# Retail sector undergoes transformation amidst closures and new opportunities



Recent developments within the retail sector indicate a complex landscape shaped by both closures and new opportunities. The ongoing reshaping of retail spaces is a notable trend, driven by several high-profile bankruptcy announcements and various businesses shuttering their locations across the United States. Research published by REJournals reveals that, while some retailers like Big Lots, Party City, CVS Pharmacy, and Walgreens are stepping back, this has led to a surge in possibilities for other brands eager to expand their market presence.

As numerous storefronts prepare to close, they are likely to leave behind significant vacancies in net-lease retail properties and shopping centre markets. These empty spaces could soon be filled, as opportunistic tenants increase their search for desirable locations. Notable retailers such as Ollie’s Bargain Outlet, Barnes and Noble, Burlington, Michaels, and Haverty’s have secured leases in these vacated locations, capitalising on high-quality and high-traffic sites. This trend presents an opportunity to navigate a low-vacancy market while mitigating the challenges associated with expansion.

In contrast, the single-tenant net-lease market presents hurdles due to stringent construction and branding guidelines adhered to by many retailers. Consequently, brands like Dutch Bros Coffee may not favour repurposing former stores like Walgreens for their new locations, as they seek custom solutions that align with their specific requirements.

Amidst these shifts, there are clear indications that independent businesses may target shuttered freestanding and junior box locations, positioning themselves to better serve local consumer bases. Additionally, redevelopment or demolition of these vacant sites emerges as a potential solution, especially if the locations boast good access and high traffic. While a former CVS may not meet the needs of a Chick-fil-A’s operational requirements, the site could nonetheless warrant a complete overhaul.

Looking ahead to 2025 and beyond, projections indicate that thousands of new stores and restaurants are likely to open, firmly positioning the retail sector on a trajectory towards expansion. Quick-service restaurants and convenience stores appear to be the frontrunners in this growth, with chains such as Jack In The Box, Slim Chickens, Wawa, and Sheetz planning ambitious growth strategies. Discount retailers, such as Five Below and Ross Dress For Less, are also making significant headway as consumers remain budget-conscious. Larger retailers that have held steady over recent years, including Lowe’s and Walmart, are now moving towards opening new locations.

As the retail landscape continues to evolve, the question remains whether 2025 will be marked by substantial store closures and industry consolidation, or whether it will instead signal a period of notable growth among both established and emerging brands. Industry experts are keenly observing these dynamics, indicating that the forthcoming years could shape the future of retail significantly. Lanie Beck, Senior Director of Content and Marketing Research at Northmarq, reflects on the current state of affairs, noting the evolving nature of the retail market and the various strategies being employed by different players in the industry.

Source: [Noah Wire Services](https://www.noahwire.com)

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