

# Homestyle Retail

Developers create a unique “homestyle” theme in a shopping center setting at The Arboretum of South Barrington.

Susan H. Fishman

It's one of those things that makes so much sense, you wonder why you never thought of it — a shopping center that caters to the affluent customer who is looking to spend money on her home. The Arboretum of South Barrington is a development partnership between Michael Jaffe, president of Northbrook, Illinois-based The Jaffe Companies, and Scott Lucas, president of New Paradigm Development Partners, LLC, of Nashville, Tennessee, who both separately worked on the Deer Park Town Center and Geneva Commons lifestyle center. The Arboretum will be developed as a 560,000-square-foot, upscale, open-air lifestyle center, featuring fashion apparel and trend-setting restaurants, plus a unique offering of what developers are calling “homestyle tenants.” The center will be distinguished by an emphasis on retailers specializing in quality home furnishings, home accessories and home-related goods and services.

“We're not just looking at furniture stores, but everything else you can think of for the home — grouping them together in a beautiful, lush, inviting environment amidst restaurants and other things,” says Jaffe. “We're hoping and expecting to also be able to offer kitchen and bath stores, counter stores, lighting stores and fabric stores. And the reception has been tremendous. It just seems like this is one of those ideas that people get right away.”

Located at routes 59 and 72 in South Barrington, Illinois, The Arboretum of South Barrington, which is scheduled to open in fall 2007, has already been long in the making. Developers pursued a tract at this strategic intersection for 4 years, noting its adjacency to the four-way interchange at I-90 and its ideal spacing between Woodfield Mall, Deer Park Town Center and Algonquin Commons. But decades of boundary disputes and recent litigation kept the intersec-



The Arboretum of South Barrington in South Barrington, Illinois, is scheduled to open fall 2007.

tion off the market. Parties finally reached a settlement about 18 months ago, which allows for the Arboretum development to be built on the entitled and zoned commercial property. Goldman Sachs' unit, Archon, bought the property catercornered from The Arboretum and is building a Target-anchored, 400,000-square-foot power center. And a 12,000-square-foot arena is under construction on the nearby former Sears tract, which will also be filled with other regional retailers.

“We describe it as an infill or backfill intersection,” notes Jaffe. “It's extraordinarily well situated between the existing lifestyle and apparel pods that already exist. We're about 9 miles from Algonquin Commons to the west, Deer Park Town Center to the north and Woodfield Mall, one of the biggest malls in the country, to the east. So we're perfectly spaced from those other centers that have already proved their numbers.”

In scouting potential locations, Lucas graphed where the furniture demand was strongest and looked for sites all over the United States. The Arboretum location stacked up as one of the great potential locations for this type of development.

“It's one of the Number 1 available sites in the country for potential furniture sales, based upon demographics and studies of where furniture dollars are spent,” says Lucas.

The average household income within a 5-mile radius of the site is \$91,583. The Arboretum also benefits from being located right up Interstate 90 from IKEA's Schaumburg store.

“People have been trained to do their super-regional shopping at IKEA from all over the Chicago area,” Jaffe notes.

And since the site is just a block off of the Interstate 90 tollway (unlike the other lifestyle centers in the Chicago area, which are not near highways), it has the ability to draw from a huge trade area.


The design of the center will have the typical lifestyle components, with pathways and public areas, as well as an emphasis on moving people in an inviting and safe pedestrian-oriented fashion, a key element for the developers.

“We will have convenient parking, but at the cost of parking spaces and some square feet, we're creating public plazas where people can meet and greet and hang out,” Jaffe notes. “This is one of the most affluent suburbs of Chicago, and it doesn't have a town center, so we want to address that.”

The look of the center is based upon some of the oldest shopping centers in



Site plan for The Arboretum of South Barrington. The 560,000-square-foot open-air lifestyle center will emphasize retailers who focus on the home: home furnishings, home accessories and other home-related goods and services.



the Chicago market, specifically Lake Forest, designed by renowned architect, Benjamin Marshall.

“We’re adapting it, but it will be a highly stylized Tudor style,” says Jaffe. “We want it to look like it’s been there a long time.”

Developers have expanded the Arboretum site to 80 acres from an original 60 acres and are currently in the pre-development phase. Leasing is looking promising, and the site is getting a great reaction from both upscale apparel and home-related retailers, according to Jaffe. But knowing that the apparel industry has cyclical periods, Jaffe and Lucas really honed in on the home market.

“What came clear to us was that with low interest rates and the biggest housing boom ever in the country, and with all the home improvements going on, this was a great time to take some of the attributes of lifestyle centers that we know people like — pedestrian friendliness, great landscaping, convenient parking — and make them work for people who sell things for the home,” says Jaffe.

Currently in the letter of intent process with several tenants, the Arboretum has slated roughly 250,000 feet of space for fashion retailers and about 300,000 square feet for homestyle tenants. The home concept was originally brought to life by Lucas, who had some familiarity with the furniture industry, but really immersed himself in research to help understand who the furniture players are, who’s moving, who’s not and how they interrelate.

“I started to look at the international home furnishings marketplace and attended their convention, which is held in High Point, North Carolina, every year,” Lucas says. “We knocked on doors and found people very interested in our idea. We learned about their industry and their needs and showed them opportunities we saw.”

In his research, Lucas noted a variety of trends in the home furnishings industry both on the consumer side and the retailer side.

“There was a stronger preference among consumers, particularly affluent

consumers, to shop in an environment where there were high amenities and consistent quality throughout, as well as smaller-scale structures. That was combined with emerging trends in the home furnishings industry — a lot of retailers were emerging in that genre, but there was also what I would call a brand awareness of the emerging furniture industry.”

The home concept may be emerging, but Jaffe believes there will be other centers like this in the near future.

“We think this will be a template for other homestyle centers around the country,” he notes. “The challenge, as you try to become relevant in the retail landscape, is to distinguish your center and make it necessary for — and meaningful to — the consumer. The presence of this grouping of stores for the home, and the ability for the affluent shopper to avoid having to travel to downtown Chicago and other places, is being widely and hugely well received so far, and we expect, if anything, for the momentum to pick up.” **SCB**