



# The shopping centre of Atlantica

All over the region, the retail industry is bursting at the seams. The next big winner could be Saint John

BY ROBERT MARTIN

Picture it from the air, the way real estate developer and amateur pilot Troy Northrup might. Below, the east side of Saint John, N.B., is a bustling landscape of more than a million and a half square feet of shopping malls and big-box developments, including the Wal-Mart that Northrup just built. Up on the hill, overlooking it all, will soon stand a bright new sign: East Point Shopping.

It's not just another mall, Northrup insists, but a whole new shopping experience—the kind of thing that could change the very fate of Canada's oldest incorporated city. "For a long time," says the 41-year-old native son, "Saint John has been a drive-through city. We're going to make it a drive-to city."

Gritty old Saint John a shopping destination? Northrup's attitude is: Why not? For one thing, retail is booming all over Atlantic Canada. In New Brunswick, Prince Edward Island, and Nova Scotia, the retail industry is the single-largest employer. Bigger than tourism. Bigger than fisheries.

And in Saint John, where the energy sector is only just starting its own boom, can retail be far behind? Irving Oil plans to double the size of its refinery. Companies such as Corridor Resources Inc. are finding oil and gas beneath the nearby Kennebecasis Valley. And the approvals are almost all in for a proposed liquefied natural gas (LNG) plant.

Development means more money and shoppers. Northrup is so ambitious that he is certain that Saint John will soon be pulling in people who live in other shopping destinations such as Halifax, Moncton, and Bangor. He has been



"The key is that the perception of the city is going to change. People are going to start talking about Saint John as a beautiful city" —Troy Northrup, developer



In 2007, the retail industry invested more than \$7 billion in the Canadian economy through construction, technology, advertising, transportation, telecommunications, and more.

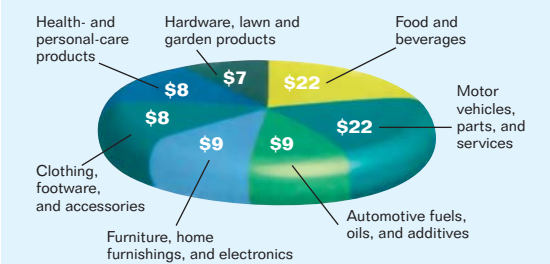
## Booming retail markets

|                           | %Growth     |
|---------------------------|-------------|
| Abbotsford                | 3.9%        |
| Kitchener                 | 3.7%        |
| <b>Halifax</b>            | <b>2.8%</b> |
| Windsor                   | 2.5%        |
| <b>Saint John</b>         | <b>2.3%</b> |
| <b>St. John's</b>         | <b>2.3%</b> |
| Saskatoon                 | 2.0%        |
| Montreal                  | 1.6%        |
| Edmonton                  | 1.3%        |
| Ottawa (without Gatineau) | 1.2%        |
| Toronto                   | 1.0%        |
| Calgary                   | 0.7%        |
| Sherbrooke                | 0.5%        |
| Vancouver                 | 0.5%        |
| Winnipeg                  | 0.4%        |

Source: Annual Retail Store Survey

## Retail-spending breakdown

In 2005, consumers spent \$368 billion in retail sales, up 6.1% from 2004. Out of every \$100 in consumer spending in retail stores in 2005, consumers spent the following:



Stats Canada

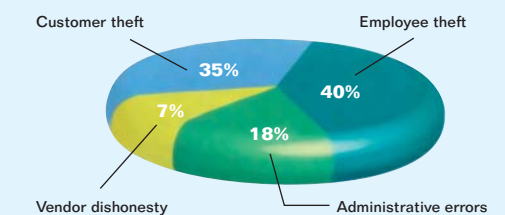
## Small retailers, big business

Retail establishments in Canada: **227,000**  
 Percentage that employ less than 10 employees: **72**  
 Percentage that employ 100 or more: **2**

Retail Council Canada

## Merchandise mysteries

Merchandise shrinkage costs Canadian retailers nearly \$3 billion (Canadian) annually, according to Retail Council of Canada's (RCC) 2003 *Canadian Retail Security Report*. This equals \$8 million per day in lost inventory. Shrinkage is the monetary loss incurred due to variance between merchandise on hand for sale and recorded merchandise received. The disappearance of these assets is attributed to a combination of internal and external causes:



ARTICLE ORIGINALLY PRINTED IN THE JUNE/JULY ISSUE OF

# PROGRESS

## The shopping centre of Atlantica

All over the region, the retail industry is bursting at the seams. The next big winner could be Saint John.



