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One Retail Landlord's Inventive Way to Fill Space

In Florida, one shopping center owner is helping entrepreneurs get a leg up.

By **Les Shaver** | March 15, 2021 at 07:20 AM

Faced with the same challenges that many shopping center owners around the country are dealing with, Beth Azor, owner and founder of Azor Advisory Services in Weston, Fla., came up with an innovative way to fill space.

Azor, who owns shopping centers in South Florida, has started offering small businesses and entrepreneurs temporary space at no charge for three months. The expectation is if they do well, they will sign longer leases.

During COVID, Azor signed nine leases in her centers and seven of those were for pop-up stores. Three of the leases with pop-up stores were for three and five years. "I brought in a hobby store and I gave them October, November and December free," she says. "They killed it.

They did \$40,000 in October, \$80,000 in November and \$149,000 in December. And they signed a three-year lease with me at market rents.”

Azor also brought in a blinds and drapery company that had been in business for 40 years at one location. She offered him six months free.

“I said, ‘Look, I’ll give you six months free,” Azor says. “At the end of six months, if you’re doing great, you can renew. And if you’re not, no harm, no foul. You go back to your 40-year location that has been there forever. Now, they’re killing it. They just signed a five-year lease at market rents.”

Azor recently put together 50 national landlords and got them to donate some of their empty space to entrepreneurs who wanted to test out a new concept or new market. Azor set up a room called Space Tank in the Clubhouse app to match the landlords and entrepreneurs, such as personal fitness instructors, chefs and bridal studios. Overall, she had 71 initial landlord-entrepreneur matches from the first two nights. She has more of those events planned.

“The landlords commit to giving 90 days free,” Azor says. “The entrepreneurs agree to take the space as is, buy insurance, give a nominal deposit and pay utilities.”

If the entrepreneurs have strong sales, they agree to sign up for a longer-term lease. “But if they don’t, no harm, no foul,” Azor says. “They can just use it as an incubator opportunity.”

In one case, a woman in Cleveland expressed her desire to move to Florida and start a business. Multiple landlords pitched her space.

“She talked to six landlords, and she is there this week,” Azor says.

“She is looking at three different spaces and is going to pick one. This is an opportunity for her to come down and see if Fort Myers is a good location for her business.”

In another example, a woman who has a growing baking business wanted to open a pop-up location and move out of her house. “She had four or five landlords pitch her for giving her second-generation restaurant space,” Azor says.