

ROI in the bag

by Brian Brus

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Jana Aduddell shops at The Outlet Shoppes at Oklahoma City. (Maïke Sabolich)

OKLAHOMA CITY – Three new stores will soon be filling the seasonal occupancies in The Outlet Shoppes at Oklahoma City, bringing the total number up to 83, officials said.

A waiting list and current 100-percent occupancy speaks well of the 330,000-square-foot mall's potential, Horizon Group Properties Vice President Gina Slechta said. The western metro area has supported The Outlet Shoppes with strong sales since it opened in early August, with retailers reporting nearly \$18 million in sales in the first month, well above projections.

City Finance Director Craig Freeman said figures extrapolated from sales tax

remittances confirm that the mall has maintained its momentum. And Mayor Mick Cornett also played up the mall's success at his recent State of the City address as an example of economic growth in the metro area.

That's also good because the City Council in 2008 had supported the development of the Outlet Shoppes project with infrastructure improvements worth \$8 million. But at the time, a few council members were leery of the investment; the final vote was not unanimous at 5-2. The incentives were paid out of the city's Street & Alley and General Obligation Bond Funds and the Oklahoma City Economic Development Trust.

The Outlet Shoppes is a joint venture of CBL & Associates Properties Inc. and Horizon Group Properties. Company executives said they had started looking closely at Oklahoma City as a potential market as early as 2006. Stuart Graham at CB Richard Ellis of Oklahoma said that attention has proven itself as the outlet mall concept continues to be a strong retail real estate concept, even in a difficult economy.

"As a concept, outlet malls are one of the emerging retail development opportunities," he said. "If you look across the country, there's virtually no new regional mall construction. And if there's any at all, it's the expansion of an existing mall.

"There are some Walmart-anchored projects here or there, but generally those categories are sliding," Graham said. "You're seeing retailers identify outlet centers as very viable segments for development and expansion, more viable than most of the others right now."

The typical outlet mall customer tends to be at the higher income level, expecting to spend a large sum in a single trip, particularly on apparel. That's a tempting target for retailers, Graham said.

The three new stores moving into The Outlet Shoppes are Naartjie Kids, White House Black Market and American Eagle, expected to open in March and April. Naartjie Kids opened its first store 20 years ago in Cape Town, South Africa. White House Black Market already has more than 300 stores in its chain nationwide. And American Eagle Outfitters operates more than 900 stores.