



Weathering The Crisis: What Future For Real Estate?

Virtual Round Table Series
Real Estate Working Group 2020

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What Future For Real Estate?

Real Estate across the globe has taken a huge hit by the Covid-19 crisis as businesses and retailers close indefinitely, while customers are locked in their homes.

In the US and UK, the 'brick-and-mortar' retail sector has been in a sensitive state for some time as people have been deserting the high street and opting for online shopping. Even the new hyper-malls that had focused on the out-of-town shopping experience have closed during lockdowns imposed by governments around the world. Add to this the closure of all restaurants, pubs and hotels, and thousands of small and medium-sized businesses are now struggling to survive for month to month.

Consequently, real estate investment businesses are finding it difficult to collect rents. In London, Intu, a property investment trust, claimed it received less than 30% of the rent due to the company in Q2. This compared with almost 80% in the corresponding period the year previously. Elsewhere, Hammerson, an out-of-town retail parks developer in the UK, said it had only received 35% of Q2 rent from clients.

On the UK high street retailers such as BrightHouse and Debenhams filed for administration along with Italian restaurant chain Carluccio's. These were only the big names, many more smaller businesses followed.

Such horror stories were echoed across North America, Europe and Australia as real estate was hit worldwide. As with London, the sectors hit hardest in different jurisdictions were hotels, restaurants, bars and general entertainment outlets followed by retail and housing (particularly second-homes).

How this plays in the coming months and years is difficult to predict. But all real estate analysts agree there will be a sea change in the medium term at least as home owners, retailers, landlords and investors rethink their rental and investment strategies.

Real estate investors will probably take a wait-and-see approach against continuing uncertainty in global markets. For landlords, short-term rental growth expectations will need to be revised downwards and weak economic growth will have a big impact on the business activity of occupants. This in turn will increase the risk of business failures and thus tenants going out of business.

Individual sectors such as hotels and retail parks look most vulnerable as holidays, family shopping and business trips are cancelled. The wholesale cancellation of business travel may well have a lasting impact as companies

adopt technology such as virtual meeting rooms and video conferences, while near-shoring supply chains will reduce demand for cross-border business travel and overseas rentals.

The industrial and manufacturing sector will also be hard hit, certainly in the short term, as companies defer rents and ride out the crisis the best way possible.

In the office sector, clients will want far more flexible arrangements as more people work remotely. This in turn will have a dramatic effect on office locations and the amount of office floor space needed. Given continuing social distancing in the short to medium term, employees will no longer want to travel and so city centre locations will no longer be the most desirable office locations.

It's possibly in the retail sector that the biggest opportunities will open up. Online supermarket Ocado witnessed such a huge surge in orders in early March the company assumed its servers had been hacked. Other retailers such as Wal-Mart and Tesco tell the same stories.

Those shoppers who seldom used online retail previously will more likely be adjusting their buying habits for certain items, shifting their spending away from physical stores to online retailers.

Above all, as people and businesses adjust to the new reality they will be making decisions about real estate that property investors will have to foresee and adjust to if they are to weather this crisis successfully. There will be possibly be a realigning of the relationship between real estate owners and managers, and their tenants, from housing and retail to office space and industrial units.

Trust could play a big part in future business opportunities and occupiers will no doubt remember the closer relationships built during these difficult times. Tenants and landlords will have to look at and even agree on new rental prices and locations. Consequently, not only customers but lenders will have to understand how to navigate the new environment if they're to prosper in the future.

In the following pages, several real estate experts from IR Global will analyse what impact the Covid-19 crisis will have on real estate in their different jurisdictions.

One takeaway from the discussion is that it'll be a learning process for everyone involved in the months and even years ahead.



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Featured Members



ENGLAND

THE VIEW FROM IR

Ross Nicholls, Business Development Director

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Our Virtual Series publications bring together a number of the network's members to discuss a different practice area-related topic. The participants share their expertise and offer a unique perspective from the jurisdiction they operate in.

