

Neatt Communities

Residential, Population, and Commercial Market Assessment

**150 Steeles Avenue East and 248, 250, & 314 Martin Street,
Milton, Ontario**

February 18, 2026

nblc

N. Barry Lyon Consultants Ltd.

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1.0 Introduction

N. Barry Lyon Consultants Limited (“NBLC”) has been retained by 150 Steeles Milton Inc. (“Neatt Communities” or “Neatt”) to provide a Residential, Population, and Commercial Market Assessment in support of an Official Plan Amendment, Draft Plan of Subdivision, and Zoning By-law Amendment application as it relates to the development of a 51.4-acre (20.8-ha) property located at 150 Steeles Avenue East and 248, 250, and 314 Martin Street in the Town of Milton (herein referred to as the “subject site”) (see **Figure 1**).

Figure 1: Location of the Subject Site, Looking Northeast



Source: N. Barry Lyon Consultants Limited; Google Earth.

1.1 The Proposed Development

Neatt’s proposal (the “Proposed Development”) includes a site-wide Official Plan Amendment (“OPA”) to establish new land use designations and overall development density to support the subject site’s evolution from a vacant former industrial site into a new mixed-use residential community, together with a Draft Plan of Subdivision (“DPOS”). The DPOS proposes 5 new public streets and 23 new blocks. Of the new blocks:

- 15 are intended for development, with 6 as Phase 1 development blocks and 9 Future Development Area blocks in Phase 2;
- 1 will be used for a stormwater pond;
- 3 are for parks/open spaces;
- 2 to delineate the Natural Heritage System and a buffer area; and
- 2 are reserved blocks to accommodate rights-of-way (Street B and Street D).

The key elements of this development framework are illustrated in **Figure 2**.

Figure 2 – Development Proposal



Source: Urban Strategies. Planning Rationale, February 2026; N. Barry Lyon Consultants Limited.

1.1.1 Phase 1 Lands

A detailed Zoning By-law Amendment (“ZBA”) applies to the Phase 1 lands and is intended to facilitate development of a total of 1,065 residential units, including:

- 955 apartment units across four mid-rise buildings ranging from 6 to 10 storeys; and,
- 110 townhouse units in back-to-back, double-frontage, and front-lane configurations.
- Phase 1 also includes 522 sm (5,619 sf) of retail and service commercial space (“commercial retail space”), integrated at the base of a mid-rise building (as circled in **Figure 2**).

Neatt anticipates Phase 1 will be built out by 2036. Assuming an average person per unit (“PPU”) of 1.9¹, this initial phase of development is anticipated to accommodate about 2,024 residents.

¹ Prepared for the Town of Milton by Tate Research Inc. Townwide Commercial Retail Need Assessment, November 2025, page 56.

1.1.2 Approach to Phase 2 Lands

Neatt assumes that Phase 2 of the development will be built out over the current 20-year planning horizon. Given this longer timeframe, development standards for Phase 2 have not been established through this initial application. These standards would be determined through future, detailed ZBA applications.

This phased approach to planning in future phases is considered appropriate given current market challenges, which are discussed further in **Sections 3 and 4** of this report. It is our understanding that this phased approach to planning approvals has been taken to allow for flexibility to adjust built form and product offering over the coming years, especially as market demand, economic conditions, and other factors evolve.

For the purposes of various supporting technical analyses associated with the delivery of enabling infrastructure, maximum density for the Subject Site at full build out has been proposed.

- Based on this maximum density, it is estimated that the Phase 2 lands may accommodate up to 3,050 apartment units or about 5,795 persons.
- Absent a policy target rate, a bottom up approach has been taken to locating and scaling commercial retail space within Phase 2, which seeks to maximize retail success.
- Subject to refinement based on future residential unit and population yields, a minimum of 3,278 sm (35,284 sf) of retail space has been identified as part of Phase 2 (**Figure 3**).

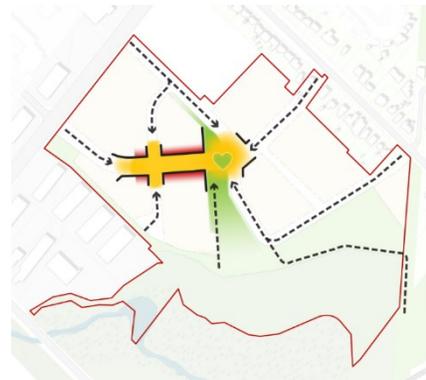


Figure 3: Phase 2 Mixed Use Centre/ Street A/Green Spine

Source: *Urban Strategies. Planning Rationale, February 2026.*

1.2 Report Purpose and Context

This Residential, Population, and Commercial Market Assessment is intended to form part of a complete development application for the Proposed Development.

- An initial OPA, ZBA, and DPOS application was submitted on April 25, 2025 by Urban Strategies Inc. (“USI”) on behalf of Neatt, with a Notice of Complete Application issued by the Town of Milton (the “Town”) on May 29, 2025.
- While formal Terms of Reference were not provided at that time, the submission included an initial memorandum prepared by N. Barry Lyon Consultants Limited (“NBLC”) under the same title as this report and dated April 22, 2025. Since then, a study titled *Town-Wide Commercial Needs Analysis* was prepared for the Town of Milton by Tate Research Inc. (the “Tate Research report”).

As part of USI's resubmission, this report:

- Updates our initial market observations; and,
- Expands upon the commercial retail market assessment considering findings of the Tate Research report.

This update highlights current challenges in the local high-density residential market, which are critical to protecting housing outcomes and directly influence the timing of commercial retail delivery in mixed use residential projects given dependence on residential market cycles, feasibility, and phasing.

2.0 Site and Proposed Development Context

From a planning policy standpoint, the subject site is located within an area of the Town planned to accommodate some of the highest levels of residential and non-residential intensification and growth. Specifically, the site is situated within the Town’s *Major Urban Centre* and is identified as part of the *Bronte–Steeles Strategic Growth Area* in the Town’s Official Plan, as amended by OPA No. 92, adopted by Town Council in March 2025 and approved by the Province in December 2025. Together, these designations reflect the Town’s long-term vision for compact, transit-supportive, and mixed-use development in this part of Milton.

Against this backdrop, this section begins to outline the subject site’s historic, current, and emerging context to assess its suitability for high-density residential development, as well as associated commercial retail and office uses from a marketability perspective.

2.1 Historic Context

Located at the southwest quadrant of Steeles Avenue East and Martin Street, the subject site is one of the last remaining undeveloped portions of the original historic Town of Milton—or what is commonly referred to as Old Milton North. Its strategic location reflects the area’s industrial past while sitting adjacent to more mature residential, commercial retail, and employment areas.

