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Much of East Shore has reached maximum for stores, experts say

By Mary Klaus, The Patriot-News, Harrisburg, Pa.

Aug. 3--When Bob Gorland moved to the East Shore in 1988, he said the market needed more stores.

Twenty years later, the retail specialist says that much of the market is saturated.

"The market can only support so many stores," said Gorland, vice president of Matthew P. Casey & Associates' Harrisburg office and a specialist in shopping center and supermarket feasibility studies.

"The East Shore is saturated with what's here and under construction."

Over the past two decades, area fields have been turned into shopping areas filled with national chain stores, big-box stores, discount stores and upscale merchants. Gorland said that the East Shore has an abundance of malls, shopping centers, strip malls and power centers, which he defined as multi-anchored shopping centers.

The main shopping areas include:

--Harrisburg Mall and High Pointe Commons in Swatara Twp.

--Colonial Park Mall, Paxton Towne Centre, Colonial Commons and The Point Shopping Center in Lower Paxton Twp.

--The Shoppes at Susquehanna Marketplace in Susquehanna Twp.

--The Outlets at Hershey.

"When an area is saturated, you can have a soft business environment," Gorland said. "What that happens, places close."

Bill Gladstone, a commercial real estate broker who leads the Bill Gladstone Group of NAI/CIR, said not all parts of the Harrisburg area are saturated with stores.

"Route 22 is saturated with shopping centers from the Colonial Park Mall to Mountain Road," he said. "Union Deposit [Road] at Interstate 83 is saturated, too, with The Point, Dauphin Plaza and Union Square shopping centers. But Swatara Twp., which has the Harrisburg Mall and High Pointe Commons, isn't."

Gladstone said Swatara Twp. can support Swatara Marketplace, a \$90 million shopping center planned for a 160-acre wooded tract along Route 322 in the township. Regency Centers of Jacksonville, Fla., is developing the project.

"Regency wouldn't be looking at putting a shopping center there unless there was a need for it," he said. "That area needs an upscale grocery store for people from Middletown and Swatara and Lower Swatara townships."

He said that "strip centers" are being built in the Halifax area, the Linglestown area and in Upper Allen Twp.

Part of the saturation problem is having too many stores of one kind in an area, Gorland said. He said that a few years ago, an OfficeMax, Office Depot and Staples competed for the same business just a few blocks apart on Union Deposit Road. Office Depot has since closed.

"Petco is building a freestanding store almost directly behind Superpetz across the street from Paxton Towne Centre," he said. "Two specialty box stores directly in competition in Lower Paxton Twp., a specific kind of retail, is a category killer. That can affect overall profitability for one or both stores."

Stores are experiencing the effect of high gas, utility and food prices on consumers' shopping habits, Gorland said, adding that specialty, apparel and appliance stores are taking the biggest hit.

"People are holding off doing things like upgrading their computers unless it's absolutely necessary," he said. "Discount department stores, wholesale club stores such as Sam's Club and Costco and some supermarkets are holding up well in this economic environment. People are purchasing more private label products, both in the supermarket and in the department stores."

Gladstone said that some people shop regardless of the economy.

"When things are good, people have money to shop," he said. "When things are bad, people like to shop to cheer themselves up. Sometimes when the economy is poor, big ticket items suffer but clothing stores and smaller ticket items like candles do OK in the right location."

Gorland said anyone thinking of building a shopping center should do a study of the market, including consumers and competitors.

"It's dangerous to start building without doing that," he said.

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