



Long Island's mall industry sees rise of open-air shopping in push to survive

People stroll the The Shops at Sun Vet in Holbrook in April. Some Long Island malls are moving to open-air concepts and adding experience-based tenants that can't be replicated online. ■ Video: [newsday.tv](https://www.newsday.tv)

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When it comes to shopping malls, it's a case of survival of the fittest.

For decades, shopping, eating or just hanging out at enclosed malls was a common pastime on Long Island — and across America. But a shift in con-

sumer habits over the last 20 years, exacerbated by the COVID-19 pandemic, changed that, forcing operators to revamp retail spaces to appeal to new shoppers.

"Malls aren't dying, but they're splitting sort of into winners and losers," said David Penetta, executive managing director in the Melville office of real

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estate firm Cushman & Wakefield.

While malls in general are doing well now, as seen in the higher-end players, like Roosevelt Field in Uniondale, the remaining struggling or "tired" properties are being revamped

with open-air layouts or diversified tenant lineups — including the addition of medical offices, supermarkets and sit-down restaurants — that lean more upscale, experts said.

That trend is playing out on Long Island, from Green Acres Mall in Valley Stream to The Shops on Broadway, formerly Broadway Commons, in

Hicksville, from Sunrise Mall in Massapequa to the recently revamped Shops at SunVet, formerly Sun Vet Mall, in Holbrook.

Last year, Long Island's mall occupancy rate, 87%, was average among the top 50 mall markets in the United States, ac-

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LI MALLS TRANSFORM TO SURVIVE



Shown is a rendering of how The Shops on Broadway in Hicksville would look after part of the enclosed mall is redeveloped as an open-air shopping center.

MALLS from A29

cording to a January report from Green Street, a Newport Beach, California-based real estate information provider.

But the number of enclosed malls is on the decline.

There are about 1,100 enclosed shopping malls in America, including eight on Long Island, according to CoStar, an Arlington, Virginia-based provider of commercial real estate information. That is down 27% from the approximately 1,500 enclosed malls that existed about 25 years ago. Several of the mall redevelopments underway or planned on Long Island are aimed at transforming some of the properties into open-air shopping centers — which is what some of them were when they originally opened 50 to 70 years ago — in effort to draw more foot traffic back to the properties and boost overall sales.

“During the early stage of U.S. suburbanization, strip centers were the initial ‘mall’ structure. It wasn’t until the 1960s that the indoor mall began to take precedence,” said Thomas LaSalvia, head of commercial real estate economics at Moody’s Analytics, a financial intelligence provider in Manhattan.

Shopping centers originally were enclosed because retailers wanted to enhance shoppers’ comfort and extend the time they spent in malls, at a time when shopping trips took longer, department stores were the dominant anchors and suburban destinations replaced downtowns, David Caputo, a data scientist at Moody’s, said

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in an email.

Today, “the average shopping trip is shorter and department stores aren’t as dominant, so the shift back toward open-air formats reflects how retail has evolved,” he said, adding that open-air shopping centers also are cheaper to operate, more flexible and better suited for frequent visits and quick errands.

Changing demographics

Changing shopper demographics, including a boost in Gen Z shoppers — people born between 1997 and 2012 — is helping malls turn a corner, experts said.

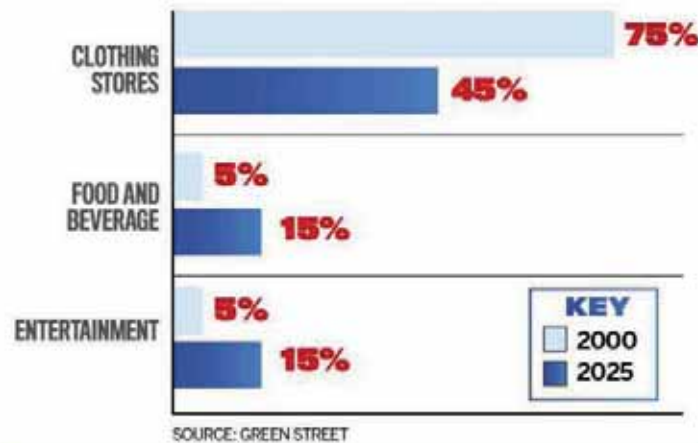
Among Americans, 55% of those 18 to 34 years old say they shop at malls, compared with 42% of those 35 to 54 and just 24% of those at least 55 years old, according to Paris-based market research firm Ipsos’ poll of 1,082 U.S. adults in April.

