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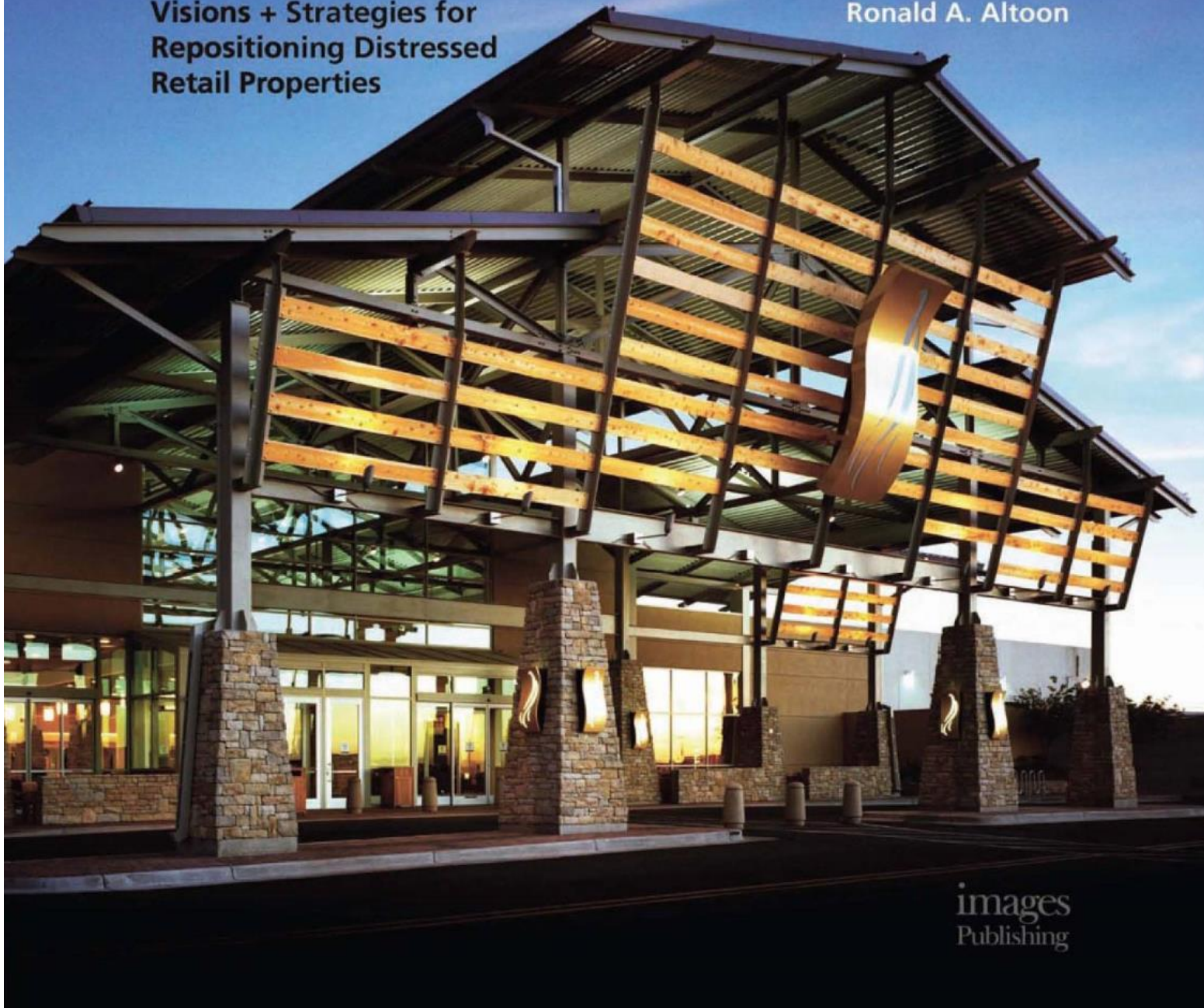
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# Repurposing and Repositioning: New Life for Obsolete Properties

# Retail Rescue

Visions + Strategies for  
Repositioning Distressed  
Retail Properties

Ronald A. Altoon



images  
Publishing

# RETAIL RESCUE: Visions + Strategies for Repositioning Underperforming Retail Properties

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Battleground Experience—After Completing 72 Retail Repositioning Projects

## Creating a Realistic Budget to Achieve the Desired ROI

- Know the *Objective* Expected Costs
- Assess the *Realistic* Unanticipated Costs
- Read the *Subjective* Tea Leaves
- Understand *Everything Changes* Over Time

# The Price of Making an Objective Business Decision

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## What Isn't in the Numbers?

