

Downtown and Regional Shopping Centre Retailing in Winnipeg

Report No. 7

**by Arch H. Honigman, Stuart A. Duncan, Bruce D. Lennox, Garrett J. Wasny
1985**

The Institute of Urban Studies





THE UNIVERSITY OF
WINNIPEG

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PREFACE

This publication is the final product of a study conducted during the summer of 1984 by four university students. The project proposal was developed by Arch Honigman, a graduate planning student of the University of Manitoba. The Downtown Winnipeg Association and the Institute of Urban Studies sponsored the research. Funding was provided by Employment and Immigration Canada under the Summer Canada Works Program. The project workers - Stuart Duncan, Bruce Lennox and Garrett Wasney - are all graduates of the University of Winnipeg geography program and are currently pursuing graduate degrees.

For more information on this report and Chapter 4.0 in particular, tabulated statistics and tables can be studied in the complete report, held at the Institute of Urban Studies, University of Winnipeg.



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1.0 INTRODUCTION

The emergence of the planned modern shopping centre is arguably the most significant retailing phenomenon of the twentieth century. Changing demographic, economic and social factors of the post-World War II era spurred a boom in shopping centre development. New retail demands and markets arose as a result of unique societal events in North America; the mass movement of urban residents to the suburbs; the baby boom; expanded use of the automobile; increased purchasing power of the population; and, changing consumer needs. The movement of both people and business from the inner to outer city areas and the growth of suburbs necessitated the reorganization of commercial activity outside the traditional central business district (CBD)* of a city. Shopping centres provided suburban dwellers with a wide array of goods, services and special events - a function which was once fulfilled by downtown retailing.

Shopping centre expansion has been considered a serious encroachment on the social and retail vitality of downtown. Winnipeg is one such locale where many contend the profusion of shopping centre space has irrevocably damaged its CBD. In Winnipeg concern about the growing development of shopping centres was expressed in the 1969 Winnipeg Downtown Development Plan. It cited the decreasing inner-city population, the relocation of manufacturing and warehousing to the suburbs and the loss of retail trade as powerful factors contributing to downtown blight.¹ This criticism of shopping centre development was based on the assumption

* For the purposes of this study, the terms "downtown," "Central Business District" and "CBD" are synonymous.

that downtown Winnipeg needed to be "vibrant" and "valuable." Some analysts have claimed that shopping centre construction should not be approved if it would adversely affect the downtown. Downtown proponents argue that Winnipeg's downtown is not only the commercial centre in the area, but also the governmental, financial and transportation centre of the region. There also exists an historical/cultural significance to the area where, along with tourism, office use and convention trade spur activity and income.²

Downtown Winnipeg proponents warn that if the CBD is abandoned, the city will be left with a large concentration of underutilized service systems and public facilities. The city will be burdened with creating new infrastructures to serve the new concentrations of development at the city's periphery. In this instance, there would be a waste of both the urban and rural environments due to abandonment of the central area, and consumption of valuable land and resources in the peripheral area.

Critics contend that Winnipeg city developers accelerate downtown decay and suburban sprawl by taking the diverse and mutually supportive retail outlets, typically concentrated downtown, and spreading these businesses throughout the Winnipeg periphery.³

Proponents also anticipate a more intangible loss - loss of the downtown's image as the dynamic and vital heart of the city. The CBD creates the first and often the most important impression of a city to travellers, tourists, prospective residents and potential investors. Residents of a city or region view their downtown with either civic pride or civic embarrassment. A vibrant CBD, some argue, provides a central area offering diverse and concentrated services, and a focus and structure for the society that revolves around it.⁴

1.1 Focus of Study

CBD proponents, who prioritize the well-being of downtown retailing in Winnipeg's overall development have identified shopping centres as one of the sources of the city's problems. A detailed analysis of downtown retail trends and shopping centres in Winnipeg has not been conducted.

A brief history of modern retailing and shopping centre growth in North America with particular references to Winnipeg, is discussed in Section 2.0. Discussions concerning the function, economic base and impacts of shopping centres, are important to a better understanding of the rationale and effects of shopping centre retail operations, and are presented in Sections 3.0 and 4.0. Macro and micro analyses of downtown and regional centre retailing, coupled with a public opinion poll, provide an examination of Winnipeg's retail sector.

The primary objectives of this study on Winnipeg's retail sector are:

- 1) to identify and analyze any structural and spatial changes which have occurred in downtown and regional shopping centre retail activity.
- 2) to attempt to identify some of the impacts/effects on downtown retail trade that could be attributed to regional shopping centre development.
- 3) to assess the changing physical and economic characteristics of the retail trade in Winnipeg.
- 4) to identify and analyze the shifts occurring in the types of retail activity within the downtown on a micro-level.
- 5) to identify and compare public perceptions and attitudes towards shopping downtown and/or at regional shopping centres.
- 6) to offer recommendations concerning present and future downtown development.

2.0 HISTORY OF SHOPPING CENTRES

The history of the growth of shopping centres involves an array of interacting retail and societal influences. The examination of retailing origins, retail institutional changes, consumer and marketing influences and the development of shopping centres in Canada and Winnipeg is necessary to fully recognize the shopping centre as a product of evolving economic and social factors.

2.1 The Origins of Retailing

Buying and selling are as old as the human race. In early times, a producer normally sold his goods through barter with other producers. Today, we purchase goods using a nationally accepted currency. The use of currency evolved with the introduction of the middleman - the merchant who turned his barter into commerce and retailing. He transported the goods produced by others from place to place, established trade routes and trading posts and founded country stores. This simple, although effective, retail arrangement prevailed in ancient Greece, Rome and Medieval Europe.⁵

The Industrial Revolution radically altered the organization and character of city commerce. First, the increased level of urbanization resulted in the formation of many centres of intense urban activity and land use. Secondly, the creation of a large industrial labour force in these urban centres triggered the growth of other specialized occupations including the city merchant.

The final urban explosion occurred when the automobile emerged as a means of private transportation. Automobiles, free of overhead wires and steel rails, allowed an individual driver independent and efficient freedom of movement and freed him from his dependence on public transportation.

The advent of the automobile facilitated a dispersal of population, and as a result, modern suburbia was borne.⁶

The development of commerce and retailing was interwoven with this urban and suburban evolution. Retailing location, then as now, may be complicated by the intervention of multiple patterns of distribution; the grouping of the population; the distribution of incomes; and, the patterns of traffic routes. Moreover, the importance of retailing is apparent in spatial analysis - for example the relationship between retailing and the structure of both real and perceived space; urban spheres of influence; the hierarchy of local and regional centres; the balance of trade flows between districts, etc. Hence, retailing has, both directly and indirectly, a powerful influence on economic structure and spatial groupings in cities and societies.⁷

2.2 Retail Institutional Change 1850 - 1980

The history of retailing can be divided into three periods of institutional development in the modern area. Each epoch spawned new types of retail outlets and strategies that provided the basis for future shopping centre development. The periods to be discussed include: 1850 - 1930; 1930 - 1950; and, Post-1950. These time frames are suggested from economic and historical evidence.

2.2.1 Period I: 1850 - 1930

This period witnessed the beginnings of three important retail types: the department store, the chain, and the general mail-order business. Prior to the development of these types, retail institutions were primarily small-scale, local enterprises, and highly specialized by type of merchandise (e.g., drapers, shoe stores, butchers, apothecaries).

The department store represented a break with the past, introducing numerous lines of merchandise under one roof, policies of fixed prices, merchandise return policies, and extensive newspaper advertising. The second important innovation in this period was the chain store. This concept emerged as a viable retail institution (in food and other areas), when it was recognized that a group of retail stores could combine the wholesale and retail functions under one management. This enabled economies of scale and functional integration, which permitted chain stores to offer merchandise at prices below those of competing independent-wholesaler/independent-retailer operations. The third major innovation was the general mail-order business, marked by the entrance of Montgomery Ward in 1872, Sears-Roebuck in 1886, and Speigel in 1905. These companies began dealing with customers through catalogs, and orders were received and delivered by mail.⁸

Isolated experiments in shopping centre development were attempted in this period but it was not until the 1920s and 1930s that there were breakthroughs in design and development in the United States. In 1829, Cyrus Butler opened a fifty-shop, three-level enclosed shopping arcade in Providence, Rhode Island. In 1907, Edward H. Boulton built the Roland Park shopping centre in Baltimore, Maryland as part of a high-status residential community.

By the 1920s, however, decentralization of general merchandise stores into free-standing shops at key intersections in an expanding suburban transport network began in some American cities. The trend toward the decentralization of retail activity accompanied the shift of the population to the suburbs in large cities including New York, Philadelphia and Chicago. Most of these new suburbanites were affluent executives and professionals who used intra-urban mass transit systems. These people moved to residential developments around commuter train stations from which they had easy access to their downtown businesses.

Clusters of stores were opened next to these stations to capture this new concentration of traffic and wealth. The range of goods offered, and the number and size of stores in these outlying retail areas were smaller than in the downtown area, but the internal distribution and morphology of stores were similar to the CBD.⁹

These "strip centres" served as the nucleus for new shopping districts (i.e., concentrations of individual shops on individual sites providing a general mode for shopping activity). These stores also provided the impetus for the construction of small shopping centres (i.e., a planned assemblage of shop units which may or may not exist as part of a shopping district). Hoyt pointed to the emergence by 1929 of 16 leading suburban shopping districts comprising small shopping centres but with considerable additional general retail development. In the same period, Proudfoot isolated 33 such districts and over 50 minor suburban shopping districts, the majority of which contained a strip centre. The emergence of strip centres as an efficient medium for retail operation and as a form of property investment was one of several important features of the early shopping centre industry in the United States.¹⁰

The personal association between the developers and designers of these early centres became increasingly influential. Edward Boulton, the developer of Roland Park, had a strong influence through personal discussions with J.C. Nichols and H. Potter who respectively were responsible for developing the Country Club Plaza in Kansas City in 1922-23 and the River Oaks Centre in Houston in 1937. All three men were important in forming the Urban Land Institute in 1936, a powerful force in diffusing new ideas on shopping centre design and operation.¹¹

Overall, in the period from 1850 to 1930, innovative institutional changes in retailing were primarily directed to a larger scale of operation,

integration of wholesale and retail function (shortening of distribution channels) and to diversity of goods offered under one roof. Furthermore, strip development spurred the growth of shopping districts and pioneer shopping centres.

2.2.2 Period II: 1930 - 1950

This period was highlighted by a shift to the combination food store or supermarket by corporate chains, voluntary chains and some large independent service stores. The most important retail developments of this period included: innovations of the food supermarket including self-service and checkout; combination stores handling an array of foodstuffs plus household supplies; larger stores, and stores in automobile-traffic oriented locations. This was accompanied by the decline of neighbourhood grocers and specialty food merchants. Similar trends of institutional change appeared in the retail-drugstore field, general merchandise institutions and variety chain businesses. The overall trend was the growth of the increasingly dominant chain-store organizations. Moreover, continuing earlier shifts in population, the move to the suburbs increased in the late 1930s and 1940s. Shopping centre development in this period was slow but steady, corresponding to the increase in the suburban market.¹²

2.2.3 Period III: Post-1950

By the late 1940s, the societal infrastructure in North America had been established for a boom in shopping centre construction. These included:

- 1) the concept of a group of commercial establishments designed, developed and managed as a unit;
- 2) planners and architects capable of designing the centres required for new suburban areas;

- 3) developers (both private and government), providing organization and financing for the building process;
- 4) retailers willing to trade in the new commercial environment of the shopping centre; and
- 5) mobile consumers, increasingly suburban and willing to undertake multi-purpose shopping trips.

Urban and economic growth were the two required catalysts - one to provide population concentrations, and the other to provide consumers with spending power.¹³

These catalysts emerged by the early 1950s with the increased birth rate, the expansion of the middle-income group, the growth of the suburbs and a greater use of the automobile. There was growth in consumer buying power due to a large increase in the population of urban areas, number of wage earners, average hourly wage and average disposable income. Buying power grew while retailers stabilized the prices of their goods by introducing economies of scale and changes in their operations, which resulted in reduced labour costs. Furthermore, the retail trends of chain stores, integration of wholesaling and retailing functions, and larger scale operations were being combined to create the shopping centre retail medium. The old department store, the rural general store, the downtown shopping block and a traditional street market were successfully being synthesized.

Another catalyst for the booming growth of shopping centres was the automobile, which became an increasingly important mode of intra-urban transportation. Existing CBD street systems were not designed for the automobile and the relationship that had existed between the shop and the street broke down when the prospective customer was driving his car. As a result, the narrow downtown streets became more congested, noise and pollution levels increased, and parking space became scarce. These

problems of traffic congestion and inadequate parking intensified, and housewives found it easier to shop in suburban stores, which alert merchants had been opening in increasing numbers. By 1950, the use of the automobile which originally had aided the growth of the downtown department store, was threatening to retard it. A natural response to these changes was the development of planned suburban shopping centres designed with plenty of parking.¹⁴

2.3 Consumer and Marketing Influences

Changing life styles and consumer influences were additional contributors to shopping centre development. The wants and needs of consumers have varied over time but the objective has been to improve the quality of life. As a result, a significant increase occurred in the variety, types and quantities of goods and services demanded as improved productivity and higher real incomes of wage earners raised the level of discretionary spending. For each new generation, many of the luxuries of their parents became commonplace necessities - automobile, telephone, electric service, refrigerator, television and stereo. This blossoming demand explains the overall growth in the number and types of retailing institutions, particularly shopping centres.¹⁵

Specific situations of cause and effect must be considered in this discussion of the development of shopping centres in this period. First, consumers manifested their desire to shop by comparison shopping in several stores; while they compared value and price many simply enjoyed shopping. Unquestionably, this desire to shop was one of the reasons the centres were received favourably. Another important factor was the ease with which goods could be obtained. Considerations of ease, convenience and time-saving have clearly exerted influence on retail institutional change. Consumers enthusiastically accepted the convenience

of planned shopping centres which provided a variety of merchandise and services. As the suburban shopping centres began to embrace numerous competing stores, they were also catering to the shopping desire of consumers. Indispensable to this kind of purchasing pattern was the consumer's automobile - the provision of road access and adequate parking.¹⁶

The increase in leisure time, the popularity of informal life-styles and rising discretionary spending, enabled consumers to pursue interests in spectator and participant sports, hobbies and travel. This development opened new markets and afforded retailers opportunities to satisfy new demands.

Additionally, fashion became more important in consumer attitudes and styling was applied to a range of consumer goods. This was one of the consequences of the greater variety of choice, the enhanced value of time and the increased affluence of society. The influence of fashion on consumer choice and the extension of style and fashion to many types of merchandise has clearly been a source of strength to the shopping centre.

Another consideration of consumer influence is the effect of "Parkinson's Law" on leisure time (i.e., the more leisure time increases, the more activities people try to crowd into it, and consequently, time is valuable). In other words, the time required to purchase an item of merchandise is increasingly a factor in the consumer's judgement of value. This time consideration has supported the popularity of one-stop shopping, particularly the shopping centre retail medium.¹⁷

Other corollary factors include the growth of the communications media (particularly television and radio), and advertising. Another important element was the introduction of consumer credit. Consumer

acceptance of installment purchasing and credit had an effect on retail institutional development. A further consumer factor was the tendency for an individual to patronize a number of types of retail institutions. This trend further reinforces the need to develop the conglomerate form of retail institution.¹⁸

Marketing changes, as well as consumer influences, have played a crucial role in the proliferation of shopping centres. The influx of products that has characterized North American business in part reflects advances in technology and invention, but to a large extent is a marketing phenomenon. This flood of consumer products has had a twofold effect on retail institutional structure. First, individual stores had to expand in order to accommodate goods in a variety of sizes, colours and designs. New types of products, specifically products of high unit value and involving maintenance generated the development of specialty-type retailing (i.e., record shops, electronic stores and stereo outlets). The increased use of manufactured and private brand names, the concomitant growth of packaging and the expansion of advertising have also been indispensable conditioning factors for the self-service revolution in retailing. This complex array of brand names, packaging and advertising played a role in developing consumer attitudes that led to the acceptance of self-selection in the retailing of general merchandise, apparel and other non-food lines in shopping centres.¹⁹

A significant organizational development was the functional integration of wholesaling and retailing. This integration represented a shortening of distribution activities affecting the movement of both goods and people. Integration took place on either an ownership basis or a contractual basis and moved either forward (closer to ultimate consumers) or backward (closer to suppliers). These developments in marketing allowed manufacturers, wholesalers and retailers to increase volume and profit through the creation of new channels and the adaptation of products

to particular market segments. In general, these marketing changes have intensified the relationship between manufacturers and retailers. These trends have promoted the growth of large, well-organized retail businesses.

Another factor contributing to closer business connections has been the growth in the collection of marketing data, particularly since the development of electronic data processing. This innovation increased the efficiency of accounting procedures, inventory control and credit management and contributed to the success of shopping centre development.²⁰

2.4 Shopping Centre Development in Winnipeg

The aforementioned retail innovations, consumer influences and marketing changes were all prevalent in varying degrees throughout North America, Europe, Australia and Latin America. In Canada, the first shopping centre was opened in 1950. Table 1 illustrates that shopping centre development in Canada was minimal in the 1950s but gained momentum in the 1960s. The construction of shopping centres in the 1970s increased dramatically with almost 75 per cent of the development concentrated in Ontario and Quebec. The first regional shopping centre to be constructed in Manitoba was the Polo Park Shopping Centre opened in 1959.

