



MEDIA RELEASE

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RENT RELIEF ACTION A GOOD START BUT NEEDS TO GO FURTHER

Retail NZ says it is good news that the Government is moving to support arbitration on commercial tenancies, but it is disappointed the action isn't going further.

“Retail NZ, and other industry organisations, have been calling for Government action on commercial rent relief for some time, and this is not only an issue impacting small business,” Greg Harford, Retail NZ’s Chief Executive said today. “It’s great that the Government is prepared to support an amendment to the Property Law Act, and provide financial support for arbitration. This will hopefully get parties to the negotiating table to find a resolution, but the support needs to extend to all commercial tenants.

“The Government’s announcement suggests that support will be restricted to small businesses, but larger firms are equally at risk because of the COVID-19 crisis. We would like to see the support be extended to all tenants.

“Rent is one of the largest cost for a retail business, and retailers are critically reliant on cashflow to pay that rent each month. Having been deprived of almost all revenue for nearly two months, many retail businesses are unable to meet rent payments that would have accrued in April and May. Throughout the COVID-19 crisis, some landlords have come to the party and been very supportive of their retail tenants. Others, however, have been intransigent, insisting that retailers meet the full costs of rent. This places retailers in an almost impossible situation, and rents need to move in proportion to revenue declines, no matter the size of the retail business.”

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