs**

The following provides approximate development costs for the major components of the recommended Aqua World Resort and Convention Centre:

Indoor water-park of 55,000 sq. ft. at \$475 per sq. ft.= \$27.5 million

Hotel of 95,000 sq. ft. at \$285 per sq. ft.= \$27.0 million

Outdoor spa and landscaping= \$15.0 million (budgeted)

Contingency of 10%= \$6.8 million

**The total development cost of the recommended centre is thus estimated at approximately \$75 million** (the cost of the land has to be added to this figure to arrive at the grand total cost of the development of the recommended Aqua World Resort and Convention Centre).

| <b>Table 1.1<br/>Recommended Hotel</b> |                                                |                            |                                    |                                                 |
|----------------------------------------|------------------------------------------------|----------------------------|------------------------------------|-------------------------------------------------|
| <b>Room Type</b>                       | <b>Approximate<br/>Room Size<br/>(sq. ft.)</b> | <b>Approximate<br/>No.</b> | <b>Rate For<br/>One Night (\$)</b> | <b>Rate For Two<br/>or More<br/>Nights (\$)</b> |
| Small Room                             | 280                                            | 50                         | 239-295                            | 189-250                                         |
| Normal Room                            | 320                                            | 150                        | 249-325                            | 199-270                                         |
| <b>Total</b>                           | –                                              | <b>200</b>                 | –                                  | –                                               |

Notes:

1. One queen-size bed and one bunk bed in the Small Rooms.
2. Two queen-size beds, and one bunk bed in the Normal Rooms.
3. Amenities to include:
  - A gymnasium/fitness centre
  - Restaurant-bar/Pub (7,000 sq. ft.), a 7,000 sq. ft. buffet service area, and a 2,500 sq. ft. a la carte eatery.
  - Coffee and pastry shop
  - Large lobby with a fireplace
  - Convention and meeting rooms
  - Bingo Hall
  - Five-storey hotel tower
  - Use of the indoor water park, the outdoor adult-only spa, and the children's centre included in the room rates.

Source: Shore-Tanner & Associates

# PART ONE: RESORTS

## II. SUBJECT SITE AND SOCIO-DEMOGRAPHICS

### A. Subject Site

The Subject Site is a 260-acre parcel of vacant land at 1898 Merwin Lane in the Township of Augusta, about 90 kilometres south of the City of Ottawa. It has frontage on the Provincial Highway 401, and there is an entrance-exit ramp from this highway which is 1.4 kilometers from the Subject Site.

Augusta and its nearby towns and villages are rural and mostly agricultural. The quick and easy access of the Subject Site to Highway 401 provides excellent access to Kingston, Belleville, Brockville and Prescott to the west, and Cornwall to the east. Access from Ottawa is via the Provincial Highway 416. There is also quick access from Prescott, Ivy Lea and Cornwall to New York State. Within two hours driving time from the Subject Site is also the Montreal Region.

### B. Market Area

Every product or service has a capture or market area from which it attracts customers or users. For a convenience store, the market area is within walking distance or a few minutes driving time by its surrounding residents and employees. For a supermarket, the market area is larger. For a regional shopping centre, such as Bayshore or Rideau Centre, the market area can be up to about two hours of driving time (or even more).

Facilities and institutions whose main products are services, such as libraries, concert halls and hockey arenas, also have their own capture or market areas which can be limited to neighbourhoods, entire cities, or large regions.

**There are certain facilities whose market area is super-regional or larger. Within the National Capital Region (NCR), Casino Lac Leamy, National Arts Centre, Canadian Tire Centre and Calypso Park fall into this category. Reportedly, these facilities attract customers from as far east as Montreal, as far west as Toronto, and as far south as northern New York and Vermont in the U.S.**

There are, as well, facilities which are rare or unique, and their market area is national and even international in some cases. The Shaw Centre in the NCR, Wonderland in the Toronto area, and Disneyland in the U.S. attract customers from within Canada, the U.S., and also from elsewhere.

We have been to a number of large and popular attractions such as La Ronde in Montreal, Wonderland in Toronto, West Edmonton Mall,<sup>5</sup> Disneyland in Los Angeles, Water Park and Sea World in San Diego, the largest casinos in Las Vegas and California Academy of Science in San Francisco (a scientific, educational, and natural history museum). We have also studied numerous other attractions, such as amusement parks, major performing arts centres, and museums in Canada, the U.S., and Western Europe. On this basis, and of course due to the nature of what has been proposed, **we believe that the recommended facility's Primary Market Area would be:**

*The National Capital Region, the Counties of Renfrew, Lanark, Leeds & Grenville, Prescott & Russell, and Stormont, Dundas & Glengarry.*

This area is within up to two hours driving distance from the Subject Site. Due to its unique nature and location, however, we are confident that it would also **attract customers from a Secondary Market Area consisting of:**

*The Montreal Region, Kingston Region, Northern New York State and Vermont Regions and the towns and villages in between.*

Since the Secondary Market Area is large, far, and includes many alternative, possibly somewhat competitive attractions, we expect the majority of the customers for the recommended facility to be from within the Primary Market Area. In this report, therefore, we have concentrated on the socio-demographic and economic characteristics of the Primary Market Area only.

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<sup>5</sup> In addition to being one of the largest shopping centres in North America, West Edmonton Mall is a large, unique, multi-facted amusement park on a year-round basis.

### **C. Total Population**

1. The total population of the Market Area was practically 1.7 million in 2011 (Table 2.1).
2. From 2006 to 2011, the overall average population growth in the Market Area was 22,883 or 1.4%.
3. The highest rate of growth at 1.5% annually occurred in the NCR. In the Counties, the annual growth was between 0.1% and 1.5%.

### **D. Population By Age Groups**

1. Within the Market Area, the median age (Table 2.2) of the NCR's population, at 39.1 years, was the lowest (as compared with 46.7 years, which is the highest in Leeds & Grenville).
2. The teen and pre-teen residents (10-19) made up 211,335 or 12.4% (i.e., one in eight) of the total population.
3. Youth (20-29) constituted 13.0% or one in 7.7 of the population.
4. The family age group (30-49) represented 28.2% or one in 3.5 of the residents.
5. Those who were mostly empty-nesters (50 years and older) made up 35.4% of the population, or one in 2.8 residents.

**The recommended facility would, in our opinion, appeal to all these age groups, to different extents.**

### **E. Households By Size**

To a large extent, the age distribution of population in the Market Area provides a good basis for the estimation of demand for the recommended facility on the Subject Site. Analysis of the population by household size provides another tool for this purpose.

1. **As demonstrated in Table 2.3, close to two in three (62.4%) of all households in the Market Area consisted of only one or two persons.**

2. Households that consist of three or more persons are almost entirely family<sup>6</sup> households. For the water-based and other amusement features of the recommended developments, these households would be the largest market segment.
3. Most of the 2-person households, especially outside the NCR, are, as well, family households, and thus potential customers for the amusement, but also for other components of the recommended developments (e.g., restaurant-bar, music and other entertainments).
4. Single-person households would be less likely than family households to go to the recommended facility. Two or more single-person households in any age group (e.g., three friends in their 20s) or single persons who are dating, however, could potentially be strong market segments for this facility.
5. The dining, bar, entertainment and certain amusement components of the recommended developments are likely to be quite popular with single and two-person households over the age of about 60 who may not be physically fit or interested in the facility's physically demanding features, such as water slides.

**In other words, regardless of age, or the size of their households, 100% of the Market Area residents are potential customers for the recommended developments on the Subject Site** (although infants under 2 years of age, some adults over the age 75, or anybody with physical limitations may not be in a position or mood to directly use some of the facility's features).

## **F. Income**

1. The NCR is often among the top five regions in Canada in terms of household income. Its overall average household income in 2011 was \$91,780 and close to two in three of its households (62.8%) had incomes of over \$80,000 (Table 2.4).
2. In the rest of the Market Area, the overall average household incomes were between \$65,821 and \$81,709. As well, 29.4% to 44.8% of them had incomes of over \$80,000.
3. Incomes in all parts of the Market Area are believed to be much higher now.

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<sup>6</sup> Two or more persons who are related by blood or marriage.

