

[Brixmor Property Group Seeks to Maximize Value of Retail Properties](#)

By Elizabeth Blossfield

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This year, **Brixmor Property Group** launched its “Raising the Bar” campaign in an effort to attract mall retailers to its open-air, grocery-anchored shopping centers throughout the United States and maximize both value and operating cash flow in its portfolio. “Our focus has really been on upgrading, remerchandising and repositioning space within our shopping centers,” **Michael Carroll**, CEO of Brixmor, said. “This strategy continues to be a real opportunity for us in this environment where there is limited new supply, as we can fine tune and perfect our existing supply instead.”

In a 2015 **ULI** emerging trends in real estate survey, respondents ranked development prospects for neighborhood and community shopping centers as fair and regional malls as poor. Retail has been slow to recover from the last downturn, according to a **ULI** emerging trends in real estate 2015 report, because consumer demand changes so often that retail investments and new developments risk obsolescence. With increasing trends toward e-commerce, consumer demand has risen for high-end, boutique stores and declined for big-box stores and malls, the report stated. With this in mind, developers have been bearish about the potential risk involved in developing new supply.

Brixmor, however, has remained bullish on the value it can create through repositioning its existing retail assets to meet consumer demand. “The opportunity that we’ve been able to create is to bring in anchors that will produce more sales and more traffic and increase the appeal of our shopping spaces,” Carroll explained. “We’ve remerchandised to better meet the demands of our consumer base in each area, and it’s created an environment now where some of the mall apparel retailers feel that they can do great business in our centers.”

The company has observed increased demand for quick service restaurants such as Chipotle and Panera Bread, as well as anchor retailers such as DSW, TJ Maxx and specialty grocers. By repositioning its anchors to meet this demand, Brixmor has already seen success, recently executing 10 leases with traditional mall retailers, according to a company press release.

As part of these repositioning efforts, the company has also recently hired **Chardell Steves** and **Jerry Teitelbaum** as vice presidents of the company’s North and West regions. “Their vast mall experience is something that we were lacking within the company, so to have their knowledge and extensive relationships is something we coveted.”

Brixmor launched its “Raising the Bar” campaign in July of 2011 and plans to continue its efforts into 2015, with 179 properties already upgraded and remerchandised, and 160 additional opportunities in the pipeline, according to Carroll. “We believe the significant embedded value creation opportunities in our portfolio position us well for further growth and value creation into the next decade,” he said in a company press release.