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MAY 2022

## FUNLAB'S ENTERTAINMENT EXPANSION

Australia-based Funlab is preparing to enter the U.S. market with its out-of-home entertainment concepts.





## Local Strategy

Edwards Realty Company buys in many markets, but focuses on the local community for its success.

Randall Shearin

The story of Edwards Realty Company is one of growth, creativity and innovation in the commercial and retail real estate industry. In many ways, the company's roots have led Edwards Realty Company to where it is today: a leading developer of suburban downtowns in key Midwest markets. The company's founder, Edward Hassan, purchased a convenience store in Chicago in the 1980s. After building that operation, he sold the business but retained the property. He began buying other commercial properties as well and soon amassed enough real estate that he began buying, selling and operating properties full-time. In the early 2000s, his son, Ramzi Hassan, entered the business and strategically positioned it as a property management, redevelopment and investment real estate firm. Today, the company, based in Orland Park, Illinois, remains a family-owned business that has projects and holdings across the Midwest.

Edward Hassan initially founded the company by acquiring small, unanchored properties and apartment buildings on the South Side of Chicago and his son, Ramzi Hassan, learned the business from the ground up. Each summer, Ramzi Hassan says, he would tag along with his father and work by his side.

"From painting apartments to sitting in on meetings with tenants and bankers, I grew up in the business," says Ramzi Hassan, who serves as the company's president today. "For years, my father was a one-man operation who did everything from financing to property management and leasing."



Edwards Realty is developing Downtown Orland Park, a 500,000-square-foot project in Orland Park, Illinois.

As time went on, Edward Hassan acquired property in the suburbs of Chicago via 1031 exchanges and outright purchases. Ramzi Hassan decided to join his father in business, finishing college at night while working at Edwards Realty Company during the day.

"My father is a dealmaker at heart," says Ramzi Hassan. "He needed a partner to work with who could help oversee company operations and expansion."

In the mid-2000s, Edwards Realty Company began buying older properties, renovating and re-tenanting them. The company did minor redevelopments on some projects as well, sparking its interest in ground-up development. All of the company's tenants were mom-and-pop retailers and small businesses. Ramzi Hassan appreciated that, but he also saw an opportunity in these projects for na-

tional tenants.

"We really wanted to diversify our portfolio," he says. "When we would sell a few smaller properties, we started buying more stabilized properties with national tenants to diversify our income stream."

Over time, that strategy — along with some select renovations and ground-up development — has netted the company a portfolio of about 700,000 square feet, valued at about \$200 million. The company has held onto many of the properties it has turned around or built. Its portfolio includes strip centers with an emphasis on local businesses, large office buildings and mixed-used open air centers with mom-and-pop businesses and national tenants.

Edwards Realty Company has primarily focused on investing in distressed assets. The company has been opportunistic on this side of its



Edwards Realty was able to streamline operations and grow revenue at Burr Ridge Village Center after acquiring the property.

business, turning around everything from worn down shopping centers to distressed condominium projects. Edwards Realty Company develops a few projects per year, if the climate for development is right. There have been some years, says Ramzi Hassan, that the company has not pursued any

new developments.

“We like that we can be patient based on market dynamics and yet still fairly aggressive when the right opportunity presents itself,” says Ramzi Hassan.

Edwards Realty Company has applied its turnaround expertise to larger

projects over the years. In its hometown of Orland Park, the company acquired Orland Park Crossing, a 110,000-square-foot lifestyle center that was in foreclosure. It has successfully re-tenanted the project and brought it back to health.

Nearby, in the suburb of Burr Ridge, Illinois, Edwards Realty Company purchased a distressed lifestyle center. The 194,000-square-foot Burr Ridge Village Center was developed for \$75 million and Edwards Realty Company purchased it for \$15 million. The company was able to streamline operations at the center and has significantly grown revenue by bringing in new tenants. In a short time, the company has been able to shift tenants’ perception of the property by adopting a constructive and transparent approach to communication, including ramping up marketing efforts at the center, hosting quarterly town hall meetings to get ahead of any issues or concerns, hosting community events and more.



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“These efforts are thoughtful and intentional,” says Ramzi Hassan. “We want to support our tenants in actively marketing their businesses and, as needed, even provide input on operations. Our team is available to assist if they are having trouble. This definitely sets us apart from other developers and property owners. We spend a lot of time and effort to ensure our tenants are as successful as possible. This level of connection was particularly helpful as we navigated the last two years with our tenants.”

Edwards Realty Company has two principles at its core: working closely with its tenants and working collaboratively with local communities. When it is redeveloping or turning around a property, Edwards Realty Company takes a vested interest in the community and seeks to understand what the residents are looking for before beginning a leasing program.

“We get very involved with communities, and learn what they expect and want from a development project,” says Ramzi Hassan. “We bring them into the process. We want their input as to what should be in the project.”

In La Grange, Illinois, the company acquired a property that needed to be turned around. The company involved members of the community to see what they wanted for tenants. It balanced those wants with communities needs and retailers’ expansion plans. Today, the 70,000-square-foot center — La Grange Crossing — has tenants that include Chipotle and Caribou Coffee.

Edwards Realty Company has developments in other markets in the Midwest. The company purchased The Boulevard, a 200,000-square-foot mixed-use project in St. Louis that has apartments, office and retail, with land for future development that had tax increment financing in place. The company is in the process of planning its next steps with the project.

In Holland, Michigan, the company purchased a distressed 125,000-square-foot outlet center at a low basis. Over the years, Edwards Realty Company has redeveloped the center into Town Center Holland,



Edwards owns The Boulevard, a 200,000-square-foot mixed-use project in St. Louis

a mixed-use project with office and retail.

In markets outside its home base of Chicago, Edwards Realty Company relies on third-party leasing and management partners.

“The properties we buy generally don’t fit typical capital partners,” says Ramzi Hassan. “They typically have a three- to five-year hold and turn-around plan. Our plan is to hold our assets forever. That doesn’t always line up with certain capital sources.

Today, Edwards Realty Company is working on the development of a mixed-use property in Orland Park. The Village of Orland Park has assembled 16 acres, of which only a few have been developed. The 500,000-square-foot project is located across the street from Orland Park Crossing, a lifestyle center that Edwards purchased when it was in foreclosure and turned around. The new, planned mixed-use project, known as Downtown Orland Park, will be located next to the village’s new commuter train station and medical office that is anchored by the University of Chicago.

The Village of Orland Park has about 60,000 residents, but serves as a regional hub for surrounding suburbs as well, boosting its draw. Edwards Realty Company aims to make the project a viable downtown area, with office, residential, an entertainment district — which will contain a

1,500-person e-sports arena — and some retail. A park will sit at the center of the project.

From the beginning, Edward Hassan’s vision (and the company’s bread-and-butter) was centered around local, independently owned businesses as tenants. Today, the company continues to seek to address the local market’s needs while looking to help independently-owned businesses grow. One example of this philosophy is the very successful “Pop Local” program which awarded a local business space rent-free for three months to help deserving small businesses establish a brick-and-mortar presence. At all three centers where this program was launched, the Pop Local award recipients remain, years later, as very successful tenants. Edwards Realty Company’s emphasis on local businesses is rooted in its commitment to building stronger communities. Ramzi Hassan, who is president-elect of the Orland Park Area Chamber of Commerce, says that developers can learn by being a conscious landlord, not just one who has a transactional relationship.

“We have an affinity for small businesses,” says Ramzi Hassan. “We are always learning from our current tenant roster, but also through other businesses in the communities where we own properties.” **SCB**