

Luxury LIVING



PUBLICATION DESIGN BY ERIN V. ALEXANDER | PHOTO OF RIVENDELL CONDOMINIUMS IN OCEAN CITY, MD., BY STEPHEN CHERRY

High-end boutiques bloom in Harbor East, Towson

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Extravagance on the Eastern Shore for Md.'s retirees

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Retail boutiques adapt to down economy



RICH DENNISON

Shoe retailer Sassanova, with locations in Georgetown and now Harbor East, has adapted to the current economic situation by addressing it directly. 'If the economy is making you feel blue,' says the store's Web site, Sassanova has deals to 'bring back your shopping sparkle.'



RICH DENNISON



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Top: Urban Chic found enough success with its original Georgetown location that owners Chris and Lindsay Buscher have since branched out to National Harbor, Bethesda and Harbor East, with an Annapolis location opening soon.

Bottom: Handbags in the City, seller of designer handbags and accessories, relocated to Harbor East two years ago. While sales have slowed for the time being, owner George Sakellaris is optimistic about his store's staying power, saying, 'I don't think we'll be affected that much.'

BY KAREN NITKIN

Special to The Daily Record

In 2006, George Sakellaris took a calculated business risk, moving his high-end retail shop, **Handbags in the City**, from a 500-square-foot space on South Exeter Street to 1,100 square feet in the ritzy new Harbor East development a short distance away.

At the time, the move seemed to make perfect sense. His clients, mostly doctors, lawyers and other high-income professionals, had no problem spending four figures on a handbag and might even buy more than one at a time. In the new location, he even had room to expand his inventory, offering clothing and shoes from the likes of Jill Stuart and Just Cavalli alongside bags from Kooba and Mulberry.

But since then, as everyone knows, the economy has fallen off a cliff. Unemployment is going up and retirement savings are going down. These days, consumers seem more in the mood to keep their pocketbooks tightly shuttered than to spend \$500 or more for a new one.

Sakellaris says he's adjusted to the change in the retail landscape by stocking a broader mix of items. His bags now start around \$195, instead of \$395, he says. "We still carry the luxury brands, but we buy some of the bridge levels of each brand," he explains.

He has gotten used to customers buying a single bag instead of two or more and he's marking items down sooner than in the past.

But Sakellaris believes his business will survive this rough patch. "We just kind of roll with the punches," he says. In fact, he admits, he would make the move to Harbor East again, knowing what he knows now. "I think it will be OK," says Sakellaris.

Throughout Maryland, the United States and even around the world, retailers are doing their best to stay afloat dur-

ing a global economic crisis that is sapping consumer confidence and decimating family budgets.

"Things are very difficult out there," says Tom Saquella, president of the **Maryland Retailers Association**. "I think where retailers can pull back on expansions or new locations, they're going to do that right now."

Because of an ongoing credit freeze, business owners frequently have difficulty securing financing for expansions. And planning is difficult because nobody knows when economic conditions will improve, Saquella notes.

On the plus side, some business owners might find new opportunities and locations as competitors go out of business, he says.

He would like the state to enact tax holidays to bring people to stores but recognizes that probably won't happen when state coffers are short of cash. His next hope is that state officials will at least not impose new regulations or costs that will burden already vulnerable businesses.

Sakellaris says he's eager to see what spring brings, since that is typically when tourists come to town and business picks up for him. "I don't think we'll be affected that much," he continues. He notes that most of his clients have job security and can afford the items in the store, but they have been holding back because they feel rattled.

Saquella believes success stories can always be found, but they are the exceptions rather than the rule. "Right now, I would say all the sectors are feeling it," he says. The one business that's doing relatively well, he continues, is the food industry, because people are eating out less. But even their numbers "aren't blowing people away."

Companies, particularly high-end ones, are responding to the changing conditions with deeper discounts and new sales campaigns.