Table 2 displays Winnipeg regional shopping centres by year of construction, area and major tenants. About one-half of all the regional shopping centre space was constructed during a brief period between 1975 and 1980. Moreover, the development of St. Vital Mall in 1979 and Kildonan Place in 1980 accounted for one million square feet of gross leasable floor space in two years. The large national department stores are the major tenants of regional shopping centres, and account for over 50% of the total retail space within regional shopping centres. The Department of Environmental Planning maintains that this existing inventory of major shopping centres is adequate to serve the projected local market of 660,000 people to the year 2000.²¹

Table 1

Shopping Centre Development in Canada^(a)

| REGION | Gross Leaseable Area Constructed - sq ft (x 1,000) | | | | | | Total | % of Total Canadian |
|--------------|--|-------|-------|-------|-------|-------|--------|---------------------|
| | 1950-55 | 55-60 | 61-65 | 66-70 | 71-75 | 76-80 | | |
| B.C. & Alta. | 582 | 2739 | 3580 | 3956 | 10993 | 12860 | 34710 | 19.6 % |
| Sask. & Man. | 0 | 468 | 711 | 1717 | 3496 | 2796 | 9188 | 7.4 |
| Ontario | 2021 | 5488 | 6927 | 8907 | 21100 | 11529 | 55972 | 38.4 |
| Quebec | 777 | 4135 | 4423 | 6845 | 15544 | 6434 | 38158 | 35.7 |
| Atlantic | 0 | 743 | 1563 | 1774 | 6366 | 5180 | 15626 | 8.9 |
| Period Total | 3380 | 13573 | 17204 | 23199 | 57499 | 38801 | 153656 | 100.0% |

Source: Canadian Directory of Shopping Centres (Toronto: MacLean-Hunter, 1980).

Note: (a) Peripheral shopping centres of 50,000 square feet or more plus their expansions are listed in the Directory.

Table 2

City of Winnipeg
Regional Shopping Centre Inventory - 1982

| Name (date opened) (a) | G.F.A. (b) | G.L.F.A. (c) | Major Tenants | MAJOR TENANTS |
|------------------------|------------------|------------------|----------------------|-------------------------------|
| | | | | AS % OF TOTAL G.L.F.A. (c) |
| Polo Park (1959) | 945,516 | 892,403 | Eaton's, Sears | 53% |
| Grant Park (1963) | 420,137 | 352,398 | Woolco, Gambles | 58 |
| Garden City (1970) | 444,636 | 361,323 | Eaton's, Sears | 49 |
| Unicity Mall (1975) | 552,854 | 474,053 | Bay, Woolco | 57 |
| St. Vital Mall (1979) | 709,225 | 635,000 | Eaton's, Bay, Woolco | 64 |
| Kildonan Place (1980) | 505,850 | 444,500 | Bay, Sears | 56 |
| TOTAL | 3,578,227 | 3,159,677 | 13 | 56% |

Source: Adapted from Department of Environmental Planning,
Shopping Centres - City of Winnipeg, 1983.

Notes: (a) City of Winnipeg Assessment Department.

(b) G.F.A.-Gross Floor Area: is equal to the gross leasable floor area plus any other floor area. It equals the total floor space of all stores, offices, facilities and common mall area, including the ground floor, the upper floors, mezzanines and basements.

(c) G.L.F.A.-Gross Leaseable Floor Area: is the total floor space that is designed exclusively by individual tenants and upon which rent can be obtained. It is the true generator of traffic and parking requirements. It can be divided into the actual sales area storage space.

2.5 Shopping Centre Types

The term "shopping centre" should be defined. Statistics Canada defines a planned shopping centre as:

...a group of stores which are planned, developed and designed as a unit containing a minimum of five retail establishments (or four retail establishments and a restaurant) in operation during any part of the current year. The centre must have a minimum of 20,000 square feet of usable parking area adjacent to it and the parking facilities must be free of charge to customers. For shopping centres with paved parking lots of 20,000 - 50,000 square feet, the ratio of parking area to gross floor area must be 1.5 to 1 or better.²²

John Dawson, Shopping Centre Development (1983), offers another definition:

...a group of architecturally unified commercial establishments built on a site which is planned, developed, owned and managed as an operating unit related in its location, size and type of shops to the trade area that the unit serves. The unit usually provides on site or associated car parking in definite relationship to the types and total size of stores.²³

Both of these descriptions isolate the essence of the planned shopping centre and serve as general definitions. However, the rapid growth and world-wide diffusion of shopping centres in the last thirty years reflect an evolution of centre form. New forms have appeared as commercial and architectural entities within the city.

Since 1950, three main types of shopping centres have been recognized by developers, architects, planners and geographers: neighbourhood; community; and, regional shopping centres.

The City of Winnipeg Department of Environmental Planning classifies all of Winnipeg's shopping centres by these categories. Table 3

Table 3

Shopping Centre Definitional Criteria

| | Neighbourhood Centre | Community Centre | Regional Centre |
|---|---|--|---|
| Major Function | Sale of Convenience Goods and Personal Services | Functions of the Neighbourhood Centre plus soft line and hard line goods | Functions of the Community Centre plus General Merchandise, Apparel, Furniture and Home Furnishings in full depth and variety |
| Leading Tenant | Supermarket or Drugstore | Variety Store and Supermarket | One or Two Full Line Department Stores |
| Site Area | 4 - 10 acres | 10 - 30 acres | 30 - 100 acres |
| Average Gross Leasable Area | 50,000 Square Feet | 150,000 Square Feet | 400,000 Square Feet |
| Ranges in Gross Floor Area | 30,000 - 100,000 Square Feet | 100,000 - 350,000 Square Feet | 350,000 to over 1,000,000 Square Feet |
| No. of Stores and Shops | 5 - 15 | 15 - 30 | Minimum of 30 |
| Radius of Service Area | 1/2 - 1 mile | 1 - 2 miles | 3 - 7 miles |
| Minimum Population of Service Area Required to Support Centre | 7,500 - 40,000 | 40,000 - 100,000 to 150,000 | 100,000 to 150,000 or more |

Source: Adapted from Department of Environmental Planning, Shopping Centres - City of Winnipeg, 1983.

illustrates specific definitional requirements for each of the three types of shopping centres. The planning department does not include retail agglomerations such as Eaton Place, Osborne Village, Old Market Square or strip development in their statistical tables because these do not meet the definitional requirements of a shopping centre as outlined in Table 3. These operations lack on-site parking and some are without a major supermarket or department store as an anchor tenant.

For the purpose of this study, only regional shopping centres as listed in Table 3 will be considered in the analysis. These centres were chosen over neighbourhood and community centres because of their gross floor area, retail sales, market size and drawing power in the Winnipeg area.

2.6 The Development Process

The question now arises: who builds shopping centres and why? The centres are constructed through the efforts of a developer (backed by a financial investment), seeking to convert comparatively inexpensive real estate (often farm land or residentially zoned areas), into valuable real estate assets. Initially, it is the developer who perceives the potential demand for a shopping centre and decides to pursue the idea.

2.7 The Economic Base of Shopping Centres

The examination of the economic base of shopping centres or the fiscal and economic arrangements of centre operations, is important in comprehending shopping centre retail strategy. The most basic and important economic arrangements, financing, rests solely with the developer. He must approach mortgage lenders and insurance companies for loans. These agencies require that approximately 75 per cent of the retail space in a regional shopping centre be leased to triple A tenants

(highly rated national companies or chain stores). Developers solicit major chain stores to act as their anchor stores. The bargaining power of the anchor tenant usually allows it to obtain a better rate per square foot in lease arrangements than other, smaller tenants.

Shopping centre leases always provide for two kinds of rent. There is a basic rent, expressed in dollars per square foot, for the space a tenant occupies. All tenants including anchor stores agree to pay this figure as a minimum rent. However, each basic rent charge will vary, depending on the tenant. Leases also provide for a percentage rent, ranging from one per cent to as much as 17 per cent of total sales. The amount each tenant must pay in percentage rent varies with the lease agreement and the tenant's ability to pay. Generally the larger the dollar retail volume of a merchant, the higher the rent the tenant must pay to the developer. Special arrangements are made, of course, with the anchor tenants.

Tenant merchants also agree in the lease arrangement to pay the cost of maintaining the common areas of the shopping centre. They also pay a compulsory levy to the centre's merchant association to be used for promoting sales and special events.

2.8 Historical Overview

The diffusion of the shopping centre concept from its inception in Kansas City, Missouri in 1922 to Kildonan Place in 1980 illustrates the rapid acceptance and far-reaching geographic scope of centre development. The three periods of retail institutional changes, coupled with retail marketing innovations and consumer influences illustrate the history and background of this retail medium. Overall, shopping centres evolved from interacting economic and social forces of the mid-twentieth century which synthesized to create this unique conglomerate retail mode.

NOTES

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2. M.C. Ircha, Shopping Centre Development in Atlantic Canada (Fredericton: University of New Brunswick, 1981), 6.
3. Imirik Sanches, The Impact of Shopping Centres (Nova Scotia: Provincial Committee, 1979), 10.
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5. Victor Gwen, Larry Smith, Shopping Towns, U.S.A. (New York: Reinhold Publishing, 1960), 19.
6. Ibid., 20.
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10. John Dawson, Shopping Centre Development (New York: Longman Group Limited, 1983), 5.
11. Ibid, 6.
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21. City of Winnipeg Department of Environmental Planning, Information Bulletin - Shopping Centres (Winnipeg: City of Winnipeg, 1983), 3.
22. Statistics Canada, Shopping Centres in Canada (Ottawa: Queen's Printer, 1970), 2.
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3.0 THE IMPACTS OF SHOPPING CENTRE DEVELOPMENT

The impact of shopping centres on the urban economy and landscape warrants careful consideration. The word "impact" tends to imply a negative effect. This connotation is not intended; instead, the purpose is to assess both the positive and negative effects of shopping centres on the local economy, independent merchants, national chain stores, local employment, and host municipalities.

Perspective is an important element when discussing negative or positive impacts. A shopping centre developer or tenant would argue that no one is forcing suburban residents to patronize shopping centres. Shopping centres are successful in today's retail market because of accessibility, parking, shopping hours, convenience and comfort.

Downtown retailers need no detailed analysis or scientifically conducted research to remind them that suburban regional shopping centres mean competition for the shopping dollar. Downtown merchants realize their proportion of area retail sales is being steadily reduced with the construction of every new shopping centre. The shopper, however, appears to greet the shopping centre retail medium with open arms. The modern consumer has a variety of demands, many of which are satiated within the confines of a regional shopping centre. The fact people return day after day, year after year to these institutions attests to the centres' success in supplying what the public wants.

3.1 Economic Impacts

In most cities, the opening of a new regional shopping centre results in a dramatic increase in retail floor space. This rapid introduction of new retail space creates a number of economic and environmental consequences within the region. The main advantages of centre development include the

investment of private capital in new retail facilities, the generation of new property and business tax, and the introduction of new products and retailing methods. Moreover, centre construction provides a boost to local construction trades and suppliers, in addition to generating long-term retail employment within the centre (although the net employment benefit may be minimal because retail employment losses elsewhere).

The host municipality can be affected by shopping centre construction in various ways. For example, rezoning of the city may be required. Responsibility for provision of physical infrastructure and services also must be determined. In many instances, the developer of the centre must bear the costs of water and sewer lines, road extensions, traffic control signals, street lighting and landscaping both within and outside the development site. The developer may complete these facilities, or the municipality may construct them and then charge the developer. The municipality also may take ownership of the infrastructure or facilities in return for providing custodial services. In other words, if a developer paid the cost of traffic lights and a road expansion at an intersection adjacent to his property, the city would still assume ownership of these items; the city or municipality, however, would be solely responsible for the continued maintenance costs of the road and lights.

Additionally, the developer usually pays a "dedication fee" (i.e., a financial reimbursement to the city as compensation for any necessary zoning changes and the lost potential uses of the shopping centre site) which often amounts to 10 per cent of the land values. This fee is in addition to the costs of land and essential services.¹

There exist numerous indirect development implications for the host municipality. A successful shopping centre will stimulate increases in property values in its immediate vicinity, and will increase development pressures along access roads and on adjacent lands. This development

may result in smaller-scale shopping centres, fast-food outlets and other restaurants, service stations and other automobile related trade, warehousing and storage facilities as well as motels or hotels. This retail and service activity would generate new demands for local construction and building suppliers. New long-term employment would also be created as a direct result of these operations. Moreover, the municipality may directly benefit from an increase in business and property taxes from this shopping centre development.

Critics of shopping centre growth at the periphery would argue development of this type is not always consistent with the pattern of development in the surrounding suburban area and is often difficult to control. The costs involved to the municipality in servicing and maintenance, and in providing for increasing traffic requirements, outweigh the benefits derived through increased assessment. More importantly, critics argue these developments further perpetuate an inefficient and unattractive urban environment.²

Other centre critics also contend rental levels, property values and subsequently, assessment values may drop in the central business districts which are surrounded by shopping centre development of this nature. In other words, any tax gains a municipality hopes to realize from a new mall are usually offset by losses in older shopping areas.³

3.2 Employment Impacts

Employment is another area affected by shopping centre development. As previously discussed, shopping centres provide jobs for construction trades, retail personnel, security firms, custodial and maintenance services, and management and marketing offices. Many of these jobs are flexible in terms of working hours, due to the relatively long hours of centre operations, and allow many people the option of part-time or

second-job employment.

However, critics point out that due to the nature of retailing in the shopping centre, its employment would be less than that provided by retailers in the downtown area doing a similar volume of business. The centres have adopted self-service retail approaches and computerized recording of sales to a greater degree than their independent downtown competitors. Attention has shifted from personalized customer service to a more efficient and economical approach using part-time rather than full-time (and often more knowledgeable) staff. Rapid turnover of high-volume items has replaced stocking of specialized and esoteric commodities. In this way, critics argue, labour costs are kept to a minimum. To illustrate, a study in Atlantic Canada revealed the Halifax Census Metropolitan Area (C.M.A.) added approximately 2.1 million square feet of shopping centre retail space between 1956 and 1971. During the same period, the study found total employment in the retail trade in the C.M.A. area declined.⁴

In the case of Winnipeg, Table 4 illustrates various retail space and employment figures for the period 1971 - 1981. Total employees in the trade industry (which consists of wholesaling and retailing)⁵ increased 28 per cent. The percentage of the total Winnipeg labour force in the trade industry displayed a minimal increase, indicating that the relative share of employment in this industry as compared to the labour force as a whole has remained constant. Data for retail trade only (within the trade industry) are not available past 1971. Thus, the number of employees in retail trade for 1981 is based on an estimation from trade industry statistics (see Table 4). Based on this estimate, total employees in retail trade has increased by 5,000 (28%) assuming that the proportion of retail employment to wholesale employment has remained constant over the last ten years. This compares to an increase of 23% in real retail sales from 1971 to 1981. Winnipeg's real

Table 4

Retail Trade in Winnipeg 1971-1981

| | <u>1971</u> | <u>1981</u> |
|---|-------------|----------------------|
| Total Employees in the Trade Industry (Wholesale and Retail) | 45,705 | 58,480 |
| % of Total Labour force in trade industry | 18.7 | 18.9 |
| Total employees in retail trade only | 17850 | 22850 ^(a) |
| Actual Retail Sales (Thousands \$) | 815,855 | 2,251,215 |
| Real Retail Sales (Adjusted into constant 1971 dollars) | 815,855 | 1,004,110 |
| Total Gross Leasable Retail floor area of CBD and all shopping centres (in thousands of sq. ft.)(b) | 3767 | 6723 |
| Total Gross Leasable Retail floor area of the CBD | 2319 | 2279 |
| Gross Leasable floor area or of regional shopping centres only | 1345 | 2822 |
| Winnipeg Retail Sales Per employee (\$) | 45708 | 43970 |

Source: Statistics Canada; Leasable floorspace derived from City of Winnipeg

Notes: (a) Estimation based on proportion of retail trade employees to total employees in the trade (wholesale and retail) industry in 1971. Data not available by Statistics Canada in 1981.

(b) Regional, community, and neighbourhood shopping centres.

retail sales (adjusted) per employee has declined slightly suggesting an apparent shift towards more labour-intensive retailing practices. Several factors should be noted in attempting to explain this trend. First, shopping centres, especially regional centres, have dramatically increased the amount of retail space in Winnipeg. Thus, while retailing has become more efficient in terms of an employee to floor space ratio, rapid shopping centre development has resulted in an overall increase in employment. One should also note, however, that employment figures are based on number of people employed and not on man-hours. Thus, the recent increase in use of part-time retail workers should be considered when evaluating these employment statistics. Other factors to be considered are seasonal fluctuations and cyclical trends of the economy which affect employment demands. Also, retail employment may still not have adjusted to the massive influx of new retail space from shopping centres.

3.3 Retail Impacts

Critics argue that the rapid development of shopping centres seriously affects a city's retail sector in a number of ways. These impacts include: shifting the focus of commercial activity within the planning area; altering established retail trade patterns; and, perpetuating discriminatory relationships between the national chain stores and local independents within the shopping centre.

