

trends in commercial development



Mixed Use

- Most new future commercial development will occur on infill sites.
- Adding residential, office, and hotel uses to retail sites generates increased value for land owners.
- Mixed use environments means more potential customers for retailers and extended shopping hours.
- Commercial developers in the GTA that previously focused on only one land use typology are now forming partnerships to jointly develop mixed use projects.



Convenience Oriented

- Today's modern consumer is time-poor and places a high value on convenience shopping.
- Customers are now more likely to practice targeted shopping of select stores instead of casual browsing.
- Proximity, ease of access, and simplicity are major influencing factors evident in new commercial developments.
- Attractive environments where one can walk from one retail establishment to another are becoming the norm.



Improved Walkability

- Pedestrian-oriented environments allow customers to comfortably and safely move between retailers.
- Past mall developments isolated vehicular traffic from pedestrians and focused on internal walkability.
- Balancing the relationship between vehicles and pedestrians is becoming increasingly important in the design of retail centres.
- Placemaking that encourages walkability helps support more resilient retail spending.

Smaller Format Retail

- A growing population trend towards urban centres and a slowing of greenfield development has prompted many large format retailers to adopt smaller store prototypes.
- This trend is being compounded by the increasing impact of online shopping, which has stripped 'big box' stores of their 'price and selection' competitive advantage.



Retail Visibility

- As transportation modes shift, locations along highways are becoming less important for retail exposure.
- Pedestrian visibility and 'street presence' are becoming critically important, even in commercial areas where most visitors arrive by vehicle.
- Prominent storefronts, transparent facades, merchandized sidewalks, and patios are becoming more effective than pylon signage.



Increased Density

- Projects are becoming more dense as vertically mixed use buildings and structured parking allow for a more efficient use of land.
- Higher land costs are making structured parking facilities economically feasible in lower-density urban environments.
- Even retail-only projects are being built more densely through the use of structured parking and multi-level buildings.



Flexibility & Adaptation

- The rate of change in retail trends is increasing rapidly, meaning new spaces need to be highly adaptable in order to stay current.
- Social networking and online shopping are making retail more fluid and flexible.
- Pop-up retailing and food trucks are the latest manifestation of this trend.



Changing Definition of 'Anchors'

- An anchor is defined as a destination that draws people to an area.
- Traditional retail anchors - supermarkets and department stores - were narrowly defined and highly influential.
- Today, anchors are more flexible in their designs, and are defined more broadly to encompass entertainment, clusters of restaurants, community facilities, and other large retailers.
- Vaughan Mills Shopping Centre is an example of a retail centre that uses non-traditional anchors.



Multi-use Public Areas

- Shopping environments are becoming more diverse to match the growing complexity of their customer's characteristics and lifestyles.
- Restaurants, bars, cafes, theatres, public spaces, markets, libraries, rest stations, and grocery stores are now integrated into retail environments that previously excluded them.
- Multifaceted and complex environments encourage visitors to stay longer and visit more often.

Multi-Modal Destinations

- Access to rapid transit is becoming viewed as an essential attribute for commercial developments.
- Congestion levels are expected to continue to increase in the GTA, subsequently reducing the distance shoppers are willing to drive to commercial areas.
- Car ownership among young adults is at a record low. As these adults move into their prime shopping years, the importance of access by alternative forms of transportation will increase.



Reduced Parking

- Parking standards are being reduced as retailers are becoming more willing to accept lower parking ratios.
- New technologies are allowing for a more efficient use of parking spaces.
- Shared parking between different land uses takes advantage of the various peaks in demand to reduce overall parking requirements.
- On-street lay-by parking supports on-street retail as well as provides a more protective environment for the pedestrian.



Outdoor Format

- Most new retail developments are now opting for outdoor environments, with some existing enclosed centres being 'de-malled'.
- Outdoor retail has lower operating and construction costs.
- Weather has not been shown to have a negative impact on retail sales in outdoor centres in colder environments.

