

Economic Disaster Management Impact Towards Retail Property: Boycott Movement

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Abstract

This study investigates the impact of economic disasters, specifically boycott movements, on the retail property sector in Malaysia, with a focus on commercial real estate such as fast-food outlets. The increasing prevalence of socio-political consumer actions, such as the boycott of businesses associated with Israeli-linked products, has led to widespread disruptions across Malaysia's food and beverage industry, exemplified by the temporary closure of over 100 KFC outlets. Drawing from qualitative data collected through interviews with six real estate agents and two property owners, this research explores how economic disasters influence rental income, tenant stability, property values, and stakeholder decision-making. Thematic analysis identified four major impact areas: economic performance, occupancy and tenant dynamics, property value and market perception, and socio-psychological effects. Findings indicate a significant decline in occupancy rates and rental income, rising investor uncertainty, and shifts in consumer preferences towards local brands. Property owners adopted mitigation strategies such as rent reductions, flexible leasing, and portfolio diversification. The study highlights the interconnected challenges faced by stakeholders during economic disruptions and calls for the integration of resilient property management practices, stakeholder engagement, and adaptive business strategies to enhance the sector's long-term sustainability and disaster preparedness.

1. Introduction

The study of economic disasters and their implications for the retail property sector, including the impact of boycotts on the commercial real estate market, has become increasingly significant due to the rising frequency and influence of economic disruptions in recent years. Malaysia's retail property market confronts substantial challenges linked to economic disasters, necessitating robust risk mitigation strategies and sustainable management practices to enhance long-term resilience (Nawi, 2017). Furthermore, collaborative efforts in economic disaster management within Malaysia are often constrained by structural barriers, including hierarchical organisational frameworks and status-based perceptions that hinder effective cross-sectoral coordination during crises (Lee, 2009). Addressing these limitations requires a comprehensive approach integrating proactive disaster management strategies, enhanced stakeholder collaboration, and sustainable property management frameworks to safeguard retail properties from the multifaceted risks associated with economic disasters.

As a specific form of economic disruption, boycotts have demonstrated significant ramifications for the retail property market. Reuters (2024) highlights the adverse effects of boycotts targeting businesses associated with Israeli products. The food and beverage (F&B) industry in Malaysia has been notably affected, with reports indicating severe operational disruptions in commercial properties, including a KFC outlet in Kota Bharu, Kelantan (Kho, 2024). The impact of boycotts underscores the critical need for adaptive economic disaster management strategies that account for market dynamics and socio-political influences to encourage the resilience of retail properties in Malaysia.

Economic disaster management is a comprehensive approach that encompasses various strategies and practices aimed at effectively dealing with economic disasters, whether natural or man-made. According to the International Federation of Red Cross and Red Crescent Societies, economic disaster manages resources and responsibilities to address humanitarian crises, focusing on preparedness, response, and recovery efforts (Siriwardhana et al., 2021). Effective economic disaster management requires an inclusive political, social, and economic approach. Based on the pressure issues, economic disaster was chosen to be studied because it is a relevant topic to discuss nowadays, due to the boycott that caused 100 KFC branches to be closed in Malaysia. The researcher chose the impact of economic disaster management because he wanted to know its effects on retail property. This study focuses on economic disasters and demand for a new KFC outlet among the real estate agents (Chong & Kamarudin, 2018).

2. Problem Statement

The impact of economic disaster management caused by boycotts can be profound, particularly for business operations, demand and supply, and real estate. When a large corporation faces a boycott, it experiences a significant drop in consumer demand for its products or services (Barkin & Mansori, 2001). This decline can disrupt business operations, decreasing sales, revenue, and profitability (Peck, 2017). Companies may need to take drastic measures such as cutting costs, altering marketing strategies, or rebranding to regain consumer trust and stabilise their operations (Zheng, 2019).

The changes in demand directly affect the supply chain. A reduction in demand due to a boycott can create an oversupply of the boycotted products. To manage this surplus, companies may need to scale back production, which can cascade down the supply chain, affecting suppliers and leading to layoffs or reduced working hours for employees (Chen, 2024). Conversely, businesses not targeted by the boycott might see a surge in demand, which can create supply shortages and require increased production to meet new consumer needs (Zheng, 2019).

Boycotts can also have a ripple effect on the real estate market. If a boycotted company holds significant real estate assets, it may struggle to lease or sell these properties, leading to a drop in their value (Koku et al., 1997). Furthermore, consumer sentiment influenced by the boycott can affect the desirability of certain locations or developments, impacting real estate demand and investment decisions (Mulyono & Rolando, 2025). This decreased demand can, in turn, lead to reduced property revenues and hinder future development projects in the affected areas.

Overall, the interconnected nature of business operations, supply chains, and real estate highlights the far-reaching consequences of boycotts. Effective crisis management and adaptability are essential for businesses to navigate these challenges and mitigate their impact. Clear communication strategies and stakeholder engagement can help rebuild trust and maintain brand reputation. Moreover, diversifying asset portfolios and reducing dependency on sensitive markets may strengthen resilience. In the long term, understanding consumer sentiment and aligning with ethical practices can play a crucial role in sustaining business viability amidst boycott pressures.

3. Research Questions and Objectives

In response to the issues outlined in the problem statement, this study seeks to explore the implications of economic disasters within the commercial real estate market. Specifically, the research aims to examine the impact of such events on both retail properties and their respective owners. Accordingly, the following research questions have been formulated:

- (i) What are the impacts of economic disasters on retail property in the commercial real estate market?
- (ii) How do economic disasters impact property owners in the commercial real estate market?

To address these research questions, the study sets out the following objectives:

- (i) To identify the impact of economic disasters on retail property and commercial property.
- (ii) To identify the impact of economic disasters on property owners in the commercial real estate market.

4. Literature Review

Retail property disasters involve physical and psychological impacts on retailers and consumers, especially during natural disasters and pandemics. Such events significantly disrupt the retail market, as seen with Malaysian retailers during floods and the COVID-19 pandemic, which shifted consumer spending and operations (Dyason et al., 2022). Retail spaces also serve as temporary shelters and food distribution centres in emergencies, demonstrating their role in community resilience (Kotani et al., 2020). Post-disaster rebuilding poses unique challenges for commercial property stakeholders, who must navigate complex recovery processes to restore retail environments (Chukwudumogu, 2018). Overall, disasters affect market dynamics, consumer behaviour, and the infrastructure of retail spaces in multifaceted ways.