What these critics fail to realize is that several of these "effects" are beneficial. Shifting commercial activity within an area and altering established retail trade patterns are two positive signs of healthy retail competition. The fact that new retail outlets are situated closer to the suburbs means convenience for the consumer.

The effect of shopping centres on independent merchants and chain

stores (an organization operating four or more retail outlets in the same kind of business, under the same legal ownership)⁶ is more visible. Since shopping centres cannot create new buying power, they simply attract customers from existing businesses. Local retailers including existing shopping centres are invariably affected in a slow or no growth city such as Winnipeg. These centres absorb a large share of the retail market at the expense of established retailers.

Interestingly, few local merchants are found in dominant shopping centres. The high rents in these centres often prohibit an independent merchant from paying wages for purchasing, credit, legal accounting and other support services that are centralized by the chain stores. Chain stores tend to purchase various supplies and also tend to spend their accounting, advertising, insurance, printing and legal budgets through the head office rather than through the local branches. Consequently, shopping centre owners select tenants for their ability to pay high rents and to maintain a centre's market domination; as a result, developers usually lease 80 - 90 per cent of the space in their shopping centres to national retail chains⁷ and local retailers occupy the remaining space.

Generally the national chain stores in Winnipeg shopping centres have headquarters outside the city. Moreover, a substantial portion of the shopping centre facilities in Canada, like the centres in Winnipeg, are owned by developers based in a few large cities. Table 5 illustrates that Eaton Place and Garden City are foreign-owned. St. Vital and Unicity, however, are owned by Trizec whose Canadian base of operations is in Calgary. Toronto-based Metropolitan Ltd. and Cadillac-Fairview operate Kildonan Place and Polo Park respectively; while Grant Park is the only regional shopping centre which is based in Winnipeg. The decision-making process of the centres is generally outside the region, where specific information regarding the overall Winnipeg retail market may be limited.

Table 5

Winnipeg Shopping Centre Ownership, Traffic and Sales Estimates

| Name-Owner (base) | No. of Stores (a) | Distance to nearest reg. shopping ctr. of dntr. | Est. annual traffic (millions) | Est. of annual sales (millions \$) |
|---|-------------------|---|--------------------------------|------------------------------------|
| Eaton Place-Bredoro Group (Belgium via Calgary) | 74 | 2 mi. | 8.8 | 27-35 |
| Grant Park-Grant Park Ventures Inc. (Winnipeg) | 20 | 3 mi. | - | - |
| St. Vital-Trizec (Calgary) | 83 | 4 mi. | 5.2 | - |
| Kildonan Place-Metropolitan Ltd. (Toronto) | 71 | 5 mi. | - | 50+ |
| Unicity-Trizec (Calgary) | 58 | 5 mi. | - | - |
| Garden City-Grosvenor Int. (London, England) | 53 | 4 mi. | - | 30-35 |
| Polo Park-Cadillac-Fairview Corp. (Toronto) | 76 | 2 mi. | 12.0 | 50-75 |

Source: J. Hubbard, Canadian Directory of Shopping Centres (Toronto: MacLean-Hunter, 1983).

Notes: (a) For number of stores, City of Winnipeg

The Table also displays significant traffic and sales figures. Kildonan Place maintains an estimated annual sales (E.A.S.) figure of \$50 million per annum after only four years of operation, whereas Garden City, which was built in 1970, has an E.A.S. of \$30 million. This sales variance suggests the competing nature of shopping centres with each other and the surrounding retail development, and the relatively short period needed for a centre to either gain or lose a large volume of clientele and retail sales. This illustrates how the introduction of a new regional shopping centre can immediately redistribute retail sales within a given market area.

A comparison of Eaton Place and Polo Park traffic and sales is equally noteworthy. Although the gross leasable area of Polo Park is six-fold that of Eaton Place, Eaton Place's estimated annual sales are approximately one-half that of Polo Park. These figures suggest the capability of a downtown location (Eaton Place) to generate substantial sales and customer volume with less retail space. In an analysis of Eaton Place traffic and sales figures it is essential to consider that Eaton Place is connected to Eaton's department store, the largest retail establishment in Winnipeg. Nevertheless, while Eaton Place incurs a spin-off effect from Eaton's, Eaton Place's sales indicate that the drawing power of the CBD for retail business remains substantial.

This examination of selected economic, employment and retail factors associated with shopping centre development, introduces many variables into the overall retail scheme. Yet, shopping centres are not the only "cause" of shifts in retailing and negative impacts on the CBD are not the only "effect." Rather, any retail development, or lack thereof, stems from a complex array of social and economic conditions: the cyclical nature of the economy; variable interest rates; lack of investment capital; increasing crime rates; higher transportation and fuel costs; greater in-home entertainment technology; and, an aging population. These factors,

shopping centres development included, combine in a grey area of interacting socio-economic forces, all of which are responsible, but none of which are solely liable, for either aiding or harming overall retail trade in the city of Winnipeg.

NOTES

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2. Gordon Stedman, "The Rise of Shopping Centres," Journal of Retailing (Spring 1955): 15.
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5. Statistics Canada, Retail Trade, February 1984 Catalogue, 63-005 Monthly, xiii.
6. Ibid.
7. M.C. Ircha, Shopping Centres and Downtown Revitalization, 52.

4.0 A CASE STUDY OF DOWNTOWN AND REGIONAL SHOPPING CENTRE RETAILING IN WINNIPEG.

The previous discussion of the history and function of shopping centres provides a basis for a case study of the nature of shopping centre and downtown retailing in Winnipeg. The case study is divided into two sections: first a macro/micro retail analysis of Winnipeg; and secondly, a public opinion poll derived from personal interviews with Winnipeg respondents. This bi-faceted approach has been designed to address as many economic, geographic and human variables as possible in order to better assess these retailing locales.

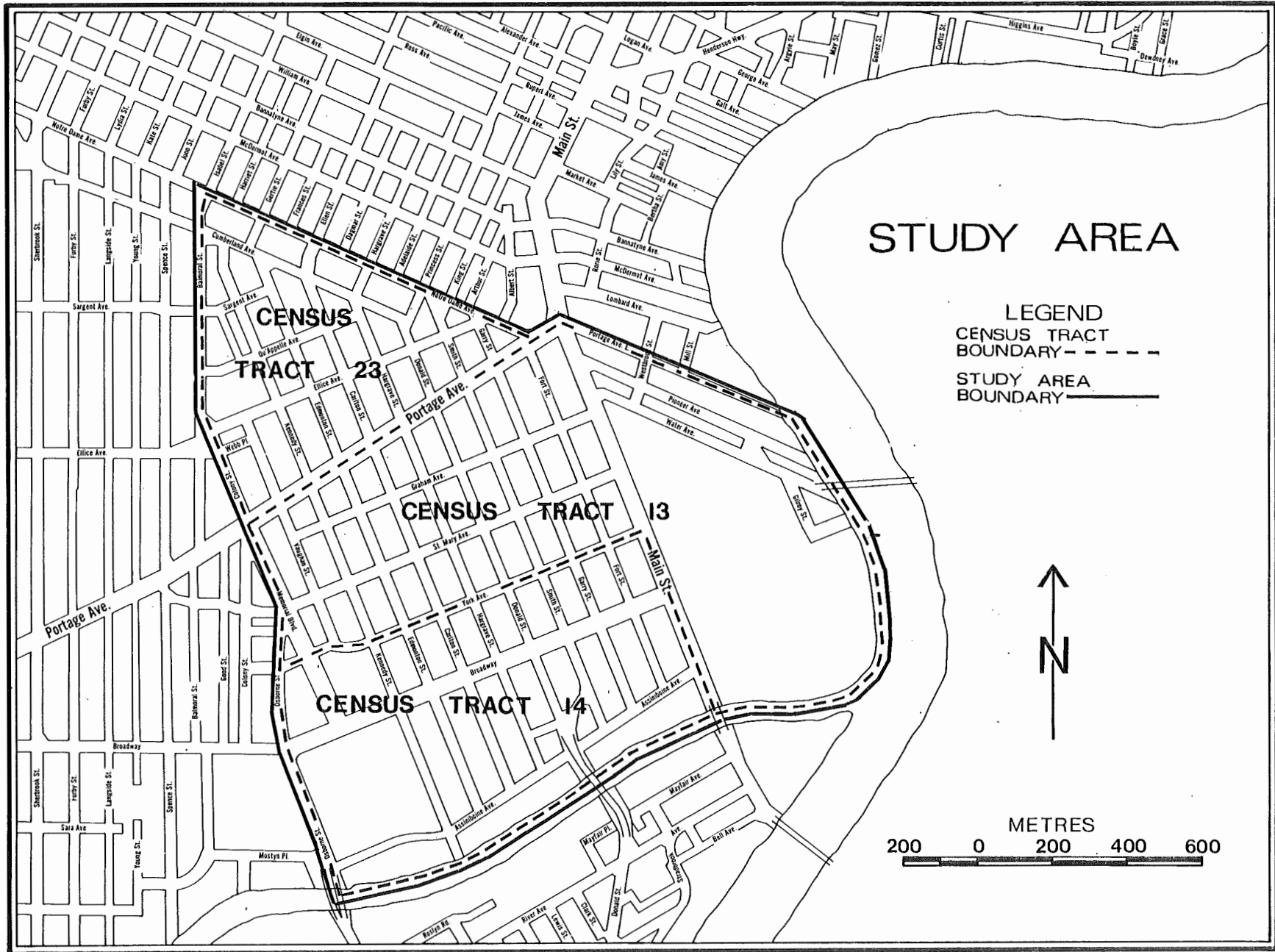
4.1 A Macro/Micro Retail Analysis, 1971 - 1983

In this section, data from Statistics Canada, assessment rolls and business directories and computer work have been used to develop a specific retail impact study. Five separate analyses have been performed to provide a variety of economic and geographic variables. Winnipeg retail structure and sales figures are examined to understand the retail infrastructures of the CBD. An analysis of downtown/shopping centre retail spatial structure, ownership and parking follows. Huff's Market Potential Model is used to illustrate retail market potentials and expected retail sales of Winnipeg shopping centres and the CBD. Finally, a pioneer micro-analysis identifies six Downtown Key Retail Areas (DKRAs) within Winnipeg. These sections reveal the dynamic nature of downtown and shopping centre retailing in Winnipeg.

4.1.1 Study Area and Methodology

Statistics Canada census tracts 13, 14 and 23 were used as the downtown retail boundaries for this analysis (see Figure 1). The Winnipeg Central Business District is defined as the Assiniboine River on the south,

Figure 1



Memorial Boulevard-Balmoral on the west, Notre Dame on the north and the Red River on the east. Statistics Canada has traditionally considered this area as the downtown of Winnipeg. The data for retail sales were acquired from Statistics Canada, and information regarding retail space was obtained from the Department of Environmental Planning, City of Winnipeg. Henderson Directories were also utilized to determine the location of retail business establishments.

In this study, the research team used the Statistics Canada retail classification in which there are six retail sectors and 27 retail groups. (Statistics Canada uses 28 groups, but for this study, "shoes" and "specialty shops" were combined). (see Table 6) It should be noted that a "retail sector" contains a number of "retail groups," while the term "retail industry" will refer to all retail activity. Moreover, "retail structure" is defined as the relative proportion or amount of a certain type of retail activity within the total retail trade industry of the area under consideration. Real structure is examined in terms of sales figures and in terms of physical space.

Unfortunately, sales figures by census tracts for the CBD area have not been available since 1971. The absence of this specific data poses a limitation to the case study. Since most businesses are unwilling to surrender this information, an extensive retail sales analysis is not possible. Sales figures are the true indicators of retail health; without them, one can only estimate success achieved by a particular retail outlet.

4.1.2 National Retail Overview, 1974 - 1982

Any analysis of Winnipeg retail sales must be preceded by a comparison with other major Canadian cities. Annual data for retail sales activity are available for only four major Canadian cities (Montreal, Toronto, Vancouver and Winnipeg), beginning in 1974. This analysis includes annual sales figures to 1982, the last year for which data are available.

Table 6

Retail Classification

| <u>Major Retail Sector</u> | <u>Retail Group</u> |
|----------------------------------|---|
| Food | 1. Combination stores (groceries and meat) 2. Grocery, confectionery, and sundries stores 3. All other food stores |
| General Merchandise | 4. Department stores 5. General merchandise stores 6. General stores 7. Variety stores |
| Automotive | 8. Auto dealers 9. Used car dealers 10. Service stations 11. Garages 12. Auto parts stores |
| Apparel | 13. Men's clothing stores 14. Women's clothing stores 15. Family clothing stores 16. Shoes |
| Hardware and Home Furnishings | 17. Hardware stores 18. Household furniture stores 19. Household appliance stores 20. Furniture, T.V. and radio stores |
| Other Retail | 21. Pharmacies and cosmetic stores 22. Books and stationery stores 23. Florists 24. Jewellery stores 25. Sporting goods and accessories 26. Personal accessories stores 27. All other retail stores |

Source: Statistics Canada 63-005

Figure 2 reveals the trends in real retail sales (as measured in constant 1971 dollars) for 1974 - 1982. Growth in real retail sales in this period is parallel to population growth for each of the major cities except Montreal (see Table 7).

Most of the growth in real retail sales is accounted for in the 1974-78 period. All cities except Winnipeg experienced rapid growth in retail sales from 1974 to 1978. Winnipeg's growth in retail sales was only one-third the rate of the other cities during this period. Real retail sales have generally declined since 1978. Real retail sales have declined least in Winnipeg and Vancouver - in fact, Winnipeg was the only city to increase real retail sales in 1982.

Table 8 indicates that Winnipeg had the highest percentage of chain store sales and the lowest independent store sales of other comparative cities in 1974. By 1982, Winnipeg was the only city whose retail sales shifted towards a higher chain store percentage. Independent merchants increased their share of the market significantly in the other three cities between 1974 and 1982. These figures suggest an increasing trend of chain store sales in Winnipeg, in contrast with greater independent store sales in other centres. Vancouver led all cities in retail sales per capita throughout this period followed by Toronto, Winnipeg and Montreal respectively.

Noteworthy is the similarity in retail structure of Vancouver and Winnipeg, and likewise Montreal and Toronto. The east-west differences in structure and subsequent changes in structure are evident from Table 9. The only strong similarity in structure among all centres is that the automotive sector represents approximately one-quarter of all retail sales in both 1974 and 1982. The larger, eastern Canadian cities have a greater proportion of their retail sales devoted to the Food, Apparel and Hardware/Home Furnishing retail sectors than do the western Canadian cities. While the General Merchandise sector (which consists primarily of department

Figure 2

Comparison of Real Retail Sales of Major Canadian Cities 1974-1982

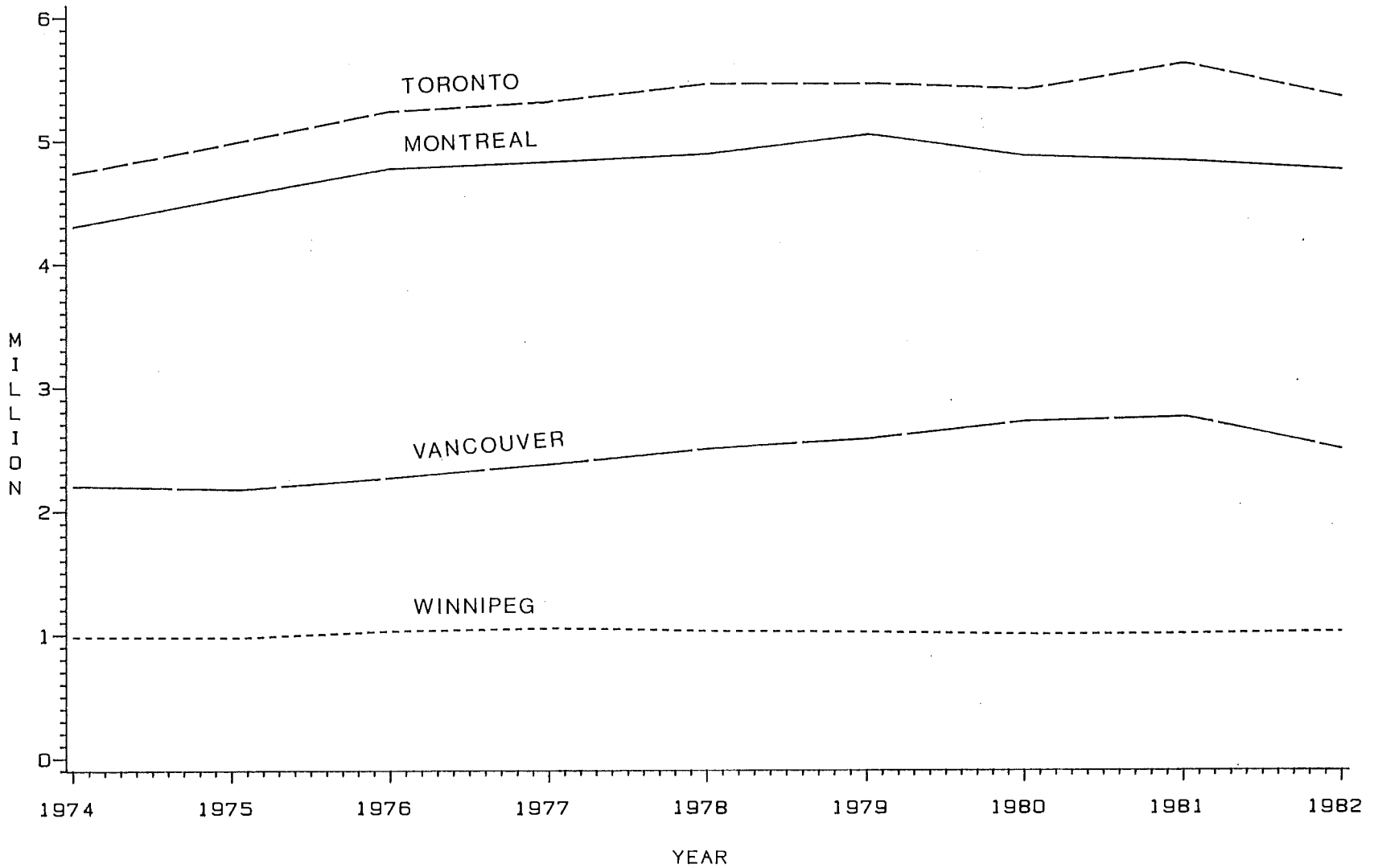


Table 7

Comparison of Population and Retail Sales 1974-82

| | <u>% change population 1974-82</u> | <u>% change retail sales 1974-82 (constant 1971 \$)^(a)</u> |
|-----------|--|---|
| Montreal | 2.8% | 10.5% |
| Toronto | 11.5 | 12.6 |
| Vancouver | 13.7 | 13.6 |
| Winnipeg | 4.7 | 4.5 |

Note: (a) See Appendix A for 1971 consumer and retail price index.

