

Turquoise declared the 'it' color for 2010

Purveyors of N.M.'s state gemstone eager to cash in on newfound fashion status

By Jessica Dyer Journal Staff Writer

SANTA FE — Step aside, mimosa yellow. Your moment is so over.

The experts have declared turquoise is in for 2010.

The tranquil blue-green shade has been deemed the year's "it" color by the experts at Pantone — replacing the juicy, cocktailthemed yellow of 2009 — and merchants in Santa Fe couldn't be happier.

That's Santa Fe, the northern end of the Turquoise Trail and probably one of the few cities in America that has a "Turquoise" heading in the local Yellow Pages. A sea of turquoise jewelry is available for sale around the Plaza.

And Santa Fe is the capital of a state that recently unveiled its new turquoise license plate.

Downtown shop owner Lorreen Tillis said she learned of Pantone's selection on a news Web site and was thrilled.

"My reaction? Yesss!" said Tillis, standing among cases full of turquoise American Indian jewelry and Southwestern-style costume jewelry inside of Lorreen International Emporium.

Tillis hopes that such a declaration by Pantone — described on its Web site as "the global authority on color" — will resonate with the masses and perhaps get them thinking about future travel to the City Different.

"It will be interesting to see if the press on this has an impact nationally and if it translates to people saying 'Oh, my gosh. I need to go take my vacation this year to Santa Fe and see all that great turquoise jewelry,' " she said.

Tillis said that people unaccustomed to wearing turquoise jewelry may not associate it with high fashion, but she says that could change in 2010.

"People have this mindset of, 'Oh, I can't wear this in New York,'" Tillis said. "Maybe this will have the impact on them, so they'll say, 'It doesn't matter. I can wear this anywhere.'"

And with just about anything.

"One thing that's really nice about turquoise is that it's versatile. It goes so well with other colors — black, brown, whites, grays. It would even go well with mimosa yellow," said Liz Serendip, manager of Ortega's On the Plaza, which boasts a large assortment of turquoise jewelry. "It's in a way a universal complementary color."

Leatrice Eiseman, executive director of the Pantone Color Institute and the author of eisemancolorblog.com, said turquoise works well with neutrals but also works in more daring pairings.

Think turquoise and chartreuse, turquoise and eggplant or turquoise and "tomato puree."

But it's not the color's complementary nature that earned it color-of-the-year status.

Emotions and human psychology carry a great deal of weight during Pantone's selection process, Eiseman said.

"It's not just putting a bunch of colors on the wall and throwing darts," she said. "We're really thoughtful about what the average person and consumers are telling us about what they're looking for and what their needs are."

Though a person's kneejerk reaction to the color is often to think of tropical getaways, turquoise also tends to offer people a sense of security, Eiseman said.

"Protection is a key word," she said. "We can't just ignore the times we live in, and what people are needing and asking for. We looked at turquoise from that standpoint — the feeling of wearing something that will be protective and beautiful at the same time."

Will its new status truly elevate turquoise in 2010?

Serendip says it's possible.

"I do know when Pantone selects colors, fashion designers do end up paying attention. We probably will see it influence fashion," she said. "I guess my concern is if it's used in clothing, then people might not want to put turquoise jewelry on top of it."

Turquoise has had its day before. Serendip said there was a spike in interest in the early- to mid-2000s

when Ralph Lauren began integrating the stone into his accessories.

Chris Chavez remembers a time when everyone was clamoring for turquoise.

"Back in the '70s, it was a very, very desirable jewel. Traders and shop owners would come to Santa Fe and buy in bulk, lots of jewels, and take them back to California, New York, Washington. It was a busy time," said Chavez, a member of Santo Domingo Pueblo who sells jewelry with other Native American vendors outside of the Palace of the Governors.

Back then, he said, "People would be waiting by your house and buying jewelry as soon as you finished."

Chavez said he's happy to hear that turquoise could be big again in 2010.

If anyone hasn't heard the news, Chavez said, "I'm going to start telling them." period.

The same holds true for the local retail market. The vacancy rate is predicted to drop from a preliminary 10.8 percent at the end of 2009 to 10 percent at the end of 2010. The national forecast is for an increase in the retail vacancy rate from 10.8 percent to 11.7 percent over the same period.

"By the beginning of the second quarter, I personally believe there will be a boost in consumer confidence," Lewinger said. "I believe there are a lot of people with money to spend and they'll come out of the woodwork in the second quarter."

The local forecast for industrial buildings like warehouses and assembly plants is gloomier. The local vacancy rate is expected to climb from a preliminary 9.1 percent at the end of 2009 to 10.6 percent at the end of 2010. The national forecast is for an increase from 10.7 percent to 11.4 percent over the same period.

