

“RETAIL 2.1”: THE SUSTAINABILITY OF RETAIL’S REAL ESTATE IN THE POST-PANDEMIC AGE

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The Retail sector has certainly gone through one of the most challenging periods of the last decades, and it is unquestionable that the COVID-19 pandemic has completely revolutionized and transformed the vision on how goods and services can be sold at commercial spaces, in a future that already started yesterday.

We have witnessed the advent of online sales, *home delivery*, *click & collect*, *try-before-you-buy* *virtual reality technology* and the total reinvention in the methods of buying, selling and accessing goods and products, with the entire Retail sector being forced to join the e-commerce model and adapt their business models to the “*outstanding new world*” in which we have all, without exception, come to live.



For more than a year, between closures and social distancing, cyber reality reigned and became a key-factor for the whole Retail sector, which created a new updated version of itself, that some call as the “*Retail 2.1*” model, a new concept of sale adapted to the new consumers generated by the lock-downs and pandemic crisis.

This new model provided different things. It needs to be more technological and the digitalization must also be felt in the commercial spaces; it surely has to be more sustain-

able, providing shopping experiences in an ecologically friendly commercial spaces; must be more experimental and sensorial, so that going out to shop goes beyond the act of buying; more comfortable and convenient, so that the act of purchase of goods in a shop can coexist or even compete with the convenience of, with a simple click in a cell phone, a client being now able to receive what we has chosen, in the comfort of his home, without any people, queues and uncertainty on stock availability that he may occur in a shop.

Given this change in the habits and consumption patterns, a question arises: what impacts does the Retail 2.1. model have on real estate and on the commercial spaces offered to the post-pandemic new generation of consumers?

Globally, Retail real estate in the post-pandemic is being reinvented and transformed, with Retail multinationals - and not only them - rethinking and heavily investing in the adjustment of all their commercial structures to the new *Retail 2.1 model*.

With this evolution, the entire real estate support structure for the retail sector is drastically changing to adapt to a new sales model:

Dozens and dozens of shops are closing, to make room for giant warehouses that support the e-commerce growth, which has reached, in little more than a year, levels that it would surely need more than a decade to reach.

Smaller shops are transformed into larger units and replicas of flagship shops, more comfortable, digital and sensorial. And, certainly, we want fewer cramped spaces, which only offers the essential services and products, also available on any mobile phone, in the palm of a consumer's hand.

The sustainability of Retail's Real Estate in the post-pandemic age requires many material changes:

Retail companies are developing partnerships with *Technology companies* to offer customers the possibility of making digital purchases, at home or in shops with last-mile deliveries in the comfort of their own homes; Walls are being torn down to make some shops larger and emptier, nearly living spaces or experimental areas to have a deeper contact the brand; and others are reduced, to be converted into simple delivery and collection points; And we are witnessing countless alliances between Retail multinationals and *Renewable Energy production companies*, to make shopping centers or shops more ecological, with environmental awareness, supported by green energies.

This transformation will lead to a new kind of new generation shops, many being essentially showrooms, with space and amplitude, where customers will go to have experiences that are not limited to the mere purchase of goods, but to the opportunity to meet with some *"influencer"* that shows up from time to time or even to receive a customized *shopping experience* providing a personalized assistance to the act of buying, in a world where each individual wants to stand out from the masses to distinguish themselves from the visual photocopy seasonally imposed by society trends and social media.

We have witnessed in the past the *industrial revolution* and the *digital revolution*. The process of restructuring Retail's real estate is happening, right now, and has already started several months ago.

This new *commercial revolution* will definitely transform what is - or has to be - a building prepared for the *"Retail 2.1"* sales concept.

Are you ready? ■