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Demand for space is now.... Meet the new shoppers - by Carol Todreas

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Malls are back - and good retail is upward bound. Just a few years ago they were called dinosaurs and obsolete without much of a future. The weak malls have vanished, but those in class A locations are making a comeback. Repositioned with a relevant mix of uses with stunning architecture and new stores, these reborn malls have savvy retailers standing in line for space.

Concurrently many retailers from the old malls have hit the dust. The list of store closures rises every year, and according to some industry analysts the number of closures will rise to 45,000 this next year. While some of the closures are a result of overbuilding, others are due to old concepts that are out of touch with the current consumer.

Amidst all this is the fact that retailers believe that to really connect with their customers and increase sales they need a physical store. However, these stores need to be special, unique in design with informed and welcoming sales associates. The most successful have merchandise-related programs for customer loyalty, personalized services, promotional events, and other incentives that individual owners imagine to create excitement.

Since the strong malls have waiting lists for retailers, many are looking elsewhere for space. Once again this is an opportune time for non-mall locations, especially since store closures have left vacancies in every type of retail space from stand alone to shopping streets and suburban shopping centers.

To be appealing, non-mall locations have to resemble a mall and provide a similar environment attractive to the new consumers. New shoppers value convenience followed by small unique stores in a walkable square or center. Note though they want the convenience of parking nearby. They want to drive and park in a lot, parking garage or on the street and have the shops and all the commerce nearby, clustered together for a walkable experience.

The desire for convenience and also a speedy trip has effected the size of stores. Not only do customers want to shop in smaller spaces to save time but retailers need to minimize their risk given rising costs, uncertainties with staff and supply chains, and evolving lifestyles. Most retailers presently prefer space no larger than 2,500 s/f.

So as for retail real estate, it clearly is in an era of BOOM. If you are a civic leader, planner, and property owner and you want to take advantage of this era of retail glory take action to bring your retail real estate up to par by making some basic improvements.

The essentials:

- Wide sidewalks or outside patio space for dining and outdoor merchandising
- Parking nearby for bikes and cars

- Landscaping with trees and benches
- Lighting for pedestrians
- Design program for storefronts
- A one-stop-shop to help prospective tenants expedite permits and licenses.

The environment and tenant mix:

- Green spaces and trees which are becoming more scarce and more desirable in making an area attractive
- Tenant mix with a variety of small eateries, coffee shops, and small specialty dining options
- Pop-up stores and eateries for change and diversity
- Cultural, educational, recreational, entertainment venues to attract a broad market base and enliven the entire community.
- Health and wellness facilities, personal and business services; e.g., gyms, yoga studios, nail and hair salons, post offices, shoe repair, tailoring.

Last Note: People want to live in communities with convenient access to shops and services. They want to be able to “hang out” and shop in a safe, pleasant, comfortable, and clean place. Many malls are meeting this need. But there is still demand for space which non-mall locations can provide. Lastly, it is clear that despite growing e-commerce, brick and mortar survives and is here to stay. Invest and enjoy.

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