

[Interview] Aleksandra Mazzini, Sierra Balmain: We Are Strengthening Our Position as the Leading Commercial Real Estate Advisor in the Market

Sierra Balmain's portfolio includes 20 diverse properties in 15 cities, making it a leading shopping center advisor in the Polish market by GLA. Its robust activity, the acquisition of three new properties, and industry awards in the first half of this year, further strengthened the company's position.

What does Sierra Balmain's portfolio currently look like? Have there been any significant changes recently?

Currently, Sierra Balmain has 20 diverse properties in 15 cities in its portfolio, making us one of the most significant commercial real estate advisor in the Polish market. In April of this year, we took over the management of Galeria Pomorska in Bydgoszcz, and a month later, we expanded our portfolio with Power Park Opole. Shortly after, in June, we secured the mandate to manage Carrefour Kraków. Overall, we are responsible for 450,000 m² of GLA, generating a footfall of an average of 36 million annually. The acquisition of new properties and the successful implementation of our development strategies have also led to an overall increase in footfall and revenue. From January to June of this year, we recorded a 4% increase in footfall and an 8% increase in revenue at the properties we manage.

And you manage properties other than just shopping centers, right?

In addition to shopping centers, our portfolio includes logistics facilities, convenience centers, retail parks, and mixed-use properties. Our company operates within specialized teams, employing 113 experts. Such a rapid portfolio expansion always brings significant challenges, but the resources we have at our disposal allow us to act effectively. The coming months promise to be equally busy, as more agreements are expected to be signed for our properties.

Can you give any examples?

We manage warehouse facility in Rzeszów and are working with residential and office investors and developers on mixed use schemes, e.g. Cavatina and DWS. Overall, we are working with a number of new partners that are not principally retail investors and bringing a wider skill set to bear.

The company's business model involves a lot of diversity in the services you offer, doesn't it?

The company's business model is based on providing regional and international investors with commercial real estate services such as investment management, property management, leasing, marketing and PR, project and technical services, restructuring, and debt recovery. Our 21 years of experience in managing a diverse portfolio of properties is our capital, used for continuous development and the implementation of innovative projects. The result is not only the company's proprietary services but also unconventional campaigns.

What tools do you include in your unconventional approach?

Across the board, we look at ways to challenge the way we do things both for the good of the company but most importantly for the success of our clients' interests. Some of those are broad tools of reporting and communication, others are quite specific at a centre level. It is often the attention to detail at this level that makes all the difference. A good example is an innovative social opinion survey project, entirely based on artificial intelligence solutions. We applied AI solutions to launch a social media campaign where shopping center customers expressed their views on the shopping centers of the future. Their opinions were then shown via a series of images. This project allowed us to draw many constructive conclusions about the public's expectations for commercial property, while also initiating a broader industry discussion.

Do you eagerly embrace technological innovations?

For a company that has held its clients for a significant number of years, our approach is based on solid reliability. That said, we are not static in our approach and we are constantly innovating and aiming to be ahead of the curve in technology. We spend a lot of time investigating trends in property technology from well-established solutions right down to the early phase developers of emerging solutions. The market for innovative tools is rapidly developing and using them allows us to modernize processes more effectively in various areas, such as marketing or consumer opinion research. This trend is no longer a novelty, and the entire industry is learning how to utilize AI and benefit from its capabilities and insights. We are open to all improvements and conveniences emerging from innovative technological areas.

What significant transactions from recent times would you highlight as particularly noteworthy?

Sierra Balmain served as one of the commercial advisors for Star Capital Finance in its acquisition of six Polish shopping centers. The portfolio, which includes the centers Janki in Warsaw, Kometa in Toruń, Korona in Wrocław, Tulipan in Łódź, Ster in Szczecin, and Rondo in Bydgoszcz, was purchased from the global investment group Cromwell Property Group for €285 million. This was one of the largest real estate transactions in Central Europe in recent years. We are pleased to have been part of this challenge, as it was a significant opportunity for our company to leverage the know-how accumulated over the years in real estate advisory.

You also specialize in commercialization. Any examples?

In the first half of this year, our leasing team secured 60 lease agreements for a total area of 11,700 m². The occupancy rate at all facilities in our portfolio is 97% now. A vivid example of our company's effectiveness in leasing activities is the Galeria nad Jeziorem in Konin. The project to redevelop the Carrefour hypermarket, carried out by Sierra Balmain, resulted not only in 100% commercialization of the gallery but also in strengthening its tenant mix. This is the second property, after CH Galardia, that has achieved full occupancy thanks to the efforts of our leasing team.

How do you achieve such a result?

Our success comes down to our people and their extensive contacts, market reach and respect amongst the retailers, all of which are second to none. The changes we made at Galeria nad Jeziorem reflect this and were complemented by extensive analysis. Studies on the effectiveness of existing tenants, current trends, and customer opinions allowed us to set goals and find ways to achieve them. As a result of the Carrefour hypermarket redevelopment project, we were able to expand the center's fashion offer with Sinsay, Deichmann, and Pepco, three top brands in their segments. The culmination of this project was achieving 100% commercialization, which was driven by a set of deliberate actions, preceded by thorough research.

You are often recognized in the industry. Which awards are the most significant for you?

We are pleased with the high ratings of both our overall activities, selected projects, and the work of individual managers. Among the latest awards include: Professional Service Provider 2024, Best Property Management Firm 2024, and Best Asset Management Firm 2024 from the prestigious Baltic Real Estate Awards. Additionally, we earned the titles of Best Asset Management Firm 2023 and Best Property Management Company 2023 at the CEE Retail Awards. Sierra Balmain has also been honored once more with the PRCH award, this time for our "B2B Campaign – Building Relationships with Tenants." These awards are meaningful reflections of our achievements and reinforce Sierra Balmain's strong market position.

You were one of the exhibitors at the SCF 2024 Fall fair. What projects would you like to showcase?

We provide leasing services for properties, with a total area of 350,000 m² GLA. Among these properties are shopping centers like Galeria Pomorska in Bydgoszcz, Galeria Panorama Poznań, Arena Shopping Park in Gliwice, Borek Shopping Center in Wrocław, Galeria Dąbrówka in Katowice, Turzyn Shopping Center in Szczecin, Nowy Rynek in Jelenia Góra, Galeria nad Jeziorem in Konin, Osowa Shopping Center in Gdańsk, Pasaż Łódzki, Alfa Centrum Gdańsk, as well as mixed-use properties in the Warsaw market: Blue City, RONDO 1, NREP Mokotów, NREP Bemowo and Quorum in Wrocław. These are some of the examples of our successful leasing strategy. We have, on average, 175 lease agreements per year. Over the past six years, we've had more than 600,000 m² of leased space in Poland, with an average occupancy rate of 97%. These results are achieved thanks to our vast knowledge of real estate, our extensive experience, and our strong market relationships. We understand proper market positioning for leased properties, specializing in the development and implementation of leasing strategies, and creating added value.

Sierra Balmain operates in the Central and Eastern European region and has been present in Poland for over 20 years. The company provides comprehensive services in managing commercial properties across various sectors: retail, entertainment, cultural, lifestyle, workplace, leisure, and even logistics. Its portfolio includes 20 commercial properties, visited by nearly 36 million customers annually. Sierra Balmain possesses in-depth market knowledge and a team of qualified specialists enabling the comprehensive and coherent execution of the most demanding projects. The company is characterized by an individual approach to each managed property.