This initiative highlights the emphasis we place on collaboration within the IR Global community and the need for effective knowledge sharing.

Each discussion features just one representative per jurisdiction, with the subject matter chosen by the steering committee of the relevant working group. The goal is to provide insight into challenges and opportunities identified by specialist practitioners.

We firmly believe the power of a global network comes from sharing ideas and expertise, enabling our members to better serve their clients' international needs.



BELGIUM

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Lieven Peeters is Partner at ALTIUS, and is Co-Head of the Real Estate & Regulatory team. He is a renowned expert in the area of real estate transactions and construction law with a solid knowledge of contracts law and general commercial law. He is as such recognized by Chambers Europe, Legal500, PLC WhichLawyer and World Leading Experts.

He advises clients in his real estate practice on all aspects of often complex real estate transactions, including the structuring of real estate projects, real estate M&A, sale-and-leaseback transactions, joint ventures, leasing, PPP and split structures.

Lieven is member and assessor at RICS.



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Matthew Harrison is the founding member of Harrison Law and has been practicing law for over 25 years. Prior to forming Harrison Law, Mr. Harrison was an attorney with a nationally recognized surety, construction, and fidelity law firm in Phoenix, Arizona, where his practice focused on complex civil litigation. Previously, Mr. Harrison was a Deputy County Attorney with the Maricopa County Attorney's Office for over seven years where he held leadership positions and mentored less-experienced attorneys. Matthew Harrison has combined these experiences into a law firm that has established itself both locally and nationally as a highly-regarded law firm.

Featured Members



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Michael Lefkowitz joined the New York City law firm of Rosenberg & Estis, P.C. in 1989. Over the past 25 years, Mr. Lefkowitz has been involved in many aspects of the firm's activities, including litigation, appeals and administrative law.

Mr. Lefkowitz specializes in representing clients in commercial real estate transactions. His focus for many years has been representing lenders and borrowers in completing real estate and financing transactions as well as workouts of loans on troubled assets. Since joining, he has greatly expanded the firm's expertise in this sector. Mr. Lefkowitz has been working closely with lenders and borrowers on creative solutions to restructure loans and rework the debt on troubled real estate assets, often avoiding the lengthy and costly foreclosure and bankruptcy process.



ENGLAND

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Having worked for Herrington Carmichael's Real Estate team since 2015, Josh specialises in both commercial and residential real estate covering a broad property practice area.

The work Josh undertakes includes the acquisition or disposal of property for development; commercial landlord and tenant, secured lending and property finance, leasehold enfranchisement and general residential, commercial and agricultural property-related work.

Josh has an international client base which includes property developers, high net worth individuals, lending institutions and companies. This wide-ranging client base is something Josh enjoys catering for, providing a tailored service to suit the client's needs and requirements.



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Head of the Messner Reeves Utah office, and licensed in multiple states including Colorado, New York and Utah, Torben Welch has built his legal expertise by aiding in the resolution of complex business and commercial transactions. His industry experience includes banking and financial institutions, corporations and businesses and he has a side interest in representing professional sports franchises. Among outside general counsel responsibilities, Torben has legal expertise in enterprise strategic planning, asset acquisitions, cyber-security, contract and lease negotiation, regulatory compliance, corporate governance, workout and recovery strategy (including representation of creditors in bankruptcy matters) for both domestic and international clients. Mr. Welch focuses on litigation prevention but serves as a trial attorney performing independent internal and external investigations or appeals hearings as needed.

SESSION ONE

Can you tell us about the impact COVID-19 will have on the retail sector, short and long term?

Lieven Peeters - Belgium (LP) At the moment in Belgium as you can imagine it's difficult for retail. Everything is closed except for some essential shops like pharmacies, post offices, banks, grocery stores and more recently garden centers and DIY-stores. So we have seen a complete shutdown. But there is decent support from the federal and regional governments at the moment, providing economic support for landlords and tenants. Giving the retail shops a fixed compensation in the range of EUR 4,000-5,000 and 160 euros per day extra until April 6. This provision will be extended as the lockdown period increases.

