



LAND USE ISSUES AND THE CHANGING ECONOMY

by Blake Hudema

Summary

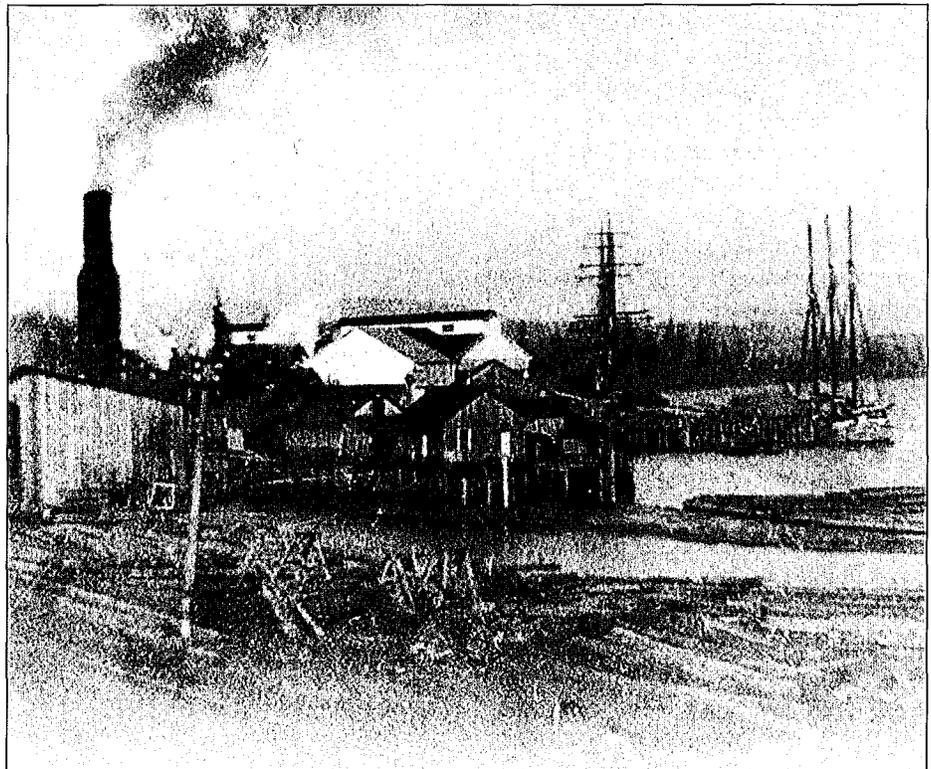
Planning the urban and rural areas in Canada is becoming increasingly complex as changes in economic, consumer and work force behaviour continue. The complexity is further affected by the increasing speed of change within the production, distribution and consumption cycle. The changes in how we produce and consume goods and services challenge the methods we use to assist our communities to develop community plans that can capture opportunities while, at the same time, guarding against threats to our collective visions. This article touches on a few of the ways in which changing economic activities are driving advances in planning practice.

Sommaire

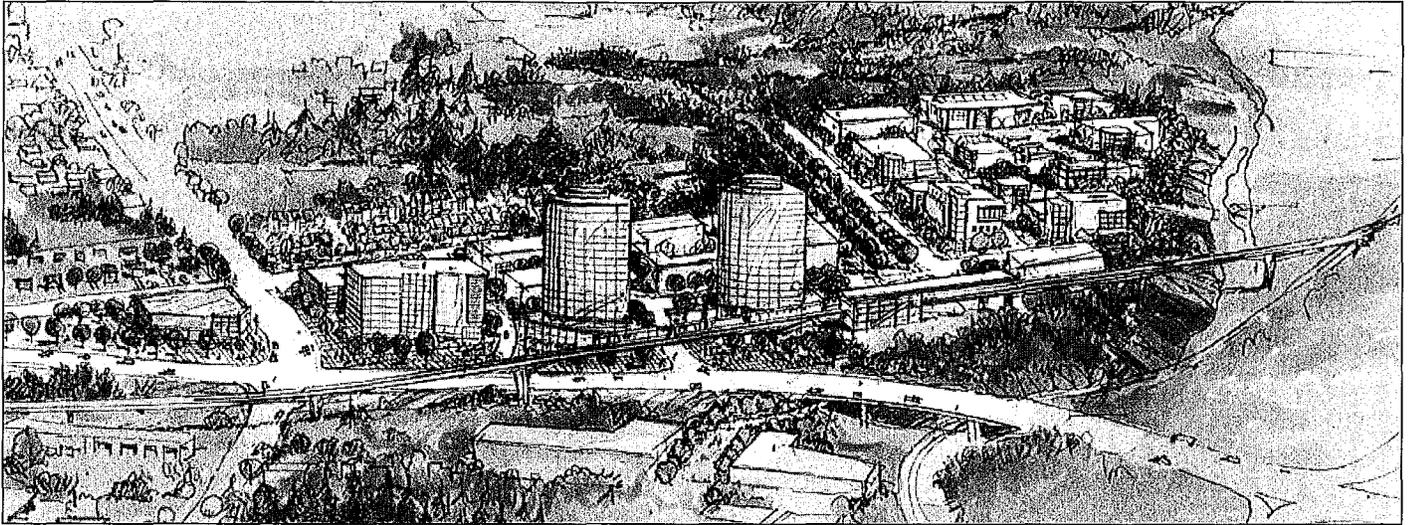
La planification de l'aménagement des régions urbaines et rurales du Canada gagne en complexité à mesure que surviennent des changements touchant l'économie et le comportement des consommateurs et de la population active. Cette complexité est exacerbée par des changements sans cesse plus rapides qui affectent le cycle de production, de distribution et de consommation. Ces changements touchant les pratiques de production et de consommation des biens et services mettent en cause les méthodes utilisées pour aider les collectivités à formuler des plans communautaires qui saisissent les occasions tout en tenant compte des éléments qui menacent les visions collectives. Dans cet article, il est question de quelques façons dont l'évolution des activités économiques engendrent des avances dans la pratique de l'urbanisme.

