

OUR CAPABILITIES

- CONSULTING SERVICES
- EXPERIENCE
- CASE STUDIES



Research It International Ltd.

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Who we are

We are an international real estate consulting firm, providing valuable, prudent research insight for new / existing real estate development projects. Adding to local business sense, we assist developers / investors by presenting future market scenarios of how projects “fit” within competitive markets and measure potential success.

Consulting services are provided for varying land use types, with an emphasis on the retail sector. We pride ourselves with providing the best possible research capabilities and treat each project uniquely. Our track record keeps growing!



What we do

Market Feasibility Studies (Existing / New Developments)

- Retail (Shopping Centres, Retail Parks, Hypermarkets, Retailers)
- Entertainment & Hotel / Leisure
- Residential
- Office
- Mixed-Use / Lifestyle
- Warehousing / Logistics



Highest and Best Land Use Studies (Public and Private Sector)

- Determine the most ideal land uses for individual or multiple land parcels, based on market demand



Investment / Lending Research Studies

- Provide lending institutions with independent analysis of client development plans. Assist developers / investors with obtaining financing
- Location analysis of existing investment grade assets for purchase



Site Selection / Brokerage

- Analyse and present development opportunities, using our global partnership network to offer prime land / assets



During times of economic uncertainty, our market research capabilities can provide:

- *Further support to real estate development decisions*
- *Help secure real estate development loans / investor interest*
- *Research discounted commercial assets for possible acquisition*

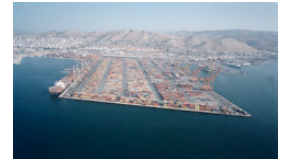


Project Experience

Successfully completed over 200 feasibility / research studies



- **Market Feasibility Studies** of retail portfolio expansion for Canadian Pension Funds; IvanhoeCambridge, The Cadillac Fairview Corporation and OMERS. **Market Positioning Studies** for existing retail assets. (Major Canadian Cities)
- **Market Impact Studies** for largest Canadian department store, The Hudson's Bay Company and largest supermarket chain, Loblaws Properties Limited. (Major Canadian Cities)
- **Highest and Best Land Use Study** for Native Indian lands expropriated by local government. Various land uses identified to assist valuation of site in determining expropriation value. Project size included several thousand acres. (Calgary, Canada)
- **Retail Feasibility Study** for future luxury retail at premier mixed-use marina development, Porto Montenegro, touted as the "Next Monaco" of the Mediterranean (Tivat, Montenegro)
- **Market Research Study** for a 500,000 m² mixed-use marina development. Secured bank loan and investor interest in project (Malta)
- **Market Research Experience** for retail, office, leisure / hotel, marina, residential, convention and industrial / logistics facilities (North America and Europe)
- **Commercial Property Development Policy Reviews** for Canadian Municipalities, identifying the future market requirements of commercial property space development



Mr. Frank Kostopoulos, Director



FRANK KOSTOPOULOS

DIRECTOR

Background

Frank Kostopoulos is the founder (2009) and Director of Research It International Ltd. Prior to his current activities, he was Head of Research with global real estate property advisors, Cushman & Wakefield, in Athens, Greece (2007-2008). In addition, for more than 11 years, he was a market research analyst with Kircher Research Associates Ltd. (1997-2007 & 2011-present) [previously associated with the PricewaterhouseCoopers Real Estate Division], responsible for real estate consulting services.

He holds a Bachelor of Applied Arts (BAA) degree in Applied Geography, with a minor in Economics, from Ryerson University in Toronto. He entered the economic analysis and market research field in 1995. Besides his extensive consulting background in Canada, his international assignments have included major research studies in the United States and various European countries, as well as property development consultancy in Central Asia (Uzbekistan).

Market Research Consulting

Responsible for more than two hundred market feasibility studies for developers, investors, retailers and public agencies, including:

- Research studies for major North American shopping centres, including additional land use components. Studies conducted for new and existing assets.
- Mixed-land use studies, including retail, office, hotel, residential and institutional facilities within new community developments.
- Vacation resort and recreation / leisure demand analyses in the Mediterranean / Caribbean.
- Residential development research for private developers / municipal planning authorities.
- Site development selection for developers, investors and retailers
- Commercial development policy review studies for Municipalities / Regions.