4. Another indication of income and wealth is home ownership. As shown in Table 2.4, within the NCR 67.9% of all housing units, and in the rest of the Market Area, 77.6% to 81.2% were owner-occupied.
5. **It is thus concluded that:**
  - a. **The residents of the Market Area are equity rich.**
  - b. **The NCR, which represents 73% of the Market Area's total population, is dominated by high-income residents.**

## **G. Population Forecasts**

For the 10-year period 2016-2026, we have provided forecasts for Market Area's total population in Table 2.5. As noted:

1. **The Market Area's population is estimated to increase by an average of 27,680 or 1.4% annually.**
2. At this rate, the Market Area's total population would increase from 1.923 million in 2016, to 2.2 million in 2026.
3. These estimates may be conservative when compared with the actual average annual growth rate of 1.5% from 2006 to 2011 (Table 2.1).
4. An average of 25,000 or 90% of the estimated total annual growth of 27,680 in the Market Area is estimated to take place within the NCR.
5. Most economists and planners believe that an overall average annual population growth of 1.0% represents an economically healthy area. **The Market Area's estimated annual increase of 1.4%, therefore, reflects a favourable growth prospect for the recommended developments on the Subject Site.**

## **H. Household Forecasts**

Table 2.6 shows the number of households associated with the population forecasts in Table 2.5.

It should be mentioned that a strong and durable demographic trend in North America (in Europe, Japan, Russia and other places as well) in the last 20+ years has been declining household size. In some communities the average household size is stable or even

growing. These, however, are the exceptions to the overall dominating trend of smaller households.

In the Market Area, for the period 2016-2026, we estimate:

**1. An overall average annual increase of 16,360 new households, representing an annual growth rate of 2.0%.**

2. By household size, the average annual increases are estimated as follows:

- Single Person                    5,400 or 2.3% per year
- Two Persons                    6,700 or 2.3% per year
- Three Persons                   2,600 or 2.1% per year
- Four or More Persons       1,860 or 1.1% per year

3. In terms of small and large households, we estimate the following increases on an average annual basis:

- Single and Two-Person combined    12,100 per year
- Three Persons and Larger combined   4,460 per year

**In summary, in terms of total population, age distribution, household size, income, home ownership and growth potential, the Market Area is well suited for a unique, multi-functional, water-based, amusement and theme resort development on the Subject Site.**

| <b>Table 2.1<br/>Market Area Total Population</b> |                  |                  |                                       |            |
|---------------------------------------------------|------------------|------------------|---------------------------------------|------------|
| <b>Area</b>                                       | <b>2006</b>      | <b>2011</b>      | <b>Average Annual Change: 06 – 11</b> |            |
|                                                   |                  |                  | <b>Numeric</b>                        | <b>%</b>   |
| National Capital Region (NCR)                     | 1,133,633        | 1,236,324        | 20,538                                | 1.5        |
| Prescott & Russell County                         | 80,184           | 85,381           | 1,039                                 | 1.3        |
| Renfrew County                                    | 97,545           | 101,326          | 756                                   | 0.8        |
| Lanark County                                     | 63,785           | 65,667           | 376                                   | 0.6        |
| Stormont, Dundas, & Glengarry United County       | 110,339          | 111,164          | 153                                   | 0.1        |
| Leeds & Grenville United County                   | 99,206           | 99,306           | 20                                    | --         |
| <b>Total</b>                                      | <b>1,584,752</b> | <b>1,699,168</b> | <b>22,883</b>                         | <b>1.4</b> |

**Note:**

*The above is considered to be the recommended development's primary market area. Due to its size, uniqueness, and multi-purpose functions, it will also attract customers from the Montreal and Kingston regions, their nearby cities, towns, and villages, the areas in between, as well as from northern New York and Vermont States, U.S.A.*

Source: Shore-Tanner & Associates, from Statistics Canada's census of 2006 and 2011.

| <b>Age Groups</b> | <b>NCR</b>       | <b>Prescott-Russell County</b> | <b>Renfrew County</b> | <b>Lanark County</b> | <b>Stormont County</b> | <b>Leeds &amp; Grenville County</b> | <b>Total</b>     | <b>% of total population</b> |
|-------------------|------------------|--------------------------------|-----------------------|----------------------|------------------------|-------------------------------------|------------------|------------------------------|
| Under 5           | 71,245           | 4,595                          | 5,295                 | 3,090                | 5,575                  | 4,355                               | 94,155           | 5.5%                         |
| 5 - 9             | 68,720           | 4,600                          | 5,165                 | 3,290                | 5,575                  | 4,815                               | 92,165           | 5.4%                         |
| 10 - 14           | 71,470           | 5,215                          | 5,480                 | 3,730                | 6,180                  | 5,720                               | 97,795           | 5.8%                         |
| 15 - 19           | 82,620           | 6,175                          | 6,285                 | 4,320                | 7,645                  | 6,495                               | 113,540          | 6.7%                         |
| 20 - 29           | 172,750          | 9,010                          | 12,485                | 5,975                | 11,510                 | 9,185                               | 220,915          | 13.0%                        |
| 30 - 49           | 361,150          | 24,210                         | 25,330                | 16,285               | 27,270                 | 24,790                              | 479,035          | 28.2%                        |
| 50 - 64           | 251,490          | 19,445                         | 22,865                | 16,270               | 26,585                 | 24,470                              | 361,125          | 21.3%                        |
| 65 - 74           | 86,545           | 7,070                          | 9,710                 | 6,665                | 11,295                 | 10,735                              | 132,020          | 7.8%                         |
| 75 and Older      | 70,334           | 5,061                          | 8,711                 | 6,042                | 9,529                  | 8,741                               | 108,418          | 6.4%                         |
| <b>Total</b>      | <b>1,236,324</b> | <b>85,381</b>                  | <b>101,326</b>        | <b>65,667</b>        | <b>111,164</b>         | <b>99,306</b>                       | <b>1,699,168</b> | <b>100%</b>                  |
| <b>Median Age</b> | <b>39.1</b>      | <b>42.6</b>                    | <b>43.9</b>           | <b>46.2</b>          | <b>45.6</b>            | <b>46.7</b>                         | <b>-</b>         | <b>-</b>                     |

Source: Shore-Tanner & Associates, from Statistics Canada's census of 2006 and 2011.

| <b>Table 2.3</b>                            |                |                                |                       |                      |                        |                                     |                |                   |
|---------------------------------------------|----------------|--------------------------------|-----------------------|----------------------|------------------------|-------------------------------------|----------------|-------------------|
| <b>Market Area Households by Size: 2011</b> |                |                                |                       |                      |                        |                                     |                |                   |
| <b>Household Size</b>                       | <b>NCR</b>     | <b>Prescott-Russell County</b> | <b>Renfrew County</b> | <b>Lanark County</b> | <b>Stormont County</b> | <b>Leeds &amp; Grenville County</b> | <b>Total</b>   | <b>% of total</b> |
| One Person                                  | 140,720        | 7,270                          | 11,285                | 6,725                | 12,480                 | 10,235                              | 188,715        | 27.5%             |
| Two Persons                                 | 166,175        | 12,605                         | 16,140                | 10,665               | 17,945                 | 16,730                              | 240,260        | 34.9%             |
| Three Persons                               | 80,020         | 5,445                          | 6,285                 | 3,990                | 6,680                  | 6,180                               | 108,600        | 15.8%             |
| Four or more Persons                        | 111,720        | 7,810                          | 8,050                 | 5,455                | 8,910                  | 7,925                               | 149,870        | 21.8%             |
| <b>Total</b>                                | <b>498,635</b> | <b>33,130</b>                  | <b>41,760</b>         | <b>26,835</b>        | <b>46,015</b>          | <b>41,070</b>                       | <b>687,445</b> | <b>100%</b>       |
| <b>Average Size</b>                         | <b>2.48</b>    | <b>2.58</b>                    | <b>2.43</b>           | <b>2.45</b>          | <b>2.42</b>            | <b>2.42</b>                         | <b>2.47</b>    | <b>-</b>          |
| <b>One &amp; two persons combined</b>       | <b>306,895</b> | <b>19,875</b>                  | <b>27,425</b>         | <b>17,390</b>        | <b>30,425</b>          | <b>26,965</b>                       | <b>428,975</b> | <b>62.4%</b>      |
| <b>Three or more persons combined</b>       | <b>191,740</b> | <b>13,255</b>                  | <b>14,335</b>         | <b>9,445</b>         | <b>15,590</b>          | <b>14,105</b>                       | <b>258,470</b> | <b>37.6%</b>      |

Source: Shore-Tanner & Associates, from Statistics Canada's census of 2006 and 2011.