An economic disaster in Malaysia's real estate sector involves significant disruptions affecting the housing market, property values, and construction activities, resulting in widespread financial instability and economic downturn. Factors such as financial crises, natural disasters, and pandemics, notably the COVID-19 pandemic, exacerbate these disruptions by halting construction, increasing costs, and delaying projects (Zulkarnain & Nawati, 2023; Carmelo, 2018). Additionally, the cyclical nature of business fluctuations driven by speculative investments and credit expansions contributes to periodic market downturns (Jagun et al., 2022). Mitigating these impacts requires strategies like Business Continuity Management (BCM) and targeted government policies to enhance disaster resilience and ensure long-term economic stability (Furuoka et al., 2012). Overall, an economic disaster in Malaysia's real estate sector is marked by a blend of financial, environmental, and socio-economic factors disrupting market stability and economic growth (Refer to Table 1).

Table 1 Summary of the impact of economic disaster towards retail property

Impact/Author	Tab & Jaharuddin (2015)	Yassin et al. (2022)	Ridzwan et al. (2024)	Auzzir (2019)
Rental Value		/		
Lower demand	/			
Occupancy Rates	/		/	
Decreased occupancy rates		/		
Reduce Productivity		/		
Property Value	/			
Influence financial health			/	
Affect Property value			/	
Property Closure	/		/	/
Increased absenteeism			/	
Footprint	/		/	
Increased vulnerability				/
Prolonged recovery times				/

Consumer attitudes, ethical motivations, and strategic organisation drive the success factors of boycotts in the retail property sector. Boycotts are more effective when consumers perceive them as legitimate and aligned with their values, with ethical idealism and fairness playing significant roles in participation. Strongly reciprocal consumers often act as catalysts, influencing others to join and amplifying the movement's impact. Strategic organisation, including public awareness campaigns and targeted grievances, enhances the boycott's effectiveness, though logistical challenges and opportunity costs may limit participation.

While boycotts aim to drive economic change, their outcomes can be unpredictable. Studies suggest they do not consistently achieve intended economic impacts, such as price reductions or efficiency gains. However, they significantly influence targeted businesses' reputational and financial stability, affecting rental values and occupancy rates. Understanding these dynamics is crucial for stakeholders to develop proactive strategies that mitigate the adverse effects of boycotts on retail properties.

As an economic disaster, Boycotts pose significant challenges to property owners by affecting tenant stability, property values, reconstruction timelines, and economic resilience. Tenant instability arises as boycotted businesses experience reduced demand, affecting their ability to sustain operations and retain tenants. Like disaster-induced tenant displacement in Malaysia, poor post-disaster management leads to prolonged business closures and tenant instability (Khuzzan et al., 2017; Talib et al., 2016). Likewise, companies facing boycotts may cut costs and downsize, echoing the supply chain disruptions in flood-affected regions (Chen, 2024). This instability highlights the need for robust business continuity strategies to mitigate impacts (Auzzir, 2019).

Property values are also vulnerable during economic disasters, including boycotts. Research shows that floods and boycotts devalue properties, affecting agricultural, industrial, and residential lands. The oversupply and reduced demand from boycotted businesses mirror the property depreciation in flood-prone areas, where

urban properties declined by 18.5% and rural ones by 13.6% (Ismail et al., 2016; Koku et al., 1997). Boycotts further reduce asset attractiveness, requiring adaptive property management strategies to mitigate value losses (Zheng, 2019).

Delayed reconstruction and recovery exacerbate economic losses for property owners. Boycotts often force companies into prolonged operational halts or financial strain, akin to flood-induced construction delays in Malaysia, where RM150 million was lost due to an 18-month delay (Talib et al., 2016). Both scenarios suffer from top-down management inefficiencies, calling for better stakeholder coordination and financial resilience measures (Chong & Kamarudin, 2018).

Lastly, economic losses from boycotts parallel those caused by floods. Reduced demand creates surplus supply and disrupts business ecosystems, like losses in the construction and SME sectors during natural disasters (Nayan et al., 2017). Inefficient economic disaster management magnifies these losses, stressing the importance of integrated disaster risk frameworks for reducing property owner vulnerability (Chong & Kamarudin, 2018). Effective crisis response, stakeholder engagement, and resilient financial planning are essential to safeguard property investments from boycotts and natural disasters (Table 2). Refer to Appendix B and C for the literature review summary of economic disaster towards retail property and property owners.

Table 2 Summary of the impact of economic disaster towards property owners

Impact/Author	Talib & Jaharuddin (2015)	Ismail et al., (2016)	Talib et al., (2016)	Lambin et al., (2024)	Annamalah & Paraman (2023)
Tenant instability				/	
Extensive damage	/				
Property Value		/			
Depreciation in property value		/			
Affecting property		/			
Delayed reconstruction and recovery			/		
Financial burdens			/		
Increased Vulnerability of Affected Populations				/	
Hinder effective disaster response				/	
Increased vulnerability				/	
Economic losses	/	/	/	/	/
Affecting property values	/	/		/	/
Overall economic stability					/

5. Methodology

This study employs a qualitative methodology, conducting face-to-face and virtual interviews to investigate economic disaster management's impact on retail property owners, specifically boycotts. This qualitative approach offers comprehensive insights into stakeholders' experiences and perceptions, thus providing a nuanced understanding of the socio-economic implications, as referred to in Appendix A for the research flow chart. The study utilises an exploratory qualitative design. Chua (2011) noted that research objectives guide the selection of methods and design (refer to Appendix 1). To meet the research objectives, particularly concerning the boycott movement's impact on the property market, it is essential to employ the interview approach for data collection to gather rich data on how economic disasters affect retail properties, specifically focusing on the KFC outlet in Kota Bharu. This study captures complex phenomena through interviews and detailed case studies, providing rich descriptive data on how economic disasters influence retail property dynamics and ownership.

Data was collected through interviews with key respondents, including six real estate agents and two property owners. The data collection period spanned from September to November 2024, with each interview session lasting between 30 and 45 minutes (refer to Tables 3 and 4). These participants were selected based on their extensive experience and direct involvement in the commercial property sector, ensuring relevant and insightful perspectives on the impact of economic disasters. All interviews were audio-recorded with consent and transcribed verbatim to ensure the accuracy and richness of the data.

