



Market Shift Will Reshape Brick-and-Mortar Stores

Regarding the effect of the economic shift, Chase Jansen expects to see a shift to value for money where the economic downturn may lead to consumers demanding value of money across all retail sectors.

By Lisa Brown | July 14, 2020

DALLAS—The Woodmont Company is dedicated to hiring and empowering young professionals who demonstrate a passion and commitment to the commercial real estate industry, says Stephen Coslik, chairman at The Woodmont Company. To that end, Chase Jansen, who previously interned with The Woodmont Company, was recently hired as a development associate.

Jansen will assist the development department, focused on enhancing and expanding the company's national development program. He recently weighed in on what the new normal will bring in the retail industry, how developments will change in the near future due to COVID, how retail investing is faring and where the opportunities can be found.

GlobeSt.com: What types of retail practices do you think will stick because of COVID (curbside pickup and sanitizing, etc.)?

Jansen: As we've been watching the COVID pandemic unfold, we've seen a huge spike in quick service restaurant sales, due to their ability to adapt services to the requirements of social distancing, drive-thrus and curbside pick-up. I think over the next few months and years, we'll see fine dining and casual restaurants start to do curbside pick-up and enter that new market that these restaurants haven't normally focused on in the past. I think this change will not only produce possible redesigns of restaurants to have a pick-up area or pick-up counter, but will also create more interest in ghost kitchens. Ghost kitchens are when a restaurant only has a kitchen that contains no dining or open area to the public and they only focus on food delivery and pick-up. With all the social distancing rules in place now, I think we'll see companies start to adapt to this delivery and pick-up method to create more revenue since they cannot serve as many customers in house or in some cases, any customers at all.

GlobeSt.com: What will change for developments in the near future?

Jansen: My belief is that retail development will start to take into account social distancing and sanitizing when designing buildings or remodels from here on out. What I think we'll see is not only the redesign of floorplans that will redirect the flows of patrons through stores that take into account keeping people 6 feet apart, but also the integration of touchless automation, both in stores and in warehouses. Within retail specifically, I think we'll see these changes mainly in restaurants, schools and workout facilities.

GlobeSt.com: How is retail investing faring during the slowdown?

Jansen: I believe retail investing has been slowing down over the last few months due to the amount of uncertainty in the market right now. This also rolls into lenders not likely to lend to retailers at this time due to the market instability. Within this market downturn, there is a belief that companies will be selling retail locations at cheap prices, but I don't believe this is true because of the booming sales numbers from quick service restaurants, grocers, pharmacies and e-commerce marketplaces.

GlobeSt.com: What opportunities have come about due to this economic shift?

Jansen: Regarding the effect of the economic shift, I think we'll see a shift to value for money. This economic downturn will probably lead to consumers demanding value of money across all retail sectors. We're already seeing it happen as grocers, pharmacies and e-commerce marketplaces are raising prices due to the necessity for essentials like food, medication and toiletries. I believe there will be a market shift in the next few years that will help reshape the brick-and-mortar stores to adapt to this pandemic because after all, we need to create a way to keep brick-and-mortar around considering the last quarter in 2019 when 88.6% of retail sales were at brick-and-mortar stores.