# The shopping centre of Atlantica

All over the region, the retail industry is bursting at the seams. The next big winner could be Saint John

BY ROBERT MARTIN

Picture it from the air, the way real estate developer and amateur pilot Troy Northrup might. Below, the east side of Saint John, N.B., is a bustling landscape of more than a million and a half square feet of shopping malls and big-box developments, including the Wal-Mart that Northrup just built. Up on the hill, overlooking it all, will soon stand a bright new sign: East Point Shopping.

It's not just another mall, Northrup insists, but a whole new shopping experience—the kind of thing that could change the very fate of Canada's oldest incorporated city. "For a long time," says the 41-year-old native son, "Saint John has been a drive-through city. We're going to make it a drive-to city."

Gritty old Saint John a shopping destination? Northrup's attitude is: Why not? For one thing, retail is booming all over Atlantic Canada. In New Brunswick, Prince Edward Island, and Nova Scotia, the retail industry is the single-largest employer. Bigger than tourism. Bigger than fisheries.

And in Saint John, where the energy sector is only just starting its own boom, can retail be far behind? Irving Oil plans to double the size of its refinery. Companies such as Corridor Resources Inc. are finding oil and gas beneath the nearby Kennebecasis Valley. And the approvals are almost all in for a proposed liquefied natural gas (LNG) plant.

Development means more money and shoppers. Northrup is so ambitious that he is certain that Saint John will soon be pulling in people who live in other shopping destinations such as Halifax, Moncton, and Bangor. He has been



"The key is that the perception of the city is going to change. People are going to start talking about Saint John as a beautiful city" —Troy Northrup, developer



In 2007, the retail industry invested more than \$7 billion in the Canadian economy through construction, technology, advertising, transportation, telecommunications, and more.

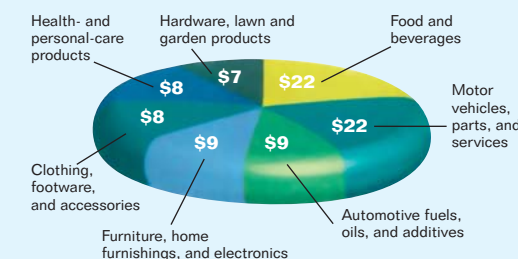
## Booming retail markets

|                           | %Growth     |
|---------------------------|-------------|
| Abbotsford                | 3.9%        |
| Kitchener                 | 3.7%        |
| <b>Halifax</b>            | <b>2.8%</b> |
| Windsor                   | 2.5%        |
| <b>Saint John</b>         | <b>2.3%</b> |
| <b>St. John's</b>         | <b>2.3%</b> |
| Saskatoon                 | 2.0%        |
| Montreal                  | 1.6%        |
| Edmonton                  | 1.3%        |
| Ottawa (without Gatineau) | 1.2%        |
| Toronto                   | 1.0%        |
| Calgary                   | 0.7%        |
| Sherbrooke                | 0.5%        |
| Vancouver                 | 0.5%        |
| Winnipeg                  | 0.4%        |

Source: Annual Retail Store Survey

## Retail-spending breakdown

In 2005, consumers spent \$368 billion in retail sales, up 6.1% from 2004. Out of every \$100 in consumer spending in retail stores in 2005, consumers spent the following:



Stats Canada

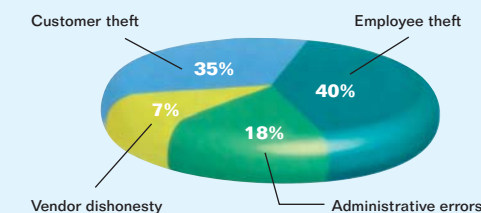
## Small retailers, big business

Retail establishments in Canada: **227,000**  
 Percentage that employ less than 10 employees: **72**  
 Percentage that employ 100 or more: **2**

Retail Council Canada

## Merchandise mysteries

Merchandise shrinkage costs Canadian retailers nearly \$3 billion (Canadian) annually, according to Retail Council of Canada's (RCC) 2003 *Canadian Retail Security Report*. This equals \$8 million per day in lost inventory. Shrinkage is the monetary loss incurred due to variance between merchandise on hand for sale and recorded merchandise received. The disappearance of these assets is attributed to a combination of internal and external causes:



recruiting U.S. retailers with a slide show; one of them mentions "re-establishing [the] international trading corridor between northeast United States and Atlantic Canada and promoting an east-west interstate highway through the U.S. northeast to foster corridor options for Atlantica businesses."

