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## **Company of the Month: Creating experiences with Linear Retail Properties: An owner, operator and developer in New England**

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Linear Retail Properties is a leading acquirer, owner, developer and operator of retail properties in New England. Based in Burlington, Linear was created in 2003 by its president & CEO, Bill Beckeman in partnership with a prominent financial institution. At that time, Beckeman went against conventional thinking, eschewing large anchored shopping centers in favor of well-located, small stores typically housed in smaller, convenience-oriented retail properties. The different focus was driven by Beckeman's keen understanding of the New England retail real estate landscape and awareness of consumer and technology trends which pointed to the increasing desirability of smaller format stores and properties. He said, "Institutional investors were clamoring for large, grocery-anchored properties, power centers and malls, but very few properties in our region had the look, feel or characteristics of such centers located in other regions of the U.S. Even fewer properties traded, creating a large supply imbalance for the high institutional investment demand. At the same time, the Internet was beginning to change shopping habits and many retailers responded by focusing on making shopping trips more convenient for their customers. In addition, a variety of consumer service providers and fast casual restaurant concepts were also expanding, making the targeted assets even more attractive as long-term investments." This confluence led to the company's pioneering

aggregation strategy, and Linear was formed when Beckeman convinced the institutional investor to share his vision.

Of course buying a lot of smaller assets presents many challenges. Beckeman coined the term "inertia defiance," to summarize much of Linear's execution strategy. The company has attracted a top rate team of professionals who operate with uncommon urgency in improving its properties, solving problems and simply challenging the status quo. Starting at zero in 2003, Linear now owns 74 retail properties in eastern Mass., southern N.H. and R.I. and has a staff of eighteen people including four partners. The partners, who comprise the executive management team, include Bill Beckeman, Joel Kadis, Aubrey Cannuscio and Deepa Krishnamurthy.

Cannuscio runs the acquisitions department that has been so successful over the past eleven years. He gives much of the credit to internal teamwork and Linear's relationships with the brokerage community. He said, "Because our strategy depends on a steady stream of acquisitions within one region, we realize that each transaction represents our next reference, positive or negative, and are still seeking to grow aggressively. Sellers and brokers prefer to work with buyers who can be counted on to perform, and I believe our closing track record is second to none."

Kadis oversees leasing for Linear's portfolio which is now 95% occupied. He echoes Cannuscio's comments regarding Linear's success. Kadis said, "Relationships with retailers and the brokerage

community are the primary reason for our success." Given that more than a third of Linear's portfolio is filled with local retailers, Linear has structured their leasing and marketing departments to cater to these essential relationships. Kadis said, "We spend a lot of time working with local retailers during our initial engagement but very much after they join us as well. We believe our relationship is like a marriage and therefore feel an obligation to help." This assistance includes helping retailers to get open with permitting guidance and identification of customer bases. It also includes feedback on website construction, signage design and even financing. Krishnamurthy, CFO of Linear, agrees stating, "We created a Small Business Loan blog to educate local retailers on how to obtain financing. We believe our commitment to retailers creates goodwill and loyalty."

Linear has increasingly moved into the development arena as well. Starting with their marquee Alewife Brook Parkway project in West Cambridge anchored by Trader Joes and CVS and their new Daniel Webster Shops center in Nashua on Daniel Webster Highway, Linear is now working on new developments in Cambridge and Boston.

"Collaboration with communities is very important to us," said Beckeman. Linear received The Citizen Champion Business Award from the mayor of Newton for just this approach. After the city passionately requested that Linear not put a bank in its Newton Centre location, Linear worked with the city to place Panera Bread on Centre Street. Despite considerable permitting challenges, approval was received and Panera now thrives at the location.

Perhaps most notable, Linear clearly likes to have fun. Their comic series has been well received in the real estate community. Beckeman, the creator of the series, said, "We try not to take ourselves too seriously. The comics help us to laugh at our daily challenges."

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