RETAIL IMPACT
specialized RETAIL services
It’s all about the experience.

THE LANDSCAPE

Contemporary retail is in flux—transforming as dramatically today as when price tags were first affixed to products for sale. In the flat world we live in, brands cross borders, supply-chains have shortened, styles change daily and the smartphone, which barely existed 10 years ago, is both a lens on retail and an engine for commerce, in-store and online.

Consumer access to retail data is unprecedented: Product cost, quality, peer reviews and more are widely available and easily accessed. The immediacy and transparency of information put additional competitive pressures on retailers and the owners they lease space from.

The primary consumer, the baby boomers, will soon be outspent by the newest cohort, the millennials, a generation that embraces the renter economy, places fitness and locally-sourced goods at a premium, understands brand awareness and allegiance, and is committed to giving back.

THE OUTLOOK

Retail has kept pace with the overall U.S. recovery, and a cautious optimism is pervasive. Omnichannel is the watchword as consumers demand multiple options for purchase and pickup. Technology has impacted buyers, sellers and landlords so significantly that the role of the store needs to be reimagined.

A new pathway has been created where the physical store, redefined mall or lifestyle center is the “third place,” after home and work. Retail as entertainment is not new, but the pace of change and evolution of the concepts are. To execute successfully on this new model, however, both tenants and landlords need to embrace an immersive, customer-centric model. It’s all about the community.

The demise of brick and mortar has been greatly exaggerated. However, these stores are missing significant opportunities for branding, service, contact and retention. The shopping experience is not being replaced but enhanced by online and alternative channels, then brought back to the store level. Provide your customers with the best of all shopping experiences and the world will beat a path to your door.
THE SOLUTION

For both owners and retailers, selecting and negotiating the right retail location requires market expertise, deep sector experience and a team that always puts your best interests first. Experience, expertise, ownership: our clients ask for it and we deliver—across the spectrum of retail assets and for notable global brands.

Colliers International is where you are as well as where you want to be. Our Market Intelligence Team is able to provide noteworthy forecasting by collecting and analyzing key data points from global metrics to discern opportunities.

Colliers gets that data is a major asset for our major retail clients. It’s the window to where they’ve been, where they are, where they’re going. Data is the key to decision making. Colliers is proud to be the only major real estate company with SiteMap for uploading, organizing and delivering Big Data.

Our Retail Specialists understand regional, national and global industry trends and their impact on real estate. Our primary goal is to help you keep retail real estate relevant.

Easy to work with. Hassle-free. Quite often this is how our clients describe us, and we take the compliment. We know how much is riding on the right decision: profitability, long-term relationships and careers.

RETAIL SPECIALTY GROUPS
› International Retail
› Retail Investments
› Urban Retail
› Landlord Agency
› Tenant Representation
› Restaurant
› Real Estate Management Services
› Net Lease
› New Generation

SPECIALIZED SERVICES
› Site Selection Technology
› Capital Markets and Valuation
› New Market Penetration & Realignment
› Store Design and Delivery
› Portfolio Management
INVESTOR SERVICES

For our investor clients, the owners of the retail properties we manage, we deliver on functional requirements in an economical, safe and sustainable fashion.

Strategic Property Positioning
We provide comprehensive asset management services to clients utilizing a Single Point of Contact for ease of communication and reporting. We have extensive experience in the effective management of a broad array of property types for both private and institutional clients. We can provide customized, strategic multi-year planning. Our approach to value creation is thoughtful and analytical. We ensure that tenant mix analysis, leasing programs, property marketing and on-site management are fully integrated to maximize the value of your retail property.

Project Leasing
Our unique partnership structure combines the strength and stability of a national and global platform. Our enterprising spirit encourages our professionals to think creatively and always exceed expectations. Our Leasing Team utilizes collaborative retailer relationships to uncover innovative leasing solutions. We also partner with local banks to identify financing opportunities for smaller retailers.

Management Services
From operational to financial management, we provide utmost quality to an asset. We perform comprehensive inspections, examining the operation and maintenance of all common areas to provide preventative maintenance planning and innovative strategies. From a financial perspective, we provide (to our clients) annual budgets, cash-flow variances, forecasting, sales and health-ratio analysis as well as a multitude of detailed financial statements.

Colliers’ accounting department provides and fully supports the necessary reporting and internal controls to comply with Sarbanes-Oxley standards. Our lease administration and abstracting processes provide a thorough summary of lease details: We manage lease deadlines such as renewals and options, while tracking and reporting critical dates. We support record keeping with the maintenance of site plans, floor plans and photos, streamlining the collection of portfolio and project data. This is in addition to virtual video inspections for historical reference.

