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Retailers, restaurateurs and experiential concepts are excited to open new locations and expand - by David De Lise

July 02, 2021 - Northern New England

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For all of the continued reporting that retail is dead and won't ever come back to pre-COVID levels, or that all the tenants have gone away, it's a wonderfully positive and inspiring contradiction we are experiencing in New Hampshire. It's not just New Hampshire, either - we are seeing the same thing in many parts of New England and across the United States.

Perhaps the warmer weather is enticing real estate decision makers to get out of their offices or home working arrangements and start making deals once again. Not since the later stages of 2019 have we experienced this much genuine interest from retail tenants, service providers/occupiers and developers alike. And thank goodness!

Yes, the reported slowdown in brick-and-mortar sales had been happening pre-COVID, and in many circumstances the concern was well-placed. A recent analysis by the renowned analytical firm, McKinsey & Company, shows online commerce grew 10 years' time in just three months, exclusively fueled by the stay-at-home orders. The study references data from the U.S. census, which estimated that e-commerce sales accounted for 14% of all retail sales in 2020, totaling \$215 billion versus 11% in 2019. Certainly, the impact and effects of the pandemic on retail, hospitality and restaurant businesses specifically cannot be underestimated. Many of these establishments and long-standing store concepts closed their doors during the extended shut down, and it remains to be seen if/when these shuttered businesses will reopen. If they do re-open, what will the experience look like to the consumer?

What we see transpiring is retailers, restaurateurs and some really cool experiential concepts are actually genuinely EXCITED to open new locations, secure second generation spaces and expand their footprint to take advantage of what should be considered generational opportunities. The expansion and roll out of all types of restaurants, retailers and entertainment concepts are taking place (and rapidly) at a time when there are still some very attractive incentive and concession packages offered to occupiers, in the right situation, for the right tenant. This is an absolutely great environment to take advantage of outstanding locations and blossoming demographics throughout

New Hampshire, Maine and Massachusetts!

These are just a few highlights:

- Burger King has undertaken a massive rebranding campaign and expansion program which will be the first time in 20+ years that Burger King corporate has committed to major improvements.
- Dunkin' Brand's newest concept, next generation restaurants, recently opened its 1,000th store just three years into the launch of this concept.
- Chipotle continues its expansion across U.S. markets as well as aggressively expanding into Canada.
- Panera Bread's refreshed restaurant designs will highlight outdoor dining areas accompanied by double drive-thru and rapid pick-up lanes. Panera's new look will also feature amenities such as fully digitized menus, modern self-ordering kiosks and contactless dine-in and delivery options.

In addition to new and re-introduced dining options, there are plenty of retailers and enticing, creative experiential concepts which have worked diligently through the pandemic to 'right-size' their operations, secure new locations, and/or enhance their on-line presence to complement, NOT replace, their brick-and-mortar locations. It has never been a question of 'either' on-line shopping 'or' visit the physical store. As more stores have reopened, there has not been any material dilution of digital sales from sales generated by physical stores. Online shopping continues to perform well even as the stores improve, and will continue to do so through the summer and into the holiday season. If consumer spending continues to benefit from pent up tailwinds throughout the summer, especially through back-to-school shopping events, we would not be at all surprised to see dramatic year-over-year sales increase across all aforementioned sectors through year-end.

Of critical importance to the success of the reopenings, however, is increased attention to sanitization policies, creating enhanced consumer experiences and a return to exceptional customer service. Those who successfully navigate the new expectation of normal, should do quite well and experience continued growth over time, assuming the economy stays on track and inflationary fears cool off.

There is renewed and heightened energy throughout the retail and dining/entertainment industry, and it could not come at a better or more opportune time for consumers and business owners alike.

Get ready, here we grow again!

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