Historically part of the Milton 401 Industrial/Business Park, and once occupied by an auto parts manufacturer, Neatt has remediated the subject site following a municipally initiated and regionally approved employment conversion. This process has enabled the subject site’s transition away from legacy industrial uses and toward redevelopment for new urban purposes.

2.2 Current Context

Today, the subject site is situated at the interface of several established land use contexts:

- To the north and northwest, there are active employment uses, new warehouse developments, and public park uses;
- To the east, is the Mountainview residential neighbourhood—characterized by tree-lined streets, well-maintained two-storey homes, and limited resale activity—highlighting proximity to a low-density but high-demand residential area; and
- To the south, the subject site is walking-distance to Mill Pond, Rotary Park, schools, and the shops and restaurants along Milton’s Main Street.

While low-density employment lands to the north and west and natural areas to the south will constrain movement, the subject site’s location between established neighbourhoods, employment areas, and Downtown Milton suggests that some through-traffic may emerge as development builds

out. This through-traffic is expected to be predominantly local in nature, consisting of short vehicle trips, cyclists, and pedestrians using the site as a convenient connection within the evolving street network.

The subject site's connectivity to key transportation corridors further supports this potential. Steeles Avenue East functions as a major arterial route, providing access to a Highway 401 interchange within approximately a five-minute drive, while Martin Street serves as a primary north-south connection to Downtown Milton and surrounding residential neighbourhoods. Together, these corridors support local and regional access, local bus service provision, and emerging use of cycling infrastructure along Steeles Avenue East.

2.3 Emerging Context

The proposed development represents the first step in the subject site's transformation into a compact, mixed-use and potentially transit-supportive residential community. As described in **Subsection 1.1**, the proposed development introduces a permitted range of non-employment uses and a framework for public streets, potential introduction of new bus service, and new active cycling and pedestrian connections. The collective movement of vehicles, pedestrians, and cyclists is expected to concentrate most along Martin Street, Steeles Avenue East, and select new local streets (e.g. Street A), reinforcing emerging desire lines between the site, Downtown Milton, nearby parks, and existing community amenities.

These early investments in local infrastructure and the delivery of new parks, open space, and trails are expected to enhance the subject site's overall marketability for residential uses within the proposed development. By contrast, the subject site's edge-of-centre location within the Town's broader urban structure suggests that marketability of commercial retail space will be challenging, particularly in early phases. Over time, marketability is expected to improve more gradually. In practical terms, population levels, traffic volumes (including pass-by and through-traffic), and retail expenditure potential will need to reach critical thresholds before commercial retail spaces are likely to be absorbed by potential tenants.

3.0 Demand and Demographic Analysis

The following provides an overview of broader demographic indicators, housing trends, and macroeconomic factors that have shaped—and will continue to shape—the level and type of residential demand at the subject site and across Milton over the short to longer term, and, in turn, influence the potential for retail uses—a key driver of demand.

3.1 Milton has been a Fast-Growing Community

We note that Milton’s population growth has been fast-growing in recent decades. During the early 2000s, the Town experienced double-digit annual growth rates that, at times, were over five times greater than those observed at the Halton Region Toronto CMA-level.² Although annual growth rates have moderated in recent years—averaging approximately 5.8%, between 2011 and 2020, and even recording a modest increase of around 3.0%, during the COVID-19 pandemic (“the Pandemic”)—the rate of population increase remains above Halton and the Toronto region.^{3,4,5} This population growth has been driven by internal migration, including households moving out of more central areas of the GTA, as well as through the growth of non-permanent residents and (external) immigration.⁶ This growth is also supported by a healthy local economy, predominantly generating jobs in warehousing, transportation, and manufacturing. Across all sectors, local employment has increased by about 12,750 jobs, or about 5.4%, on average, per year, between 2011 and 2020.⁷

3.2 Development Activity Suggest Growing Acceptance of Denser Housing Formats

It is important to appreciate that fast population growth in the 2000s was enabled by the delivery of “The Big Pipe” project that opened new development lands in Milton. This also occurred at a time when Mississauga was nearing full build-out. Residential construction activity peaked, in Milton, during the late-2000s, with nearly 3,000 total housing starts in 2008.⁸ In part, this level of development activity may have been symptomatic of pent-up demand, with more recent activity considered a gradual return to normal. Between 2016 and 2025, Milton’s residential growth has moderated, averaging about 1,320 housing starts per year.⁹

Milton has, and to a degree, continues to be viewed as a low-density residential market. However, these conditions are shifting, as evidenced by single and semi-detached homes accounting for about 35% of the average annual housing starts over the last decade, compared to nearly 60% of starts over the previous decade.¹⁰ This largely is a product of the availability of relatively affordable grade-

² Statistics Canada. 2007. Census Profile. 2006 Census. Statistics Canada.

³ Statistics Canada. 2012. Census Profile. 2011 Census. Statistics Canada.

⁴ Statistics Canada. 2023. Census Profile. 2021 Census of Population. Statistics Canada.

⁵ Statistics Canada. Population estimates, July 1, by census subdivision, 2021 boundaries.

⁶ Statistics Canada. Components of population change by census division, 2021 boundaries.

⁷ Halton Employment Survey, 2011-2014 & Halton Employment Survey 2023.

⁸ CMHC Housing Market Information Portal. New Housing Construction.

⁹ Ibid.

¹⁰ Ibid.

related single-family housing options relative to other municipalities closer to Downtown Toronto, Lake Ontario, and the Toronto-Niagara corridor.

- While townhouse starts accounted for just over 20% of total starts during the 2000s, they now account for 31% of total starts, nearly matching single-detached construction.¹¹
- Similarly, the number of denser townhouse product offerings has increased in recent years. Increasingly developments include fewer traditional and wide-shallow lot types, giving way to the emergence of more back-to-back layouts and the occasional stacked townhouse project. These product types were added to the local market in the late-2010s. The trend towards shrinking lot widths and emergence of new townhouse typologies is partly explained by a developer's preference to achieve higher unit yields. The fact that projects have sold out indicates market acceptance of this product type too.¹²
- Overall, the number of annual apartment starts is also growing. Between 2016 and 2025, just over 30% of annual starts were apartments – up from 11% over the prior decade.¹³ Nearly all apartment projects advancing in Milton have been in a mid-rise built form—generally indicative of a market with growth but more moderate high-density residential demand.