Young shoppers value social experiences more than the physical possessions that in-person shopping provides, Lea Grgich, research analyst at the Washington, D.C.-based National Retail Federation, said in an email.

“For Gen Z, shopping is a genuinely fun experience. While digital channels come naturally to this generation, they still show a strong preference for in-store shopping. Gen Z is more likely than average to seek out

SHIFTING FOCUS

Malls have seen a rise in entertainment and food options over the past 25 years.



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— David Pennetta, Cushman & Wakefield.

new stores and say it’s worth traveling an hour or more to shop at their favorite retailers in-person,” she said.

Another factor behind the shift is that owners of high-end centers can afford to invest more money into changing the mall’s landscape, adding more restaurants, luxury stores and

experiential tenants, such as rock-climbing and ax-throwing venues, which is helping to drive foot traffic back, said Brandon Svec, national director of U.S. retail analytics at CoStar.

Transforming the landscape

One of the Long Island malls slated to head back to its open-air roots, at least partially, is The Shops on Broadway. The Hicksville property, formerly known as Broadway Commons, originated as an open-air shopping center called Mid-Island Shopping Plaza in 1956. Now, it’s a shadow of what it used to be, with many tenant spaces vacant. Large stores that have closed in the past several years include Macy’s in 2020, a 17,000-square-foot Old Navy in 2023, and a movie theater, Show-

case Cinema de Lux Broadway, in January 2025.

Not only did the mall suffer from years of neglect before it was sold in 2024 to K/BTF Broadway for \$40 million, but also the concept of the enclosed shopping mall in general “has become somewhat obsolete,” said Scott Burman, founder of Jericho-based Burman Real Estate, which is a member of the ownership group that plans to redevelop part of the mall.

“Consumers tend to prefer outdoor centers, a trend that’s been going on really since COVID,” he said.

The mall’s foot traffic declined 16.6% over the year that ended March 31, 22.9% over a two-year period and 22.7% over a three-year period, according to real estate firm JLL’s analysis of data from Placer.ai, a Covina, California-based firm that analyzes location data from mobile devices.

In an effort to rebrand the mall as a destination “where people can come and spend the day,” said Burman, current owner K/BTF Broadway is seeking approval from the Town of Oyster Bay to convert some of the property back into an open-air concept. The \$175 million project calls for the establishment of an entertainment hub called The District, which would include the existing Roundl Bowling & Amusement and a new 70,000-square-foot, three-story building for restaurants.

Also, a BJ’s Wholesale Club would be added to a new free-standing, 105,000-square-foot building and have a gas station and electric vehicle charging sta-



Jon Cohen, VP at Blumenfeld Development Group, said the open-air concept helps draw a better mix of tenants to The Shops at SunVet.

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— Scott Burman, founder of Jericho-based Burman Real Estate



The Shops at SunVet property was nearly vacant when it was previously an enclosed shopping mall.

tions, according to the site plan. K/BTF hopes to receive building approval from the town this year in order to start construction by late 2026 and finish the project by 2028, said Bram D. Weber, an attorney with the Weber Law Group LLP in Melville who represents the mall's ownership.

