

The Weekly Take

Space Jam: Psycho Bunny's hunt for retail real estate

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Spencer Levy

You've heard the old real estate adage about location. Well, there's another important aspect to any successful real estate story; timing. When there's an opportunity to take advantage of a location that's good for business, it's important to recognize when it's time to take the leap. On this episode, a cool company that did just that.

Kenny Minzberg

Psycho Bunny was a very small brand when I joined the company and it's been a wild ride for the past five years.

Spencer Levy

That's Kenny Minzberg, the chief operating officer of Psycho Bunny, a fashion brand that's evolved from a wholesaler with a foot in e-commerce to a brick and mortar retailer that's been growing across the U.S. and beyond. Kenny joins us from Montreal, where the company is based.

Drew Schaul

Psycho Bunny had the unique ability to get creative, but also they had the opportunity to sign deals that minimized their downside risk but allowed the landlord to share in the upside.

Spencer Levy

And that's Drew Schaul, a CBRE executive vice president who specializes in retail, high profile street retail, lifestyle centers, malls, and shopping centers. Drew joins us from his base in Miami, where he helped launch Psycho Bunny's expansion. Coming up, a story of opportunistic growth, even at a time during the pandemic when other retailers were struggling. The real estate story of Psycho Bunny. I'm Spencer Levy and that's right now on The Weekly Take.

Spencer Levy

Welcome to The Weekly Take and this week we have two terrific guests. Kenny Minzberg of Psycho Bunny. Kenny, thanks for joining the show.

Kenny Minzberg

My pleasure, Spencer.

Spencer Levy

Thank you, Kenny. And our friend and colleague Drew Schaul from CBRE. Drew, thanks for joining the show.

Drew Schaul

Thanks for having me.

Spencer Levy

Let's just start - basic, Kenny, why don't you tell us who you are and what is the Psycho Bunny brand?

Kenny Minzberg

We're a menswear brand. I would say the polos are our hero product. Really cater to men 30 to 45. We're really about color, we're about energy, and of course, we're about our logo. The logo is really something that evokes an emotion. We often say that the bunny is what gets people into the brand, but the quality of our garments is what gets people coming back and makes them loyal customers. We really start as a wholesale brand. We've been selling to the department stores and especially men's stores for 15-16 years. The company was founded by two entrepreneurs. I've been with the company for the past five years. When I joined the business, we were primarily a wholesale business and with a little bit of e-com. So the retail journey started not long after I joined the company. Psycho Bunny was a very small brand when I joined the company and it's been a wild ride for the past five years. We began to see that the cost of acquisition for customers online was beginning to get expensive. We had loyal customers. We felt in order to ensure longevity in the brand and to really build something global, we'd have to open some stores. And to this day, I remember Drew picking us up at the airport in Fort Lauderdale for our first retail tour where we toured probably five or six malls in South Florida. Thankfully, we did have our wholesale business then, which gave us some brand awareness in the market and really all the top centers in the region offered us a store. And our first store was Aventura Mall, which we opened about six months later, beginning of November 2018. And that's really what started this retail journey.

Spencer Levy

Drew, tell us a little bit more about that from a real estate perspective. Tell us about the first location and how'd you pick it?

Drew Schaul

So as Kenny mentioned, the e-commerce data that they had and the wholesale data they had was quite strong. And the team is originally from - this new team that took over. The ownership is from Montreal and there's a big connection between Miami and Montreal and there's a big familiarity with Aventura – the Aventura Mall and the Aventura submarket. And what was nice was their decisiveness in terms of we need our first store, it has to be in Aventura. That made it a lot easier than having to decide. Do we look at Dadeland Mall? Do we look at Boca Town Center? Do we look at Brickell City Center? Do we look at Lincoln Road? They said no. Let's first start, even though we want to see those submarkets, those retail trade areas, we want to start with Aventura. And Aventura had just completed an expansion and contrary to other submarkets, there was a big familiarity with Psycho Bunny in South Florida. That made the case that we were selling to the landlord as to why we need to be in Aventura. It made it a little bit easier. They understood the brand, they were familiar with it, they saw it, but they had to get the landlords of Aventura Mall comfortable with them opening a standalone store. And that was the biggest challenge, but we were able to do that.