| <b>Table 2.4</b>                       |                       |               |                              |               |                                          |                   |
|----------------------------------------|-----------------------|---------------|------------------------------|---------------|------------------------------------------|-------------------|
| <b>Housing Tenure and Income: 2011</b> |                       |               |                              |               |                                          |                   |
| <b>Area</b>                            | <b>Tenure (%)</b>     |               | <b>Household Income (\$)</b> |               |                                          |                   |
|                                        | <b>Owner Occupied</b> | <b>Rental</b> | <b>Average</b>               | <b>Median</b> | <b>Earning more than \$80,000 a year</b> |                   |
|                                        |                       |               |                              |               | <b>Households</b>                        | <b>% of Total</b> |
| NCR                                    | 67.9                  | 32.1          | 91,780                       | 76,066        | 313,485                                  | 62.8              |
| Prescott – Russell                     | 77.8                  | 22.2          | 81,709                       | 63,125        | 14,855                                   | 44.8              |
| Renfrew County                         | 77.6                  | 22.4          | 70,546                       | 54,084        | 14,090                                   | 33.7              |
| Lanark County                          | 81.2                  | 18.2          | 76,485                       | 57,372        | 10,565                                   | 39.4              |
| Stormont & Dundas County               | 72.4                  | 27.6          | 65,821                       | 49,734        | 13,515                                   | 29.4              |
| Leeds & Grenville County               | 78.9                  | 21.1          | 74,019                       | 62,545        | 14,925                                   | 36.3              |

***Conclusions:***

- 1. The residents of the Market Area are equity rich***
- 2. The NCR's incomes are often among the top five in Canada***
- 3. The Market Area is dominated by high-income residents***

Source: Shore-Tanner & Associates, from Statistics Canada's census of 2006 and 2011

| <b>Table 2.5</b>                            |                         |                              |            |
|---------------------------------------------|-------------------------|------------------------------|------------|
| <b>Market Area Population Forecasts</b>     |                         |                              |            |
| <b>Year</b>                                 | <b>Total Population</b> | <b>Average Annual Change</b> |            |
|                                             |                         | <b>Numeric</b>               | <b>%</b>   |
| 2011 (actual)                               | 1,798,223               | -                            | -          |
| 2016                                        | 1,923,200               | 25,000                       | 1.4        |
| 2019                                        | 2,000,000               | 25,600                       | 1.3        |
| 2021                                        | 2,055,000               | 27,500                       | 1.3        |
| 2026                                        | 2,200,000               | 29,000                       | 1.4        |
| <b>Average annual Increase: 2016 – 2026</b> |                         | <b>27,680</b>                | <b>1.4</b> |

Source: Shore-Tanner & Associates

| <b>Table 2.6</b>                        |                                 |            |              |                     |              |                     |
|-----------------------------------------|---------------------------------|------------|--------------|---------------------|--------------|---------------------|
| <b>Market Area Household Forecasts</b>  |                                 |            |              |                     |              |                     |
| <b>Year</b>                             | <b>Household Size (Persons)</b> |            |              |                     |              |                     |
|                                         | <b>One</b>                      | <b>Two</b> | <b>Three</b> | <b>Four or More</b> | <b>Total</b> | <b>Average Size</b> |
| 2011 (Actual)                           | 188,715                         | 240,260    | 108,600      | 149,870             | 687,445      | 2.47                |
| 2016                                    | 236,000                         | 295,000    | 126,000      | 161,400             | 818,400      | 2.35                |
| 2019                                    | 247,000                         | 311,000    | 133,000      | 167,300             | 858,300      | 2.33                |
| 2021                                    | 260,000                         | 323,000    | 139,000      | 171,500             | 893,500      | 2.30                |
| 2026                                    | 290,000                         | 362,000    | 152,000      | 180,000             | 984,000      | 2.24                |
| <b>Average Annual Change: 2016-2026</b> |                                 |            |              |                     |              |                     |
| Numeric                                 | 5,400                           | 6,700      | 2,600        | 1,860               | 16,560       | -0.0011             |
| %                                       | 2.30                            | 2.30       | 2.10         | 1.10                | 2.02         | -0.0470             |

Source: Shore-Tanner & Associates

### III. LEISURE AND RECREATION EXPENDITURES

#### A. Amusement and Leisure Spending per Household

A large number of services, products and pastimes are included in the category of Resorts, Amusement and Leisure. In Tables 3.1 and 3.2, we have identified the Ontario household spending for the major components of this category (information at city levels is not available, and the standard method is to estimate city spending based on income comparisons).

Amusement features in resorts can potentially include, as well as compete for spending on:

- Water-based recreation
- Games of Precision, Physical Force, Leisure and Recreation
- Electronic-based Games
- Zoos
- Performing Arts
- Supervised Children's Activities
- Personal Services (e.g., Massage)
- Games of Chance
- Movie Theatres
- Children's Toys
- Museums
- Sports & Recreation
- Restaurants & Bars

**In other words, households may decide to go (or go more often) to a resort facility instead of going only to restaurants, zoos or movie theatres, etc.** As indicated in Table 3.3, on an overall average annual basis, each Ontario household spent \$3,330 at amusement and leisure recreation in 2012-2014, and estimated to spend \$4,065 in 2016 (\$3,470 and \$3,685 respectively at Sports & Recreation).

Based on income comparisons with the Province of Ontario, we have provided estimates of spending by the households in each component of the Market Area in Table 3.4. **As**

**indicated, the total overall average household spending on resort-type amusement, leisure, sports and recreation is in the range of \$5,345 in Stormont, Dundas to \$8,400 in Ottawa.**

## **B. Total Spending Potential**

Our forecasts of the number of households in the Market Area are presented in Table 2.6. As noted:

1. The average annual increase in the number of two-person households, at 6,700 or 2.30%, is the highest (from 295,000 in 2016, to 362,000 by 2026).
2. **In the Market Area as a whole, we estimate an overall average increase of 16,560 households or 2.02% from 818,400 in 2016 to 984,000 in 2026.**
3. The Market Area households are estimated to spend \$5.450 billion on amusement and leisure in 2016. This volume of expenditure is estimated to grow to \$6.956 billion by 2026 (Table 3.6).
4. **On an average annual basis from 2016 to 2026, the Market Area residents' total spending on amusement and leisure services and products is estimated to grow by \$150.6 million or 2.76% (Table 3.6).**
5. The existing amusement, leisure, sports and recreational businesses in the Market Area are currently taking much of this total potential spending. However, there is no major resort within the Market Area, and a significant portion of the total spending is at facilities elsewhere, especially in the Toronto area, Montreal region, and the U.S.
6. As well, in the absence of some products and services, people tend to spend their money on substitute or alternative products and services.<sup>7</sup>
7. Lastly, regardless of where and how much the residents of the Market Area spend their resort-type dollars, their potential spending is estimated to grow annually by \$150.6 million (Table 3.6).

**It is thus concluded that the population of the Market Area is large, growing, and becoming more diversified. Their current spending at leisure, recreation, sports, amusement, and entertainment facilities is already into billions of dollars. Both the**

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<sup>7</sup> There are now a few dozen more Starbucks, Second Cup and other coffee shops in Ottawa compared to 15-20 years ago. The Home Depot, J. Crew, H&M, Apple Computer and numerous other businesses and services have been in the Market Area from only a couple to no more than 10 years. As a result, people are spending more at these businesses in addition to spending less at such stores elsewhere.

**population and their potential spending at such businesses are expected to grow significantly in the coming years. These and related factors point to market-readiness for a unique, large, multi-purpose, super-regional, themed resort facility offering a wide variety of water-based and other leisure, recreation, amusement and vacation activities, in our opinion.**

| <b>Table 3.1</b>                                                    |                  |                 |                        |                                  |                          |
|---------------------------------------------------------------------|------------------|-----------------|------------------------|----------------------------------|--------------------------|
| <b>Average Household Spending On Sports and Recreation: Ontario</b> |                  |                 |                        |                                  |                          |
| <b>Year</b>                                                         | <b>Equipment</b> | <b>Services</b> | <b>Dues &amp; Fees</b> | <b>Miscellaneous<sup>1</sup></b> | <b>Total<sup>1</sup></b> |
| 2012                                                                | 860              | 1,966           | 320                    | 1,542                            | 3,223                    |
| 2013                                                                | 1,021            | 2,174           | 362                    | 1,456                            | 3,900                    |
| 2014                                                                | 870              | 2,190           | 416                    | 1,598                            | 3,556                    |
| <b>Average Annual Change: 2012 – 2014:</b>                          |                  |                 |                        |                                  |                          |
| Dollar                                                              | 5.00             | 112             | 48                     | 28                               | 166                      |
| %                                                                   | 06               | 5.7             | 15.0                   | 1.8                              | 5.2                      |
| <b>3-year Averages</b>                                              | <b>917</b>       | <b>2,110</b>    | <b>366</b>             | <b>1,532</b>                     | <b>3,560</b>             |

<sup>1</sup>Includes only 5.0% of the miscellaneous expenses assumed to be for sports & recreation.