Selected reports have also been used as market expert litigation support at Ontario Municipal Board [OMB-property development arbitration board] with regards to land use designations and zoning development issues for clients.

Investment Research Outlines / Property Brokerage

On behalf of property owners, we have developed a series of Offering Memorandums (OMs) to assist with marketing owners' property dispositions to potential investors. In addition to prospective buyers' financial due diligence processes, such OMs presented prospective buyers with a deeper knowledge of assets' competitive market positioning and how such properties can retain / grow profitability in future, for the transitional buyers. Subject property OMs have included land

developments, hotels / resorts, commercial [offices & retail] and residential / multi-family assets in the USA, Mexico / Caribbean and Europe.

As mandated by property owners, we have also assisted in directly presenting property dispositions to prospective investors.

Private Equity Placement / Joint Ventures

Assist commingled investment funds and select developers who are seeking private equity to support their business development activities:

- Canadian multi-use property developer seeking strategic investment partnerships to continue development of condominium & mixed-use urban development projects. Equity up to CAD\$ 200 Million, Term: 5 years, IRR: 15% / annum [*Historical*]
- Colombian (with Swiss-based manager) commercial property developer seeking strategic capital contributions for the development of institutional grade commercial property developments, in major Colombian urban areas. Equity up to USD\$ 200 Million, Term: 7 years, IRR:20-25% / annum [*Current*]
- Malta: Mixed-use development project seeking a Joint Venture partner. Equity of €200 - €300 Million [*Current*]
- European (publicly listed) leisure development group seeking Joint Venture partner equity to support projects in Mediterranean, Caribbean and Central America [*Current*]

Professional Affiliations

- Former member of the International Council of Shopping Centres (ICSC).
- Former member of the ICSC European Research Group, an exclusive group of 40 nominated European research professionals helping shape research policy and practice for the shopping centre industry.
- Official Presidential invitation from the Government of Uzbekistan to participate in week-long event, providing professional recommendations to Uzbek government, in shaping future economic policy implementation and real estate development. Part of a group of 200 international professionals, within their respective fields.

Seminars

Speaker at national and international conferences and seminars conducted by the International Council of Shopping Centres, RE+D, and HelExpo Greece. These took place in major Canadian cities, UK, Austria, Greece & Uzbekistan.

CASE STUDIES

Confidential Client

Project Type: Highest & Best Land Use Study

Woodstock, ONTARIO, CANADA

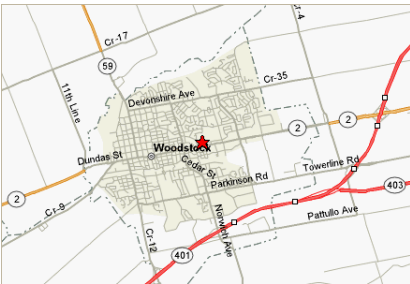
In 2005, a client's land parcel was expropriated by the City of Woodstock. This expropriation completed a multiple land assembly for the development of the currently operational Toyota Canada assembly plant. Zoning was changed to accommodate development of Toyota assembly plant. This order was legally challenged by client in order to determine a more realistic market value of the property expropriation. Land uses tested included potential retail, hotel and industrial space, particularly with the assumption of market demand, prior to the expropriation date.



