SHOPPING CENTER® WORLD

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Winning Deals
At ICSC's Spring Fling

Convention Preview pullout supplement follows p.64

company recently announced plans to expand its national presence.

Fundamentals remain

Although information can be presented instantly via the Internet, conducting custom research often takes time. Site Analytics, for example, often spends up to seven weeks developing its in-depth demographics reports, which are priced from $495 to $35,000.

"We first conduct an analysis of a chain's existing stores, and then we determine why some stores are more successful than others," explains Adam Epstein, president of the New York-based company. "We help our clients understand factors necessary for success."

The firm now relies more heavily on sophisticated computer modeling. "We're able to use a statistical-based model to compare existing sites," Epstein says. "There was some initial reluctance to put faith in a computer model, but we have so many successful models that show the benefits and add objectivity to the process."

Site Analytics uses the Internet to find new sites and to help retailers find vacancies more easily. Orlando, Fla.-

EPSTEIN

based Commercial Net Lease Realty Services, a publicly traded REIT that provides build-to-suits and buys and re-tenants vacant stores, also is using the Internet to improve site selection.

"We use Internet technology to enhance our geographic information system by using layers of information shown spatially, linking data to geography," explains president Alex Dmyterko.

"We're also using the Internet to create a proprietary information system to analyze market demand and do saturation analyses," Dmyterko continues. "We see if a specific location can support an additional store by including mapping, demographics, tax maps and even providing historical information, traffic counts, aerials and rental comp rates. It's all linked through the Internet and public records."

The goal is to use technology to help retailers better locate sites. Customers are able to check the website, obtain status reports and e-mail their questions. "They love it because it's a 24-hour channel for customer service," Dmyterko says. "We will soon implement an on-site digital camera that will show up to 20 photos per day. Customers will be able to see how construction is progressing."

Stone of Geonomics says the demand for such virtual tours is growing. But in the site selection game, intuition, rental cars and road maps have yet to be replaced by laptops, websites and CD-ROMs.

Weymouth, Mass.-based writer Kellie Speed contributed to this article.

OUT OF THE CAR, INTO THE INTERNET

In the site-selection game, technology is key.

BY JOEL GROOVER, ASSISTANT EDITOR

KATHY HUBER
CHIEF EXECUTIVE OFFICER
LOCATION-NET

"I felt that it had to be possible to make better use of technology to stream-line the site-selection pro-cess. My thinking is that we need to sort out our priorities and be careful with our time."

Kathy Huber remembers driving from one western town to the next, looking for clues. On her travels as a regional real estate director for Gymboree Corp., Huber took careful note of swing sets, Big Wheels, smartly dressed children — anything that could help her find an ideal site for the next Gymboree store.

By all accounts, Huber did a great job. The children's clothing retailer nearly doubled its store count under her tenure. Nevertheless, Huber re-members feeling frustrated by how hard it was to find solid site-selection data. Too often, she was forced to make decisions based on gut instincts, or to waste valuable time trying to hunt down accurate information.

"I felt that it had to be possible to make better use of technology to streamline the site-selection process," Huber says. "My thinking is that we need to sort out our priorities and be careful with our time. There will al-ways be the need to go look at real es-tate sites. But we should be able to make decisions more quickly and eliminate much of the subjectivity."

Huber is now CEO of Sausalito, Calif.-based LOCATION-net, the tech-nology-intensive site-selection firm she founded in 1998. Huber aims to take the guesswork out of site selec-tion and market/customer research. Her staff of real estate professionals — which has more than 125 years of combined experience — creates and interprets reports drawn from 10 ex-tensive and up-to-date proprietary, public and private databases. The company is in the process of making all its services available on the web.

Technology has always played an integral role in site selection. But in-novators such as Huber predict that the Internet and other advances will transform the field. Already, retailers and developers are taking advantage of a growing number of new site-se-lection products and services — from online walk-throughs of retail prop-erties to dot.coms that help users cre-ate their own demographics reports.

"Technology is the main trend we are experiencing right now," notes James De Los Rios, marketing direc-tor for the Atlanta office of Abc-malls.com. The company is launching what it bills as the world's largest In-ternet directory of shopping malls. "Our opening database will have near-ly 60,000 malls," De Los Rios says.

Abcmalls.com will allow retailers to take virtual tours of major brick-and-mortar malls in the United States, Latin America and Asia. The site eventually will offer virtual shop-ping at those centers.

