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Local retail: Exciting real estate opportunity

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Leasing to local retailers does not usually make headlines; however, for property owners, developers, and urban planners, local retailers have become attractive tenants, critical to building neighborhoods.

Changing demographics, travel costs, Gen-X and Y lifestyles, economic uncertainty, boredom with malls, are factors transforming older shopping streets into vibrant commercial centers.

Local retail has been a key ingredient on Beacon Hill's Charles St.; but today the concept of local retail as a destination is expanding beyond affluent markets.

After years of frustration and decline, many of Boston's 20 Main Sts. districts are thriving, upgraded with local retailers complemented by a few national chains.

The Hyde/Jackson Sq.-Main St. district is emerging as "Boston's Latin Quarter." The majority of the 130 stores are local retailers, many owned by immigrants. The only national chains are grocery stores, banks, and a few fast food restaurants. The vacancy rate hovers around 4%. While most businesses serve the neighborhood, El Orientale de Cuba and Sonia's Bridal attract customers from all over Boston and the region. The streets are lively, filled with people shopping, eating, hanging out, a vibrant and unique experience attracting more shoppers and stores.

Retail innovators trying new concepts are choosing main streets and neighborhood centers. Rents are still affordable and they appreciate the character of older buildings and streetscape. Neighborhood centers with local merchants and new concepts appeal to homebuyers. The outcome is that real estate thrives.

The next frontier is the inner city. Redevelopment hot spots, like Roxbury's Dudley Sq., present opportunities to create meaningful local retail centers that bring pride and interest, while keeping a large share of profits and experience in the community. Creating the optimal tenant mix and leasing strategy requires special retail leasing expertise, but the outcome is long-term profits to investors and the community.

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