Kenny Minzberg

I would add also on that first visit, Spencer. I think it's a good little story, as Drew said after it opened and an expansion and they were in the process of leasing the expansion, they actually offered us two potential locations, a location in that expansion zone, which was

not fully leased and a location in the main mall and pretty much similar size, similar terms. And they said Guys, your choice. You know, my training in real estate had been to stay away from expansions. Sometimes they work, sometimes they don't. Even if they do work, it might take a couple of years. So I was certainly a vote for going into the original part of the mall. I think Drew was on that side as well. And there was a couple of people who joined us on the trip and it was probably five of us all in favor of going into the existing part of the mall. One person and the person with veto rights, our CEO said, Nope, we are going to the expansion. The expansion is where all the action is going to be one day. And he was 100% right. Over time, Apple moved over to that side of the mall. Lululemon has opened a beautiful store there. Nike has just opened there. So really the epicenter of the mall has shifted. And I think it was a huge decision for us because we were punching above our weight. Having our first store in that new section with those amazing adjacencies, which weren't there when we first signed, but ultimately moved there. So it was a very fortunate decision for us.

Spencer Levy

I'm glad you told that story, Kenny. Because my next question was going to be putting aside new versus old. What are some of those adjacencies that you look for, not just for this location, but for new ones? Is it other apparel companies? Is it the Apple Store, which you mentioned? Just walk through the process of the optimal location is this because of the other tenants near me. Drew or Kenny, maybe you can answer that question.

Kenny Minzberg

I'll take a stab at it. I am maybe less picky than some as to my direct adjacencies. That they be the perfect adjacencies. I'm more looking for foot traffic. Look, we're a premium brand, we're not a luxury brand. We're not selling \$5,000 handbags or thousand dollar pairs of shoes. We need transactions. Our polos are anywhere between \$100 to \$120, t-shirts from \$55 to \$70. So by no means is it inexpensive, but we still need transactions to make our days and to make our weeks and to pay rent. So I'm focused on traffic. I think the adjacencies have to be, generally speaking, at the same level of positioning. I don't like being, say, in like the teen or the tween area of the mall I don't think would be suitable for us. But I like being with an Apple. I like being with a Lululemon. I like being with the other men's retailers at our price point, be it a Lacoste or Nantucket, a Hugo boss. I like being with some of the athletic brands – with a Nike or an Adidas or even an Under Armor. Those adjacencies work for us. Some of the DTC brands, just cause their stores I think do attract quite a lot of traffic of Warby Parker and Allbirds. Those work for me as well. I think something we've learned is being in the luxury part of the mall is a bit dangerous for us. Just the traffic is not there, where we can do the amount of transactions we need to hit the numbers that we want to hit.

Spencer Levy

You know what's interesting about that comment, among other things, is that there's so many generalities that are made about the retail business. And I think one of the generalities that's been made is that there's this barbell effect out there, that the luxury is doing great, the low end is doing great. But then there is this middle. Now your premium middle. I mean, you're upper middle, but you are somewhere not at the super luxury and you're not the discount brand and you're showing that you can have great success in something that's not in either end of that pole. Do you agree with that statement?

Kenny Minzberg

I would agree. Look, I think in every segment, the brands that are speaking to their customer, that know their customers can be successful. Even when the economy gets

difficult and we're in arguably a recession or recession to come. I think that the brands that stay focused, that stay on their message, that know what has made them successful and stick to that formula and have loyal customers, those customers are coming back.