Geoffrey Small, marketing director for Newport Beach, Calif.-based In-tegration Technologies, says the In-ternet has helped the 12-year-old com-pany undergo dramatic growth. With clients such as Wal-Mart, Grubb & Ellis, Nextel and Burger King, Inte-gration Technologies offers an array of technology-based site evaluation ser-vices, including AnySite.com, a web-site that gives members access to ex-tensive site-selection reports and databases for about $1,000 a year.

"The Internet has created an ex-cellent opportunity for us and for our customers," Small notes. "It's perfect for clients who want comprehensive demographic systems right on their desktops. The Internet allows them to have presentation-quality reports in seconds or minutes, depending on the speed of their connection."

New ideas

Conrad Vernon, president and CEO of Bellevue, Wash.-based Sitesnet.com, says the Internet is shrinking the world of commercial real estate. "The immediacy of the Internet — the fact

that it's available anywhere, anytime — allows for real-time connections between the selling agents and the buying or leasing agents and their respective clients," he notes. "Before, it was a very fragmented industry."

Vernon describes Sitesnet.com as a unique online network for retailers, brokers, developers and investors. The company, launched in April 1999, offers a number of services designed to help brokers and retailers connect with each other and to find, view and research sites.

The SitesConnect feature, for example, allows listing brokers to enter property addresses that are then coded by Sitesnet according to 28 key demographic variables. "Retailers, developers and investors can then enter their ultimate sought-after property profiles, which are compared to the addresses provided by the listing brokers," Vernon explains. "When we find a match, we notify the end-users in an e-mail."

Along with satellite images and geo-coded maps, other Sitesnet features enable users to create real-time demographics reports, view site-specific traffic volumes, or go on virtual visits to properties via 3-D iPIX photography developed by Internet Pictures Corp. The images are viewed via a downloadable plug-in.

"With the iPIX imagery, users can have onsite meetings without really going there. They can view the property online and talk about access points or traffic lay-out. It makes for a really great tool," Vernon explains.

Relationships with technology and demographics research firms help make such services possible. "For example, we have a national deal with iPIX where if somebody wants to put images of a property on our site, we contact iPIX and they send out a local rep who does the photography," Vernon says. "Within a few days, the images are available on the web."

Real estate brokers pay either $100 a month or $1,000 a year in exchange for unlimited access to Sitesnet. However, the service is free for retailers, developers and investors, who are dubbed "alliance partners."

As such, they encourage brokers to enter property information on the site. The retailers, developers and in-

vestors can then use Sitesnet's online tools to analyze the listed properties. Current alliance partners include AMC Theatres, Barnie's Coffee & Tea, Circuit City, Family Dollar, Gap Inc. and Hallmark.

Mapping it out

In addition to providing mapping software and demographics data, Geonomics Inc. offers an online service called ¡SITE that will create demographics reports of any property in the country with just a few clicks of the mouse. The Boston-based firm, founded by James Stone in 1993, specializes in offering computer-based geographic analysis to retailers, corporations and commercial real estate investors.

Although some site-selection firms adopt a one-size-fits-all approach, Stone stresses that different people need different information.

"A CEO may want to see more high-level information than an analyst, while an analyst might want to see more detailed information than a CEO. Franchises may want to see new territories, while real estate brokers may be searching for specific lo-

cations," Stone explains. "Through mapping and spatial analysis, we're able to create reports according to the specific requirements of those requesting them. In fact, the real hot item now is customizing web-based tasks along these same lines, so that the information that people see in their web browsers is tailored to what they do."

