

Why the Open-Air, Grocery Anchored Shopping Center May Thrive



The coronavirus has turned the world of CRE upside down. Nearly every sector has been disrupted (or stimulated, in the case of industrial) by the pandemic's far-reaching effects.

New trends are being put into place, consumer demands took a 90-degree turn, and new approaches to business are coming into the light. Everyone's wondering what exactly is going to come next - and what that will mean for the commercial industry as a whole.

Retail in a Post-COVID World

We're seeing this come into play through the retail arena - one of CRE's most turbulent sectors for the past few years, thanks to e-commerce related challenges. The industry has been mourning the fall-out-of-favor of the classic American shopping mall and has long been searching for a high-traffic replacement.

And, surprisingly, it may have been found in a place no one ever expected to look... the other side of COVID.

While only time will tell, the open-air, grocery anchored shopping center may thrive in the post-pandemic market. Here's a look at why:

Socially Distant and Safe

The most appealing part of this specific shopping center is the outdoor quality. In a time where social-distancing concerns are at a high point, there's no better way to quell the anxiety than with constant fresh air.

Outdoor malls take the anxiety out of going into public places because air isn't stagnant, germs aren't settling, and movement is everywhere. While personal protective equipment, such as masks and gloves, are still needed, the outdoor element puts some much-needed space between visitors.

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Essentials Only, Please

The second element of the open-air grocery anchored shopping center is that it's rooted in an essential business. Grocery stores thrived throughout the pandemic, where demand constantly outweighed the supply.

Having the shopping center rooted in a promising business is key for staying afloat in the post-COVID world. While other types of retail and small businesses couldn't keep up their momentum, the grocery store reigned supreme.

Because of their super-hero efforts, grocers proved themselves to be worth the public's trust. A recent survey shows that 54% of shoppers said they feel safest from COVID-19 when shopping in grocery stores. At a time when consumer trust isn't easily gained, this is the most valuable business-boosting asset - and the grocery store legacy has it.

Falling in Favor with Investors

Property owners and investors will be looking for exactly this kind of asset - one that is sure to stay strong during even the worst of times, yields massive returns consistently, and is deemed an essential business during closures.

As talks of a potential second wave of COVID come in the autumn season, everyone is trying to get their assets in line to be prepared for anything. If the first wave taught the business world anything, it's to prepare for the worst, hope for the best, and wait it out.

Could this be the next best thing to happen to CRE's retail industry? It certainly may be.

It's all still too soon to truly tell, but this shopping center seems to hold immense value for brick-and-mortar retail real estate.

