

Retail Makes The Neighborhood — And Bigger Is Not Better

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Retail was once an afterthought when developing multi-unit residential projects. Not anymore. Now, bite-sized retail space is the heart of a residential project.



“It used to be a necessary evil,” barrientos RYAN co-owner **Maria Barrientos** told the audience at a recent *Bisnow* event.

Residential developers once paid no attention to whether or not the retail component worked, she said.

Times have changed.

Recently, Barrientos — a Seattle real estate icon who has developed more than \$900M worth of projects over the last 30 years — has rethought the importance of shopping in her developments. She now believes the retail aesthetic and mix can make or break a residential neighborhood.

“Rather than have a retail space sit empty for two years, I started thinking about what it would take to attract the cool, hip retail/restaurants,” she said.

In the past, retail spaces were too large, she said. The pool of retailers who can rent space over 1,500 SF is thin.

The sweet spot is between 800 SF and 1,500 SF.

Barrientos prefers retail spaces that are easy to divide or enlarge, depending on the tenants’ needs.

Vibrant, diverse storefronts give the neighborhood a vibe that attracts both businesses and residents, she said.

Finding and supporting up-and-coming entrepreneurs is an important part of the mix, she said. Artists and small-business owners bring a positive, fun

energy to the neighborhood, but they often need some help.



Shawna De La Rosa/Bisnow
Huxley Wallace Collective's Josh Henderson discusses the importance of smaller retail spaces with barrientosRYAN's Maria Barrientos and Seattle Pacific Realty partner Jeff Rosen, who moderated.

It was Barrientos who gave Josh Henderson his first break. She met Henderson, the executive chef and founder of the Huxley Wallace Collective, while he was still serving food out of his Airstream trailer.

“In order to have successful retail you need to take some risks,” Barrientos said. “A national retailer is not going to make your building sing.”

Creating those smaller spaces will go further in attracting the new, local talent, Henderson said.

“We used to have 3K to 5K SF spaces,” he said. “Now I tend to look at 1K to 2K SF, erring on the smaller side.”

Retailers are looking at the cost of labor and construction to get into the space, Henderson said. The smaller the space, the lower the costs.

Barrientos believes a strong retail base strengthens the neighborhood and makes it more attractive to residents.

“People like to identify where they live with the retail that is nearby,” she said.

There is still that human component in storefront retail that will never go away, she said. There will always be a need for hair salons. People will always need nail salons and home and garden shops. A lot of people do not buy their clothes online.

“Retail is still very experiential,” she said. “My 85-year-old mother still loves going to the grocery store. That is her social life.”

It is about creating an experience in your development, said Henderson, who cites the community retail experiences he has seen on his international travels.

“Kids playing soccer around the town square, while people are outside on the sidewalk eating,” he said. “It’s how you feel when you are in that space that’s important.”