DELAWARE VALLEY
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REGIONAL
PLANNING COMMISSION

Greyfield Shopping Centers in Greater Philadelphia

June 2024

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The Delaware Valley Regional Planning Commission (DVRPC) is the federally designated Metropolitan Planning Organization for the Greater Philadelphia region, established by an Interstate Compact between the Commonwealth of Pennsylvania and the State of New Jersey. Members include Bucks, Chester, Delaware, Montgomery, and Philadelphia counties, plus the City of Chester, in Pennsylvania; and Burlington, Camden, Gloucester, and Mercer counties, plus the cities of Camden and Trenton, in New Jersey.

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Introduction

Greyfield is a term used to describe formerly viable retail and commercial sites—such as malls and shopping centers—that have become obsolete, underutilized, and/or fully abandoned, especially as newer commercial developments draw shoppers away. Usually, there is very little commercial activity at a greyfield site, or all tenants have vacated the premises, leaving only empty buildings behind. Greyfields take their name from the vast asphalt parking lots that typically dominate these sites. While they may have infrastructure in place, greyfield properties may be too outdated to attract new users or redevelopment.

A vacant big box storefront in suburban New Jersey (Source: CoStar)

Where are Greater Philadelphia's greyfield shopping centers?

DVRPC uses the CoStar platform to inventory the region's commercial real estate properties, including its shopping centers. Shopping centers are classified as "greyfields" if they are under 75 percent leased and built prior to 2021. Percent Leased refers to the percentage of space in a specific building that has been leased or pre-leased. Occupancy and vacancy data is less comprehensive within CoStar, so this analysis uses Percent Leased as a proxy for the health of an individual property and market.

As of February 2024, the nine-county Greater Philadelphia region has 72 greyfield shopping centers. The greyfields are mapped among all of the region's shopping centers in Figure 1 on the following page. Of these, 15 were under 75 percent leased across all three reference years (2019, 2021, and 2024), and are therefore considered to be experiencing long-term occupancy challenges. They are indicated on the map by a black circle outline.

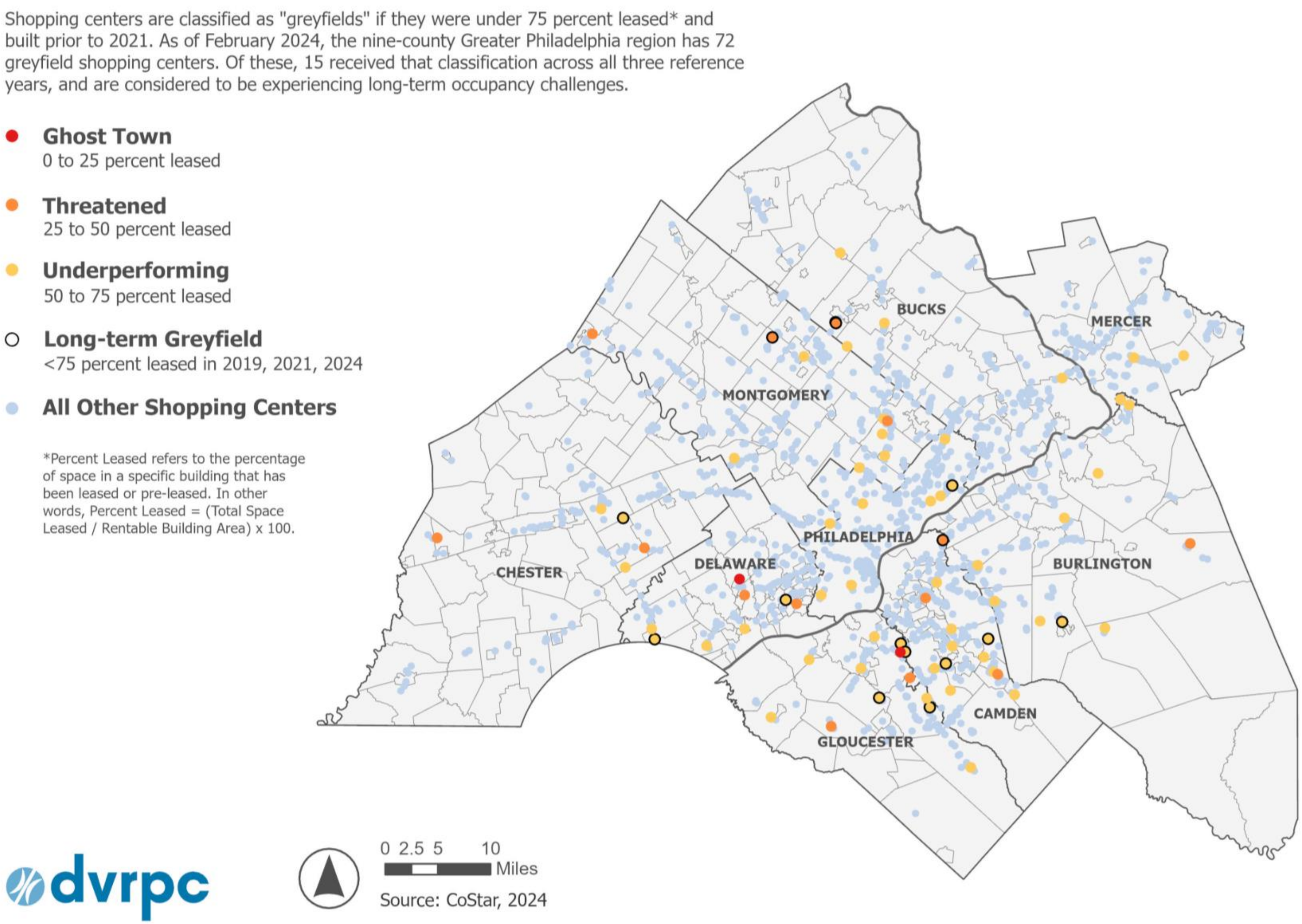
Camden County has the most greyfields (13), while Mercer County has the fewest (1). More greyfield shopping centers are located in the region's New Jersey counties (36) than in the suburban Pennsylvania counties (28). Another eight greyfield shopping centers are located within the City of Philadelphia.