We're also getting a lot of calls from worried landlords about the problems they're facing and the temporary force majeure, which is governing the current situation.

Overall, the lockdown everyone is faced with is well organised. Many companies are closing to protect their staff and customers, and those that are open – mainly supermarkets – are well stocked and there's very little interruption of the supply chain. Many businesses – our clients and our own operations – are now largely being run from home and only limited numbers of people are going into offices.

Matthew Harrison - Arizona (MH) We have a combination federal and also Arizona state regulations, similar to what's happening with Lieven in Belgium. Certain businesses are still, for the most part, open, but there's a restriction on large gatherings of individuals. Essential stores like supermarkets are open and other retail stores and outlets remain open for limited hours. Instead of opening for the entire time, they felt they should have limited hours. So out of those types of retail locations, it's service industry, restaurant, fast food and entertainment where the biggest impact has been felt.

My clients in those industries, particularly food, are seeing a huge drop off of customers ordering. Right now, they're the most financially hit out of my client group. The biggest worry for my clients is the great unknown at the moment. What happens next week, in three weeks or in three months? They've had to cut back on staff and those that do online retail are not able to supply goods that they're reliant on

people coming to the locations to purchase goods. But those customers' movements are now restricted.

On a federal level, the president signed a bill to help provide both individuals and employers. I've been monitoring what is in that bill. One of the main areas is tax relief. April 15 is the date in the United States for all businesses to file their tax returns and that due date will probably be delayed at least 60 to 90 days. Right now, it's still in flux because I think the law has just been passed. So we need to look at that closely and interpret it for my clients.

Torben Welch - Utah (TW) Our situation is similar to what Matthew is explaining. We also have a form of a soft lockdown. People are left to their own devices when it comes to complying in Salt Lake City and Denver. What we've noticed is that lots of people made an initial rush to buy supplies that they believed they would need. At the same time the schools shut down and most businesses closed. Restaurants, of course, closed to in-house dining and are now mainly 'grab and go'.

Most of the retail establishments have closed, largely through stigma rather than being ordered to close. Consequently, no one is coming to retail locations and anchor store tenants have shut their doors or restricted their hours. The 'mom and pop' stores have been struggling, mainly because they're not getting the footfall and they can't afford to maintain their employees, similar to the restaurant industry. So that's where we're seeing a lot of the questions from both landlords and tenants related to temporary force majeure.

Most of my landlord clients have been good in keeping reserves back to satisfy the obligations to their lenders. So they have about three months where they can use those reserves. But elsewhere, for example, we have one building with 14 tenants who are shutting down and all saying they don't intend to pay rent. We're trying to communicate with tenants and taking a proactive approach for tenants and landlords. Advising tenants that there are financial programmes they can look at, check your business interruption insurance as that may or may not apply. So we're trying to help our tenants at least tap into what's going on.

And to Matthew's point about federal and state support. A lot of it is coming down to county level, which is the real local level. There are grants and loans that are being made available to small businesses. But the amount that they've already set forth – we're talking maybe \$2 million for a metro area or two million people with businesses – is probably not sufficient. But I think people are taking a wait-and-see approach when it comes to packages from the federal and state governments before they actually tap into all that.

Michael Lefkowitz - New York (ML) I was recently on the phone with a client who owns retail properties in Florida. One particular retail property has 19 tenants. 15 are restaurants, all of which closed, and of those 15, 13 have sent letters saying they're unable to pay rent. I imagine that's going to be a familiar story with a lot of retail establishments.

In the United States, certainly where I am in New York, shopping malls and retail centers were already struggling to find a place in a new retail environment, and I think this might be the death blow. In places other than the big central business districts, the High Street moved out to the retail centers, and the retail centers and malls are now going to be empty. I don't have a crystal ball, but I think that it will have long-term effects. This dislocation resulting from the COVID-19 shut down might just be the catalyst to force retailers who are just hanging on and trying to restructure their debt to make the hard choice to continue on or close up shop. Some will figure out new ways to generate revenues, like strengthening their online presence to supplement their brick and mortar presence, others will not.