Source: Shore-Tanner & Associates based on Statistics Canada's CANSIM tables no. 203-0022 (household spending, Canada, regions and provinces, by household income quintile), and no. 203-0021 (household spending, Canada, regions and provinces, annual)

| <b>Table 3.2</b>                                                                    |                      |                                          |                                         |                        |                       |                        |                                      |                                   |                        |              |
|-------------------------------------------------------------------------------------|----------------------|------------------------------------------|-----------------------------------------|------------------------|-----------------------|------------------------|--------------------------------------|-----------------------------------|------------------------|--------------|
| <b>Average Household Spending on Leisure, Recreation &amp; Sports: Ontario (\$)</b> |                      |                                          |                                         |                        |                       |                        |                                      |                                   |                        |              |
| <b>Year</b>                                                                         | <b>Personal Care</b> | <b>Recreation &amp; Sports Equipment</b> | <b>Recreation &amp; Sports Services</b> | <b>Games of Chance</b> | <b>Movie Theatres</b> | <b>Children's Toys</b> | <b>Admission: Museums &amp; Zoos</b> | <b>Dues &amp; Fees For Sports</b> | <b>All Restaurants</b> | <b>Total</b> |
| 2012                                                                                | 1,249                | 860                                      | 1,966                                   | 213                    | 73                    | 146                    | 78                                   | 320                               | 2,075                  | 6,980        |
| 2013                                                                                | 1,224                | 1,021                                    | 2,174                                   | 139                    | 124                   | 164                    | 96                                   | 362                               | 2,240                  | 7,544        |
| 2014                                                                                | 1,317                | 870                                      | 2,190                                   | 134                    | 84                    | 81                     | 30                                   | 416                               | 2,324                  | 7,446        |
| <b>Average Annual Change: 2012 – 2014</b>                                           |                      |                                          |                                         |                        |                       |                        |                                      |                                   |                        |              |
| Dollar                                                                              | 34                   | 5                                        | 112                                     | -39                    | 5                     | -32                    | -24                                  | 48                                | 124                    | 233          |
| %                                                                                   | 2.7                  | 0.6                                      | 5.7                                     | -18.5                  | 7.5                   | -22.3                  | -30.7                                | 15.0                              | 6.0                    | 3.3          |
| <b>3-year Averages</b>                                                              | <b>1,263</b>         | <b>917</b>                               | <b>2,110</b>                            | <b>162</b>             | <b>94</b>             | <b>130</b>             | <b>68</b>                            | <b>366</b>                        | <b>2,213</b>           | <b>7,323</b> |

Source: Shore-Tanner & Associates based on Statistics Canada's CANSIM tables no. 203-0022 (household spending, Canada, regions and provinces, by household income quintile), and no. 203-0021 (household spending, Canada, regions and provinces, annual)

| <b>Table 3.3</b>                            |                                     |                            |
|---------------------------------------------|-------------------------------------|----------------------------|
| <b>Average Household Spending: Ontario</b>  |                                     |                            |
| <b>Type of Spending</b>                     | <b>Average for 2012 – 2014 (\$)</b> | <b>2016 Estimates (\$)</b> |
| <b>A. Amusement, Leisure and Recreation</b> |                                     |                            |
| Personal Care                               | 1,263                               | 1,370                      |
| Games of Chance                             | 162                                 | 100                        |
| Movie Theatres                              | 94                                  | 110                        |
| Children's Toys                             | 130                                 | 100                        |
| Museums & Zoos                              | 68                                  | 85                         |
| Restaurants (all types)                     | 2,213                               | 2,300                      |
| <b>Subtotal A</b>                           | <b>3,330</b>                        | <b>4,065</b>               |
| <b>B. Sports and Recreation</b>             |                                     |                            |
| Equipment                                   | 917                                 | 935                        |
| Services                                    | 2,110                               | 2,230                      |
| Dues & Fees                                 | 366                                 | 440                        |
| Misc.                                       | 77                                  | 80                         |
| <b>Subtotal B</b>                           | <b>3,470</b>                        | <b>3,685</b>               |
| <b>Grand Total</b>                          | <b>6,800</b>                        | <b>7,750</b>               |

Source: Shore-Tanner & Associates based on Tables 3.1 and 3.2.

| <b>Table 3.4</b>                                               |                                                                     |                                                     |                               |
|----------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------|-------------------------------|
| <b>Estimated Average Household Spending: Market Area, 2016</b> |                                                                     |                                                     |                               |
| <b>Area</b>                                                    | <b>Amusement,<sup>1</sup><br/>Leisure &amp;<br/>Recreation (\$)</b> | <b>Sports &amp;<sup>2</sup><br/>Recreation (\$)</b> | <b>Both<br/>Combined (\$)</b> |
| <b>City of Ottawa</b>                                          | <b>4,400</b>                                                        | <b>4,000</b>                                        | <b>8,400</b>                  |
| Gatineau                                                       | 3,660                                                               | 3,300                                               | 6,960                         |
| Lanark County                                                  | 3,800                                                               | 3,000                                               | 6,800                         |
| Prescott-Russell                                               | 3,850                                                               | 3,100                                               | 6,950                         |
| Renfrew County                                                 | 2,660                                                               | 2,840                                               | 5,500                         |
| Stormont & Dundas County                                       | 2,600                                                               | 2,745                                               | 5,345                         |
| Leeds & Grenville County                                       | 3,730                                                               | 2,950                                               | 6,680                         |
| <b>Overall Average</b>                                         | <b>3,530</b>                                                        | <b>3,135</b>                                        | <b>6,660</b>                  |

<sup>1</sup> Amusement, leisure and non-sports recreation

<sup>2</sup> Various sports and the associated recreation.

<sup>3</sup> All estimates are based on the figures in Table 3.3 and comparison of the household incomes in Table 3.4 with Ontario's corresponding income of \$85,772.

Source: Shore-Tanner & Associates

| <b>Table 3.5</b>                                                              |                                |
|-------------------------------------------------------------------------------|--------------------------------|
| <b>Forecasts of Market Area's Average Household Spending: Resort Services</b> |                                |
| <b>Year</b>                                                                   | <b>Estimated Spending (\$)</b> |
| 2016                                                                          | 6,660                          |
| 2019                                                                          | 6,760                          |
| 2021                                                                          | 6,828                          |
| 2026                                                                          | 7,070                          |
| <b>Average Annual Increase: 2016-2026</b>                                     |                                |
| Dollars                                                                       | 41                             |
| %                                                                             | 0.62                           |

Note: Figures are in the **constant** value of the Canadian dollar in 2016 (i.e., inflation is **not** included).

Source: Shore-Tanner & Associates

| <b>Table 3.6</b>                                              |                          |                                        |                             |
|---------------------------------------------------------------|--------------------------|----------------------------------------|-----------------------------|
| <b>Market Area's Estimated Total Resort-Type Expenditures</b> |                          |                                        |                             |
| <b>Year</b>                                                   | <b>No. of Households</b> | <b>Average Household Spending (\$)</b> | <b>Total Spending (\$M)</b> |
| 2016                                                          | 818,400                  | 6,660                                  | 5,450.5                     |
| 2019                                                          | 858,300                  | 6,760                                  | 5,802.1                     |
| 2021                                                          | 893,500                  | 6,828                                  | 6,100.8                     |
| 2026                                                          | 984,000                  | 7,070                                  | 6,936.9                     |
| <b>Average Annual Increase: 2016-2026:</b>                    |                          |                                        |                             |
| Numeric                                                       | 16,560                   | 41                                     | 150.6                       |
| %                                                             | 2.02                     | 0.62                                   | 2.76                        |

Note: Figures are in the **constant** value of the Canadian dollar in 2016 (i.e., inflation is **not** included).

Source: Shore-Tanner & Associates

## IV. DEMAND ESTIMATION

### A. Context

Demand for any product or service depends on socio-demographic and household characteristics, income, transportation, competition, lifestyle factors, tourism and trends. Up to a point, the more of a product or service in a place, the more its residents and tourists spend money on them. **There is, as well, the concept of cumulative attraction:** several businesses offering a variety of products or services tend to attract more clients/sales than the sum of the individual businesses scattered. Examples of this concept in the business world are several shoe, clothing and financial businesses in one shopping centre, or commercial district such as Bank Street in downtown Ottawa.

