

Retail Insights

4 Things to Know About ICSC Centerbuild 2018

The International Council of Shopping Center's (ICSC's) annual CenterBuild Conference was held in late 2018 at the Arizona Biltmore in Phoenix. This is the go-to symposium for retail design and construction professionals including developers, landlords, retailers, architects, engineers and specialty consultants. From Hixson's observations, the four key industry insights from the conference were:

- 1. Vacated Big Box Stores.** Many big-box retailers are reducing their store counts including Sears, JCP, Macy's, and others. Developers are challenged with the decision to re-purpose these buildings or demo and replace with new construction. This capital investment pays dividends in the form of increased rents from new tenants.
- 2. Evolving Tenant Mix.** One way that retail developers and operators continue to deal with the vacated boxes is to backfill with experience-based tenants. Theaters, gaming, fitness, food and beverage and other entertainment spaces are drawing new and different crowds to the traditional retail environment while satisfying the customers increasing demand for social experiences.
- 3. Community Gathering.** In addition to adding in experiences, today's retail environments are incorporating community gathering places to allow patrons another means to provide social experiences to customers. [Westfield's Century City Mall](#) is an example of a retail destination that reinvented itself to include multiple community gathering spaces, ranging from a sophisticated concert venue to small gathering spaces like cabanas, large swings and fire-pits.
- 4. Densification.** Beyond shopping and dining, densification is the next major frontier for shopping center owners. Adding residential, office and/or hotels to a property increases density and provides additional and more diverse revenue streams and traffic.



As we noted from last year's conference recap, retail is far from being dead or dying. Instead, the movements we continue to see, like those noted above, demonstrate that retail is undergoing a rapid and substantial evolution to a more diverse, dense, and experiential tenant mix.

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