Drew Schaul

That was one of the appeals, though, to the landlords that we were dealing with when it came to Psycho Buddy. But at the end of the day, premium soft goods needed fresh blood. And I think when you look at a mall and you see Banana Republic, Gap, Express, Abercrombie and Fitch, etc. Those are phenomenal brands that have stood the test of time. That sector still needed a little bit of fresh blood. And apparel, at the end of the day, is what I think of when I go to a mall. When I think about shopping, I'm not thinking about buying a Dyson hairdryer, a grill from Paradise Grills as an example. I'm thinking about fashion and shopping, and I think that's one box that Psycho Bunny checks. It's a pure apparel play. And I think when you talk about co-tenancy, yes, male oriented co-tenancy is important, but so is the retailer that's catering to the wife, the girlfriend, the mom, etc.. So Sephora isn't necessarily a bad co-tenant either, in my opinion, for a tenant like a Psycho Bunny, or a Zara as an example.

Kenny Minzberg

We are interested in street retail, if the right opportunities would emerge. We've been actively looking in New York City and we do have one. We've opened one street store in New York City. It has been more difficult for us, though, to find the right configuration, the right size on the street compared to what we've been able to find in malls. I would say one other thing, Spencer. We're starting to test, or looking at, I should say looking at, more kind of lifestyle centers with maybe not as much GLA as some of these regional malls, but that is an area that we're gonna be focusing on as well.

Spencer Levy

So Kenny, I think it's fair to say that the pandemic was not a success story. You, Psycho Bunny, are an exception. How the pandemic actually helped you accelerate your growth rather than many others, where it was may have been quite the opposite. Why don't you tell us a little bit about that?

Kenny Minzberg

Sure, Spencer. We had five stores coming into the pandemic. All of our stores closed in, I guess it was the middle of March of 2020. There was a little bit of panic, obviously, in our office. We - Retail was brand new to us at that point. We didn't know what was going to happen. We were talking to the landlords about our – you know, we only have five stores, but still we were nervous about them. And then we were fortunate that really all of our stores were in the South at that point. And the southern states are the ones that opened first to Florida, Georgia. And as soon as the stay at home mandates ended in those markets, we saw people just going right back to the mall like they had before. I mean, there was a small decrease because some people were still staying at home. But for the most part, it was like the pandemic didn't exist in some of these markets. And we said to ourselves, like, it's only going to be a matter of time. This will last. But when it finishes, like, life will go back to normal. The landlords were a little bit nervous at that point, and it's at that point where we really took advantage and did several package deals with the big landlord groups really in some top assets, top locations, and that's really what fueled the Psycho Bunny growth. One of the interesting things during that period is that we were still a little bit nervous and we got creative with the landlords and withdrew to say like how we structured deals where our downside is protected in case things don't come back. And we actually got a bunch of deals where we got nice tenant allowance from the landlords and

we were able to pay a percentage rent for the first couple of years of the lease, would eventually decide to stay in the lease and not kick out. It would convert into a fixed rent deal. We were in the right place at the right time. We saw the business would come back. The brand was just starting to grow and we took advantage of the opportunity.

Spencer Levy

Most landlords and I say this with love because I represent both sides of the house: landlords and tenants, like tenants to pay fixed rent, known bumps, steady Eddie. You, on the other hand, have a portion of your rent that's percentage rent, which is probably more generally associated with restaurants than with apparel retailers. Why don't you tell us a little bit about that, Kenny?

Kenny Minzberg

Yeah, you know, there are a couple of our leases that are percentage rent throughout the term. The others are really percentage rent mostly in the first couple of years of the term and then we will convert into fixed. But I think the creativity in terms of getting the deal done on both sides enabled us to get those deals done.

Spencer Levy

So Drew, from your perspective, as a person who represents Psycho Bunny and many other retailers, do you agree with my statement that it's unusual to have percentage rent for an apparel retailer?

