

## SCT News

### 08.02.11 Conference charts U.S. Hispanic boom

ICSC's inaugural Hispanic Markets National Conference, held in San Antonio this week, spotlighted some retail market opportunities that panelists asserted will surpass those of any other demographic segment in the U.S.

The U.S. Hispanic population is expected to grow from 50 million today to 128 million in 2050, a third of the total population, and the industry can hardly afford to ignore such purchasing power, said Rakesh Kochhar, associate director for research at the Washington-based Pew Hispanic Center. Most of the growth will come from U.S.-born, assimilated Hispanics who speak English well and are U.S. citizens, he said. Hispanic buying power in the U.S. rose from \$775 billion in 2000 to \$1.1 trillion in 2010, Kochhar said.

One of the few major shopping center construction projects going forward in the U.S. this year is destined for the heavily Hispanic city of El Paso, Texas. The Fountains at Farah is being built there as part of the so-called Borderplex area that also includes Mexico's Juárez and most of the state of Chihuahua. The two-level center, near Cielo Vista Mall, will boast two of only a few ground-up leases in the U.S.: Best Buy and Barnes & Noble, said West Miller, president of Dallas-based Centergy Retail, the Fountains' developer. Some 20 million visitors annually come north over the border into the El Paso area, Miller said.

Opportunities for Mexican-oriented retail development are abundant also in the New Orleans area, where the Hispanic population has doubled since Hurricane Katrina, said Lewis Stirling, a partner in New Orleans-based Stirling Properties. "In fact, the New Orleans area has no Hispanic shopping centers and not nearly enough Hispanic businesses," he said. Hispanics spend nearly twice as many hours shopping as the average U.S. consumer, he said.

The conference also touched on opportunities lost. Panelists cited data they claimed show that Arizona's anti-illegal-immigration bill cost the state 140,000 jobs and an estimated \$26.4 billion in economic activity. In a question-answer session, some audience members expressed fear of similar legislation in their states. Conference Chairman Arturo Sneider, a partner in Los Angeles-based Primestor Development, said he would work through the ICSC Hispanic Initiative to make the concern a priority.

Monday's tour of local Hispanic retail trade areas brought a busload of attendees to Crosstowne Mercado, in west San Antonio, a second-generation retail center that only a few years ago limped along at 50 percent occupancy. Locally based B-Y Properties has refaced and retenanted the facility with retailers Fallas Paredes and Melrose, which have since become those chain's top stores in the market, said Alan Bass, real estate manager at B-Y. "It has helped revive the area," he said. Other new tenants include Planet Fitness and Ross Dress for Less. The center, which capitalizes on a Hispanic trade area of 160,000 in a three-mile circle, is now about 90 percent leased.

Attendees also toured General Growth Properties' historic, 50-year-old North Star Mall, on Highway Loop 410 and San Pedro Avenue, learning of the center's 35,000-member-strong Club Estrellas loyalty program that targets Mexican nationals traveling to San Antonio. A quarter of the tourist trade at the mall comes from Mexican nationals, General Growth officials said.

About 400 people attended the convention, at Westin La Cantera Resort, said ICSC Chairman David B. Henry, who is vice chairman, president and CEO of Kimco Realty Corp. Henry said there is plenty of opportunity in Mexico as well for developers such as Kimco. "There are 50,000 to 100,000 strip centers in the U.S. by different estimates. There are just 1,000 in Mexico."

The conference concludes today.

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