

# Kanat Sultanbekov on Real Estate Versus Business

*The Value of Real Estate Against the Value of Business*

NEW YORK, NY, UNITED STATES, December 30, 2023 /EINPresswire.com/ -- There is an ongoing debate on the value of real estate as it compares to the value of business. With recent events, such as the proposed buyout of Macy's, the debate intensifies. Many people, however, believe that real estate is what makes a retail business truly valuable.

According to [Kanat Sultanbekov](#), the potential buyout of Macy's by Arkhouse Management and Brigade Capital Management exposes an old theory on the value of retail and its ties to real estate.

As of January, Macy's owned over 300 of its 783 stores, including Bloomingdale's and the Bluemercury beauty chain. Macy's also owned an additional 102 locations. However, it leases the land the stores are on. Four more locations are partly owned and leased.

Kanat Sultanbekov notes that the estimated worth of the real estate that Macy's owns is around \$6 billion, which is more than its market capitalization, which is about \$4.8 billion. In the case of Macy's, the real estate holds the most value.

The harsh truth is that Macy's retail business hasn't been doing well. For years, its net sales and profits have been declining. Adding to Macy's woes is the emergence of new stores and online shopping.

In the past, shareholders have urged Macy's to sell off its real estate and lease it back. While this kind of move tends to generate profits for investors upfront, it can also give the retailer the burden of debt-like rent payments and reduce its ability to adapt to ever-changing market conditions.



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Kanat Sultanbekov notes that Macy's is still among the world's largest department-store chains, with over 94,000 employees. While selling real estate may generate short-term profits, it would weaken Macy's in the long run.

About Kanat Sultanbekov

[Kanat Sultanbekov is a construction manager](#) with over 15 years of experience and world-class workmanship. He skillfully plans strategic processes to ensure safety while also overseeing operational efficiency. He excels at risk assessment so that projects always run smoothly.

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