The population of the NCR is at least 1.4 million now, and this region attracts more than 10 million tourists annually. **For such a large number of people, there have not been any major amusement facilities in the NCR other than museums and the small businesses mentioned before (most of which are new).** The one exception is Casino Lac Leamy which was opened in the former City of Hull in 1996. For the first 10-15 years it was highly successful and attracted many if not most of its clients from Ottawa. Due to internet gambling, loss of its novelty and age, it is not as successful now as it used to be. **It is, nevertheless, still the most popular privately-owned and operated amusement, leisure and cultural venue in the NCR, in addition to offering gambling.**

Restaurants, cinemas, theatres, musical and dance concerts, water-based, some personal care services, gambling, toys, museums, zoos, rides, electronic games and other such services and activities are what the residents in the NCR and tourists spend their amusement dollars on now. **The potential expenditures on these services are very high in the NCR, but there is no regional, multi-activity, iconic amusement business with a wow factor in this region, or anywhere else within or close to the Market Area.**

### B. Potential Expenditures

As identified in Table 3.6, the total potential spending of the Market Area residents on amusement and leisure products and services is estimated to be \$5.450 **billion** in 2016, and further estimated to increase to \$6.959 **billion** by 2026. Due to economic and lifestyle changes, and new trends, this volume of spending is likely to fluctuate from time

to time. **The overall average annual increase in this spending, however, is approximately \$150.6 million or 2.76%.** In other words, in each of the next 10 years, there will potentially be an additional \$150.6 million which could be spent on amusement, recreation, leisure, culture and related services. Due to lack of a major super-regional amusement park in the Market Area, the available \$5.450 billion will continue to be spent as follows:

1. Restaurants, existing amusement businesses, gambling, museums, etc.
2. Major amusement parks in Montreal, Toronto, elsewhere in Canada, Walt Disney World and other such major facilities in the U.S., and elsewhere.
3. Sports-related recreation products and services other than the above.

### **C. Trends, Relevant Statistics, and Competition**

1. Water-based amusement parks<sup>8</sup> are facilities which appeal to people of all age groups. They provide a large combination of entertainment, recreation, amusement, sports, games, dining, relaxation and vacation services.
2. Based on economic conditions, their popularity fluctuates. Since about 2010, attendance at these parks has been increasing, more new parks have been built, and still more are planned in North America.
3. Within the U.S., Canada and Mexico, there are now over an estimated 800 water parks, most of which are outdoors.
4. Based on the available statistics, 16 of these parks were opened in 2012, and more than 20 in 2013.
5. The available attendance figures at North American water parks include:

|        |            |
|--------|------------|
| • 2010 | 79 million |
| • 2011 | 82 million |
| • 2012 | 85 million |

**The average annual increase in this period was thus 3 million or 3.8%.**

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<sup>8</sup> Based on an extensive internet research, and reviews of a number of specific water parks.

6. For the top 20 water parks in North America, the total attendance in 2012 was 25 million or an overall average of 1.25 million per water-park. The highest attendance was 2.4 million at Typhoon Lagoon at Disney World in Orlando, Florida, U.S.
7. The smallest indoor water parks in North America tend to be approximately 10,000 sq. ft. in size. Those which were opened in 2012 ranged in size from 23,000 to 80,000 sq. ft. The largest indoor water park is estimated to be approximately 120,000 sq. ft.
8. The cost of developing indoor water parks can be up to \$500 per sq. ft., depending on the number and complexity of the features and equipment included.
9. Great Wolf Lodge is the largest chain of water-based amusement parks, with 14 of them in the U.S. and one in Niagara Falls, Ontario. It is currently developing its largest and most modern centre in Garden Grove, California. It is possible that this business may consider opening a facility in Ottawa. However, even if they do so, with a population of only 1.4 million in the NCR, and the existing Calypso Park, the market seems small and competition too strong for this purpose. In any case, the Subject Site has a larger population, and is in a much better location in order to bridge the gap between Montreal, Toronto, Ottawa, upstate New York and Vermont. Therefore, I would not consider a Great Wolf Lodge in Ottawa (which is quite unlikely) to be a significant competition for the recommended Aqua World Resort and Convention Centre.
- 10. Having a hotel/motel at/within water parks significantly increases attendance, as well as total spending, especially on food, beverage, retail products, and spa services.**

In the NCR, Calypso Park is the only major water-based amusement park. Pro-Slide (an expert designer and manufacturer of water slides) plans to open one in Barrhaven, but not until 2020, and according to a company director, it would be smaller than Calypso Park.

**The operators of Calypso Park have a large indoor and outdoor water park and hotel in Valcartier, Quebec.** It has been there for 10 years, but gradually expanded, adding new features, restaurants and the hotel. While it is a well-established park, it is about five hours driving time from Ottawa. As well, in terms of total Market Area population, income, diversity and super-highway access, it does not match the advantages of the Subject Site, and the recommended *Aqua World Resort and Convention Centre*.

There is also another water-based facility called Super Aqua Club which is located in Point Calmut in Quebec. It is about 30 minute drive from Montreal, and we do not consider it to be a major competition for the recommended Centre on the Subject Site.

## **D. Estimated Sales of the Recommended Resorts Development**

### **D.1. Spending Potential**

We have visited a number of theme, amusement, leisure and recreational facilities within the NCR, including Funhaven, Calypso Park, Altitude Gym, Cosmic Adventure, Tag Zone and Pinball Glow. As well, we have made ourselves familiar with a number of large theme parks elsewhere in Canada and the U.S. Their estimated total annual sales are from a couple of million, to tens, and in a few cases, hundreds of millions of dollars.

Based on the overall average spending of Ontario households, we estimate that the Market Area residents will have spent \$5.450 billion in 2016 at various leisure, fun, recreation products and services (Table 3.6). The average household spending of the Ottawa residents is likely to be more than the Ontario average, and in the rest of the Market Area, it is probably less, due to income, supply and lifestyle differences. Even if the actual spending of the Market Area residents in 2016 was less than the estimated \$5.450 billion, the potential or latent demand has existed. **Furthermore, this potential or latent demand is estimated to grow by \$150.6 million annually.** There is also the existing and the potential spending of the residents within about two hours of driving distance from outside the Market Area.

### **D.2. Attendance Estimates**

Realistic attendance figures are very hard to obtain due to confidentiality. The estimated number of attendants at the Ottawa Calypso varies from 300,000 to 500,000 annually (actual numbers are not publicly available). In view of the unique nature of this park and the additions and improvements since it was established, an annual attendance estimate of approximately 400,000 would seem to be reasonable. Due to the festivities in 2017, and of course depending on weather conditions, the 2017 attendance figure is quite likely to exceed the 500,000 mark, and more or less stay at this number thereafter.

The recommended *Aqua World Resorts and Convention Centre* would be far superior to Calypso Park in its features, including:

1. Much larger land area, offering more water-based indoor and outdoor areas, as well as more interactive amusements, games and other activities.
2. A 200-room hotel, and large cottages.
3. A primary market base with a minimum of 2 million residents.
4. Accessibility from the super-highway 401, proximity to three bridges and points of entry to the U.S.
5. A large secondary market area extending to as far west as Kingston and beyond, as far east and north as Cornwall and Montreal, and to as far south as Syracuse in New York State, and all of the villages, towns and cities in between. **As a result, the effective total market area for the recommended Aqua World Resort and Convention Centre has a total estimated current population of 7 million.**

With more than double the features and activities, two to three times larger market base population, including Americans from New York and Vermont, compared to Calypso Park, **we estimate the average annual attendance to be at least 800,000 at Aqua World Resort and Convention Centre.**<sup>9</sup> It is quite possible that in the first couple of years, attendance may exceed the minimum of 800,000, then decline somewhat, followed by fluctuations based on additions, improvements and changes at the centre.

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<sup>9</sup> The smallest attendance figure was at a water park in Jakarta, Indonesia, at 750,000 in 2012. Based on the defined Market Area's population, income, Highway 401 access, and three entry points to New York State, we believe that our estimate of 800,000 for the recommended centre is quite reasonable. Considering that 800,000 is only twice the estimated attendance of Calypso Park from a market area which is three times larger, the figure of 800,000 may well be too conservative.