The changing economy and the changing consumer will continue to drive the manner in which we accommodate various engines of our economy. We no longer think of lifelong careers as the norm, and our workplaces are changing to reflect new corporate styles. Consumers and developers are effecting change in product and service delivery mechanisms. Commercial services are adopting smaller formats, while retail is evolving to larger formats on the one hand, and returning to the street front on the other.

Key factors shaping the way land is occupied by economic drivers are the changing nature of work and the work force, and changes in systems of production and delivery. These factors are affecting everyday land use planning decisions in Canadian cities, as they are directly related to the interaction of people and places.



An example of historic land use.



Artist's depiction of future land use.

The Changing Nature of Work

The locational characteristics of employment have changed to such a degree in the last couple of decades that the word "workplace" may be becoming archaic. After World War II, a "traditional job" evolved, where an employee spent much of his or her career working for a single employer. Workplaces were organized for mass production. The most efficient system in this regard involved a hierarchical (vertical) command chain, and vested little power in the average employee. Firms competed by focusing on cost. This traditional job is now on the decline. Low-cost competition from overseas, changing consumer tastes and new production technologies caused North American firms to shift their strategies and base their competition on quality, customization and innovation rather than on cost.

Important new changes in the form of information technology (IT) have helped to alter employment structures. IT advancements have led both to the emergence of new industries and to productivity enhancements across broad economic sectors. In doing so, IT is altering the manner in which work is organized and performed. With cheaper, more efficient IT, old hierarchical employee structures, created in part by scarcity of information and difficulty in disseminating it, have evolved into more horizontally oriented organizations with less management hierarchy.

Another significant effect of IT has been its contribution to globalization, a product of declining costs of transportation and communications. Globalization, in turn, has affected the workplace. Two contrasting views exist about the effects of globalization on the spatial distribution of economic activity. The first view is that distance will be less important because of low transportation and communications costs. This view has its roots in the increasing prevalence of home offices, co-workplaces and telecommuters. The second view is that the importance of distance will remain constant or increase as free-flowing labour and capital move into industry clusters, responding to the need for sharing ideas and for specialized equipment, facilities and services by like firms. Other forces acting to cause change in employment structures include the increased labour force competition of the 1980s and '90s, which reduced job security; and technological change and shorter production cycles, which together have reduced the value of long-tenure employees and led to growth in outsourcing.

The major impact of all of these changes on work and workplaces has been an increasing prevalence of "non-standard employment", which takes innumerable different forms and covers all non-traditional job permutations. No longer is employment characterized by predictable advancement or predictable pay, but rather by less job security and a flexibility that would have been

unthinkable in the past. Flatter corporate hierarchies are increasingly prevalent. These "high performance work-system" structures are more flexible than in the past in that work is assigned to teams rather than to individuals. Job descriptions are vague. Employees are multi-skilled and change jobs frequently to gain new experiences, or simply because their contracts have ended.

The Changing Consumer

The ageing of Canada's extensive baby boomer cohort is likely to have serious effects on the nation's economy in general and on land use planning. The baby boomer generation consists of those born in the 20 years after World War II. Officially, the generation covers the 20-year period from 1947 to 1966. Canada's boomers currently make up 31 percent of the population, and are aged 37 to 58. As boomers retire, a labour shortage is expected in Canada. A report by the Urban Futures Institute suggests that even with the combination of increased immigration and increased labour force participation rates, unemployment levels could still drop below five percent in coming years.

