

Evolution of Regional Malls -Repurposing anchor department stores & malls

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History of Regional Mall & Department Store Trends
Regional Mall Comparable Sale Cap Rates
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History of Regional Mall & Department Store Trends



History of Regional Mall & Department Store Trends

The Birth of the regional mall concept – mid 1950's/early 1960's

- Driven by the economic boom & implementation of the interstate system in post-World War II suburbs
- First enclosed suburban mall – Southdale Center, which opened in a suburban location in Edina, MN (1956)
- Other suburban early destinations of the regional mall concept include –

Harundale Mall (1958), Glen Burnie, MD

Big Town Mall (1959), Mesquite, TX

Chris-Town Mall (1961), Phoenix, AZ

Randurst Center (1962), Mount Prospect, IL

Expansion & Popularity – 1960's

- Rapid expansion in mall construction featuring large anchor department stores intended to draw customers
- Smaller stores, food courts, & entertainment options were integrated around the anchors.
- Malls & department stores enjoyed a long & successful rise in consumer popularity
- Some malls began catering to the needs & desires of different family income groups with some catering to a diverse focus on multiple income groups

History of Regional Mall & Department Store Trends

Diversification & Specialization– 1970's

- Introduction of theme malls, such as the Country Club Plaza in Kansas City
- Rise of specialty malls focusing on specific type of goods, like fashion or electronics

The Golden Age – 1980's

- Malls were immensely popular; often included multiple levels, larger food courts, movie theatres, & various entertainment options
- The 1980's marked the peak of mall construction with development of the mega malls.
- They were being built at a rate of 140 per year⁽¹⁾ including large superregional malls with four or more department store anchors.

(1) Lisa Miller, January 20, 2015, “Dead malls: Half of America’s shopping centers predicted to close by 2030”.

The Golden Age – 1980's (continued)

- The seeds of saturation & decline were fast approaching. In 2001, a PricewaterhouseCoopers' study (written by Peter Korpacz & Steven Laposa) found that a vast number of underperforming & vacant malls known as “Greyfield” & “Dead Malls” were an emerging problem.

Saturation & Decline – 1990's

- Marked the saturation of malls with many having more space than they could support.
- The rise of big-box stores, like Walmart & Target, along with the growth in online shopping, began to erode the mall's dominance.

The Struggle & Adaptation – early 2000's/2010

- At the turn of the century as mall construction peaked & began to decline, vacancy rates rose to unsupportable levels which resulted in Greyfield & dead malls, bankruptcies & full or partial redevelopments/reuses of failed malls in the mid-2010's.
- Competition surfaced from open-air power centers, lifestyle centers, & various forms of strip centers, including grocery-anchored neighborhood centers & large community centers.
- This emerging & fast-growing competition was fueled by increasing numbers of shoppers' wanting to park close to the stores they were shopping at & often enjoying lower prices than at the malls.

Saturation & Decline – 2010/2020

- The industry finally had to recognize that the United States was over-retailed, mostly in the mall market.
- The U.S. average of 24.5 square feet of retail space per capita vs. 4.5 square feet per capita in Europe was simply unsustainable.
- As if mall struggles (many self-imposed by overbuilding) was not enough, the COVID pandemic in 2020/2021 with partial closures of retail stores (some for months) added financial losses never before seen in this market.

Department Store Struggle & Adaptation – 2010/2020

- Department stores started to reduce their presence in malls beginning in the mid-2010's & continued up to the present time.
- Green Street Advisors said in April 2020 that more than half of all mall-based department stores would close by the end of 2021.
- The loss of department stores often tripped co-tenancy clauses for inline retailers allowing an easy exit or a renegotiation of rents to lower levels or shift to percentage rent only.

Department Store Struggle & Adaptation- 2020/Current

- As department stores left malls, many moved their surviving stores to open-air & strip style centers or stand-alone sites.
- Dillard's, JCPenney, Kohl's, & Belk are examples of department stores that are finding more success in smaller but lower-cost strip-style shopping centers.
- Department stores have also diversified into internet & off-price sale.

Retail Renaissance - Current Trends

- Retail renaissance is continuing & surviving.
- Over the last two decades, traditional mall anchors have struggled with competition from online retailers & discount department stores.
- Such a turn of fortunes has dented the long-held belief that traditional department stores were magnets for mall shoppers, who will also shop at the inline stores.
- It is estimated by Green Street Advisors that all anchor spaces at enclosed malls now occupy less than half of all anchor space. This has resulted in over 500 vacant department stores. And Macy's is about to close 150 more!

Retail Renaissance - Current Trends (continued)