Driving open-air results

The transformation of the nearly vacant, enclosed Sun Vet Mall to an open-air shopping center recently has helped to draw a better mix of tenants, including a Whole Foods Market

that opened in March, said Jon Cohen, a principal at Blumenfeld Development Group Ltd., a Syosset based real estate firm that signed a 99-year ground lease with the mall's owner, Marvin L. Lindner Associates LLC, in 2022 with plans to redevelop the property.

Built in 1973 at 5801 Sunrise Hwy., the once-bustling mall had been losing tenants for years before the redevelopment started at the 18-acre site in 2023.

Two major anchors — a Toys R Us store and a Pathmark supermarket — closed after their

LONG ISLAND'S MALL OCCUPANCY RATE 2025
87%

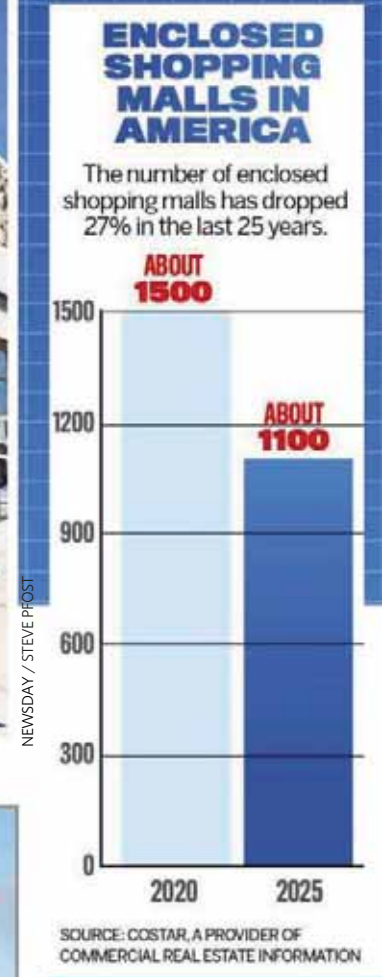
parent companies filed for bankruptcy protection in 2017 and 2015, respectively.

Not only was Sun Vet Mall one-third the size of a conventional mall, but also its smaller, interior tenants had not been fully benefiting from cross-

shopping from the anchors — customers going to Pathmark and Toys R Us, Cohen said.

"So, that mall was in dire need of being transitioned from an enclosed mall to a traditional power shopping center with . . . all retailers having direct access from the outside," he said.

To redevelop the mall, Blumenfeld partnered with Regency Centers Corp., a Jacksonville, Florida-based real estate investment trust that led the \$93 million project. The redevelopment reduced the size of the mall's retail space by 40%



to 169,628 square feet spread across seven buildings at the property now known as The Shops at SunVet.

New tenants include Nordstrom Rack, cosmetics store Sephora, fast-casual eatery Wonder, Hand & Stone Massage & Facial Spa, Teachers Federal Credit Union, Wells Fargo Bank, Starbucks, Aspen Dental and golf shop Club Champion.

Some mall owners are betting more on open-air shopping concepts than they have in the past.

Over in Lake Grove, Smith Haven Mall introduced an open-air area called the Lifestyle Courtyard in 2006-2007.

The mall's owner, Indianapolis-based Simon Property Group, which also owns Roosevelt Field and Walt Whitman Shops, now is renovating Smith Haven with a multimillion-dollar project that includes putting more focus on that area by turning an outdoor plaza.

"The current project will reimagine this space as a more active and vibrant destination, featuring outdoor lounge furniture, game areas, and cabana-

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LI BUSINESS

LI MALLS CHANGE, ADAPT

MALLS from A31

style seating with café tables and umbrellas," a Simon spokeswoman said in an email.

Making the grade

Mall landlords are trying to bring in higher-end tenants because higher-rated properties, where luxury stores tend to be located, are performing better than midtier malls.

Malls are classified by grades ranging from A++ to D based on several factors, including the quality of their tenants, number of vacancies, sales per square foot, locations, community demographics and condition of the properties.

