

BUSINESS AND REAL ESTATE

Geared to Hispanics

Retail spaces being redone to look and feel like marketplaces.

BY JASON BUCH
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Two San Antonio retail projects are jumping on a concept that repurposes vacant big-box locations as marketplaces intended to attract Hispanic shoppers.

The marketplace at Wonderland of the Americas, the mall at Loop 410 and Interstate 10 formerly known as Crossroads of San Antonio, and Tianguis Mall, which will be located in a former Walmart on Southeast Military Drive, will feature small retail spaces in a marketlike atmosphere available for short-term rents.

"The concept is based on providing a place for the Hispanic shopper to shop in a way that he or she is more accustomed to shopping. And there are very few places in the United States that do that, and none in San Antonio," said Rick Carduner, president of Carduner Commercial and one of the partners in Tianguis. "We want to provide a

pay \$350 to \$850 per month, depending on the size and location of the space.

"These are not lease agreements, but license agreements, which is to say they'll be month-to-month agreements," said Oscar Montemayor, leasing manager at Wonderland of the Americas. "This will be a great advantage to entrepreneurs."

By purchasing big-box stores that have fallen into disuse, landlords are able to charge less rent, which is important when wooing Hispanic customers, said Howard Davidowitz, chairman of Davidowitz & Associates Inc., a retail consulting and investment banking firm in New York.

"When you market to Hispanics ... the prices have to be right," Davidowitz said. "One of the ways you keep the prices right is to get cheap real estate. So if you can go out there and get a vacant big box, it means you've moved in for a song."

Across the country, he said, retailers are trying to figure out ways to attract Hispanic customers.

"They have their own set of what's important to them, and if



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Drywall and ceiling installer Chuck McCartney works in the marketplace section of Wonderland where there used to be a department store.

very family-friendly marketplace where Hispanic families can come and spend the day"

Investors are angling to open the 135,000-square-foot Tianguis by Christmas, said Ed Pease, a partner in Amerimex Partners, an Atlanta-based development company.

A western store, quinceañera store and others that Pease said were chosen specifically because they appeal to Hispanic shoppers will take up 1,000- to 3,000-

square-foot spaces that face the store's exterior. Inside will be a 500-square-foot food court. Shops that line the main aisles will range from 400 square feet to 1,000 square feet and less prominently placed "village shops" will mostly be about 100 square feet, he said.

"It's a city in a box, and that's exactly what we envisioned," Pease said. "We've got a fountain

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SHOPPING

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in the middle, a very large fountain, to create a city effect. The only thing we don't have in the city square is a church."

The concept has been successful in places including Atlanta and Houston, he said.

The 20,000-square-foot first phase of the marketplace at Wonderland of the Americas, located on the upper floor of the former Montgomery Ward space, is scheduled to open in early summer. It will feature about 70 retailers in kiosks and 100- to 600-square-foot retail spaces.

Keeping rents low, representatives for both retail centers say, will allow them to bring in a wide range of vendors not available at other outlets. In Tianguis, the rents for the "village shops" will start at about \$600 per month; monthly base rents on front-facing spaces will be \$13.50 per square foot. Leases will last a year. At Wonderland of the Americas, tenants will

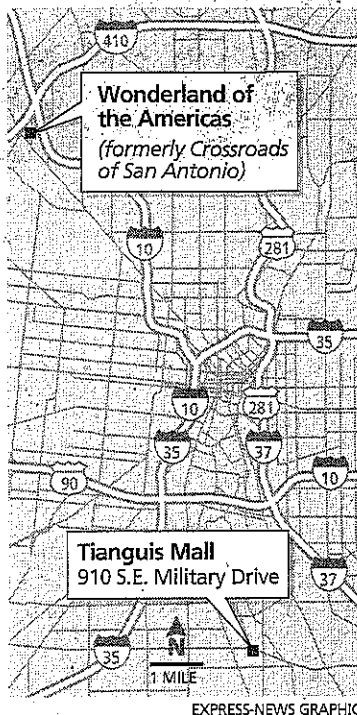
debt, said Tom Rohde, vice president of Rohde, Ottmers & Siegel Realty Services. That's particularly true on San Antonio's South Side, Rohde said.

"The houses are paid for, the cars are paid for," he said. "People are just more comfortable dealing in cash on that side of town."

It might be harder to attract that customer base at Wonderland of the Americas, Rohde said, where the population is "mostly older people, mostly rental, mostly lower-income."

Montemayor said Wonderland of the Americas, with anchors Target, Burlington Coat Factory, Hobby Lobby and Stein Mart, along with planned medical providers and entertainment, will bring in customers from across town. Tenants will be attracted by the support services available, such as security and marketing, he said.

"It will be a destination for the entire city and further out," Montemayor said. "I think the word's going to get out about the specialty retailers we have. I think word's going to get out that this is a destination."



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you're a retailer, get to know that," Davidowitz said. "This is the fastest-growing part of our population."

Appealing to Hispanic shoppers also makes sense because Hispanics tend to carry less

City retailers glimpsed some holiday season light at end of tunnel

BY TRICIA LYNN SILVA

The holiday season of 2009 did not get off to a good start at local women's clothing boutique The Violet Hour.

November sales — the traditional start of the shopping rush — ranked among the most anemic since the business opened in March of 2008, recalls co-owner Camilla Basse.

