

# COHEN COMMERCIAL PROPERTIES

Eyes New York, NY for acquisition opportunities

PROFILE — A MONTHLY COLUMN FEATURING  
RETAILERS AND RETAIL REAL ESTATE COMPANIES

Adam Taliercio

Cohen Commercial Properties is an investor, owner and operator of open-air shopping centers located throughout the northeastern, mid-Atlantic and southeastern regions of the U.S. Since its inception in 1997, the company has acquired properties throughout the region and has worked to add value to its portfolio by retenanting, remerchandising, expanding and renovating those sites. The company also provides property, asset management, leasing, and brokerage services.

Cohen Commercial prides itself on a high level of discipline with regard to analyzing potential acquisition opportunities and performing its due diligence, and is also known for its hands-on approach and a commitment to working closely with both vendors and tenants, said chairman Andrew Cohen. "CCP has always taken pride in its noteworthy commitment to build and maintain relationships among its tenants, lenders and investors," Cohen said. "We are also proud of the fact that we haven't walked away from any of our investments. We've had to put money back into properties when necessary to maintain them, but we believe in our assets — they are all purchased with the intent of long-term ownership. We've got fantastic real estate."



The Shoppes at Boca Greens Boca Raton, FL

He sited as an example The Shoppes at Boca Greens, a 110,000 sq.ft. center in Boca Raton, FL. Upon acquiring the property, the company determined that its tenancy at the time was inappropriate for the market, and that the center was not operating to its full potential. Cohen Commercial set out to attract higher-quality tenants that better catered to the customers in the area. "There are so many transplanted New Yorkers living in West Boca, we thought it'd be a great idea to bring in some New York area retailers who aren't in Florida yet, because of the name recognition and credibility they bring to the centers," Cohen said. "And, lo and behold, we hit the ball out of the park." Annie Sez, Denny's Childrenswear and, most recently this year, Harmon Face Values each opened their first Florida locations in The Shops at Boca Greens, and have all seen strong sales at the site since their arrival. "They saw what we saw: A market that was underserved, and a demographic that needed these types of retailers," Cohen said. "And it's created a great experience at the property for the shopper, because they have shopped [at these concepts] before in New York, which creates a comfortable feeling when they visit our center — they feel like they're back home."

Another notable accomplishment for the company this year was the acquisition of Mark Twain Village, a 300,000 sq.ft. center in St.

Charles, MO, which Cohen referred to as the perfect example of the type of property the company looks to acquire: The center, acquired for \$21 million during May, features anchors including Bass Pro Shops, Aldi and Gordmans, all paying at- or below-market rents for stores that are among the strongest within their respective brands. The center is also situated at a key intersection and bounded by casinos, a convention center, a university and hospitality and residential developments. "High sales, cheap rents, good credit: That's a pretty good formula for success," Cohen said. "Additionally, we have about 35,000 sq.ft. more we can lease and about four acres to develop; which, when completed, will create even better synergy at the property."

When acquiring sites, the company looks for centers with value-add potential, where they can renovate the property and

then re-lease space to higher-quality tenants. Ideal properties feature low occupancy costs, high barriers to entry and quality anchors, Cohen added. "We want to see an existing tenant base that is successful upon acquisition. We can greatly improve the synergistic relationship between the retailers and create an overall better shopping experience." However, although Cohen Commercial has seen success this year with the Mark Twain Village, the company has not been particularly active on the acquisition front otherwise. The company has instead turned its attention to the acquisition of notes and foreclosed properties, though it will still consider buying existing centers, Cohen said.

In the year ahead, Cohen Commercial intends to ramp up its business in Manhattan, most notably by acquiring commercial condominiums. "The playing field, competitors and return matrix is different, but in that we're very much growth-oriented. I think it's a good fit and a natural progression for us," Cohen said. The company anticipates acquiring well over \$100 million of commercial real estate in New York, NY during 2012, and about the same amount in notes and REOs. However, Cohen said that he expects the economy to get worse overall before it gets better. "I'm an optimistic guy," he said, "but I see so much uncertainty and fundamental weakness financially, at home and abroad. Unless there are sweeping changes, we're in for further reduction in real estate values. The foreclosure pipeline is about to burst — that's the bad news. The good news is that there is a surplus of equity both at home and abroad that will take advantage of these opportunities. We expect to be active participants, too. I think the opportunities will be a lot better in the next year or two than they are now."

For more information, contact Andrew Cohen, Cohen Commercial Properties, LLC, 9 East 40th Street, 10th Floor, New York, NY 10016; 212-679-1222, Fax 212-803-5751; Email: [acquisitions@cohenco.com](mailto:acquisitions@cohenco.com); Web site: [www.cohen-commercial.com](http://www.cohen-commercial.com).



Mark Twain Village St. Charles, MO