Disposition | Acquisition
You tell us your goals. We make them a reality relying on our longstanding relationships with active buyers and sellers. Together, we come up with an integrated marketing strategy and well-defined process for disposition or acquisition of properties. At Colliers, we bring an in-depth knowledge of debt and equity markets, and have the global platform to handle cross-border and international portfolios.

Construction Management
Our experience includes the management of major renovations and redevelopment for a variety of property types. We coordinate and oversee tenant finishes, on the owner’s behalf, to ensure the integrity of the asset. Our goal is to provide a quality product within budget. Our professionals are familiar with prototypes of retailers that are expanding. From a landlord perspective, we analyze what will work in a center and what tenants will fit in the space accordingly.

Capital Markets and Valuation
Drawing on a wide range of capital sources, we address virtually any borrowing need, from acquisition financing to complex joint-venture structures. We design, negotiate and implement financial structures of all types and sizes. Colliers’ experienced debt and equity services team represents real estate owners, developers and investors throughout the process. Valuation is a critical part of financing. That’s why we have our own dedicated team of elite MAI and Certified General Appraisers. We conduct our valuations with strict confidentiality, adhering without compromise to fiduciary principles.
In maximizing asset value, we take an ownership approach.
Colliers delivers customized, accountable and innovative solutions that result in the best customer experience.
RETAILER SERVICES

For our retailer clients who are leading national and global retailers, we understand how physical stores extend the brand promise.

Site Selection
Managing a multi-market rollout is much more than simply “referring” a client to qualified brokers in other markets. A well-managed rollout requires a clean strategy, process, systems, standardization and clarity of purpose. We complete a submarket analysis, determine technical site attributes (traffic, visibility, parking etc.) as well as site/store options, signage optimization/visibility, letter of intent negotiations, real estate committee packages, lease/purchase agreements, business advisory and facilitation, due diligence, financing and transaction management/pipeline reporting.

Transaction Management
We manage our local market transaction professionals to ensure we provide the best possible solution for our retail clients by minimizing occupancy costs and maximizing leverage in the marketplace. We select the right site (or sites) for your brand. For property dispositions, we develop and execute detailed marketing strategies based on our client’s specific goals for the property.

Portfolio Consulting
Our Portfolio Consulting and Workplace division offers industry-leading consultants and thought leaders across the U.S. who support our clients’ business planning and other strategic decisions including stainability and green issues. These services are not provided by brokers and not tied to real estate transactions, providing objective and conflict-free advice. Categories of expertise on this national team include:

- Corporate Real Estate Strategy
- Portfolio Optimization
- Incentives and Site Selection Services
- Valuation and Appraisal Services

Lease Administration
Colliers Lease Administration specialists are dedicated to helping clients with multiple sites manage their leases efficiently and save time and money. Our specialists combine technology, auditable and consistent processes, resources and industry experience to improve quality control. We proactively manage critical dates, providing transparency. We help clients avoid billing errors and overpayment, and also recover savings from landlords.

Project Management
Colliers has developed a broad and deep Project Management capability to serve our retail clients. We act as their outsource Project Management function, including on- and off-site professionals, who drive global standards and practices, manage national and global procurement programs, and direct our regional and local Project Management resources.
Investor Services

SALESFORCE TRANSIT CENTER

Challenge
The Transbay Joint Powers Authority (TJPA) is developing the Salesforce Transit Center, a modern regional transit hub in San Francisco’s South of Market (SoMa) neighborhood, connecting Bay Area counties and the State of California through 11 transit systems. The 6-level Center will feature a 4.3-acre rooftop park, gardens, trails and more than 100,000 square feet of retail shopping and dining amenities. TJPA faced challenges in articulating the vision of the completed project to prospective tenants while feeling a sense of urgency to execute leases against its and the transit operators’ timeline for revenue generation. In April 2017, the Colliers retail leasing team beat out two competitors in the TJPA’s RFP process, and was awarded the leasing assignment for the Center.

Strategy
Colliers developed and deployed a digital marketing campaign, which consisted of a strong focus on local merchants that cater to the area’s diverse customer groups—transit riders, office workers, SoMa residents and Bay Area tourists—all being served by the Center. As a part of this campaign, Colliers’ marketing group launched a captivating website with a custom animation introducing the Center along with renderings, site plans, demographics and answers to frequently asked questions about the Center as well as the leasing process. The website served two purposes: it allowed prospective tenants to have all of their questions answered in a single portal, and it hosted a registration system for all tenants that was transparent and equitable—a key objective of the TJPA as a public entity. Armed with these tools, Colliers began accepting applications for retail space and scheduling site tours.