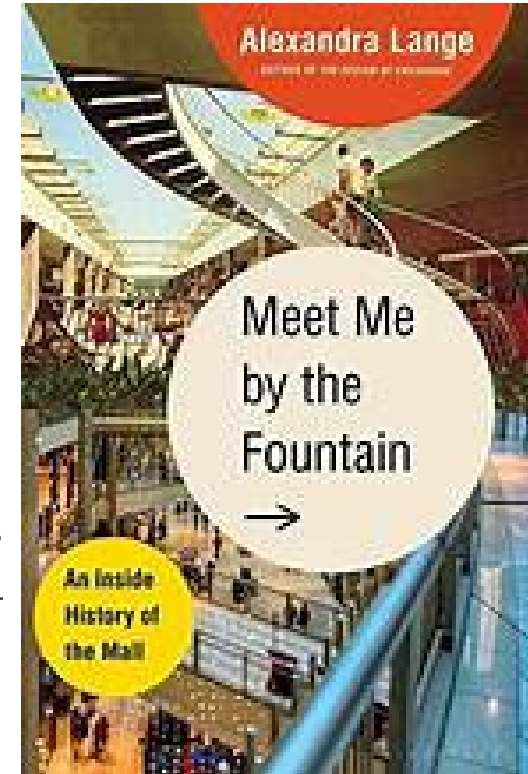
- The term “retail apocalypse” emerged as a term to define the mall trends in 2018-2020.
- The term retail renaissance followed.
- On-line sales, especially from big-box retail (i.e., Walmart, Target, Kohl’s, BJ’s, Costco) & the monster competitor – AMAZON – require difficult strategies for the mall tenants to survive.
- Diversification is helping malls with introducing entertainment venues (pickleball, bowling), food halls, family entertainment (i.e., trampoline park).

Retail Renaissance - Current Trends (continued)

- Bankruptcies & store closing continue to plague the regional mall market.
- But the mall is not dead. A resumption of the “retail apocalypse” is not returning.
- Multiuse is on the rise in empty department stores & malls –
 - Senior housing
 - Hotels
 - Medical facilities
 - Food halls with restaurants, bars, live music & a brewery (Legacy West, Plano, TX)
 - Apartments
 - Educational facilities
 - Local government offices
 - Lots of restaurants
 - Luxury boutiques

History of Regional Mall & Department Store Trends

*“Artfully elucidates the 70-year history of the mall...Lange asserts that malls, as ‘blank boxes in the middle of the big empty parking lots,’ can ‘serve as a land trust’ for the 21st century. This sounds like a stretch, but it proves to e true. Some malls dies, but most don’t...Ms. Lange’s elegant conclusion: **The mall is dead; long live the mall.**” – Wall Street Journal*



Comparable Mall Sales/Survey Cap Rates by Class



Cap Rates

Primary Pricing Method

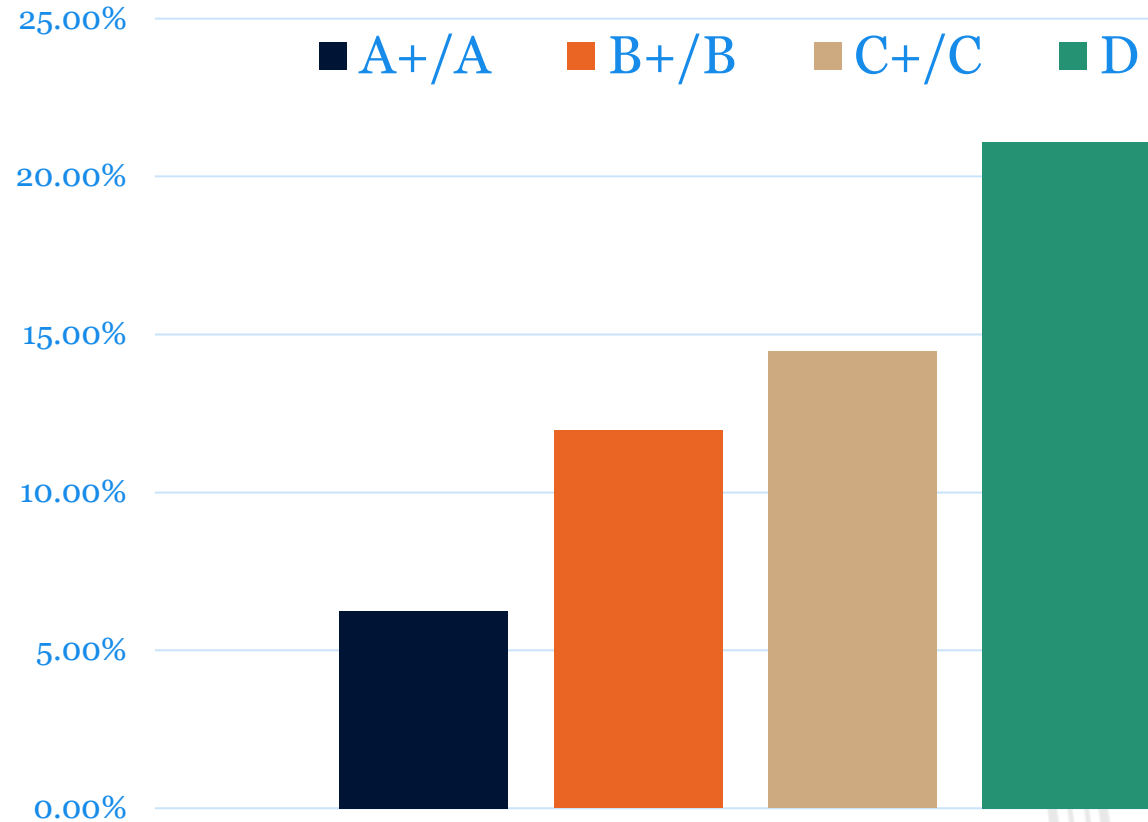


Comparable Mall Sales/Survey Cap Rates by Class

Comparable Mall Sales Cap Rates by Class

Mall Class	Range of Cap Rates	Average Cap Rate
A+/A	5.50% to 7.45%	6.25%
B+/B	10.60% to 14.20%	11.96%
C+/C	12.40% to 15.63%	14.16%
D	15.30% to 33.42%	21.09%

Based on comparable sales that follow.



