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Saks Off 5th to debut April 6 at the Overlook at King of Prussia shopping center

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Suzette Parmley

The luxury off-price retailer Saks Off 5th is the newest tenant for the Overlook at King of Prussia shopping center next to King of Prussia Mall, Overlook's owner, DDR Corp., confirmed Tuesday.

The 42,000-square-foot Saks Off 5th store, which will open April 6, takes over space last occupied by Nordstrom Rack, which moved last summer to the then-new \$100 million King of Prussia Town Center.

"We're excited to continue to grow in the Philadelphia market," Jonathan Greller, president of Saks Off 5th, said Tuesday. "We've secured a great location."

Saks Off 5th is the off-price retail division of Saks Fifth Avenue - just as Nordstrom Rack is an offshoot of Nordstrom. Saks Off 5th will be offering up to 70 percent off designer brands and is part of the upscale portfolio of the Canadian retailer Hudson's Bay that includes Saks Fifth Avenue and Lord & Taylor.

Coincidentally, Hudson's Bay is said to be involved in talks to take over Macy's Inc., a key competitor to Saks and Lord & Taylor. Both sides have declined comment.

"There's well over a billion dollars of spending power just around [KOP] mall, so every retailer wants to attempt to capture some of those sales," said Steven H. Gartner, managing director for retail services at the commercial real estate firm CBRE Inc. A Saks Off 5th opened at the Metroplex shopping center in Plymouth Meeting last May.

There is also a \$1 billion building boom going on in King of Prussia, including residential units, office buildings, and retail, spurred largely by the King of Prussia Mall's popularity. As the largest mall in the United States in retail square footage, it underwent a \$250 million expansion completed in August that linked the Plaza with the Court for the first time and added more than 40 mostly luxury brands in their own wing.

DDR, based in Beachwood, Ohio, is a real estate investment trust that owns and manages 319 retail properties spanning 106 million square feet in the U.S. and Puerto Rico, according to its website.

In Pennsylvania, besides Overlook, the company owns nine other centers, including three in the Philadelphia region: Larkin's Center in Boothwyn, [Ashbridge Square](#) in Downingtown, and Noble Town Center in Jenkintown.

The firm, publicly traded on the New York Stock Exchange, now pays a dividend of more than 5 percent.

Overlook at King of Prussia sits at 301 Goddard Blvd., adjacent to the King of Prussia Mall, and also features a Bahama Breeze, Best Buy, Champps, and Ifly.

Saks Off 5th will sit just behind the Best Buy and near a United Artists Theatre.

Other upscale chains have spawned their own off-price divisions: Neiman Marcus offers Last Call, and Bloomingdale's outlet stores includes a spot at Liberty Place.

Macy's Backstage, a combined department store and outlet, debuted at Montgomery Mall last year inside the existing Macy's.

There are now six Nordstrom Rack stores in the Philadelphia region: at 1700 Chestnut St. in Center City, Towne Place at Garden State Park in Cherry Hill, Willow Grove Park Mall, KOP Town Center, Mercer Mall in Lawrenceville, N.J., and one that opened at Lincoln Plaza in Langhorne in October.

Retail analysts say consumers' frugal ways during the recession carried over. Shoppers now value price more than other retail attributes, such as customer experience, said Bridget Weishaar, senior equity analyst at Morningstar, who covers department-store and off-price retail stocks.

"Increases in rents and medical expenses have captured a larger portion of the consumer's wallet," she noted in a November 2016 analysis. "Since 2008, retail and food service sales have grown 2.4 percent on average annually," while clothing and accessories stores grew by only 1.8 percent.

Indeed, DDR spokesman Brandon Glenn stressed that Saks Off 5th would be focused on "shoppers who prioritize value and convenience."