Businesses that were financially weak to begin with will have to make the decision on liquidating and bankruptcy. There are federal and state rescue packages, but I suspect they won't be able to help many of these retailers who have been struggling pre-COVID-19 lockdown. It also depends on what type of retailers; restaurants, until recently, were doing really well, but they've probably had the most impact from the COVID-19 crisis. Retailers who were negotiating for new retail spaces will reconsider

and probably focus only on restarting their current operations vs. expanding, even with governmental financial assistance.

Things will eventually get back to a normal, but this is going to be a major dislocation for some time. Anyone who already had financial difficulties will find it very difficult to rebuild their business.

Joshua Watkins - England (JW) In the UK all 'non-essential' retailers are banned from opening their stores for at least three weeks effective from 24th March 2020. Some retailers who are permitted to remain open have opted to close their doors too, to safeguard staff and to help insulate against a huge reduction in footfall.

In the short term it will therefore be critical for retailers to do as much as they can to maintain, and improve, their online presence and to provide delivery and/or pre-order services at a greater scale than ever required before.

E-commerce has already led to a significant reduction in high street stores during the past 10 years in particular. With the current ban in place, e-commerce has already become the norm for the majority of shopping – even for goods that can be bought in stores that are permitted to remain open. It appears that the public are only going to the shops as a last resort.

We may see e-commerce take an even stronger hold on the way we shop as a result of a) the investment in retailers' online systems, which

could make it easier than ever to shop remotely, and b) sadly, a more conscious society who have the health risks associated with public gatherings at the very forefront of their minds, for the foreseeable future.

Many UK commercial leases include an obligation to remain open subject to force majeure events (which the coronavirus should fit, on the basis that the tenant will have a duty to protect the health of their staff). Landlords could offer partial or full deferred rental payments or encourage their tenants to seek out one of the guaranteed business loans offered by the government as part of a bail-out package.



The IR Global 'On the Road' Conference, Miami 2020

SESSION TWO

How do we reinvent the High Street or Main Street after this kind of trauma?

Belgium - LP That will be one of the major challenges following the Covid-19 period that we are currently living through. Apart from small grocery stores, in Belgium I can see much of shopping going online. We will see an undoubted increase in that online shopping experience and the recent evolution will probably turn into a revolution. This will lead to fewer physical shops across the country as major retail brands focus on larger showroom stores in the main locations. But they will close down their stores in the B and C locations, which will no longer be as profitable. From my perspective, it will push more people as first timers, even older people, into e-commerce purchasing.

We are no doubt heading for difficult times. The physical, retail world was under severe pressure and we've already seen several bankruptcies. But I think with this, more brands will go under. Also, I can see large restaurant chains going bankrupt, which was certainly not the case until the lockdown. The restaurant and hotel sectors were really flourishing until very recently.

In the past year a lot of new developments were promised. New chains of restaurants and hotels. They will be hit very hard so we'll see what the impact will be on those submarkets in retail. The restaurants were the first to close down and a lot of people were immediately placed into technical unemployment. But, of course, that can't last for too long. They will get some money, but they will need to look for something else. So we will have serious losses in the hospitality and leisure sectors.

Arizona - MH Regarding Arizona, we have already experienced a shift in perspective when it involves commercial real estate in general. This is particularly true following the last economic downturn in 2007-08. Since then, Arizona commercial developers have wanted to avoid the never ending boom and bust cycle. They knew that online retail was coming, so they're trying to adjust to it before this latest event. And for the most part, these adjustments have been taking place for several years.

