



MEDIA RELEASE
23 March 2020

LANDLORDS NEED TO WORK WITH RETAIL TENANTS THROUGH CRISIS

Retail NZ is applauding those landlords who are working with tenants to help them through the current Covid-19 crisis, but warns that landlords who aren't prepared to review rental terms will push struggling retail businesses into insolvency.

“Rent is typically the second largest cost for a retail business, and they have been steadily increasing over time, while net margins for retailers have been declining,” Retail NZ Chief Executive Greg Harford said today. “The current Covid-19 crisis is seeing many retailers at a point where previous rentals are simply unsustainable for many retailers who are seeking rent relief from their landlords.

“Some landlords are working constructively with retailers, and offering rental holidays or reduced rents to help navigate through the crisis, and Retail NZ applauds those who are doing their best to help. However, we are hearing that some landlords are refusing to engage on the issue, and insisting that full rents remain payable as contracted before the Covid-19 crisis emerged. A refusal by landlords to negotiate will tip many retail businesses into insolvency, costing jobs and ultimately depriving landlords of their tenants.

“These are extraordinary circumstances, and we need to pull together as a nation to work through the crisis. Retail NZ is calling on landlords to engage constructively with those retailers who have been negatively impacted by Covid-19, and to work with them to find a solution that works for all parties. This may include a rent holiday, a temporary reduction in rents, and flexible payment terms.

“Landlords are not responsible for the collapse in sales that many retailers are recording, but they are in a position to help. The current low-interest rate environment should support them doing that.”

For further information, please contact:

Greg Harford
Chief Executive | Retail NZ
greg.harford@retail.kiwi
027 243 2842