## PART TWO: HOTEL

### V. ECONOMIC AND TOURISM OVERVIEW

In this chapter, we have addressed tourism, which is very important for the recommended development on the Subject Site. As Canada's Capital, Ottawa attracts more than 10 million visitors and tourists annually, which is the highest rate per 1,000 population in Canada. Since the majority of tourists drive or come by bus to Ottawa, most would pass by the recommended development on the Subject Site. Within the rest of the Market Area, tourist sites and features are mostly natural attractions. As we understand, it is rare for tourists to go to these attractions without also coming to the NCR. **Ottawa's tourism, therefore, accounts for most of the Market Area's tourism market.**

#### A. Economy<sup>10</sup>

##### 1. Population

The total 2016 estimated population of the City of Ottawa is close to one million, and that of the National Capital Region is approximately 1.45 million. Ottawa's population growth has typically been in the range of 9,000 to 14,000 annually in the last 20 years (i.e., usually 1.0% to 1.4%). As well, between 30% and 70% of Ottawa's population growth is normally due to in-migration from the rest of Canada, and immigration from other places in the world.

##### 2. Employment

Over just about any period of several years, Ottawa's employment typically experiences growth. The mid-year 2016 total employment in Ottawa was 543,500, which reflects a net increase of 13,800 or 2.6% from January 2015. Ottawa's economy and employment are knowledge and service based. Historically, Federal Government employment has been the largest sector in Ottawa, and to a large extent, Ottawa's employment fluctuations are caused by changes in this sector.

Approximately 60% of all jobs in Ottawa are office-based. As well, **the main engines of Ottawa's economy are:**

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<sup>10</sup> This chapter is based on reviews of related documents from the City of Ottawa, CMHC, and Statistics Canada.

- **Federal Public Service**
- **Health Care and Education**
- **High Technology**
- **Hospitality**

### **3. Education, Income and Other Economic Indicators**

Similar to the capitals of most Western countries, the level of education is high in Ottawa. Approximately 40% of adults have a college or university education, and there are more residents with Masters and Ph.D. degrees per thousand population in Ottawa than anywhere else in Canada.

Incomes in Ottawa are typically among the top three in Canada (usually after Markham, Ontario and Calgary, Alberta). The overall average household income in 2011 was \$96,815 and is estimated to be approximately \$110,000 in 2016.

The number of housing starts in Ottawa is typically between 4,000 and 5,000 annually. The overall average sale price of new housing units was \$514,707 and the re-sale price of existing homes was \$372,819 in July 2016.

Ottawa's rental apartment overall average vacancy rate has been fluctuating between 2.0% and 3.5% in the last 10 years, and was 2.9% in the Fall of 2016. The overall average monthly rent for a 2-bedroom unit was \$1,174 in late 2015 (much higher for units in buildings constructed in 2005 and later).

While Ottawa's population is the fourth largest in Canada, it has the third largest inventory of office space at approximately 70 million sq. ft. Close to 39 million sq. ft. of this space is privately owned, and the rest by various levels of governments (primarily Federal). During the last five years approximately 2 million sq. ft. of new office space were built in Ottawa, resulting in a jump in the overall average vacancy rate to 11% (in most of the previous 10 years, this vacancy rate was in the 7% to 9% range).

## B. Tourism

### 1. Number of Tourists

The number of tourists into the capital area has generally been on an upward trend, and is expected to reach and exceed 12 million in 2017 (the 150<sup>th</sup> anniversary of Canada's Confederation).

The most recent<sup>11</sup> official number is for the year 2014 at 10.4 million, and from:

- Within Canada 91%
- USA 4%
- Other Countries 5%

In 2015, the number of passengers entering and leaving the Ottawa International Airport exceeded the 5 million mark for the first time.

### 2. Purpose of Visits

The purpose of visits for the 10.4 million tourists were:

- |                                 |                       |
|---------------------------------|-----------------------|
| a. Business and Convention      | 1.42 million or 13.6% |
| b. Pleasure & sightseeing       | 3.08 million or 29.6% |
| c. Visiting friends & relatives | 5.03 million or 48.4% |
| d. Other                        | 0.87 million or 8.4%  |

### 3. Tourist Expenditures

a. Total spending in 2014 by all tourists and delegates combined was:

- |                     |                          |
|---------------------|--------------------------|
| • Total             | \$1.7 billion or 100.0%  |
| • Overnight Portion | \$1.211 billion or 71.2% |
| • Same Day Portion  | \$0.489 billion or 28.8% |

b. On an overall per capita basis, the average spending is as follows:

- |                      |       |
|----------------------|-------|
| • Overnight tourists | \$255 |
|----------------------|-------|

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<sup>11</sup> Actual number is likely noticeably higher due to the difficulties in the estimation of one-day visitors, or those who stay with families or friends.

|                         |       |
|-------------------------|-------|
| (4.758 million)         |       |
| • Same day tourists     | \$86  |
| (5.686 million)         |       |
| • All tourists combined | \$163 |

c. Overall average spending per tourist is as follows:

|                                 |       |
|---------------------------------|-------|
| <b>• Canadian tourists</b>      |       |
| • All combined                  | \$171 |
| (7.471 million)                 |       |
| • Overnight                     | \$248 |
| (3.213 million)                 |       |
| <b>• American tourists</b>      |       |
| • All combined                  | \$677 |
| (245,900)                       |       |
| • Overnight                     | \$800 |
| (207,700)                       |       |
| <b>• International tourists</b> |       |
| • All combined                  | \$642 |
| (397,600)                       |       |
| • Overnight                     | \$696 |
| (361,900)                       |       |

### C. Hotel Room Supplies

In 2014, there was a total of 9,118 rooms in Ottawa in the hotels and motels which were members of Ottawa Tourism. An estimated 1,500 other rooms were in non-member hotels and motels (all figures in B above refer to the member facilities), and an unknown number of Air B&B, apartments, houses and rooms were also available.

Since 2014, several small class B or C hotels have been converted to rental apartments. As well, several large, modern, class B and A hotels have been developed. The most recent of these hotels is an Andaz Hyatt hotel with 200 rooms and suites, which was opened in August 2016 on Dalhousie Street near York Street in the ByWard Market Area. It is a class A hotel, with many amenities and luxury features. Andaz is a world class facility with a total of 13 hotels in major cities in North America, Europe and Asia.

**As of mid-2016, we estimate that there was a grand total of approximately 11,500 hotel and motel rooms and suites in the City of Ottawa, with over half of them within the Greater Downtown Area.**

#### **D. Room Nights and Occupancies**

Accurate occupancy data are, by nature, hard to obtain on a consistent and compatible basis. In 2014, nevertheless, the overall average occupancy rate for the 9,118 rooms combined was about 70%. (Of course, some class A downtown hotels, such as the Westin and Chateau Laurier often enjoy occupancy rates of over 90%, and class B or C hotels and motels, around 55% to 65%). At this rate, the total number of room-nights occupied is estimated<sup>12</sup> at 2.33 million in 2014.

Based on numerous surveys we have carried out, the overall average number of nights stayed in Ottawa is about 2.5<sup>13</sup> for convention delegates, and business-related tourists. At this rate, the 756,800 convention and business tourists are estimated to have occupied a total of almost 1.9 million room-nights in 2014. The remaining 0.43 million room-nights, therefore, were used by the 3.782 million tourists who came to Ottawa for pleasure and/or for visiting friends and relatives (i.e., 0.11 room-nights per such visitors).

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<sup>12</sup>  $9,118 \times 365 \times 70 = 2.33$  million

<sup>13</sup> The range of the average overnight stays obtained from Ottawa Tourism is 2.7 to 3.1. However, this includes all tourists and visitors, including the large VFR category, many of whom stay with family and friends, or at Air B&Bs.

## **VI. DEMAND ESTIMATION**

### **A. Sources of Demand**

There is a wide variety of sources of demand for hotel and motel accommodation. Generally, they can be subdivided into the following categories:

#### **1. Conventions and Business Meetings**

The number of conventions, and business-related events depends on an area's industries, employment and also its natural and human-made attractions. Delegates and business people who come to Ottawa generally stay overnight, and on average stay 2.5 nights. The vast majority, if not 100% of delegates, and business-related travelers stay in hotels.

Delegates come here for a variety of governmental, scientific, educational, environmental, health care, labour and political events. The corporate sector, large and small businesses send representatives to Ottawa for some of the conventions, but also for training, sales, monitoring, supervision, product introduction, and other such matters. Some of them stay only for a day, and the rest, again, for 2 or 3 nights. The convention and business sector travellers to Ottawa can reasonably be expected to depend on or be associated with the number of employees and industries in Ottawa, especially the Federal Public Sector, Health, Education, High Technology and the Retail industries.

#### **2. Visiting Friends and Relatives (VFR)**

The vast majority of tourists to Ottawa fall into this category. Weddings, graduations, confirmations, Bar Mitzvahs, birthdays, festivals, and the various holiday celebrations attract family members, relatives and friends to Ottawa. Most of these travellers stay with the families they are visiting, but some stay at hotels, and increasingly at Air B&B accommodations. In our estimation, which is based on the available data, each VFR visitor is likely to spend 0.11 night in hotels/motels/Air B&Bs in Ottawa (i.e., it takes almost 10 VFR visitors to occupy one hotel room for one night).