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Maryland's seaside offers retirees retreat



SUBMITTED PHOTO

The Gateway Grand is one of Ocean City's newest oceanfront condominium buildings, and owners enjoy amenities like the indoor pool and on-call concierge service. Perhaps most of all, however, they enjoy the friendly environment. 'In today's hectic world, it is indeed a pleasure when the staff stops what they are doing to offer a helping hand or just say hello,' say homeowners Leroy and Louri Dixon.

BY MARY MEDLAND

Special to The Daily Record

While the Eastern Shore is full of low-key, low-cost alternatives to Maryland's more affluent communities, it still has its fair share of luxury, especially on the water.

"The No. 1 reason people come to Talbot County is for the water," says Debbie Dodson, tourism director for the county. "In St. Michaels, one can kayak, canoe or sail. But we also have great restaurants, festivals and lecture series."

Donna Abbott, public relations director for Ocean City, agrees.

"I think what appeals to those who come here to vacation also appeals to the people who live here year round. Things are more relaxed and people can slow down and enjoy the beach, fishing or golfing. Many people have had places as investment properties or second homes here that they know will be waiting for them when it comes time to retire."

Communities like Martingham, in St. Michaels, provide such homes at a price tag of \$300,000 to more than \$1 million. Amenities include its proximity to Harbourtown Golf Resort and Conference Center.

"Martingham homeowners can become members of the clubhouse and take advantage of its 18-hole golf course," explains Dobson.

"In addition, there are a lot of waterfront properties on the Miles River, and these homes sell for millions of dollars."

For those just coming for a short visit, there are luxury lodgings. "We have the **Inn at Perry Cabin**, which is rated one of the Top 100 Best Hotels in the United States by Travel & Leisure magazine," says Dodson.

But it is not only retirees who are making the move to the Eastern Shore. "People who work in Washington, D.C., but do not have to be there all five days of the week are moving here. If you time things carefully, you can drive to D.C. in about one hour and 15 minutes," notes Dodson. "And some of our CEOs are flown to their jobs in corporate jets."

"With telecommuting, people can live here permanently and work in other areas," agrees Abbott.

Indeed, the Eastern Shore is geographically very well-positioned, with proximity to Baltimore, Washington, D.C., Philadelphia and even New York.

"People move to Easton from New York, because it reminds them of what Oyster Bay and the Hamptons

used to be like," says Dodson. "They can sell their homes in those areas for a really good price and buy something here that is comparable, but with much lower taxes."

Other Easton amenities include top-flight restaurants, such as **Out of the Fire**, **Scossa**, **Masons Gourmet** and the **Inn at 202 Dover**, as well as a respected art museum, private galleries and the **Avalon Theatre**. "We are known as a very art-friendly community with a number of highly regarded private galleries," notes Dodson. "And on the first Friday of the month the galleries stay open with the artists present to meet and greet visitors and potential collectors."

For those who prefer the quiet of bayside living, there is Rivendell Condominiums — three- and four-bedroom luxury residences between 80th and 81st streets. Among such offerings as an upscale lobby, fitness center, and both indoor and outdoor pools, the developer is offering some enticing breaks, including no closing costs and new seller financing on 10 units for a limited time.

One Rivendell unit boasts three bedrooms and three-and-one-half bathrooms. The balcony alone measures 328 square feet and the residence 2,041 square feet, coming to a total of 2,369 square feet of living space.

Other amenities include bay and ocean views, controlled access parking, a new restaurant and three elevators. In the kitchen, homeowners will find stainless steel appliances, sophisticated cabinetry and granite countertops.

Homeowners can opt for two, three or four bedrooms and all units come with nine-foot ceilings, a large balcony, natural stone and ceramic tile flooring, carpeted bedrooms and crown molding in the living, dining and bedrooms. The master bath includes double vanities, a jetted tub and a separate, glass-enclosed shower with Moen fixtures. Residents enjoy a remote-controlled fireplace, laundry room, 80-gallon quick-recovery hot-water heater, and cable and high-speed Internet service as well as programmable thermostats and eight-foot Andersen sliding doors and windows.