Table 3 List of respondents' real estate agents

No.	Respondent	Positions	Company	Experience
1.	RE1	Principle	AFZ Realty Sdn Bhd	15 years
2.	RE2	Real Estate Negotiator	Propnex Realty Sdn Bhd	7 years

3.	RE3	Principle	AFZ Realty Sdn Bhd	16 years
4.	RE4	Real Estate Director	Texas Chicken (Malaysia) Sdn Bhd	20 years
5.	RE5	Probationary Estate Agent	Propnex Realty Sdn Bhd	8 years
6.	RE6	Chief Investment Officer	Amanahraya-Kenedix REIT Manager Sdn Bhd	22 years

Table 4 List of respondents' property owners

No.	Respondent	Positions	Company	Experience
1.	PO1	Shop Lot Property Owner	Eng Ho Tyre Service Centre	29 years
2.	PO2	Shop Lot Property Owner	Petron Pasir Pekan	14 years

The data was transcribed and analysed using thematic analysis (refer to Appendix 2 and Appendix 3). The researcher identified four primary themes: R01 Economic Impact, R02 Occupancy and Tenant Stability, R03 Property Value and Market Dynamics, and R04 Social and Psychological Impacts. The thematic analysis subdivided these primary themes, with sub-themes identified and synthesised into actionable insights (Table 5). This qualitative methodology facilitates a comprehensive understanding of the impacts of economic disaster management on retail properties, aligning with the study's objectives to inform strategic interventions for resilience and sustainability in the sector.

Table 5 Themes and sub-themes

Themes (R0)	Sub themes (ST)
R01- Economic impact	ST1- Rental Value ST3- Economic Challenge ST4- Financial loss ST5- Financial Performance ST6-Economic Challenge ST7-Financial risk ST8- Rental ST9- Occupancy rates
R02- Occupancy and Tenant Stability	ST10- Specific types of tenants ST11- Tenant stability and occupancy rates ST12- Types of tenants ST13- Overall value
R03- Property Value and Market dynamics	ST14- Investor Behaviour ST15- Long-term impacts ST16- Market value ST17- Long-term effects ST18- Risk associated ST19- Mental health and performance
R04- Social and psychological effects	ST20- Consumer Behaviour ST21- Moral and performance ST22- Consumer Behaviour ST3- Economic Challenge ST4- Financial loss

6. Data Analysis

Based on the interviews and synthesis of findings, four key themes emerged to represent the dynamics of economic disaster management in the context of the boycott movement. These themes, illustrated in Figure 1, highlight the multifaceted impact of the boycott on the retail property segment within the commercial real estate market. These themes provide critical insights into how economic disruptions, such as boycotts, influence stakeholder behaviour, tenant occupancy, and overall market stability. By capturing the voices and perspectives of industry practitioners, the findings reflect real-time responses and adaptation strategies employed during the crisis. Collectively, the themes underscore the interconnectedness between socio-political movements and the resilience of commercial real estate assets, particularly retail properties.

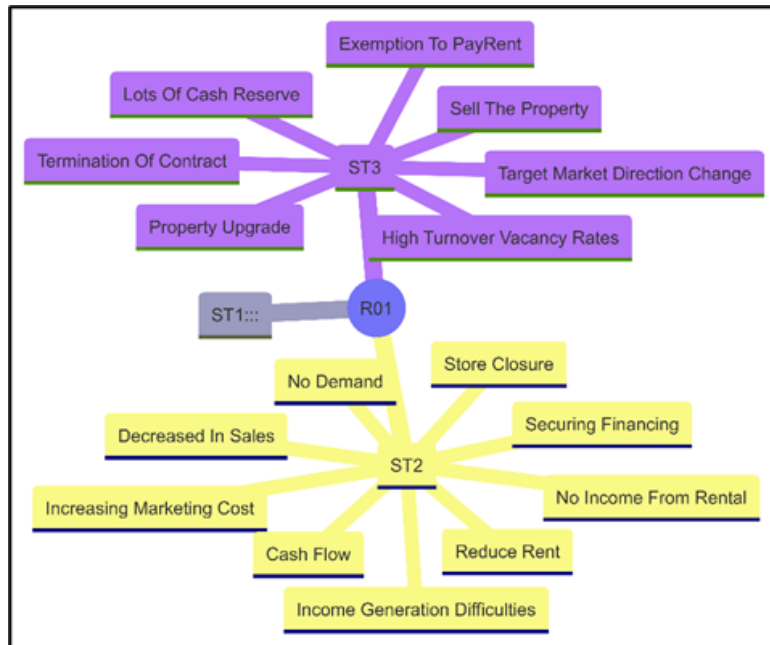


Figure 1 Impact of economic disaster management towards retail properties in the commercial real estate market on economic impact

Figure 1 shows Economic Challenges, issues such as decreased sales and the absence of rental income are prominent. According to RE2, the demand for the premises still exists due to the tenancy agreement. According to RE2, it includes reducing rent to attract tenants, addressing cash flow issues, and managing store closures. Additionally, securing financing has been identified as a critical need but remains a challenge. Increased marketing costs have also been noted as an effort to drive demand, although this adds to operational expenses. The example quotes are;

"Buyers will think that because of the boycott, the big-big companies cannot pay rent because the involved companies have no demand and drop"(RE2).

"The tenant is interested in renting the property, for sure, the client asks to reduce the rent" (RE2).

Additionally, RE 2 agrees that financial losses are challenges, such as high turnover, vacancy rates, and tenant contract terminations, because of the closure of the business. RE3 says the responses include offering rent exemptions to struggling tenants, utilising cash reserves, selling properties as a last resort, and upgrading properties to make them more appealing. Another notable response is shifting target market directions to adapt to changing demands. These strategies reflect an urgent need for financial resilience and strategic agility in navigating the ripple effects of the boycott crisis.

"If the company choose to out while in contract, the contract will terminate because the business closed" (RE2)

"The property owner must have lots of cash to sustain the business" (RE3).

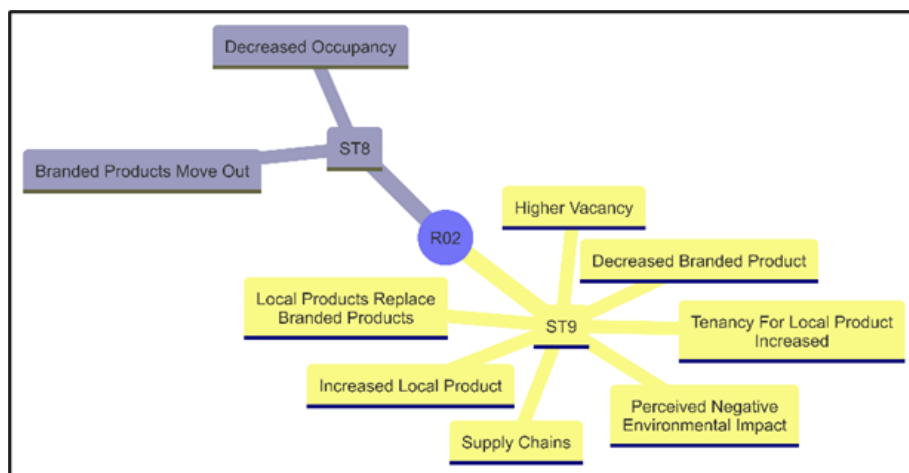


Figure 2 Impact of economic disaster management towards retail property in the commercial real estate market on occupancy and tenant stability

Figure 2 shows the under-occupancy rates; the data identifies a significant decrease in occupancy, with several contributing factors. These include moving branded products from the premises, leading to higher vacancies. This trend is consistently observed across respondents RE1 to RE6, all of whom emphasise the issue of declining occupancy. Additionally, environmental concerns have emerged as a perceived negative factor influencing occupancy decisions. Among the examples of quotes obtained are as follows;

"Boycotts have resulted in a decrease in occupancy rates across our retail portfolio"(RE5).