Table 8

Comparison of Retail Sales,
Major Cities, 1974-1982

| <u>City</u> | <u>Total</u> <u>(\$ 000s)</u> | <u>Independent</u> <u>(%)</u> | <u>Chain</u> <u>(%)</u> | <u>Retail Sales</u> <u>(per capita)</u> |
|-------------|----------------------------------|----------------------------------|----------------------------|--|
| <u>1974</u> | | | | |
| Montreal | 5,246,629 | 56.3 % | 43.7 % | \$1895 |
| Toronto | 5,772,652 | 47.7 | 52.3 | \$2126 |
| Vancouver | 2,672,249 | 50.4 | 49.6 | \$2367 |
| Winnipeg | 1,191,417 | 46.8 | 53.2 | \$2103 |
| <u>1982</u> | | | | |
| Montreal | 11,609,951 | 60.6 | 39.4 | \$4076 |
| Toronto | 13,056,559 | 48.3 | 51.7 | \$4312 |
| Vancouver | 6,073,284 | 51.9 | 48.1 | \$4734 |
| Winnipeg | 2,493,571 | 41.7 | 58.3 | \$4206 |

Source: Statistics Canada 63-005

Table 9

Comparative Structure of Retail Sectors
of Major Canadian Cities, 1974-1982

| | <u>Percentage Distribution</u> | | | |
|-------------------------------|--------------------------------|----------------|------------------|-----------------|
| <u>Major Group</u> | <u>Montreal</u> | <u>Toronto</u> | <u>Vancouver</u> | <u>Winnipeg</u> |
| <u>1974</u> | | | | |
| Food | 29.8% | 27.4% | 21.1% | 25.9% |
| General Merchandise | 14.0 | 16.9 | 24.2 | 27.1 |
| Automotive | 25.6 | 25.5 | 27.1 | 27.3 |
| Apparel | 6.5 | 6.6 | 4.0 | 2.5 |
| Hardware and Home Furnishings | 5.3 | 3.8 | 2.6 | 2.1 |
| Other Retail | 18.8 | 19.7 | 21.0 | 15.1 |
| | ----- | ----- | ----- | ----- |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |
| <u>1982</u> | | | | |
| Food | 32.4% | 27.6% | 26.1% | 27.3% |
| General Merchandise | 10.9 | 13.6 | 18.7 | 20.8 |
| Automotive | 25.0 | 26.2 | 25.7 | 25.7 |
| Apparel | 6.6 | 6.5 | 4.1 | 4.7 |
| Hardware and Home Furnishings | 3.6 | 2.8 | 2.5 | 2.4 |
| Other Retail | 21.5 | 23.4 | 22.9 | 19.1 |
| | ----- | ----- | ----- | ----- |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

Source: Statistics Canada 63-528 and 63-005

store activity) has declined significantly in all cities, Winnipeg and Vancouver have a substantially greater share of their retail industry in department store sales. These trends reflect a shift from department store activity towards specialty-type retail activity in major Canadian cities. Winnipeg's "Other Retail" or specialty group is keeping pace with this trend, but lags in terms of actual structure.

4.1.3 Winnipeg Retail Analysis

A micro analysis of Winnipeg retailing is now appropriate after examining general Canadian retailing trends. Any study of micro retailing, however, must first consider the demographic and economic factors within its study area.

4.1.3.1 Demographic Trends

Table 10 provides a comparison of Winnipeg's population, income and retail sales for the period 1951 - 1981.

1. The population figures reveal an average of less than one per cent growth per year between 1971 and 1981.
2. The average household income has increased two and one half times in actual dollars from 1971 to 1981.
3. Retail sales increased three-fold from 1971 to 1981.
4. The bulk of change occurred in the 1971 to 1974 period, when real retail sales increased by 23%.
5. Following 1974, little change in sales occurred.
6. The figures also suggest -
 - modest population growth
 - a slight increase in household income, and
 - a significant increase in retail sales in Winnipeg in the last period.

Table 10

Comparison of Winnipeg's Population,
Income, and Retail Sales, 1951-1981

| | <u>Population</u> | <u>Average Household Income (\$)</u> | <u>Retail Sales (\$ 000s)</u> |
|-----------|---|---|---|
| 1951 | 354,069 | 2,369 | 353,051 |
| 1961 | 475,989 | 4,307 | 493,139 |
| 1971 | 540,265 | 9,382 | 815,885 |
| 1981 | 584,842 | 23,208 | 2,251,215 |
| | <u>Change in Population (%)</u> | <u>Change in Average Income (%)</u> | <u>Change in Retail Sales (%)</u> |
| 1951-1961 | 34.4 % | 81.8 % | 39.7 % |
| 1961-1971 | 13.5 | 117.8 | 65.4 |
| 1971-1981 | 8.3 | 147.4 (5.0*) | 175.9 (23.1*) |

Source: Statistics Canada

Notes: * adjusted

4.1.3.2 Downtown Residential Characteristics

Table 11 indicates that the population of downtown Winnipeg declined substantially from 1951 to 1966, but has remained relatively stable since 1971.

1. The area from North Portage to Notre Dame (census tract 23) showed an increase in population in 1981 for the first time since 1961.
2. The South Portage area has experienced fluctuating growth.
3. Overall, there were 9,259 people living in the downtown in 1981, representing 1.6% of the population in this small area of approximately 2.5 km².
4. The average income of a downtown resident has declined from 65% of the average income of a Winnipeg resident in 1974 to only 55% in 1981.
5. The lowest income area within the downtown is the North Portage district (C.T. 23).
6. The increase in households from 1971 to 1981 was offset by a slight decline in total population and is an indication that the downtown has significantly increased its already high proportion of single, widowed and divorced people.
7. Another notable change in the downtown is its aging population. The downtown contains a substantially higher proportion of elderly people (65 and over) than Winnipeg as a whole. Over one-quarter of the downtown's population is over the age of 65, and this proportion seems to have stabilized in 1976-81.

4.1.3.3 Retail Trade Performance

The examination of Winnipeg's retail trade performance at the retail group level is essential in the understanding of the changing structure and trends of retail sales growth and development. Generally, it can be seen that retailing has grown, but at relatively modest levels. Sectors containing specialty goods have grown significantly at the expense of general merchandising.

Table 11

Selected Characteristics of
Winnipeg's Downtown

A. Population

| <u>Year</u> | <u>C.T. 13</u> | <u>C.T. 14</u> | <u>C.T. 23</u> | <u>Total Pop. Downtown</u> | <u>% of Wpg. C.M.A.</u> |
|-------------|----------------|----------------|----------------|--------------------------------|-----------------------------|
| 1951 | | | | 13,080 | 3.7 |
| 1961 | 1,576 | 4,447 | 3,925 | 9,948 | 2.1 |
| 1966 | 1,316 | 3,960 | 3,829 | 9,105 | 1.8 |
| 1971 | 1,260 | 4,335 | 3,810 | 9,405 | 1.7 |
| 1976 | 2,175 | 3,735 | 3,420 | 9,330 | 1.6 |
| 1981 | 1,689 | 3,900 | 3,670 | 9,259 | 1.6 |

B. Average Private Household Income (\$)

| | | | | <u>Average Downtown</u> | <u>% of Wpg. Ave.</u> |
|------|--------|--------|--------|-----------------------------|---------------------------|
| 1971 | 5,064 | 6,673 | 5,710 | \$ 6,125 | 66 |
| 1981 | 13,377 | 14,040 | 10,024 | \$12,650 | 55 |

C. Total Households

| | | | | |
|------|-------|-------|-------|-------|
| 1971 | 610 | 2,510 | 1,750 | 4,870 |
| 1981 | 1,110 | 2,895 | 1,840 | 5,845 |

D. Population Over 65 Years

| | <u>% of Pop 65+ Downtown</u> | <u>% of Pop. 65+ Wpg.</u> |
|------|----------------------------------|-------------------------------|
| 1966 | 23 % | 9 % |
| 1971 | 24 | 10 |
| 1976 | 27 | 10 |
| 1981 | 27 | 12 |

Source: Statistics Canada

Table 12

Winnipeg Retail Sales, 1951-1981

| | <u>1951</u> | <u>1961</u> | <u>1971</u> | <u>1981</u> |
|---------------------------------|--------------------------------|-------------|-------------|-------------|
| | (\$ Thousands ^(a)) | | | |
| TOTAL | 353,051 | 493,139 | 815,885 | 2,251,215 |
| Food | 94,171 | 127,157 | 213,508 | 615,619 |
| General Merchandise | 94,217 | 129,395 | 225,172 | 498,714 |
| Automotive | 72,585 | 125,363 | 196,192 | 551,959 |
| Apparel | 18,283 | 24,017 | 38,485 | 107,157 |
| Hardware and Home Furnishing | 38,844 | 23,837 | 31,923 | 51,098 |
| Other Retail | 34,951 | 63,371 | 110,601 | 426,668 |
| | (Percentage Distribution) | | | |
| Food | 26.7 % | 25.8 % | 26.2 % | 27.3 % |
| General Merchandise | 26.7 | 26.2 | 27.6 | 22.2 |
| Automotive | 20.6 | 25.4 | 24.0 | 24.5 |
| Apparel | 5.2 | 4.9 | 4.7 | 4.8 |
| Hardware and Home Furnishing | 11.0 | 4.8 | 3.9 | 2.3 |
| Other Retail | 9.9 | 12.9 | 13.6 | 19.0 |
| TOTAL | 100.0 % | 100.0 % | 100.0 % | 100.0 % |

Source: Statistics Canada 63-005.

Notes: (a) Actual dollar figures with no adjustment for rate of inflation.

1. Retail sales for the 1951 - 1981 period show the apparel and automotive sectors remaining constant in terms of percentage of total sales (see Table 12).
2. A slight increase in the food sector is evident since 1961.
3. The general merchandise and hardware and home furnishing sectors display significant decreases.
4. Other retail, a sector which includes specialty shops, and items such as computers, office furniture, stereos and video equipment, substantially increased probably at the expense of the sectors mentioned in point #3.

Table 13

Retail Outlets and Sales
in the Downtown (\$ Millions)

| | <u>1961</u> | <u>1966</u> | <u>1971</u> |
|---|-------------|-------------|-------------|
| Downtown Retail Sales | 181.1 | 178.9 | 149.2 |
| Winnipeg Retail Sales | 493.1 | 561.9 | 815.9 |
| Downtown Proportion of Winnipeg Retail Sales | 37% | 32% | 18% |

Sources: Damas and Smith, Winnipeg Downtown and Portage Avenue Study (Winnipeg: Downtown Winnipeg Businessmen's Association, January 1979).

S. Kwan, Retail Commercial Study (City of Winnipeg, September 1977).

4.1.3.4 Downtown Retail Sales

This retail sales and shift-share analysis becomes more intriguing when retail sales are viewed with specific reference to downtown. Table 13 displays decreasing downtown sales and a lesser proportion of Winnipeg retail sales for the downtown since 1971. In contrast, overall Winnipeg retail sales have been significantly increasing since 1961. An increasing proportion of these occurred in shopping centres. Consideration must be given to the fact that Eaton Place did not exist in 1971. Furthermore, in 1971 downtown contained 38% of Winnipeg's retail space, but by 1983, even with Eaton Place, the downtown's share of retail space declined to approximately 25%.

In 1974, Larry Smith Research Limited estimated the 1974 downtown share of department store type merchandise (D.S.T.M.) sales in Winnipeg was 48%. The downtown's share of D.S.T.M. potential was projected to decrease to 32-34% by 1981 and to 22-24% by 1991, given the quantity of retail floor space committed and proposed for suburban development.¹

Unfortunately, more specific data regarding CBD retail sales were not available due to federal government action amending the Statistics Act to impose greater confidentiality on certain census data. By 1971, retail sales volumes for the downtown area had become impossible to obtain as Statistics Canada had ceased gathering retail sales figures by 1976. Private research firms became the only source of developing retail sales statistics and projecting trends. Nevertheless, data on other aspects of retailing are still available from the census. This information, combined with private market analyses, portrays a steady decline in downtown retailing sales.²

4.1.4 Retail Spatial Structure

The examination of retail trade structure at the retail group level

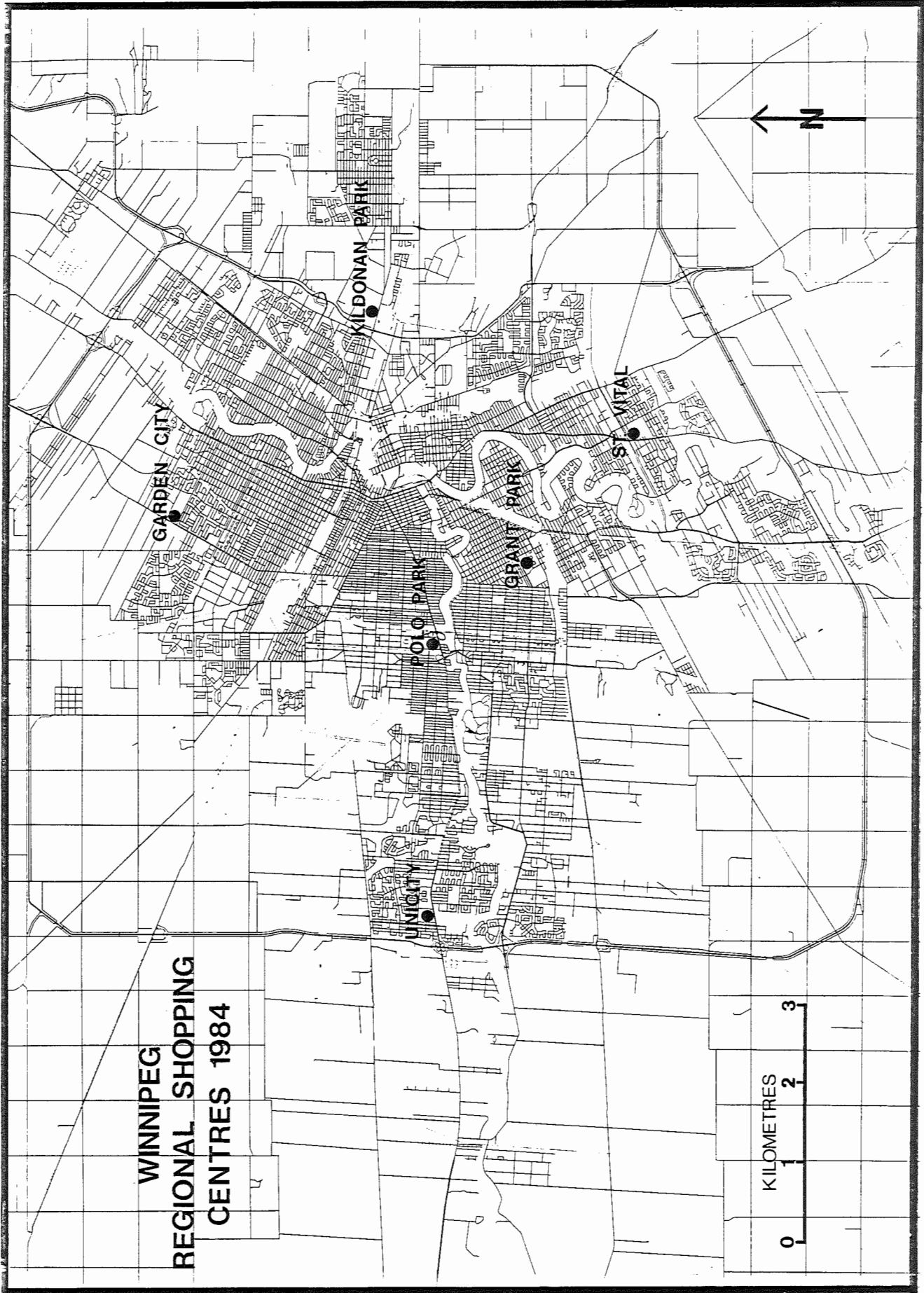
is important in recognizing the changing structure and trends of retail growth and development. This section will examine retail structure by comparing the number of stores and the amount of retail space (occupied leasable retail space in square feet) of Winnipeg's downtown against the cumulative totals for Winnipeg's regional shopping centres

Figure 3 illustrates the location of the downtown and regional shopping centres. Retail trade is classified into the 27 retail groups in order to examine the relevant changes which have occurred for the years 1971 and 1983.