Downside: dropping lease rates

The dark side for Albuquerque's commercial real estate in 2010 will be dropping lease rates. As examples, the average asking lease rate for office space is expected to drop down to the 2007 level, while the asking rate for industrial space is expected to plunge to a level not seen in 10 years.

While good for companies seeking to rent, dropping lease rates are a sign of weak demand and a sluggish economy.

As the bricks-and-mortar of the economy, commercial real estate is considered a lagging indicator of where the economy is headed. It takes several months, sometimes as long as a year, for commercial real estate to feel the impact of changes in key economic indicators like employment, consumer spending and home construction, said Ken Schaefer, who helped put together Grubb & Ellis' forecast.

Headquartered in Santa Ana, Calif., and publicly traded on the New York Stock Exchange, Grubb & Ellis has about 130 offices around the country. The Albuquerque office was established in 1997, when the locally owned commercial real estate firm of Lewinger Hamilton Inc. affiliated with Grubb & Ellis and gradually assumed the name.

Looking back at the company's recent local forecasts, Grubb & Ellis based its forecast for 2008 on the theme of "uncertainty." Cracks were beginning to show at the end of what had been a robust year for commercial real estate in 2007. The company's prediction for small increases in local vacancy rates for the office, industrial and retail markets proved low by an average of 1 percentage point.

The recession's impact on the local economy was starting to grow when Grubb & Ellis came out with its forecast for 2009. Again, its prediction for small increases proved low – this time by an average of 1.5 percentage points for the three market types.

"On the trends side, we got it right," Lewinger said about the 2008 and 2009 forecasts. "Anything within a 100 basis points (or 1 percentage point) is pretty good. We missed some of the (forecasted) vacancy rates pretty badly."

The difficulty in making those forecasts was trying to gauge how deep the economic recession would go in the metro, he added.

Office market boost

Last year ended with a bang for the metro's office market.

Hewlett Packard moved into its new 218,000-squarefoot office building in Rio Rancho in December, while the U.S. General Services Administration confirmed plans for construction of an approximately 33,000-squarefoot building at Mesa del Sol in 2010, reportedly for Immigration and Customs Enforcement offices.

Office activity, whether in the form of leases or build-tosuit projects, likely will be generated by alternative energy, government, health care and private education. As an example of the latter, Fort Mitchell, Ky.-based Brown Mackie College recently signed a lease for 35,000 square feet at Copper Pointe, the 211,077-square-foot renovated former industrial building near Eubank and Interstate 40.

Demand for industrial space has dwindled because of the recession's impact on the manufacture and distribution of goods.

A prime example is the planned closing of General Electric's aircraft parts plant in the South Valley in the second half of 2010. Opened in 1967, the 477,000-squarefoot plant is unlikely to land a replacement tenant anytime soon, the Grubb & Ellis forecast notes.

What's really hurting the industrial market is the growing volume of space available for sublease, which

amounted to more than 1.5 million square feet at the end of 2009, according to Grubb & Ellis. Sublease space is rented, and thus still producing income for the landlord, but is no longer needed by the tenant.

Sublease space is attractive because its asking lease rates are typically discounted below market averages in an attempt by the tenants to unload it. In a cause-and-effect way, the forecast says, "This will drive overall asking rates down as landlords are forced to lower rates in order to compete."

A positive retail sign

The holiday shopping season ended on a positive nationwide after a sluggish start in November, according to Purchase, N.Y.-based MasterCard Advisors' latest SpendingPulse report.

Between Nov. 1 and Dec. 24, retail and service sales increased 3.6 percent nationwide compared to a year earlier. The increase bodes well for retail real estate in the coming year. Much of the activity will likely be retailers already in the metro, according to the forecast.

"The environment will be ripe for established tenants to expand to new locations or upgrade to better locations at attractive rates using a flight-to-quality strategy," the report says.



EDDIE MOORE/JOURNAL Lorreen and Larry Tillis, owners of Lorreen International Emporium, are excited that turquoise is the color for 2010.



EDDIE MOORE/ JOURNAL Chris Chavez of Santo Domingo Pueblo sells his turquoise and coral jewelry under the Palace of the Governors portal and expects renewed interest in the gemstone.





COURTESY DEKKER PERICH SABATINI COPPER POINTE Copper Pointe, the 211,077-square-foot overhaul of the former Siemens Stromberg-Carlson plant near Interstate 40 and Eubank NE, attracted a private college as its first tenant in late 2009.



JOURNAL FILE As a sign of the times in the industrial market, General Electric's 477,000-square-foot aircraft parts plant in the South Valley is scheduled to close later this year.