Drew Schaul

It's probably not as uncommon as you may think it is. I think that there are percentage rent provisions, but typically, to your point, it's on top of a fixed rent. So there's a natural break point. And if you hit a break point, you then pay X percent over X amount of dollars in sales. A typical percentage rent provision might say the retailer pays 6% of sales over \$3 million. So for every dollar over \$3 million, \$0.06 of that goes to the landlord in the form of percentage rent. I was taught very early on as a retail broker where you have no control, to try and determine who has the leverage in the transaction. And what the pandemic did was it gave all of the leverage to Psycho Bunny, in my opinion, relatively speaking. And Psycho Bunny had the unique ability to get creative, but also they had the opportunity to sign deals that minimized their downside risk, but allowed the landlord to share in the upside. And it became very apparent, very early on, to certain landlords that the store performance was strong and that actually there was a chance that the percentage rent could actually backfire in terms of if they were just to have agreed to pay the fixed rent, the rent would have actually been less than what the percentage was because the stores were performing so well. But how did we get it done? You know, I spoke to Kenny as much as I spoke to my wife during many months of the pandemic with landlords on conference calls trying to figure out how to get a win-win situation over the finish line. And it was basically limiting Psycho Bunny's expenditure on the build out by getting tenant allowance from the landlord that Psycho Bunny was willing to pay back. They had to terminate their lease early if they didn't hit a certain sales threshold. But I think that timing has a lot to do with everything and it was just the right time to get risk free deals for lack of a better term, and they put their money where their mouth was and they executed. They built beautiful stores, they created great product, and they did every single thing they said they were going to do from an obligation standpoint, whether they had to open a store in downtown San Francisco, which we knew was a little bit of a risk. Or open a store in downtown Chicago, which we knew was a risk, and they could very easily have pulled those deals. But they did everything they said they were going to do. And that actually made my job easier. Because when you're selling something you believe in and you're working with people of integrity,

you're just telling the truth, you're just telling what you see and what you've experienced. And that enables you to go from 0 stores to 90 stores in 5 years in the best real estate in North America.

Spencer Levy

Let's talk about the physical store itself. Talk about the optimal size. Talk about some of the other configuration elements of it. Even things is - how many dressing rooms do you have and how do you make these choices?

Kenny Minzberg

One of the reasons for our success, early on, is we were very disciplined with store size. We always thought 1500 square feet was the bullseye. We've gone as small as 1200 square feet. We actually have a store that's 900 square feet, but we have some remote storage close by. But I would say the sweet spot for us is really in the 15- to 1800-square-foot zone in markets where in some of the colder climates, our stores are actually a little bit smaller as we increase categories and classifications. But we try and keep it tight in that zone. You know, frontage and configuration is interesting. A lot of people make a very big deal about frontage and generally speak in terms of having a presence, frontage is important. But we've done some studies and we don't see a huge correlation actually in terms of sales and frontage. We've got some narrow stores that perform really well and we've got some stores with wide, beautiful 40-foot facades that performance has been under what we expected it to be. So look, there's a minimum; 20 feet frontage for us works. We have not seen a huge correlation in terms of results and frontage. In terms of store design, we're still pretty early in our rollout. We're at 60 stores right now, but most stores that we opened were the first in the market. It was important for us to really show our brand and include all the brand identifiers in our store design. So we kept what we could in existing stores to obviously save on some of the capital expenditure. But for the most part, we built the stores from scratch. We have formulas and metrics in terms of what the capacity has to be, in terms of the front store, the back store, for how many fitting rooms we need. Can we get away with two? Do we need a third? How big does the cash desk have to be in order to make sure that people aren't waiting in line forever in high periods? So it was tougher in the first five stores, but once we got to say 10, 15 stores and began to see trends and what we needed, it became a little bit easier for the next ones.

Spencer Levy

So I'm going to go old school for just a moment because one of the first few deals I did, I was a young real estate lawyer many, many moons ago in New York City. And frontage, the first 10 feet of that space, was worth way more than the next - whatever was beyond that. What you're suggesting is a little bit counter to that, and I wonder if that is actually a shift in the industry. So let me turn to you, Drew. As a retail expert, what's your point of view on - have configurations of stores changed, has the value of frontage changed over the last 20 years? Any point of view on that?