3.2.1 Eroding Affordability and Increasing Market Acceptance of Denser Housing Formats

In part, the market's shift to denser housing formats is a function of growing affordability challenges. As alluded to above, Milton's growth has been driven by competitive pricing and a strong supply of new low-rise homes compared to many other GTA municipalities. However, we note that household income levels have not kept pace with housing prices, overall, eroding affordability levels. For example, between 2016 and 2025, we estimate average household incomes have increased by about 40%¹⁴, whereas average resale housing prices in Milton has increased by 60%.¹⁵ To further illustrate the impact of a growing affordability gap, we have estimated the required household income to purchase a home in Milton.¹⁶ For example, the average resale price of a detached home in Milton as of December 2025 was about \$1.21 million¹⁷. Under current mortgage conditions, this pricing requires a household income of about \$205,000. Even the average resale townhome at \$907,000¹⁸ demands roughly \$150,000 in annual household income. We note that the required income to purchase a single-detached home is well above Milton's estimated 2025 average household income of about \$168,000. While townhouses appear to be more attainable, many households will naturally have lower incomes, particularly younger households and renter households.¹⁹ This also assumes

¹¹ Ibid.

¹² Altus Data Studio. Custom Data Search – Actively and Recently Sold Out Townhouse Projects in Milton.

¹³ CMHC Housing Market Information Portal. New Housing Construction.

¹⁴ Statistics Canada. 2017. Census Profile. 2016 Census. Statistics Canada, adjusted to 2026 using CPI.

¹⁵ TREB Market Watch. December 2016 and December 2025.

¹⁶ TREB Market Watch. December 2016 and December 2025.

¹⁷ Assumes a 30-year mortgage, 20% downpayment, and a five-year fixed rate mortgage of 4.74 % as of January 2026, The maximum loan is calculated at 30% of income, based on Canada Mortgage Housing Corporation (CMHC) definition of affordable housing.

¹⁸ TREB Market Watch. December 2025.

¹⁹ Ibid.

¹⁹ www.milton.ca/en/business-and-development/quality-living.aspx, adjusted from to 2025 using CPI.

homebuyers have saved a 20% downpayment – increasingly challenging with cost-of-living increases, unless a household has built up equity in an existing home.

These trends generally illustrate a need for a greater range of residential product types to meet housing needs given socioeconomic factors, as well as demographic/household composition considerations discussed below.

3.2.2 Changing Demographics and Lifestyle Preference

An aging population may also explain and support a shift to denser housing formats, as some residents may leverage their single-family home equity to afford new condominiums or modern quality rentals. In this case, downsizing is often predicated by a changing lifestyle (e.g., divorce/ loss of a partner, becoming an ‘empty-nester’, mobility and/or security concerns). Overall, the size of this purchaser and renter cohort is expected to increase over the coming decades, driven primarily by the aging of the Town’s existing Baby Boomer population.

Collectively, these demand, demographic, and related considerations point to the suitability of marketing a range of low- to mid-rise residential built forms on the subject site, with density increasing as markets mature and a sense of place is established within the proposed development.

3.3 Non-Residential Investment is Largely Limited to the Local Industrial Market

While Milton has experienced strong levels of non-residential investment over the last five years, with just over 7.2 million sf being delivered to the market, almost all of this space has been industrial (98%), followed by retail (1%), and office (0.3%).²⁰ While other knowledge-based sectors may be growing, such as finance and insurance, professional, scientific and technical services, this has not resulted in significant investment in the local office market. The typical location and form of office and retail investment is further discussed in **Subsections 5.1** and **5.2** of this report.

3.4 Where is Milton Heading?

Based on Regional OPA 49, Milton has a long-term allocation of population and job growth, from 2021 to 2051, of 213,600 persons and 91,880 jobs. For the purposes of the Town of Milton’s *Residential and Non-Residential Needs Analysis Study*, as part of its most recent Official Plan update, this growth was treated as a base or ‘low’ scenario. Considering trends, previously forecasted immigration levels, and longer-term population estimates established for the Province, the Town established a slightly higher ‘medium’ population growth scenario as a ‘reference’ to test housing need and adequacy of land supply as part of its recently completed Official Plan update process. The population growth forecast utilized by the Town was 263,100 persons from 2021 to 2051. This ‘medium’ level of growth translated into an estimated need of about 90,000 residential units, or just

²⁰ Costar. NBLC custom data search, December 2025.

over 2,900 new units per year, on average, over the current planning horizon. Of this growth, it is anticipated that about 30% of the housing forecasted would be accommodated through low-density development, 38% medium density, 26% high-density, and 7% through secondary suites – also suggesting a continued shift to an adoption of denser housing formats.

As the Province works to achieve its goal to build 1.5 million homes over the next decade, the Town pledged to facilitate construction of 21,000 housing units by 2031 (~2,625 units per year, from 2023 to 2031).

This positive growth outlook and ambitious pledges are based on an expectation of sustained long-term economic and housing expansion in the GTA and Halton Region, which make up a significant portion of the Town’s commuter-shed. It also assumes Milton’s future population and residential growth continue, driven by continued outward migration from the GTA and attraction of non-permanent residents and immigrants seeking relatively affordable housing options.

To meet these shorter and longer-term residential targets, however, Milton must see a significant increase in local development capacity. Over the past decade, the Town has averaged a little over 1,300 starts per year, with only three years exceeding 2,000 starts. In 2024, the Town achieved 1,506 housing starts in 2024 and 2,323 housing starts in 2025. Before considering current market challenges, this suggests the potential for Town-wide challenges in satisfying future housing targets.

3.4.1 Real Estate Investors and Developers are in a “Wait and See” Mode

Prevailing market forces will naturally influence the ability of the Town to meet housing pledges and accommodate projected residential demand. Over the short-term, it is particularly important to highlight that there remains significant uncertainty across almost all real estate markets and asset classes. Real estate markets have experienced a pronounced slowdown and reduced development activity will naturally follow. This uncertainty is the result of multiple factors, including:

- **Escalating Construction Costs:** A major factor influencing this market trend is the relationship between development costs and revenues. Prior to the Pandemic, construction costs increased modestly and were well outpaced by growth in home prices. This was similar the case with respect to most commercial markets. As an example, this allowed developers to continue building new housing with limited impacts to feasibility. These dynamics explain peak sales activity up to the early-2020s and continue to explain high construction starts as recently as 2025.

By the end of 2020, however, as the Pandemic took hold and associated lockdowns began, construction costs started to rise rapidly. Contributors to cost escalation included supply chain disruptions, raw material price escalation, labour supply shortages, and reduced labour productivity because of lockdowns. As reported by Statistics Canada, the Building Construction Price Index (“BCPI”) for residential buildings increased by 97% since the end of 2017. The BCPI

measures changes in the pricing that contractors charge to construct new buildings, inclusive of all materials, labour, overhead and profit.

While industry experts are expecting construction costs to moderate in the near term,²¹ construction costs are not expected to fall back to pre-pandemic norms. Being constructed in a vertically mixed-use context, these same construction cost escalation challenges impact commercial retail space viability too.

