

## U.S. NEWS

# Malls Face Surge in Vacancies

*Fallout From Boom and Downturn, Change in Habits, Hit Local Shopping Areas*

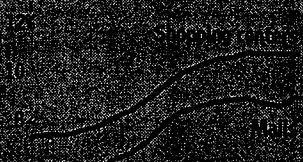
By KRIS HUDSON  
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Even as the economy picks up steam, many of the nation's malls and shopping centers are suffering a hangover due to changing consumer habits and the fallout from a massive building boom.

Mall vacancies hit their highest level in at least 11 years in the first quarter, new figures from

## More Empty Space

Vacancy rates for malls and shopping centers in the top 20 U.S. markets quarter



mainstream that retailers will wonder what they need some of these big boxes for, when you have a retail presence in everyone's pocket via your smart phone," said Leon Nicholas of retail consultancy Kantar Retail.

In some towns, city officials are looking for ways to revive, or even redeploy, mall space.

In the Denver suburb of Westminster, Colo., city officials are re-

would consider easing ordinances and may seek tax abatements to help the landlord, Vornado Realty Trust, attract a new tenant. "It's a gateway to the town," said Frank Stabile Jr. head of North Plainfield Economic Development Committee.

Vacancies and falling rents have especially hurt strip centers. Some regional grocers have been