

Experts at ICSC's RECon Say It's All About Fitness, Beauty, Food and Service

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LAS VEGAS—GlobeSt.com caught up Monday evening of ICSC RECon's event with Donahue Schriber Realty Group at the Mandarin Bar at the Mandarin Oriental hotel. The firm tells GlobeSt.com that the fundamentals in retail remain strong.

"Donahue Schriber is very pleased with the continued activity that we see in the sectors where we do business: food, fitness, beauty, and service," they tell GlobeSt.com.

Those thoughts also resonated with many other individuals we spoke to at the conference. For example, the Sembler Co. re-shifted its strategy to grocery-anchored centers about five years ago and is experiencing a lot of new activity as a result of the upswing in the sector. The firm's CEO, Ron Wheeler, tells GlobeSt.com that Sembler has nearly 600,000 square feet under development across the Southeast with strong growth in the grocery-anchored sector accounting for the majority of development.

Wheeler says that in an era in which online retailing is expanding, grocery shoppers still prefer the 'in-store experience' "The vast majority of shoppers in the US buy their groceries in stores," he tells GlobeSt.com. "The shops surrounding these stores are heavily trending to tenants who provide an experience you can't get on line. The majority of this space is increasingly concentrated in the health and wellness, beauty, and fitness areas, with restaurants also being in strong demand."

And Joel Murphy, co-founder, president and CEO of New Market Properties LLC, tells GlobeSt.com that the only thing static about retail is change, and it will continue to evolve as it has for the last 40 years. The difference now, he says, is the significantly quickened pace of change.

"There have always been winners and losers in retail," says Murphy. "So, while a significant number of store closings have been announced and a historically high number of retail bankruptcies have been filed thus far in 2017, there are also terrific stories of retail success in comp store sales and announced openings from some established and emerging retailers."

His company's strategy is to invest in necessity-based providers, but he adds that they aren't sticking their heads in the sand with respect to what's happening with online commerce. "Store pickup and home delivery options provided by trusted brands in the traditional brick and mortar grocer segment provide a freshness and trust factor that e-commerce can't match. Brick and mortar grocers also benefit from having an established distribution network within two to three miles of their customers' homes and they are evolving to meet this opportunity."

He also reiterated that he too is seeing a rise in other necessity-based tenants from sectors like service, restaurants, healthcare, and fitness. "These categories, along with grocery, are largely internet-resistant. You can't get your haircut on the internet."