- **Interest Rate Hikes:** To tackle rising inflation, we also note that the Bank of Canada ('BOC') increased the overnight lending rate 10 times over the course of 2022 and 2023. This had a significant impact on borrowing costs. The resale market was the most impacted, with a notable drop in both pricing and sales.

Higher interest rates also impacted construction borrowing costs, which have had an impact on the feasibility of new development too. This means that financing and carrying costs, which would be in addition to the cost of construction, have also risen dramatically. At the same time, access to financing and debt is also becoming more difficult, which is also impacting overall development feasibility and activity.

In June 2024 the BOC began reducing its policy interest rate, with a combined reduction of 275 basis points occurring over the past 20 months. While this may indicate signals of optimism in the market, soft market conditions continue as buyers and sellers work through the high amounts of available inventory.

- **Price Reduction Challenges:** In terms of pricing, it is important to note there has historically been a price differential between newly constructed condominium units and existing resale units. This generally reflects the inherent premium associated with new and modern developments. However, this gap widened significantly in Ontario as pandemic-driven demand accelerated new home sale pricing in 2021. Construction cost escalation, rising borrowing costs, and limited flexibility in developer profit expectations as a result of financing requirements has left limited room for developers to adjust pricing downward, leaving new pricing elevated and eroding the market appeal of a pre-construction condominium apartment.
- **Weakening Market Conditions:** The cumulative impact of rising construction costs and interest rates have resulted in fewer condominium projects launching (i.e. beginning a marketing campaign and advancing pre-construction sales). This trend is being observed widely across Ontario. For example, in the Milton market, there were very few launches in 2024 with very low sales, and no new high-density apartment launches in 2025.
- **Geopolitical Uncertainty:** The above market challenges have all been made worse by overall uncertainty of the current geo-political climate and concerns regarding the state of the economy. Practically, this makes it difficult for developers to predict costing and potential revenues, and

²¹ Altus Group – Canada's Shifting Fundamentals are Reshaping Housing and Construction – November 2025.

residential absorption levels. From an end-user perspective, it also becomes difficult to make major household decisions (e.g., moving, purchasing a new home, etc.).

- **Immigration Policy Shifts:** In response to housing supply challenges, the Federal government has also shifted its immigration policy by reducing both temporary and permanent resident targets in the near term. These changes are intended to ease pressure on housing markets and affordability and are expected to result in slower population growth nationally over the next several years. While the full implications for Milton’s housing market remain uncertain, these groups play an important role driving apartment demand, especially upon initial settlement, but often represent tomorrow’s purchases. Shifts in national immigration policies mean uncertainty regarding demand and project absorption levels from the perspective of a developer.

3.5 Key Take Aways

Currently, the development community across the GTA remains highly cautious. Homebuyers are similarly hesitant, reflecting concerns related to job security, affordability, and broader geopolitical and economic uncertainty. For those who are purchasing, the resale market offers considerable choice, including “like-new” recently completed units that are often priced below comparable new construction. This pricing dynamic erodes the incentive to purchase new condominium apartment units.

At the same time, elevated construction costs and limited flexibility to reduce new-build pricing have constrained project viability, leading many developers to delay launches. The resulting slowdown in new project launches is expected to translate into fewer housing starts and completions over the near term.

Over time, reduced construction activity will allow existing inventory to be absorbed, contributing to a gradual rebalancing of market conditions and the potential release of pent-up demand, as real estate cycles typically lag broader economic shifts.

In this context, the proposed development is well positioned to capture emerging demand as enabling infrastructure is delivered and market conditions improve. The proposed product mix and densities—including market-tested formats and efficient mid-rise built forms—align with demonstrated buyer preferences and support long-term absorption expectations.

Notwithstanding this outlook, inherent challenges remain in the near- to medium-term with respect to the development economics in apartment projects incorporating underground parking and non-residential space. These cost and feasibility considerations will need to be carefully managed as market conditions stabilize. These factors are discussed further in the following section of this report.

4.0 Market Challenges and the Delivery of Non-Residential Space in a Vertical Mixed-Use Context

Even under more favourable market conditions, high-density residential development in Milton has historically been less prevalent than grade-related single-family housing forms. Apartment projects—particularly those reliant on underground parking—remain relatively limited and typically operate with tighter margins and potential delivery risk compared to low-rise, greenfield housing forms that benefit from lower construction costs and surface parking. To date, most apartment development in Milton has occurred within much larger, master-planned communities within a greenfield context, where large sites can be used to deliver cost-effective projects (e.g., wood frame construction, efficient underground/surface parking layouts).

Layered onto these structural considerations, current market conditions, as discussed in **Subsections 3.4.1** and **3.5**, further constrain feasibility. Elevated construction and financing costs, softer absorption levels, and broader economic uncertainty have materially reduced high-density residential viability. In this environment, residential projects have limited capacity to absorb additional costs beyond what is required to deliver economically viable housing outcomes, such as other non-residential outcomes.

These dynamics are particularly important to understand in a vertically integrated mixed-use context, as proposed in a few locations across the subject site. While local consumers are generally accepting of retail and service commercial uses within a mixed use context (see Subsection 5.1.1 to follow), the delivery of such non-residential space is fundamentally dependent on the viability of residential development. Residential uses remain the primary driver of project revenue and are relied upon to underwrite shared building elements, including underground parking, podium construction, and common infrastructure. Where residential feasibility is strained—as is currently the case—the introduction of non-residential uses introduces incremental cost and risk that cannot easily be absorbed within the overall project pro forma.

Ground-floor commercial retail space within mid-rise buildings is substantially more expensive to construct than conventional, ground-oriented commercial formats, such as community shopping centres, pad retail, or standalone retail formats. These formats rely on large lots to deliver cost-efficient low-rise buildings serviced by surface parking. At the same time, achievable retail rents in the Milton context remain modest, and revenues are typically realized later in the development cycle. In many cases, this means the stabilized value of retail space in a mixed-use building may not offset construction costs, resulting in a financial gap that must be compensated for elsewhere within the project. These feasibility challenges are further compounded where non-residential space is required to be served by underground parking. In Milton consumers have historically demonstrated a preference for free, highly visible, and readily available surface parking when shopping.

The timing and phasing of non-residential space can also place a further strain on project viability once development is completed. Requiring commercial retail space in early phases—i.e. through minimum requirements tied to a project phasing schedule—can introduce these spaces before sufficient population density, activity, and demand have been established. This increases the risk of prolonged vacancy or underperformance, while also placing pressure on operational viability.

Given these risks, a delayed approach to the delivery of commercial retail space is typically preferable. This strategy seeks to avoid outcomes that undermine both placemaking objectives and long-term commercial viability. We note that this dynamic is called out in the Tate Research report, which notes that retail performance is highly sensitive to timing, location, and the establishment of a sufficient customer base.

