

Retail Real Estate Investment Activity Will Grow in 2006, Survey Says

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By Peggy Bresnick Kendler, Contributing Editor

A report released yesterday shows that a majority of investors in retail real estate plan to increase their holdings this year by at least 25 percent. The 130-page report, a part of which will be published this week by REZA Investment Group, a retail real estate investment advisory firm, in collaboration with National Real Estate Investor and Retail Traffic, is based on 2005 year-end surveys of 10,000 owners and developers.



Reza
Etedali

In addition to the projected increase in investment activity, the report's research also shows that changing demographics favor certain classes of retail, particularly mixed-use. "Retail investors are trying to find value-added properties, but retail as an industry has been so strong that it's been difficult to find value-added opportunities," Reza Etedali (pictured), founder & CEO of REZA Investment Group told *CPN*. "The latest trend we see is interest in mixed-use properties. There is a huge demographic shift happening where baby boomers are starting to downsize their homes and look for residences that are closer to shops, restaurants and entertainment."

In addition, Etedali sees opportunities where developers can take infill sites designed 40 years ago as shopping centers when land was plentiful and density was not high, and update such sites to mixed use. "This will significantly increase the value of those properties," he said. "Retail real estate investment today has an interesting dynamic, and there is really no other place to be. The stock market is not performing consistently and many people like what they're seeing in retail as an investment."

Source: Commercial Property News