



**OPEN-AIR SHOPPING CENTERS HAVE FEWER COVID RESTRICTIONS
COMPARED TO MALLS, OPEN-AIR SHOPPING CENTERS ARE BETTER
POSITIONED TO SURVIVE THE PANDEMIC BECAUSE THEY HAVE FEWER
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By **Kelsi Maree Borland**

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Open-air shopping centers are better positioned to survive the pandemic, particularly compared to malls, because they have fewer restrictions in relation to the coronavirus outbreak. Outdoor spaces—including dining and shopping—are considered safer than indoor spaces in contracting the virus, and as a result, open-air shopping centers have more flexibility to accommodate customers.

“Due to their nature, open-air shopping centers tend to have more exterior common, gathering, communal and/or open areas available within their boundaries,” **Scott Grossfeld**, a partner at **Cox, Castle & Nicholson**, tells GlobeSt.com. “Therefore, in circumstances in which state and local governments prohibit or restrict the operation of in-store retail and/or restaurant operations, the landlords of open-air shopping centers are able to provide more alternatives than enclosed malls for exterior operations.”

Indoor malls, on the other hand, are more restricted and considered higher risk in contracting the virus. “In jurisdictions with more restrictive COVID regulations, most enclosed malls are still prohibited or significantly restricted from permitting in-store shopping,” says Grossfeld. “This is mostly due to governmental efforts to limit crowding within interior locations and the inability to control excessive occupancy and gathering in enclosed shopping centers.”

While some assets are better positioned to handle the impact of the coronavirus pandemic, the entire retail sector has been significantly impacted by this public health crisis. “Stay at home orders and similar governmental regulations have affected the industry in many ways,” says Grossfeld. “In the beginning, governmental orders required non-essential businesses to cease operations to varying degrees. Some orders required—and continue to require—certain

businesses and shopping centers to remain closed for interior customer use. Some regulations, over time, loosened to the point that businesses, especially restaurants, were permitted to open and operate by serving customers outside, in patio areas or other temporary exterior serving areas.”

While outdoor activities were the first to relax, other regulations have also eased. “Other regulations and orders evolved to permit the gradual re-opening of stores, including by permitting in-store customer occupancy, subject to limits and conditions aimed at controlling acceptable and agreed-upon risk levels to prevent the spread of the virus,” says Grossfeld.

These regulations are largely based on geographic location and the severity of the outbreak in the area. “Based on our observations, we have found that the degree of the relaxation of the original retail store closure orders largely depends upon the location of the particular centers/projects,” says Grossfeld. “As cases declined in certain states and counties, rules and regulations changed and relaxed accordingly. In addition, stores in open-air shopping centers seem to have an advantage over those in enclosed malls, because many jurisdictions allow stores in open-air centers to conduct limited in-store business, while enclosed malls are still largely prohibited from opening for regular customer use.”