"Boycotted brands closing their outlets will have a direct and immediate impact due to the boycotts. So, it is a significant campaign that impacts the occupancy rates. Boycotts have led to a decrease in occupancy rates across affected retail areas" (RE6).

Figure 2 shows that for specific types of tenants, there is a notable increase in tenancy for local products. This trend reflects a shift in tenant composition, where local products replace branded products that have moved out. Increased demand for local products underscores the challenges of higher vacancy rates, supply chain issues, and competition from large retailers. Among the examples of quotes obtained are as follows;

"During a boycott, consumers start to accept local products, so local product has a chance to open an outlet" (RE1).

"Rental, it could not be an issue, the local brand especially takes over the outlet, the product has been boycotted" (RE2).

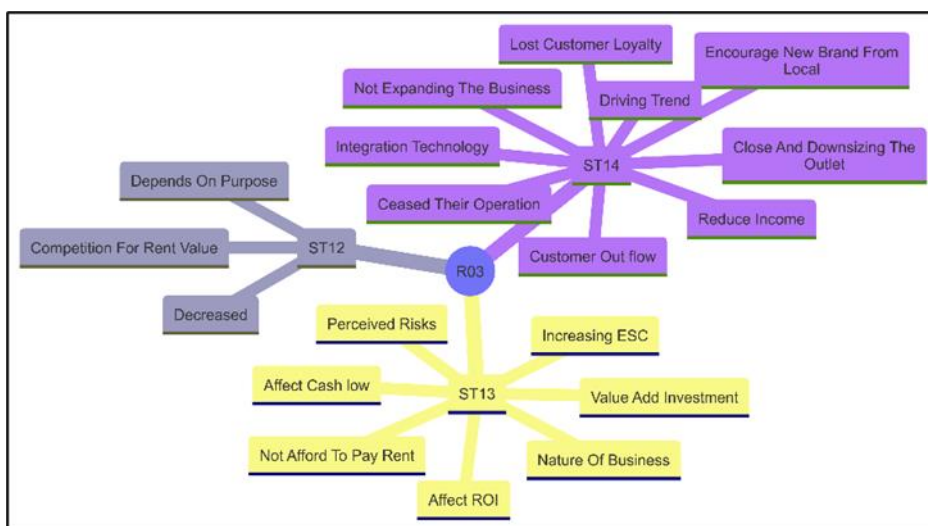


Figure 3 Impact of economic disaster management towards retail properties in the commercial real estate market on property value and market dynamics

Figure 3 shows that RE3 and RE6 agree that the overall value of properties has decreased, which raises concerns about the underlying factors driving this trend. A decline in property value affects investor confidence and has broader implications for market stability. This issue prompts questions about whether external economic conditions, such as inflation or interest rate fluctuations, contribute to this downward trend. Among the examples of quotes obtained are as follows;

"This can create a cycle where decreased property values make it more difficult to refinance existing loans or secure new financing" (RE3).

"It depends on how you value the asset. If you value based on a comparison method, it may not affect them in terms of value. However, it will be affected if you use the investment method. So, it depends on how you frame your purpose" (RE6).

Moreover, the investor behaviour, which shows the challenges, particularly regarding cash flow issues and the inability to afford rent. These financial strains suggest that investors may be over-leveraged or that rental yields are insufficient to cover costs. This raises a critical question: Are these challenges a result of poor financial planning by investors, or are they symptomatic of deeper structural issues within the property market? Furthermore, competition for rent value and declining ROI exacerbate these difficulties, suggesting a highly competitive and saturated market. Among the examples of quotes obtained are as follows;

"What I see investors can change is that they have the nature of business F & B, which gives them a challenge. Why not change to other retail businesses or investments" (RE4).

"There is a growing trend towards value-add investment strategies, with investors seeking opportunities to reposition and diversify tenant mixes in affected properties" (RE6).

On a more positive note, the increasing emphasis on ESG practices and value-added investments offers potential pathways for recovery and growth. However, these strategies require significant upfront investment

and long-term commitment, which may not be feasible for all stakeholders. Technology integration is another promising trend, but it raises critical questions about accessibility and cost-effectiveness for smaller players in the market. In conclusion, while the analysis identifies trends and challenges in property value and market dynamics, it also highlights areas that require further investigation. Stakeholders must critically assess whether current strategies can address these challenges or if more systemic changes are needed to ensure long-term market stability and growth. Among the examples of quotes obtained are as follows;

"Investors are increasingly focused on ESG (Environmental, Social, and Governance) factors when evaluating retail properties, with a preference for assets with strong community ties" (RE5).

The long-term impacts are particularly concerning. Businesses are struggling to expand due to reduced income and customer outflow. This trend threatens individual businesses' sustainability and poses risks to the overall economic ecosystem. While the emergence of new local brands is encouraging, it does not fully offset the negative impacts of lost customer loyalty and business closures. These dynamics prompt further inquiry into whether these trends are temporary or indicative of a permanent shift in consumer behaviour and market conditions. The role of perceived risks and the nature of business further complicates the landscape. Investors' decisions are heavily influenced by their risk perceptions, which may vary depending on external factors such as political stability or economic policies. Additionally, the suitability of properties for specific business types raises questions about how well the market is aligning supply with demand. The examples of quotes obtained are as follows:

"Because of boycott issues, in fact, more lively new brands or local brands, especially those going to replace the business that has been boycotted" (RE2).

"Boycotts are driving a trend towards smaller, more flexible retail spaces and increased technology integration in physical stores. The trend towards smaller, more flexible retail spaces and increased technology integration in physical stores is driven by boycotts and changing consumer behaviours. This shift reflects retailers' need to adapt to evolving market conditions and consumer expectations" (RE5).

