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Business

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H&M TO MOVE VALLEY'S FASHION FORWARD

Swedish retailer ends speculation, announces plans to open in Scottsdale



DAMIAN DOVARGANES/ASSOCIATED PRESS

Ashley Alfonso browses at an H&M store in Glendale, Calif. H&M's announcement on Thursday to open in Scottsdale ended roughly two years of speculation about where and when the retailer would locate in the Valley.

By Erica Sagon
THE ARIZONA REPUBLIC

Fort Wayne, Ind., and Dearborn, Mich., aren't exactly fashion capitals.

But until next spring, they'll have something very stylish that the Valley won't: H&M.

The Swedish retailer, known for chic, cheap clothes for men, women and children, will open its first Arizona store in spring 2009 at Scottsdale Quarter, an open-air shopping center going up across the street from Kierland Commons.

H&M is one of the most buzz-worthy names in fashion for its low-priced, European-influenced style and for collaborating on product lines with Madonna and upscale designers including Stella McCartney and Chanel's Karl Lagerfeld. It will next hook up with Comme des Garçon, an offbeat Japanese designer label.

It's also carved a niche by taking the trendiest runway styles to its racks in just three weeks, which is

H&M by the numbers

151
Stores in the United States.

1,500
Number of stores worldwide.

\$19.90
Cost of a basic white button-down shirt for women.

15,000
Square footage of the first Scottsdale store, which is slightly larger than average stores.

a record turnaround in the fashion industry.

But for Valley fashionistas, speedy H&M seemed to take forever to get here, a successful retail market filled with everything from Old Navy to Gucci, while it was turning up in smaller, unlikely cities.

"It's a big country and we do expand in a very strategic way," said Lisa Sandberg, spokeswoman for Hennes & Mauritz AB, the Swedish retailer behind H&M. "We're trying our best to reach all the big real-estate markets. It just takes time."

In eight years, it has opened 151 United States stores, mostly in the eastern half of the country. In the West, it has two stores in Las Vegas and more throughout California. Internationally, it has a much larger presence, with 1,500 stores in 28 countries.

H&M won't stop with just one store in the Valley, Sandberg said, though she wouldn't say how many are in the works. Industry sources say the company wants to scatter five or more stores across metropolitan Phoenix.

That's good news for shoppers like Mary Navolanic, 31, of Phoenix, an occupational therapist who shops at H&M when she travels to Los Angeles and San Francisco.

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H&M plans to open store in Scottsdale retail center

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"Every time I'm around it, I'll go there," she said. "I have to. They have such cute stuff."

H&M's announcement on Thursday to open in Scottsdale ended roughly two years of speculation about where and when the retailer would locate first in the Valley. Possible sites included Tempe Marketplace and Scottsdale Fashion Square, but H&M had dodged the rumors, saying it doesn't comment unless a lease is signed, which is the case at Scottsdale Quarter.

The store will be one story and 15,000 square feet, which is slightly larger than average for the retailer.

Phoenix-based Westcor, the Valley's largest mall developer, is negotiating "several" deals with H&M, said Kim Choukalas, Westcor's vice president of development and leasing.

Possibilities include Scottsdale Fashion Square, Chandler Fashion Center and Arrowhead Towne Center in Glen-



DAMIAN DOVARGANES/ASSOCIATED PRESS

H&M employee Cyndy Leiva helps Nelson Vargas buy a dress shirt at the retailer's store in Glendale, Calif.

dale.

"They're very much a priority," Choukalas said. "You could see announcements in three to six months."

John Corritore, the Scottsdale-based retail broker who is leasing Scottsdale Quarter, said the store raises the Valley's fashion profile.

"Our retail offerings are get-

ting very, very complete," Corritore said. "Phoenix is really starting to be at the same level as Dallas and Atlanta and Miami. We used to be way below them."

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