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## Staubach Spinoffs Team To Aid Distressed Retail

By John McCloud

DALLAS--SRS Real Estate Partners--formerly Staubach Retail Services--and Cypress Equities have joined together to form Managed Services, an allied company that offers real estate services targeted primarily to capital investors and lenders who find themselves landed with troubled or failed retail and mixed-use properties. SRS and Cypress, both based in Dallas, were spun off from the Staubach Co. following the company's merger last year into Chicago-based Jones Lang LaSalle Inc. Arrow Retail, a Cypress affiliate that specializes in the acquisition and repositioning of distressed retail properties, is also part of the new alliance.

SRS CEO and president Clay Smith says the combination of his company's national retailer connections and leasing network with Cypress Equities' development and asset management experience will enable the two companies to provide a service not generally available to the type of clients it has targeted. "By bringing together Cypress Equities and SRS Real Estate Partners, Managed Services will be able to leverage the core competencies of each group while creating a real estate synergy unlike anything in the marketplace," he says.

According to Scott Harrington, a Cypress partner who oversees the firm's Southeast region from his office in Atlanta, the new venture foresees its client consisting largely of private investors, equity sources, banks and other financial institutions that have taken back struggling retail and mixed-use projects due to the failure of their owners or developers to keep up with payments.

"We think there's going to be a lot of people with the responsibility to manage and fix retail properties who aren't accustomed to being on that side of the business," he tells GlobeSt.com. "They're going to have the need for a service provider that has the experience, connections and market knowledge they don't have." Cypress--which has a portfolio worth more than \$2 billion and totaling over six million square feet--develops, operates, manages and invests in destination-class retail, residential, mixed-use and resort properties in the US and abroad. SRS is the nation's largest retail real estate services firm with over 300 dedicated retail real estate specialists.

In Harrington's opinion, the two firms' combined skills and knowledge will enable Management Services to implement a combined analytical approach that utilizes a variety of different specialties to define the value and potential value of real estate assets. "The reestablishing of values is something that's very difficult in the current environment," he says. "Our industry is changing at a remarkably quick pace, and it's impossible for most people to keep up. We have the expertise to handle it."

According to Harrington, the company has not set specific dollar goals, but he says it's easy to imagine doubling the portfolio to \$4 billion over the next couple years. "We think there's a great opportunity for what we're offering," he says. "We think there's going to be a huge need. There's an unlimited number of assets that are going to fall into the hands of companies that are not set up to handle those assets, and we're here to help them."

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