



## Subway

**“(Wisinski) recognized our threats and greater potential in this market”**

-- Ruben Ysasi

### Subway Retail Location • Grand Rapids, MI • Retail Property

Subway Development of Western Michigan is based in Grand Rapids and has more than 200 stores in its territory. The corporate offices are out of Connecticut and have more than 28,000 locations in 85 countries. The locations are generally in retail centers preferably end-caps, Walmarts, and regional malls and average 1,500 square feet in size.

The challenge faced by an existing Subway store in the Lakes Mall market in Muskegon, Michigan was location within the market. The property was on a busy thoroughfare but on the outskirts relative to the 1.2 million square foot CBL owned regional mall. Although located in a quality looking smaller retail center and positioned on an end-cap, this location was performing below market expectations due to the location within the market and lack of foot traffic. The threat of competition entering the market and out-positioning this location was very likely. Subway was very agreeable to relocate but there was a significant lease buy-out provision with the existing landlord that the franchisee could not absorb.

The solution was to find the best location within the market that would protect Subway against being out-positioned and drive optimal levels of traffic to the store. Aaron Young was able to assemble an investment group to acquire a 1.2 acre out pad in front of the Lakes Mall to build 15,000 square foot retail center. The Landlord wrote the buyout check to the current Subway Landlord and agreed to recoup the dollars over a 10 year term based on a grossed up base rent.

As a result of the relocation, Subway’s store sales increased over 30% with the move and the franchisee is very happy today with the relocation. Since the transaction, competition has moved into the market and has out positioned the old location but is inferior to the new.

*“We are pleased with the proactive take charge attitude of Aaron Young. We had an average store in a great market with no relocation opportunities - or so we thought. Aaron recognized our threats and greater potential in this market without us approaching him. He didn’t just move us to a new space. He had vision, connections and resources to create the best location in the market. Being on a Regional Mall out-pad, with great co-tenancy, high traffic = sensational sales”*

— Ruben Ysasi  
Subway Development of Western Michigan