


## Sears store in Oklahoma City's Quail Springs Mall is among 11 that will sell and close in 2013

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Eleven Sears stores are being put in layaway, including the one at Quail Springs Mall, and will close next year.

Chicago-based General Growth Properties, owner of the north Oklahoma City mall and 135 others, said Thursday it was buying the stores, but that they would remain open into 2013.

Retail property specialists said the two-level, 182,000-square-foot space at Quail Springs probably would not take long to fill. Sears has owned the space, despite it being attached to the main mall, since the mall was built in 1980-1981.

### Prime property

Sears has struggled nationally for at least a decade. Less than two months ago, Sears Holdings Corp., parent of Sears and Kmart, said it planned to close up to 120 underperforming locations, but no Oklahoma stores were on the initial closure list.

Deciding to sell the Sears space here likely has more to do with the value of the real estate than with the store's sales, property specialists said.

Lovell Watson, Quail Springs Sears store manager, referred questions to Sears corporate offices. Spokeswoman Kim Freeley said the \$270 million, 11-property transaction, set to be completed within 60 days, "made good business sense for both Sears and General Growth Properties and (was) not necessarily tied to performance."

The Quail Springs store "is a valuable one and represents an opportunity for (Sears) to exchange the real estate for cash," said Stuart Graham, retail property specialist with CB Richard Ellis-Oklahoma.

"For General Growth, they are confident in the property and wouldn't hesitate to gain control of this key location."

The sale price for individual stores was not revealed. The Oklahoma County assessor estimates the value of the Quail Springs Sears store at \$6.7 million.

## Strategic investment

The deal fits General Growth Properties' long-term plans, said David Keating, vice president of corporate communications.

“Our goal is to always provide our shoppers with the best in retail, entertainment and dining at our malls. These locations allow us to recapture valuable real estate at the respective properties. Each of these locations provides us with a great opportunity at the respective centers,” Keating said.

He said he could not give specific plans for any of the spaces.

“We're still assessing the opportunities and how they would best fit at the respective centers, so I'm not in the position to provide you with exact details. I can tell you that we are in talks with a number of retailers that have expressed interest as replacement tenants at these sites, but we're not in the position at this time to share with you those names,” Keating said.

Commercial realty firm Price Edwards & Co. considers the Quail Springs Sears store, an anchor since the mall opened surrounded by wheat fields 32 years ago, a prime space in a prime part of north Oklahoma City and the vibrant Memorial Road retail corridor.

## Retail magnet

“The north submarket is Oklahoma City's largest concentration of retail and one of the areas where all national retailers want to be,” Price Edwards said recently in its 2011 year-end retail property report.

The real estate Sears owns is one of the best things the 126-year-old chain has going for it as it tries to find its future, said Jim Parrack, senior vice president at Price Edwards.

“Everyone understands that Sears has been struggling for years to develop a viable go-forward strategy that makes them relevant to consumers again. So far, everything they've tried has been a miss, which has led to declining sales and their recent store closings. It's a testament to how big they once were that Sears is still the 10th largest retailer in the country,” Parrack said.

The timing of the sale and the plans to keep the stores open until next year put the mall owner in a good position as it seeks new tenants, he said.

“Sears has some of the best real estate sites in the country. As to the Quail Springs location, Sears will stay open for a while, which gives General Growth time to find a replacement. And, while there aren't a lot of mall anchor tenants out there today, candidates do exist. Von Maur, out of Iowa, is one, as they have looked in Oklahoma City,” Parrack said.

“Dividing the space is a possibility as well. At the end of the day, General Growth will have the opportunity to upgrade the mall and strengthen the Quail Springs lineup of