



## 'Building projects for tomorrow's shoppers': Talking the future of retail with local firm



Centennial has tapped Chuck Taylor to lead its third-party services division. The Infinite Agency

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Dallas-based Centennial has [launched](#) a third-party services division that will deliver property and asset management, leasing and marketing services on behalf of shopping center owners and investors.

[Chuck Taylor](#) has been tapped to lead the new practice, which is an extension of the real estate investment firm's growth initiative launched last year.

Taylor said the retail industry is a dynamic business going through a continual evolution.

“The COVID-19 (pandemic) has added a whole new degree of complexity and intricacies. We're going to come out the other side and try to figure out where the retail (industry) wants to land and how consumers want to interact with retail,” Taylor said.

Centennial has a national portfolio of shopping, dining, entertainment and mixed-use destinations. The firm has invested in the retail space since 1997 and is focused on shaping the changes within retail by creating a multi-faceted shopping experience.

The firm’s Chief Operating Officer [Whitney Livingston](#) said retail tenants and landlords that survive this crisis are the ones that are willing to innovate, differentiate and adjust with changing consumer behaviors that were already evolving.

“COVID-19 has just accelerated that evolution,” Livingston said.



Centennial Chief Operating Officer Whitney Livingston. SohoStory Photography

The *Dallas Business Journal* spoke with Livingston and Taylor about the new division and the firm’s investment outlook.

**Do you think the retail industry is starting to see the light at the end of the tunnel?**

**[Whitney Livingston](#):** The answer to that question will depend a lot upon what happens with the future spread of COVID-19 and specifically, obviously a vaccine and a medication for treating it.

We knew this industry is overbuilt, 20 percent to 25 percent nationally, and that intersecting with the changing consumer demands really requires retailers to innovate. Those that aren't at the top of their game weren't going to survive. It's almost as if, frankly, COVID-19 has created this expedited version of Darwin’s survival of the fittest theory, specifically for the retail industry.

True innovation and change in how malls or shopping centers are the community gathering places and create spaces for people to come back to and feel safe in, is going to be a game changer. .... In planning those projects holistically, our goal has always been, we need to shrink the interior mall spaces. I mean malls are a million square feet, that's probably (about) 400,000 to 500,000 square feet of small shop space and that's just too much in today's industry. Replacing that interior mall space with gathering places, parks, lifestyle components or grocery stores and fitness, as well as, residences and multifamily or hotels, that really creates that third place — or that community hub — (where) people want to gather. It also gives them reasons to come multiple times a week vs. the traditional (where) someone visits a mall two times a month.

**Chuck Taylor:** We're big believers that humans still want to interact with other human beings. The merchandising has changed dramatically where you might have had 25 apparel shops before, you might have four now. You might have the food and beverage segment used to be 10 to 15 percent, now it's 35 percent to 40 percent. The merchandising has changed dramatically but it goes back to creating the hub of the community and having things like traditional goods, entertainment, lifestyle services, fitness, daily needs, such as grocery and all those kinds of things to where you really become a true community.

### **What are the opportunities that have arisen as a result of this volatility?**

**Livingston:** I think the changes ... are an acceleration of what I think we've all been anticipating would happen over the next five years. ... But I will say at least from an industry (perspective) we will have the majority of the disruption over. And we can start rebuilding and recovering together vs. continuing to see what we've seen over the last 24 months and bankruptcy is happening at a slow pace. ... If we had to find a silver lining, at least as an industry, we can get through the disruption in a faster way.

**Taylor:** I also think there's a tremendous amount of pent-up demand from consumers. People have wanted to go out but they couldn't go out or they wouldn't, or their stores weren't opened, whatever it might be. The places they wanted to frequent were not available.

### **Do you feel like the market volatility that we're experiencing has validated your firm's investment thesis?**

**Livingston:** These malls were built for yesterday's consumers. We're ultimately designing and building projects for tomorrow's shoppers or tomorrow's residents. We've always believed in this concept of building an 18-hour-a-day destination that has multiple day-parts and multiple uses to keep people coming back.

**Taylor:** To the extent that we see what's happening with department stores, for example, (they) will continue to erode over time. So repurposing those spaces into the more relevant mixed-use destinations... It's a matter of what the market demands are, but it may be office, it may be hospitality, could be residential, entertainment, fitness, all those kinds of things and/or some combination thereof.

*This interview was edited for brevity and clarity.*