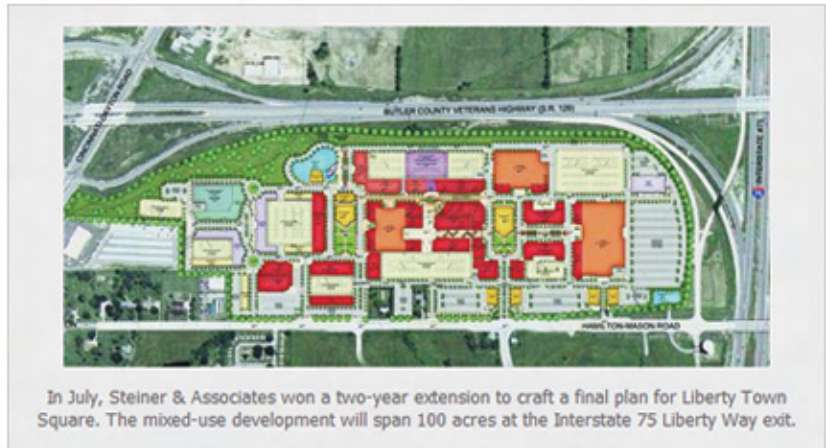


Inexpensive land, interstate access create retail haven



Date: Friday, October 7, 2011, 6:00am EDT

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For catalog outlet centers to ring up in-person sales, they need to locate away from urban areas but be within easy reach of a large, affluent regional population.

Enter the Interstate 75 corridor in Butler and Warren counties.

Sandwiched between Cincinnati and Dayton, the stretch of highly traveled freeway is within two hours of Columbus, Indianapolis, Louisville and Lexington.

"They need to be away from where major retailers have urban stores, so you find them halfway between major cities," said **Craig Rambo**, chairman of architecture and planning firm McGill Smith Punshon.

Outlet centers can't live on local demographics alone, said **Chris Hodge**, a retail specialist at commercial real estate firm **CB Richard Ellis**.

The stretch of highway that runs from Hamilton County through Butler and Warren counties and into Montgomery County does "have high population counts, high residential growth and high household median incomes," Hodge said.

The corridor also offers lots of inexpensive, available land. And more is on the way, thanks to the addition of new and proposed interchanges along I-75.

Combine that with an economy slowly coming back to life, and more outlets could be on the map, sources said.

The success of the Cincinnati Premium Outlets center in Monroe is a great advertisement for the region.

"It can pull people up from Cincinnati and down from Dayton. There aren't that many outlets centers built and there is no fear of being out-positioned in the marketplace," said **Greg Sample**, CEO of real estate consulting firm the Paladin Co.

A locality like the I-75 corridor makes sense for niche retailers that are protected from competitiveness, Sample said. **IKEA** is the perfect example. Company officials said they picked the store's West Chester site specifically for its regional draw and visibility along I-75.

The corridor also boasts strong industrial distribution attributes, said **Jon Burger**, senior vice president of Cincinnati operations for **Duke Realty**. "I think those outlet operators are taking advantage of both the distribution and retail components."

Buying power

Money is an obvious lure, too. Hodge said there are plenty of local and state incentives to attract retail.

Residents with capital to spend are moving into communities between interstates 275 and 675, Rambo said. They are the perfect demographic for companies like **Cornerstone Brands'** home furnishings sellers Frontgate and **Ballard Designs**, which operate outlet stores in West Chester.

These residents are building new homes that need to be furnished or they are remodeling existing spaces.

"People here actually buy those items," said **Joe Hinson**, West Chester Chamber Alliance CEO. "The makeup of the population is a good test market for their products."

When the designated market areas (media markets), for Cincinnati and Dayton are combined, they become the nation's 20th largest region for retail store spending, according to the 2009 ACCRA Cost of Living Survey.

And 17 percent of the households within a 40-mile radius of Union Centre Boulevard have 2011 estimated household incomes above \$100,000. A third of all households have 2011 estimated incomes between \$50,000 and \$99,999, according to demographic reports from CB Richard Ellis.

The numbers are higher within a 5-mile radius (19 percent of households with income above \$100,000).

That partially explains the push to launch the \$250 million Liberty Town Square. **Steiner & Associates** put the 100-acre project on hold in 2008. Steiner won a two-year extension in July to craft a final plan for the mixed-use development at the I-75 Liberty Way exit.

Retail also is driven by rooftops. Liberty Township is about 40 percent built out in residential, Rambo said. "The growth of upper-end housing hasn't happened there yet."

Retail and residential proliferation will only get better, Hodge said.

"The region and its developments will attract employment, jobs and services and industrial companies that add to the tax base," Hodge said. "And residential will come because people like to live where they work."