THE PAST, PRESENT AND FUTURE OF URBAN RETAIL
LOCATIONAL, CULTURAL AND ECONOMIC PATTERNS OF RETAIL TRANSFORMATION IN THE UNITED STATES AND EUROPE

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Retail store closings by square footage (millions)

Source: Credit Suisse
© FT
Announced store openings and closings
Excluding grocery stores and restaurants

Source: ICSC Research Team and PNC Real Estate Research

Bloomberg: “America’s ‘retail apocalypse’ is really just beginning
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“America’s vast swaths of retail space have become a burden in the age of e-commerce”
Opheffing, Korting, uitverkoop, alles weg!
What is the geographic **pattern** of urban retail decline over the past century?

*Can we learn from trends in this decline?*
Benefits to retail agglomeration...

- Hierarchical position in the economic region (e.g. Christaller, 1933)
- A risk minimization strategy by shops and consumers (e.g. Hotelling, 1929)
- Clustering along most accessible locations (Garner, 1966).

... results in a dual hub-and-spoke pattern.

THE HAGUE

DETROIT

CINCINNATI

CASE STUDIES
THE HAGUE

DETROIT

CINCINNATI

CASE STUDIES
THE HAGUE
55000 inhabitants

1911

DETROIT
25000 inhabitants

CINCINNATI
THE HAGUE: 50,000 inhabitants

1937

DETOUR: 19,000 inhabitants

CINCINNATI: 30,000 inhabitants

1930
**THE HAGUE**
22000 inhabitants

**DETROIT**
7600 inhabitants

**CINCINNATI**
27500 inhabitants

1961

**COMPARISON**
THE HAGUE

15000 inhabitants

1988

DEtroIT

6000 inhabitants

1988

CINCINNATI

9500 inhabitants

1993
THE HAGUE

17000 inhabitants

2011

DETROIT

5000 inhabitants

CINCINNATI

2017

6000 inhabitants
Retail decline in percentage

OVERALL RETAIL DECLINE
INTERACTIVITY TRANSFORMATION BY DISTANCE TO CENTER OF ACTIVITY
INTERACTIVITY TRANSFORMATION BY DISTANCE TO CENTER OF ACTIVITY

The Hague

- Linear Rsq 0.75-0.83
- P < 0.005

Detroit

- Linear Rsq 0.4-0.44 (until 1951), 0.14 (2011)
- Polynomial Rsq 0.74-0.88 (until 1951)
- P < 0.005
Choice (the propensity of street segments to function as a through-route) at the R=10km radius
The Hague

Detroit

Rsq 0.57-0.71
Pearson r 0.75-0.85
P <0.005

Rsq 0.46-0.59 (until 1951), 0.36 (2011)
Pearson r 0.6-0.75
P <0.005
PATH FORWARD
PATH FORWARD
People are looking for a story.
People are looking for a story.

Millennial annual purchasing power: $200bn.
(Forbes, 2015)
People are looking for a story.
People are looking for authenticity and convenience.

Apple Grand Central, New York

Amazon Books, Seattle WA
People are looking for authenticity and convenience.

Fenix Food Factory, Rotterdam
De Hallen, Amsterdam