But by December, "(the customers) started pouring in," says Basse, whose partner in The Violet Hour is her sister,

Amber Long. "December was a true success story. We've been very encouraged by that."

Local shopping landmarks North Star Mall and The Shops at La Cantera also had a slow start in November. But as Christmas drew near, "there was a rush for the sales," says Mollie Calvert, an executive with General Growth Properties, the owner of North Star and the co-owner of The Shops.

"I'm very pleasantly surprised," contin-

ues Calvert, who is the director of marketing for GGP's Platinum Properties and new developments. "All indications point to a stronger-than-anticipated (holiday) shopping season. It's a good start to 2010."

Flash back to a very dismal shopping season during the months of November



Basse

and December 2008. According to an analysis by New York-based industry organization the International Council of Shopping Centers (ICSC), chain-store sales nationwide during that two-month window in 2008 were down 2.2 percent, compared to the same period in 2007.

The decline earned the November/December 2008 shopping season its place as the weakest holiday season on record since 1970, when ICSC began tracking

RETAILERS: After slow start, holiday-season shopping picked up, raising hopes for 2010

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chain-store sales.

A year later, the news was a bit merrier — with ICSC reporting that sales were up 1.8 percent for the November/December 2009 shopping season — compared to the same two-month period in 2008.

And while 2009 was by no means a barnburner — chain-store sales for the entire year were actually down 2.4 percent, ICSC reports — there is growing optimism that brighter days are ahead in 2010.

Why and where

So what is prompting consumers to loosen up their purse strings?

A key driver, observers say: Pent up de-

mand.

Shock was the general feeling amongst many in the U.S. as 2009 began, explains Chuck Siegel, who is the president of Rohde Ottmers Siegel Commercial & Investment Realtors. Then came fear that things were going to get much worse.

Over the course of the year, however, consumers began to breathe a little easier, as the economy slowly began to stabilize.

Once that occurred, many felt comfortable spending some money once again, say Siegel and Calvert.



Siegel

"People have been saving, saving, saving for so long," Calvert adds. "They're tired of saving. They're ready to spend some money."

Having a prime location didn't hurt either.

The Violet Hour, for example, is located at 6346 N. New Braunfels Ave. — in the Sunset Ridge shopping center in Alamo Heights. The store pulls customers from nearby tony communities such as Terrell Hills, Olmos Park and Alamo Heights — where upper-end households have been less affected by the economic crunch, Basse says.

"A lot of our repeat customers are the society of San Antonio," says Basse. "They have parties and functions, and lots of them."

"The old saying has proven to be true: Location, location, location," adds Monica Jones, marketing director for American Assets Inc. The San Diego-based firm is the owner of Alamo Quarry Market, which is in proximity to Sunset Ridge — and thus, a high-end customer base as well.

"We're certainly not boasting major sales increases, but we have been able to maintain market share," Jones says, "which I think points back to a great location with a stable and mature market ..."

Not done yet

But with the first month of 2010 not even completed, some retailers are already making plans to close stores. Department store Macy's recently announced it would be shuttering five under-performing outlets. Meanwhile, Foot Locker expects to close 117 stores in its fiscal quarter that ends Jan. 31.

Asked if more retail spaces here will go dark, retail veteran Siegel sums it up: "Without a doubt."

Be it struggling stores trying to stem the tide of red ink, or stronger retailers looking to rid themselves of under-achievers, more shop spaces — including spaces in San Antonio — will go dark.

"We knew going into the holidays there would be some fallout," says Calvert.

She notes that even a strong retail property like The Shops has taken its blows, taking back space once occupied by, for example, Bandolino and Bailey Banks & Biddle.

Fish City Grill restaurant also closed its doors — both at The Shops and at far North Side shopping center Northwoods.

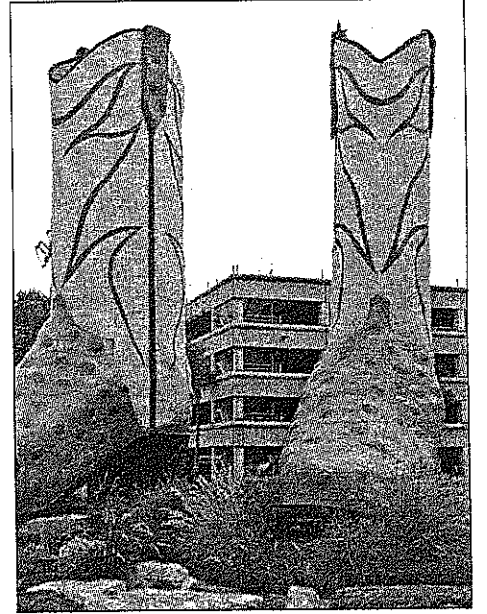
On the flip side, new leases are being signed, and the rate at which deals are getting done is picking up, says Calvert.

The trick now is to keep that momentum going.

"We will continue to open up new stores," says Calvert of The Shops. "Our leasing teams are out there pounding the pavement, and we have some fresh new merchandise and restaurants coming to La Cantera."



Calvert



FILE PHOTO / SAN ANTONIO BUSINESS JOURNAL

The iconic boots at North Star Mall. Patrons of the mall rushed for the sales as Christmas neared, according to mall spokeswoman Mollie Calvert.