



CELEBRATING  
55 YEARS

# nerej

## **Repurposing new life to struggling retail centers - by Gary O'Connor & Amanda Gurren**

May 28, 2021 - Front Section



Gary O'Connor

Amanda Gurren

In recent years, malls and large retail centers have seen a decline in customers, increased vacancies and a significant loss in value. The pandemic has only exacerbated these negative trends. Last year saw the closure of more than 11,000 retail stores nationwide, and experts have predicted a continuation of foreclosures of malls and other retail properties.

But these same properties present unique opportunities for repurposing and adaptive reuse. Malls can have a second life as warehouses, distribution centers, higher-education campuses, retail/entertainment venues, housing projects and more.

Creative examples abound. Amber Properties, the new owner of the former Sam's Club in Manchester, Conn., is seeking to redevelop the property into a multi-tenant warehouse/distribution/light manufacturing facility, which would require a special exception or regulation amendment. The developer has already repurposed a Sam's Club in Seabrook, N.H., which was rezoned from retail to industrial and is presently leased by two separate tenants.

Malls also represent attractive repurposing opportunities for schools. In Texas, Austin Community College purchased the million s/f Highland Mall and converted it into an education facility featuring a regional workforce training center; a science, technology, engineering and mathematics (STEM) simulator lab and digital media center; and a culinary and hospitality center. As a hub for industry

and higher education, there are a number of potential and able buyers in New England.

Although there are many potential creative reuses, without some critical collaboration among local governments, owners and the community, malls are destined to become the brownfields of the early 21st century. When considering repurposing a mall, developers or property owners need to collaborate with municipal leaders to consider the following:

- Its future viability as a retail center with the inclusion of additional amenities;
- The owner's level of commitment to making further investments in the property;
- Appropriate reuses for the property given its location, accessibility to highways, traffic and safety concerns, and the type and/or configuration of the buildings;
- Any specific, unserved community needs that the property could potentially meet; and
- Market feasibility of possible new uses.

What's happened to malls over the past generation has been a losing proposition all around—for municipalities, owners, tenants, customers and employees. These same properties now present an opportunity for a win-win.

Gary O'Connor and Amanda Gurren are attorneys with Pullman & Comley, LLC, Hartford, Conn.

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