

Conversation

Architect Ellen Dunham-Jones on the future of retail in the postsprawl era



Among the downturn's most visible effects are empty stores and dying malls. With consumers cutting back, many retailers are closing outlets or simply going out of business. The result, says Ellen Dunham-Jones, is likely to be at least a doubling of 2008 vacancy rates, which could devastate shopping center owners who took on debt to expand during the boom years. Dunham-Jones is the director of the architecture program at the Georgia Institute of Technology and a coauthor with June Williamson of *Retrofitting Suburbia*, a book documenting the successful redevelopment of shopping centers and other types of properties. She believes that this is no ordinary recession and that big changes ahead call for new thinking on the part of retailers and manufacturers.

For retail, how does this downturn differ from those of the past?

Look at the demographics: During the golden age of new mall construction in the 1970s, about half of U.S. households had kids, whereas fewer than a third do today, and the number of single-person households is rising. It's predicted that at least three-quarters of all new households formed between now and 2025 will be childless. That's ominous news for some retailers – because smaller households have less need for furniture and other consumer goods. And with the collapse of the real estate market, the residential sprawl development that fueled retail growth for decades has ground to a halt. So it's questionable whether U.S. consumer demand will be able to support the current level of more than 20 square feet of retail space per capita – which is at least six times the amount of retail space per capita in Europe.

I expect we'll see dead retail sites proliferate. And although no community relishes the prospect, they in fact provide great opportunities for more sustainable redevelopment.

Where will the new opportunities be?

The sprawl era is ending, so the action for retailers won't be at the fringes of metropolitan areas. With both Gen Y and aging baby boomers showing a preference for urban, mixed-use environments, the opportunities will be at retrofitted underperforming suburban shopping areas close to city centers. Retailers that reinhabit, redevelop, and enliven those sites will benefit from better integration into consumers' everyday lives. This is happening already. At Mizner Park, in Boca Raton, Florida; Belmar, outside Denver; and Santana Row, in San Jose, California, shopping malls surrounded by parking lots have been transformed into pedestrian-friendly neighborhoods with tree-lined streets and ground-level shops and outdoor cafés topped by apartments and offices. In dead-mall retrofits, food courts are being replaced by sit-down restaurants and night spots that cater to suburbia's growing population of empty nesters and young professionals.

Once an enclosed mall, Belmar, near Denver, is now a mix of stores, homes, offices, and public spaces, including a skating rink.

Sounds like unfamiliar terrain for retailers and manufacturers.

Retailers will have to figure out how to reach a mix of workers and residents and integrate discretionary goods with those that meet everyday needs. But they'll be able to build relationships with “regulars” and to compete against online shopping by emphasizing local identity and community and offering a social experience. Manufacturers of retail products, for their part,

will have to rethink the “supersize me” approach and concentrate on what the on-foot, cartless consumer with her smaller living space will be interested in, such as health and green living. Retailers and manufacturers alike should emphasize fundamental quality over quantity, focus on weaving retail into community life, and get creative about retooling for the neighborhood general store of the future.

– Andrew O'Connell
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