Away from the big box malls and stores, there's a trend for more of an integrated development with both commercial, retail business and even sometimes housing all in the same location. And luckily before the Covid-19 crisis developers had been very hesitant regarding commercial speculation projects. So, if anything, demand has far outpaced supply in the Phoenix metropolitan area. Even with this downturn, there's still going to be more demand than supply when it pertains to certain commercial space. I do believe we'll still see certain retail locations close because of their circumstances. But this is probably not a sudden shift - the crisis will just accelerate the closures. They were already trending that way to begin with. And from what I'm hearing from my commercial clients, they pressed pause on those type of developments months ago. So now they're fairly happy at the moment with their past decisions.

In Arizona we have a large influx of new population coming in on a regular basis. People move to Arizona for the warmer climate, it's usually more pro-business and avoids the anti-business regulatory insanity of California. As such, there is still going to be the need for commercial and retail spaces. But how those spaces are developed is going to be what's different. They're going away from getting the

big box location. The huge malls. It's becoming more of an integrated style as I said earlier. But the trend is still there. The Covid-19 crisis will have an impact but only in certain areas.

Nevertheless, I don't think it'll have the lasting impact that the boom-bust of 2007-08 had.

Utah - TW I think the landscape will change in the next 12-18 months. Things will look different, but I don't think it's necessarily going to look worse. There's plenty of opportunity here, especially if you're a regional chain where you have smaller 'mom and pop' shops. As with Lieven's point, there are going to be class B and C locations that being consolidated into more of a major class A type location. And that's going to leave opportunities for other chains that haven't been able to access some of these class B locations because they've been tied up in long-term leases.

There's going to be a lot of work to do; where 10 years ago the landlord wanted to lease 10,000 square feet, now they're looking more at 3-4,000. There'll be a lot of discussions there. But I think, there's also going to be opportunities for tenants who didn't have certain locations available to them previously. It is also worth noting that apart from New York or LA, Americans love their cars here. They like to drive and they like going to suburban locations for shopping. It's an experience with family and friends. So I think people are going to continue to do that. And if they can access retailers that typically have not been available in their location, I think that's a very positive thing. So there's going to be a lot of changes where people are going to see new types of retailers in their area that previously they've only been able to visit online. Americans outside the metropolitan areas like to see, touch and feel things on a smaller scale. And I think that's a very good thing for everybody.

And as it grows outside in the suburbs, people will become more opportunistic and willing to travel a little bit to see their favourite brands in smaller locations. Tenants know all this and have seen the trends in the past few years. I don't think Covid-19 changes those plans because they've already been consolidating locations. So it's something that just accelerates the trend.

New York - ML Here's the scenario. If tenants are able to pay their rents, or a portion of their rents, landlords can pay their lenders, pay their real estate taxes and pay their other operating expenses. Lenders will need to grant debt relief and / or deferral of portions of the monthly debt service. If this happens, all stakeholders will struggle a little, not make much profit, but they'll be able to hold on. However, if tenants aren't able to pay their rents at all, the lenders don't offer relief on loans, and there's no relief on real estate taxes; then you'll have a situation where landlords are going to be squeezed - there will be defaults, foreclosures and bankruptcies. However, well-capitalised landlords who are not over-leveraged and had strong businesses prior to the effect of COVID-19 should be able to come out of this successfully.

There's reason to be optimistic that things will turn around eventually if property owners and retailers can just hang on. Until now, the economy was doing very well, and this dislocation is just causing the economy to suddenly halt. There's no inherent economic reason why demand should not be there once the economy opens up again.



Matthew Harrison pictured at IR Global 'On the Road' Conference, Singapore 2017

No doubt, there will also be a lasting increase in online shopping. I've never personally had an Amazon account, but clearly, now it makes sense to buy on Amazon. I can't imagine I'm alone in that. It just takes a little social isolation to increase the amount of online shopping you're doing. This dislocation will create a number of retail vacancies; it is an inevitable part of an economic downturn - exposing the weakest businesses. The result of the economic shutdown will be to weed out those weakest retailers; that's going to cause more vacancies and opportunities for those who are able to survive and adapt.

England - JW The retail sector may have to focus on experiences that simply cannot be made available online. This may include testing or trials of products instore, discounts only available instore, and the use of technology to enable immediate assistance to all customers who are looking for help or guidance which is typically not immediately available from a human in the conventional sense.

