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***Retail Real Estate: Poised for Progress
A Memoir from ICSC RECON 2010
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Spring was in the Las Vegas air this year at the annual International Council of Shopping Center (ICSC) Retail Real Estate Convention (RECON) with low temperatures in the 50's and a fresh, positive vibe for the future of retail real estate. RECON is an annual gathering of retail real estate professionals from around the globe convening to network with industry leaders, retailers, developers, municipalities and brokers. This year's event was held May 23rd - 25th at the Las Vegas Convention Center with an attendance of approximately 30,000 people, which was up from last year's 25,000.

Poised for Progress was the title and theme for RECON 2010. Progress was definitely embraced by all in attendance, which was still down from the record 50,000 attendees in 2007, but it seemed that the downward trend is reversing...hopefully. The up tick in attendance levels was accompanied by an increased energy. RECON 2010 was shorter and leaner than years past. The duration was shortened by a day and less convention floor space was utilized; however, retailers, developers, and brokers alike were brimming with excitement about the upcoming years in the retail real estate industry.

Retailers were buzzing about aggressive expansion, brokers were sharing their experiences of increased leasing activity and developers were brainstorming new and improved ideas for obtaining capital and building tomorrow's shopping centers.

As always at RECON, the most traffic happened in the Leasing Mall where retailers set up booths and made themselves available to leasing brokers, property owners and developers to discuss new opportunities in the marketplace. The isles or "streets" as referred to at RECON, were jam-packed with these eager dealmakers, shoulder-to-shoulder "beating the streets" in search of their next deal. The leasing mall was the epicenter of action and where one really found out what condition the retail market is in and where it is going!

There is no better indicator of the retail market than the actual retailers doing the business. Familiar names like Starbucks, McDonald's, Walgreen's, CVS, Auntie Anne's, Jimmy John's, YUM! Brands, Panda Express, Chipotle, Sonic, Subway, and countless others, including a few new up-and-comers lined the "streets" in hopes of being presented the "perfect" new location!

All the same retailers were there last year in 2009, but it felt like the retailers were just there to keep their brand name fresh and recognized. Yet, this year in 2010, most of these retailers were more energized and seemed more open to talk, or at least “hear” about new deals. It is comforting to a real estate practitioner to believe that the 2009 lull is behind us as the retailers tell us it is time to start working again.

Aside from the Leasing Mall, there was another huge section at RECON where one found the brokers, owners and developers set up with their massive elaborate exhibits (or their Las Vegas branch offices), who peddled their existing projects and those projects that are in the pipeline. Here one found developers and owners from all around the globe who represented projects in China, Japan, South America, United Kingdom, Canada, Mexico and the Middle East.

There were real estate professionals from all walks of life roaming the “streets” of RECON. Perhaps, the developers that were there this year in 2010 were primarily seeking new creative ways of obtaining financing as the world is still faced with many challenges in the capital markets.

Speaking of industry challenges, perhaps a more important component of ICSC RECON was the comprehensive offering of educational seminars offered each day at the convention. This year’s curriculum covered topics relative to financing, lender workouts, ways to reduce costs in new store openings, analyzing retail locations and demographics, construction issues, leasing challenges and opportunities, franchising strategies, and negotiation tips...etc, etc, etc...the list goes on. For most, these educational seminars simply provided a comfortable seat in between meetings. For others, particularly the new generation of retail professionals, the seminars were the sole purpose for attending RECON. ICSC recruited the most seasoned veterans in the retail real estate business to panel these sessions and educate conference-goers about the latest and greatest trends and practices.

Another ICSC RECON is behind us and all of those who were in attendance came away revitalized, with renewed purpose and determination as we enter the next business cycle for retail real estate. The retailers have set the stage, brokers have seen the light at the end of the tunnel (a small light at least!) and the owners and developers have become more creative in terms of how they will proceed with new projects in the future. We all look forward to RECON 2011 and are confident that it will be bigger and better with positive news and brighter outlooks. Until then, onward and upward as the retail real estate industry is “poised for progress”!