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What are the most important elements of a successful development?

April 30, 2008 - Connecticut

I think that if you asked a number of developers what the elements are for a successful development, it is likely that you would receive somewhat different answers from each developer. However, I think that most developers would agree that the key element for a successful development would always tie back to the single adage of location, location, location. Location is the most important because, once development is completed, if a particular tenant is unsuccessful, as long as the location is good, you will always be able to find a tenant to occupy space. When it comes to location, it is not always necessary, although desirable, to be at the corner of Main and Main. Other important factors in determining location are access and visibility. In our experience, a retailer would rather have a good location with a signalized entrance, rather than the best location with restricted access. Likewise, visibility plays an important role, and on many of the recent developments we have completed, it has been requested by the major retailer to raise the grade of the site so that the visibility from the streets will be better.

Another important aspect of a successful development is the need for the development. Oftentimes, developers focus on completing the deal rather than determining whether or not there is a need in a community for the development. Our philosophy has always been: We like to work closely with the local officials in the municipality; and it is important to us that the projects we propose are needed. In fact, the majority of recent developments we have completed have had some form of adaptive re-use; that being, taking a commercial asset, whether already in our portfolio or one which we have purchased, and redeveloping that asset. We find that in doing this, both the municipality and the residents are more receptive because they are already used to a commercial development being on the property, rather than attempting to place a development on a property which might need re-zoning or has not been used for a commercial purpose. We have also had good experiences in reusing environmentally-challenged properties, because once again, municipalities, and governing environmental agencies, are happy to see a property which has environmental issues get cleaned up and reused.

Last, but certainly not least, are the tenants because tenants are the driving force in our industry. We try to match our tenants to our developments and balance that with the needs of the community. If there is no supermarket in a trade area and the community desires a supermarket, then we try to secure a supermarket as that would be a good fit. However, if two successful supermarkets already exist in a trade area, while we might determine that a project is feasible and viable, we would try to stay away from a supermarket development. We also feel that it is important to have a tenant mix that matches with the community as well as the major tenant. While this is not always possible, we do believe that, in certain communities, it is of the utmost importance to match the retailer to the customer.

While not every development turns out successfully, we feel that if we stick to the philosophy of trying to pick a good location, trying to fill a need in the community, and trying to match tenants to the development, there is a likelihood that the development will be successful. Of course, there are many other aspects to a successful development; however, our company philosophy has generally centered on the aspects mentioned. The interesting thing about our business is that there is not necessarily a right or wrong way to complete a development, and although philosophies differ, the most successful developments will be well located and have a good tenant mix.

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