

## CHALLENGE

Reverse tenant loss and net income depletion in well located but severely under maintained, single anchor community center in rapidly deteriorating market condition.

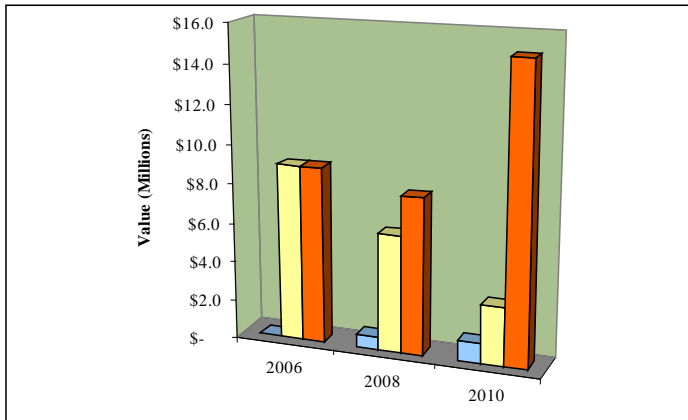
## PROPERTY SITUATION

A series of Grocery Chain Mergers caused the anchor tenant to threaten to leave 50% of its Phoenix Valley locations simultaneous with 90% of the shop space leases expiring. The Phoenix retail market was in a free fall with vacancy doubling in 07, 08, and 09. The center suffered from a severe lack of maintenance and active management causing it to lose its quality tenant mix and its customer base to deteriorate. Without intensive capital improvements as well as an upgrade of the tenant mix of the in-line retail stores the largest asset in Family's portfolio was in danger of losing cash flow and significant value.



## ACTION PLAN

Partner with anchor tenant to create new quality guidelines for entire Center to entice Anchor to reinvest in its store and renew its lease while enabling a higher quality customer base. Owner to co invest and bring new design across entire center to reinvigorate the location.



**Strategic Value Creation**

By Setting a strategic plan to reposition, rather than simply renovate the center Maier Siebel Baber gained family consensus to invest approximately 10% of the Center's "then value" and through focused improvements and a targeted customer profile moved the center 'up market' as a new retail community, positioned to capture a higher value customer, creating an additional \$5 million in value in the midst of an otherwise negative retail environment.

- 2006 develop strategy
- 2007 Anchor Dark or Renew Anchor and Commence Improvements
- 2008 Shop Space Occupancy Down
- 2009 Finalize Reposition as Glendale Palms

MSB Comprehensive Design and Planning



Glendale Palms