4.1 Key Take Away

Taken together, these market and development feasibility challenges underscore why a flexible and phased approach to planning approvals is likely appropriate for the proposed development, including the planning of future commercial retail space. Deferring commercial retail uses until later stages of development—once residential feasibility conditions have improved—is a strategy more likely to support residential delivery outcomes in the near term. Over the longer term, the approach preserves the objective of planning for the delivery of a compact mixed-use community at the subject site.

5.0 The Competitive Non-Residential (Office and Retail) Markets

Recognizing the current challenges associated with vertically integrated mixed-use development, the following discussion examines where—and under what conditions—non-residential uses, particularly retail and office, have the greatest opportunity to succeed. To inform these conclusions, a high-level overview of relevant market trends and local conditions is provided by sector, followed by a discussion of key demand drivers and location selection considerations from the perspective of end-user retailers and office tenants.

5.1 Retail Markets

5.1.1 Trends Influencing Retail Demand and Location Selection

The retail industry has undergone significant structural change in recent years, driven by evolving consumer behaviour, shifts in retailer business models, and ongoing technological advancement. These trends, as documented in the Tate Research report, have direct implications for the amount, form, timing, and most appropriate location of retail space within new mixed-use communities.

A defining trend is the continued growth of e-commerce and omni-channel retailing. While overall consumer spending has remained relatively stable, an increasing share of retail expenditure has shifted to online platforms. In response, many retailers have rationalized store networks, reduced average store sizes, and prioritized fewer, higher-performing locations. From a land use perspective, this has contributed to a declining requirement for physical retail space on a per capita basis, even as total retail demand continues to grow in absolute terms alongside population growth.

At the same time, while planning policy has increasingly encouraged retail within vertically integrated mixed-use developments, these formats present practical constraints from a tenant perspective. Such constraints include limitations related to loading and servicing, parking access, unit depth, and the interface between residential and commercial uses. As noted in the Tate Research report, many national retailers—particularly grocery stores and large-format anchors—continue to prefer traditional, at-grade retail formats with direct vehicular access (e.g., community shopping centres, pad retail, and stand-alone-retail formats). By contrast, mixed-use formats tend to attract smaller, independent, or service-oriented tenants, typically at lower achievable rents, which limits the depth of demand and constrains development feasibility, as discussed in the previous section.

Taken together, these trends and market preferences point to a more selective and strategic approach to retail planning within new communities. Successful projects increasingly concentrate retail in highly visible and accessible locations and introduce it later in the development cycle, once sufficient population and activity levels have been established, rather than assuming uniform or early retail delivery across the site. These strategies can help to facilitate rents that are more likely to cover the cost of new construction, particularly in a challenging high-density residential market context.

5.1.2 Current Conditions in the Local Retail Market

The Tate Research report provides the most recent and comprehensive inventory and spatial assessment of retail commercial space across Milton. As of 2025, it is understood that Milton contains approximately 4.3 million sf of retail commercial space, inclusive of retail, service, and vacant space, with an overall vacancy rate of approximately five per cent. This indicates a generally balanced, but competitive, municipal retail market.

Retail space is unevenly distributed across Milton, reflecting differences in development maturity, accessibility, and historic growth patterns. The Tate Research report identifies a strong concentration of retail space within Downtown Milton (Old Milton North) and the Milton GO Major Transit Station Area (“MTSA”), which together function as Milton’s primary retail and service nodes. As of 2025, Downtown Milton accommodates approximately 438,000 sf of retail space, while the Milton GO MTSA contains approximately 1.10 million sf. On a per capita basis, these central areas support approximately 69 sf of retail space per capita—significantly higher than levels observed in newer or emerging growth areas of Milton. It is also noted that these two locations accommodate a broad mix of daily-needs, by comparison, and service-oriented retail uses and draw customers from beyond their immediate surroundings.

By contrast, the *Bronte–Steeles Strategic Growth Area*²², where the subject site is located, currently contains a limited amount of neighbourhood-scale retail space. The Tate Research report attributes this condition to the area’s historic development pattern, including its legacy employment focus, as well as the timing of growth relative to more established commercial nodes nearby.

Given the subject site is about a 10- to 15-minute walk or five-minute drive to Downtown Milton, early residents of the proposed development will inherently have convenient access to an established concentration of retail and service uses. As a result, initial phases of the development will not need to independently support a full complement of local retail space to be attractive from a residential marketability perspective. As noted in the Tate Research report, mixed-use and greenfield communities frequently overestimate the amount of retail that can be supported solely by on-site residents, particularly in early phases before population thresholds, visibility, and access have fully matured. Premature delivery of permanent retail space in such contexts can result in prolonged vacancy, downward pressure on rents, or tenant turnover, reinforcing the importance of aligning retail delivery with demonstrated market demand and appropriate locations.

5.1.3 Estimated Future Per Capita Retail Space Need

Consistent with the methodology applied in the Tate Research report, future retail need can be expressed using a per capita retail commercial space benchmark that reflects contemporary retail

²² Often referred to as the Bronte-Steeles-Meritor Planning Policy Area or “PPA” in the Tate Research Report and other municipal reports.

formats and evolving consumer behaviour. The Tate Research report more specifically identifies a benchmark of approximately 14.5 sf of retail space per capita to apply to all future development within the *Bronte–Steeles Strategic Growth Area*. Of note, this represents a reduced requirement relative to historic norms and reflects the area’s role within Milton’s retail hierarchy. This benchmark is also indicative of the expected function of retail within the proposed development and the *Bronte–Steeles Strategic Growth Area*.

Under this framework, commercial retail space within the *Bronte–Steeles Strategic Growth Area* is expected to function primarily as population-serving rather than destination-oriented, with higher-order and destination retail uses concentrating in established nodes such as Downtown Milton and the Milton GO MTSA.

This need is not intended to be satisfied on the subject site alone – the subject site is one parcel throughout the *Bronte–Steeles Strategic Growth Area* that may satisfy a portion of future need. In this regard, other parcels planned to accommodate non-residential uses may be better positioned to accommodate retail space in stand-alone formats that align with retailer, tenant, and consumer preferences, offer greater visibility and vehicular access, and can be delivered with surface parking and at lower cost.

Using the 14.5 benchmark, Phase 1 of the proposed development is expected to generate need for approximately 29,350 sf of retail commercial space. By Phase 2, a further need of up to 84,030 sf may be generated from the proposed development (**Table 1**). While a portion of overall retail demand is planned to be satisfied on the subject site, the balance could be satisfied elsewhere within the *Bronte–Steeles Strategic Growth Area* over the longer term development horizon.