Results
To date, the Colliers team has received more than 500 expressions of interest from retail tenants for the 34 commercial spaces available for lease. The team has signed nine leases, representing 13 retail spaces, totaling more than 60,000 square feet. There are an additional seven tenants in lease negotiations for a total of 9 spaces, and six tenants negotiating letters of intent. Colliers expects the first of the Center’s permanent tenants, whose leases were signed in 2018, to begin opening their doors in Fall 2019. Until that time, temporary food trucks and a pop-up beer garden, along with numerous activities programmed in the park, are serving visitors at the Center.
**Flagship Tenant Representation**

**CASPER**

**Challenge**
Casper aspired to secure a flagship store in one of Toronto’s prominent street retail nodes that would provide high traffic and great visibility. The project had a very tight timeframe while still needing to achieve a best in market deal.

**Strategy**
Colliers educated Casper on the prime retail areas in order to select the best trade area for them. The team identified multiple feasible options which ultimately gave Casper leverage in the market with the landlord of their top choice.

**Results**
Colliers helped secure Casper’s top choice in a prime location on Queen Street West at below market rent, with a significant cash inducement. The storefront features the brand’s full assortment of products and because of the high-traffic area, gives the customers a high-touch experience with the brand and products.

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**Investment**

**SAMANEAA**

**Challenge**
Samanea purchased The Source shopping center which was 90% vacant, intent on establishing a vibrant retail destination featuring a first to the United States home furnishings concept with a global footprint. The 700,000-square-foot mall is attached to a 200,000-square-foot building, formerly the Fortunoff department store. With Samanea’s general concept for repositioning the entire property, Colliers was retained to evaluate the concept, refine its merchandising strategy and provide marketing expertise to capture its primary customer base.

**Strategy**
The Samanea/Colliers team developed two merchandising scenarios supported by financial analysis, market data, risk-reward hypothesis, merchant void studies and occupancy phasing: Option 1: Expedite leasing the project as-is, without in-depth analysis and deliverables, limiting project capital. Financials would be penalized by high-vacancy reserve and lower rent proforma plugging NOI and threshold returns. Option 2: Formulate a ‘dream plan’ with Colliers’ repositioning strategy to significantly increase customer traffic, eliminate vacancy penalty and produce substantially greater cashflow, return on gross investment (ROGI) and deliver the landmark destination for home products and innovation.

**Results**
Rebranded as Samanea NY, the property will showcase internationally sourced home products, strategically placed retailers, engaging entertainment and a curated collection of dining opportunities. The strategy capitalizes on the center’s location and advantages community partnerships, engaging public activities and fresh retail concepts never before available in the market.

To date, the Colliers team has executed a number of LOIs from national restaurant operators and entertainment concepts.
Disposition

PIZZA HUT

Challenge
Grand Mere Capital, a new franchisee to the Pizza Hut/Yum Brands system, acquired their first 23 unit portfolio and was seeking to maximize the value of their real estate. Colliers was selected from a field of advisors to execute sale/leasebacks on the portfolio’s owned properties. Within the portfolio, 13 of the 23 properties were fee and Grand Mere identified 10 of the 13 fee sites for long-term commitment through a sale/leaseback transaction. Colliers advisors evaluated the portfolio on an individual basis and a portfolio basis, determining that selling the properties individually would yield 10% more value for the client.

Strategy
The Colliers team devised a marketing strategy to create interest and pent-up demand for sites through varied rent-to-sales ratios with average metrics, so as to not burden the operation. By executing targeted aggressive, but not market leading, cap rates, the strategy began with two modest price point assets. Colliers obtained multiple offers from 1031 buyers within the first week of marketing, and this demand allowed the team to push the rent-to-sales ratio and the cap rates.

Results
Five assets were sold in less than six months of marketing, exceeding the client’s expectations and timeline to sell two assets every 90 days. While marketing these assets, Grand Mere was awarded its second franchise of 39 units. They needed to reduce the cost of the acquisition, so the remaining five assets from the first portfolio were rolled in with ten fee properties from the new franchise acquisition. This 15-property portfolio sold on the same day as the enterprise acquisition. The buyer, a real estate fund, provided pricing that exceeded its peers by more than 40 basis points and included a very aggressive rent-to-sales ratio.

Multimarket Site Selection

OLE RED (BLAKE SHELTON)

Challenge
Ryman Hospitality Properties is renowned for their best in music entertainment, especially the country music scene, and have been frequented by the biggest names in music. Ryman issued an RFP to secure national representation for the roll out of Blake Shelton’s Ole Red locations in 12 markets across the country and Opry City Stage (20,000 SF) in key tourist locations.