Ocean City is also home to a new oceanfront property, the Gateway Grand. "We opened in July 2008 with 196 units on 16 floors," says Marie L. Karl, senior vice president of **Trammell Crow Company**. "This is a very high-quality property, and all units have three or four bedrooms."

Karl notes that the 32,000-square-foot, two-story lobby and amenity space includes lounges, a catering kitchen, bar, indoor pool, high-end fitness center and a children's space. The Gateway Grand uses a key-fob entry system, and there is on-site property management and maintenance personnel, as well as five elevators.

Perhaps the best amenity offered by the Gateway Grand is its "Call on Jack" concierge service, which provides move-in assistance, dogwalking and housekeeping services, and even dinner reservations.

All Gateway units include stainless steel kitchen appliances, granite countertops and marble master bathroom floors. Residents have access to a six-story garage and climate-controlled corridors.

"These are all market rate units," notes Karl. "On April 5, we are going to announce a promotional pricing for 20 units. A lot of people who have been coming to Ocean City for years are now upgrading to this newer, larger development."

Many people have had places as investment properties or second homes here that they know will be waiting for them when it comes time to retire.

Donna Abbott
Ocean City Department of Tourism

"The development also will include an adjacent free-standing restaurant at 48th Street and Coastal Highway."

Perhaps, above all, the greatest appeal of the Eastern Shore is its reputation for friendliness among residents. Leroy and Louri Dixon, Gateway Grand homeowners, note, "In today's hectic world it is indeed a pleasure when the staff stops what they are doing to offer a helping hand or just say hello."

It is a sentiment that Mary Rice — a Gateway Grand concierge — hears frequently. "Everyone comments about the different atmosphere they see after they come across the Bay Bridge," she says. "People comment on how friendly people are in Ocean City and elsewhere on the Eastern Shore."

"They really notice how hospitable people are and how relaxing it is to live here."



RICH DENNISON

High-end handbags are the specialty of George Sakellaris, owner of Handbags in the City. But to cope with the hesitant consumer, he has adjusted his inventory. Now, bags start at \$195 instead of \$395, and consumers usually purchase one at a time instead of several.

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Things are very difficult out there. I think where retailers can pull back on expansions or relocations, they're going to do that right now.

Tom Saquella
Maryland Retailers Association

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Patrick Sutton Homes, for example, is seeing a boost in its design consultation services, though retail sales have gone down. Manager Stacy Connelly says customers are less likely to indulge in the impulse purchases that were commonplace in the past, but they don't mind paying for the consultation service, which costs \$100 a room, because it allows them to space out purchases over the course of several years, confident that the end result will be a unified look. And the fee is credited back if customers spend more than \$1,000 at the store, she explains.

"I think it's now about staying in your home and not selling, since the market's so bad," she says. The company has always offered the service, but now it is sending out postcards promoting it.

Patrick Sutton Homes, which opened in Federal Hill in 2001, has never been a discount furniture store, and it doesn't pretend to be one now, Connelly admits. But the inventory mix has changed in response to the changing times. Now, the sofa on display will still be from a top company, but maybe it will be the less-expensive version, without mohair. Connelly also notes that customers are bolder about asking for discounts.

