



Replacing the Malls of America - Creativity Key to Overcoming Complacency

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CHICAGO, Apr 27, 2015 (BUSINESS WIRE) -- Since the mid-1950s, shopping malls have been an integral part of the American economy and lifestyle. As noted in the book, *The New Rules of Retail*, roughly 1,500 malls have been built since that time – but half are predicted to close within the next 10 years. According to James McClelland, CEO of Tinley Park, Ill.-based MACK Developers, a premier developer of public and private projects in the Chicago area, while some see these closures as devastating losses, a little creativity can convert losses into opportunity for local municipalities, businesses and residents alike.

“Change is inevitable, no matter where you live,” said McClelland. “And when a mall is closed, what we need to do is adapt. We need to understand the experience that the mall created, the internet tools that replaced it, and what new experiences are needed in that space to foster commerce.”

He suggests municipalities and developers tailor the space to the community through mixed-use development. “Rather than trying to replace a failed model with more of the same, communities need to examine what their demographics are telling them. What mix of residential, commercial and retail development best suits their community today, in five years, and 10 years down the road?” McClelland says that mixed-use isn’t limited to housing and retail. Many communities are considering incorporating a variety of components, including senior care facilities and youth activity centers. “Tailoring mixed-used developments to the area’s specific needs will build a community within a community, which truly promotes growth.”

McClelland cites the arcade providence, an historic mall located in Providence, Rhode Island, as an example of creatively repurposing a failed mall. Known as the nation’s oldest indoor shopping mall, and originally built in 1828, the arcade providence now features retail on the first floor with 48 micro-loft rental units on the second and third floors.

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McClelland said, "In that example, nothing was torn down, an important landmark was preserved, and yet, it was repurposed to meet the needs of the community. Who thought anybody would want to live inside a mall? But you can see it drove demand, even had a waiting list for the micro units. It can be done, but it takes equal parts imagination and innovation."

And this creative approach doesn't stop with shopping malls, according to McClelland. "Any time you have significant amounts of commercial or retail space that is underperforming, you're faced with a choice – adapt or die."

With more mall closures anticipated in the coming years, McClelland notes that these closures are indicators of changes in buyer behavior, not consumer loyalty. "Lack of interest in what the malls have to offer is not a crime of disloyalty or consumerism. It's indicative of supply not meeting demand. Rather than blaming shoppers, we should work together to ensure the cancer of complacency does not set in for local planners and developers. Together, they can drive creative solutions."

MACK Developers is currently reviewing opportunities in a number of south suburban Chicago communities with vacant property as well as undeveloped land. "We're based in these communities, we're invested in these communities. We don't just build and leave, we're in it for the long haul, because if they grow, we grow along with them," said McClelland.

For information on MACK Developers, please contact (888) 456-8241.

About MACK Developers

MACK Developers is a division of MACK Companies, a full-service real estate firm offering investment, construction, residential, commercial, landscape and brokerage services. MACK Developers' experience in planning, construction and redevelopment enables it to deliver developments that drive commerce. Founded in 1998 by Chicago-native father-and-son duo James and Jim McClelland, MACK Companies was built out of a shared passion for real estate. Today, MACK Companies is able to function at the highest levels of expertise in all specialized sectors of real estate. For more information, visit mackcompanies.com.

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