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Considerations When Developing Outparcels in Retail Projects

Related Lawyers: **Michael Di Geronimo**

Adding outparcels or pads to a retail project can add significant monetary value to the development. In many instances, end users may also prefer acquiring an outparcel in an established retail project over acquiring and developing a standalone site or purchasing or leasing land as part of a new development. The ability, however, of a developer to ultimately sell an outparcel for its maximum value, or an end user to use an outparcel successfully for the end user's business, often depends mostly on the legal status of the outparcel, and the rights, appurtenances and restrictions granted to, or imposed on, the outparcel as part of the initial development of the project.

This article provides suggestions for developing retail projects in a manner that will help facilitate the sale or ground leasing thereof without unexpected delays or costs. In many instances, if the specified suggestions are not followed at the initial development stage, the ability to sell or ground lease an outparcel may be precluded entirely or require great difficulty or expense to accomplish.

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