Overall, there has been minimal absolute or relative change in retail space in the downtown, but there have been significant shifts within the structure of downtown retailing. The most significant losses in downtown retail activity occurred in the general merchandise and automotive sectors.

1. In 1971, there were 281 stores occupying approximately 2.32 million square feet of retail space in the downtown. The three regional shopping centres which existed then (Polo Park, Grant Park, Garden City) contained 139 retail establishments occupying approximately 1.3 million square feet.
2. By 1983, the downtown had added 107 stores while remaining fairly constant in the total amount of retail space (minimal decrease to 2.28 million square feet). Meanwhile, three new regional shopping centres were added which effectively doubled the amount of retail space contained in regional shopping centres to 2.82 million square feet and 351 stores.
3. The primary reason for the increase in the number of downtown retail stores, but not in retail space, was the addition in 1979 of Eaton Place. This downtown shopping mall, with 75 stores utilizing approximately 120,000 square feet, replaced the Eaton Catalogue Centre which consisted of 185,000 square feet of retail floor space in 1971.
4. The general merchandise group lost the most retail space, almost 200,000 square feet, due to the closing of the Eaton Catalogue Centre (mail order and catalogue sales are listed under this retail group).

Figure 3



5. The automobile dealers and automobile parts groups lost 14 stores and approximately 100,000 square feet.
6. Retail groups which incurred the highest growth in the downtown were "all other retail" (a combination of small types), family clothing, personal accessories, and books/stationery, respectively. These additions primarily occurred within new downtown shopping mall developments. Together these four groups added 88 stores and approximately 220,000 square feet of retail activity.

These gains, in addition to smaller increases in other specialty-type shops, offset the losses caused by declines in the general merchandise and automotive sectors, thus balancing the total amount of retail space in the downtown area.

The dramatic increase in regional shopping centre space in Winnipeg has resulted in all retail groups showing an increase in stores and space except for three small retail groups - hardware, household appliance, and variety stores which have not changed since 1971. Department stores are the largest type of retail group in both the downtown and in regional shopping centres.

1. Almost two-thirds of the increase in regional shopping centre retail space can be attributed to the addition of seven large department stores.
2. Department stores constituted over 60% of the total retail space in both the downtown and shopping centre in 1971 and 1983.
3. Two other retail groups which added a large amount of stores and space to shopping centres were women's clothing and combination food stores, while shoes and men's clothing were also prominent.
4. Analysis indicates that there has been little change in the retail structure of regional shopping centres.

The clearest impact on downtown retail trade is the addition of large department stores in an era when department store and other multi-purpose retailing (except in the food sector) is losing its relative share of retail

trade nationally as well as in Winnipeg. One million square feet of department store space has been added to the city by regional shopping centres since 1971, but that sector has dropped its share of the retail trade industry substantially. Ironically, these department stores are owned by the same national chain organizations which own downtown department stores. This poses a serious threat to downtown department store activity because that type of retailing, which is the mainstay of downtown retail trade, has had its business extended to the suburbs and subsequently has lost a significant share of its previous market. In effect, when major department store chains like Eaton's and The Bay build anchor stores in shopping centres, they create barriers which capture potential downtown customers. These suburban stores are, in fact, self-inflicted retail competition which obviously detracts from downtown sales. Additionally, high downtown tax assessments and the availability of large tracts of relatively inexpensive land in the suburbs have further encouraged department stores to develop in suburban locations.

The other sector which is declining in the downtown is the automotive sector, but this cannot be attributed to an impact from regional shopping centres, because this type of activity generally does not exist in Winnipeg's regional shopping centres. It should be noted that retail activity within the automotive sector refers to those operations which solely consist of automotive sector retail; thus automotive departments within department stores are not part of this sector.

4.1.5 Ownership

Table 14 displays the number of stores and the amount of retail space owned by national chain organizations and local independent merchants in each of the regional shopping centres and the downtown. All regional shopping centres are similar in that most of their stores and retail space (an average of 96%) are owned by national chain organizations. The limited

Table 14

Comparison of National Chains and
Local Independent Stores in the CBD and Shopping Centres(a)

| | Number(%) | | Square Footage(%) | |
|--|--------------|-----------------|-------------------|-----------------|
| | <u>Local</u> | <u>National</u> | <u>Local</u> | <u>National</u> |
| Polo Park | 17(25.8) | 49(74.2) | 22136(3.1) | 689152(96.9) |
| Grant Park | 3(15) | 17(85) | 24935(8.2) | 277860(91.8) |
| Garden City | 12(22.6) | 41(77.4) | 15801(4.8) | 315391(95.2) |
| Unicity | 8(13.8) | 50(86.2) | 10609(2.4) | 432187(97.6) |
| St. Vital | 15(18.1) | 68(81.9) | 16366(2.7) | 589679(97.3) |
| Kildonan | 7(9.9) | 64(90.1) | 11731(2.7) | 416153(97.3) |
| TOTAL, All Regional Shopping Centres (1983) | 62(17.7) | 289(82.3) | 101578(3.6) | 2720422(96.4) |
| C.B.D. (1971) | 259 (92.3) | 22(7.7) | 634707(27.4) | 1684355(72.6) |
| C.B.D. (1983) | 287(74.9) | 101(25.1) | 626921(27.5) | 1652234(72.5) |

Source: Derived from City of Winnipeg

Notes: (a) Only retail floorspace (i.e. does not include restaurants).

number of local independent stores which do exist within the shopping centres tend to be extremely small. The proportion of independent stores within the newer shopping centres is actually less than the small number within the older shopping malls such as Polo Park and Garden City. This indicates a trend towards even further national chain ownership of Winnipeg's regional shopping centres.

The majority of downtown stores are owned by local merchants, but almost 75% of the retail space is owned by national chain organizations. This is largely attributed to the size of the downtown's two major department stores, Eaton's and The Bay.

In terms of trends, both types of stores increased in number from 1971 to 1983 in the downtown, but national stores substantially increased their proportion of downtown retail establishments due to the addition of Eaton Place and Winnipeg Square shopping malls. Overall, a minimal change has occurred in the absolute and relative amount of downtown space owned either nationally or locally since 1971.

4.1.6 A Model of Market Potential

The next mode of analysis involves the application of Huff's model, which is the major retail gravity model used in studies of shopping behaviour and location (for a more detailed discussion of Huff's model consult Appendix B). Huff's model indicates the probability that a consumer in a particular residential area will purchase goods at a particular shopping location. The model is based on three major factors involved in shopping behaviour and location - distance (or travel time), size (or attractiveness) and competition.

There were several steps involved in applying Huff's model to a study of changes in retail market potential in Winnipeg.

1. The census tract areas of Winnipeg for 1971 and 1981 were designated as the statistical units for the residential areas of the model.
2. The gross leasable retail floor space of all regional shopping centres and the downtown was determined for 1971 and 1983 (this is the size of attractiveness variable in the model). For the purposes of Huff's model, the total for the downtown retail area was viewed as one supra-regional shopping centre. This precondition tends to overstate the drawing power of the downtown in the model because the downtown retail area encompasses a greater area of retail activity than an enclosed and climate controlled suburban shopping mall.
3. Distance measurements were calculated from the geographical centre of each statistical unit (census tracts) to each regional shopping location. It is recognized that this represents a crude indicator of travel time because a featureless plain with equal transportation routes from all directions is assumed. Only the regional shopping centres and downtown were considered in this mode; other shopping facilities such as neighbourhood and community shopping centres and strip developments were excluded and thus held constant in the model.
4. The probability of consumers in each census tract shopping at each shopping location was calculated for 1971 and 1983. The probability of consumers from each census tract shopping at each shopping location was then multiplied by (a) the population, and (b) the total income of each census tract for the base years of 1971 and 1981 (1981 statistics were used with data on retail space for 1983). The market potential and retail sales potential were then calculated by adding up all census tract results for each shopping location.

These figures give an indication of the retail trade area for a particular location and/or type of retail activity at each location by allotting certain portions of Winnipeg's market to each shopping location based on consumer probability.

It is important to note that the results of this model can only be viewed as a general and relative indicator of retail market areas because several factors such as quality, variety, individual consumer decision-making and preferences, frequency of visitation, advertising effects, and

other exogenous influences, cannot be taken into account within the context of Huff's model.

The intent of the model is to examine the relative changes in shopping behaviour and market shares which would have been expected to occur with the addition of more regional shopping centres. Thus, the focus is on a comparison of downtown retail versus suburban retail (the cumulative market of suburban regional shopping centres). Tables 15 and 16 indicate the relative proportion of population and total income that is expected to accrue to the previously defined downtown and suburban retail areas based on factors considered in the model. Tables 17 and 18 disaggregate the suburban totals into market shares for each individual shopping centre.

It must be emphasized that: (a) the model examines retail trade as though only regional shopping centres and downtown retailing exist (this covers about half of all retail space in Winnipeg); and, (b) the model only considers the population within the study area boundaries as the potential market.

Given these conditions, the results indicate that the downtown would have been expected to lose 18% of its market share to regional shopping centres from 1971 to 1983. The three shopping centres, Polo Park, Garden City and Grant Park, which were included in the 1971 analysis, also had their market share decline slightly by 1983 with the addition of the three new centres, St. Vital, Unicity and Kildonan Place.

In addition:

1. The relative proportion of expected market (based on population in a residential area) and expected retail sales (based on total income in a residential area) for each retail group and location are highly correlated.
2. The suburban share of retail sales (Table 16) tends to be slightly

Table 15

Expected Market Potential (a)

Relative Proportion of Expected Retail Market

| <u>Major Retail Group</u> | <u>Central Business District</u> | | | <u>Regional Shopping Centers</u> | | |
|---------------------------|----------------------------------|-------------|-----------------------------|----------------------------------|-------------|-----------------------------|
| | <u>1971</u> | <u>1983</u> | <u>Change 1983-1971</u> | <u>1971</u> | <u>1983</u> | <u>Change 1983-1971</u> |
| Combination Food Stores | 8.5 | 3.4 | -5.1 | 91.5 | 96.6 | +5.1 |
| Other Food Stores | 41.9 | 48.0 | +6.1 | 58.1 | 52.0 | -6.1 |
| Department stores | 69.4 | 48.2 | -21.2 | 30.6 | 51.8 | +21.2 |
| Variety | | | | | | |
| Men's Clothing | 44.6 | 35.0 | -9.6 | 55.4 | 65.0 | +9.6 |
| Women's Clothing | 63.5 | 41.9 | -11.6 | 36.5 | 58.1 | +11.6 |
| Family Clothing | 28.0 | 63.8 | +35.8 | 72.0 | 36.2 | -35.8 |
| Shoes | 44.9 | 33.6 | -11.3 | 55.1 | 66.4 | +11.3 |
| Hardware | 22.5 | 26.6 | +4.1 | 77.5 | 73.4 | -4.1 |
| Household Appliances | 68.9 | 81.3 | +12.4 | 31.1 | 18.7 | -12.4 |
| Pharmacies and Cosmetics | 62.0 | 49.8 | -12.2 | 38.0 | 50.2 | +12.2 |
| Books and Stationary | 50.7 | 53.7 | +3.0 | 49.3 | 46.3 | -3.0 |
| Florists | 78.5 | 58.6 | -19.9 | 21.5 | 41.4 | +19.9 |
| Jewelry | 72.8 | 54.0 | -18.8 | 27.2 | 46.0 | +18.8 |
| Sporting Goods | 52.2 | 31.4 | -20.8 | 47.8 | 68.6 | +20.8 |
| Personal Accessories | 67.3 | 67.6 | +0.3 | 32.7 | 32.4 | -0.3 |
| Other Retail (specialty) | 83.0 | 75.2 | -7.8 | 17.0 | 24.8 | +7.8 |
| | | | | | | |
| TOTAL, ALL RETAIL | 67.1 | 48.9 | 18.2 | 32.9 | 51.1 | +18.2 |

Notes: (a) Based on Huff's Model

Table 16

Expected Market Sales Potential (a)

(Relative Proportion of Expected Retail Sales)

| <u>Major Retail Group</u> | <u>Central Business District</u> | | | <u>Regional Shopping Centers</u> | | |
|---------------------------|----------------------------------|-------------|-----------------------------|----------------------------------|-------------|-----------------------------|
| | <u>1971</u> | <u>1983</u> | <u>Change 1983-1971</u> | <u>1971</u> | <u>1983</u> | <u>Change 1983-1971</u> |
| Combination food stores | 8.1 | 3.1 | -5.0 | 91.9 | 96.9 | +5.0 |
| Other Food stores | 40.6 | 46.6 | +6.0 | 59.4 | 53.4 | -6.0 |
| Department stores | 68.1 | 46.7 | -21.4 | 31.9 | 53.3 | +21.4 |
| Men's Clothing | 43.4 | 33.6 | -9.8 | 56.6 | 66.4 | +9.8 |
| Women's Clothing | 62.4 | 40.7 | -21.7 | 37.6 | 59.3 | +21.7 |
| Family Clothing | 26.9 | 62.4 | +35.5 | 73.1 | 37.6 | -35.5 |
| Shoes | 43.6 | 32.3 | -11.3 | 56.4 | 67.7 | +11.3 |
| Hardware | 21.5 | 25.3 | +3.8 | 78.5 | 74.7 | -3.8 |
| Household Appliances | 67.6 | 80.3 | +12.7 | 32.4 | 19.7 | -12.7 |
| Pharmacies and Cosmetics | 61.0 | 48.6 | -12.4 | 39.0 | 51.4 | +12.4 |
| Books and Stationary | 49.5 | 52.6 | +3.1 | 50.5 | 47.4 | -3.1 |
| Florists | 77.6 | 57.6 | -20.0 | 22.4 | 42.4 | +20.0 |
| Jewelry | 71.9 | 52.9 | -19.0 | 28.1 | 47.1 | +19.0 |
| Sporting Goods | 52.0 | 30.5 | -21.5 | 48.0 | 69.5 | +21.5 |
| Personal Accessories | 66.0 | 66.2 | +.2 | 34.0 | 33.8 | -.2 |
| Other Retail | 82.3 | 74.4 | -7.9 | 17.7 | 25.6 | +7.9 |
| | | | | | | |
| TOTAL, All Retail | 65.8 | 47.5 | -18.3 | 34.2 | 52.5 | +18.3 |

Notes: (a) Based on results using Huff's retail model.