This analysis also sorts the region's greyfields into three typologies based on their lease activity rates, listed in the table below. The map uses different colored circles to indicate each type.

Table 1: Greyfield Typologies

	Percent Leased
Underperforming	50 to 70 percent
Threatened	25 to 50 percent
Ghost Town	Under 25 percent

Figure 1: Regional Overview of Greyfield Shopping Centers



What are the characteristics of Greater Philadelphia's greyfield shopping centers?

Some of the characteristics of the region's shopping centers and its retail greyfields are highlighted in the table below. From this, it is possible to compare the performance of the greyfields in aggregate with all of the shopping centers across DVRPC's nine counties. Some of the key takeaways are as follows:

- The region's shopping centers were leased at an overall rate of over 96 percent, while greyfield properties averaged just 57 percent leased.
- Greyfield shopping centers tended to be smaller in size than the average shopping center. The average greyfield had smaller anchor spaces and less rentable building area (RBA) or gross leasable area (GLA), smaller land area, and fewer stores.
- On average, greyfield shipping centers are not as old as the average shopping center. Across the region, the average year built for all shopping centers was 1974, while the average year built for greyfield shopping centers was 1981. It's possible that the region's oldest shopping centers have undergone more recent redevelopment or refurbishment than those built in later years, which could make them more attractive to retail tenants.

Table 2: Greyfield Shopping Centers Comparison

	All Shopping Centers	Greyfield Shopping Centers
Number of shopping centers	1,630	72
Average percent leased	96.1	57.3
Average anchor GLA (SF)	91,525	48,655
Average weighted rent (per SF)	$18.63	$16.64
Average RBA	87,699	62,995
Average land area (AC)	32.4	17.1
Average number of stores	17	13
Average year built	1974	1981

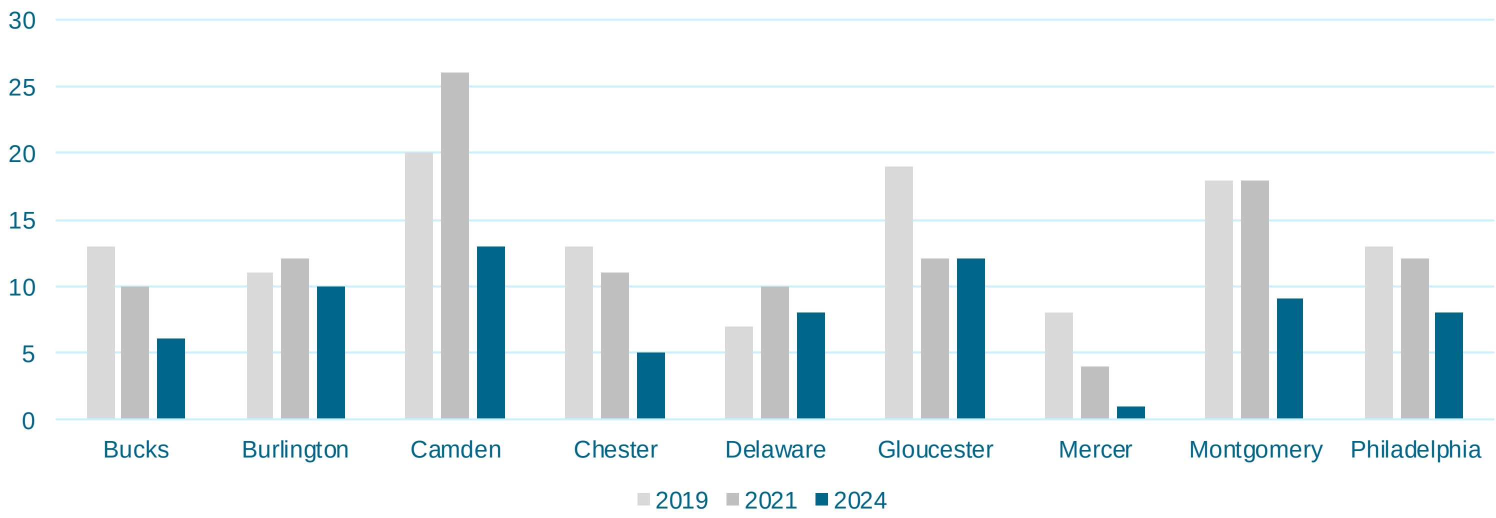
How has the number of greyfields changed in the last five years?