Strategy
Colliers devised a strategy to locate venues in major markets in the U.S. that would take into account the rich history of Ryman’s historical properties and bring this history to their locations. Colliers engaged our national network of brokerage service professionals, identifying lead advisors with in-depth knowledge in each market through a thoughtful and structured process. This allowed both the client and the brokers easy access to information sharing, moving deals forward and proactively identifying potential hurdles.

Results
Since securing representative for Ryman in November of 2017, four locations are underway in four markets, moving quickly toward achieving their goal of opening locations in Tier 1 markets including Orlando, Las Vegas, LA, Dallas, Chicago, Houston, Washington, Cincinnati, and Louisville by early Q3 2018.
Investor

APPLE

Challenge
The Hyatt Hotel Group contacted Colliers San Francisco to request assistance in the leasing of its Union Square flagship property at 300 Post Street, occupied at that time by Levi’s. Concurrently, Apple was seeking to relocate from its flagship on Stockton Street, and expand into a larger space, and had made a proposal to Hyatt. Colliers’ established expertise in Union Square retail led Hyatt to request that Colliers review Apple’s proposed deal structure and market terms.

Strategy
Through targeted property marketing, Colliers increased tenant and broker awareness of Hyatt’s unprecedented corner building opportunity, fronting Union Square plaza, and procured multiple offers for the building. These competing offers compelled Apple to review and revise its terms.

Results
Colliers achieved a new market record rent for the Levi’s building, which Apple agreed to tear down and rebuild at its own expense as a 23,000-square-foot flagship—all without Hyatt Hotel Group having to incur either construction costs or lost income. The lease transaction was named by the San Francisco Business Times as Deal of the Year. Apple completed construction and opened in Spring 2016.
Colliers International (NASDAQ, TSX: CIGI) is a leading global real estate services and investment management company. With operations in 68 countries, our 14,000 enterprising people work collaboratively to provide expert advice and services to maximize the value of property for real estate occupiers, owners and investors. For more than 20 years, our experienced leadership team, owning more than 40% of our equity, have delivered industry-leading investment returns for shareholders. In 2018, corporate revenues were $2.8 billion ($3.3 billion including affiliates), with more than $26 billion of assets under management.

Colliers International AT A GLANCE

Revenue $3.3B (US$)

Established in 68 countries

Transaction value $127B (US$)

Managing 2B (square feet)

Lease/sale transactions 69,000

Assets Under Management $26B+

Colliers.com/us/retail

#ColliersRetail

November 2019

AEW Capital Management
American Realty Advisors
Applebee’s Grill + Bar
Asana Partners
Ashley Furniture HomeStore
BJ’s Restaurant & Brewhouse
Blackstone
Blaze Pizza
Boston Properties
Brixmor
Brookfield Properties
Buffalo Wild Wings
California Pizza Kitchen
Carter’s
Chase Bank
Children’s Place
Chipotle
Cinepolis
Citibank
Clarin Partners
Core Power Yoga
Corner Bakery Café
Cornerstone Real Estate Advisers
Costco
CVS Pharmacy
DeBartolo Development
Deka Immobilien
Del Frisco’s Double Eagle Steakhouse
Denny’s
Dollar Tree
Donahue Schreiber Real Estate Group
DSW
Dunkin Donuts
European Wax Centers
Famous Daves
Famous Footwear
Federal Realty Investment Trust
First National Bank
Forest City Enterprises
Grosvenor Americas
Heitman Capital
Hines
Home Depot
Home Goods
IHOP
Illy Coffee

InvenTrust
Invesco
Ivanhoe Cambridge
JCPenney
Jersey Mike’s
JoS. A. Bank
Key Bank
Kimco
LaSalle
LNR Property LLC
Massachusetts Convention Center Authority
MetLife
Nekter Juice Bar
Nest Fragrances
New York Life
Nordstrom Rack
Nuveen Real Estate
Olive Garden
Orangetheory Fitness
Panda Express
Pepco
Philip Edison & Company
Pieology
PNC
Prado Group
Regency Centers
RioCan
Ross
RPAL
Sierra Trading Post
SITE Centers Corp.
Sola Salon
Sprint Street Capital
Sprint
Stockbridge
Target
Terramar Retail Centers
The Capital Grille
The UPS Store
TJ Maxx
Top Golf
UBS
ULTA
VEREIT
Vitamin Shoppe
Weingarten

Europa

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