

Former Ralphs Grocery Sr. VP & De Rito Partners West President Tom Gast Joins Gast Retail Group as Principal

Gast Retail Group, a full-service real estate firm specializing in retail brokerage and consulting services, has named former Ralphs Grocery Senior Vice President and, most recently, President and Partner of De Rito Partners West Tom Gast as a Principal. With nearly 30 years as a supermarket industry insider, Gast will specialize in retail brokerage and consulting services for property owners, retailers and supermarket operators.

February 17, 2009 (FPRC) -- TUSTIN, CALIF. – Gast Retail Group, a full-service real estate firm specializing in retail brokerage and consulting services, announced today that Tom Gast, former Ralphs Grocery Senior Vice President and, most recently, President and Partner of De Rito Partners West, has joined Gast Retail Group as a Principal. With nearly 30 years as a supermarket industry insider, Gast will specialize in retail brokerage and consulting services for property owners, retailers and supermarket operators. Some of his current clientele include Donahue Schriber, Hopkins Real Estate Group, NewMark Merrill Companies, Red Mountain Retail Group, Watt Management Companies and Wilson Commercial Real Estate, plus a variety of chain and independent supermarket operators.

As a former senior executive officer with nearly 30 years with the nation's largest supermarket chain, Gast has successfully managed and personally negotiated countless supermarket transactions under a variety of different situations including new development projects, store expansions, lease amendments and terminations, use and operating restrictions, reciprocal easement agreements, CC&Rs, and the subleasing and disposition of surplus properties. Gast's extensive supermarket knowledge, together with years of developer and landlord experience, gives Gast Retail Group the unique advantage of truly understanding first-hand all sides of the business and how to get the best timely results for all parties involved.

"I have personally known Tom Gast for many years and respect his honest and straight forward approach. He is a true professional with a proven track record who thinks outside the box in so many ways including the ability to see the opportunities a down market offers," said Steve Hopkins, President of Hopkins Real Estate Group in Irvine, Calif.

"Tom Gast is one of the supermarket industry's brightest talents," said Patrick S. Donahue, President/CEO of Donahue Schriber in Costa Mesa, Calif. "Understanding the real estate side of our business is one thing, but knowing the merchant side from first-hand experience adds a tremendous benefit and value to his skills. In addition, he is a creative problem solver and an effective negotiator, two qualities that are so critical to success in our business today."

According to Gast, there are many important market and economic issues facing shopping center owners, retailers and lenders today. "A weakened economy has caused retailers and landlords alike to reevaluate their real estate portfolios. Landlords continue to struggle with the harsh reality of dramatic and swift depreciation of their assets as underwriting requirements tighten or become virtually nonexistent while the dollar weakens, rents decrease and tenants close or, even worse, file for bankruptcy. Solutions are possible with realistic and candid approaches by all parties, along with

equitable compromise on difficult decisions to ensure the continued viability of the property with the future commitment of shared prosperity following economic recovery. This requires extensive negotiation on behalf of all parties involved to reach an amicable and workable resolution," Gast said.

Likewise, the supermarket industry has undergone a significant transformation, especially in more recent years with a weakened economy. "These economic pressures, coupled with the growing presence of new competition from deep discount retailers and smaller 'niche' operators, have forced the conventional supermarket chains to rethink how they go to market," stated Gast. "Tighter margins from lowered prices and rising cost of goods have resulted in postponement and reduction of capital expenditures, fewer new stores and reprioritizing of projects based upon the highest return on investment as earnings are channeled back into existing stores."

Gast continues, "The increase in unemployment and overextension of credit has caused changes in spending habits of consumers that supermarket operators and retailers must be cognizant of and adjust their marketing plans accordingly. The biggest challenge for grocery operators in managing these unprecedented changes is to be able to control costs effectively, lower prices and determine the right merchandising mix to remain profitable. Labor and cost of goods are major considerations along with rising occupancy expenses that have not yet stabilized."

During the past few years supermarket operators have had to deal with unpredictable fuel and transportation costs, reevaluating distribution logistics and controlling health and welfare benefits for their employees. "Further negative impacts on future real estate development plans have come from increasingly more difficult lending practices, gaps between market pricing and seller expectations, significantly reduced shop tenant leasing activity and demands made from credit anchor tenants. Gast Retail Group offers a creative level of experience that is essential in finding stabilized solutions for commercial retail properties at a time when leasing activity is difficult and anchor tenant plans are uncertain," said Gast.

"On the financing side, lenders must be flexible with borrowers whose properties remain vulnerable to refinancing and more stringent credit underwriting requirements," Gast said. "Financial statement considerations must include the possibility that repossessing over valued assets threatens solvency as bad loans are written off, leaving the lender with a variety of numerous distressed assets it is incapable of effectively managing. However, on the positive side for investors, the upside for ownership of distressed properties in the near future is great. These properties will be attractive investments offered at significant discounts with tremendous upside potential over the long term as the market restabilizes once again and begins to grow."

As President of De Rito Partners West, Inc., Gast was responsible for all new development and acquisition activities in California and Nevada. Phoenix, Arizona-based De Rito Partners Development, Inc. has successfully developed 19 retail properties exceeding five million square feet. De Rito Partners, Inc. exclusively represents 52 retailer accounts and provides leasing and sales services for 150+ properties.

As Senior Vice President of Los Angeles-based Ralphs Grocery Company, a division of the Kroger Company of Cincinnati, Ohio, the nation's largest supermarket chain with annual sales in excess of \$70 billion, Gast was responsible for overseeing new and existing store development projects for Ralphs supermarkets and Food 4 Less price impact stores in California and Nevada, including property management, surplus property dispositions and the procurement of supporting backside

warehousing and distribution facilities for both formats.

Over his lengthy career, Gast was responsible for acquiring, developing and disposing of hundreds of grocery stores as well as numerous remodels and store expansions. Previously, Gast served as the Director of Real Estate for American Stores Properties, Inc. prior to its merger with Ralphs Grocery Company in 1995. He started his career with Alpha Beta Company in 1979.

Gast Retail Group was founded in 2004 by retail industry veteran Lori Gast. Lori formerly served as the Vice President and Director of Leasing for GVD Investments and Dicker Warmington Properties, where she was responsible for the design, development, construction and leasing of over 1.5 million square feet of retail space. In addition, she managed the company's existing shopping center leasing and rehab program, totaling approximately three million square feet. Dicker Warmington Properties developed some of the first power centers in Southern California including the 80-acre Plaza at Puente Hills and 45-acre Fullerton Towne Center. After working in development, Gast began her brokerage career at Pentz & Partners, a Newport Beach, Calif.-based retail brokerage firm representing many developers and retailers including Barnes & Noble, JoAnn Fabrics, Rite Aid, KinderCare, Smart & Final, Edward's Theatres and many others. Gast Retail Group works with a variety of developers and retailers on both a brokerage and consulting basis.

Tom Gast is an active member of the International Council of Shopping Centers and the Association of Corporate Real Estate Executives, and has been a frequent panelist for the Urban Land Institute and Food Marketing Institute. He is also a participant in Habitat for Humanity, building homes for underprivileged families in Mexico. He is a past board member for Yorba Linda's youth basketball league (one of Orange County's largest), where he has coached basketball for 13 years.

Gast holds a California Department of Real Estate Broker License and is a graduate of California State University at Fullerton where he was awarded a Bachelor of Arts degree in Business Administration, a Master's in Real Estate Finance, and continues to lecture on a regular basis. He is married with four sons and resides in Yorba Linda, Calif.

For more information about Gast Retail Group, contact Tom Gast or Lori Gast at 714.777.9779.

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