Regional Mall Sales

Class A					Property Performance	
Property/Location/Sale Year	GLA Sold	Sale Price (M)	Price Per GLA	HBU*	Occupancy/NOI Per SF	Cap Rate
The Shops at Santa Anita, Arcadia, CA 2022	1,475,746	\$537.5	\$364.22	1	96%/\$21.67	5.95%
Comments	Anchors – Macy’s, JCP, Nordstrom & Forever 21. The mall is on a ground lease that expires October 20, 2037.					
PwC Investor Survey	3Q2024 Average for Class A+/A					7.45%
Green Street - U.S. Mall Outlook	2/26/2022 Average for Class A+/A					6.10%
Cushman & Wakefield	2Q2024 Average for Class A+/A					6.38%
*HBU [Highest & Best Use] Legend: 1 = Operating mall; 2 = Redevelopment						
Note: Class A+/A malls rarely sell.						

Regional Mall Sales

Class B+/B					Property Performance	
Property/Location/Sale Year	GLA Sold	Sale Price (M)	Price Per GLA	HBU*	Occupancy/NOI Per SF	Cap Rate
The Shops at Montebello, Montebello, CA 2020	404,161	\$91.5	\$226.40	1	99.3%/\$24.90	11.00%
Comments	Anchors – Macy’s, JCP, Macy’s Home, & Forever 21. The retail sales were \$575 per SF.					
Northridge Mall, Salinas CA 2022	633,9223	\$93.1	\$146.86	1	94.3%/\$15.91	10.83%
Comments	Anchors – JCP, Macy’s, Hobby Lobby, & vacant Sears. This was an off-market sale to a new buyer to the regional mall market.					
The Mall at Robinson, Pittsburgh, PA 2022	385,459	\$46.0	\$119.34	2	79.4%/\$16.49	13.81%
Comments	Anchors – JCP, Macy’s, & vacant Sears. There is room for future development on a six-acre pad site. There are 3 regional mall competitors within a 22-mile radius.					

*HBU [Highest & Best Use] Legend: 1 = Operating mall; 2 = Redevelopment

Regional Mall Sales

Class B+/B					Property Performance	
Property/Location/Sale Year	GLA Sold	Sale Price (M)	Price Per GLA	HBU*	Occupancy/NOI Per SF	Cap Rate
Cumberland Mall, Vineland, NJ 2022	678,782	\$44.61	\$65.72	1	89%/\$24.90	11.00%
Comments	Anchors – Macy’s, JCP, Macy’s Home, & Forever 21. The retail sales were \$575 per SF.					
Antelope Valley Mall, Palmdale, CA 2022	540,022	\$60.0	\$111.11	1	NA/\$15.84	14.26%
Comments	Anchors – Macy’s, JCP, Dillard’s & two vacant stores. The retail sales were \$531 per SF.					
PwC Investor Survey	3Q2024 Average for Class B+/B					10.60%
Green Street - U.S. Mall Outlook	2/26/2022 Average for Class B+/B					12.45%
Cushman & Wakefield	2Q2024 Average for Class B+/B					12.50%

*HBU [Highest & Best Use] Legend: 1 = Operating mall; 2 = Redevelopment

Regional Mall Sales

Class C+/C					Property Performance		
Property/Location/Sale Date	GLA Sold	Sale Price (M)	Price Per GLA	HBU*	Occupancy/NOI Per SF	Cap Rate	
Manassas Mall, Manassas, VA 2020	462,910	\$41.0	\$88.57	1	82%/\$12.75	14.40%	
Comments	Anchors – Walmart, Macy’s, At Home, & vacant Sears.						
Northtown Mall, Spokane, WA 2022	955,397	\$48.947	\$51.23	2	80%/\$7.68	15.00%	
Comments	Anchors – JCP, Kohl’s & vacant anchors (Macy’s & Sears).						
Brass Mill Center, Waterbury, CT 2022	1,179,569	\$44.9	\$38.06	2	%/ \$5.33		
Comments	Anchors – JCP, Burlington, two vacant anchors (Macy’s & Sears). This sale include an adjacent power center. Retail sales were \$370 per SF.						

*HBU [Highest & Best Use] Legend: 1 = Operating mall; 2 = Redevelopment



Regional Mall Sales

Class C+/C					Property Performance		
Property/Location/Sale Year	GLA Sold	Sale Price (M)	Price Per GLA	HBU*	Occupancy/NOI Per SF	Cap Rate	
Lufkin Mall, Lufkin, TX	2022	355,930	\$22.5	\$63.21	1	86.0%/\$7.84	12.40%
	Comments	Anchors – JCP & TJMaxx. The new owners assumed the sellers’ debt & are going to look to cut expenses to increase operating income. Retail sales were \$379 per SF.					
Santa Fe Place, Santa Fe, NM	2022	584,971	\$27.5	\$47.01	1	95.0%/\$6.68	14.20%
	Comments	Anchors – JCP, Dillard’s Conn’s, & Hobby Lobby					
Bellis Fair, Bellingham, WA	2022	774,264	\$46.2	\$59.67	1	80%/\$8.45	14.16%
	Comments	Anchors – JCP, Macy’s, Dick’s, Target, & Kohl’s. The sale price included a 5% buyer premium.					