1. Old Building Code — Implications
2. Toxic Materials — Remediation
3. Structural Upgrades — Costs, Interruption
4. ADA Compliance — Costs, Nuisance
5. Sustainable Design Mandate — Costs, Challenges
6. Infrastructure Capacity — Growth Implications
7. Weather Tight Skin — Implications on ROI, CAM



# The Price of Making an Objective Business Decision

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## What Isn't in the Numbers?

1. **Expansion Potential** — Additional GLA to Pay for Improvements
2. **Dividing Dead Boxes** — Limited Users
3. **Updating Old to New Standards** — Opportunity to Reconsider Tenant Fit out
4. **Competition** — Exceed the Challenge
5. **Political Environment** — Election Year
6. **NIMBYs** — The Great Unknown

# The Added Value of Subjective Decisions

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## What Isn't in the Numbers?

- Objective v. Subjective Evaluation
- Work v. Social Engagement
- Need v. Desire
- Errand v. Self Fulfillment

# Repositioning Categories

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- Lipstick
- Facelift
- Horizontal Expansion
- Vertical Expansion
- Horizontal and Vertical Expansion
- Repositioning the Box
- Total Transformation



**BEFORE**



**AFTER**



**LIPSTICK** - Windward Mall  
Kane'ohe, HI





**BEFORE**



**AFTER**



**FACELIFT-** Aurora Town Center  
Aurora, CO



**BEFORE**



**AFTER**

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**HORIZONTAL EXPANSION-** Fashion Show  
Las Vegas, NV





**BEFORE**



**DURING**



**AFTER**

**Issues:**  
Extraordinary Coordination  
Daily Communication

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VERTICAL EXPANSION- Fashion Valley Center  
San Diego, CA