Retailers may also look to harness the use of augmented reality (AR) to create a truly immersive experience instore. It will be important for retailers to harness technology rather than fight against it, and if they do so in the

right way, they should be able to create an experience for consumers that utilises a blend of reality and technology. In doing so, they should be able to create a deeper understanding of their consumers and create a connection with them that goes far beyond what is currently experienced.

Surplus regional shopping malls could be used as additional space for the healthcare system to use in the time of crisis. While not a shopping mall, in the UK the London Excel centre is now being used as the NHS Nightingale hospital. Similar projects are underway on at both Birmingham's NEC Arena, and at an exhibition centre in Manchester. Given the average size of shopping malls, they could be fit for conversion of such a use in the future.

We have already seen a great deal of conversion of buildings on industrial estates in the UK, to residential units. The conversion of shopping malls for the same use is therefore plausible, and there is precedent for large scale conversion for residential use.

Locations outside of populated centres but near distribution centres may work best to minimise costs while still reaching customers.

SESSION THREE

In response to Covid-19, will there now be a huge rise of online shopping? In the future can brick-and-mortar retailers also use technology to attract the right kind of customer?

Belgium - LP Technology can also support the High Street. It can add to the physical experience. So I would not just see technology as a threat for physical shopping. It can add to the experience and assist people who are shopping around for the products they want. In that respect, technology helps developing alternative ways of shopping and can be a boost if it's used well for the physical shopping. And, of course, new rules need to be put in place, particularly following the introduction of GDPR throughout Europe.

Technology can actually be positive for the physical shopping experience and shopping as a whole. Businesses just have to adapt regardless of the circumstances. For instance, people search for the products they like on apps and on the Internet before they go shopping. Then they will often walk to a shop nearby to pick up the items. They will make that effort, but if they can't find it physically they will order it online. I also believe that shopping malls, which gives a broader experience and entertains people, will still have the power to attract people, if they are managed well. But without doubt the smaller centres will suffer. Finally, for young people the shopping experience is often related to social media influencers and how successfully brands are at marketing through the different channels. This is for e-commerce as well as for physical shopping. Young people are hugely influenced by Instagram influencers, for

instance, and they will often determine the kind of physical and online shopping experience. Retailers really do need to understand this. There also needs to be more investment in logistics to satisfy the shopping needs of customers. For traditional retail business models there's a lot of reorganising to do.

Arizona - MH Regarding online retailing, a lot of retailers are proceeding in one of two directions. The first is those retailers who have a heavy online presence. They still have retail locations, but it's not for the same purposes that it was before. A retailer now does not want to have 20,000 square feet of space to have all these products. Instead, they have a third of the space. They still have products for people to go in and try on make sure it's the right fit. Make sure it looks good. And then whether they buy it at the physical store or at the online store, it doesn't matter to the retailer. It's still being purchased. And we're seeing a lot of that right now.

With those retailers they don't have the overheads of maintaining large physical units. They're making the retail experience a little bit more special, a little bit different. They are niches that have certain kinds of customers who want to come along to interact with certain items. The business still has a presence where they're going more for the experience than they are for substantial inventory on the shelves.



Michael E. Lefkowitz pictured at IR Global 'On the Road' Conference, Miami 2020

Young people in particular like the technology. They also like interaction. Part of the technology allows them to interact with the similar groups of people and find the niche they feel comfortable in. And the store that caters for the niche. Regardless of the technology, they'll say 'hey, let's go here, let's decide to check out this.' They'll then meet people with similar likes and circumstances at the retail location. Importantly, younger people tend to go back to that experience again and again if they like it and it fits with the niche they've adopted.

Businesses tend to get set in their ways. They don't adapt. But, realistically, there are always opportunities out there, you just have to adapt to the circumstances, to find that niche that works.