*HBU [Highest & Best Use] Legend: 1 = Operating mall; 2 = Redevelopment



Regional Mall Sales

Class C+/C					Property Performance	
Property/Location/Sale Year	GLA Sold	Sale Price (M)	Price Per GLA	HBU*	Occupancy/NOI Per SF	Cap Rate
Maplewood Mall, Maplewood, MN 2022	901,971	\$27.5	\$30.49	2	90%/\$4.11	13.50%
Comments	Anchors – JCP, Kohl’s, Macy’s & vacant (Sears). Retail sales were \$328 per SF.					
The Gallery at South Dekalb, Decatur, GA 2022	618,370	\$19.25	\$31.13	2	/\$4.87	15.63%
Comments	Anchors – 3 vacant. Retail sales were \$379 per SF.					
Cushman & Wakefield	2Q2024 Average for Class C					20.00%
*HBU [Highest & Best Use] Legend: 1 = Operating mall; 2 = Redevelopment						

Regional Mall Sales

Class D					Property Performance	
Property/Location/Sale Year	GLA Sold	Sale Price (M)	Price Per GLA	HBU*	Occupancy/NOI Per SF	Cap Rate
Fashion Square Mall, Saginaw, MI 2022	529,944	\$10.75	\$20.29	2	(1)/\$3.44	16.96%
Comments	Sold at auction. Anchors – JCP, Macy’s, & vacant Sears. This is the largest mall in the Great Lakes Bay Region.					
McKinley Mall, Buffalo, NY 2021	759,115	\$8.5	\$11.20	2	68%/\$2.11	18.82%
Comments	Was in foreclosure & this was a court-appointed, distressed sale. Anchors – JCP & vacant anchors (Sears, Bon-Ton, Macy’s, & Macy’s Home) & 81,664 SF temporary inline space.					
Vicksburg Mall, Vicksburg, MS 2021	192,641	\$3.575	\$18.56	2	(2)	23.66%
Comments	Anchors – Dillard’s & Belk; 19 inline store were vacant; entire mall is 356,327 SF.					

(1) Inline occupancy was 91,903 SF (33.0%) vacant; 41,436 SF (14.9%) temporary; & 145,156 sf (52.0%) permanent.

(2) Inline permanent occupancy was 54.2% & 20.4% temporary tenants.

*HBU [Highest & Best Use] Legend: 1 = Operating mall; 2 = Redevelopment



Regional Mall Sales

Class D					Property Performance	
Property/Location/Sale Year	GLA Sold	Sale Price (M)	Price Per GLA	HBU*	Occupancy/NOI Per SF	Cap Rate
Eastdale Mall, Montgomery, AL 2020	483,675	\$11.75	\$24.29	2	72.1%/\$3.87	15.94%
Comments	Sold at auction. Anchors – JCP, At Home, Dillard’s Belk Women’s & Belk Men’s). The closest regional mall is 54 miles away.					
Burnsville Center, Minneapolis, MN 2020	522,088	\$17.955	\$34.39	2	77.8%/\$11.49	33.42%
Comments	Sold at auction. To increase foot traffic, new owner plans on leasing space to local tenants on short-term lease, while they decide on redevelopment plans.					
Mesilla Valley Mall, Las Cruces, NM 2020	395,832	\$20.1	\$50.78	2	81.4%/\$10.41	20.50%
Comments	This was an REO sale. Anchors – JCP, Dillard’s Men/Home & Women, Conns Home Plus, & vacant Sears.					