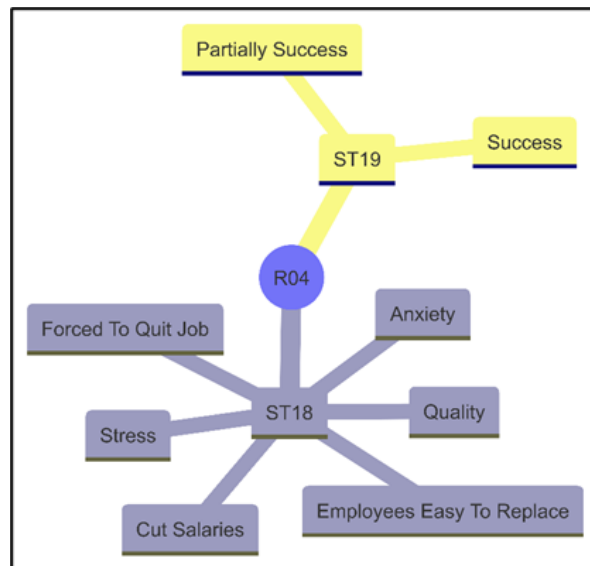


Figure 4 Social and psychological impacts of economic disaster management on the commercial real estate market and retail property

Figure 4 illustrates mental health and performance. Respondents reported various challenges in the workplace. Some employees experienced Salary reductions, while others were compelled to leave their positions. The issue of employee replaceability emerged as a notable concern. Multiple respondents indicated experiencing stress in their work environment, with anxiety being reported alongside concerns about quality standards. Among the examples of quotes obtained are as follows;

Boycotted retail employees experience an increase in stress-related health issues and a decrease in overall job performance. Consider a retail shopping centre that a boycott has targeted due to one of its anchor tenants being involved in a controversy" (RE5).

"Because the alternative businesses, substitute businesses are plenty over there to use their, what we call, experience, within the subsegments. Retail employees in boycotted properties experience increased job-related anxiety and decreased customer service quality ratings" (RE6).

Regarding consumer behaviour patterns, a diverse range of outcomes was documented. Some respondents partially succeeded in their consumer-related objectives, while others reported complete success. The pattern of

responses showed a mix of partial and complete success rates across the respondent group, with RE2, RE3, RE5, and RE6 specifically noting successful outcomes. RE1 and RE4 indicated partial success in their consumer-related experiences. Among the examples of quotes obtained are as follows;
 "Partially successful because this is a seasonal event, and people forget this boycott" (RE4).
 "Success because we can see many local products replace the boycotted brand" (RE5).
 For objective 2, the researcher found the same themes.

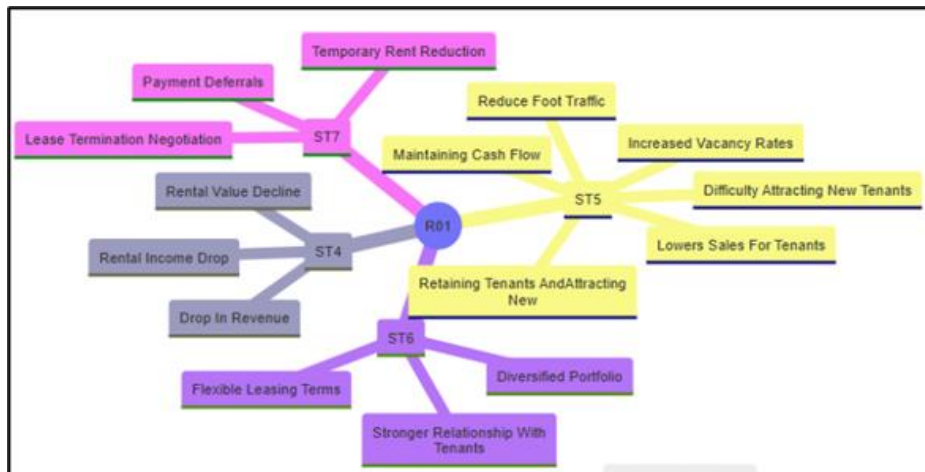


Figure 5 Impact of economic disaster management towards retail property in the commercial real estate market on economic impact

The economic impacts on rental properties were analysed by categorising them into financial performance, economic challenges, financial risks, and rental strategies. In terms of financial performance, both respondents observed a decline in rental value and revenue, indicating that the economic conditions negatively impact rental properties' profitability. This decline in rental income highlights the financial strain faced by property owners. Among the examples of quotes obtained are as follows;

"Boycotts have had a severe impact on our properties' financial performance. During major boycotts, we have seen rental income drop by up to 40% as tenants struggle to make payments" (RE2).

Both participants also noted economic challenges. PO1 identified several challenges, such as reduced foot traffic, lowered sales for tenants, increased vacancy rates, and difficulty attracting new tenants. This highlights the broader economic environment's adverse effects on occupancy and tenant business performance. PO2 focused on maintaining cash flow and the dual challenge of retaining current tenants while attracting new ones, reflecting a strategic approach to managing financial stability and occupancy levels. Among the examples of quotes obtained are as follows;

"The main economic challenges we have faced include reduced foot traffic leading to lower sales for tenants, increased vacancy rates, and difficulty attracting new tenants during boycott periods. We have also had to invest more in marketing and property improvements to maintain competitiveness" (PO1).

"Our main challenges have been maintaining cash flow to cover property expenses and mortgage payments. We have also faced difficulties retaining tenants and attracting new ones during boycott periods" (PO1).

To mitigate financial risks, PO1 responded by diversifying its portfolio across different retail sectors and implementing more flexible leasing terms. These measures indicate an adaptive strategy to cope with a volatile market. Similarly, PO2 emphasised building stronger relationships with tenants, suggesting a focus on tenant retention and satisfaction to reduce financial risk. Among the examples of quotes obtained are as follows;

"To manage financial risks, we have diversified our portfolio across different retail sectors and geographic locations. We also maintain cash reserves and have established lines of credit to weather short-term disruptions. Additionally, we have implemented more flexible leasing terms to retain tenants during difficult periods" (PO1).

"To manage risks, we have tried to build stronger relationships with our tenants and work closely with them during difficult times. We have also explored alternative uses for our properties, such as pop-up stores or event spaces, to generate additional income" (PO2).

Regarding rental strategies, both participants provided temporary rent reductions and negotiated lease terminations as immediate responses to economic pressures. These strategies aim to offer relief to tenants while managing occupancy. PO2 also highlighted efforts to support tenants through rent reduction or payment deferrals during challenging economic times. The analysis reveals that both respondents identified similar economic challenges and adopted strategies to mitigate financial risks and support tenants. The strategies vary slightly but focus on flexibility, tenant relationship management, and financial risk diversification, providing a

comprehensive view of the economic impacts on rental properties and the adaptive measures being implemented by property managers. Among the examples of quotes obtained are as follows;

"In most cases, we still receive rent during boycotts, but we often have to provide temporary rent reductions or deferrals to support struggling tenants. In extreme cases, we have had to negotiate lease terminations for tenants unable to continue operations" (P01).

