

# San Antonio Express-News

## The humble strip mall lives on

By Roy Bragg  
Express-News Business Writer

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At hundreds of San Antonio locations, at the edge of sprawling subdivisions and scattered along busy urban streets, the ubiquitous strip shopping center thrives unnoticed.

While high-end indoor shopping malls and big-box retailers sell big-ticket items, and e-commerce generates heat as the cutting edge of shopping, the strip center remains the loyal mutt of the retail landscape - unadorned, reliable and always eager to please. The strip center, each consisting of two to 20 stores, has evolved into a place for the everyday needs of life.

"No matter what's going on in the economy," said Cal Ivey, a senior retail associate at leasing agency Dominion Advisory Group Inc., "you'll always need to have your clothes dry cleaned, or get your hair cut or buy groceries. That's what the strip shopping center gives you."

In the evolution of retail space, from stand-alone shops to master-planned lifestyle centers that seek to sell shopping as an experience, the strip center is a bump in the road that can't be flattened. It remains vital.

San Diego University historian Steven Schoenherr traces the history of the shopping center to the 19th century and a backlash against the urbanization of the Industrial Revolution. In Europe, certain shopkeepers wanted out of inner cities and banded together in store clusters in less-developed areas.

Baltimore developers opened a strip of shops along a street in 1891. Illinois planners came up with the idea of a cluster of destination stores in 1916, geared toward automobile owners.

In 1922, a Kansas City developer hit on the idea that has lingered until today - a strip of shops in thematically designed buildings owned and leased by the same landlord.

This is the template, which has been jumbo-sized to handle today's throngs of consumers, for all shopping centers of today.

From indoor shopping venues such as North Star Mall to large, outdoor facilities such as the Forum, all are leased space to individual shopkeepers or retail companies.

So-called lifestyle centers, said Eugene Fram of the Rochester Institute of Technology's business college, are a conscious attempt by developers to combine the high-end shopping experience of the indoor mall with the decidedly plain-jane appeal of the strip center.

"It's about time-compressed lifestyles," Fram said. "If you stop and think about a big mall with 1 million square feet, what do you have to do to buy something? You have to park - often 500 or 1,000 feet away from the door - walk to the mall, then search for the store you want to visit. It takes time."

"Malls don't always suit the needs of shoppers," Adam Epstein, president of **Site Analytics Co.**, a retail consulting firm, said. "Who wants to walk a half-mile just to get a cup of coffee in the

morning?"

The lifestyle center, with stores arranged in a linear fashion so shoppers can drive up to the door of each, answers that.

The strip center, named because it's built on a strip of land, is the more fundamental version of that. And it can be fairly lucrative because of the nature of the stores located there.

"A little strip center can do well in terms of generating traffic," Epstein said. "You won't get teenagers who walk around, but it can be highly profitable if it's located in the right space."

In some instances, larger retailers use the "in and out" aspect of the strip center to lure customers to their sales floors.

"These are the kinds of stores that people go to every day, whether they realize it or not," Epstein said. "That's attractive to a retailer who wants that visibility. They can be seen on a daily basis."

Larger chains such as Sears, Fram said, have picked up on this. In some parts of the country, Sears has opened niche stores that focus on hardware items. It anchors a strip center with 20,000 square feet of leased space alongside.

Wal-Mart is doing the same thing with a grocery-only store called "Neighborhood Market."

Smaller retailers also can cash in on this idea, Epstein said. A print shop, for example, might choose a strip center in hopes that customers of adjacent nail salons and convenience stores will be influenced to use it when there's need for printing.

The economic slowdown, which has hammered department stores and other retailers, didn't hurt the strip centers as badly. Some, in fact, came through unscathed.

"The ones that are recession-proof are the ones that have grocery stores or big-box retailers," said Kirk Wakefield, a Baylor University marketing professor. "Those do very well. The ones to worry about are the ones that don't have the big anchor. The mom-and-pop-only stores might be more susceptible.

"Grocery-anchored strips are recession-proof. Their sales during the last recession dropped much less precipitously than mall stores."

Vacancies also are lower at strip centers, Wakefield said, but are projected at 8 percent next year, which will be considerably less than other commercial real estate.

Given their success, there's no reason to abandon the strip center.

"It's the old retail success story - location, location, location," Fram said. "They rely on volume. It's in and out, in and out, in and out, all day long."

The business from that daily churn has appeal beyond sales for storeowners.

"They're successful projects for investors, too," Ivey said. "They offer a good return."

That means more strip centers on the horizon.

"You're going to see them going up with new subdivisions," Ivey said, "developing as neighborhood centers with 10,000 or so square feet. They're very viable and they continue to be so."

*rbragg@express-news.net*