Drew Schaul

I don't know that the front section – the value of the front of the store, which is different than the frontage, which in my opinion is the width of the store – I think the front of the store and the merchandise that the customer interacts with first is still of the utmost importance in what you can see as you're walking past the store. I think that the more frontage you can get from a layout perspective, the better. Still, one piece of information that I learned, I would say from dealing with Psycho Bunny and their disciplined approach, the width of the store was more important in terms of who was next to them and the size of that store. So if there was a 15,000-square-foot store adjacent to them that had 100 feet of

frontage, they didn't want to have 15 feet of frontage and then on the other side have another store that also had 100 feet of frontage because they would be sandwiched in between and the impact of the storefront was negated. So from that perspective, their analysis of frontage is very important. If they're in line with four other tenants that also have 25 feet of frontage. I think that's okay. I think it's all in proportion. The media component of the store, I think is more important than it's ever been. And they do a great job with media boards throughout their stores. And the brightness and the color and the lighting, I think is very important, and they've done a great job with that. It's an inviting environment.

Spencer Levy

Kenny, walk us through some of those more really granular elements of making selections of light and media and sights and sounds when you're in the store itself and how they factor into your decisions? Is it worth putting this much money into the space to generate X percent more sales?

Kenny Minzberg

We debate that all the time. We ask questions like, Will the customer pay for it? You know, if we have an extra video portal at the front of the store, like are we going to get paid for that? are we going to pay for that extra fixture? These become micro-analyses within the store. Yes, the media in our store is important. It certainly brings people in and adds the overall feel and energy. But a lot of what making the store successful comes back to kind of old-school retail 101 principles in terms of product density, vertical merchandising, lighting on the apparel, storytelling throughout the stores, different zones, different areas to shop. From that regard, we certainly haven't reinvented the wheel. It's really creating an inviting environment for our customers to shop and make it easier for them to shop as well.

Spencer Levy

Let's talk about the wheel reinvention in a broader context as well. So Internet sales versus in-store sales. Wholesale sales in a department store versus selling in your own store. Let's talk for just a moment about really those 3 channels and how they complement one another.

Kenny Minzberg

The word I use is amplification. The three channels amplify each other. As soon as we started opening stores, we saw our wholesale business, be it in the department stores or in the specialty store segment, improve. We've seen our e-com performance in markets just off a low base, but in the course of two or three years can go 10X in a market starting in March. Very, very low brand awareness to where suddenly like just their top five or top ten markets for us every day. So to me, it's an ecosystem. They work together. They do not compete. E-Comm for us is just another store. Happens to be our largest store as it is for most retailers, but it's just another store. When we look at our daily flash, e-comm is listed with all the other stores. And in terms of specialty and in terms of wholesale, look, it just doesn't make sense for us to open stores in—two things, I'll back up. One I'll say is, look, there's still department store shoppers. They'll go into the Nordstrom, they're going through the Bloomingdales or going through the Dillard's. That's where they shop. That's where they're comfortable shopping. They won't walk into the mall. And then in terms of our specialty partners, they may have stores in markets where just it doesn't make sense for us to open a mono-brand brand store. So it's serving your customer in any way we can and ensuring our product is available to them.

Spencer Levy

Drew, let's now go back to the store that we're talking about primarily, which is the roll out of now 60 stores. Talk us through that process, Drew, from your perspective. You've been involved with it from the beginning. Tell us about how you try to find these sites. Walk us through some of those metrics that you look at during that first 60 and for the future plans.