"We often do not receive full rent during boycotts. Many of our tenants request rent reductions or payment deferrals, which we usually have to accommodate to prevent vacancies" (P01).

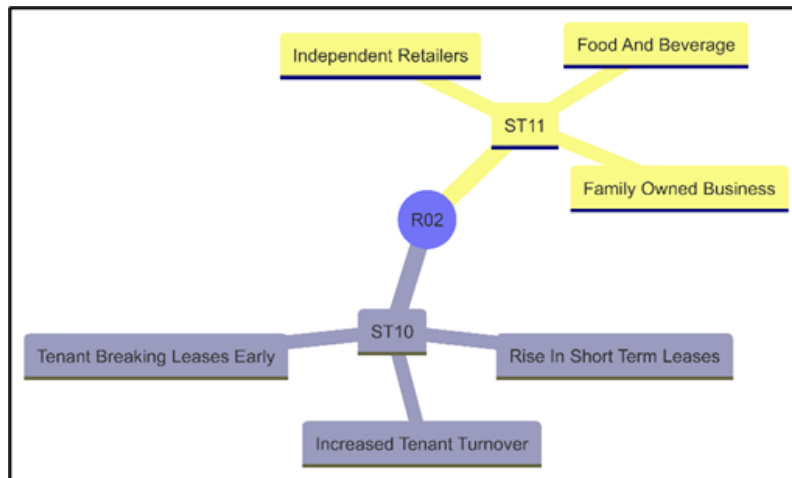


Figure 6 Impact of economic disaster management towards retail property in the commercial real estate market on occupancy and tenant stability

Figure 6 shows the occupancy and tenant stability, which are factors from two different respondents. For tenant stability and occupancy rates, P01 observed an increase in tenant turnover and a rise in short-term leases. This indicates that the current economic environment may be causing instability among tenants, leading to frequent changes in occupancy and a preference for shorter lease commitments. Similarly, P02 noted that tenants are breaking leases early, which supports the notion of instability and uncertainty in the rental market. This behaviour could be driven by economic pressures or changing business conditions, making it difficult for tenants to commit to long-term leases. Among the examples of quotes obtained are as follows;

"Boycotts have led to increased tenant turnover, with occupancy rates dropping by 5-10% during major disruptions. We have seen a rise in short-term leases as tenants become more cautious about long-term commitments" (P01).

"Boycotts have significantly affected our tenant stability. We have seen occupancy rates drop by 15-20% during major disruptions, with some tenants breaking leases early" (P02).

According to types of tenants, P01 identified independent retailers and food and beverage establishments as key tenant types. This suggests that the property attracts smaller, perhaps more niche businesses, which may be more vulnerable to economic fluctuations but also bring diversity to the tenant mix. P02 highlighted family-owned businesses as a significant tenant type. These businesses may have a more substantial commitment to the location, but can also be more affected by personal and economic challenges. Among the examples of quotes obtained are as follows;

"Small, family-owned businesses and those heavily reliant on foot traffic are most likely to vacate during boycotts. We have also noticed that businesses perceived as foreign or associated with controversial issues are more susceptible to boycott-related closures" (P02).

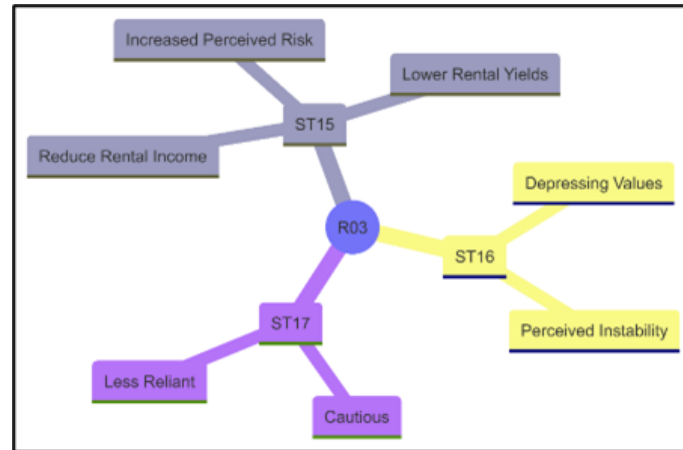


Figure 7 Impact of economic disaster management towards retail properties in the commercial real estate market on property value and market dynamics

Figure 7 shows the property value and market dynamics. For market value, PO1 reported a reduced rental income and an increased perceived risk, indicating financial strain on property values. This suggests that economic conditions are leading to lower rental yields and a heightened sense of uncertainty. PO2 also noted lower rental yields, corroborating PO1's findings, indicating a downturn in rental income. Among the examples of quotes obtained are as follows;

"Boycotts can negatively impact property values, with valuations declining by 10-15% during prolonged disruptions. This is primarily due to reduced rental income and increased perceived risk" (PO1).

"Boycotts have negatively impacted our property values, with an estimated 20-25% decrease during prolonged disruptions. This has made it challenging to refinance or sell properties when needed. Also, the market value decreases due to lower rental yields and increased vacancies. For instance, one property's valuation dropped by RM200,000 after losing three key tenants during a boycott" (PO2).

Regarding long-term effects, PO1 identified depressing values as a significant concern, implying that the market downturn could have prolonged impacts on property values. PO2 pointed out perceived instability, suggesting that the market's future is viewed with caution and uncertainty, which could further dampen investor confidence and property values. Among the examples of quotes obtained are as follows;

"Repeated boycotts can lead to long-term stigma associated with certain locations or property types, potentially depressing values for years. We anticipate a gradual shift towards more resilient retail formats and locations less susceptible to boycott-related disruptions" (PO1).

"Long-term, we do not anticipate significant effects on property values from boycotts, as our suburban location and diverse tenant mix provide some insulation from these events. Long-term effects include difficulty securing financing for future developments due to perceived instability in rental income streams" (PO2).

When it comes to the risks associated, PO1 described their approach as cautious, reflecting a careful and risk-averse strategy in response to market conditions. This indicates that property managers are being prudent in their decisions to navigate the uncertain economic landscape. PO2 indicated less reliance on rental income, which may imply a shift towards diversification or a reduction in dependency on rental income as a sole revenue stream. This strategy could mitigate risks and enhance financial resilience. Among the examples of quotes obtained are as follows;

"The increased risk of boycotts has made us more cautious in our investment decisions. We now emphasise properties in diverse, stable markets and those with a mix of tenants less likely to be affected by boycotts. Also, Risk perception makes me cautious about investing in properties heavily reliant on single industries or brands vulnerable to boycotts" (PO1).

"While we consider the risk of boycotts in our investment decisions, it is not a primary factor due to our properties' locations and tenant profiles. I now prioritise investing in mixed-use developments less reliant on retail income alone" (PO2).