#### **3. International Tourists**

Americans and tourists from other countries who come to Ottawa for 1 and 2 above, but also simply for sightseeing, nature discovery, sports and other attractions, fall into this category. Generally, most of these tourists stay at hotels and motels in the Ottawa area.

There are, of course, people from within a couple of hours driving, and also from the U.S., who come to Ottawa for musical concerts, festivals, hockey and other games, cycling, hiking and skiing in the nearby areas. Most of these groups fall into the same-day tourist category, and thus do not stay at hotels or motels. A small number of them do stay overnight as part of the VFR group, and a fraction of them stay at motels, lodges, camping and other such accommodations.

The AirB&B option has been emerging as a significant competitor in the accommodation industry. Its impact, however, is most severe on motels, and to a much lesser extent on hotels.

## **B. Estimates of Tourism: Ottawa**

Based on our knowledge,<sup>14</sup> and the research for this study, we estimate the number of tourists in Ottawa to be approximately 11 million in 2016. Due to the celebrations of 150 years of Canadian Confederation, this number can potentially increase to 13 million or more in 2017. For the rest of the 2016-2026 period, our estimate of tourism is presented in Table 4.1, showing an overall average annual increase of approximately 250,000 or 2.3%. While this number of annual increase seems to be too high, it reflects the significantly lower value of the Canadian dollar, which has made Canada a bargain for American and some other foreign tourists. **As well, due to the terrorist attacks in Europe, and fear of real and perceived violence in many other parts of the world, Canada has become a more attractive, safe and beautiful place for international tourists.** It is also acknowledged that the lower Canadian dollar, as well as the real and perceived turbulence in the rest of the world may not last for more than a few more years. Therefore, our estimates of growth may not be valid for more than 3 to 5 years into the future. There are always significant uncertainties regarding forecasts. Based on the available information and thinking at present, however, we believe that our estimates of tourism growth are reasonable.

## **C. Estimates of Tourism: Rest of Market Area**

The rest of the Market Area includes charming villages, attractive natural features, various festivals (e.g., Perth's Garlic Festival), numerous fall harvest fairs, and special

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<sup>14</sup> Discussions with the president of Shaw Centre, Marketing Manager of the Ottawa Airport, tourism and business leaders.

events (e.g., rafting in the Pembroke area, racing cars in the Calabogie area, and the Scottish Highland Games in Glengarry County and Park Omega in Buckingham, Quebec). Most of these attractions appeal to day-trippers only. Some, however, require overnight stays, including weddings, celebrations, graduations, and weekend get-aways.

Tourism-related data are not available for villages, towns and cities within and near the Market Area (except for Ottawa, of course). Based on our research, we are aware of a large number of motels, guest houses and inns within the Market Area outside the City of Ottawa. These, however, are quite small, and rarely have more than up to 50 rooms or suites. As well, it is quite likely that most tourists and visitors who stay at these motels and inns come to the NCR as well, and would thus be included in the estimated 11 million tourists in 2016.

After discussions with a couple of tourism and hotel specialists, we estimate the number of tourists in the rest of the Market Area to be approximately 600,000 annually.<sup>15</sup> These tourists as well, would be potential clients for the recommended developments on the Subject Site, in our expectation. The forecasts of all tourists into the Market Area is thus shown in Table 4.1.

#### **D. Correlation of Tourism, Population, and Hotel Room Demand**

The residents of Ottawa, through family reunions, weddings, and numerous other occasions, festivals, cultural events, sports, recreation, museums, and other attractions of Ottawa are the reasons for most of the 10.4 million tourists who came to Ottawa in 2014. These tourists, and their demand for accommodation can be correlated with **the total population of Ottawa**.<sup>16</sup> As mentioned before, the VFR and international tourists occupied an estimated 0.43 million room-nights in Ottawa in 2014, or an overall average of 0.44 room-nights per resident. **In other words, each resident of Ottawa generated an average of 0.44 room-night demand in 2014 for people coming to Ottawa from outside.**

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<sup>15</sup> Assuming 50 motels, inns and guest houses at an average of 30 rooms, and at 50% occupancy would result in an estimated occupied room-nights of 273,750 per year. At an average of 2 persons per room/suite, the total number would be 547,500 or close to 600,000 annually.

<sup>16</sup> Of course the museums, the Parliamentary Precinct, and many other of Ottawa's attractions are strong reasons for tourists to come here. However, since these attractions are in Ottawa permanently, it seems reasonable to associate them with Ottawa residents, and thus their generation of room-night demand.

Since the rest of the Market Area generates fewer tourists, the equivalent room-night demand for its residents is substantially lower than Ottawa's. For the entire Market Area, an average annual room-night demand of 0.43 per person for the VFR (i.e., visiting friends and relatives) category seems quite reasonable.<sup>17</sup>

## E. Required Hotel Room Estimates

At this rate, the Market Area residents are estimated to require 3,237 to 3,486 hotel/motel rooms in 2016 for their VFR needs. By 2026, the number of the required hotel/motel rooms is estimated to increase to a range of 3,702 to 3,987. **In other words, in each of the next 10 years, the Market Area generates demand for 46 to 50 additional/new hotel/motel rooms for those friends and relatives who come to visit with them.** In 2017, the need will be higher due to the events of the 150<sup>th</sup> anniversary of Canada's confederation, and in other years, the need will be lower. As an overall average, however, 46 to 50 more rooms per year is valid, in our estimation.

Employees, businesses, and especially governments, hospitals, universities and colleges within the Market Area generate their own demand for hotel rooms. These would be in addition to the 46-50 for the VFR category.

The recommended facility at the Subject Site will certainly generate additional demand for hotel/motel rooms. The recommended hotel as one component of the total resorts facility, would serve some of this demand. In addition, we expect both of the following trends to be established quickly:

1. Some of the guests at the resort would stay with family and friends, or in hotels, motels, guest houses and AirB&Bs elsewhere.
2. Some of those who come to the Market Area for affairs related to business, governments, hospitals, colleges, universities or other institutions would choose to stay at the resort's hotel, and likely use its various leisure, entertainment, games and recreation features as well. This may also happen by adding 1-3 days to their business/work trip.

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<sup>17</sup> This is conservative, since it implies that a family of four would generate  $4 \times 0.43 = 1.72$  room-nights per year for those who would come to the Market Area to visit with them.

**In other words, the hotel component of the recommended Aqua World Resort and Convention Centre is likely to be used by its own patrons, as well as by some others who may not be interested in the centre's other features.**

| <b>Table 4.1<br/>Estimates of Tourists (Millions)</b> |               |                                |                              |
|-------------------------------------------------------|---------------|--------------------------------|------------------------------|
| <b>Year</b>                                           | <b>Ottawa</b> | <b>Rest of<br/>Market Area</b> | <b>Total<br/>Market Area</b> |
| 2016                                                  | 11.0          | 0.60                           | 11.60                        |
| 2017                                                  | 13.0          | 0.70                           | 13.70                        |
| 2019                                                  | 11.2          | 0.63                           | 11.83                        |
| 2021                                                  | 11.5          | 0.65                           | 12.15                        |
| 2026                                                  | 13.5          | 0.70                           | 14.2                         |
| <b>Average Annual Change: 2016-2026</b>               |               |                                |                              |
| Numeric                                               | 0.25          | 0.01                           | 0.26                         |
| %                                                     | 2.27          | 1.67                           | 2.24                         |

Source: Shore-Tanner & Associates

| <b>Table 4.2<br/>Estimates of Room-Night Requirements: VFR</b> |                   |                                |              |                                   |            |
|----------------------------------------------------------------|-------------------|--------------------------------|--------------|-----------------------------------|------------|
| <b>Year</b>                                                    | <b>Population</b> | <b>Room-Night Requirements</b> |              | <b>Required Rooms<sup>1</sup></b> |            |
|                                                                |                   | <b>Per Capita</b>              | <b>Total</b> | <b>70%</b>                        | <b>60%</b> |
| 2016                                                           | 1,923,200         | 0.43                           | 826,976      | 3,237                             | 3,486      |
| 2019                                                           | 2,000,000         | 0.43                           | 860,000      | 3,366                             | 3,625      |
| 2021                                                           | 2,055,000         | 0.43                           | 883,650      | 3,458                             | 3,724      |
| 2026                                                           | 2,200,000         | 0.43                           | 946,000      | 3,702                             | 3,987      |
| <b>Average Annual Change: 2016-2026</b>                        |                   |                                |              |                                   |            |
| Numeric                                                        | 27,680            | –                              | 11,902       | 46                                | 50         |
| %                                                              | 1.44              | –                              | 1.44         | 1.44                              | 1.44       |