In Saint John, they couldn't be happier. "One thing we've always driven is retail," says Norm McFarlane, who was elected Saint John's mayor three and a half years ago. "We've opened up more retail space than any other place in New Brunswick, and it's all due to the start of East Point Development. That's going to get us a new exit off the highway, and when that happens, we'll have destination shopping."

### Hometown proud

Northrup is a well-known name in Saint John. His father, Don, started out selling televisions door to door during the 1950s and now owns many businesses in the services sectors. Early on, Northrup told Don that he also wanted to make a mark on business in Saint John, and that his passion was in property development.

He started in Rothesay, with a former Sobeys store that had been vacant for a decade. The young Northrup converted it into an office building in the early 1990s. He did the same for the former town hall and fire station, as well as a gas station that had a heritage designation. "When I was a kid," he says, "there was all sorts of pride in the community." He wanted to retain that sense of pride, both as a developer and as a citizen, that these were buildings and areas where things still happened. "Activity breeds activity," he says. "It spurs people on."

Northrup is also a pilot and has flown as far as the British West Indies. There, in 2003, he and his fiancée, Andrea, a family therapist with a master's degree in clinical social work, were married. But he insists that he is never tempted to fly away from Saint John for good. Northrup is both an urban guy and a local boy. "If I have a love," he says, "it's for old architecture."

There's plenty in Saint John to keep him busy, including helping transform the formerly dreary waterfront into a legitimate tourist site. Cruise ships docked in the city 35 times last year, and "We're expecting around 150,000 cruise visitors this year," says Steve Carson, the CEO of Enterprise Saint John. "We're starting to see a lot of traffic from the Bangor area, and that's a reversal of the past," says Carson. "They're coming because over the past few years, the city has undergone a transformational change, and we're beginning to see the results now."

Northrup isn't content to stand still. "To keep more shopping dollars in our community," he says, "you have to keep setting new examples and new standards. That's what we've done at East Point." Inspired by the new buzz concept in retail—lifestyle centres—



East Point is designed to make you feel like you're visiting a community, not just a building full of stores. Perched on the hill between Rothesay Avenue and Westmorland Drive, East Point will attempt to recreate a main-street look with small-scale stores, wide sidewalks, and lots of trees to help break up the asphalt-jungle image.

Northrup put cultured stone on some of the storefronts, had custom lights designed, and recessed brass fire connections into the walls. Not only are the sidewalks a generous three metres wide, but Northrup also brought in "the people from the sub-trade in Arizona to teach my guys how to make the sidewalks." There are canopies, planters, and "a massive amount of landscaping" that Northrup estimates cost four times the industry standard.

### Community makeover

For his part, Saint John mayor Norm McFarlane loves what he has seen, comparing it to Florida's open-air shopping plazas. "It's a win for all of us," he says. "The Northrups have zeroed in on this and have changed the shopping experience for anywhere in Atlantic Canada. This will change the way people in the whole region will shop."

So far, East Point's anchor retail client is a Home Depot, followed by the first Urban Planet in Atlantic Canada. And playing to the notion that East Point will soon become the focal point of a successful shopping destination, a hotel called The Hampton Inn is being built just next door. East Point alone

might not be the largest new retail development in Atlantic Canada, but Northrup points out that when you add up the square footage of East Point, the nearby McAllister Place Mall, and all of the new big-box stores close by, the area will have much more than the 800,000 square feet of retail space that Halifax's Dartmouth Crossing will boast once it's completed in 2008.

This evolution will be nothing short of "transformational" for Saint John, says Northrup, who wants to break shoppers' patterns of road trips to Freeport, Maine, and flights to Toronto or Montreal for the fashion-conscious. He believes that East Point will be the jewel in the crown of 2,300,000 square feet of shopping that changes both the nature and the perception of the entire city.

More important are the efforts that Saint John has made in recent years to shed its dowdy image and attract visitors by restoring theatres, gentrifying neighbourhoods, and buffing up the waterfront. "Saint John is increasingly able to provide visitors with a whole package of experiences," says Carson, "including sporting events, theatre, and shopping, that make a trip worthwhile and that make a weekend adventure."

Northrup says Saint Johners are full of newfound energy and optimism and, from taxi drivers to the mayor, want to build better lives and bigger houses on the backs of the new mega-developments. "The key is that the perception of the city is going to change," he says. "People are going to start talking about Saint John as a beautiful city."