

Innovative Solutions For The Retail Industry

An Interview with Ivan L. Friedman, President and Chief Executive Officer, RCS Real Estate Advisors

EDITORS' NOTE Ivan Friedman founded RCS Real Estate Advisors in 1981 to facilitate restructuring strategies for retail companies. Over four decades, he has become widely recognized for his industry leadership and proven track record of successes thanks to his vast retail industry knowledge and experience, foresight of market trends, and exceptional negotiating skills. Friedman spent decades as chairman and CEO of national retail companies, successfully navigating turbulent market cycles. When exorbitant interest rates, inflationary rents, and recessionary economic conditions threatened the solvency of many retailers, Friedman developed a distinct skill in renegotiating contractual obligations to win the terms necessary for retailers to survive and thrive in difficult market environments. Today, Friedman remains a driving force behind the success of RCS Real Estate Advisors, working with a team that shares his thorough understanding of and extensive experience in retail real estate.



Ivan L. Friedman

FIRM BRIEF Founded in 1981, RCS Real Estate Advisors (RCS) is a leading national retail real estate advisory firm that provides innovative, tenant-centric solutions for complex real estate challenges. RCS's team of industry veterans use their in-depth retail knowledge and experience to fight tenaciously for their clients' long-term success. RCS (rcsrealestate.com) maximizes returns and protects its clients from entering into bad agreements, with a deal-structure mindset rooted in a forward-looking, risk-averse approach. The firm specializes in reducing occupancy costs, restructuring leases and expanding physical footprints.

Will you discuss your career journey?

I grew up in retail – my father owned a ladies clothing store, so from a young age I was immersed in the family business. For the first 20 years of my career, I owned, operated and worked for retail companies, which gave me a deep understanding of how retail works and what makes a business profitable. By the late 1980s, the retail landscape was shifting. Rents that had traditionally been below market suddenly spiked, creating significant challenges for operators. I saw an opportunity to help

retailers manage their real estate more effectively – negotiating rents, exiting unprofitable leases, and optimizing their portfolios. That insight led to the founding of RCS Real Estate Advisors.

In the nearly 50 years since, RCS has grown into a trusted advisor for some of the largest retailers and brands in the country, managing portfolios in excess of 200 to 1,200 stores. Along the way, we've helped clients navigate recessions, bankruptcies and transformations to protect their business and position them for long-term success. Brands we've represented or have been long-term clients include Lids, Cost Plus World Market, True Religion, Perfumania, The Fragrance Outlet, Cole Haan, and more.

Will you highlight RCS' mission?

RCS's mission is simple: to protect and advance our clients' businesses by executing on their essential objectives. Every transaction we negotiate is designed to ensure long-term success, mitigate risk and deliver the best possible terms. We're not just dealmakers; we're partners. Our role is to see the world through retailers' eyes, guiding them through complex decisions and helping them make the smartest moves for their brands and their customers. RCS serves as the conscience for our clients. Based

on current trends, outcomes depend on each retailer's unique economics and guiding them through those nuances is a core part of the service we provide.

Will you provide an overview of RCS' services and capabilities?

RCS specializes in three core areas: restructuring and portfolio optimization, outsourced real estate management, and growth and development. We work with both healthy and distressed retailers to assess portfolios, renegotiate rents, terminate or dispose of underperforming leases, and drive cost savings while preserving profitable locations. For example, with True Religion, we helped the brand restructure its real estate portfolio during bankruptcy proceedings, allowing it to shed unprofitable leases while preserving and strengthening its best-performing stores.

For many clients, we operate as their entire real estate department, handling landlord relationships, lease renewals and strategic planning at a fraction of the cost of maintaining an internal team. We also support retailers looking to expand by identifying the right markets, selecting prime sites, and negotiating favorable terms that set them up for long-term success. A good example is Perfumania/The Fragrance Outlet, which, after being acquired by private equity, partnered with us to drive growth. In



RCS helped True Religion restructure its real estate portfolio



RSC advised Cole Haan on strategic store growth

the first 24 months of our retention, we helped the company expand from roughly 240 stores to more than 280 by leading market analysis, site selection, and negotiations. They intend to grow to 500 stores over the next five years.

In short, we help retailers reduce costs, restructure when needed, and grow when the opportunity is right.

What are your views on the state of physical retail in 2025?

Physical retail remains strong, but it's a tale of two worlds. On one hand, healthy retailers – especially discount store chains like T.J. Maxx – are rolling out hundreds of new stores each year. On the other hand, weaker brands are struggling, with many filing for bankruptcy or liquidating altogether. The uncertainty around tariffs is creating real angst for retailers. The cost of goods keeps rising, and while consumers haven't felt the full impact yet, retailers know it's only a matter of time – the real question

is how much of that cost will ultimately reach the customer. We've already seen companies decide not to renew leases simply because the economics don't pencil out in this environment. With the holidays approaching, most retailers have already secured their seasonal inventory, so pricing should remain relatively stable through year-end. The bigger uncertainty comes in the spring, when new orders could carry higher costs. If tariffs are eased or normalized, however, we don't anticipate a significant downturn in retail real estate. Retail has always been cyclical, and while pressures exist, the strong will continue to outlast weaker competitors.

How important is it for brands to treat real estate as a core component of their growth strategy?

Real estate is central to growth. The right locations or footprint can make or break a company's success, which is why real estate

strategy needs to be integrated into a brand's overall business plan. For major players, real estate is a growth engine. RCS helps retailers identify the best opportunities and optimize their portfolios to maximize returns. For smaller or mid-size brands, the stakes are even higher. Expanding too quickly can be disastrous, which is why we often serve as the compass of the company. For example, with clients like Lids and Cole Haan, we've guided strategic store growth, evaluating site selection and lease terms to ensure each location supports long-term profitability. For other growing retailers, we help pace expansion, evaluate risk, and ensure each decision aligns with long-term financial health.

What do you feel are the keys to effective leadership?

Leadership, for me, comes down to caring about people – not just your employees, but their families. I've always believed that when you hire someone, you take on the responsibility for their well-being and that of the people who depend on them. That has always been our bottom line. At RCS, that philosophy has created incredible loyalty. Many of our employees have been with us for 20, 30, even 35 years – some starting with us right out of school and continuing their careers here to this day. They know we value them as individuals, and that their personal lives matter as much as their professional contributions. That culture of trust and respect is, I believe, one of the reasons we've remained successful for almost 50 years.

What advice do you offer to young people beginning their careers?

Pursue your passion, at least at the beginning of your career. Even if you take a job that feels more practical, keep your passion in sight and see if it can become a viable path forward. At the same time, be open to where life takes you. Sometimes a career path emerges from unexpected places. My own journey from retail operator to real estate advisor was more accident than plan, but it became my life's work.

When you look to the future of the retail industry, what excites you the most, and what concerns you the most?

What excites me is innovation. Retail is no longer just about selling products – malls and shopping centers are becoming hubs for entertainment, wellness, dining and community experiences. This diversification is creating opportunities for new concepts to thrive. For example, with clients like Lids, we've helped integrate experiential elements into store layouts and site selection, ensuring locations not only sell merchandise, but also engage customers in meaningful ways.

What concerns me is the wave of bankruptcies we're likely to see in the next two to three years. The weaker retailers, those with heavy debt or outdated models, are struggling to survive, and many won't. At the same time, strong operators are getting stronger, which is widening the gap in the industry.

The challenge, and the opportunity, will be helping brands adapt quickly, manage risk wisely and find their place in this evolving landscape. ●