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How local retail dev. is shifting in the Internet age - by Ken Ryvicker and Stephen Hall

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The Internet and Amazon may have changed the way people shop, but this has not entirely eliminated the need to leave the house for certain services. While people may no longer want to roam the aisles of a big box store, sprawling mall or discount warehouse, they will still get in their car for a specialty service, such as a nail salon, restaurant, dry cleaner, or gym.

Retail developers are banking on service-oriented retail by designing more intimate, walkable shopping centers that focus on entertainment, experiences and every-day needs, such as urgent care centers. According to KeyPoint Partners' Retail Real Estate Trends and Analysis 2018, "Amazon proof" tenants—from trampoline parks to movie theaters—are leasing the most space in this category.

While the types of retail tenants are changing, so is the traditional footprint. According to a recent Forbes article, stores like Ikea, Target and even Taco Bell are getting smaller with new concepts driving this experiential trend. In Cambridge's Kendall Sq., for instance, Roche Brothers Supermarket recently announced the development of Brothers Marketplace, a scaled-down version of its larger store that sells convenience food. They already have three locations in Medfield, Waltham and Weston.

In Hanover, a prominent site off of Rte. 3 is being repositioned from a '70s-era strip mall into a 62,000-s/f shopping center called Merchants Row. The developer, F.P. Giglio Properties, is leasing the property to restaurant and retail tenants that can create an experience for consumers that keeps them coming back. The location will also include landscaped greenspaces for yard games and farm stands.

Similarly, in Littleton, a 500,000 s/f retail center at the intersection of Rts. 110 and 119 called The Point, keeps growing as the developer, Sam Park & Co., finishes the third phase of the project, which will include a MetroRock climbing facility to go along with the Courtyard by Marriott, O'Neil Cinema, retail shops, restaurants and urgent care facility already on site. The project, and others like it, represent the evolution of the lifestyle center concept where "everything can be done on site," said Stephen Hall, first vice president of commercial lending at Rockland Trust Bank, which finances commercial developments from \$1 million to \$75 million.

"We all know big box retail is a dying and changing industry, but the smaller stores seem to be doing well," said Hall.

In fact, according the KeyPoint Partners' analysis, mom and pop stores under 2,500 s/f in Eastern Massachusetts were the least impacted in terms of higher vacancy rates. Now the only

question is how shuttered Toys “R” Us and Sears stores will be repurposed.

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