Phases 1 and 2 of the proposed development collectively are planned to include commercial retail space provision of 40,903 sf. While this planned provision exceeds the estimated Phase 1 need, its adequacy in addressing longer-term local retail need generated from the proposed development would need to be revisited as the actual built-form and population assumptions for Phase 2 are understood through the future rezoning process for these lands.

Table 1: Comparison of Commercial Retail Space Need Generated at Full-Build Out of the Subject Site and Planned

	Residential Unit Yield	Population ¹	Approx. Total Retail Need ²	Retail Space Planned ³
Phase 1	1,065 units	2,024 residents	29,350 sf	5,619 sf
Phase 2	Max. Estimate 3,050 units	Max. Estimate 5,795 residents	Max. Estimate 84,030 sf	Min. 35,284 sf
Total	Max. Estimated 4,115 units	Max. Estimated 7,819 residents	Max. Estimate 113,380 sf	Min. 40,903 sf
<i>Notes: 1) Assumes 1.9 persons per unit; 2) benchmark target of 14.5 sf per capita; 3) based on development statistics provided by USI.</i>				

5.1.4 Designing Retail for Greater Success

As noted in the Tate Research report, “mixed-use developments generally occur in a range of geographic contexts, each with varying retail prospects,” and retail performance is driven primarily by location-specific conditions rather than policy intent alone. In this context, the appropriateness of retail locations within a community is shaped by several interrelated factors that influence consumer behaviour, business viability, achievable rents, and overall project feasibility. The following outlines the key considerations for planning future retail with a view to optimizing its potential for success:

- **Population Thresholds** – Retail demand increases as residential and employment growth materializes. In particular, sufficient population and daytime activity must be present before new retail can be sustainably supported, especially in early development phases. This notion supports a phased approach to future commercial retail space within the proposed development.
- **Agglomeration Effects** – Retailers often benefit from clustering with complementary uses, which enhances choice, comparison shopping, and convenience. These benefits must be balanced against minimum market thresholds to avoid oversaturation and adverse impacts on tenant performance. Generally, an approach that clusters retail commercial space is preferred.
- **Vehicle Access and Parking** – Direct vehicular access and convenient, visible parking remain among the most critical drivers of retail performance, particularly for uses such as supermarkets, grocery stores, discount retail, and specialty shopping. While convenience-based retail and services are less parking-intensive, they still benefit from short-term parking to support quick trips, deliveries, and ride-share activity. Local consumer preference remains for free and readily available surface parking.
- **Transit Accessibility** – Proximity to rapid transit can expand the effective customer base for smaller-format, non-destination retail. Theoretically, it can partially reduce parking supply in higher-density contexts with strong pedestrian conditions. However, the subject site is not proximate to well connected rapid transit and therefore unlikely to capitalize on these benefits. Nonetheless, locating retail near to a future bus stop may be positive for this use overall.
- **Visibility and Pedestrian Activity** – Prominent frontage along higher-order streets and consistent, predictable pedestrian activity has the greatest potential to materially improve customer awareness, impulse visits, and sales performance of future commercial retail spaces. As a result, convenience-based retail is most viable where it is integrated into primary pedestrian routes, building entrances, and local bus stop locations within the proposed development.
- **Rent Levels and Feasibility** – Retail viability ultimately will depend on the relationship between achievable sales volumes and rent expectations. Locations lacking sufficient customer capture may struggle to support market rents, even where surrounding population levels appear adequate.

Taken together, these considerations reinforce the conclusion that retail delivery within the proposed development will be challenging—particularly in the absence of ample surface parking—and most

successful when concentrated in a limited number of highly visible, accessible, and well-trafficked locations, rather than dispersed uniformly throughout the community. Comparatively, some other locations and parcels within the *Bronte-Steeles Strategic Growth Area* may be more suitable to absorb some of the need generated from the proposed development (e.g., large commercial-properties with frontage on Bronte Road, nearer new communities, and Downtown Milton).

5.2 Office Markets

5.2.1 Factors Underpinning Office Investment

More traditional office uses are typically considered to be another potential land use that can be accommodated within vertically mixed use residential projects. Many of the same factors driving location investment decisions in the office market are shared with the retail sector. Additional key drivers include:

- **Access to a Concentration of Labour:** Critical for office businesses, a deep pool of qualified employees is essential. Employees increasingly prefer to work and live in the same community or within a reasonable commute, pushing office development toward larger urban centres and mixed-use areas with strong existing or planned high-order transit, coupled with highway access, and ample attainable housing. These factors have underpinned significant major office investment in places like Downtown Toronto, as well as new multi-tenant office investment within the Vaughan Metropolitan Centre, and Mississauga's Airport Corporate Centre. Unfortunately, Milton does not benefit from the same access to a large labour pool relative to these more central and well-connected areas.
- **Amenity-Rich Mixed-Use Environment:** The current labor force also tends to favor amenity-rich areas. In Milton, smaller scale professional office spaces are often found along the Main Street.
- **Transit Access:** Reliable, frequent transit improves access for employees and customers and can transform a location into an office investment hub. While the subject site is near local bus stops on Steeles Avenue East and is planned to potentially include future local bus service, it is not adjacent to a high-order transit station and unlikely to attract office investment.
- **Vehicular Accessibility and Parking:** Suburban office users rely on cars, making highway access and sufficient parking crucial for investment. This includes large sites planned or developed for offices that are at the fringe of employment areas and near highways, which typically allow for inexpensive dedicated surface parking. This disadvantages the proposed development, which is near the highway, but puts forward a block and street layout with a more urban fabric, which requires moving away from the use of surface parking. As discussed in **Section 4.0**, to be successful in this configuration, the site would need to support market rents that outweigh the higher cost of under-ground or structured parking, or as discussed previously, a sufficiently robust high-density residential market to cross-subsidize office.

- **Operating Costs:** Lower commercial property taxes in Milton can result in lower gross rents, for example, compared to Toronto. While this can help with demand, the savings must outweigh the other disadvantages that affect the outlook for office demand in Milton and at the subject site.

5.2.2 Conditions in the Local Office Market

Like retail markets, office markets have also undergone significant structural shifts in recent years. The Pandemic catalyzed a shift towards a larger portion of the population working from home. While many office-oriented businesses have implemented a return to office, the flexibility that work-from-home has provided to office workers is likely to be sustained over the long-term, with most companies now offering flex work from home/office options to attract/retain labour. This structural shift has impacted supply and demand conditions in the regional office market, with many businesses no longer requiring the same amount of space on a per employee basis. It is possible that this restructuring could be a decade-long adjustment period, reducing the need for new space for many years to come. This period of recovery is particularly protracted as many major office projects that began preleasing and construction before the Pandemic are just coming to completion in central, highly attractive office locations in the GTA (primarily Downtown Toronto).

