



nerej

What a year it was! - by Carol Todreas

January 04, 2019 - Front Section

Carol Todreas,
Todreas Hanley Associates

Year's end, and what a year it was. Taking a breather over retail happenings is really not possible these days as the retail world is still eternally trying to find the "new norm." Regardless of whether or not there is or will ever be a new norm, there is constant conversation, alarming headlines, attempts at analysis, and reams of data on retail.

So what actually happened with brick and mortar? Certainly not the expected Apocalypse. It was a much better year than had been predicted. Many brick and mortar retailers revamped, down-sized, and closed stores to achieve a positive bottom line. Many new e- stores opened brick and mortar concepts to establish ties with their customer. Best of all many retailers realized that retailing is first and foremost about the customer who when pleased will leave the screen.

2018 had its share of good news, needs work, and uncertain. The lists focus on some of the 2018 retail trends, some of which made headlines, some of which did not.

The Good

- Department stores continue to downsize to fit urban markets and locations: Target.
- Department stores are dedicating space to pop-ups to add variety and excitement: Bloomingdales Carousel.
- Macerich BrandBox is transforming 1,000 s/f of space in selected malls for new brands to merchandise their product.
- Nordstroms new stores reported a 2.3% overall sales growth.
- In-fill developments are starting to take place adding non-retail attractions and activities to complement retail: The Smith Center (formerly The Holyoke Center Harvard Sq.).

- Many municipalities have added bikes and bike lanes making it easier to shop locally.

Needs Work

- Rents in neighborhood commercial centers in the Boston area remain too high for small businesses.
- Most commercial space in Boston is only affordable for national chains.
- Landlords/developers/municipalities need to find a way to create more boutique/local stores that customers dearly want.
- Landlords are still land banking in many communities.
- Neighborhoods need everyday retail needs such as personal services: shoe repair, dry cleaning, tailoring; small non-chain coffee shops; green grocers; bakery/cafés; delis with prepared take home foods.
- Recreational cannabis stores are dark and shuttered and do not help activate sidewalk life.
- High cost of alcohol licenses for restaurants needs reform, causing commercial districts to be limited in attracting customers.

Uncertain

- Will Amazon succeed in taking over the grocery store category?
- Will Amazon succeed in creating a pleasant customer experience in any of their stores?
- Will co-working offices become the next retailer's haven?
- Will ethnic "street food" replace American fast-food chains?
- Will self-driving cars increase or decrease traffic and/or make going to malls easier?
- Will the non-upscale ordinary mall make it back by adding participatory entertainment concepts like axe-throwing?
- Will pop-up stores and food halls be quality and individually designed and managed to be sustainable or will they become dull and ordinary?

Carol Todreas is a principal at Todreas Hanley Associates, Cambridge, Mass.

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