

GIVING RODEO DRIVE THE LUXURY OF BRILLIANT THINKING.

CBRE helped transform a shopping center in one of the world's headquarters for luxury, with a retail strategy that reimaged Two Rodeo Drive into a retail destination with record-breaking performance.

CLIENT:

Sloane Two Rodeo, LLC

LOCATION:

Rodeo Drive, Beverly Hills, California

TOPLINE:

Property management of a 130,000-square-foot, luxury outdoor shopping center

OPPORTUNITY

Two Rodeo Drive lies at the heart of an internationally known luxury retail destination and is home to more than 30 boutiques, from Jimmy Choo to Versace, Porsche Design to Stefano Ricci. Inspired by timeless Italian design, the stores and restaurants are tucked along a village-like, cobblestone-lined walkway called Via Rodeo that features a piazza overlooking a fountain—all at the corner of one of the world's most sought after retail addresses—Rodeo Drive and Wilshire Boulevard in Beverly Hills, California.

The economic downturn, which started in 2007/2008 created unprecedented challenges. Store sales subsequently plummeted, a number of retailers closed their doors and other tenants sought concessions. The previous owner had often rented to retailers who paid a premium for temporary space while remodeling their flagship stores nearby, diluting the shopping center's branding and prestige.



SOLUTION & OUTCOME

Instead of focusing solely on the highest rents, CBRE collaborated with the owners to establish a new strategy, looking to attract long-established, financially stable luxury brands while maintaining the maximum occupancy possible. The strategic shift had an immediate effect, diversifying the tenant mix from mostly luxury jewelers to a broader variety of men's and women's luxury fashion and accessories retailers, an art gallery and elegant home goods. This helped revive the center as a true destination, where, for example, a bride could shop for her ring, wedding dress, shoes, trousseau and gifts for her bridal party, all in one location.

CBRE also evaluated under-utilized parts of the shopping center—from corridors to storage areas—and transformed them into 3,000 square feet of new leasable space. CBRE also worked with the client to reimagine the overall retail experience, investing in additional customer service training and distinctive uniforms for staff to ensure an unparalleled experience for visitors. The property has since enjoyed record-breaking performance.



SOLUTION & OUTCOME (cont)

CBRE has worked closely with the city of Beverly Hills and a local committee of retailers, hotels and restaurants to keep the Rodeo Drive brand at the top of the luxury market. In the summer of 2016, for example, Two Rodeo Drive collaborated with Galerie Michael, a tenant at Two Rodeo Drive and The Stratton Institute to sponsor an outdoor exhibition of 12 sculptures by Salvador Dali at Two Rodeo Drive. The massive pieces were shipped from Switzerland and installed on the sidewalks and on Via Rodeo, which generated huge publicity and crowds of art lovers. The free outdoor exhibition also had a charitable component: The sponsors trained college students to be docents for the exhibition, who provided complimentary tours and solicited funds for the charity Operation Smile, which provides free surgeries for children with facial deformities. A portion of the proceeds of the sale of the sculptures, catalogues and an art auction also benefited Operation Smile.



ERIC HASSERJIAN,
*Managing Director,
Asset Services Los Angeles, CBRE*

The owners have a long-term relationship with CBRE. The depth of our service lines is important to them. We have had the Valuation Group do appraisals and update projections for them, and our Insurance Group evaluate competitive pricing. If it's time to renew a loan, they know they can tap the services of our Capital Markets team. If they desire insight on another market or potential investment, they can access the best proprietary research of any company in the world.

BILL WILEY, CPM®
Director, CBRE

Guests who come here to shop can shop anywhere in the world. We want to provide a unique luxury experience. That starts from the time they arrive—how they're greeted by our valet, the impeccable maintenance of the property, the service, safety and knowledge provided by our staff and management team. If visitors start off feeling welcomed and valued, they are more likely to shop in our boutiques and return again and again.

DIRECTOR,
Sloane Two Rodeo, LLC

We have been delighted with the service provided by CBRE to the owners since 2007. CBRE goes a step further than most property managers and assists on such areas as strategy, financial projections and legal matters. The quality and dedication of the CBRE team on the ground dealing with tenants and service providers on a daily basis is a critical factor in ensuring the smooth running and continuing development of the center.

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