**IMPACTS OF COVID-19 ON THE RETAIL PROPERTY SECTOR**

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Retail property entails establishments used solely commercially rather than for the production and manufacturing of goods and services. The sale and purchase of goods and services occur in designated buildings as shops, malls, and shopping centers. Retail property often is rented, leased, and rarely is owned by the retailer. During the covid-19 pandemic, the retail sector suffered significant shortcomings due to reduced traffic measures and the lockdown of important cities.

The COVID-19 pandemic's influence on the retail business has been a worldwide phenomenon. The coronavirus countermeasures have dramatically impacted the worldwide economy by the public health sector. But, bearing in mind that the retail sales development had previously slowed even before the virus's spread (between 2019 and 2020), the industry felt the impacts more than the most. The retail business has mainly been influenced by the implementation of tight limitations and social distance that has brought changes in the commodities we purchase and how we purchase them, for certain sections of retail holding up poorly than the others.

A period of time since the corona epidemic, several nations are progressively removing the restrictions that enforced closures of non-essential shops, clubs, and venues, as well as a prohibition on big public meetings. As a result, specific industries have grown, with significant gains in consumer goods sales recorded in hard-hit nations such as Italy, United States, the United Kingdom, and Germany (Rudan, 2021). This rise is because food stores have stayed open, and people appear to be storing up on particular items and supplies.

Coronavirus, spread across the world, has substantially influenced the accessibility of logistical services and marketers, product demand, and consumer behavior. The significant financial impacts of covid-19 on the retail property sector could be outlined as follows.

**Derailment in rent income**

Covid-19 surge on the economy reduced the purchasing power of many customers, reduced the number of customers who can access the retailers' premises such as supermarkets and malls due to limitations in the physical contact. The effect of reduced clientele for the retail business has led to decreased income generated by the retailers. Large retail enterprises pay huge rents to their landlords. Retailers who initially had good records of clearing their rent dues on time had to struggle during the pandemic. The rent had to be waived, paid in installments, and there were cases where the retailers were utterly unable to pay and had to shut down due to bill pressure (Teixeira, 2021).

**Change from stationary retailing to mobile retail**

Covid-19 influenced the flexibility of people to shop in retail establishments. Many retailers shifted their services from commercial establishments, which were more expensive in terms of rent, to remote warehouses where distribution could take place, delivering goods and services to consumers (VPG Bretas, 2021). Retail properties located in commercial towns suffered huge vacancies due to business relocation to escape high rent accumulation. The retailers realizing the risk of reduced business had to invest in other sales methods than sit and wait for an approach.

**Closure of business enterprise and deployment of staff**

Retail businesses that rely on offshore visitors, the tourism industry suffered significantly during the pandemic. There was a reduced number of tourists and close to no foreign visitors due to the immigration ban. Retailers that provide services such as hotel and catering, tourist guides, and transporters were left out of business (SI Ocheni, 2020). There were active cases of hotels closing down and transforming to provide different services. The enterprises could hardly raise enough rent, neither could they pay essential bills. The landlords of such retailers had to make agreements of rent waivers and reliefs.

**Failure to meet banking obligations**

During the pandemic, rent dues, and unpredictable payment criteria by the tenants due to hardships caused by reduced business transactions and economic recession, many landlords have been unable to pay their rights to the banks (Watkins, 2021). Many landlords set up their rental establishment through facilitation from financiers that include banks. However, the government, through their institutions, has advised bankers to re-negotiate terms with the loaners. The continued surge of the pandemic left some landlords with the reality that the rent due could not be recovered until the pandemic subsided.

Despite the financial implications, COVID-19 had several operational impacts on the retail property sector. Operational effects primarily capitalize on the organization's procedures and several employees (A Nanda, 2021). Covid-19 pandemic led to a severe business slowdown in all retail outlets due to reduced cash flow and consumer price index. Various retailers had to take measures to reduce costs which included employees' lay-offs. Costs associated with business operations such as rent had to be derived from other means, and workers had to be released.

Covid-19 protocol insisted on adequate space to reduce physical contact of people at any particular point. The majority of retail establishments such as supermarkets and malls host many people, and thus the management had to expand their spaces by renting out more. Though necessary to prevent the spread of the pandemic, these extra costs had a slight advantage to the retailers other than added rent due. A smaller number of customers were required to occupy an expanded retail establishment, which was purely not economical.

There has been massive use of handwashing equipment and detergents to curb the spread of covid-19. Retailers have been pressured to use handwashing areas and provide thermo-guns and hand sanitizers as part of the pandemic protocol. The acquisition of these necessities cost the retailers' resources and human resources that could have been deployed in other business expenses.

Looking into the future of the retail property sector, its quality will continue to be considered in the market facilitated by factors such as location advantage, availability of space, and customer satisfaction (S Carson, 2020). Tenants and landlords could most likely make emergency agreements that would apply in cases where unforeseen circumstances such as COVID 19 emerge. Moreover, retailers would adopt other methods of selling goods and services to mobile markets via various available platforms that would reduce in-person buying and selling, which increases customer reachability and income.

In conclusion, COVID 19 wholesomely impacted the global economy and crippled many retail establishments in various parts of the world. The retail property sector suffered the most harm due to economic sluggishness caused by a reduced flow of capital, unemployment, and inflation. Tenants and landlords in the retail property sector had rough financial interactions since both parties had their source of income undermined interchangeably. However, the effects of COVID 19 cannot entirely be adverse since learning has taken place in the retail property sector. Retailers, business owners, and managers have discovered other operational procedures during emergencies; landlords and property owners have had to re-negotiate agreements with financiers and tenants. Therefore, the future of the retail property sector is guaranteed to remain valuable and promising to existing and upcoming investors.

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