Drew Schaul

Yeah, Well, one benefit that I have from being with Kenny from day one, he shared quite a bit of information that other clients don't always want to share from day one. And you can see they share the performance of the stores with me. So you're trying to find like-kind properties and like kind markets from a demographic perspective, from a co-tenancy perspective throughout the country. And they had the benefit of the e-commerce data and the wholesale data. For example, one market where we saw the brand doing quite well was in Las Vegas. And because I've been doing this for long enough, I know the short list of shopping destinations that you want to be in, in Las Vegas that check those boxes of the critical mass, the department stores, the co-tendency, etc.. And then I think in the mall leasing game, there's only five or six mall landlords. So the second you do a deal with a Simon, a Westfield, a Brookfield, a Macerich, and they see the finished product, it's much easier to negotiate a second store once that first store is opened than it is while they're building out the first store. So once they can touch and feel the actual brick and mortar, then they came to us with sites where they thought the brand would be successful. But we focused on like climates to South Florida. So whether it's the Phoenix Metro market, Las Vegas, Southern California, Dallas, Houston, San Antonio, Atlanta, etc.. That was really where we started and then it was a big deal for Psycho Bunny to open their first store in the North. It was a bigger deal to open their first store in the Northeast. It was another milestone to open a street store in the Flatiron district of Manhattan. But we basically are just looking for the trends that other mall are showing when it comes to co-tendency and how is Tumi doing in this mall. If Tumi is doing 1500 dollars a square foot in a center where we already have a location and they're doing 1400 dollars a square foot in another center that we're evaluating, that's probably a good sign. And then if you look at the omni channel of wholesale and e-commerce, you can kind of try and limit. This is all about preventing a mistake and protecting your downside. When you're opening your first 60 to 70 stores. It's – easy isn't the right word – but there's a lot of opportunities that check all the boxes that you're looking for.

Kenny Minzberg

We tried to be strategic as possible in the sequence in which we opened stores. We really tried to rank the targets, you know, top ten, next ten, next ten, in a way where, first of all, that you want your first few stores to be profitable so that they can finance the next. But I think there are some centers within the country that are recognized as flagship centers for the country, looked upon by the landlord community as important assets. Getting to Aventura was obviously really important to us. Opening in Dallas North Park was really important to us, opening and South Coast Plaza was really important to us, opening Century City, opening in Forum Shops. Like, getting those really top assets done relatively quickly I think opened a lot of doors for us and gave the greater landlord community confidence about offering us a good space. Because I think, Spencer, in good times and bad, getting those prime locations in those top centers is always going to be difficult.

Spencer Levy

The word flagship, I think that's a word that I think was thrown around a lot for years in terms of, I guess the two ends of the barbell one that is flagship using the store as an advertisement of sorts or your other remainder brand versus the health ratio, which is this store needs to be profitable on its own. How do you look at those two basic factors?

Kenny Minzberg

We need our stores to be profitable. We need them to pay for themselves. We don't look at stores as having huge marketing benefits. They may, but we don't model that in. We don't even model in the e-comm bump that we're going to get. We want our stores to be self-sufficient. It doesn't mean that your health ratio for a street store is going to be the exact same as your health ratio in a mall store. There are economic and market realities in different markets, but our position is we look to open profit stores, we don't open stores as marketing vehicles.

Spencer Levy

And getting in front of the customer. You mentioned international for the first time on the show here. How do you look at international in terms of not only the customer but expansion? Kenny, we recognize you're in Canada. We'd love to get your point of view.

Kenny Minzberg

Yeah, our first store opened in 20—at the end of 2018. We opened four more stores in 2019 and then the pandemic hit. So we have not really lived in a world where international tourism has come back en masse. Could be gravy for us when that finally does happen. But I will say, Spencer, we're a very strong tourist brand for domestic tourists, for international tourists, there may still be Latin American tourists. Our brand is strong in Latin America as well. We have a partner who's opened 50 stores throughout the region, kind of Mexico south. So we do have some brand recognition in that part of the world as well. We're looking at other markets, European markets, to say, like, where can we replicate this success? We believe our brand could be global, could certainly translate into different markets as well. We have a partner in Japan, we have ten stores in Japan as well. We're beginning to see a little bit from our West Coast stores. Some increase in the Asian tourists coming back a little bit. It gives us a good read in terms of other markets that we can go into as well.

