

THE LIST

Property Managers Wait for Other Shoe to Drop

LIST: Landlord reps worry December lockdown may undo rent collection gains.

By **MICHAEL AUSHENKER** Staff Reporter

Since the economy bottomed out last spring, rent collections at malls and other retail centers in North Los Angeles have seen monthly incremental hikes as landlords and tenants engage in a delicate dance of payment agreements.

Now, those in the property management business worry that December's recent lockdown, which Los Angeles County had aimed for three weeks through Christmas and New Year's, may undo those gains heading into 2021. Concurrent with the shutdown, a possible virus surge post-holidays may further contribute to ongoing retail and restaurant closures.

"November is as good as we're going to get," said **Mark Sigal**, founder of the Woodland Hills-based retail statistical engine **Datex**. "We've squeezed everything that we can out of the toothpaste (tube). Either the government will step in and provide additional relief, or we will see a very struggling first quarter."

Sigal's brother **Sandy Sigal** is chief executive at **NewMark Merrill Cos.**, No. 18 on the Business Journal's list of Property Management Firms. With the most recent shutdown orders in December, "it went from a headache to a migraine," Sandy Sigal said. "We all want to understand the rules and work within the rules.

California keeps changing the rules."

During the pandemic, **NewMark Merrill** has invested thousands of dollars at **Janss Marketplace** in Thousand Oaks to expand restaurant patios and refresh walls with murals.

Todd Nathanson of **Illi Commercial**, No. 2 on the Business Journal's list, which manages many Valley shopping centers, is "cautiously optimistic" about 2021.

"Our collections over the last seven months have been hovering above 80 percent," Nathanson said.

He added it has been a "very challenging" time for tenants.

"They're frustrated," he continued. "We're seeing a lot of public rebellion. A lot of people would rather pay the fines."

Sandy Sigal, whose company owns and runs retail centers in California, Colorado and Illinois, observed that grocery stores, home goods and hobby shops have best navigated 2020's stop-and-go economic fits. Rent collections at his properties remained "pretty good" through the summer — overcoming 35 percent lows to 100 percent highs, which he chalks up to the CARES Act stimulus package and PPP money propping up businesses.

"It gave them the oxygen they needed," he said.

"In my 35 years, I have never seen anything like this," Nathanson said of 2020.

Telling numbers

Across 2020, "every single month was higher than the last May was a little better, June



PHOTO BY THOMAS WASPER

Rule Conscious: NewMark's Sandy Sigal.

a little bit better, July and each month the steps going up and up," said Mark Sigal, citing his Datex data.

However, once governmental aid ran out by autumn, certain corridors started to struggle, particularly medium and smaller businesses from the neighborhood dentists to restaurants to karate studios, Sandy Sigal said.

Datex statistics draw from a national pool of 20 million retail operators in several states. Based on those numbers, Mark Sigal said: "The Q1 results were not very different than a year before; Q2 was horrific; Q3, closer to

normal."

As confirmed by Datex's data for the month of November, it was no surprise that rent collection among movie theaters has been low (26 percent). What is startling is how high rent collections nationwide climbed for non-fast food restaurants (90.9 percent) and hair salons (79.2 percent). Inherently equipped for take-out, fast food, which has its own category, ranks high at 93.7 percent. Home improvement tops the list at 98.3 percent.

Specialty restaurants — from the Asian buffet to Chuck E. Cheese, which filed for bankruptcy — has suffered, Mark Sigal noted. Total collections held at 85.3 percent by November's end, down slightly from October's 85.7 percent.

With vaccine distribution ramping up, property management players view a light at the tunnel's end.

Property owners such as Sandy Sigal are trying to make the most of the situation for the coming months until vaccinations diminish the virus. He hopes that 2020 was a one-off year.

"There have been peaks and valleys — this peak is a little deeper," he said, and yet "the leasing for the last three months has been almost on par with last year. We've put a lot of hair salons, a massage parlor and a tattoo artist into business just last month."

The year 2020 has also showcased resilience.

"I got to see some remarkable tenants at their very best," he continued. "I find that reason prevails in times like this."

THE LIST

PROPERTY MANAGEMENT FIRMS

Ranked by total square footage of commercial property managed in the Greater Valley area

Rank	Logo	Total Portfolio • name • address • website	(in millions of sq. ft.)		Services (partial list)	Profile • headquarters • Valley offices • Valley employees • year founded	Top Local Executive • name • title • phone	Photo
			Portfolio Breakdown • Valley area • firmwide	Portfolio Breakdown • office • retail • industrial				
1		CBRE Group Inc. 400 S. Hope St., 25th Floor Los Angeles 90071 cbre.com	10.6 6,800	5.7 2 2.9	property management, project management, agency leasing, investment sales, occupier leasing, debt and structured finance	Dallas 3 39 1906	Lewis Horne President, Pacific Southwest (Southern California, Arizona and Hawaii) (213) 613-3333	
2		illi Commercial Real Estate 17547 Ventura Blvd., Suite 304 Encino 91316 illicare.com	10.5 14.8	0 9.6 1	property management and brokerage	Encino 2 24 2007	Todd Nathanson President (818) 501-2212	
3		Rexford Industrial Realty Inc. 11620 Wilshire Blvd., Suite 1000 Los Angeles 90025 rexfordindustrial.com	5 31	0 0 5	property management, asset management, construction management and development, acquisition and disposition	Los Angeles 0 8 2001	Howard Schwimmer Michael Frankel Co-CEOs (310) 966-1680	
4		Worthe Real Estate Group 100 Wilshire Blvd., Suite 1600 Santa Monica 90401 worthe.com	4.5 7.2	4.4 0.1 0	asset and property management, construction management, general contracting, leasing	Santa Monica 8 26 1967	Jeffrey Worthe President (310) 393-9653	
5		Cushman & Wakefield 900 Wilshire Blvd., Suite 2400 Los Angeles 90017 cushmanwakefield.com	3.8 1,917	2.7 0 1	asset services, tenant representation, valuation and advisory, capital markets, agency leasing, investment and asset management, global occupier services, facility services, project and development services	Chicago 4 20 1917	Karinna Cassidy Senior Managing Director (213) 955-5100	
6		RiverRock Real Estate Group Inc. 100 Bayview Circle, Suite 2600 Newport Beach 92660 riverrockreg.com	3.6 39.8	2.2 0.4 0.9	property, construction and facilities management; accounting; consulting; leasing; sales	Newport Beach 4 16 2003	John Combs Principal (714) 689-1440	
7		IDS Real Estate Group 515 S. Figueroa St., 16th Floor Los Angeles 90071 idsrealestate.com	2.6 34.1	1.4 0.2 1.1	property, asset, construction and development management; leasing; corporate services; acquisition and disposition	Los Angeles 4 3 1986	David Mgrublian Murad Siam Co-CEOs (213) 362-9300	
8		Charles Dunn Real Estate Services Inc. 800 W. 6th St., Suite 600 Los Angeles 90017 charlesdunn.com	2 17.3	0.7 0.6 0.7	property and asset management, leasing, consulting, receiverships, accounting, construction management	Los Angeles 1 4 1921	Patrick Conn President (213) 683-0500	

NA - Not Available Note: The information on this list was provided by representatives of the companies themselves. Property managers are ranked by the total amount of square footage under management in the Greater Valley area and firmwide, respectively. Firms that own more than 75 percent of the property that they manage in the area are not included on the list. To the best of our knowledge, this information is accurate as of press time. While every effort is

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