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## **We expect another solid year with significant transaction volume within the retail sector - by Chris McMahon**

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There are a considerable amount of new developments and major re-developments occurring throughout the region. Support for these projects continues with national, regional, and local tenants signing leases and opening storefronts. In Boston, many projects are mixed-use in nature and include a retail component. There are several traditional retail projects outside of the city like Milford Crossing in Milford, Mass., which is a re-development anchored by an attractively designed Stop & Shop. Another example is a new development in Westbrook, ME., which includes anchors Hobby Lobby and Market Basket.

With technology increasingly becoming a major part of our day-to-day lives, it is important that retail property owners and dealmakers continue to refine best practices to market space in the most relevant ways to prospects and tenants. We just had our first full year with CRM incorporated into our leasing platform to improve communication, track leads, and track transactions. The results have been incredible and we expect to leverage the platform further as we continue to build our database.

Another way to leverage technology is to find the best way to utilize on-line listing platforms to get the best exposure for shopping centers and available space. We are bullish on co-star and loopnet premium to get the most exposure as possible. In addition, we find it is important to utilize technology to create the very best marketing material that clearly highlights the benefits of a property and the exact space that is available on a site plan. With more distractions than ever, information needs to be delivered in a clear and concise manner. E-mail marketing should also be a focus as we get more e-mail marketing campaigns every day making inbox space more and more competitive. All that said, technology is by no means an end all be all... there is no replacement for clean vacancies that show well, having measured floor plans, and having all information possible about your property that a prospect may need.

Thirty-three percent of our transactions last year involved actual retailers, merchants where you can purchase products and walk out with them. The remainder were financial, personal service, fitness, dental, medical, small office or restaurants. A few examples of retailers we signed leases with

include Pet Supplies Plus, Louis & Clark Medical Supplies, American Freight Furniture, Dollar Tree, and T-Mobile. A few non-retailer examples include Dogtopia, Orangetheory Fitness, Great Clips, Registry of Motor Vehicles and Homefield Credit Union.

Business Insider recently published an article about retailers gearing up for increased consumer spending predicting that the retail sector will likely be a big beneficiary of the unexpected bonuses that companies are doling out to celebrate recent corporate tax cuts. Retailers will welcome a bump in sales as they continue to fight back against the fast growing on-line retail market, which is becoming more efficient by making it easier for customers to shop on-line from their smartphones, tablets and P.C.'s. The internet will continue to be a real threat to brick and mortar. Retailers are getting ahead of this with more caution on site selection, modifying their footprints, improving customer service and merchandising differently. Landlords are improving their tenant mixes, focusing on "internet-resistant" tenants like services, fitness, health & beauty, and restaurants. According to Adobe Analytics, on-line shopping for the 2017 holiday season reached \$108.2 billion up 15% from the year before. The national retail federation says in-store and on-line rose 5.5% from the previous year.

The President repeated an earlier call for an internet tax saying that it is not fair to brick and mortar retailers around the country who do not have a fair playing field although they employ millions of Americans. Many say this is a personal dig on Amazon, but it could have broad implications. The CEO of the International Council of Shopping Centers, recently announced "a major step forward in efforts to level the playing field for physical retail" with reference to the Supreme Courts agreement to hear South Dakota v. Wayfair et al. This is a landmark court case regarding the collection of sales tax, which challenges the existing physical presence laws by a 1992 ruling in Quill Corp. v. North Dakota.

Despite the ongoing on-line v. brick and mortar war, there are many retailers doing well and adapting to these new challenges. If you need a breath of fresh air and want to get a great retail experience, I can recommend the following: eyewear at Warby Parker; sportswear or running shoes at Nike store; clothing at Nordstrom; the ultimate entertainment experience at Apex Center in Marlborough; new grocery concept at Stop & Shop in Milford, Mass. or Trader Joe's in Allston, Mass.

I am proud to announce that I will be the chair of ICSC New England Conference and Dealmaking event July 16-18 at the Hynes Convention Center. We have many exciting topics and events planned that we hope will bring you to the show to network with industry peers, learn and make deals.

Best wishes to you all this year!

Chris McMahon is a partner and the director of brokerage at Summit Realty Partners based in Lexington, Mass.