DVRPC previously analyzed CoStar's shopping center leasing data in 2019 and 2021. Comparing those results to 2024 helps to illustrate how the landscape of retail greyfields throughout the region has changed in the last five years.

In six counties, the number of greyfield shopping centers considerably decreased over time—Bucks, Camden, Chester, Mercer, Montgomery, and Philadelphia. Burlington County experienced a small drop since 2019. Delaware County saw its total retail greyfields increase from 2019 to 2021, but decrease slightly by 2024. Gloucester County's number of retail greyfields dropped from 2019 to 2021, then remained the same in 2024.

Though many factors have likely contributed to the decreasing number of retail greyfields in the region, it has been reported that the development of new retail properties has slowed, at the same time as many older or poorly performing retail properties are being demolished or redeveloped.

Figure 2: Greyfield Shopping Centers by County



Additional Resources

Though greyfield properties may present a planning challenge to local governments, they can also be thought of as opportunities to foster sustainable growth by locating new development and community resources in areas with expansive underutilized land, existing infrastructure, and adequate transportation access. Greyfields may be candidates for mixed-use neighborhoods, new housing supply that can appeal to a range of household types and income levels, or simply refreshed commercial centers that better suit modern retail preferences. Municipalities with greyfields may need to think creatively about how their comprehensive plans, zoning ordinances, and other land development policies and regulations promote or inhibit revitalization on these underutilized sites.

In recent years, both federal and state officials have drawn attention to the issue of greyfield revitalization. In 2023, New Jersey Senator Cory Booker introduced legislation that would have offered grant subsidies and low-cost financing to local governments for investing in the redevelopment of underutilized shopping malls. Pennsylvania's legislators are considering a bill that would authorize municipalities to provide special tax incentives to redevelop struggling malls into mixed-use communities. Stakeholders throughout the DVRPC region should be watchful toward potential policy changes that can deliver new tools to help them tackle the challenge of greyfields.

The resources below may be of interest to municipalities that play host to greyfield properties as they consider future land use options.

- Everyday Destinations: Infill Development Supports Community Connectivity (APA, 2022)
  https://planning.org/blog/9227414/infill-development-supports-community-connectivity/

- What's in Store? Exploring the Future of Shopping Malls in Greater Philadelphia (DVRPC, 2021)
  https://www.dvrpc.org/reports/20037.pdf

- Transforming Greyfields into Dynamic Destinations (Chester County Planning Commission, 2017)
  https://www.chescoplanning.org/municorner/ComLand/PDF/DocGreyfields.pdf

- Redesigning Shopping Centers in the Delaware Valley: From Greyfields to Community Assets (DVRPC, 2005)
  https://www.dvrpc.org/reports/05023.pdf

- First Generation Suburbs: Putting Principle into Practice (DVRPC, 2003)
  https://www.dvrpc.org/reports/03028.pdf

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DVRPC's vision for the Greater Philadelphia Region is a prosperous, innovative, equitable, resilient, and sustainable region that increases mobility choices by investing in a safe and modern transportation system; that protects and preserves our natural resources while creating healthy communities; and that fosters greater opportunities for all.

DVRPC's mission is to achieve this vision by convening the widest array of partners to inform and facilitate data-driven decision-making. We are engaged across the region, and strive to be leaders and innovators, exploring new ideas and creating best practices.

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