The combination of rising labour costs and declining costs of technology will likely have further effects on how businesses use space and where they locate. Communities will continue to develop new and innovative incentives to attract businesses with their fewer, higher paying jobs.

Implications for Land Use

One implication of these changes for land use will be a reduced rate of consumption of raw land. Greater efficiencies of production and distribution of wholesale and retail products is translating to lower overall land requirements. Individual land uses have already moved in this direction, and the continued mixing of land uses in viable developments has challenged planners to develop new zoning by-laws in cities that previously had no experience with mixed uses. Most major Canadian cities now have examples of mixed residential/commercial, live-work/work-live, and office/hotel projects.

Because of the growth of short-term employment, residential development is connected much less closely to places of work. Instead, it is increasingly linked to factors of location and liveability. This creates a challenge to community and transportation planners, as the connection between place of work and place of residence is vague.

Retailing has changed dramatically in recent years as a result of changing consumer patterns and a reduction in costs to account for shrinking retail margins. These changes have significantly affected retailers' use of land. Retail in the last decade was marked by a number of trends, such as the following:

- > New shopping centre formats entered the retail landscape.
- > Long-established national chains disappeared.
- > New forms of shopping behaviour associated with the store and virtual shopping emerged.

Free-standing commercial developments are competing directly with traditional enclosed regional shopping centre formats. With the exception of Vaughan Mills in the City of Vaughan, Canada is unlikely to see the opening of a new enclosed regional centre in the next decade. Larger-format retailers (15,000 to 150,000 square feet) are increasingly locating in established regional malls and in new, purpose built "power centres".

Retail spending is continuing to concentrate in fewer stores and within less square footage (increased productivity). Network expansion continues to occur within retail chains

that have a sound understanding of their retail operation and the customers they serve. Responding to ever-changing customers, new retail forms will continue to emerge. The Internet is one of these new forms; over the next decade Internet-based shopping is projected to capture more than 10 percent of all retail sales.

Office development in Canada is changing as well. Rationalization of office space and movement of "back-of-house" functions to suburban and offshore locations has reduced demand for downtown office space in non-head-office cities. At the same time, high-tech companies are increasingly looking for amenity-packed inner-city locations in response to the desires of young workers and their hectic work schedules and lifestyles.

Industrial expansion has seen many urban industrial facilities shift from central areas to suburban parks. Modern business parks have developed in response to the economic shift from a manufacturing-based to a service-based economy. New parks allocate little or no space to heavy industry, and in fact, much of the out-migration of industry to suburbia was caused by the physical and structural obsolescence of older railroad- and port-oriented industrial facilities. Modern business parks are served by highways and include low-rise buildings, landscaping and acres of free parking.

Mixed-use development has become increasingly popular in recent years. The current trend to mixed-use development has been brought on by a public yearning for "sense of place", and by the relatively new planning goal of higher density development. Mixed-use projects can help to reinvent parts of cities. They aid in curbing traffic problems, encourage better use of transit infrastructure and contribute to the deceleration of urban sprawl. Across North America, mixed-use developments have attracted demand such that their rents (both retail and residential) are often higher than single-use competitors.

Challenges to Planning

The rapid changes within the employment-generating land use sectors are increasingly challenging our ability to respond with approvals and entitlements.

At the most general level, community plans should now have a strong recognition of the "drivers" behind land use. No longer will discrete land use designations be sufficient to capture the ingredients of our future cities.

Rezoning will continue to play an important part in the shaping of land uses that will become functionally obsolete in shorter periods of time. A large supply of inner-city lands will become available for non-industrial and, likely, residential purposes. Challenges to planning are also driven by the velocity of new business and shifts that businesses take. Business cycles often conflict with the ability to gain approvals in a timely manner. A multibillion-dollar silicon chip plant, for example, can have a life span of only 10 to 15 years, as technology changes rapidly. Closures of chip manufacturing facilities in places like Austin, Texas, and Sendai, Japan, have occurred in the past couple of years. Highly specialized facilities like the chip plants are proving to be difficult to redevelop into other uses.

Furthermore, new areas of our cities will become increasingly important as self-sufficient and sustainable communities. Major efforts are underway in Vancouver and Calgary to address this future city-making initiative. Also, greater efficiencies driving modern employment-generating uses have resulted in a general reduction in the amount of raw land required to produce and deliver products and services. The move to generate higher sales productivity among businesses has reduced the amount of commercial land required in cities.

Today, planning should focus increasingly on encouraging creative solutions to marketplace realities, preserving the community good, and seizing opportunities in a growing competitive environment. The challenge for planners will continue to be the anticipation of new trends in business land use, and the accommodation of established economic drivers. ■

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