Retail’s digital transformation will create a wave of tenant bankruptcies and mall store closures

Structural shifts are accelerating for retail mall landlords and emerging as a potential threat to business travel, posing more protracted risks for these sectors. COVID-19 will weigh on senior housing occupancy until a vaccine is rolled out.

Outlook Drivers

**RETAIL**
Digital transformation of the retail sector will lead to a wave of tenant bankruptcies and mall store closures

**LODGING**
Weak macro climate and influence on business and consumer spending poses risks for lodging

**SENIOR HOUSING**
Margins are under significant pressure until occupancy rebounds

**3Q20 ROI**
- Retail online sales up 37%
- Retail brick and mortar sales down 3%
- Lodging EBITDA down 85-90%
- Senior housing occupancy down 5.8%

**Moody’s projects online sales will approximately double**

**Source:** US Department of Commerce, STR, Inc., National Investment Center