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BRANCHING OUT: Eileen Neff (left), retail manager of 11 Olives, shows a bottle of balsamic vinegar to customer Daniel Common of Seattle at 11 Olive's "pop-up" on the first floor of Pacific Place.

# Retail pop-up stores in demand

*Different types of companies are seeking temporary retail space during holidays*

By JEANNE LANG JONES  
STAFF WRITER

This time last year, Rick Martin was operating a kiosk in downtown Seattle's Pacific Place as a first step toward opening his own store. This year, with sales of 11 Olives' gourmet balsamic vinegars and olive oils flowing, Martin has graduated into a temporary pop-up storefront at the downtown retail center.

Long a staple for seasonal retailers selling Halloween costumes and Christmas decorations, pop-up shops now are attracting a wider range of businesses. There are pop-ups from international retailers looking to enter a new market, tech companies gauging consumer interest in a new gizmo, small mom-and-pop businesses that want affordable space, as well as other business owners with seasonal products to sell.

These pop-up shops are a cost-effective way for companies to test the market, while giving local shopping centers an opportunity to broaden their retail offerings. Retailers who rent free-standing kiosks or small shops typically pay their own utilities and a percentage of sales. That compares to a tenant with a 10-year lease who pays a higher base rent, plus a percentage of sales, according to broker Jeremy Moller of

JSH Properties Inc. in Seattle.

Having small, affordable and temporary retail space at Pacific Place has helped Martin grow 11 Olives to the point that he is now able to look for a more permanent space.

"It's a blessing to be in the circumstances we are in right now," Martin said.

Besides 11 Olives, Columbia Hospitality, the Fifth Avenue Theatre and Pelindaba Lavender are operating pop-up stores at Pacific Place this holiday season. Columbia Hospitality is selling gift cards and products from its resorts, including honey from the Salish Lodge. The Fifth Avenue Theatre is selling tickets to its holiday production, "Elf," and related retail items.

"It's nice for us as a shopping center to be able to offer something fresh, that's new and different," said Lynn Beck, general manager at Pacific Place. "Our foot traffic now is 40 percent greater than at any other time of the year. When people come in and see new and different things, they are more likely to return later."

While pop-up stores typically have been small "mom and pop" operators, Beck said, "Lately what is interesting is there seem to be new merchandise categories."

Columbia Hospitality President Brett Matteson said his company's Pacific Place

kiosk is a "great vehicle" for promoting the Salish Lodge in Snoqualmie and its amenities.

"Pacific Place has a great image and demographic of shoppers, which we feel complements the Salish brand. We will be exploring a year-round, permanent option," Matteson said.

The best, most cost-efficient spaces for pop-up stores are in existing storefronts that have already been largely built out by previous tenants, said Maria Royer, a partner at real estate services firm Real Retail in downtown Seattle.

"The challenge with downtown pop-ups is that there are not that many small spaces where tenants can go in that are in existing buildings," Royer said.

With "less than a handful" of pop-up spaces available, Royer said demand is strong, and she is in active negotiations for all the properties she is marketing in downtown Seattle's retail core.

Pelindaba Lavender wants to expand its operations from the Pacific Place kiosk into a permanent shop of between 900 and 1,100 square feet. But finding that isn't easy, given the tight market for retail space in downtown Seattle.

"We see a lot of larger spaces being available that are too large for our use," said



SHOWCASE: Amy Puckett sells Pelindaba Lavender products from her pop-up display on the third floor of Pacific Place in Seattle.

Amelia Powell, director of sales and marketing for the San Juan Island company.

What she likes about the Pacific Place pop-up is that it provides a showcase for the company's 250 lavender-based products. It exposes Pelindaba Lavender's goods to customers it wouldn't normally reach, including tourists.