Utah - TW Technology is always changing and there's a lot of different ways clients can change with it. They're never going to compete with the Amazons, Alibabas and Wal-Marts, with the amount of inventory these companies have and the ability to deliver within 24 hours.

Like the other contributors have already said, you have to adjust what you're doing and there is a benefit to making things available. You can compete even better with Amazon by offering a couple of hours for delivery. If there really is something that somebody wants and if they need their hands on it today, like trainers or a game, use technology to deliver those items in less time – or come in the store today and pick it up. You can't do that with Amazon.

As a retailer, there are ways that they can adapt and help the customers get what they want. Retailers just have to change their mindset and that's one way I think technology can help any size of retailer, by making sure their forward facing technology is up to date, accurate, easy to use. The user experience is going to be key. A lot of people will look at that before they even venture out to figure out what they want and there's a way that you can control that narrative. Also important, clients are telling me that contactless payment is now becoming the norm. I know Europe is a little further ahead of where we are, but Google Pay, Apple Pay are going to make a big difference to the online and physical shopping experience. Not all retailers currently offer that.

As a result of the Covid-19 crisis this will become a huge trend. People will want clean technology solutions to make it easier to purchase products and services. Fortune favours the bold, whether it's intentional or unintentional. Times change and you need to figure out what you can do to change with it, there's going to be a lot of innovation that we're going to see, not just the result of this virus but just because of the way things are going.

New York - ML This crisis is a sea change. As I said about my own online shopping experience, people who've never shopped online before will be adopting it now. Suddenly there will be a reliance on it, and more people will take advantage of the convenience. That's where the future has been for some time, and it will continue to have a massive impact on retail rents and retail property prices. Until now, the High Street, the big malls and shopping centers have been the shopping experience where people wanted to spend their money - people want to get out and about. That need for social interaction will continue. People like being out among other people, and that hopefully will never change. I see a continued move in retail toward providing personal services and experiences you can't achieve over the internet. You can't dine over the internet. You can't go to a salon or have a haircut over the internet. Retailers need to expand and differentiate the brick and mortar retail experience from internet shopping.

That, of course, will happen as this virus subsides and people come out of their homes. I only hope the first thing we all do is go straight to our favourite restaurant or bar. Hopefully there will be an explosion of activity. As the virus subsides and society emerges from the quarantine, I'm sure everything will go back to how it used to be or at least some sort of new normal.

There will be a restructuring of current retail lease deals, and landlords will likely have to change their thoughts on the value of retail real estate. Landlords must offer a product which retailers can afford. This dislocation has only sped up the timeline for the finding a new place for brick and mortar retail in the internet age.

England - JW Maintaining both an online and offline presence is challenging but both will reach different markets.

A retailer must decide whether there is a need for each brick-and-mortar store they run. Would in-store customers be able to find the businesses' online presence after the store closes? It may require an assessment of brand loyalty of the customer base.

If it established that both an online and offline service is suitable, then it makes sense for the services to be aligned to offer the customer the best overall experience which can be used interchangeably.

Customer data can allow a retailer to offer targeted discounts or vouchers based on a customer's purchasing history. It is important that these discounts are offered at the right time, if they are released in store it should be immediately after paying while the customer has the wallet/purse in hand. Any coupons released will normally be stored in the wallet as a reminder of what to shop for next time.

Should the customer agree to being emailed then targeted emails can be sent to the customer at opportune times during the week to prompt them to shop with that business. E.g. if a customer is a known bulk weekend shopper, sending marketing material on the Thursday or Friday will immediately put your store in the customer's list of where they want to buy from.

Speed and convenience is key to accommodating Millennials and Gen Z. Millennials/Gen Z are more likely to use price comparison websites, social media, and anywhere that offers free shipping. Apps are much more likely to be successful if the customer is able to obtain discounts or offers using them, which can then only be redeemed instore. The apps provide immediate access to the discount or offer, and the fact that it can only be redeemed instore will draw the customer in. Ultimately, if the discount or offer is significant enough to outweigh making the purchase online, the customer will often make the effort to go in-store.

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