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There is still plenty of room in land development for brick and mortar retail - by Rich O'Connell

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Rich O'Connell,
RJ O'Connell & Associates

According to those who track the numbers like Urban Land Institute, the International Council of Shopping Centers and several others, online shopping continues to grow at a good pace. Even with this rapid change in consumers' shopping habits, we see there is still plenty of room in land development for brick and mortar retail particularly in the redevelopment arena.

Retail construction starts will most likely never get back to the heyday of mid-last decade, but this is still a very active market sector with substantial activity as retail by nature is sustainable if it has the three L's: location, location, and yes location.

Some consumers like the convenience of the Internet, while others prefer the convenience of the store down the street, check it out, and bring it home that day. Many shoppers still want to touch and feel the product, try it on if clothing, or see exactly what an item looks like inside and out in person and not from an online image or a written description. And if the retail center has a new restaurant, health club or walk in healthcare, multiple trips can be combined into one adding to the convenience.

Opportunities for redeveloping and/or upgrading existing retail centers are abundant and usually less costly than ground-up. A built infrastructure in place at a good location is a major plus. Typically, an existing center has most of the necessary infrastructure available. Maybe there are some roadway improvements, a traffic signal upgrade, or some upgrades to water or sewer services needed, but for the most part, the base infrastructure is in place saving substantial development dollars on entitlements and construction cost.

Here at RJ O'Connell & Associates (RJOC), a solid 50% of our current work is in retail with the balance in residential, institutional, office, and warehousing. We see that strong retail sector for at least the remainder of 2018. Grocery stores, new restaurants, national chains, and startups are always looking for good locations and/or upgrading from current nearby locations. Redevelopment provides these opportunities.

Several current projects RJOC is fortunate to be involved with are setting the trend for new brick and mortar retail.

The former Spag's outlet site on Rte. 9 in Shrewsbury is being transformed into a vibrant new retail center, Lakeway Commons by Grossman Development, Whole Foods Market, Tavern on the Square and Jenny Boston Boutique are some of the new tenants.

Also on Rte. 9, the existing 9/27 Plaza in Natick is becoming the 9/27 Exchange with Chipotle, Dunkin' Donuts, Partners Health Care, and Anthony's Coal Fired Pizza bringing new life to the former Building 19 space by Crosspoint Development.

A tired retail site on Rte. 1 in Peabody, Mass. is being redeveloped by Yebba Realty Ventures with a new CVS store, a 30,000 s/f Children's Arcade, and a few additional tenants, still confidential. The excellent location along with the mostly in place infrastructure are two major factors for the new tenant interest and for the developer to be able to move forward with the repositioning of the site.

Boylston Properties and the Wilder Companies have mostly completed entitlements for the substantial renovation and expansion in Watertown at the Arsenal Mall, soon to become Arsenal Yards. New retail tenants are lining up to complement the existing ones expanding the available choices and adding to the convenience with multiple choices at one destination.

The former Polaroid site in Waltham has been undergoing a full-scale transformation to "1265 Main Street" by RMD, Inc. starting with a Market Basket and Marshalls a few years ago and continually adding new restaurants and tenants. Last year they took a break from construction for the team to permit an additional 2 million s/f of development through the state's MEPA process with about 200,000 s/f of that being allocated to ground-up retail.

These are only a few of the retail projects we are involved with; there are obviously many more out there throughout New England in the planning, design, and entitlement phases as well others under construction. So, while online retail sales continue to rise, there is still a place for well-located brick and mortar retail.

Rich O'Connell is president and one of the founding principals of RJ O'Connell & Associates, Stoneham, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540