Drew Schaul

You know, I think that logo-driven product and that's not the whole story of Psycho Bunny, but I think it's a decent component. Logo-driven product tends to play better with the international tourists than non-logo-driven product. In my opinion.

Spencer Levy

I've never heard that term before. As I look down at the Psycho Bunny logo, which is unique, a little edgy, cool. Is there any story behind that, Kenny? I'd love to hear that. How did that help drive the brand?

Kenny Minzberg

Yeah, I – look, I can't describe a value to it. You know, the initial founder of the brand designed the logo. He had been in the apparel business as a designer for several other companies and wanted to start his own brand and design the logo and was at a bar with a buyer from one of the department stores and showed him the logo and the buyer called it, Hey, that looks like a Psycho Bunny. That is the urban myth of how the name came about. Certainly a logo that, you know, evokes an emotion from people. It's the entry point for a lot of people into the brand, but it has to be backed up. The quality of our product, the fashion ability of our product. Like that, it has to stand behind the logo and be strong enough to stand on its own.

Spencer Levy

So we're about to wrap it up. I do want to ask one industrial question, or at least supply chain question, if I could, Kenny. You know, we went through the pandemic and the supply chain got all messed up, to use a very technical term. How do you deal with that? How have you changed your supply chain, perhaps as a result?

Kenny Minzberg

We were pretty fortunate. We source most of our product from Peru, some of our product from China. We have a great production team. They worked very closely with our vendors to ensure that there was no major disruption. Did we have delays? Of course. Were we always on time? Of course not. But we really did our best and we're very fortunate in that regard. I will say, though, a carryover effect is that we really advance things – or maybe I should say backed things up – where we're planning further in advance than we were pre-pandemic. Lead time is, you know, a couple of extra months in terms of lead times and planning out the line. And that makes it difficult to necessarily be on the right calendar for our wholesale customers. It makes it difficult to catch all the trends right before market. So we haven't really gone back to our normal timeline yet and that's something that we are working on.

Spencer Levy

Are you keeping more inventory now or are you trying to keep those inventory levels as low as possible given how fast the fashion world moves?

Kenny Minzberg

Yeah, we're trying to keep it low now. I think there was a period where we would bring more in earlier in case there would be disruptions. But like any retailer, we're trying to manage our inventory as best as we can right now.

Spencer Levy

This has been a great discussion. But Kenny, I'm gonna give you the last word, so to speak, on where you see the next five years of Psycho Bunny. Again, it's a big crystal ball with a lot of elements to that.

Kenny Minzberg

Sure. Look, as I said, we're currently 60 stores. We'll end the year in 90 stores. We think there's still some runway for us in the U.S. as we fill in different markets or expand further in further densifying markets where we already have stores. I think there's a great international story to come for Psycho Bunny, whether that's Europe or Asia. But I think we are set up to be a global brand and I think if we're going to have this call in a couple of years from now, Spencer, it wouldn't be just focusing on kind of the U.S. But it would be focusing on how did Psycho Bunny expand globally as opposed to just in the U.S.

Spencer Levy

Well, on behalf of The Weekly Take, I first want to thank our guest, Kenny Minzberg, the CEO of Psycho Bunny, coming to us from Montreal. Kenny, great job. Thank you so much for joining the show.

Kenny Minzberg

Thank you. Spencer is a pleasure.

Spencer Levy

You bet. And then I want to thank my colleague, Drew Schaul, EVP from CBRE based in Miami. Drew, thanks so much for joining the show. Thanks for all the great work you're doing with Psycho Bunny and others.

Drew Schaul

Thank you, Spencer. Thank you, Kenny.

Spencer Levy

For more on Psycho Bunny and on our show, hop on over to our website, CBRE.com/TheWeeklyTake. Don't forget to share the show too, as well as subscribe, rate, and review us wherever you listen. We'll be back next week with Harvard economist and author Ed Glaeser in another conversation about growth – specifically delving into urban economic development and the power of cities. We'll see you then. For now, thanks for joining us. I'm Spencer Levy. Be smart. Be safe. Be well.