The Greenberg Group, Inc.
Real Estate Advisors to Leading Retailers

OCCUPANCY COST FRAMEWORK

When evaluating potential sites, TGG applies a disciplined, data-backed approach to translate location insights into a clear, defensible rent target. This framework ensures that CEOs and CFOs can make confident, financially sound decisions on store expansion.

1 PROJECTED SALES VOLUME

Derived from trade area demographics, co-tenancy, traffic patterns, and comparable brand performance. This establishes the revenue denominator before rent is even considered.

2 OCCUPANCY COST RATIO (OCR) BENCHMARK

Applies industry- and brand-specific benchmarks (often ~10–12% of sales for premium retail). This defines the maximum rent threshold the business can sustain profitably.

3 MARKET RENT COMPS

Analyzes recent deals in the same corridor, center, or submarket. Provides a reality check against landlord proposals and validates competitive positioning.

4 LOCATION-SPECIFIC ADJUSTMENTS

Accounts for unique site factors—footfall quality, visibility, accessibility, co-tenant draw, and seasonality. These nuances refine the rent band for the actual location under review.

5 RISK & SENSITIVITY MODELING

Stress-tests outcomes by modeling sales variance (+/- 10–20%), lease terms (TI, % rent, co-tenancy), and cannibalization risk. Delivers a CFO-ready range (base case, downside, upside) for decision-making.