ISSUES

- Determine the market demand of retail, hotel, industrial and other commercial space, prior to Toyota plant development
- Assess the demand for particular land uses that would then be appraised by a professional firm, to determine market value
- Likely outcome was to provide market evidence that city expropriation value was below what tested land market value

APPROACH



- Determined economic base of local / regional economy (*i.e. primarily manufacturing and supporting industrial uses*)
- **Retail** demand determined using current and future population, income and retail expenditure potential. This included detailed consumer survey research, as well as an inventory of current retail space and its effect on future space demand. A designated trade area (area of influence) and site and access characteristics of site was also determined.
- **Hotel:** An inventory of existing and planned hotel space was compiled. Future hotel demand was determined using local population and employment growth and occupancy levels, based on room night demand
- **Industrial** space users were determined, compiled through an inventory, identifying type of use, number of employees and year established. Future industrial demand scenarios determined, excluding the Toyota assembly plant. Analyses included historic and future industrial space (sq. ft. and acreage) using population figures, total employment and selected industrial employment and floor area ratios (building size compared to covered acreage)



RESULTS

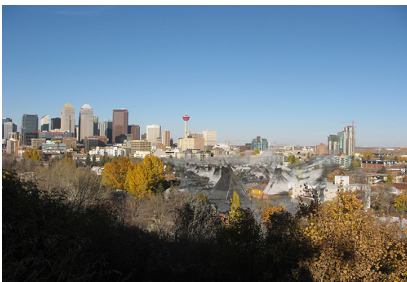
- Client forced City of Woodstock to Ontario Municipal Board hearing, whereby evidence was presented, to re-value expropriation of client's land parcel
- A revised land valuation agreement, in client's favour, was determined by independent board hearing



Project Type: Highest & Best Land Use Study

Calgary, CANADA

Highest & Best Land Use Study (HBLUS) for a several thousand acre site of Native Indian land, to be expropriated by the City of Calgary. Land parcel necessary to complete a planned ring road motorway around Calgary. Potential land uses along the planned motorway included retail, office, industrial, residential, hotel and leisure.



ISSUES

- Investigate land use types that could be developed along planned motorway corridor
- HBLUS required by valuation / appraisal firm to determine value of land and used to determine sale / expropriation price to the City of Calgary (city prepared to pay "fair market value" for land)

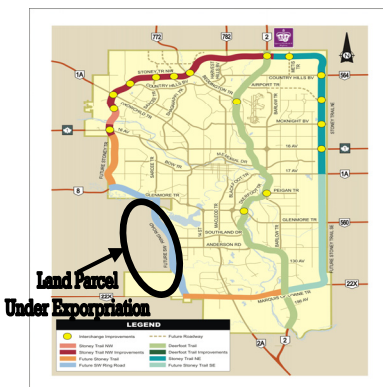
APPROACH

- **Retail** space demand, comparing city retail inventory to income / expenditure levels. Space demand tested for food stores, durable and non-durable goods stores, home improvement stores, restaurant and fast food stores and other retail space
- **Office** space demand based on population growth, office employment, office demand and current office space and future construction (take-up)
- **Hotel** room demand using population, employment, tourists / visitors and demand by industry sector. Inventory of existing supply
- **Industrial** space demand based on industrial space (sq. ft. / acres) to population, industrial space on total market employment, future space demand using industrial employment
- **Residential** demand using population projections, housing starts, housing demand using City of Calgary official planning projections



RESULTS

- Recommendations to incorporate several different land use types along corridor
- Guidance provided to land appraiser and legal department for Tsuut'ina Indian Nation.
- High value land use types maximised (i.e. retail) to provide the highest possible selling price for client



Project Type: Industrial / Logistics Market Potential

GREECE / Southeast Europe

With the increase of commercial development (i.e. retail) in new EU member states (i.e. Romania, Bulgaria), the client was keen on purchasing land, to develop supporting logistics (light industrial) centres for product movements through southeast Europe.

ISSUES



- Search for industrial land availability near shipping port of Thessaloniki (northern Greece) for possible logistics developments
- Measure current / future logistics supply of Greece in key shipping port areas and determine development opportunities
- Assist client with understanding potential logistics development opportunities.

