

Retailer moves to Clayton Lane

by John Rebchook

Sur La Table is moving, but not very far.

Sur La Table (Table is pronounced "Taab") is leaving the Cherry Creek shopping center, its home for the past 13 years.



Stuart Zall

Instead of about 5,000 square feet in the mall, it is moving into 7,434 sf at 121 Clayton Lane in Cherry Creek North, said Stuart Zall. Zall, of the Zall Co., represented the cookware store in the transaction with Steve Bartha of SJBartha Consulting Group out of Phoenix. David Hicks & Lampert Brokerage represented the landlord, AmCap Properties.

Sur La Table is taking space vacated more than four years ago by the steakhouse Prime 121. "Prime 121 was in that space for about 10 minutes," Zall said.

"What happened was that Sur La Table's lease was coming up and the Taubman Co. (owner of the Cherry Creek shopping center) had the right to move them," Zall said. "Taubman is putting Athleta, the Gap's new yoga clothing concept store, into the Sur La Table's space."

Sur La Table, which also has stores in Belmar and Boulder, did not want to leave the Cherry Creek area, but also wanted more space.

"They are a very good store and Cherry Creek is a very good area for them," Zall said. "They also wanted to add a cooking school concept. What they really needed was 6,000 sf to 7,500 sf and they

just could not do that in the mall."

The space in Clayton Lane is an ideal home for the store, he said.

"They will be right next to Crate & Barrel, so there will be a lot of synergy for them. This really is a great story for Cherry Creek North."

Although terms of the lease are not being released, Sur La Table will have a "substantial savings," over what it was paying in the mall, Zall said.

Nick LeMaster, general manager of the Cherry Creek shopping center, agreed that Sur La Table will pay less rent outside of the mall.

"But there is a trade-off," LeMaster said. "There is less traffic on Clayton Lane than in the shopping center."

He also said it is an interesting choice to move next to Crate & Barrel.

"Clearly, they compete with each other. But maybe it is a case of a rising tide raising all ships."

LeMaster said that eventually he could have found a larger space in the mall for Sur La Table, but possibly not on its timetable.

"How fast a tenant wants to or needs to relocate is one of the factors that tenants have to weigh," LeMaster said. "We certainly wish Sur La Table well. They have been a very good tenant for many, many years."

He said the Taubman Co., the owner of the Cherry Creek shopping center with the Buell Foundation, does not release the occupancy rates of individual malls. "I can say that the Taubman portfolio we are part of typically runs an occupancy rate of 90 percent or better. I can also tell you we are certainly doing our part here at Cherry Creek."

Sur La Table's move is a microcosm that illustrates a national

trend, Zall said.

"Nationwide, the trend is that a lot of retail activity is moving from malls to stand-alone buildings," Zall said. "It's a real Catch 22. A lot of tenants think they need to be in malls because of the captive traffic walking past their store. And there's some truth to that. But when you look at a high-end mall, they might be paying \$40 per sf for the common area, taxes, insurance and so on. On top of that, they might be paying rent of \$100 per sf. They look at a stand-alone building and their common area costs might be \$10 per sf. That is a huge savings that goes right to their bottom line."

At the same time, the top malls are weathering any exodus, he said.

"They aren't building any more malls, so if you look at places like Cherry Creek and Park Meadows, they have very little space available," Zall said.

Denver retailers are lucky that Cherry Creek North, although not as strong as some property owners and retailers would like, is still a vibrant shopping area, he said.

"I remember when the Cherry Creek shopping center first opened, the big concern was that the mall would kill the retailers and restaurants in Cherry Creek North," Zall said. "I think there were maybe 150 places in Cherry Creek North. Now, there are more than 350."

Also, Sur La Table's move is a great deal for the mall because its former space is being taken over by the first Athleta in the metro area.

"It really is a win-win," Zall said. "Athleta is a great vehicle for the Gap and will do really well in the Cherry Creek shopping center."▲