

FINANCE & COMMERCE

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Association update: Riding the changing tides of retail

by Nancy Murdakes Brown, sales and leasing agent with Suntide Commercial Realty Inc. Guest Commentary

Many new services need retail storefronts

Gone are the days when retailers swept up on shore like seashells. Searching for your typical retailer today is synonymous to deep sea diving, with hopes of bringing anything up alive.

As we embark on treacherous waters, it is important to keep our eyes focused on the horizon. To ultimately prevail, we must go back to basics and hope that through it all, we will be left standing. While it is important for agents to have a niche, it is just as important to be flexible and ride the waves. What was commonplace in retail brokerage before 2007 is no longer. The pendulum has shifted, from peddling products, to peddling professional services. These professional services are the new face of retail — from health and medical, to social and educational services. These are the services that have made a splash in retail real estate.

Thousands of square feet have been leased to “fitness and health” concepts, including AnyTime Fitness, Snap Fitness, and Fitness 19. Curves for Women have saturated the market, yet stay afloat in the advent of Snap Fitness, Butterfly Life, and Inches a Weigh. Similarly, yoga and Pilates studios have found their home in store front retail. Professional services that offer nutritional and weight loss programs have swept the market by storm. For example, LA Weight Loss, Slimgenics, Jenny Craig, and Seattle Sutton are solid companies that have penetrated the retail market. Weight Watchers continues to thrive even with those added competitors, which speaks volumes about their business model.

While nutrition and fitness have become more commonplace in retail centers, we now see medi-spas on the horizon. These clinics specialize in removal of aging lines. Additionally, clinics that are offering Lasik surgery for eyes, Botox clinics for lips, and even vein removal clinics have all become retail store front players. Urgent care facilities have also begun to surface the retail market. While chiropractors and dentist came on the scene 10 years ago, it is not surprising to see other medical services catching on to this popular trend. Why not capture more business by better exposure?

Professional social services have entered the market — from adult day cares to home health care companies. There are day cares that focus on mentally challenged adults and centers for those veterans who have returned from the war.

Lastly, educational services continue to flourish in retail centers. While Huntington Learning Centers and Sylvan Learning Center are household names in our market, we are also seeing more specialized educational services finding their way into storefronts. Mathnasium and Learning Rx are two growing firms that we will be seeing more in the near future. Educational services have become so prevalent, due to vast amount of children diagnosed with autism spectrum disorder and other cognitive delays, making learning more challenging.

There are many services out there wanting retail storefronts. As the tides wash to the shore, we continue to ride the waves of this ever changing market. If we hold tight to the foundations that we have built our business on, we will ultimately prevail. The ebbs and flows of changing tides will always be there, but they do not have to wash us away. We may get jostled a bit, but as we refocus our business model, we will remain standing.

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