Retail Development in Urban Canada: Exploring the Changing Retail Landscape of the Greater Toronto Area (1996 - 2005)

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ABSTRACT

During the last decade, rapid changes have occurred in the retail economy of North America that has brought about a functional transformation of retailing. Using data from a longitudinal database of commercial activity, this paper explores spatio-temporal patterns of retail development within Canada’s largest metropolitan region, the Greater Toronto Area (GTA). The paper provides an overview of the evolution of retailing in Canada and spatio-temporal analysis of the developing retail structure of the GTA. The work is situated within the branch of spatial statistics concerned with the description of spatial point processes. Bivariate kernel estimation and the G function are used to describe spatial patterns of retailing over time and by retail format type. The results highlight the wave of power centre retailing that swept across the GTA between 1996 and 2005. The paper concludes with a discussion of the gap between policy and planning and an emerging retail reality.

Keywords: Business Geography, Canada, Power Centres, Retailing, Spatial Statistics

INTRODUCTION

Shopping is a commonality in everyday life, satisfying consumer needs and desires, providing employment (locally and beyond, within the global supply chain) and a popular form of recreation. Motivations for shopping can be quite varied, ranging from the personal (e.g., self-gratification, role-playing, meeting obligations) to the social (e.g., interaction, communication, peer group attraction) (Stokan, 2005; Tauber, 1972; Underhill, 2000, 2004). Why consumers engage in shopping activities is a complex process, and where consumers shop is often influenced by a combination of personal preferences and the response of individuals and households to retail development, planning, and political decisions of which they are not always aware. At the same time, the retail sector has also become an important driver of growth for...
many western economies, particularly as the locus of production has shifted elsewhere (e.g., China, India). Within the Canadian context, for example, total retail sales in 2010 (including automotive) were $438.4 billion, or approximately one-quarter of the gross domestic product (Statistics Canada, 2011a). In addition, recent data suggest that more than 13 percent (1.85 million) of the Canadian workforce is employed in the retail sector (Statistics Canada, 2011b).

The image of cities and regions is shaped in part by the nature and vibrancy of commercial environments and by consumer interaction with commercial spaces (i.e., travel mode choice, and shopping/recreating behaviours). The reverse is also true in that even minor shifts in income levels, demographics, lifestyle preferences, or the economic fortunes of an area can lead to rapid changes in the form and structure of retailing. Moreover, the evolving perspective of planners and other stakeholders on urban change can shape demand for, and the design of, retail destinations. For example, during the post-war era, the partnership between planning and private capital led to the production of auto-oriented suburban residential forms serviced by auto-oriented retail plazas and enclosed malls (Sewell, 1993). The retail landscape is constantly evolving, as new stores open, new formats emerge, existing stores close, and the location and mix of stores changes constantly (Lorch & Hernandez, 2008).

Evidence of the suburban focus of recent growth in Canada’s retail economy (Jones & Doucet, 2000), and changes in the ways consumers interact with retail destinations (e.g., automobile use, limited cross-shopping (Bulung et al., 2007; Lorch, 2005) suggest that the retail economy and consumers jointly affect the organization, function, and appearance of city-regions. In the Canadian context, developers and retailers, largely unfettered by restrictive planning controls, have enjoyed the benefits of the post-war production of vast suburban spaces of consumption. These modern retail places are accessible primarily by car, offering the advantages of price and convenience to auto-oriented consumers, many of whom have taken conscious decisions to locate “everyday life” in the suburbs. It is within the context of the most recent wave of retail expansion that this paper begins to explore the spatial and temporal complexity of regional retail development in Canada’s largest metropolitan region, the GTA. The paper is situated within the time period just prior to the introduction of new provincial planning policies designed to force growth into centres located within the GTA’s built-up area (MPIR, 2006). These new policies will supplement long-standing municipal planning procedures.

With these contexts in mind, the paper describe how two aspects of the retail development process change through time: (1) variation in the intensity of development over space; and (2) the degree to which different types of development (i.e., retail formats) have tended to become increasingly clustered or dispersed. The study covers the period between 1996 and 2005, a time of sustained economic growth within the GTA. The retail formats include: commercial and neighbourhood shopping centres, enclosed regional and super-regional malls, and the more recent power centre phenomenon (i.e., clusters of big-box stores). Methodologically, the study makes use of exploratory spatial statistical approaches; specifically, weighted bivariate kernel estimation and the \( G \) function for describing the cumulative distribution of nearest neighbour distances between point events.
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