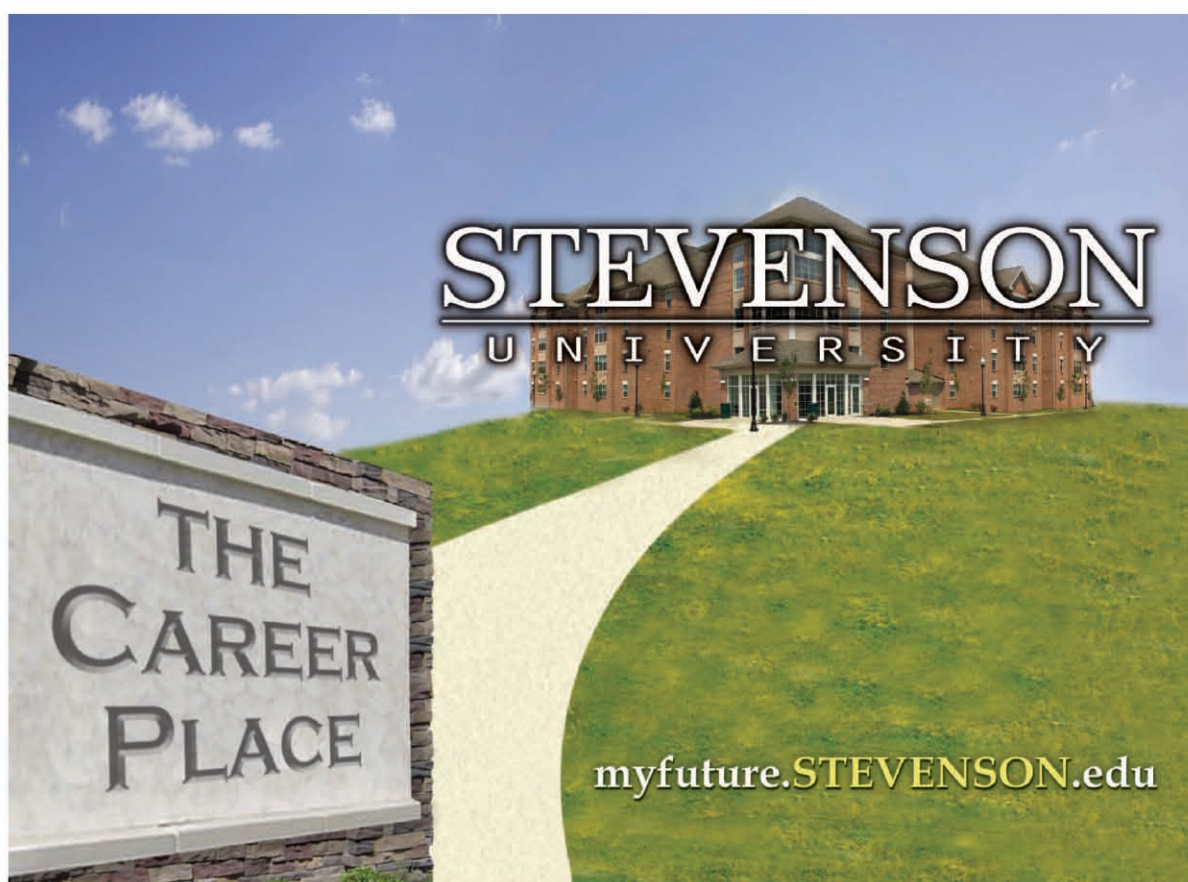
South Moon Under, a clothing store with locations in Harbor East, Towson and Bethesda, among others, is one of the few companies that is physically expanding. The local chain added a 12th location in Washington, D.C., on Jan. 30.

But the company is not ignoring economic realities. "We will continue to open up stores, but our deal requirements have changed," says Michelle Pipitone, marketing assistant. The company has also added more moderately priced items to its mix. "We have changed our balance to accommodate more moderate price points since last fall," she says.

A retailer like **Ukazoo Books** in Towson, which buys and sells used books, seems poised to actually benefit from the downturn. Manager Olivia Tejada says it's hard to know what role the economy has played in the company's expanding following, since the store has only been open since June 2007.

She notes that the discounted books sold by Ukazoo are in good condition and that customers can generate a little cash by selling their own books. "We're definitely having more people mention that it's a great value," she says.

She also noted that books about finding new jobs, saving money and starting over are selling especially well. The store created a display of books on those themes around the start of the new year, she says. "We have to replenish it every day."



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