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Retail will prevail - by Carol Todreas

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Retail will prevail—as has happened throughout history. There will be stores. How many and what kind are the questions. Before Covid-19 we were going through a harsh transition of mall and store closures for a variety of reasons from too much retail per capita to too many old stores, to changing lifestyles and demographics to the convenience of e-commerce and so on. But right now we face far more difficult issues, namely fear, uncertainty, and economic collapse.

What can be expected as the country moves gradually to return to a place where consumers are able to visit stores ?

Given these weeks of quarantine , what is most essential to get the ball rolling? For starters: Lease assistance and consumer safety.

From the pre-covid-19 era, rents and leases need to change to reflect the new economy. Landlords and tenants will have to be working together. Mostly landlords will need to do as much as is possible to keep worthy tenants even if they can no longer pay rents at the pre-virus level. There will be fewer retail tenants in the pool, and no one willing to pay pre-pandemic rents. Landlords should above all consider rent as percentage of sales for a given period and lease terms should be shorter than in pre-covid times. We are in transition and will be so for at least the next 30 months.

The other essential hurdle to overcome is how to make consumers feel safe while in stores and in public places. This will be an on-going and evolving situation for managers, store owners, landlords, and city officials. There will be continual updating of products for hygiene from new and powerful disinfectant sprays and wipes with more information available as to how long the virus is potent in the air, on surfaces, and on people. There will be innovations in masks, gloves, and other protective gear, all of which may be used by retailers as well as on shoppers. Managing social distances in stores and having open space with easy circulation will also be key to consumers perceptions of a clean and safe environment for shopping.

This is an opportunity to rethink well-located shopping centers and malls. The need for straightforward well-curated stores in a structured environment has never been as important as now. When shoppers venture out, they will gravitate to a place that exudes cleanliness and open space. This is the time for innovating interiors with new materials, natural light, open circulation patterns, outdoor parks with recreational spaces, community and entertainment spaces, and local tenants.

We are in a new era. We know that people still want to be and to mingle with others in stores, restaurants, theaters, and other entertainment venues. The challenge is to create a new sense of place with an environment that is, and is perceived to be, right-sized, pleasing, safe and sustainable.

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