

# The Columbus Dispatch

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## Area's empty storefronts likely to be filled, but by quite different tenants

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Retail isn't dead, but that doesn't mean that the mall you hung out at as a teen — or even the place where you bought a refrigerator last year — will survive.

Changing demographics, new ways of shopping and shifts in consumer spending have left big holes in the retail landscape that are apparent to anyone who has driven on a major highway in central Ohio recently.

Retail and real-estate experts say a “survival of the fittest” climate has taken hold in a big way. Weak, out-of-touch retailers and retail spaces are closing while the stronger and more responsive evolve and survive.

“We equate it to the movie business: They've found ways to reinvent themselves with things like more comfortable seating and in-theater dining,” said Stephanie Cegielski, spokeswoman for the International Council of Shopping Centers, which represents all types of shopping centers and retailers.

“We're very optimistic about the industry, but we recognize the need for change.”

The recent wave of store closings has created vacancies adding to the number of empty storefronts created during the most-recent recession, which began nearly a decade ago. The one-two punch is in evidence all over central Ohio, even in areas that remain large, vibrant shopping districts, such as the Easton and Sawmill Road areas.

The shakeout happening in the retail world is a “classic recycling of real estate,” said Mike Simpson, president of Columbus-based commercial real-estate firm NAI Ohio Equities. He foresees most of the big-box stores that have closed recently — think hhgregg and The Andersons — being used again, but in unconventional ways. Automotive businesses, urgent-care centers, fitness centers and housing — from apartments to senior-living facilities — are among his predictions.

“The use will change in many cases,” Simpson said. “In some of the older retail areas that are changing, it’s like a forest fire going through a market — now little wildflowers are beginning to come out.”

Although the number of empty stores might alarm some people, Simpson said that retail vacancy is more complicated and less dire than it might appear.

“If you look at listings (around central Ohio), 90 percent of them have been on the market forever,” he said. “They’re not related to the recent downturn.”

In many cases, Simpson sees vacant stores being razed or divided for use by smaller businesses.

Continental Real Estate is turning a former Giant Eagle on 5th Avenue north of Grandview Heights that has been vacant for nearly three years into two spaces, to be used by Big Lots and antiques dealer Grandview Mercantile.

The fate of recently closed and still-winding-down stores such as the two Andersons locations and the two Columbus-area Gander Mountain stores isn’t known.

A spokeswoman for The Andersons said the company is trying to sell its properties off Sawmill and Brice roads but does not have a deal to announce.

A spokeswoman for Casto, which manages the Westpointe Plaza shopping center in the Hilliard area, said the Gander Mountain store there will close in August, and the space will be marketed for leasing.

As for once-bustling neighborhoods where the retail component has dried up and blown away, Simpson advised not to fret. Struggling areas such as the Brice Road corridor on the Far East Side still have good freeway access and visibility

and a strong population base, he said.

“New places are starting to pop up there,” Simpson said. “It’s a heavily traveled area, and nearby communities like Pickerington are still growing.”

To buttress his point, Simpson noted the reinvention of Morse Road. It went from an area littered with empty storefronts and the vacant Northland Mall to one filled by new, generally smaller stores that serve the local community rather than aiming to be destinations for shoppers from around the region. He said a strong local population base and investment by the city of Columbus were essential to that turnaround.

Redevelopment near Whitehall’s Hamilton Road corridor also shows how city leadership can spark the rebirth of an area, Simpson said.

He said that Westland Mall, which will lose its lone store when the Sears there closes, and Eastland Mall, which will soon be without an anchor store, will eventually be redeveloped. But it’s nearly certain that their replacements won’t be new malls or traditional shopping centers.

Meanwhile, retail space continues to be built — although the mix now often tilts toward restaurants and “service” retail such as drugstores.

And hot locations remain popular. Top shopping centers such as Easton Town Center fill storefronts as soon as they become available. T.J. Maxx and Target are building stores in Columbus near the Ohio State University campus. Both Easton and Polaris Fashion Place devote a lot of space to “experience” businesses such as restaurants, entertainment venues and service providers such as salons rather than standard retail stores.

Well-located retail space still has the advantage over online retailers, offering immediate, convenient access. Still, smart retailers also are integrating online and in-store shopping.

Polaris Fashion Place has rented space to Amazon for its Amazon Locker pickup service, with the idea of drawing more foot traffic as well as generating rent.

A latecomer to online retailing, New Albany-based Abercrombie & Fitch now encourages in-store pickup for orders from its website.

Soft Surroundings, a clothing and home-goods retailer targeting women over 40, also is bucking the store-closing trend by opening 17 stores this year, including one in Easton Town Center this spring.

Soft Surroundings spokesman Jim Manno said the company, which started as mail-order-only, has been conservative in opening stores and has leveraged reams of research to choose store locations and merchandise offerings.

Cegielski of the International Council of Shopping Centers said its members continue to take the long view and roll with the punches.

“Good real estate is always going to be good real estate,” she said. “Shopping centers are very community-driven. If a community is struggling, the mall will be too. What we’re seeing is that commercial real estate is being redefined. We now refer to it as ‘consumer real estate’ rather than ‘retail’ specifically.”