



Ulta & HomeGoods

Westwood Plaza

challenges

Kimco had just renovated the facade of the Westwood Shopping Center in West Ashley, a Submarket of Charleston, SC. The renovations included a downsize and relocation of Office Depot, as well as construction of a new box for a relocation of TJ Maxx to create a pad for the new anchor Harris Teeter; prior to winning the assignment for leasing. The renovation was extremely expensive. Between Office Depot and the corner Hancock space where the new HomeGoods box was going to be built, there were six shop spaces with tenants who were either month-to-month or no longer fit the direction of the center.

actions

Typically following a massive facelift, most firms and leasing teams would just try to replace the shop space tenants and to press Rents to increase the NOI by a couple dollars a foot of the section of the center; however, there was a greater need for box space in Charleston. This lead us to believe we could command stronger rent for a junior anchor box at this newly redeveloped center, ultimately bringing better credit to the center with increased rents.

results

CRE's goal was to combine the shop spaces to command better credit instead of just pressing rents. Our team looked and evaluated those assets as if we ourselves owned them—better credit weighs heavily over \$1 or \$2 per SF more on a few shop spaces. We sourced only Junior Anchor Tenants of good credit whose target demographics were similar to those of HomeGoods, T.J. Maxx and Harris Teeter; who are typical co-tenants. By structuring the parameters this way, it lead to more qualified tenants, who could generate higher sales; thus leading to the ability to pay higher rents. With multiple tenants vying for the space after seeing the opportunity, ULTA and HomeGoods soon shuffled to the top of the list. Our team struck a great deal for both parties as great additions to the center.

The partnership of the CRE Team with the innovative Kimco Leasing team, adding a new anchor and an additional junior anchor to the newly renovated center requiring more landlord work, added about \$7.5 million in value to the Kimco asset.