

Construction & Design

Upbeat mood as retail brokers return from RECon

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RETAIL SALES AND LEASING, PRUDENTIAL DOUGLAS ELLIMAN

May certainly was an interesting month for the nation's retailers – an exceptionally positive ICSC RECon 2010 was followed by a sales report that showed some growth and some caution.

First, the completely positive — the mood was much lighter at RECon this year, according to my spies in attendance (I unfortunately had to stay home at the last minute).

The consolidated time frame led to a very busy Monday and Tuesday at the Las Vegas convention center — people even stayed through the last day, a rarity at this conference!

Meetings went smoothly, with a major focus on leasing existing projects, which bodes well for property values, as well as tenant plans. There will be no unexpected delays, as can happen with new construction.

Some attendees also noted that financing is cautiously returning to the sector, which bodes well for tenants looking for new spaces.

The result was more optimism than we'd seen in the last couple of years.

On a personal level, I was thrilled with the response to a new initiative I'm working on with ICSC to promote the advancement of women in the shopping center industry to the highest corporate levels.

Our launch event, a Special Interest Group consisting of five roundtables conducted by four of the leading women in the industry — and one leading man, as my executive vp Joseph Aquino filled in for me — was packed and positively reviewed.

We're going to repeat this Special Interest Group at a number of ICSC's meetings throughout the rest of the year, including the New York Deal Making in December.

This is a major new commitment by ICSC to finally shatter



the glass ceiling once and for all!

In more recent news, May's retail sales figures showed a consumer still willing to spend, but cautiously.

The Conference Board Consumer Confidence Index rose again in May, despite stock market fluctuations, a sign that the recovery is taking hold. Comparable chain store sales rose 2.6% over May 2009, according to ICSC, despite cooler than normal weather in much of the country, as well as a calendar shift that moved two days of the Memorial Day weekend into June results this year.

Luxury retailers are continuing their comeback, with Neiman Marcus reporting a 7.8% increase, Saks a 5.8% rise and Nordstrom a 3.7% uptick. On the opposite end of the spectrum, Target (up 1.3%) and Costco (up 7.0%) also reported solid increases.

Not all numbers were positive — the teen sector continues to struggle. But stores offering good value, whether it's a Ross (up 5.0%) or Macy's (up 1.4%) are succeeding with shoppers.

And leasing in New York remains strong. J. Crew's bridal boutique has opened at 769 Madison Avenue, as has AllSaints at 512 Broadway. Todd English's new food court is open for business at the Plaza Retail Collection. Who.A.U.'s new flagship has made its debut on West 34th Street, while Burberry Brit has opened at 160 Columbus Avenue. Longchamp's redesign has opened at long last at 665 Madison.

Coming up soon: Breitling will take over the former Nokia flagship space at 5 East 57th Street. Trader Joe's is expanding, with plans for 21st Street and Sixth Avenue, and Broadway at 72nd Street.

Sur La Table will bring its cookware to 1320 Third Avenue. Equinox will take over 20,000 square feet of Tower Records' space at East 4th Street at Broadway. TJ Maxx will occupy 36,500 square feet of ground floor and lower level space at 409 East 59th, and nearly 28,000 square feet at 250 West 57th Street. Skechers USA is coming to 590 Fifth Avenue.

Footwear merchant NOS Boutique has launched JUMBO, a pop-up store on Front and Jay Streets in Dumbo. And reports say that Alexander Wang is looking for his first boutique somewhere in the city. Chanel will open a temporary store at 134 Spring Street while its unit at 139 Spring is renovated. Francois Payard finally has a home for his patisserie — 116 West Houston Street.

Summer has finally come to the city, and to our industry. Now it's time to enjoy.