<sup>1</sup> At an overall average occupancy rate of 70.0% and 65.0%

Source: Shore-Tanner & Associates

**APPENDIX:**  
**MORE INFORMATION ABOUT SHORE-TANNER & ASSOCIATES AND**  
**THE MAIN AUTHOR OF THIS REPORT**

# SHORE·TANNER & ASSOCIATES

## REAL ESTATE APPRAISERS AND CONSULTANTS

148 COLONNADE ROAD SOUTH, SUITE 202, OTTAWA, ONTARIO K2E 7R4

### ***COMPANY PROFILE: MARKET RESEARCH DIVISION***

Tel. 613 224-8484 ext.117 Fax. 613 224-8483

Our principals and most of staff have each been working in the National Capital Region for over 30 years. We have provided consulting services to the municipalities in the capital area, most local developers, many independent businesses, developers in other Ontario and Quebec municipalities, the Federal Government, as well as interprovincial and national organizations, such as **Metro Richelieu, Canadian Wood Council, Canada Lands Company, and Canada Border Services Agency.**

### ***SERVICES PROVIDED BY OUR MARKET RESEARCH DIVISION***

|                      |                           |
|----------------------|---------------------------|
| Public Consultations | Sales Forecasting         |
| Focus Group Research | Financial Analysis        |
| Executive Interviews | Feasibility Analysis      |
| Consumer Surveys     | Economic Studies          |
| Mystery Shopping     | Strategic Studies         |
| OMB Services         | Business Plan Development |

### ***SAMPLE OF PRIVATE SECTOR CLIENTS***

#### **Business Community**

Ottawa Congress Centre (now Shaw)  
Metro Richelieu (Montreal)  
The Ottawa Citizen

#### **High Technology Companies**

Corel Corporation  
JDS Uniphase  
Cognos (now IBM)

#### **Developers**

GreatWise (Toronto)  
DCR Phoenix Homes  
Junic Homes (Gatineau)

#### **Retail Sector**

Rideau Centre  
Glebe BIA  
Sparks Street BIA

#### **Legal Firms**

Gowlings  
Soloway-Wright  
GIBSONS LLP

#### **Professional Groups**

FoTenn Planning  
SamCon Inc. (Montreal)  
Colliza Architects

### ***SAMPLE OF PUBLIC SECTOR CLIENTS***

Municipalities of Ottawa, Clarence-Rockland, Carleton Place, and Brockville;  
PWGSC, Infrastructure ON, Canadian Palliative Assoc.; University of Ottawa;  
Algonquin College; Royal Ottawa Hospital; and National Capital Commission.

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# **SHORE·TANNER & ASSOCIATES**

## **REAL ESTATE APPRAISERS AND CONSULTANTS**

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### **BARRY NABATIAN, A.A.S., B.Sc., M.Sc.**

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**MEMBER : OTTAWA CHAMBER OF COMMERCE.**

**CHAMBER'S ECONOMIC DEVELOPMENT COMMITTEE.**

**SECURITY CLEARANCE AUTHORIZATION: RELIABILITY STATUS**

### **SPECIALTY OVERVIEW**

**Barry Nabatian** specializes in consulting regarding demand, feasibility, impact, and financial viability studies; retail, economic, tourism, amusement markets, and business plan developments; consumer research, lifestyle trends and impact of social change on residential, commercial and industrial markets. He is an urban economist and a financial advisor with over 40 years of experience serving a wide variety of private, public and non-profit organizations in Ontario, Quebec, and elsewhere in Canada. He has appeared before the Ontario Municipal Board (OMB), and Assessment Review Board as an expert witness dozens of times regarding various real estate, Official Plans, property taxes and assessment matters. He is frequently interviewed by various media on real estate developments, economics and social trends.

## CAREER SUMMARY

|                     |                                                                            |
|---------------------|----------------------------------------------------------------------------|
| July 2010 - present | <b>Director</b> , Shore-Tanner & Associates                                |
| 1997 - June 2010    | <b>General Manager</b> , Market Research Corporation                       |
| 1985-1997           | <b>Vice-President</b> , Corporate Research Group Limited                   |
| 1974-1985           | <b>Senior Market Analyst</b> , Planning Branch, City of Ottawa             |
| 1973-1974           | <b>Market Analyst</b> , Decision Sciences Corporation, Philadelphia, U.S.A |

## CAREER PROFILE

### **July 2010 – Present: Director, Market Research Division**

Under Barry's direction and full participation, major studies have been completed regarding the impacts of the City of Ottawa's planned Light Rail Transit (LRT) system on real estate developments; market demand and feasibility of various types of residential, retail, office and industrial development proposals, adaptive re-uses of very large government-owned former health care and industrial properties; business improvement areas, the University of Ottawa's future space needs; and OMB testimony. These studies have involved sites in the Cities of Ottawa, Brockville, Thunder Bay, and Kingston; Towns of Perth, Kemptville, Pembroke, Petawawa and Casselman (Ontario); Gatineau, Lacolle, St. Bernad (Quebec), Aldergrove, and Osoyoos (B.C.). A wide variety of quantitative forecasting as well as qualitative research techniques form the basis of these studies which have dealt with vacant land, as well as brown field developments, demand for built space by type, value, and return-on-investment.

### **September 1997 – June 2010: General Manager, Market Research Corporation**

Barry Nabatian directed and participated in the completion of numerous studies involving market analysis, surveys, economic research, sales forecasting, public consultation, preparation of strategic plans, and policy documentation. These services were provided for a wide variety of private sector, municipal, provincial, federal and crown corporation clients, as well as for educational and health care institutions. As an experienced witness at different court levels, he appeared dozens of times at Ontario Municipal Board hearings, municipal councils, Assessment Review Board, and other public bodies. His approach to problem solving has been based on consensus building, strategic thinking and innovative solutions.

### **September 1985 – April 1997: Vice-President, Corporate Research Group Limited**

Barry directed and contributed to the completion of hundreds of marketing, feasibility, financial and official plan studies related to the office, retail, industrial, and residential markets in Canada and Northeastern USA. Estimation of demand by market segments and time frame, absorption, rental rates, tenant inducements, and pricing strategies were one group of major studies. Another one was site analysis, evaluation and selection, review and/or critique of planning, strategy, and policy documents on behalf of both public and private sector clients. He also developed a number of econometric, simulation, and sales forecasting models for the commercial sector. As well, he appeared as an expert witness before numerous courts, panels of the OMB, the Québec Régie, municipal councils, and other governmental boards and commissions.

**Nov. 1974 – Sept. 1985: Senior Market Analyst, Planning Branch, City of Ottawa**

Barry was responsible for the design and implementation of a wide variety of commercial studies (e.g., Rideau Centre), research programs, development of property information systems, policy analysis, and positions for Ottawa City Council. He carried out numerous major office, shopping centre, housing studies and development strategies, with emphasis on the downtown core, including the development of a major database for the Ottawa Greater Central Area. Economic analysis and forecasting for the City were also his responsibilities, and he assisted in the creation of the City's Economic Development Department.

**April 1973–November 1974: Market Analyst, Decision Sciences Corp.,  
Philadelphia, USA**

Barry carried out market feasibility analyses for proposed new satellite communities for the US Department of Housing and Urban Development (HUD). Another major project was the determination of impacts of specific departmental renovations and expansions on total sales of a major supermarket chain with operations in several Northeastern States.

**PERSONAL INFORMATION**

Citizenship: Canadian since 1976  
Languages: Fluent in English, Persian, plus some French and Russian

**Education:**

May 1973 **Masters of Science**, Urban Economics and Policy Planning  
State University of New York at Stony Brook, U.S.A.  
Master's thesis: Truck Routing

May 1971 **Bachelor of Science**, Physics  
State University of New York at Stony Brook, U.S.A.

May 1969 **Associate of Applied Sciences**  
New York City Community College  
Brooklyn, NY, U.S.A.

As well, Barry has completed numerous courses, special training, and attended seminars in the fields of economics and statistics related to real estate markets, lifestyle trends, various consumer products and services, financial and wealth management. He has made numerous presentations and given lectures on these topics to various groups, including at the Real Estate Forum of 2011 in Ottawa with well over 500 attendees.

**Interests**

**Cooking, swimming, hiking, yoga, dancing, and philosophy.**