Table 17

Shopping Centre Market Potential in 1971

| | (Relative Proportion of Expected Market (% of Market Income)) | | | | | |
|--------------------------|---|---------------|--------------------|---------------|-------------------|---------------|
| | <u>Polo Park</u> | | <u>Garden City</u> | | <u>Grant Park</u> | |
| Combination Stores | 36.4 | (36.8) | 25.7 | (24.5) | 29.4 | (30.6) |
| Other Food Stores | 46.0 | (47.3) | 7.5 | (7.4) | 4.5 | (4.8) |
| Department Stores | 16.9 | (17.5) | 6.1 | (6.0) | 7.7 | (8.2) |
| Men's Clothing Stores | 33.3 | (34.4) | 15.1 | (14.7) | 7.0 | (7.5) |
| Women's Clothing Stores | 22.9 | (23.9) | 10.2 | (10.0) | 3.4 | (3.7) |
| Family Clothing Stores | 57.9 | (59.0) | 9.9 | (9.6) | 4.3 | (4.5) |
| Shoe Stores | 41.3 | (42.7) | 10.2 | (9.9) | 3.6 | (3.8) |
| Hardware Stores | 77.5 | (78.5) | 0 | (0) | 0 | (0) |
| Household Appliances | 31.1 | (32.4) | 0 | (0) | 0 | (0) |
| Pharmacies and Cosmetics | 11.9 | (12.4) | 16.6 | (16.2) | 9.6 | (10.4) |
| Books and Stationery | 26.1 | (27.1) | 16.7 | (16.3) | 6.5 | (7.0) |
| Florists | 16.8 | (17.6) | 4.8 | (4.8) | 0 | (0) |
| Jewellery | 15.3 | (16.1) | 9.0 | (8.9) | 2.8 | (3.1) |
| Sporting Goods | 13.9 | (14.7) | 33.9 | (33.3) | 0 | (0) |
| Personal Accessories | 11.4 | (11.9) | 8.3 | (8.2) | 12.9 | (13.9) |
| Other Retail (Specialty) | 6.5 | (6.9) | 6.7 | (6.7) | 3.8 | (4.1) |
| TOTAL | 17.4 | (18.1) | 7.7 | (7.6) | 7.9 | (8.5) |

Table 18

Shopping Centre Market Potential in 1983

(Relative Proportion of Expected Market)

| <u>Major Retail Group</u> | <u>Polo Park</u> | <u>Garden City</u> | <u>Grant Park</u> | <u>Unicity</u> | <u>St. Vital</u> | <u>Kildonan</u> |
|---------------------------|------------------|--------------------|-------------------|----------------|------------------|-----------------|
| Combination food | 19.8 | 15.2 | 15.7 | 12.8 | 17.4 | 15.8 |
| Other food | 21.1 | 3.7 | 1.9 | 3.2 | 17.4 | 4.6 |
| Department | 14.5 | 5.9 | 6.5 | 6.5 | 11.4 | 6.9 |
| Men's Clothing | 15.8 | 8.1 | 3.1 | 7.2 | 22.1 | 8.7 |
| Women's Clothing | 14.5 | 7.1 | 2.1 | 6.5 | 13.8 | 14.0 |
| Family Clothing | 14.9 | 2.7 | 1.1 | 11.5 | 2.1 | 3.8 |
| Shoes | 25.6 | 6.9 | 2.1 | 7.5 | 12.7 | 11.6 |
| Hardware | 73.4 | 0 | 0 | 0 | 0 | 0 |
| Household Appliances | 19.7 | 0 | 0 | 0 | 0 | 0 |
| Pharmacies and Cosmetics | 7.9 | 12.5 | 6.4 | 7.4 | 8.6 | 7.5 |
| Books and Stationary | 10.5 | 7.6 | 2.5 | 5.1 | 10.5 | 10.0 |
| Florists | 16.5 | 5.1 | 0 | 2.9 | 5.3 | 11.6 |
| Jewelry | 11.0 | 7.3 | 2.0 | 7.0 | 11.3 | 7.4 |
| Sporting Goods | 5.7 | 16.6 | 0 | 21.1 | 8.3 | 17.0 |
| Personal Accessories | 5.7 | 4.7 | 6.5 | 5.6 | 6.2 | 3.7 |
| Other Retail (specialty) | 3.4 | 4.1 | 2.0 | 5.8 | 4.9 | 4.7 |
| TOTAL | 13.6 | 6.7 | 6.1 | 6.7 | 10.7 | 7.3 |

(Relative Proportion of Expected Retail Sales)

| <u>Major Retail Group</u> | <u>Polo Park</u> | <u>Garden City</u> | <u>Grant Park</u> | <u>Unicity</u> | <u>St. Vital</u> | <u>Kildonan</u> |
|---------------------------|------------------|--------------------|-------------------|----------------|------------------|-----------------|
| Combination food | 20.0 | 14.3 | 16.9 | 13.3 | 17.1 | 15.2 |
| Other food | 22.1 | 3.7 | 2.2 | 3.4 | 17.5 | 4.6 |
| Department | 15.1 | 5.7 | 7.3 | 6.9 | 11.4 | 6.9 |
| Men's Clothing | 16.5 | 7.9 | 3.6 | 7.6 | 22.3 | 8.5 |
| Women's Clothing | 15.3 | 7.0 | 2.4 | 6.9 | 13.8 | 13.9 |
| Family Clothing | 15.6 | 2.7 | 1.2 | 12.2 | 2.1 | 3.8 |
| Shoes | 26.6 | 6.7 | 2.4 | 8.0 | 12.7 | 11.4 |
| Hardware | 74.7 | 0 | 0 | 0 | 0 | 0 |
| Household Appliances | 19.7 | 0 | 0 | 0 | 0 | 0 |
| Pharmacies and Cosmetics | 8.3 | 12.1 | 7.2 | 7.9 | 8.5 | 7.5 |
| Books and Stationary | 11.1 | 7.4 | 2.9 | 5.5 | 10.5 | 10.0 |
| Florists | 17.4 | 5.0 | 0 | 3.1 | 5.3 | 11.6 |
| Jewelry | 11.6 | 7.2 | 2.3 | 7.4 | 11.3 | 7.3 |
| Sporting Goods | 6.0 | 16.0 | 0 | 22.3 | 8.3 | 16.9 |
| Personal Accessories | 6.0 | 4.6 | 7.4 | 6.0 | 6.2 | 3.7 |
| Other Retail (Specialty) | 3.6 | 4.0 | 2.3 | 6.2 | 4.8 | 4.7 |
| TOTAL | 14.2 | 6.5 | 6.8 | 7.1 | 10.6 | 7.3 |

higher than its relative proportion of population potential (Table 15) because of the proximity of regional shopping centres to populations with generally higher average incomes as opposed to the relatively lower average incomes in the urban core.

3. An analysis by retail group categories demonstrated that only family clothing, and a few small retail groups (like books, household appliances and hardware), have shown an increase in probable downtown market, while all other retail groups in the downtown have lost some degree of their market share to suburban shopping centres.
4. Retail groups which would be expected to be most significantly affected in the downtown appear to be department stores, women's clothing and shoes - the three major components of regional shopping centre activity.

4.1.7 Parking Facilities

Table 19 indicates the number of available retail parking spaces in the regional shopping centres and the downtown. The cumulative total of parking spaces for all regional shopping centres is more than double the number of downtown parking spaces. The parking index indicates that in relation to retail space, downtown parking capacity per square foot of retail is only 50% of regional shopping centres.

The location and type of parking are equally important since half the centres all contain surface parking whereas in the downtown, half of the parking space is in parking garages while the remainder is in surface lots and metered and non-metered parking space. It is also important to note that the earlier established shopping centres have a higher ratio of parking space to retail floor space than the more recent shopping centres. This may indicate an excess capacity of parking space in earlier shopping centre development.

The primary parking considerations that demand analysis involve proximity, impediment, accessibility and cost.

Table 19

Comparative Parking Facilities,
C.B.D. Retail and Regional Shopping Centres

| | <u>Surface Parking</u> | <u>Structure Parking</u> | <u>Meter Parking</u> | <u>Non-meter Parking</u> | <u>Total, All Parking</u> |
|-------------------------------------|----------------------------|------------------------------|--------------------------|------------------------------|-------------------------------|
| Polo Park | 4,300 | - | - | - | 4,300 |
| Grant Park | 2,130 | - | - | - | 2,130 |
| Garden City | 2,400 | - | - | - | 2,400 |
| Unicity | 2,600 | - | - | - | 2,600 |
| St. Vital | 3,500 | - | - | - | 3,500 |
| Kildonan Place | 2,440 | - | - | - | 2,440 |
| TOTAL, Regional Shopping Centres | 17,370 | 0 | 0 | 0 | 17,370 |
| C.B.D. | 2,399 | 3,900 | 1,291 | 122 | 7,712 |

Parking Index, 1983

Parking Space per 1000 sq. ft.
of leasable retail space

| | |
|-------------------------------------|------|
| Polo Park | 6.05 |
| Grant Park | 7.03 |
| Garden City | 7.25 |
| Unicity | 5.87 |
| St. Vital | 5.78 |
| Kildonan Place | 5.70 |
| TOTAL, Regional Shopping Centres | 6.16 |
| C.B.D. | 3.34 |

First, proximity is a two-fold concept. A consumer living in the suburbs is obviously situated closer to a shopping centre than to the downtown. There exists an initial spatial advantage of "closeness" to a centre. A consumer who drives to a centre often has the option of parking near the store which he/she wishes to patronize since most regional shopping centres in Winnipeg are encircled by parking space. The situation in the downtown, however, is much different. Suburban dwellers are far from the CBD and having made the journey downtown, they do not enjoy the same choice of parking in the immediate vicinity of a store. Downtown residents, of course, have the option of walking to these locations.

A second key factor involves the perceived impediments which influence consumers' decisions about shopping. For example, the downtown possesses a number of impediments that include: frequent traffic congestion along major downtown routes; a higher incidence of automotive vandalism and theft; parking fees; parking policing and fines; no parking zones; traffic lights; and, the threat of automotive displacement by tow truck if parking time restrictions are exceeded. Extreme climatic conditions, dirt and dust, distance from vehicle to store, and vagrants or panhandlers may further discourage the shopper.

These impediments may dissuade consumers from traveling to the downtown. Their alternative is to visit a shopping centre which offers a variety of amenities: the centre environment is clean and climatically controlled; there is no direct charge for parking; and city commissionaires are powerless to ticket in this jurisdiction.

Accessibility is a third key concept in the consideration of parking. In a shopping centre lot, any vehicle from a bicycle to a semi-trailer may be easily parked at a choice location. Conversely, downtown parking often tests the skill and patience of the average driver, particularly those of

bigger vehicles, and larger trucks and vans which do not easily fit into the available parking spaces. Moreover, some drivers are intimidated by the narrow and congested parkades of the downtown and are equally reticent to attempt parallel parking on the streets.

Time and cost must also be considered. Parking at a downtown meter entails "buying time;" the consumer must deposit the exact coinage or face the threat of a fine. Garage parking also demands a fee, while non-meter parking has specific hourly restrictions which, if ignored, may warrant a fine or the removal of the automobile by tow truck. However, parking at shopping centres is free and time restrictions are on a daily basis.

The differences in transit service to the downtown and shopping centres may also affect parking. Of the over 60 bus routes maintained by Winnipeg Transit in the Winnipeg area, approximately 50% pass through the downtown district. But, in contrast there are only four direct bus routes to Kildonan Place. The downtown area, therefore, has an advantage of an existing transportation infrastructure which draws workers and shoppers from all outlying areas to the CBD. Shopping centres rely heavily on customers who can provide their own transportation. The extensive downtown bus service suggests a lesser need for parking facilities downtown while the fewer bus routes to outlying centres infers a greater need for automobile parking in shopping centres.

4.2 A Micro-Analysis of Downtown Retail Trade, 1971 - 1983

A micro-level analysis of the structure and trends of retail activity in Winnipeg is undertaken for the years 1971 and 1983 in this section. The downtown was divided into five major retail areas referred to as Downtown Key Retail Areas (DKRAs): North of Portage Avenue to Notre Dame; South Portage Avenue from Memorial to Main; South Main Street (both sides);

North Portage Avenue; and, South Portage to Assiniboine, excluding South Portage Avenue. Eaton Place, a shopping mall built in 1979, was added as a sixth DKRA for the 1983 analysis. Figure 4 illustrates the location and boundaries of these DKRAs.

4.2.1 An Overview of Downtown Retail

The total leasable retail floorspace in downtown Winnipeg in 1971 and 1983 was tabulated and analyzed. The downtown retail space is generally concentrated on the south side of Portage Avenue and on the streets south of Portage Avenue. The number of nationally-owned stores in the downtown increased by 1983, largely due to the opening of the Eaton Place and Winnipeg Square shopping malls. A slight decrease in the amount of nationally-owned retail space can be explained by the fact that Eaton Place, with 49 chain stores containing approximately 83,000 square feet, replaced one large nationally-owned catalogue centre which previously constituted 185,000 square feet.

Eaton Place represented 74 out of the 107 additional stores in the downtown by 1983. Excluding this shopping centre, the largest growth in retail stores occurred in the South Main Street DKRA (due to the addition of Winnipeg Square) and the South Portage to Assiniboine DKRA (largely due to the Convention Centre). Only North Portage Avenue declined in number of stores, with a net loss of 15.

The study team examined the number of vacant lots and the amount of vacant retail space which existed in the DKRAs for 1971 and 1983. Vacant retail space was defined as any vacant ground floor space which was previously retail, subsequently abandoned, and considered suitable for retail development. Overall, vacant retail space represented 5% of all occupied retail

Figure 4

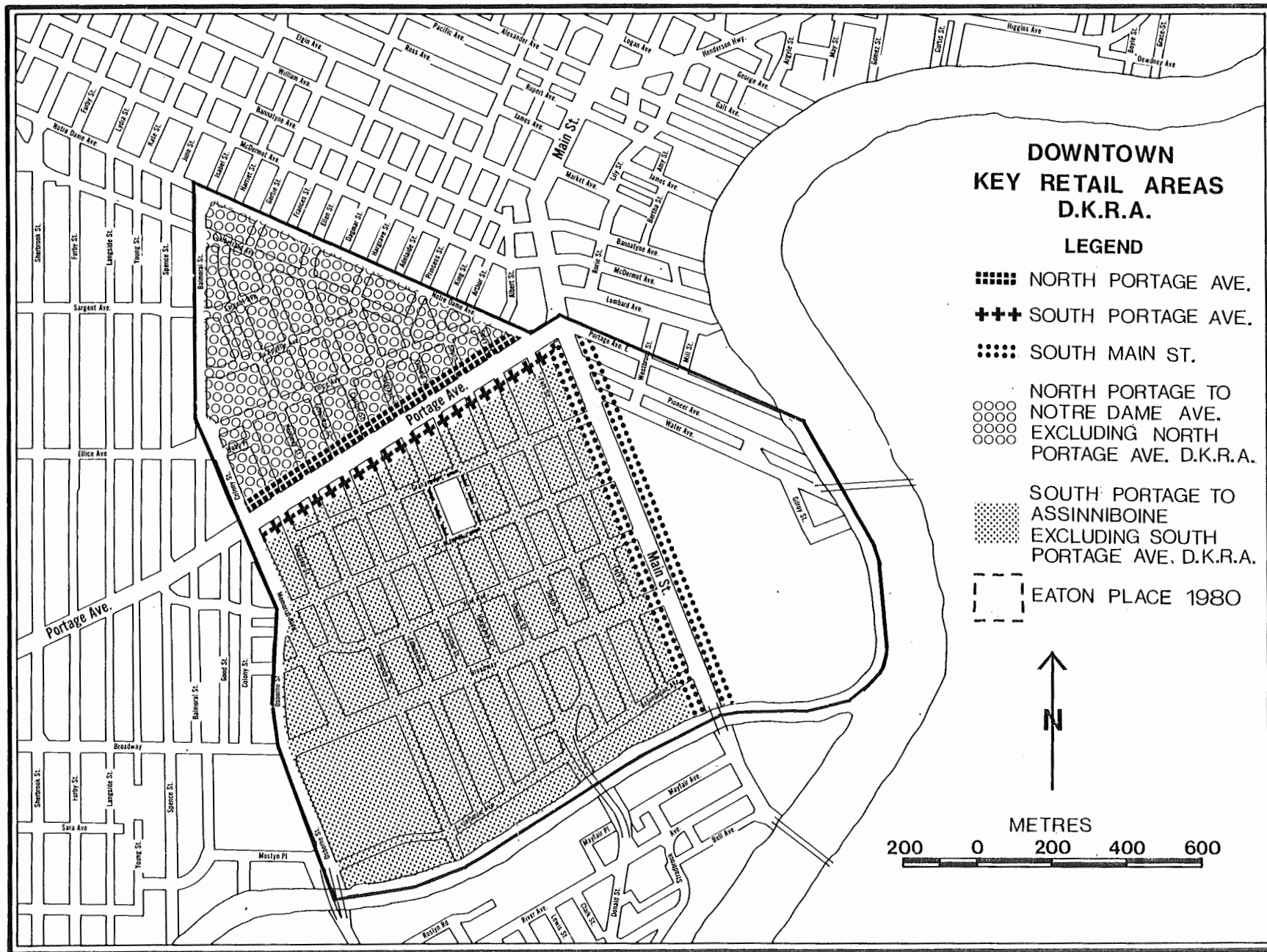


Table 20

| | <u>Retail Vacancy, 1971</u> | | | <u>Vacancy Space as a Proportion of Occupied Retail Space</u> |
|---|-----------------------------|---------------------------------|-------------------------|---|
| | <u>no.</u> | <u>Total Vacant Sq. Ft.</u> | <u>% of Vacancy</u> | |
| South Portage | 1 | 851 | .7 | - |
| North Portage | 3 | 8860 | 7.8 | .06 |
| South Main | 5 | 7587 | 6.7 | .14 |
| Portage to Assiniboine excluding Portage and Eaton Catalogue Center | 17 | 64281 | 56.4 | .25 |
| Portage to Notre Dame excluding Portage | 17 | 32447 | 28.5 | .19 |
| TOTAL (1971) | 43 | 114026 | 100 | .05 |

| | <u>Retail Vacancy, 1983</u> | | | <u>Vacancy Space as a Proportion of Occupied Retail Space</u> |
|---|-----------------------------|---------------------------------|-------------------------|---|
| | <u>no.</u> | <u>Total Vacant Sq. Ft.</u> | <u>% of Vacancy</u> | |
| South Portage | 3 | 5702 | 3.3 | .004 |
| North Portage | 11 | 60812 | 35.7 | .71 |
| South Main | 7 | 33392 | 19.6 | .39 |
| Portage to Assiniboine excluding Portage | 8 | 23467 | 13.8 | .09 |

Table 20 (Continued)

| | | <u>Retail Vacancy, 1983</u> | | <u>Vacancy Space as a Proportion of Occupied Retail Space</u> |
|--|------------|---------------------------------|-------------------------|---|
| | <u>no.</u> | <u>Total Vacant Sq. Ft.</u> | <u>% of Vacancy</u> | |
| Portage to Notre Dame excluding Portage | 22 | 37916 | 22.2 | .18 |
| Eaton Place | 9 | 9209 | 5.4 | .08 |
| TOTAL | 60 | 170498 | 100 | .07 |

Source: City of Winnipeg

Table 21
Shifts in Downtown Retail,
By Leasing Floorspace 1971-1983

| | Change in no. of Stores | | Change in Leasable Retail Floorspace | |
|---|-------------------------|-----------------|--------------------------------------|-----------------|
| | <u>No. 1983-1971</u> | <u>% change</u> | <u>Sq. Ft. 1983-1971</u> | <u>% change</u> |
| North Portage Ave. | -15 | -26.8 | -56759 | -39.9 |
| South Portage Ave. | 5 | 15.2 | 16660 | 1.1 |
| South Main Street * | 20 | 222.2 | 31116 | 57.3 |
| North Portage to Notre Dame (Excluding Portage Ave.) | 6 | 7.2 | 40061 | 24.0 |
| South Portage to Assiniboine (Excluding Portage Ave and Eaton Place) | 17 | 17.0 | -3481 | 1.4 |
| TOTAL | 33 | 11.7 | 27597 | |
| TOTAL including Eaton Place ** | 107 | 38.1 | -39907 | -1.7 |

* Winnipeg Square added by 1983

** Eaton Catalogue Center 1971

Source: Derived from City of Winnipeg

space in the downtown in 1971 and this proportion increased to 7% by 1983. Vacant space spread out among the DKRAs by 1983 and a shift southward was also evident (see Table 15).

