



POP-UP GOES THE STORE



PHOTO BY ADRIAN SHELLARD/ FOR CREB*NOW

■ Amy McGregor, retail associate with Barclay Street Real Estate, says the pop-up retail trend is becoming more popular in the city.

Calgary retailers making the most of high vacancy rate

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Calgary commercial experts say local retailers are becoming increasingly savvy in their fight for market share, challenging the traditional brick-and-mortar concept of doing business in favour of a pop-up model.

"I do think the trend is becoming more popular because of online shopping," said Barclay Street Real Estate retail associate Amy McGregor, who is working with Calgary Economic Development to research pop-up shops and facilitate a process for new business owners by connecting with landlords.

"Online retailers kind of want to dip their toe in the retail market and it's a low investment way to do that. There's more opportunity and more likelihood that landlords will give them the opportunity for the shorter-term leases."

McGregor noted examples of the pop-up model include seasonal retailers that take advantage of Halloween and Christmas by setting up temporary locations in empty spaces.

Barclay Street said pop-up retail is generally intended for short-term leases, typically three to six months in duration. This comes as a year-end 2016 retail report by Barclay Street Real Estate noted the retail vacancy rate in Calgary was 3.4 per cent in the fourth quarter of last year, down 0.1 per cent from the third quarter.

"These initiatives have a tendency to appear unannounced, quickly draw in the crowds, and then disappear or morph into something else," said Barclay research director Anthony B. Scott, who authored the year-end report.

"This adds to the fresh feel, sense of exclusivity and surprise that galleries and street theatres have been using for years."

Scott added the pop-up platform benefits both retailers and landlords. Retailers are able to open a pop-up shop to launch a brand, test a market, grow a business, host VIP events, and more. Landlords, meanwhile, are able to fill larger empty spaces – even temporarily."

Michael Kehoe, an Alberta-based retail specialist with Fairfield Commercial

Real Estate in Calgary, said the current trend for retail and culinary pop-ups is unprecedented due to a combination of factors. He singled out both consumer demand for experience-driven shopping and brands realizing they still need to connect with their audience on a personal level.

"Shoppers get to experience fresh retail offerings that may be on offer for a short period of time and unique to market," said Kehoe, adding there is retailer anxiety about committing to a long-term lease in an ever-changing world.

"The pop-up owner benefits from massive exposure, decreased costs and access to new markets."

For landlords still searching for their long-term tenant, a pop-up keeps the space monetized during the lag between leases, he added.

"Just as some Airbnb property owners manage their properties purely for the short-term leases, some commercial spaces now operate purely as pop-up hubs, catering to an ever-revolving quota of brand activations," said Kehoe.

"In an era when everyone is trying to attract the next best thing first, this type of store-within-a-store or standalone partnership is an intriguing concept because of its 'permanently temporary' experience."