*HBU [Highest & Best Use] Legend: 1 = Operating mall; 2 = Redevelopment

Regional Mall Sales

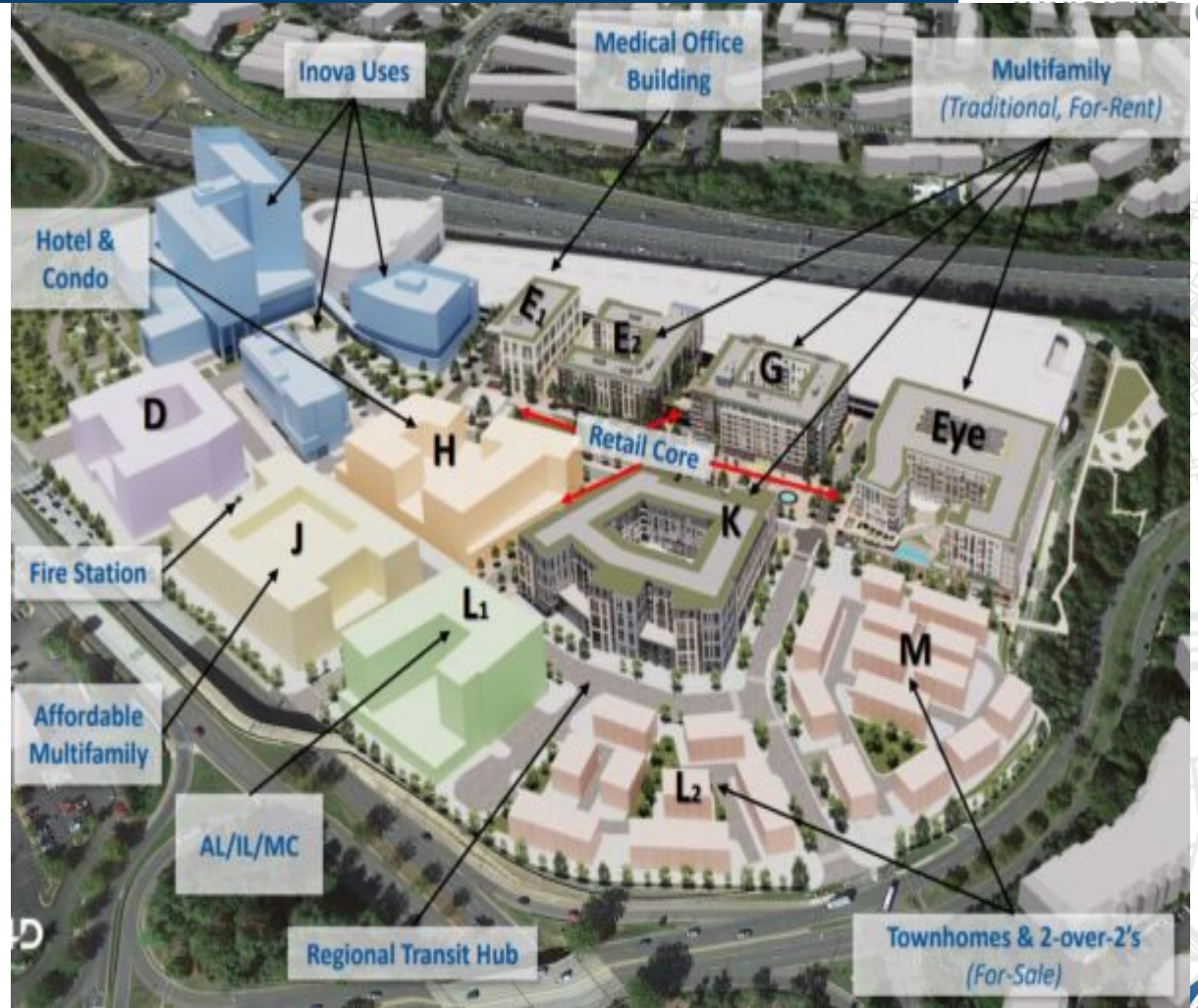
Class D					Property Performance	
Property/Location/Sale Year	GLA Sold	Sale Price (M)	Price Per GLA	HBU*	Occupancy/NOI Per SF	Cap Rate
The Shoppes at Bel Air, Mobile, AL 2020	966,272	\$37.5	\$38.81	2	68.2%/\$6.73	17.33%
Comments	Anchors – Belk, JCP, Dillard’s, Target, & one vacant. The nearest mall is 52 miles away.					
The Center at Salisbury, Salisbury, MD 2021	708,824	\$24.6	\$34.71	2	77.5%/\$9.45	27.24%
Comments	Anchors – Boscov’s & vacant anchors (Macy’s & Sears). The nearest mall is 57 miles away in Delaware.					
Oak View Mall, Omaha, NE 2021	402,580	\$7.5	\$18.63	2	62.4%/\$2.85	15.30%
Comments	Anchors – Dillard’s (only one in Omaha), JCP, The Rush Market Furniture (previously a Younkers), & a vacant Sears.					

*HBU [Highest & Best Use] Legend: 1 = Operating mall; 2 = Redevelopment

Regional Mall Sales

Class D					Property Performance		
Property/Location/Sale Year	GLA Sold	Sale Price (M)	Price Per GLA	HBU*	Occupancy/NOI Per SF	Cap Rate	
Meriden Mall, Meriden, CT	592,067	\$12.5	\$21.11	2	78.8%/\$4.81	22.77%	
	Comments	Anchors – Boscov’s & two vacant anchors (Macy’s & Sears).					
Central Mall, Lawton, OK	420,269	\$14.45	\$34.38	2	69.2%/\$6.88	20.00%	
	Comments	Anchors – JCP & two vacant anchors (Dillard’s & Sears). The property was purchased by City of Lawton to serve as new home for FIRES Innovation Science & Technology Accelerator in the vacant anchor spaces.					
Cushman & Wakefield	2Q2024 Average for Class D			Not Applicable – Land Value			
*HBU [Highest & Best Use] Legend: 1 = Operating mall; 2 = Redevelopment							