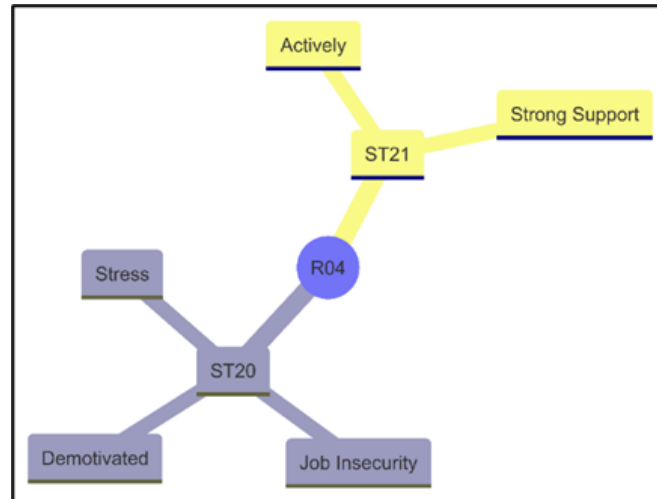


Figure 8 Impact of economic disaster management towards retail property in the commercial real estate market, with social and psychological effects

The economic conditions' social and psychological effects are illustrated, including moral and performance issues. PO1 reports experiencing stress and job insecurity, indicating that the economic environment negatively affects their psychological well-being and job satisfaction. These factors lead to increased stress levels and concerns about job stability. On the other hand, PO2 identifies demotivation but also notes strong support. This contrast highlights that despite facing demotivation possibly due to economic pressures, there is strong support from colleagues, management, or external sources, which is crucial in mitigating the adverse effects of stress and job insecurity. Among the examples of quotes obtained are as follows;

"Boycotts often lead to increased stress and job insecurity for retail employees, potentially impacting their performance and customer service quality. We have implemented support programs and training to help employees cope with these challenges" (PO1).

"We have observed some impact on employee morale, particularly in businesses directly targeted by boycotts. However, the effect has been less pronounced than in urban areas. They also often feel demotivated due to uncertain job prospects when businesses struggle or close down entirely during boycotts" (PO2).

Figure 8 displays that while details of consumer behaviour were not provided in the table, it is generally understood that overall economic conditions influence consumer behaviour. Job insecurity and stress can significantly impact spending patterns and consumption habits, reflecting broader economic trends. Among the examples of quotes obtained are as follows;

"Consumer behaviour is crucial in determining a boycott's impact. Social media amplification can rapidly escalate boycotts, affecting foot traffic and sales. We closely monitor consumer sentiment and work with tenants to adapt marketing strategies during boycotts. Consumer behaviour plays a critical role if consumers actively participate in the boycott, businesses suffer significant revenue losses, leading to tenant instability and reduced property income" (PO1).

"Consumer behaviour in our area tends to be less influenced by boycott campaigns. We have noticed that convenience and community ties often outweigh boycott participation, helping to maintain steady foot traffic in our properties. Consumer participation determines whether businesses can survive a boycott period, strong consumer support for affected businesses helps mitigate losses for tenants and property owners" (PO2).

In synthesising the diverse range of responses from property owners and real estate experts, the analysis reveals a common thread of adaptive resilience amidst economic volatility. Despite variations in location, tenant profile, and management strategies, all respondents acknowledged the need for agility in decision-making and flexibility in operational practices. The boycott-induced economic disruption has not only exposed the vulnerabilities within the commercial retail sector but also accelerated the evolution of property management practices. Respondents emphasised the importance of scenario planning, stakeholder communication, and market diversification as key survival tools. The shift towards mixed-use developments, flexible leases, and technology-driven solutions reflects a broader transformation towards more resilient and responsive real estate ecosystems.

Finally, the results underscore that economic disaster management in retail property is not solely about mitigating financial losses, but also about managing human capital, sustaining business continuity, and preserving long-term asset value. The interplay between economic, psychological, and operational factors suggests that property owners must adopt a holistic approach in their disaster preparedness and response planning. As commercial real estate becomes increasingly sensitive to socio-political disruptions, the capacity to

navigate uncertainty through strategic foresight, community engagement, and financial resilience will determine the sector's long-term sustainability. These findings offer important implications for both academic discourse and practical frameworks in property and crisis management.

7. Conclusions and Recommendations

The study investigates the impact of economic disaster management on retail properties and property owners within the commercial real estate market. The boycott of KFC products led to outlet closures, but property owners still receive rental income due to existing agreements. However, the uncertainty of future business operations poses risks to tenancy renewals. Measures like renegotiating rental terms, providing economic incentives, encouraging business diversification, and supporting community programs are suggested to mitigate this. Property owners face challenges with reduced rental rates, causing financial pressures. To manage these, they should focus on financial planning, exploring alternative income sources, reducing expenses, diversifying tenant mix, developing negotiation strategies, and enhancing marketing efforts.

This study, however, is limited to retail properties in Kelantan, Malaysia, involving brands like KFC, McDonald's, Pizza Hut, and Starbucks, and employs qualitative methods through expert and owner interviews. Future research should expand the geographical scope to other Malaysian states and utilise quantitative approaches such as structured questionnaires for broader, generalizable findings. Additionally, future studies may consider the perspectives of tenants and customers to offer a more balanced view of the impact. Investigating the long-term effectiveness of recommended mitigation strategies would also contribute to practical disaster management policies. Integrating comparative studies with regions unaffected by similar economic disasters may help highlight key resilience factors in retail property performance.

Overall, this study underscores the importance of proactive and adaptive disaster management strategies within the commercial real estate sector, especially in response to socio-political events like boycott movements. Strengthening collaboration between property owners, tenants, and policymakers is crucial in building long-term resilience and ensuring the sustainability of retail property markets during times of economic disruption. By fostering a more agile and inclusive approach, the commercial real estate industry can better withstand future shocks and continue to support local economies and communities.