While some new office development activity has occurred throughout the Town over the last decade, these developments have been population-serving, where demand is correlated to residential growth. In total, we note there have been six professional office spaces developed in Milton within the last ten years.²³ This more recent development activity has generally been split between locations along Bronte Street South, benefiting from proximity to the Milton District Hospital and the build-out of adjacent ‘new communities’, as well as being integrated within business parks along Highway 401. These locations benefit from a mix of highway access, available land for surface parking, and less complexity relative to building in an urban mixed-use context.

Based on recent trends, continued population growth, and the market positioning of Milton within the regional office market, we would expect there may be modest demand for new office space across the entirety of Milton. This may, for example, amount to about 25,000 sf to 30,000 sf per year, or one new building every two to three years. As population densities are established, an increasing share of this office growth would logically locate within areas of the Town experiencing greater residential investment, such as around Milton GO MTSA, with more positive office investment location attributes. Overall, we expect that the subject site is unlikely to attract significant demand for traditional office space, specifically at rents that support new construction in a high-density project with underground parking.

²³ Costar. NBLC custom data search, March 2025.

6.0 Overall Market Observations and Proposed Approach to Delivery of Commercial Space

Overall, the subject site is considered highly marketable from a residential perspective. Its location immediately north of Downtown Milton, adjacency to established neighbourhoods, proximity to employment areas, and access to parks, trails, and Main Street amenities position it as a logical extension of the Town's historic core. These attributes differentiate the subject site from many of Milton's newer greenfield communities and support demand for a range of townhouse and mid-rise apartment formats.

Current demand conditions and site-specific attributes do not, however, support traditional office development on the subject site. While future demand for retail commercial space is expected as population and density increase, retail delivery is subject to threshold, timing, and phasing considerations that must be addressed to ensure space is viable, occupied, and contributes meaningfully to active frontages.

Taken together, current market conditions and the complexities of vertically integrated mixed-use development support a measured and flexible approach to the delivery of non-residential spaces.

In this context, overly prescriptive requirements—particularly in early phases not supported by sufficient population, activity levels, or positive market conditions—risk delaying development altogether. A phased and market-responsive approach to both the proposed development and the planning approval process is supported by observed economic challenges. It generally would enable near-term infrastructure investment and housing delivery, while preserving the ability to introduce and re-evaluate commercial retail space provision as market conditions mature, as a more compact residential context is established on the subject site, and development statistics for Phase 2 refined.

6.1 Relationship to the Proposed Development Framework

The above considerations generally align with the commercial retail strategy embedded in the proposed development framework prepared by USI. Rather than allocating commercial retail space based on benchmark per capita targets, the framework applies a bottom-up, design- and market-led approach consistent with the principles outlined in **Subsection 5.1.4**. These principles have been applied to identify the most optimal locations for retail, with the greatest likelihood of long-term success, while supporting the creation of a complete and vibrant community.

Consistent with this approach, USI has limited commercial retail space to ground-related units in the most visible and accessible locations, rather than being distributed across residential streets. Retail is concentrated along Street A and around the Civic Plaza, where pedestrian flows, civic activity, and placemaking functions are expected to converge. In this role, retail functions as an animating element of the public realm rather than a stand-alone or convenience-driven use dispersed throughout the

neighbourhood. Street A serves as the primary organizing spine of the community and capturing the greatest share of internal and external movement, including pedestrian, cycling, and potential for future transit activity. Key structural elements of the proposed development framework are illustrated in **Figure 4**, on the following page, and discussed below in greater detail as it relates to introduction of commercial retail space by phase.

- In Phase 1, a modest amount of commercial retail space is planned at the south-west portion of the subject site, at the base of a mixed use building at the intersection of Street A and Street D, adjacent to the civic plaza. This location represents the earliest, most supportable retail location, benefiting from proximity to a primary public gathering space, maximum exposure to internal and external site circulation in this phase.
- Additional retail is planned in Phase 2, deliberately deferred until a larger residential population has been established and key public-realm elements are introduced. The establishment of this “Mixed Use Area” or spine reflects the importance of movement patterns, visibility, and activity in supporting long-term commercial retail performance. This location also capitalizes on delivery of the Civic Plaza and Community Green, and potential location of bus service.

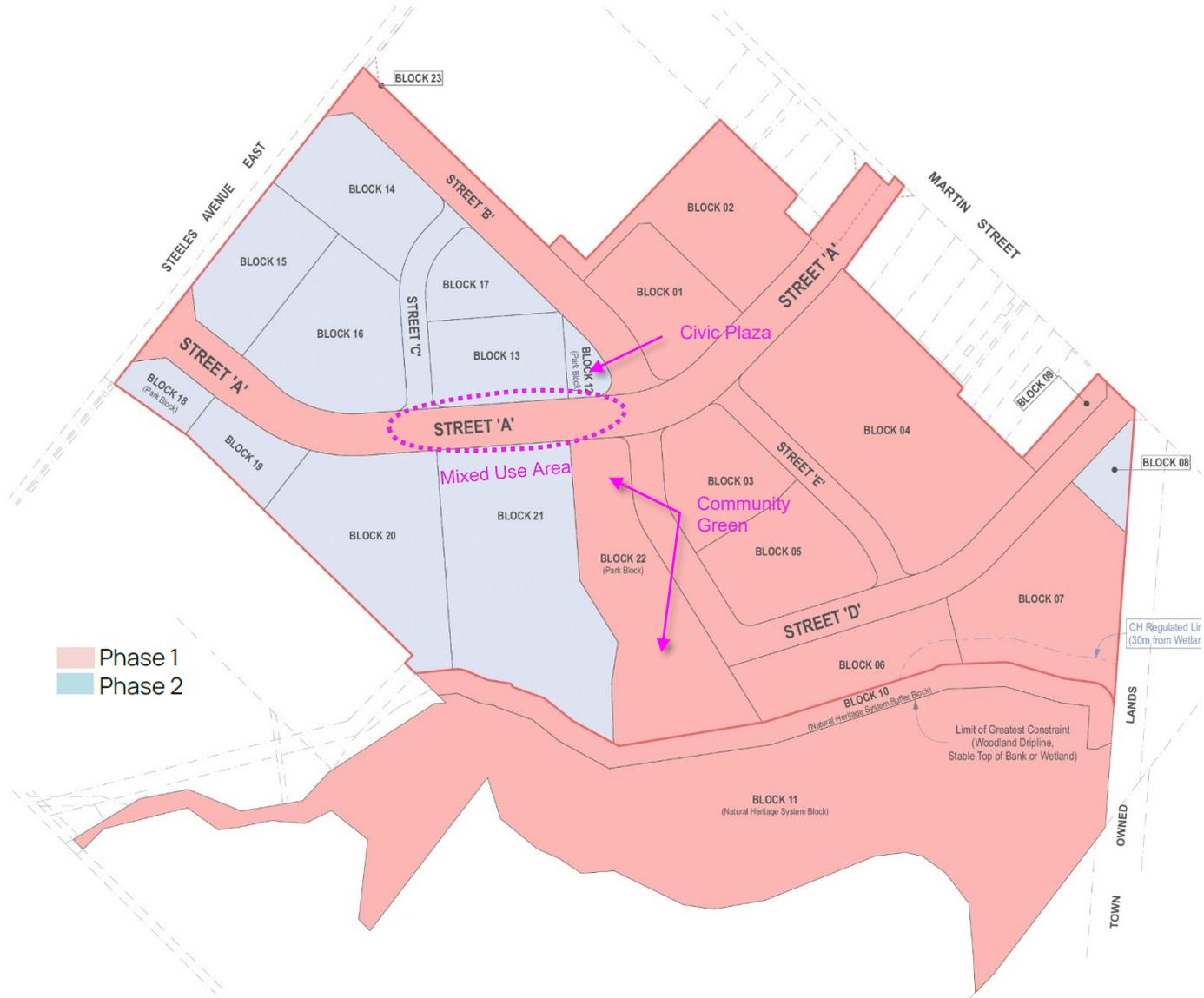
Limited commercial retail space is planned for Steeles Avenue East, recognizing some positive attributes of this corridor, including visibility and signage potential. However, a large quantum is not proposed here due to challenges related to the width of the right-of-way and the resulting speed of traffic, which results in a less comfortable pedestrian realm. We also note limited potential for foot traffic from the north given presence of functioning low-density employment uses immediately north of the Steeles corridor, and it is our further understanding that access constraints affect this segment of Steeles.