APPROACH



- Identified macro-economic growth of southeast Europe. This included public sector employment development through EU membership, increasing income levels and changing demographic structures that assisted in identifying key growth variables for a future retail market
- Site, access and infrastructure outline of the area under investigation
- Comparative industrial port areas of Greece, measuring land values, rental yields, including port traffic and procedure
- Identification of "local" lease terms, current tenant requirements and planning / building permitting process
- A construction cost analysis and required building specifications
- Available land and existing structures (re-development) identified in market

RESULTS



- Market test of demand / supply generated a clearer understanding of potential development opportunities which could be leased (i.e. to retailers, goods manufacturers, etc.)
- Client gained valuable local knowledge of construction / purchase requirements
- Provided necessary data inputs for company's financial feasibility analysis for investment, based on: 1) market demand for logistics space, 2) supply of existing and future market players



Project Type: Financing / Investment Support Research Study

Valletta, MALTA

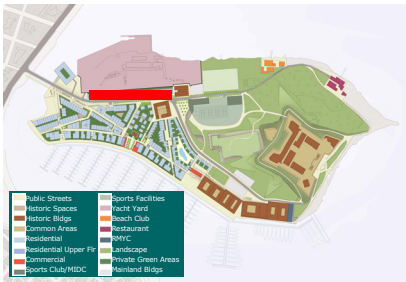
A 500,000 m² mixed-use development planned by local developer. Included luxury residences, retail, office, hotel and other leisure space with marina facilities.



ISSUES

- Required market research study to determine market pricing levels for luxury residential and retail market rental rates that site could achieve. Criteria required to determine size of bank financing
- Market research study to be used to attract private investors in project

APPROACH



- Macro-economic trends for Malta, including GDP and disposable incomes.
- Demographic identifiers including, permanent Maltese and Non-Maltese residents, national population projections, population density, age distribution and average income levels.
- Site characteristics, general topography and land uses of the region and country.
- Analysis of national residential pricing levels by area.
- International examples of mature residential prices providing comparables for residential units. Included, established high end luxury residential in Spain, France, Italy, Greece and Cyprus.
- Analysis of retail rental levels using local market knowledge of leasing brokers and by retail sales turnover for the sector. Included a local retail inventory and various European retail rental examples in similar mature markets.



RESULTS

- Size of bank financing determined and authorised, based on projected residential sales / m² and retail rents / m² provided in report
- Confirmed private investor participation in project





Tivat, MONTENEGRO

Project Type: Retail Feasibility Study

Retail feasibility for the luxury retail component (10,000 m²), of a total 250,000 m² mixed-use marina development. Land uses included retail, luxury residential, five star hotels, casino, offices and luxury yacht facilities, including berth space for super-yachts.



ISSUES

- Test local market support for proposed retail space (luxury and local convenience retail)
- Retail tenant mix that will provide long-term lease sustainability
- Retail component to be sold to investors as an income generator

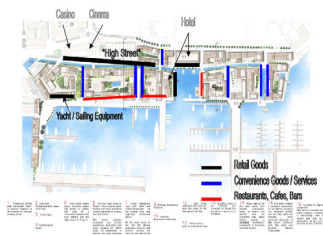
APPROACH



- Macro-economic trends of Montenegro and the Tivat area including GDP and disposable incomes. Figures included historic and future trends
- Catchment area definition, including an outline of the site and access characteristics and land uses of the catchment area
- Analysis of catchment area including resident population, population projections and other demographic characteristics
- Analysis of “other expenditures”, including future Porto Montenegro second home residents, tourists / visitors, yacht owners, guests and crews, that will influence local retail turnover
- An audit of existing retail competition in the region and planned developments within close proximity to Porto Montenegro
- Current and future available consumer expenditures separated into various retail categories for analysis. Consumer expenditures used to estimate feasibility for planned retail portion
- Tested sales impact on local retail facilities
- Proposed retail category mix strategy for Porto Montenegro
- Rental levels for future retail tenants analysed by retail categories. Rental levels compared to selected European retail market averages

RESULTS

- Market is immature with a clear future demand for retail space, based on existing retail space and local and foreign demographic profiles of potential consumers
- Proposed retail rental levels support long-term lease sustainability
- Interest from single investor to purchase full retail component



Project Type: Retail Market Positioning Studies

Toronto / Ottawa / London / Calgary / Edmonton, CANADA

The Ontario Municipal Employees Retirement System’s (OMERS) real estate investment arm, Oxford Properties Group, comprised a real estate portfolio, consisting of poorly performing shopping centres. A selected number of shopping centres were researched to improve market performance.

