

Reeling in retail: JLL weighs in on Houston trends



Matt Parsons,
Senior Vice President, JLL

BY BRANDI SMITH

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Gearing up for this May's ICSC RECon, commercial real estate firm JLL told National Real Estate Investor it was sending roughly 300 of its experts to the four-day event in Las Vegas and planned to host more than 7,500 meetings with retailers and investors. The plan is indicative of JLL's effort to stay ahead of the game when it comes to retail development worldwide.

REDNews chatted with Matt Parsons, Senior Vice President within JLL Houston's Retail Services group, to find out what's happening in the Houston market.

REDNews: What got you interested in working in retail brokerage?

Matt Parsons: I had a great relationship with a gentleman who made my introduction to a large national retail landlord. I'd always had an interest in getting into the commercial real estate realm and the group that I joined was very much in a growth mode at the time.

Retail just has that exciting component to it; you're really shaping a market's identity. Also, from the perspective of where I am today, it's just always fun to know what's on the horizon. Sitting at my daughter's soccer games and talking to the other parents, they're always curious. They ask, "What's going on with this development?" and "Who's coming here?" That really is exciting to kind of have the ability to tell your friends and colleagues what's going on in a market and what the new exciting offerings that Houston or a specific sub market may have to offer.

REDNews: Restaurants and development-based clients are predicted to have a big year on a national scale. Do you see the same trends locally?

Parsons: I certainly believe that restaurants will continue to be a very active sector in retail. Looking at Houston specifically, the LA Times recently came out and declared that Houston is now the most diverse market in the United States.

I think that relays into why there's such a variety of restaurant offerings that are coming to the market; you have such a diverse consumer base here that you can really appeal to a large population base of any background to which you'd like to cater.

REDNews: What did you take away from the environment at ICSC in May?

Parsons: The energy there was very vibrant and there was a lot of dealmaking going on. There are a lot of new retailers coming online. There has been a lot of discussion about the big box closings, but I think that what gets lost in translation is that most of the chains that are closing stores have been very much aware that they've had problems for decades. Those problems range from over-expanding to having an aging customer base and not necessarily appealing to the new generation.

I think the retailers that will survive and push forward are those that are very much in tune with who their customer base is and how to appease that customer

base. Those that turn a blind eye to the experience process of retail are going to have problems.

In new modern retail, there's an emphasis on creating a positive customer experience, as well as having a hospitable and knowledgeable employee base that



Photo courtesy Backstreet Cafe

ensures customers both enjoy their visit and leave more informed. I also think that technology is really making an emergence in retail - with retailers and with restaurants. It's really changing the landscape dramatically and I think we'll continue to see technology play a crucial role among retailers and restaurants.

Many of the retailers are actually monitoring every individual who is on their

website. If there is a period of time that passes during which that individual has not made a purchase, the retailer will start live chatting with that customer. That's just incredible. That didn't exist 10 years ago. Having that one-on-one experience with the retailer, both in-store and online, really helps the consumer make a more intelligent or informed purchase.

REDNews: What kinds of projects is JLL working on currently?

Parsons: At the national level of JLL, our focus is staying in front of developers and really making sure that we're aware of what's coming online, from a local market to a national market perspective.

Looking across Houston as a whole, there's a wide variety of developments that are coming online or have recently come online. They range from multi-level urban retail development to suburban grocery-anchored power centers. ■

For more information about JLL projects and tenant representation in Houston, email Matt Parsons at matt.parsons@am.jll.com.