

# The Future Looks Bright!



**Kevin Cassidy**

Senior Vice President, Flocke & Avoyer Commercial Real Estate  
858.875.4686 · kcassidy@flockeavoyer.com · Lic. ID: 01435093

Lingerie is where my commercial real estate adventure began and it is, in a sense, a great exemplar of where successful retail is quickly heading.

I founded a company called Lingerie for Less, which I eventually rolled out to 21 stores throughout Los Angeles and Orange County. I was able to grow the company through two downturns because lingerie is selling experience and illusion disguised as a product. While a lot of the older retailers (especially apparel) are closing, Victoria's Secret is not only thriving, but it is one of the few retailers that is actually building even bigger stores! The trend of retail as experience is only getting stronger.

People need to shop. That said, patterns are obviously changing and a lot of commodity shopping is going online, but nothing will ever take the place of actually touching, feeling and sensing a product – and people will always have the need to be out, be seen and see other people. Fortunately, for our industry, shopping is one of the great equalizers and drivers of community. Humans are social animals and, regardless of how easy digital shopping may be, it can never replace the sense of being with the tribe that the mall can facilitate – and shopping is still a relatively free experience!

As a broker who does strictly Tenant Representation, I believe the future looks bright. There is always going to be entrepreneurs looking for space to fill the needs of the consumer. The big boxes are going to be filled more and more by entertainment and restaurant uses. The Best Buys and Staples of the world are going to evolve into show rooms. With same-day delivery fast becoming the new reality, there is no reason to fill up 35,000 SF with inventory. New retailers of experience are going to

continue pushing the boundaries of retail...and they all need an experienced broker on the ground guiding them with their real estate decisions.

Getting back to Lingerie for Less, the off-price division of most apparel retailers is the positive highlight in their revenue stream...and off-price is at full margin! If and when we do have the inevitable and cyclical downturn in the economy, it will of course become a hay day for the Nordstrom Rack and 99 Cents Only stores of the world. Off-price, restaurants and entertainment with the right experience will fill much of the excess space coming.

There are those that see a downturn around every corner. However, it looks strong to me. Whether the economy just keeps chugging along at its relatively slow but steady pace or we end up having another downturn, I believe that for tenants who remain flexible and opportunistic and continue giving consumers the experience they demand, the coming years should be as rewarding as the last...especially for all of my current and future clients!

While the experts say that it has been a somewhat anemic recovery since the great recession, unemployment is still at record lows, no inflation is in sight and Wall Street is breaking 22,000. That said, it does not feel like a bubble. From my perspective, it has been a slow but steady rise from the ashes of 2009 and 2010 with retail remaining, at least in San Diego, a positive light.

My point in all of this is that the doom and gloom reports about retail are missing the point. The retail of old may be dying, but going forward will be just as exciting a time as the past. There is always going to be space to fill and dynamic entrepreneurs ready to fill it. And the good brokers will be there facilitating the process as always. To me, the future continues to hold tremendous opportunity!