

Franchisees, smaller chains still finding opportunities

BY ANJALI FLUKER

Step into Rod Harter's frozen yogurt shop, Menchie's, at The Rialto office/retail center in southwest Orlando, and the economic downturn all but melts away.

Harter's first such franchise opened last summer. Now, thanks to this store — one of the top five in sales in the Encino, Calif.-based chain nationwide — Harter is getting ready to start build-out for his second location. Last month, he signed a 10-year lease for a nearly 1,500-square-foot space at the Loop West shopping center in Kissimmee and has tapped Oviedo-based Marini Construction Co. to build out the store.

"If we could succeed with this franchise the way [the economy] is, we have nowhere to go but up," said Harter, whose business partner is franchise consultant Brian Melaney of Utah.

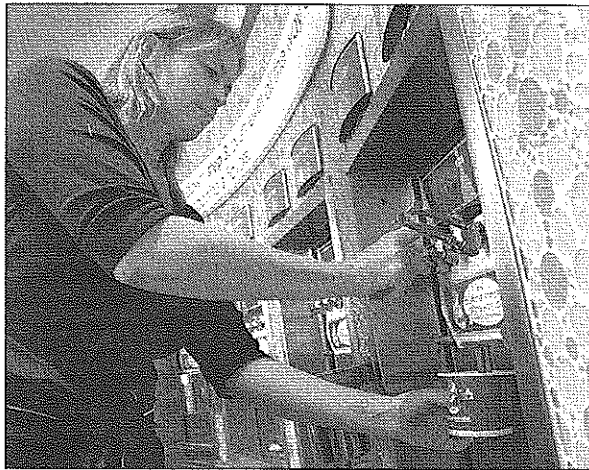
Harter, who wants to open a third store by year-end, is one of several Orlando-area franchisees looking to cut deals with landlords who need to fill space or risk possibly losing their centers to foreclosure, said real estate experts. Although most national retail chains are relatively slow to pull the trigger on signing expansion deals, franchisees and smaller chains continue to find opportunities in this market.

RBC analyst Rich Moore told *Forbes* magazine last month that the 2,200 chains he tracks want to open 65,257 stores in the next two years, up 1 percent from last December.

On the local front, Alan Charron, president of Orlando-based retail development and brokerage firm Real Property Specialists Inc., said he has about 180 retailers signed up for his annual Retailer One-On-One conference, slated for April 6. Among those are about 20 chains that would be new to Central Florida.

Some chains that already have invested in the Orlando market this year include:

- Mattress One Inc., which has headquarters in Orlando and Jacksonville, plans to open seven Central Florida stores in the next two months and wants to have a total of 25 in the area by year's end, said President Maged Salem. The chain is negotiating on two locations in Orange County, and already has stores in the works in Kissimmee, Viera, Palm Bay, Deltona and



JIM CARCHIDI

Menchie's franchisee Rod Harter is adding a second location in Kissimmee. Shown: customer Kathleen Rieker.

Retailer expo

The Retailer One-On-One deal-making exhibition is expected to bring 180 chains seeking new locations in the Orlando market face-to-face with landlords and brokers.



When: April 6

Location: Royal Pacific Resort

New to Orlando: Boardwalk Fresh Burgers & Fries, Doctor Express, Gogos Greek Grill, Zoom Tan and more

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eatery earlier this year and plans to open another at the MacDill Air Force Base in Brandon this summer.

- Orlando-based Urban Flats Flatbread & Wine Co. is targeting 10 new locations this year.

Although retailers have known opportunities were available in the market for the last year or so, real estate agent Jeffrey Henwood said it's become a much stronger tenant and buyer's market. That's because many landlords have loan notes coming due and wouldn't be able to refinance those loans without showing the lender they have tenants that can produce cash flow.

"Tenants can get a better deal right now than a year ago," said Henwood, senior adviser at Lake Mary brokerage firm Sperry Van Ness/Paradigm Commercial Group. "Landlords are a lot more desperate."

But even in such a market, retail-

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