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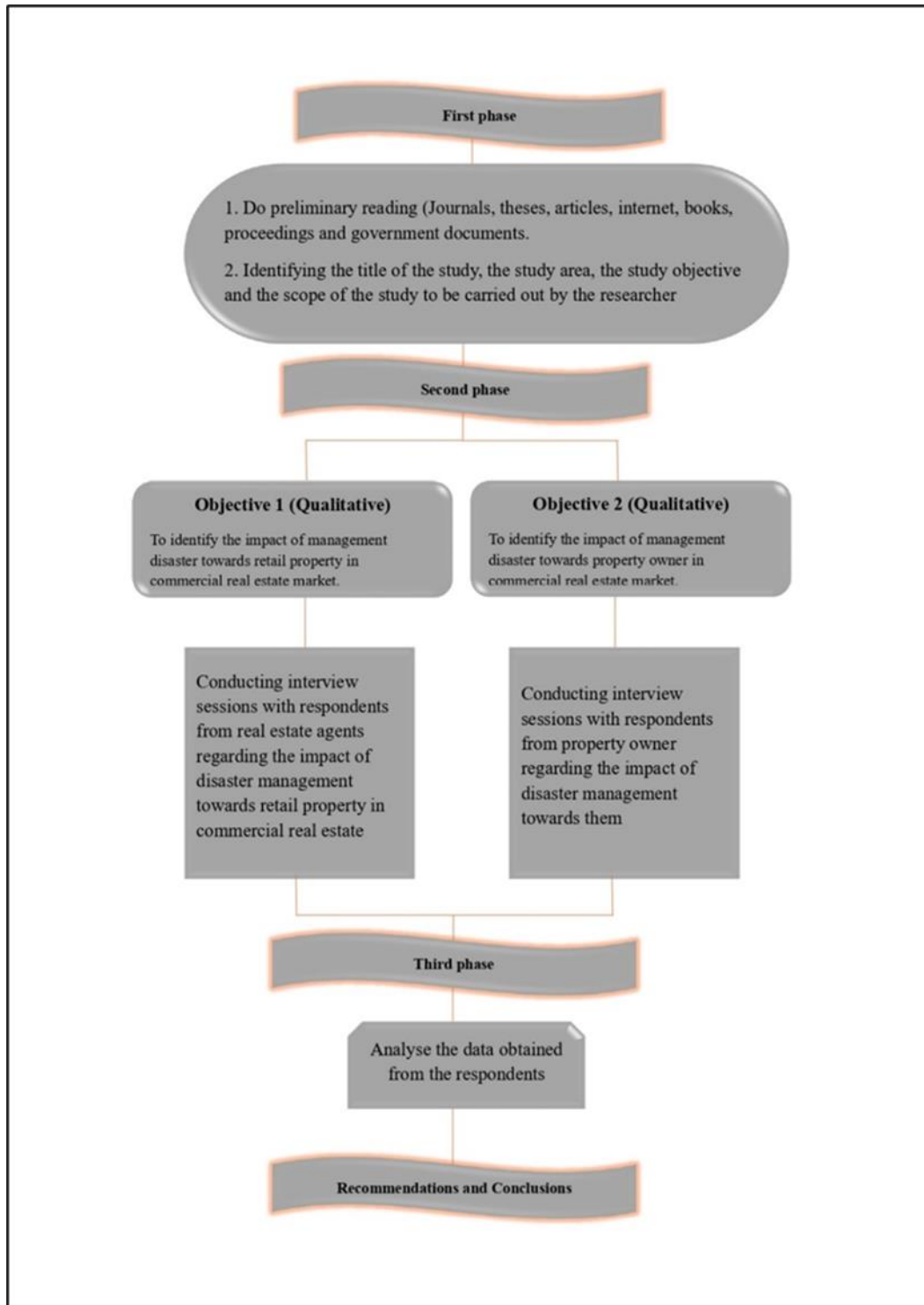
Conflict of Interest

Authors declare that there is no conflict of interest regarding the publication of the paper.

Author Contribution

*The authors confirm contribution to the paper as follows: **study conception and design:** Muhammad Amirul Mukmin Mohd Zaki, Sabariah Eni; **data collection:** Muhammad Amirul Mukmin Mohd Zaki; **analysis and interpretation of results:** Muhammad Amirul Mukmin Mohd Zaki, Sabariah Eni; **draft manuscript preparation:** Muhammad Amirul Mukmin Mohd Zaki, Sabariah Eni. All authors reviewed the results and approved the final version of the manuscript.*

Appendix A: Research Flow Chart



Appendix B: Literature Review Summary Impact Of Economic Disaster Towards Retail Property

Author (Year)	Impact Of Economic Disaster Towards Retail Property	Summary
Taib & Jaharuddin, (2015)	<ul style="list-style-type: none"> Rental Value Reduce economic activity and potentially lower demand for retail spaces, which might influence rental value downward	<ul style="list-style-type: none"> Financial losses occupancy rates Affect property value
Yassin <i>et al.</i>, (2022)	<ul style="list-style-type: none"> Occupancy Rates Kluang Mall indicates that external crises can affect retail occupancy, although in this case, the occupancy rate remained stable due to effective management strategies and marketing efforts to adapt to the economic disaster	<ul style="list-style-type: none"> Reduce productivity Influencing financial health Increased absenteeism
Ridzwan <i>et al.</i>, (2024)	<ul style="list-style-type: none"> Property Value Property closure Indirectly affects retail property values by influencing the financial health of businesses Economic disaster potentially leading to reduced productivity and increased absenteeism, which might contribute to financial strain on businesses can lead to property closure	<ul style="list-style-type: none"> increased vulnerability prolonged recovery times
Auzzir, (2019)	<ul style="list-style-type: none"> Footprint These systemic issues can lead to prolonged recovery times and increased vulnerability of retail properties to future disasters, potentially influencing consumer behaviour and leading to boycotts if businesses are perceived as unresponsive or exploitative during crises.	

Appendix C: Literature Review Summary of Economic Disaster Towards Property Owner

Author (Year)	Impact of economic disaster towards property owners	Summary
Taib & Jaharuddin, (2015)	<ul style="list-style-type: none"> Tenant instability Economic disaster in Kelantan caused extensive damage to properties and businesses, with losses exceeding RM1 billion, which underscores the severe economic impact on property owners and tenants	<ul style="list-style-type: none"> Extensive damage Depreciation in property value Affecting property Financial burdens
Ismail <i>et al.</i> , (2016)	<ul style="list-style-type: none"> Property Value Causes substantial depreciation in property values, affecting both agricultural and industrial lands as well as residential properties	<ul style="list-style-type: none"> hinder effective disaster response Increased vulnerability
Talib <i>et al.</i> , (2016)	<ul style="list-style-type: none"> Delayed reconstruction and recovery Financial constraints also play a significant role in delaying reconstruction efforts. Disasters impose significant financial burdens on property owners and construction organisations	<ul style="list-style-type: none"> Affecting property value overall economic stability
Lambin <i>et al.</i> , (2024)	<ul style="list-style-type: none"> Increased Vulnerability of Affected Populations The issues hinder effective disaster response and increase the vulnerability of affected populations, including property owners who suffer from inadequate support during disasters	
Annamalah & Paraman (2023)	<ul style="list-style-type: none"> Economic losses The economic impact is multifaceted, affecting property values, business operations, and the overall economic stability of affected regions.	

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