Huber of Location-net also predicts that customizing and interpreting information — rather than merely providing raw data — will become an increasingly important part of how site selection firms operate. Location-net's research methodology was developed under the guidance of the former chair of the real estate department at The Wharton School. Veterans in leasing, development, finance and research use their expertise to interpret Location-net's market profiles, volume projections, supply-and-demand maps and other products.
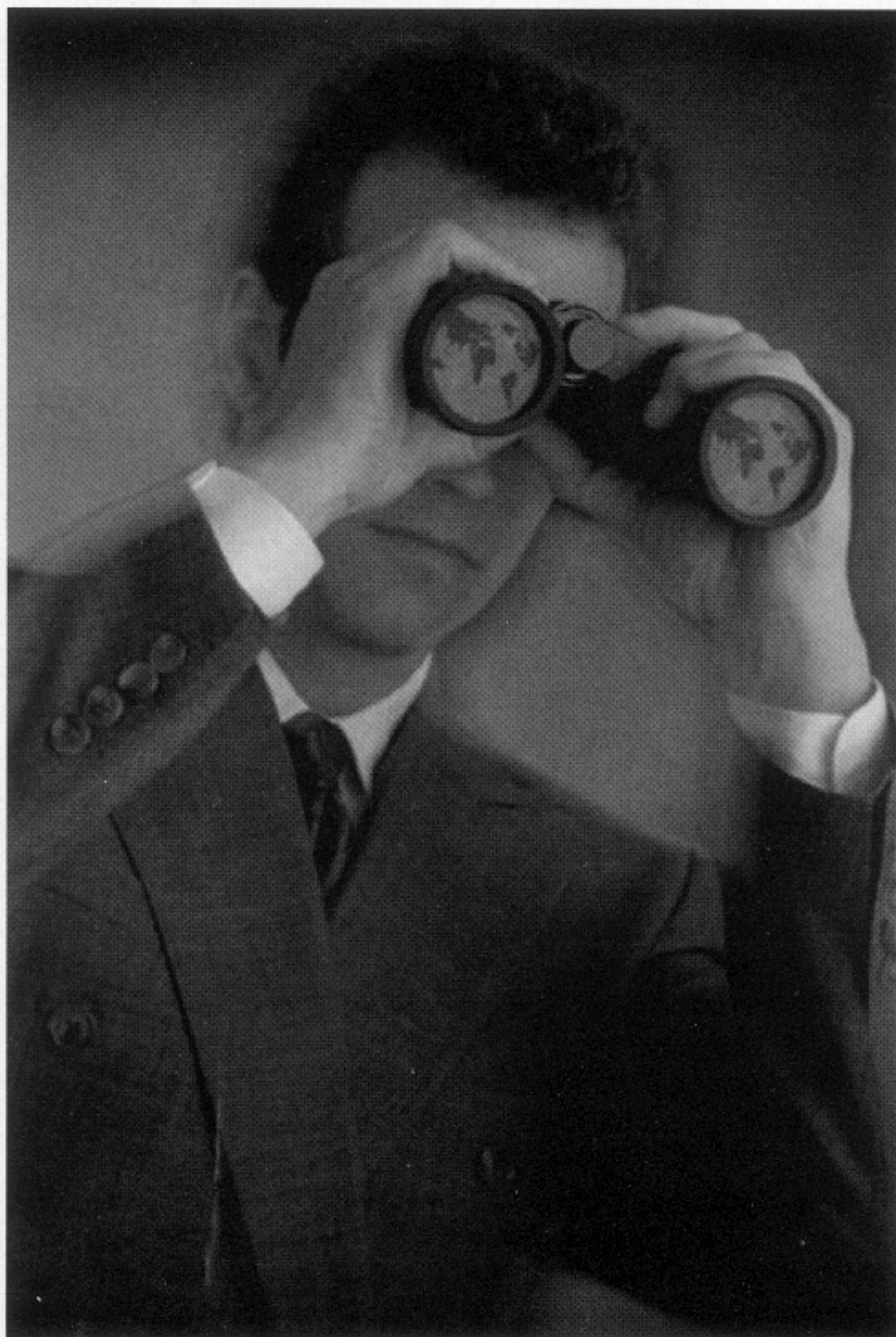
Unlimited horizons

As Sitesnet's Vernon points out, perhaps the most significant impact of the Internet on retail real estate has been the unprecedented sharing of information between formerly disconnected parties.

Sites such as Storetrax.com provide online infrastructures designed to make such connections happen. The Bethesda, Md.-based firm provides continual access to an up-to-the-minute database of retail properties, as well as comprehensive data on retail land, shopping centers, freestanding retail buildings, and streetfront retail space in office buildings.

Storetrax.com enables landlords, brokers, retailers and investors to search for and view retail spaces across the country.

By focusing strictly on retail, the service is designed to eliminate the information clutter that occurs when websites try to cover all aspects of commercial real estate at once. The site's online listing service puts available properties in front of retailers and brokers worldwide. Prospective tenants can access the site for free 24 hours a day.

Storetrax.com now lists retail properties in more than 25 states, with more than 150 million sq. ft. of retail space in the Washington, D.C., Baltimore and Philadelphia markets. The