ISSUES

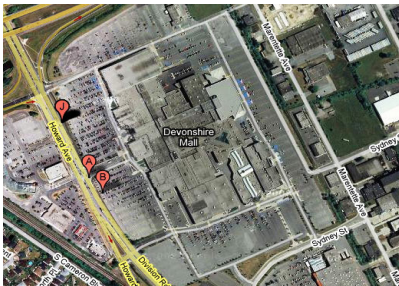
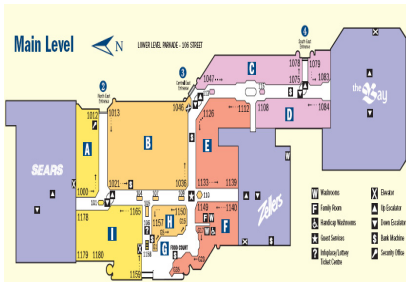
- Investigate individual market issues for each shopping centre
- Assist with productivity improvements to portfolio using recommendations from market research studies

APPROACH

- Identified market issues contributing to low productivity for each shopping centre
- Site and access, catchment area, population, local income levels
- Expenditure potential of catchment area residents for food stores, durable and non-durable goods, home improvement stores, restaurant and fast food stores and other retail services
- Review of competitive retail facilities and any future changes to amount of retail space. Included a “tenant mix review” with competitive shopping centres
- Local shopping centre “exit survey”, providing consumer insight to lingering shopping centre issues
- A “tenant performance review” of all shopping centre tenants. Assisted with identifying poorest performing stores. Possible changes to tenant mix

RESULTS

- Market issues identified included possible local retail saturation or store overlap with market competitors. Recommended other retail category types with minimal local retail exposure
- Replaced lowest performing tenants with new retail names. Increased lease rates with new tenants
- Recommended physical changes to shopping centres (i.e. tenant relocations to redistribute foot traffic, mall entry / exit positioning, positioning of food court / anchor tenants, aesthetic changes making shopping experience more enjoyable)





CROSS IRON MILLS

Project Type: New Retail Market Entry

Toronto / Calgary, CANADA

The Mills Corporation's (subsequently purchased by Simon Property Group Inc.), super-regional shopping centre format entered the Canadian market (Toronto [Vaughan Mills] and Calgary [Balzac Mills]). Canadian pension fund, IvanhoeCambridge, became the Canadian partner and required necessary construction approval for developments by respective municipalities.



ISSUES

- Assess the future market demand for a super-regional shopping centre in competitive markets
- Measure impact on local retail
- Submit findings to local government for construction / permitting approval



APPROACH

- Comparables used from already established Mills format shopping centres throughout the USA. Included analysis of local market and personal interviews with mall managers
- Catchment area definition, including an outline of the site and access characteristics and land uses of the catchment area
- Analysis of catchment area including resident population, population projections and other demographic characteristics
- Audit of existing and planned retail competition in the region
- Consumer expenditures determined by detailed telephone consumer research survey of local households
- Current and future available consumer expenditures separated into various retail categories for analysis
- Directional impact analysis on existing and future retail market.



RESULTS

- Market growth and unique nature of Mills format shopping centre provided short-term impacts to sales of existing retailers and minimal long-term impacts
- Market impact studies provided approval for development by local municipalities





Project Type: Opposition to Wal-Mart Market Entry

Major Cities / Towns, CANADA

During the 1990's, Wal-Mart began entering the Canadian retail market, starting with the Wal-Mart discount department store (non-food) format and later increasing their market presence by introducing the Wal-Mart Supercenter (food and non-food) concept. Well established Canadian retailers, Hudson's Bay Corporation's (HBC) Zellers department store chain and the largest supermarket chain, Loblaws, perceived Wal-Mart's entry as a threat to their existing and future sales levels.