On Long Island, the top ratings have been assigned to Roosevelt Field, which is rated A++; Walt Whitman Shops in Huntington and Green Acres Mall, both A+; and Smith Haven Mall in Lake Grove, A, according to Green Street.

The Shops on Broadway is rated B+; followed by South Shore Mall in Bay Shore, B-; and Samanea New York in Westbury, C+. Sunrise Mall, which is vacant, has a D grade.

Landlords' net income from class A or higher malls now is about 10% higher, on average, than it was before the COVID-19 pandemic, according to Green Street.

This is happening even as

MAKING THE GRADE

Malls are classified by grades ranging from A++ to D based on several factors, including the quality of their tenants, number of vacancies, sales per square foot, locations, community demographics and condition of the properties.

On Long Island, the ratings have been assigned to:

Roosevelt Field	A++
Walt Whitman Shops	A+
Green Acres Mall	A+
Smith Haven Mall	A
The Shops on Broadway	B+
South Shore Mall	B-
Samanea New York	C+

SOURCE: GREEN STREET

more budget-conscious consumers head to discounters, such as off-price retailers TJ Maxx and Burlington, amid concerns about rising food, housing and gas costs.

"While the financial health of average consumers is shaky, higher-income shoppers, the core demographic for 'A' malls,

are doing well and have benefited from a rising stock market, which has supported discretionary spending patterns," the Green Street report said.

Not only is the occupancy rate for class A malls near all-time highs, 97.7%, last year, but it also has risen annually for the last three years. Meanwhile, occupancy fell to 92.6% at B malls and 82.1% at C malls last year.

Also, foot traffic at A malls held steady last year, but it is still 3% below the 2019 pre-pandemic level. But at lower-tier malls, foot traffic is still falling, and now is 11% below 2019 at B malls and 20% below at C malls.

However, foot traffic at strip centers rose 1% last year and is up 4% from 2019.

About 80% of malls' income is generated from rent from in-line tenants, which are typically the stores in the corridors between the anchors, which have traditionally been department stores, Green Street reported.

Long Islands' malls also draw on strengths from other assets.

Among the top mall 50 markets ranked by trade area power, which is Green Street's ranking of properties' trade areas within a 3-mile radius based on factors, such as population density and residents' incomes and education levels, Long Island, Denver and Charlotte, North Carolina are tied



THOMAS HENGGE

Smith Haven Mall in Lake Grove introduced an open-air area in 2006-2007, and its latest renovation expands on that plan.

for fourth place.

Moving beyond retail

While efforts are being made to transform some malls into open-air centers, some properties are opening their vacant retail space to nonstore tenants — or completely leaving retail behind.

In the early 2000, 75% of malls' tenants were clothing stores, while 5% were food and beverage businesses and 5% were entertainment tenants, according to the Green Street re-

port.

Now, 45% of tenants are clothing stores, while food/beverage and entertainment tenants each account for 15%.

At Smith Haven Mall in Lake Grove, an outpatient care facility, Stony Brook Advanced Specialty Care at Lake Grove, opened in a former Sears space in the mall in July 2023 and is in the planning stage to move into the former Sears Automotive Center.

"At the end of the current phase (phase 4), which will be complete in spring 2027, we will have occupied 98% of the 170,000 square feet space in the main building," Sharon Meister, assistant vice president of facilities planning and design at Stony Brook Medicine, said in an email.

In Massapequa, an Amazon warehouse and distribution center has been proposed for part of the site of Sunrise Mall, a long-struggling property that lost its last tenant, Dick's Sporting Goods, this month, after the landlord negotiated the termination of a lease.

The Amazon facility is proposed for a 26.7-acre portion of the mall property that the Seattle-based e-commerce giant intends to buy.

The mall's owner, Sunrise Mall Holdings LLC, a joint venture that bought the 77-acre property in 2020, is awaiting building approvals from the Town of Oyster Bay.



NEIL MILLER

Sunrise Mall in Massapequa is vacant and may become an Amazon warehouse and distribution center.