

Shopping/Mall Space Directory



A section prepared by the staff of the Midlands Business Journal

August 23, 2019

Retail evolves with centers emphasizing one-stop-shop designs

by Michelle Leach

Retail stores and malls are being repositioned with an emphasis on conveniently located services and entertainment and recreation options.

"Retail everywhere has changed dramatically in the last 10 years," said Colliers International Vice President Cindi Incontro. "There are countless factors for these changes."

Among those changes, as people place more demands on their time and try to fit more into their day, Incontro said everything needs to be a little more efficient.

"Going to a large regional mall to spend the day strolling from shop to shop is a time luxury most people can no longer afford," she said. "Shoppers who visit a large mall these days tend to head to an anchor store or favorite boutique, grab a sandwich and move on to the next item on their to-do list."



Incontro

As 24/7 online shopping is faster and a good price on the exact products can be found in a click, Incontro noted shoppers looking for assistance tend to visit neighborhood malls near their homes or businesses, where they may find someone who has the time to help them.

"As unique quality boutique retail has become rarer, shoppers go out of their way to support these small local businesses," she said.

Berkshire Hathaway HS/Ambassador Real Estate Commercial Division Manager Michael Blackmon said the retail sector, currently driven by continued job growth and low unemployment, is broken into two parts: e-commerce/online and the physical shopping experience at local retail stores.

"Ecommerce has and continues to have some devastating effects on the 'big box' physical retail stores, as more and more big box shoppers are turning to online shopping — and almost unlimited choices in that 'big box' — thereby reducing the trade in big box stores," he said. "And many big box facilities are being removed from the retail markets, and repurposed or repositioned entirely."

Grocery-anchored and neighborhood retail centers are "favored," and "mixed-use" combining retail, office and habitation such as apartments and townhomes, are doing well.

"A substantial amount of new develop-



Mike Blackmon, commercial division manager at Berkshire Hathaway HS/Ambassador Real Estate, at a retail/warehouse space at 3630 S. 144th St.

ment is focusing on the mixed-use approach, which appears strong for the future of retail in those neighborhoods," Blackmon said. "Our commercial division is seeing a great demand for both existing and new construction retail space in neighborhood areas, and little demand in the mall locations. The interest is for expansion via needing more space, to expansion into additional locations."

As malls get repurposed, some retail will relocate — further filling up the available space.

"We are seeing food and beverage as a major player in the neighborhood strip centers, plus entertainment and fitness as major users, which many times can and are filling some of the big box locations, because of their demand for huge spaces," he said. "Although there is substantial new retail development going on in the Omaha market, maybe around 1 million square feet under construction or the development approved, the market should absorb this growth as the economy continues with strength in job growth and low unemployment."

White Lotus Group CEO Arun Agarwal described "heavy anxiety" among a lot of brands at present.

"Everyone is still trying to figure it all out," he said. "There is just so much evolution

isting retail spaces, and although it's a lot of change and anxiety, it just means traditional retail needs to evolve and become all about the consumer experience versus the products they are selling," he said. "The entertainment value of the mall/development and the tenant mix has to be far more thoughtful than ever before, and become very service oriented; for

example, consumers that have to stop at their dentist or physical therapist appointment within a mall-like development, will probably walk a few shops down and pop into Scheels."



Agarwal

Agarwal said White Lotus Group is excited to see what will happen at the 144th Street and West

Dodge Road development and the possible Oak View Mall redevelopment.

"White Lotus Group is also working on our plan for our mixed-use development at 180th and Maple Street," he said. "We feel confident we will find a tenant mix that will support and engage the rapidly growing area, and the new high school right next to us."

Ultimately, Agarwal said, it's about who is really excelling at integrating interesting retail with service-based businesses.

"Village Pointe and Westroads do a good job of having a tenant base of restaurants mixed with relevant programming, plus they have movie theaters and are adjacent to health care," he said.

happening, and big box retailers are ultimately trying to figure out how to reach the consumer and keep the consumer, while fighting off the Amazons of the world."

Agarwal said his team is seeing many big box formats consolidate to online made-to-order.

"Obvious retailer bankruptcies are causing a lot smaller rental pool for new and ex-