Mall Redevelopments



Landmark Mall, Alexandria, VA

Mall Redevelopments

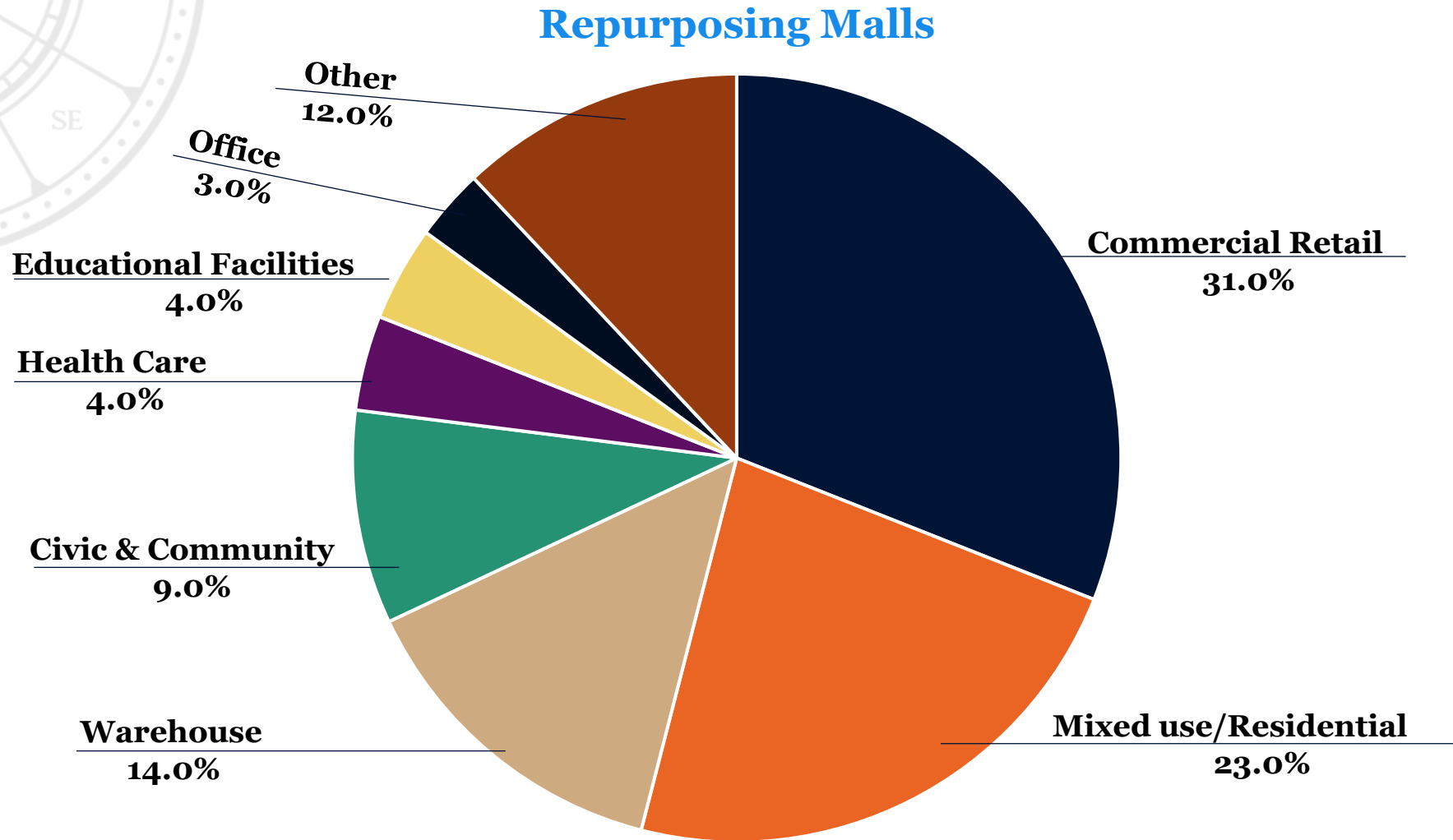
Once Was



What will be



Repurposing Malls



Source: "2020 Case Studies on Repurposing Vacant Retail Malls" by National Association of REALTORS® Research Group

Examples of Mall Redevelopments

Mall Name/Location	Comments
Burnsville Center Minneapolis, MN	Plan to add a skate park; new Asian-themed, 13,320 SF food hall to be finished by June 2025; & a petting zoo will be coming to a now-empty storefront, midlevel behind the tower, overlooking the food court.
Central Mall Lawton, OK	Converted into FISTA (Fires Innovation Science & Technology Acceleration) innovation park, a STEM Lab, to boost the local economy by attracting defense contractors, technology companies & researchers to Lawton. The creators of FISTA envision a facility where companies can work closely with military operations at nearby Fort Sill in a high-security environment.
Lakeside Mall Sterling Heights, MI	To be redeveloped into an outdoor mall called Lakeside Town Center in late 2025. The only thing left from the mall will be Macy's 3-story building. Lakeside Town Center will consist of mixed-use retail space, residences, parks, office spaces, restaurants & other non-retail offerings.

Examples of Mall Redevelopments

Mall Name/Location	Comments
One Hundred Oaks Nashville, TN	Vanderbilt University Medical Center houses 22 specialty clinics in 500,000 sq. ft.; some big-box retailers remain on ground floor with exterior entrances.
Capital Hill Mall Helena, MT	Benefis Health System housing primary care & specialty clinics in 64,000 sq. ft. (on section of mall that was demolished)
Landmark Mall Alexandria, VA	Inova Health System is building a mixed-use development complete with a hospital & trauma center (mall demolished)
Citadel Mall Charleston, SC	Medical University of South Carolina, whose clinics & surgery centers are now housed in the mall's old JCPenney department store. "It offered the bones that could be easily flipped into a healthcare facility" (now known as West Ashley Medical Pavilion)

Medical malls have also helped their surrounding communities by generating new foot traffic & business that was not there before. "There's been this resurgence in that area, & it's wonderful that any organization can offer that back to the city."

Examples of Mall Redevelopments

Mall Name/Location	Comments
Euclid Mall Mount Prospect, OH	Transformed into an 855,000 SF Amazon fulfillment center (qualified for 100% property-tax abatement for 15 years), county provided \$1.3M for roadway project, Ohio Tax Credit Authority gave job-created tax credit estimate at \$3.9M over 10 years.
Metro North Mall Kansas City, MO	Developer received TIFs estimated at \$187.5M for mixed-use redevelopment of the mall
Worcester Center Galleria Worcester, MA	Redeveloped into 500,000 SF of office space, 1,000 residential units, & 168 hotel rooms, as well as 350,000 SF of new retail
Westside Pavilion West Los Angeles, CA	Redeveloped into Class A office
Nanuet Mall Nanuet Mall, NY	Redeveloped into the lifestyle center – The Shops at Nanuet
Indian River Mall Vero Beach, FL	The new mall owners are asking to rezone the property to build apartments & some kind of education center. They also want to build a 45-foot high hotel, which is higher than the current limit of 35 feet.