BEFORE



AFTER

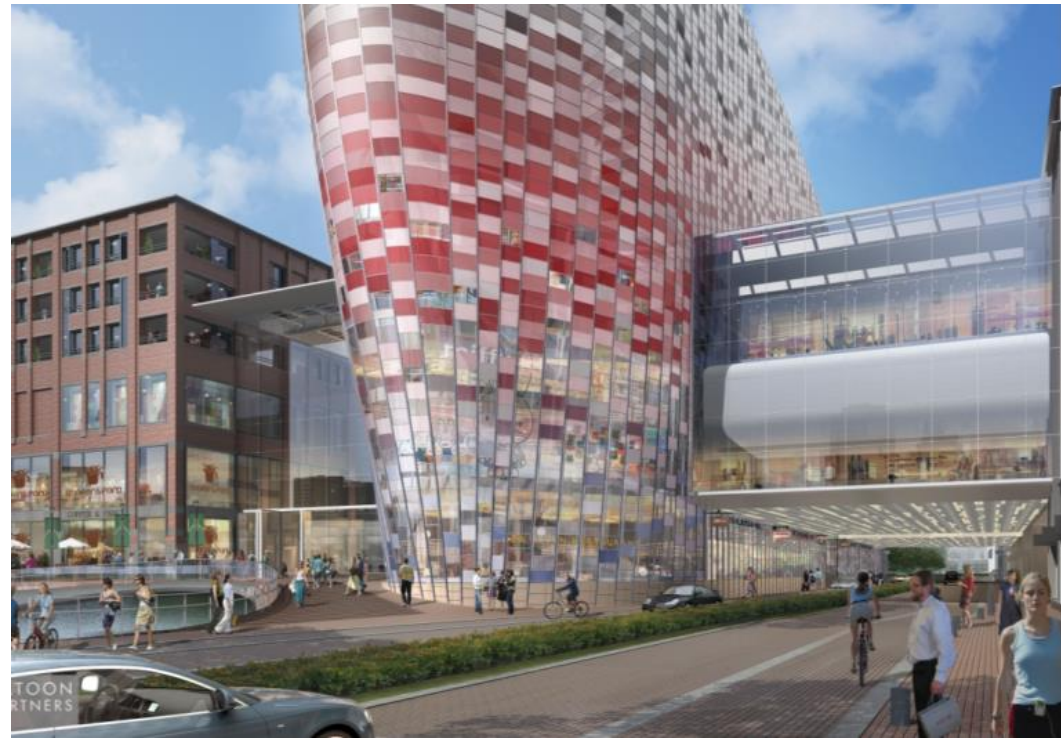


## REPOSITIONING THE BOX – Atrium Court Newport Beach, CA





**EXISTING**



**PROPOSED**





CONSTRUCTION



PROPOSED

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HORIZONTAL EXPANSION – Nieuw Hoog Catharijne  
Utrecht, The Netherlands



## Issues:

Original building demolished  
Floor to floor dimensions below  
normal standards



CONSTRUCTION









## Issues:

Complexity

Code Compliance

Operations

Cooperation



**BEFORE**



**AFTER**

**TOTAL TRANSFORMATION – CentralWorld**  
Bangkok, Thailand



**BEFORE**



**AFTER**



**TOTAL TRANSFORMATION – CentralWorld**  
Bangkok, Thailand





**BEFORE**



**AFTER**



**TOTAL TRANSFORMATION – CentralWorld**  
Bangkok, Thailand





AFTER



AFTER



TOTAL TRANSFORMATION – CentralWorld  
Bangkok, Thailand





AFTER



AFTER



TOTAL TRANSFORMATION – CentralWorld  
Bangkok, Thailand

# How Altoon Partners Engages the Planning and Design Process

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1. Control Data/Baseline Information Gathering
2. Strategic Planning-Like Process
  1. Historic Place in the Market
  2. Present Situation
  3. Future Aspiration

**Critical Question: How to Change the Vector?**



# Preliminary Information/ Document Assembly

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1. Review Existing Documents
2. Site/Project Visit – Photo Documentation
3. Competition Visits – Photo Documentation

# Getting Organized – Contextual Information

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Gather

1. Natural Forces (HUMAN COMFORT)
2. Geographic Forces (TOUCHING THE GROUND)
3. Historic Forces (CONTINUATION OF LEGACY)
4. Urban Forces (FITTING IN)



# Getting Organized – Contextual Information

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Gather

- 5. Human Forces (BEHAVIOR AND PREFERENCES)
- 6. Market Forces (WHO IS THIS FOR?)
- 7. Legal Forces (OVERCOMING THE OBSTACLES)
- 8. Digital Forces (PREPARING FOR THE INTERNET)

# Gather Regional Information

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1. Museums—What is Valued over Time?
2. Regional Materials/Influences
3. Quality Assurance Information
4. Planning/Zoning/Building Code Review
5. Competing Centers Information/Photography
6. Historic and Cultural Context
7. Urban Context



# Collect Market Information from Client

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1. Demographics
2. Psychographics
3. Community Visits

# Defining the Mandate



# Creating an Unexpected Customer Experience

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1. Need versus Desire
2. Errand versus Fulfillment
3. Finding the Missing Element
4. Creating Memory
5. Imbuing Loyalty
6. Sustainable Design/Sustainable Investment
7. Building Community

# Competing Priorities

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1. Developers – ROI
2. Retailers – Better Identity, Exposure, Format, Sales
3. Leasing – Strategy/Ease of Space Allocation
4. Mall Managers – Operations, Security, Maintenance
5. Investors– Sound/Secure Investment
6. Government – Repositioning Old Dog, Ease of Entitlement
7. Architects – Placemaking, Good Design



# Conclusions

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- Every retail property has an atomic half-life. Be prepared to reinvest to protect your asset.
- It is critical to transform a property beyond your competition's ability to quickly or effectively respond.
- Repositioning includes not only the hermit crab, but also it's host shell.
- Repositioning needs to embrace transformative shifts in the demographic and psychographic profile.

# Conclusions

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- Retail is like fresh fruit...
  - When ripe, it is fragrant, enticing, mesmerizing and alluring;
  - When stale...it stinks, quickly and very noticeably.

# Conclusions

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- “Let us become good ancestors to our grandchildren.”  
-- Dr. Jonas Salk