4.2.1.1 North of Portage Avenue to Notre Dame

This DKRA is dominated by small and locally-owned stores. In terms of change in retail floor space, the area has experienced the largest growth of all DKRAs from 1971 to 1983. Despite this growth, North of Portage Avenue to Notre Dame contains significant vacant space. In 1971, over one quarter of the retail space was vacant.

The structure of the DKRA experienced relatively few changes. Some retail growth occurred due to new retail types such as books, art supplies and other small specialty shops. The only significant shifts which occurred were losses in household furniture which was balanced by a gain in family clothing, and a shift within the women's clothing retail group toward furriers. The dominant retail group in the North of Portage Avenue to Notre Dame area is "all other retail," a classification consisting of a number of different types of specialty shops. Women's clothing (especially furriers), personal accessories and pharmacies/cosmetics also account for a significant portion of retail activity in this DKRA.

4.2.1.2 North Portage Avenue

North Portage Avenue has undergone substantial changes in retail structure. North Portage Avenue had a net loss of 56,759 square feet of retail floor space from 1971 to 1983 and in both periods showed an extremely high ratio of vacant to occupied space. The retail groups most adversely affected were shoes, jewellery, household furniture and men's clothing. The only types of retail that have shown any increase on North Portage Avenue since 1971 are other home furnishings

(this group includes stereo and record shops) and book stores. The primary types of retail in 1971 were women's clothing, shoes, household furniture and jewellery, but by 1983, the only sizable retail activities (over 10,000 square feet) along North Portage Avenue were stereo/record shops. It should be mentioned that some of the loss in retail space on North Portage has been due to government actions (expropriation), as well as an increase in service businesses (i.e. restaurants) on North Portage.

4.2.1.3 South Portage Avenue

South Portage Avenue, over two-thirds of total downtown retail space, is the overwhelmingly dominant DKRA in terms of leasable retail floor space. Most of the retail space owned by national chain organizations is along South Portage Avenue and in 1971, South Portage Avenue contained 18 of the 22 nationally-owned stores in the downtown representing 90% of the DKRAs retail space. No significant loss or gain in total retail space occurred from 1971 to 1983. It is noteworthy that South Portage Avenue has not experienced major problems with retail vacancy, reflecting that this strip is the only consistently stable retail area in the downtown.

4.2.1.4 South of Portage Avenue to Assiniboine

This DKRA contains the largest number of stores and has the second highest total of retail space (only about one-quarter of South Portage Avenue DKRA) South of Portage Avenue to Assiniboine is characterized by small, locally-owned retail outlets and no significant loss or gain in total retail space occurred between 1971 and 1983. In 1971, this area accounted for over one half of all vacant retail space in the downtown. It was also the only DKRA that declined in vacant space from 1971 to 1983.

The primary use of retail space in the South Portage to Assiniboine DKRA in 1971 was the general merchandise group because the Eaton

Catalogue Centre accounted for 43% of the total retail space of this DKRA. Other important types of retailing in this DKRA in 1971 were: motor vehicle dealers, auto parts and the "all retail" group. Structural changes were evident in 1983 as the "all other retail" group accounted for over one-quarter of the retail stores/space, while garages, personal accessories and a motor vehicle dealer were the next largest retail groups respectively. Other than general merchandise, the retail groups which experienced losses in terms of retail stores/space in the South Portage to Assiniboine DKRA from 1971 to 1983 were: motor vehicle dealers; auto parts; women's clothing (especially furriers); and, combination food stores (the DKRAs only supermarket).

4.2.1.5 South Main Street

South Main Street retailing in 1971 was dominated by the Automotive sector (mainly motor vehicle dealers), but this type of retail on South Main Street was devastated by 1983 because of a large-scale movement of the Automotive sector out of the downtown area. A complete structural change had occurred in the South Main Street DKRA with the addition of household/office furniture and printing stores plus a 15 retail store shopping mall, Winnipeg Square, located in the basement of the new Trizec development on Portage and Main. This has resulted in more diversified retail trade along the west side of Main Street between York and Portage. South Main Street still has a relatively small amount of the retail trade in the downtown, but it now compares to North Portage Avenue in overall retail space (much of which is not visible because of the underground location of Winnipeg Square).

4.2.1.6 Eaton Place

Eaton Place on Donald Street is within the area south of Portage, but its unique position among downtown retailing warrants separate consideration.

It can be described as a suburban-type shopping mall located in the downtown. It is important to examine the major types of retail within the mall because of the structural differentiation from the rest of the South Portage area. The three major retail groups of Eaton Place are women's clothing, shoes and personal accessories (groups ranging from 15,000 - 30,000 square feet) which account for over half of the leasable retail floor space in the mall. The remainder of the leasable retail floor space includes smaller groups (5,000 - 10,000 square feet) such as books, jewellery, men's clothing, family clothing, pharmacies, cosmetics and the "all other retail" group.

4.2.2 Locational Shifts in Downtown Retail Activity

Table 22 indicates the locational shifts in types of retail activity which occurred within the downtown from 1971 to 1983.

1. The Food sector has declined in the downtown in terms of retail space, but the "all other food" group had a net increase of six stores in the downtown. The grocery, confectionery and sundries group lost three stores in the area north of Portage.
2. The General Merchandise sector lost four stores and a large amount of retail space primarily due to the closing of the Eaton Catalogue Centre in the area south of Portage, but also because of the closing of a department store on North Portage Avenue and two variety stores on south Portage Avenue.
3. The Automotive sector has experienced the most dramatic decrease of all retail sectors in the downtown, affecting the South Portage to Assiniboine DKRA and the South Main Street DKRA. Overall, 17 motor vehicle dealers and auto parts operations left these areas.
4. The Apparel sector experienced gains in the downtown, but spatial location of these types of retail activity has been altered. Two retail groups, women's clothing and shoes, were the most affected by the opening of two downtown shopping malls, Eaton Place and Winnipeg Square. These two retail groups experienced losses in most of the DKRAs, but were major components of Eaton Place and to a lesser extent, Winnipeg Square (South Main Street DKRA). The DKRAs which were most adversely affected by the locational shift

Table 22

Locational Shifts in Retail Stores

| | South Portage | North Portage | Main | South Portage to Assiniboine | North Portage to Notre Dame | (Eaton Place) | Total Shift-Retail Group |
|--------------------|---------------|---------------|------|------------------------------|-----------------------------|---------------|--------------------------|
| Combination foods | - | - | -1 | -1 | +1 | - | -1 |
| Groceries, conf. | - | - | - | +1 | -3 | - | -2 |
| Other food | +1 | - | +1 | +2 | 0 | (+2) | +6 |
| Department | 0 | -1 | - | - | - | - | -1 |
| Gen. Merchandise | - | +1 | - | -2 | - | - | -1 |
| Variety | -2 | - | - | - | - | - | -2 |
| Motor Vehicles | - | - | -4 | -4 | - | - | -8 |
| Garages | - | - | - | +2 | - | - | +2 |
| Auto Parts | - | - | -1 | -7 | -1 | - | -9 |
| Women's Clothing | -4 | -1 | +3 | -6 | -5 | (+15) | +2 |
| (Furs) | (-1) | (+1) | - | (-3) | (-3) | (+1) | (-5) |
| Men's Clothing | (-1) | -4 | 0 | +3 | -3 | (+4) | -1 |
| Family Clothing | +4 | - | - | - | 0 | (+5) | +9 |
| Shoes | 0 | -7 | +3 | +1 | 0 | (+11) | +8 |
| Hardware | - | - | - | +1 | +2 | - | +3 |
| Household Furn. | - | -1 | +3 | +2 | -3 | - | +1 |
| Household Appli. | - | -1 | +1 | +3 | +2 | - | +4 |
| Pharmacies, cosm. | +3 | 0 | +1 | -1 | +2 | (+4) | +9 |
| Books, Stat. | +1 | +2 | +3 | +1 | +5 | (+3) | +15 |
| Florists | - | -2 | +1 | +1 | -2 | (+1) | -1 |
| Jewelry | +1 | -1 | +1 | +2 | +2 | (+6) | +11 |
| Sporting Goods | - | 0 | - | - | - | (+3) | +3 |
| Personal Access. | 0 | 0 | +5 | +11 | +1 | (+11) | +28 |
| All Other Retail | +2 | 0 | +4 | +9 | +10 | (+9) | +34 |
| (Other home furn.) | (+1) | (+1) | (+1) | (-1) | (+3) | (+1) | (+6) |
| (Opticals) | (+1) | (-1) | - | (+3) | (+2) | - | (+5) |
| (Arts Supplies) | (-2) | (+1) | - | (+1) | 0 | (+2) | (+2) |
| (All other) | (+2) | (-1) | (+3) | (+6) | (+5) | (+6) | (+21) |
| TOTAL | | | | | | | |
| BY O.K.R.A. | +5 | -15 | +20 | +17 | +6 | (+74) | +107 |

Source: Derived from City of Winnipeg and The Henderson Directory.

of these two retail groups were North Portage Avenue with a net loss of seven shoe stores and South Portage to Assiniboine, with a net loss of 10 women's clothing stores. Few stores showed an overall decline due to the loss of six stores in the DKRAs outside Portage Avenue. Men's clothing stores experienced some shifts away from Portage Avenue to Eaton Place and the South Portage to Assiniboine DKRA. The family clothing group increased its number of stores by nine because of new additions on South Portage Avenue and in Eaton Place.

5. The Hardware and Household Appliance group made slight gains in the North Portage to Notre Dame and South Portage to Assiniboine DKRAs. The household furniture group lost four stores in the North Portage area, but gained three stores on Main Street and two stores in the South Portage to Assiniboine DKRA.
6. The Other Retail sector experienced substantial increases in retail establishments in the downtown. The pharmacies, cosmetics, books and stationery, and jewellery retail groups had slight gains in most DKRAs, while florists declined slightly. The largest gains occurred in the personal accessories and other retail groups - a combined total of 62 more stores in 1983 than in 1971. The majority of this new retail accrued in the South Portage to Assiniboine area (including Eaton Place) and to a lesser extent in the North Portage to Notre Dame DKRA. This seems to indicate that the increase in small specialty shops has occurred in the malls and on the sidestreets of the downtown and not on the main strip of retail activity.

4.3 Winnipeg Consumer Survey

The perceptions and viewpoints of Winnipeg consumers are essential in determining opinions regarding location, transport access, type preferences and perceived deficiencies in Winnipeg retail facilities.

4.3.1 Study Area and Methodology

Two questionnaires were prepared for the two target locales - the downtown and the regional shopping centres. Each questionnaire was divided in two sections. Each section was designed to allow respondents to answer quickly and to promote quality responses. Section A was filled

out by the researcher prior to the interview and provided background information on the sex and age group of the respondent and the contact locale. An effort was also made to obtain proportional representation of age and sex groups.

Section B involved a series of closed questions concerning individual shopping patterns and preferences. Closed questions were considered advantageous as they generated answers which could be easily classified. However, general comments were also welcomed and recorded. (See questionnaire in Appendix C & D).

The target areas selected for the downtown consumer survey were Eaton Place, North Portage and South Portage, while the shopping centre surveys were based on interviews in the Garden City and Polo Park shopping centres. Permission to conduct the surveys in Eaton Place and in downtown Winnipeg was granted by the Property Director of Eaton Place and the Executive Director of the Downtown Winnipeg Association, respectively. All six regional shopping centres in the city namely Kildonan Place, Polo Park, Garden City, Grant Park, St. Vital and Unicity were contacted in order to conduct a survey on their premises. However, only the management of Polo Park and Garden City granted approval. Approximately 200 surveys were conducted at each of these locations.

4.3.2 Consumer Survey Summary

The survey results revealed interesting perceptions and opinions regarding shopping habits and retail facilities in Winnipeg. The majority of the respondents in the sidewalk sale and downtown surveys resided in areas within a 20 minute distance from downtown. Many respondents lived in the downtown or adjacent districts (i.e. River Heights, Tuxedo, St. James, Fort Garry, Fort Rouge and the West End) rather than in suburban districts.

Most downtown respondents cited selection of merchandise as the deciding factor in preferring to shop downtown, and parking was considered the least favourable element of downtown shopping. There was a preference among those surveyed to use private rather than public transit. In order of parking facility preference, respondents preferred garage lots, parking meters and surface lots. Over 15 per cent of those who responded perceived a need for more specialty shops downtown.

Shopping centre respondents indicated parking, convenience and selection as the three primary factors in favouring shopping centres. Half of those surveyed indicated that inadequate parking was a deterrent to downtown shopping. Respondents generally lived in a community adjacent to the shopping centre. An interesting difference existed in respondent transit use between Garden City and Polo Park; the number of respondents who used the bus to Garden City was almost double the use to Polo Park.

In both the downtown and shopping centre surveys, the majority of respondents cited parking as a significant problem in shopping downtown. Respondents in both locales indicated a need for more specialty stores. Most respondents lived in an adjacent community to the shopping locale in which they were interviewed. Respondents expressed preference for use of their automobile to shop at shopping centres and, to a lesser extent, to travel downtown.

NOTES

1. Damas and Smith, Winnipeg Downtown and Portage Avenue Study (Winnipeg: Downtown Winnipeg Businessmen Association, January 1979), 14.
2. Ibid.

5.0 CONCLUSIONS

There are several important conclusions which can be drawn from the preceding analysis of downtown and regional shopping centre retailing in Winnipeg.

1. Overall, there was no significant absolute or relative change in the total amount of retail space in the downtown from 1971 to 1983, but during this period, the development of new regional shopping centres dramatically increased the number of retail stores and the physical space occupied by this form of retailing.

| <u>Year</u> | <u>Downtown</u> | | <u>Regional Shopping Centres</u> | |
|-------------|-------------------------|---|----------------------------------|---|
| | <u>Number of Stores</u> | <u>Gross Leasable Floor Area (sq. ft.) (thousands of sq. ft.)</u> | <u>Number of Stores</u> | <u>Gross Leasable Floor Area (sq. ft.) (thousands of sq. ft.)</u> |
| 1971 | 281 | 2,319 | 139 | 1,345 |
| 1983 | 388 | 2,279 | 351 | 2,822 |

2. The majority of stores and physical space in regional shopping centres is owned by chain-store organizations whose head offices are outside Winnipeg. Retail outlets in the downtown are predominantly owned by local independent merchants, but most new retail outlets added to the downtown since 1971 have been small and nationally-owned as a result of the introduction of the shopping mall concept to the downtown. Although an increase in nationally-owned stores occurred in the downtown, the overall amount of physical space owned by national chain organizations and local independent merchants in the downtown has not changed.
3. Since only slow growth in actual retail sales has occurred since 1971, a shift of the retail market towards regional shopping centres from the downtown is expected. The physical space of regional shopping centres has more than doubled from 1971 to 1983, while no net increase in retail space occurred downtown. As retail space is added to the suburbs while remaining constant in the downtown, retail sales will be redistributed. Residential areas in close proximity to the downtown, such as Fort Rouge, Midland, St. Boniface and the North End, are still the major markets of the downtown retail trade, while a previous share of

the downtown retail trade was lost to the outlying suburbs in the south, east and west of Winnipeg as new regional shopping centres were located in those areas.