The Amazon Effect on Malls



Amazon, which has done as much as any company to bring about the demise of shopping malls in the United States, has now come full circle by buying up struggling malls & turning them into distribution centers for its rapidly growing e-commerce empire.

In 2021, Amazon went on a shopping spree with a number of new mall purchases. In March 2021, the Seattle-based retail giant won approval to convert a mall in Baton Rouge, Louisiana, into a 3.4 million-square-foot distribution center. That same month, Amazon won similar approval to turn a mall in Knoxville, Tennessee, into a 220,000-square-foot distribution center. Those deals followed a December 2020 decision by the local planning board in Worcester, Massachusetts, to let Amazon convert the city's Greendale Mall into a 121,000-square-foot distribution center.

Comparable Department Store Sales/Price Per SF

Primary Pricing Method

Price Per SF

Often referred to as “buying by the pound”

Comparable Department Sales/Price Per SF

Mall Class	Range of Price/SF	Average Price/SF
A+/A	\$198.20	N/A
C+/C	\$9.09 to \$90.82	\$28.42
D	\$1.74 to \$8.74	\$5.24

There was only one comparable sale in a Class A+ or A mall; thus, making an average price per square foot not applicable.

Regional Mall Department Store Sales

Property/ Location	Year Sold	GLA	Sale Price	Price/ GLA	Mall Class	Buyer/ Planned Reuse
Belk Santa Rosa Mall (FL)	2019	90,039	\$1.3M	\$14.44	C	Mall owner/residential redevelopment
Younkers RiverTown Crossings (MI)	2019	150,081	\$1.5M	\$9.99	C+	Mall owner/1 st fl leased to gym; 2 nd fl vacant
Carson Pirie Scott Spring Hill Mall (IL)	2019	128,000	\$1.12M	\$8.74	D	Mall owner/demolished; to be determined
Bergner's White Oaks Mall (IL)	2019	125,224	\$1.75M	\$13.97	C	Mall owner/To be determined

Regional Mall Department Store Sales

Property/ Location	Year Sold	GLA	Sale Price	Price/ GLA	Mall Class	Buyer/ Planned Reuse
Younkers Merle Hay Mall (IA)	2019	165,000	\$1.5M	\$9.09	C+	Mall owner/hockey arena
Sears Merle Hay Mall (IA)	2020	225,711	\$2.8M	\$12.41	C+	Mall owner/demolished & new Kohl's constructed
Macy's Macon Mall (GA)	2020	158,000	\$275,000	\$1.74	D	Mall owner/To be determined
Macy's Parkway Plaza (CA)	2020	115,612	\$10.5M	\$90.82	C	Mall owner/redevelop entire property

Regional Mall Department Store Sales

Property/ Location	Year Sold	GLA	Sale Price	Price/ GLA	Mall Class	Buyer/ Planned Reuse
Sears Triangle Town Center (NC)	2021	164,229	\$5.85M	\$35.62	C+	No set plans for the building.
JCPenney Monmouth Mall (NJ)	2021	194,896	\$8.0	\$41.05	C	Mall owner/to gain control for mall redevelopment, including apartments & office.
JCPenney Queens Center (NY)	2021	204,340	\$40.5M	\$198.20	A+	Ashkenazy/The mall's new wing, est. at 421,700 SF, will be anchored by a 202,000-SF JCP, which is relocating from its former location in the existing mall.

