

Good News

By Katherine Field



Time for some positive press about retail real estate

(**March 1, 2009**) Listen closely, and you'll hear a nation of retailers and retail developers crying uncle.

Enough bad news already, they're saying. Give us something positive to read about.

In early February, I e-mailed retail real estate friends and colleagues, asking them to share some good news coming out of each of their organizations. The responses flooded in, and every time I opened a new reply it confirmed that it's imperative we strive for a balance between the bad news and the good — and that it isn't too hard to find something positive to write about if you just look for it.

For example, Josh Podell, VP of real estate at Jones Retail Corp., a division of New York City-based Jones Apparel Group, wrote me, "Although our opportunities for 2009 are limited, we'll still open around 20-30 stores across the divisions. In addition, we were very pleased with the initial response to our newest concept, Shoe Woo, which is a multi-branded footwear and accessory store carrying all of Jones Apparel Group's best fashion labels (Nine West, Circa Joan and David, Enzo Angiolini, Anne Klein, etc.). Based on this, we executed a lease for our second store, which will open this spring in Washington, D.C.... We feel this concept has great potential for expansion, and are working on that strategy now. Opportunities do exist."

Podell added, "Our retail focus will be on continuing to evaluate our existing brands, developing and expanding new concepts, and maximizing the efficiency of our portfolio."

Sounds like good news to me. And so did this: Joshua Weinkranz, regional VP of the Northeast region of Hyde Park, N.Y.-based Kimco Realty, wrote, "Although many national retailers are saying 'the sky is falling,' we continue to see a lot of activity from a select group of retailers that see the current economic environment as an opportunity and not as a threat."

According to Weinkranz, Kimco sees continued expansion in the discount sector. Franchisees are very active, as well. "Many have realized that with the amount of available retail space in the market, they are able to secure locations that in years past would have been unattainable. Companies like Five Guys Burgers, Massage Envy, Dunkin' Donuts, 7-Eleven and Subway continue to be active," he said.

Local operators are opening stores and expanding existing concepts, Weinkranz continued, and big-box nationals such as Bed Bath & Beyond, Bob's Discount Furniture, PetSmart and Petco are all active, securing good real estate without much competition.

"Although the 'deals' have changed," wrote Weinkranz, "they are still out there. You just need to keep

your eyes open, be flexible and creative.... I see the glass half-full, not half-empty.”

Washington, D.C.-based Madison Retail Group (MRG) is seeing something called the “Obama Effect” among national retailers. Principals Eric Rubin and Mike Pratt both say that the election of Barack Obama has excited many of their national retail clients who are eagerly trying to find appropriate sites in downtown D.C.

MRG recently brokered leases with Forever 21 and Guess to each open stores downtown.

I, for one, am keeping my ear to the ground, listening for more good news in 2009. I hope you are, too.