



# ZALL

COMMERCIAL REAL ESTATE

## CHALLENGE

The Denver Pavilions was a 350,000 sq ft, under-performing, and undervalued retail entertainment center in downtown Denver. Gart Properties, a Denver-based real estate investment company, with a track record of turning around-performing assets acquired The Pavilions in mid-2008 and committed \$25 million to renovate the property. Almost immediately upon closing on the property, the market collapsed and retailers began pulling back. This subsequently proved to be the most difficult time in decades to recruit national brands and to reposition a major retail property.

## ACTION

Immediately upon being awarded the assignment, Stuart Zall and his team at Zall Commercial Real Estate conducted a full assessment of the tenant roster, identifying market gaps in the trade area. Based the assessment, they developed a comprehensive merchandising plan designed to fill the market voids, improve the shopping experience and provide best in class retailers. To jump start implementation of the plan, Stuart leveraged his relationships to secure a principal to principal meeting in Los Angeles including Don Chang, CEO and founder of Forever 21. Based on the sales of his 7,000 sq ft store in The Pavilions, they convinced Mr. Chang to expand the store to his newest prototype. The 31,000 sq ft flagship store opened within one year to rave reviews and record crowds. This expansion served as the catalyst that successfully re-merchandised and repositioned the shopping center.

## RESULTS

Zall Commercial Real Estate's tremendous leasing momentum, with the announcement of the **Forever 21** flagship store, led to the following:

- A First- in-Market, 24,000 sq ft, three level **H&M**
- A First-in-Market, 27,000 sq ft **Uniqlo**
- A 6,000 sq ft **Sephora**
- A 3,500 sq ft **It's Sugar** store, a premier candy and gift shop
- Sales per square foot increased by over 50% from \$325 to nearly \$500
- 86,000 sq ft of new leases representing over \$2 million on annual NOI
- The shopping center increased value by over \$40 million
- A resurgence of Downtown Denver attracting a critical mass of retail stores and restaurants

## TESTIMONIAL

*“Shortly after acquiring Denver Pavilions in July of 2008 it became clear that the market was working against us and the stakes were quite high. Thanks to the depth of Stuart’s relationships and his keen understanding of the Denver retail market, Zall Commercial was able to help us execute a plan for success. Thanks to Stuart and his team, the Denver Pavilions investment has exceeded our expectation on every level.”*

—Mark Sidell, President, Gart Properties