Department Store Redevelopments



Performance Pickleball RVA
Macy's North – Regency Square Mall

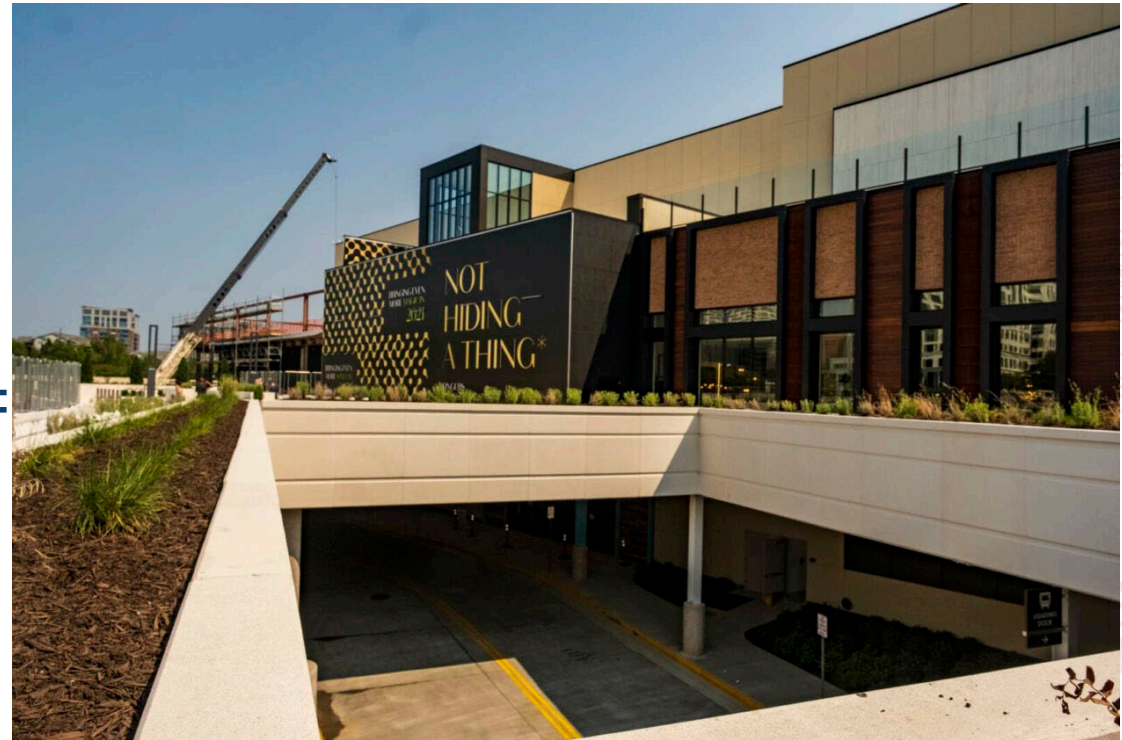


NOVA Aquatics of Virginia
Macy's South – Regency Square Mall

Department Store Redevelopments



Former Macy's, Tysons Corner, VA



The redevelopment is paving the way for the addition of a movie theater, a bowling alley, & other retailers.

Macy's once was, is now new & different

Examples of Department Store Redevelopments

Department Store/Location	Comments
Macy's North – Regency Square Mall Richmond, VA	Performance Pickleball RVA, 18 state-of-the-art courts on the 41,000 SF ground floor, while the upper level is occupied by entertainment venue Surge Adventure Park.
Macy's – South – Regency Square Mall Richmond, VA	In September 2021, NOVA announced the completion of their new \$13M facility, the NOVA Aquatic Center – Regency, featuring 8-lane, 50-meter pool that also runs as a short course yards pool in the opposite direction. There will also be two 3-lane, 25-yard pools that will be used for NOVA's swim lessons program
Sears – Buena Park Downtown Buena Park, CA	Demolition of the existing Sears retail building & auto center; the construction of 1,302 residential units, comprising of 1,176 apartment units & 126 townhomes with associated parking & site improvements with complete delivery slated for 2027.
Bergner's – White Oaks Mall Springfield, IL	Simon bought the Bergner's space in 2019 for \$1.75 million. It's since been used by Green Family Stores to sell cars.
Sears Glendale, CA	Merlone Geier is planning a \$370M redevelopment into a 700-unit multifamily campus

Examples of Department Store Redevelopments

Department Store/Location	Comments
Sears – Brea Mall Brea, CA	Simon plans to demolish the 162,000-square-foot shuttered Sears building & adjacent parking lot to build a 15.5-acre mixed-use development consisting of 5 new commercial buildings (retail & restaurants), a 5-story 380-unit market rate multifamily with some affordable housing apartment on top of a 3-story parking structure, a 2-story fitness center, & 2 outdoor gathering spaces - a plaza & a central green area. The site will have 593 parking spaces for residents & 292 more for the mall.
Belk & Dillard’s – Santa Rosa Mall Mary Esther, FL	These acquisitions will allow Radiant Partners to take full control of the Santa Rosa Mall property & continue to master plan the redevelopment, Renaissance Santa Rosa. Phase 1 was completed in 2021 (old Belk section of the mall). Dillard’s is the proposed Phase 2 of the complex.
Sears – White Oaks Mall Springfield, IL	After the State of Illinois purchased the space formerly occupied by Sears for \$3.5 million August 2019, the state now plans to move Illinois Environmental Protection Agency headquarters from North Grand Avenue to the mall.

Examples of Department Store Redevelopments

Department Store/Location	Comments
Carson's – Yorktown Center Lombard, IL	Beginning in Summer 2024, a two-phase redevelopment of the 12+ acre vacant department store is scheduled to begin construction. Phase 1 has an anticipated completion date of Spring 2026 includes the demolition of the former Carson's building, construction of a multifamily residential building, the creation of a large park area that will be a communal outdoor space, as well as peripheral building modifications to the shopping center that will create a seamless connection to the residential units.
Macy's & Sears – Spring Hill Mall West Dundee, IL	West Dundee bought the entire property for \$7 million after spending \$3.25 million to buy the former Sears & Macy's storefronts. Village leaders said there are plans for something new to take the mall's place.
Sears – Alderwood Mall Lynnwood, WA	The changing face of Alderwood Mall: Gone is the Sears store; in its place will be this 328-unit apartment complex. Avalon Apartments will have two buildings, each six stories high. The ground floor will be reserved for retail.

General Note: Pickleball is coming to your local mall, replacing shuttered Bed Bath & Beyond, Old Navy, & Saks Off 5th stores. The new mix at malls also includes skydiving, virtual golf & breweries.

Future Mall & Department Store Expectations



Future Mall & Department Store Expectations

Renaissance Continues

- “Renaissance” replaces “Retail Apocalypse” as the relevant term for defining mall & department store trends.
- The future of retail lies in creating an engaging environment that resonates with today’s discerning shoppers.
- The department store model, while historically significant, must continue to evolve or risk being left behind in the retail renaissance.

Evolution of Regional Malls -Repurposing anchor department stores & malls

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