

COVID-19

Owner insights: Navigating retail centers responses

The last few weeks have been a blur since a cloud of uncertainty landed on the U.S. economy and nobody could have a conversation about it without using the word “unprecedented” at least 15 times. It seemed like every municipality, chamber of commerce and landlord in the country was left scurrying to be the first to provide the inside track to what was sure to be the golden ticket of pandemic survival: the government subsidy.

It became clear early in the pandemic that with so many unknowns, a ramp-up of gathering, organizing and dissemination of operational and economic information would be crucial in the coming months. With the expectation that rent modification requests would be coming, we quickly developed tracking mechanisms to better understand which tenants were closing or modifying hours, and to what extent their sales and overall financials might be impacted. A large component of working with tenants through these turbulent financial times is making sure they have access to valuable capital and grant resources like the new Coronavirus Aid, Relief, and Economic Security Act’s Paycheck Protection Program.

We sent tenants email updates on these programs or hosted digital meetings to help guide them through this process. We even created a resource portal and produced videos outlining the programs and the step-by-step process to apply. We hired consultants and found



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banks willing to work with our merchants to help them avoid getting put in line at big banks that may have prioritized larger customer applications to the Small Business Administration. As of the beginning of May, the second round of PPP funding has not yet been exhausted and over two-thirds of our eligible tenants have applied for this forgivable loan program (and many have started to see funding come in over the last few weeks).

Most tenants and landlords now will have charted out a near-term plan through the closure period. It is critical that businesses reopen successfully. We created a “re-opening committee” weeks before reopening dates were announced to proactively provide a one-stop resource to connect each tenant with the feedback and assistance they need. Some key reopening components include:

- Providing handwashing stations, regular site cleaning and on-site support for merchants to be sure customers and employees feel they are arriving in a clean, safe environment;
- Providing tenants with resources to create new signage where needed;
- Facilitating the creation of customer pickup zones in the shopping centers;
- Providing marketing staff or



NewMark Merrill Cos. kicked off its “Wave of Kindness” program by working with its grocery partners to give over \$14,000 in groceries to families as they checked out. At the Sam’s Club in Village at the Peaks in Longmont, the company surprised customers at the special senior curbside concierge service.

consultants to help mom-and-pop tenants with customer messaging through email, review sites, digital marketing on electronic signs and social media;

- Providing an emergency backup supply of masks; and
- Keeping tenants apprised of new and ongoing local subsidy programs and operating requirements so they are in compliance.

By the time you read this, many shopping centers and tenants will be in the early phases of reopening with limited capacity and other restrictions. This large-scale reopening of retailing with a wide variety of variations between jurisdictions is unprecedented too, but it’s a good thing nonetheless. With any luck, Americans will be tired of being penned up for so long. We will all be showing up on Instagram and Facebook behind our latest designer face mask.

Higher sales volumes are what our communities and centers most need to regain their footing and prosper again. Owners who partner with their tenants now have an amazing opportunity to build deeper, better long-term relationships with them for the future. ▲

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