ISSUES

- **Zellers** stores could not compete with Wal-Mart's aggressive low pricing practices and risked losing new and established markets
- Supermarket chain, **Loblaws**, required proactive store expansion to establish market presence in non-food sector (build hypermarket stores), to counteract future market entry of Wal-Mart Supercenter (food and non-food space)



APPROACH

- Site and access, catchment area definition
- Analysis of catchment area including resident population, population projections and other demographic characteristics
- Audit of existing and planned retail competition in the region
- Consumer expenditures determined by detailed telephone consumer research survey of local households
- Current and future available consumer expenditures (non-food and food)
- **Zellers** - Directional impact analysis on local "mom and pop" retailers, testing the likelihood of local retail store closures
- **Loblaws** - Store feasibility studies identified growing consumer markets and established new format Loblaws "Supercentre" concept (including food and non-food)



RESULTS

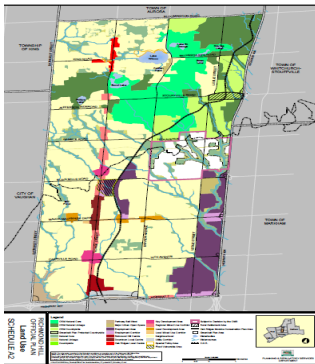
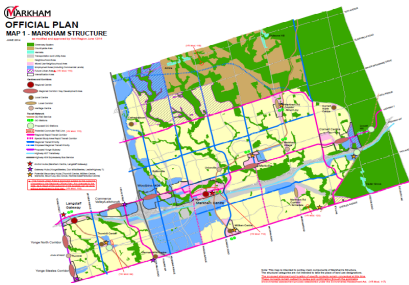
- **Zellers** - Impact analyses showing large potential store closures and risked changing the retail function of local communities (i.e. destruction of "downtown retailers")
- Market impact reports submitted to government planning board committee, identifying large sales impacts on local retailers. Wal-Mart new store development delayed, providing Zellers an opportunity to further establish market share and consumer loyalty
- **Loblaws** - new format "Supercentre" developments successful in shutting out establishment of Wal-Mart Supercenter in Canada



Project Type: City Governments / Mixed Land-use Development Policy Reviews

Cities: Markham(350,000), Richmond Hill(220,000), London(385,000), CANADA

Within governmental land-use planning departments, Municipalities are required by Ontario (Canada) Provincial laws, to determine reviews of market demand growth for their areas, in order to keep land-use development requirements current and to avoid potentially over-building specific land-uses in the market. Such policy reviews are incorporated in “official plan” development outlines that normally project required land-use needs for 5, 10, or 20 years (short, medium, long-term forecasting).



ISSUES

- Seek out ideal future land use needs - residential, employment, commercial (retail, office), hotel & other, to build within Cities, based on a future market demand analysis (as per space use)
- Provide future build-out amounts in order for Cities to manage development proposals (new supply) to properly absorb growing market demand
- Create more efficient use of lands & better multiple use mix of land-use activities
- Review current planning policy towards future vacant lands development and their potential effectiveness in current and future years

APPROACH

- Current inventory of space (building sizes, space usage - i.e. land coverage)
- Demographic, income & retail expenditure demand analysis (incl. tourist / visitor / employee expenditure potentials)
- Employment needs analysis, based on future business development opportunities
- Residential needs analysis using population projections, demographic profiles
- Hotel / entertainment uses, by local visitation and future employment
- In-home residents' telephone consumer retail expenditure surveys, documenting retail expenditure levels for various retail categories and recording demographic characteristics
- Determine maximum allowable future warranted space requirements, by short, medium & long-term projections (by acres - land coverage)

RESULTS

- Recommendations incorporated into City “Official Development Plans”
- Cities using future warranted space to manage amount of development proposals being approved. Better managed space growth to equal growth in demand
- Assisted in creating long-term functioning land-use developments, continually contributing to business tax base
- Single land-use developments becoming less desirable for ecological and planning reasons. City policy preferences altered to accommodate for more mixed land-use developments
- Provided a land-use policy framework guide for additional City planning requirements (i.e. infrastructure-roads, public transit, electricity, water / waste management, social, green space planning)