



Grocery-anchored retail centers face new challenges in 2009

January 12, 2009 - Owners Developers & Managers

2008 is behind us. Now, it's time to look ahead to see what's on the horizon for the commercial real estate industry. How will we need to adjust our methodology in order to capitalize on the shifting trends in retail consumer buying behavior? How will the community retail centers of the coming years differ and what will the existing structures need to do to compete?

The grocery-anchored community retail center was a hot topic at the recent International Council of Shopping Centers conference in New York. While grocery stores have been the bread-and-butter of the private developer, we're seeing some interesting movement here. With consumers striving to save money by eating out less, grocery stores are undergoing a makeover to keep up with growing demands on their products and services. Today's shopper is more value-oriented and quality-driven than ever, as the need to economize and eat healthier continues to rise. This change means we need to deliver more options in order to capture and maintain their loyalty. The value-enhanced design solution will be the goal of the industry in the years to come.

Organic food departments are expanding from a few shelves to a major section, as shoppers have become more aware of the health benefit of organic food, and appear to be willing to foot the additional cost for doing so. The rising popularity of Whole Foods Market is a testament to this reality – the grocery store pioneer and number one natural foods store in the world.

In addition to the health aspect, grocers need to meet the fast pace of today's over-scheduled consumer. Prepared meals are a big seller for the busy people who want more than take-out or frozen dinners but simply don't have the time to cook. That means that grocery stores need to add, expand, or update kitchens as well as expand their staff with food preparers.

We're also seeing a change in parking counts as the 9-to-5 work schedule is becoming less of the norm. The traffic for retailers, restaurants, and grocers peaks at different times, allowing the businesses to reduce and share parking space. With shoppers spreading out the traffic flow a bit more evenly, we can shift the savings in parking space to the structures and create more leasable space. For one developer, we designed a store with parking underneath and created vertical transportation to get the shoppers from the lot to the store and back. This is a good solution when space is tight and you need to build upward, not outward.

In 2009, be aware that branding is still important but will bend to the needs of the spaces you have to work with. No longer are developers searching for the perfect space to suit their needs but, instead, are adapting to the spaces they can acquire in the market areas they want to enter. The cookie-cutter design of franchise development is crumbling a bit because developers are working with the available spaces, whether or not they fit the past template of the branded approach. Forget the conventional prototype and look for the best solution. Conforming in this day and age is synonymous with compromise so your forward-thinking visionary approach will be a crucial element to the outcome.

The design for mixed-use centers of the near future will focus on creative solutions that are value-enhanced and economical for the private developer, so we must dig more deeply into our resourcefulness stash. We must blend sustainability with innovation, practicality with distinction. We need to deliver solutions that will work on all levels — economics, aesthetics, green building, function — which means the master planning will likely require more in-depth thinking and creativity. With the crunch of limited commercial space, we need to look at ways to deliver maximum density for the greatest return.

The grocery stores that will thrive in the coming years are those that are intuitive to the needs of the consumers. The focus on value-centered shopping needs to be built into your plans. The grocery store has ascended from the provider of milk and eggs to the purveyor of the affordable, healthy dining experience.

Looking ahead, the role of the architect becomes more integral in the development of the retail center. We need to partner with developers and create a program for the site — one that includes a merchandising and shoppable plan that supports the developer's objectives. To be the solutions-driven partner they need, we must add marketing savvy to our portfolio of services. Take a close look at the ways in which you can meet the needs of this changing marketplace. Now is the perfect time to resolve to step and meet the challenges with greater knowledge, insight, and creativity.

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