6.2 Relationship to the Phased Planning Approvals

A phased and flexible approach to planning approvals suggests a future opportunity to re-assess commercial retail space need and revisit how this need is best satisfied within the Phase 2 lands.

By that stage, the assessment can be better informed by the actual residential product mix, unit yield, and a more accurate estimate of the total population generated by the Phase 2 development. It can also be informed by prevailing high-density residential market conditions, overall development economics, any unforeseen structural shifts in the retail market, and the actual amount of retail space available within the local area at the time of application to satisfy future need.

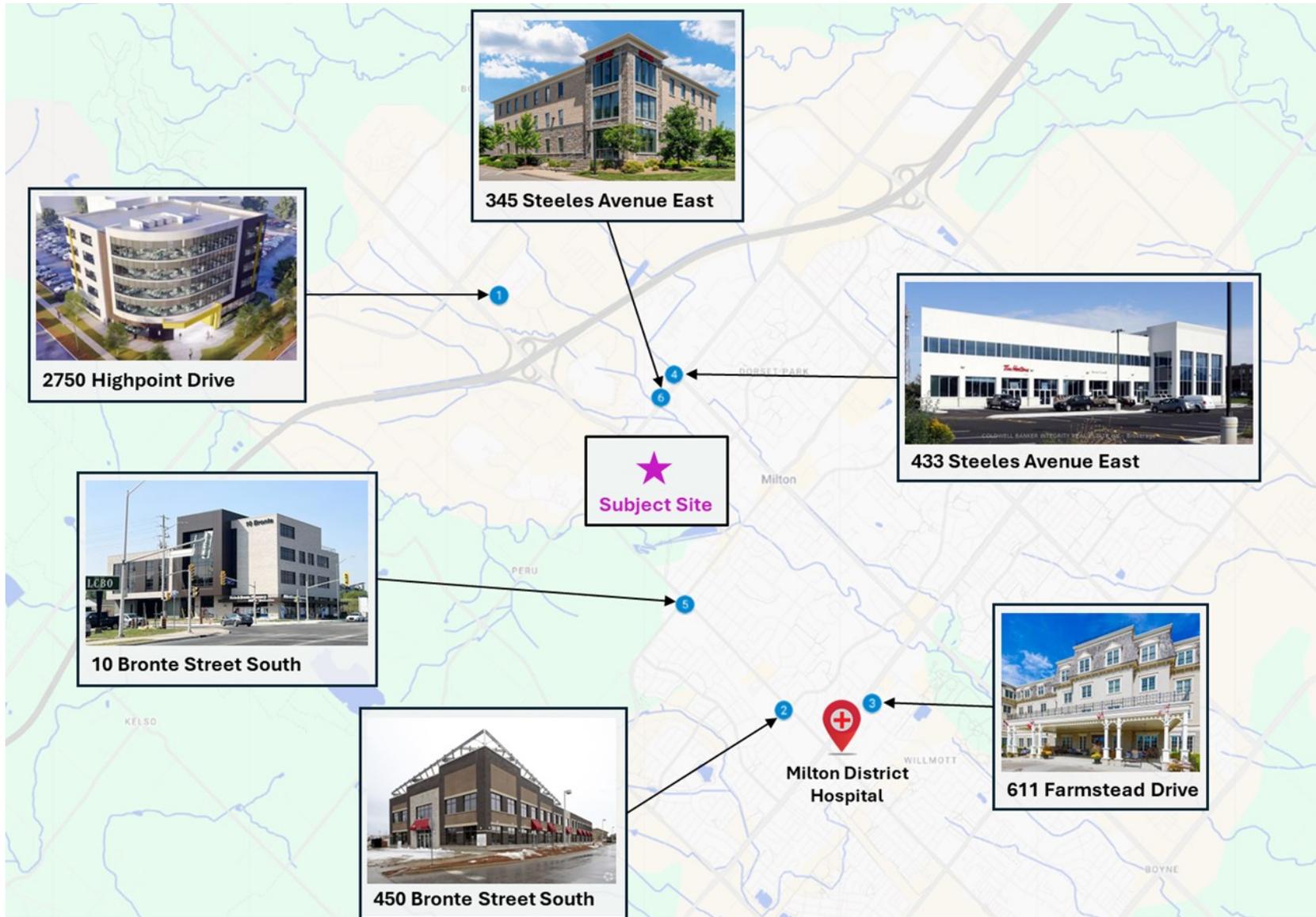
Figure 4: Excerpt of the USI Phasing Strategy



Source: Urban Strategies. Planning Rationale, February 2026; N. Barry Lyon Consultants Limited.

Appendix A:
Survey of New Local Office

Figure 5 Map of New Office Investment in Milton, 2012 to March 2025



Source: Costar, N. Barry Lyon Consultants Ltd.

The logo for nblc, featuring the lowercase letters 'nblc' in a blue, serif font. The letters are bold and closely spaced. The 'n' and 'b' are connected at the top, and the 'l' and 'c' are also connected at the top. The 'c' has a small tail that extends to the right.

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