4. South Portage Avenue continues to be the focus of retail activity in the downtown. The stability and strength of South Portage Avenue in downtown retailing is emphasized by: (a) a minimal amount of vacant retail space; (b) two-thirds of the entire retail space in the downtown; (c) two major chain stores which are the only department stores in the downtown; and (d) in significant changes in retail structure.
5. Large nationally-owned department stores were added to Winnipeg in an era when department store and other multi-purpose retailing (except in the Food sector) were losing their share of the retail trade industry, both nationally and locally. Seven department stores, comprising approximately one million square feet of leasable retail floor space, were added to Winnipeg's retail sector with the development of three new shopping centres from 1975 to 1980, while the number of department stores in the downtown did not change. Total department store sales in Winnipeg from 1974 to 1982 declined 17 per cent (in constant dollars) resulting in a substantial redistribution of a declining market. Consequently a share of downtown department store sales was lost to suburban department stores. Larry Smith Research Ltd. estimated that the downtown share of department store sales dropped from 48 per cent in 1971 to 32-34 per cent in 1981. It appears to be warranted.
6. Other than department stores, other retail groups in the downtown have been affected by the addition of regional shopping centres. The Apparel sector is a major retail component of regional shopping centre structure, and was one of the fastest growing retail sectors in Winnipeg from 1974-82. Much of this growth has been at the expense of department store sales (the Apparel sector includes only specialty clothing and shoe stores and does not include apparel departments within department stores). This sector experienced an increase in physical space in the downtown, but only had one-third of the increase which occurred in regional shopping centres. The location of the apparel sector within the CBD has been affected by the new shopping malls downtown. The trend towards apparel stores locating in shopping malls has resulted in national chain organizations assuming a larger share of this market, because chain stores dominate regional and downtown shopping malls.

It should be noted that regional shopping centres do not necessarily have an impact on all retail in the downtown. Combination food stores (supermarkets) are an important component of regional

shopping centres that have not had an impact on downtown. The downtown has only a small Food sector.

There are types of retail (such as specialty furniture or appliance stores) which exist in the downtown and not in regional shopping centres.

The serious decline of the Automotive sector in the downtown cannot be attributed to regional shopping centre development because these types of retail activity (motor vehicle dealers, garages, auto parts) are not components of regional shopping centres.

7. There is a national and local trend towards more specialty retailing and away from general merchandise retailing. This is reflected in retail sales figures since 1971. Specialty-type retail activity, which has experienced rapid growth in Winnipeg, includes the Apparel sector and retail groups in the "Other Retail" sector such as pharmacies, cosmetics, florists, jewellery, personal accessories and "all other retail." This trend has been evident in the downtown as well as in regional shopping centres. A net loss in the general merchandise and automotive sectors in the downtown has been stabilized by additions in specialty retail, especially in the downtown shopping malls (Eaton Place, Winnipeg Square and the Convention Centre) and sidestreets in the South Portage to York area. The trend towards small specialty stores in the downtown should be reason for some optimism, because this type of retail activity is stronger and more diversified in the downtown than in regional shopping centres.
8. The consumer surveys suggest a majority of people prefer private rather than public transport to travel to shopping centres and, to a lesser degree, downtown. The public perceives that the downtown has inadequate and expensive parking. Many respondents equate adequate parking facilities with easy and free access to a parking space in close proximity to the intended shopping site.

6.0 RECOMMENDATIONS

Recommendations concerning the type and location of retailing, and associated development in the downtown of Winnipeg are as follows:

1. Winnipeg's downtown is spread over too large an area for a city with a population of 578,000 and a slow or no-growth urban economy.

Recent trends in retail outlet location suggest a southward shift in the focus of downtown from Portage Avenue (bounded by Main and Memorial) to South Portage Avenue and North of Broadway locations. Any future retail development should be directed in these areas on South Portage or South of Portage to Broadway, in order to concentrate retail and associated business activity in the City of Winnipeg.

2. Residential complexes, office space and/or parking facilities are recommended developments for the North Portage. These would establish a larger consumer market base for existing and new retail trade.
3. In light of the southward shift of retail development in Winnipeg and the already spread out nature of the city's downtown, no further retail facilities should be constructed on North Portage. This was discussed in the Damas and Smith Limited study (1979) which suggested that retailing was unlikely to be a major activity on the North side of Portage Avenue and would be significantly reduced in the future.
4. Downtown merchant organizations (such as the Winnipeg Chamber of Commerce and Downtown Association), should better establish and co-ordinate policy goals and actions with regards to CBD development. The central business district could be considered a unified supra-regional shopping centre. If so, the retail structure, space and sales should be constantly monitored.
5. The establishment of an enclosed mall in the South Portage area, consisting of small specialty shops dealing in merchandise not found in shopping centres, is recommended. The enclosed mall concept is a proven, successful retail mode which would be appropriate to the extreme climate of Winnipeg. This type of retailing development should be encouraged in the South Portage area because of its present concentration of downtown retail activity. The mall could generate further spin-off and multiplier effects for the downtown. If a new mall were to be built on North Portage, however, downtown retailing would spread out over too large an area.
6. The consumer survey results show a perceived downtown parking problem. With this knowledge, civic officials might consider the feasibility of after business hours access to reserved monthly parking stalls to "increase" the amount of available parking spaces in the downtown after 5:00 p.m., and on weekends and holidays.
7. Downtown retailers should take an initiative, individually or collectively to solve the parking problem by making arrangements with major garage parkades and surface parking lot operators. The

retailer could absorb part, or all, of the cost of customers parking fees with a specified minimum purchase.

8. Representatives of downtown business should attempt greater dialogue and co-operation among themselves; city officials; planners; and, provincial and federal agencies. Regular meetings of individuals and/or groups could be established to maintain a constant dialogue regarding contemporary city issues.
9. A more visible police presence in the downtown is recommended. A policy of "preventative policing" would reassure retailers and consumers.

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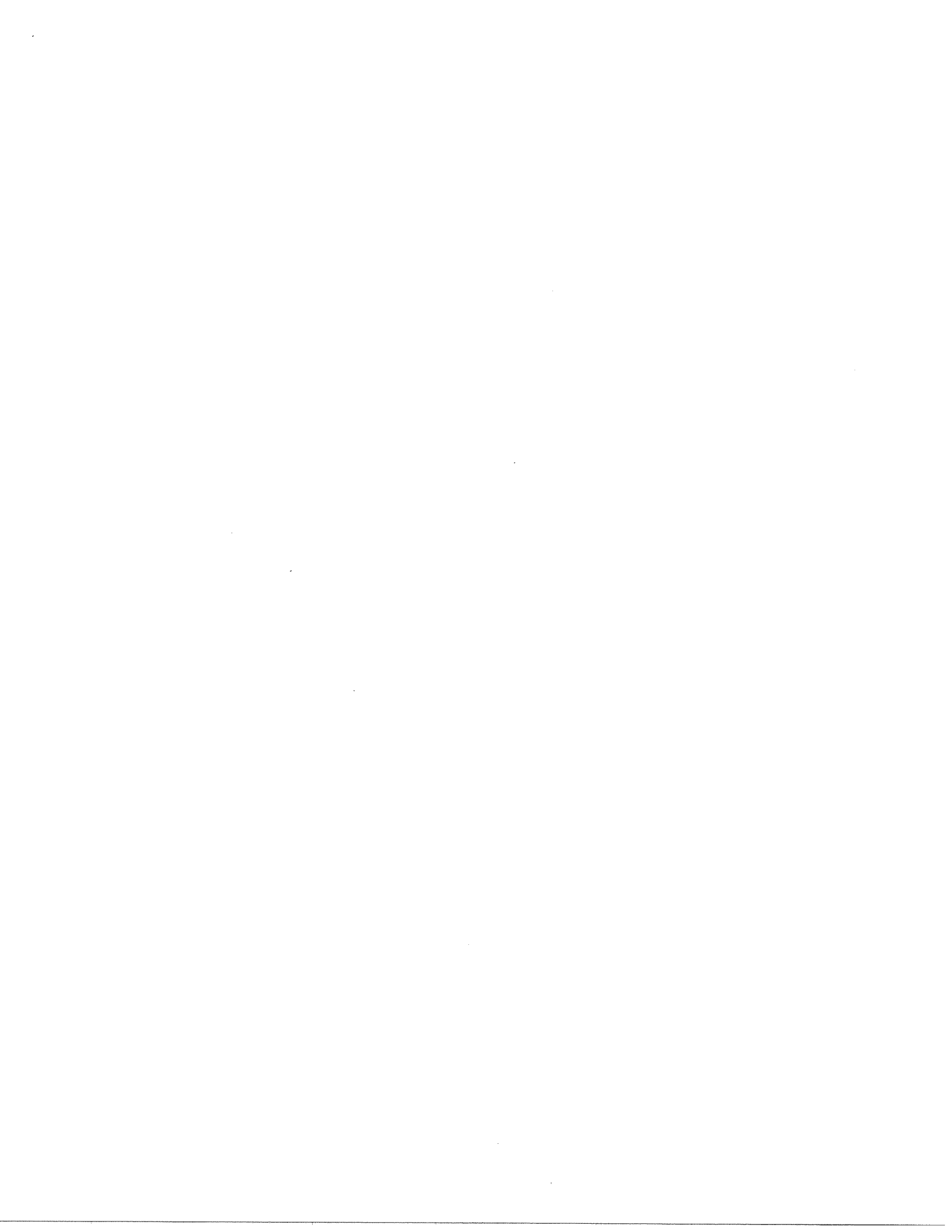
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APPENDICES



APPENDIX A

Price Indices

| <u>Consumer Price Index (Winnipeg)</u> | <u>Retail Price Index (Canada)</u> |
|--|------------------------------------|
| 1971 = 100.0 | 1971 = 100.0 |
| 1972 = 104.7 | 1972 = 103.6 |
| 1973 = 111.7 | 1973 = 109.6 |
| 1974 = 123.4 | 1974 = 121.9 |
| 1975 = 138.7 | 1975 = 134.9 |
| 1976 = 150.6 | 1976 = 142.3 |
| 1977 = 162.7 | 1977 = 152.1 |
| 1978 = 176.5 | 1978 = 165.2 |
| 1979 = 192.7 | 1979 = 181.6 |
| 1980 = 211.9 | 1980 = 200.7 |
| 1981 = 235.5 | 1981 = 224.2 |
| 1982 = 256.2 | 1982 = 244.1 |

Source: Statistics Canada 62-001 and 63-005.



APPENDIX B

Huff's Model

Huff (1962) formulated an interaction model which extended from Reilly's gravity concept. This model has been used extensively to analyze shopping patterns and is the most widely known model for estimating shopping centre trade area. The model incorporates some elements of consumer behaviour theory such as, convenience cost (travel time) and choice available (shopping centre size). Huff's model assumes that consumers are willing to travel increased distances as additional merchandise is available at a central location. Huff also assumed that where there was a set of alternative shopping centres, the utility derived by a consumer from a visiting alternative j was U_j , the probability of alternative j being chosen was proportional to U_j , thus:
$$P_j = \frac{U_j}{\sum_j U_j} = \frac{E_j}{\sum_j E_j} = 1.0$$

Huff found that there were no fixed boundaries to retail trade areas, but rather a continuum of zonal probability contours radiating away from a shopping centre.

Mason and Mayer (1984) outlined the steps involved in the use of the Huff model:

- 1) Divide the area surrounding a shopping centre into small statistical units within a constructed grid.
- 2) Determine the square footage of retail selling space of all shopping centres included within the area of analysis.
- 3) Ascertain the travel time involved in getting from each statistical unit to each of the specified shopping centres.
- 4) Calculate the probability of consumers in each of the statistical units going to each shopping centre for a given product purchase.

$$P(C_{ij}) = \frac{S_{ij}}{n} \frac{S_j}{\sum_{j=1} T_{ij}}$$

where:

$P(C_{ij})$ = probability of consumers from each statistical unit (i) going to a specific shopping centre j

S_j = the size of shopping centre j

T_{ij} = the travel time involved in getting from i to j

= a parameter which is to be estimated empirically to reflect the effect of travel time on various kinds of shopping trips.

5) Map the trading area for the shopping centre by drawing lines connecting all statistical units having the same probabilities. A demand surface is drawn to reflect varying customer sales potentials over a study area.

Huff's model considers three important components of retail location and consumer behaviour: distance (travel time), size (attraction), and competition. The probability of the residents of an area using any particular centre was considered likely to vary in direct proportion to the relative attraction of the centre, in inverse proportion to some function of distance between the centre and residential area, and in inverse proportion to the competition exerted upon the earlier relationship by all other centres in the system.

Mason and Mayer (1984) indicated that various studies have supported Huff's model for use in forecasting consumer patronage for retail shopping centres.

APPENDIX C

DOWNTOWN CONSUMER SURVEY

Date: _____
Time: _____
Location: _____

Female: _____
Male: _____

A. 15-25 years: _____
B. 26-40 years: _____
C. 41-65 years: _____
D. 65+ years: _____

1. Are you doing any shopping downtown today? _____
 - a. yes
 - b. no

2. Do you work downtown? _____
 - a. yes
 - b. no

3. How often do you shop downtown? _____
 - a. once a week
 - b. 2-3 times a week
 - c. once a month
 - d. twice a month
 - e. once every 2-3 months
 - f. other

4. Do you like shopping downtown? _____
 - a. yes
 - b. no

5. Why do you like shopping downtown? _____
 - a. selection, variety of shops
 - b. service
 - c. sales (prices)
 - d. easy to get there (accessibility)
 - e. convenience
 - f. other _____

6. Why don't you like shopping downtown? _____
 - a. Lack of choice
 - b. no-one stop shopping
 - c. parking
 - d. social conditions
 - e. congestion
 - f. unexpected climatic conditions
 - g. general environment
 - h. other _____

APPENDIX C

7. Where do you shop most? _____
a. Downtown
b. Suburban shopping centres
8. What proportion of your shopping would you say is done downtown? _____
a. 0-20 (percentage)
b. 20-40
c. 40-60
d. 60-80
e. 80-100
9. What area of the city do you live in? (District) _____
10. How do you travel when you come downtown to shop? _____
a. car
b. motorcycle
c. bus
d. bike
- How long does it take? _____
a. 0-10 (in minutes)
b. 10-20
c. 20-30
d. 30-40
e. 40-50
f. 50-60
g. 60+
11. Where do you park when you go shopping downtown? _____
a. parking meter
b. surface parking lot
c. garage parking lot
d. other _____
12. Do you think there is more of a variety of goods in the downtown or in the suburban shopping centres? _____
a. downtown _____
b. suburban _____
13. What types of stores do you think are needed in the downtown?

14. What other factor(s) would influence you to shop downtown?

APPENDIX D

SHOPPING CENTRE CONSUMER SURVEY

Date: _____ Female: _____ A. 15-25 years: _____
Time: _____ Male: _____ B. 26-40 years: _____
Location: _____ C. 41-65 years: _____
D. 65+ years: _____

1. How often do you shop at this shopping centre? _____
 - a. once a week
 - b. 2-3 times a week
 - c. once a month
 - d. twice a month
 - e. once every 2-3 months
 - f. other _____

2. Do you prefer shopping downtown or at shopping centres? _____
 - a. downtown
 - b. shopping centres

3. What do you like about shopping at shopping centres? _____
 - a. selection, variety of shops
 - b. service, people
 - c. convenience, accessibility
 - d. one-stop shopping
 - e. parking
 - f. social events
 - g. controlled climatic conditions
 - h. other _____

4. What don't you like about shopping downtown? _____
 - a. lack of choice
 - b. no one-stop shopping
 - c. parking
 - d. social/environmental conditions
 - e. congestion
 - f. no climate control
 - g. service
 - h. expense, prices
 - i. distance, inconvenience
 - j. other _____

5. Where do you shop most? _____
 - a. shopping centres
 - b. downtown
 - c. equal

APPENDIX D

6. What proportion of your shopping is done at shopping centres? _____
 - a. 0-20 (in percentage)
 - b. 20-40
 - c. 40-60
 - d. 60-80
 - e. 80-100

7. What area of the city do you live in? (district) _____

8. How do you usually travel to this shopping centre? _____
 - a. car
 - b. bike
 - c. bus
 - d. motorcycle
 - e. walk

9. How long does it take to travel? (in minutes) _____
 - a. 0-10
 - b. 10-20
 - c. 20-30
 - d. 30-40
 - e. 40-50
 - f. 50-60
 - g. over 60

10. Do you think there is more variety of goods downtown or in shopping centres? _____
 - a. downtown
 - b. suburban shopping centre

11. What types of other stores are needed in this shopping centre? _____
 - a. no new stores needed (happy)
 - b. more leather goods
 - c. food stores
 - d. cafes or restaurants
 - e. specialty shops or boutiques
 - f. ladies stores
 - g. book stores
 - h. men's clothing
 - i. hardware
 - j. 5¢ and 10¢ stores (Eg. Woolworth's)
 - k. large department stores
 - l. men's or women's clothing for middle-aged
 - m. sporting goods
 - n. furniture/carpet
 - o. toys
 - p. shoes
 - q. jewelry
 - r. local independent stores
 - s. games/entertainment stores
 - t. other _____
 - u. don't know

APPENDIX D

12. What, if any, types of stores are needed in downtown Winnipeg? _____
(Same choice as above, in question 11)
13. What new facilities or attractions would encourage you to shop downtown? _____
- a. more sales
 - b. outdoor street malls
 - c. happy (no problem)
 - d. outdoor cafes
 - e. indoor restaurants
 - f. public entertainment
 - g. greater residential population
 - h. better, cheaper parking
 - i. free downtown parking
 - j. different types of specialty shops
 - k. more events/promotions
 - l. more stores North of Portage
 - m. downtown apartment
 - n. free bus service
 - o. climatic control
 - p. better service
 - q. more convenience
14. What don't you like about shopping in shopping centres? _____
- a. enclosed, stuffy
 - b. lack of selection
 - c. congestion
 - d. dull environment
 - e. prices
 - f. poor service
 - g. lack of local stores
 - h. accessibility, convenience
 - i. other _____
 - j. nothing