

CASE STUDY



CHALLENGE

- Acquisition and integration of 1,850 Brooks-Eckerd stores
- Rite Aid portfolio of 5,200 stores
- Market rationalization
- Under-performing stores
- Duplication of stores in market
- Repositioning of store location
- Approximately 540 stores identified with occupancy costs greater than 7%
- Rent restructuring for initial list of 300-400 stores

SOLUTION

- Benchmark under-performing stores
- Determine scenario for under-performing stores
- Lease restructure/renegotiation
- Close store
- Created process for restructuring leases
- Engage local broker
- Perform MVA/market overview
- Gather information on store sales and trends
- Review outstanding lease issues (CAM, Taxes, LL maintenance issues)
- Develop strategy/savings potential
- Negotiate
- Execute
- Identify aggregate landlords
- Develop strategy for disposition of closed stores
- Set reserves
- Terminate
- Terminate with subtenant
- Terminate with sale
- Sublease

Client Contact

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RESULTS

- Awarded service provider for rent restructure and disposition services



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- Addition of 60 properties in portfolio

