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Big ideas, small space

Oakland Mall offers kiosks with low rent for startup businesses

Jennifer Youssef / The Detroit News

TROY -- Don't expect the dozen new kiosks at Oakland Mall to be stocked with familiar calendars, designer cologne or cell phones, typical of many stand-alone retailers at malls.

Instead, look for lesser known products and services by budding entrepreneurs such as Chevelle Downs of Detroit, who is testing a line of natural cosmetics on local shoppers, after trading her city police job for a more favorable schedule.

Oakland Mall is making the 72-square-foot kiosks available to Downs and others through short-term leases, which range from a day to a week to a month.

The mall's goal is to make it easier and less risky for startups by allowing them to avoid the commitment of a long-term lease. Rentals begin at about \$300 for a weekend but are negotiable.

"If someone is looking for a career change or wants more exposure, this gives renters an opportunity to do so," said Deborah Beattie, leasing representative at Oakland Mall. "They can get short-term leases so they're not committed but they can still come in and test the market."

Five of the contemporary-looking kiosks, which include counters, display cases and shelves, have been leased. Businesses include a home improvement center and home security company.

Some are staffed while others simply display company products and information as well as drop boxes for questions and suggestions. The kiosks are adapted to suit each renter's needs.

"All they have to bring in is their products and workers," Beattie said.

A tough retail market is forcing malls and retailers to think of creative new ways to make and save money, Farmington Hills retail analyst Kenneth Dalto said. One of the best ways to do that is by putting a kiosk in a space once deemed un-rentable.

It's become a necessity as many retailers -- unable to afford the \$10,000 a month rent for a mall store -- close up and move out, he said. Malls have too many vacancies and need to provide retailers with a cheaper alternative like kiosks.

"It's a sign of the times," Dalto said. "It's the only way for many people to start a business in an efficient, low-cost manner."

Dalto said he was unaware of any other malls offering similar kiosks.

Erin Hershkowitz, a spokeswoman for the International Council of Shopping Centers, said she was unaware of any other malls offering retailers similar short-term leases, but described the concept as unique.

"It's a great way for (the entrepreneur) to test the product," she said. "It's also beneficial for a struggling mall to get new stores and a great way to get new businesses in the mall."

For 40-year-old Downs, the short-term lease on a kiosk near the mall's center court swayed her decision to go into business. After retiring from the Detroit police department to spend more time with her 6-year-old son, Downs opened CAD Cosmetics in December. She features a line of all-natural lipsticks, blushes, mascara and other products made by a private manufacturer. Business, she said, has been so good she's considering signing a long-term lease with an eye on a permanent store.

"I get a lot of flexibility this way," she said. "I know I wouldn't have done it if I had to sign a year-long lease."