

Landlord and Tenant Challenges

Stemming from the ongoing COVID-19 Shutdown, many have been concerned about the implications for rental property and the growing difficulties being faced.

This global crisis has resulted in the closure of all non-essential businesses until at least April 30, 2020, and the economic repercussions are expected to be far-reaching and devastating to many.

In this regard, we first and foremost need to remember and remind our clients that “We are all in this together”.

Where Landlords and Tenants are concerned, it is becoming evident that there are difficulties developing where meeting their commitments are concerned.

We believe that, while each circumstance is unique, both Landlords and Tenants need to open a dialogue in order to make known their respective positions.

There are Landlords who are dependent on the rental income from their properties for the payment of mortgages, other rental property or even for their living expenses.

There are Tenants who are no longer earning the income or revenue necessary to meet their rental commitments.

Landlords in positions where they have mortgages and their tenants are finding themselves unable to pay rent, need to immediately seek concessions from their lending institutions or banks. Based on the circumstances, and as evidenced by documents from the Tenant proving their inability to pay, it is our hope that lenders would, in good faith, provide Landlords with deferral options to avoid losses.

We are aware that some Landlords have waived rent to their Tenants until the situation is resolved, while others are giving 50% discounts or charging only CAM. These are decisions that are solely at the discretion of the Landlord who is

under no obligation to offer any variation from the terms under which the property was rented.

Landlords, however, need to be mindful that the tenants they already have may very well be their only option for a rent when business returns to the new normal. As such, caution is advised when treating with Tenants in deciding how to charge or not charge rent. It is possible that if a tenant is evicted, it will not be possible to find a replacement in the short term since everyone is suffering from the same loss of earnings.

On the flipside, we are also aware that, due to the circumstances, there are persons seeking to take advantage of the situation and claim that they cannot pay rent for their own unscrupulous benefits. For this reason, it is suggested that when a Landlord is having discussions with his Tenant, supporting documentation must be provided to prove their hardship position.

This is definitely a time of give and take and everyone needs to be willing to compromise a little or even a lot to see us all through this crisis. As I said above, we are all in this together and it is an unprecedented situation.

Let us hope that we can all return to our normal way of life soon. To do that, we must play our part to contain the spread of the virus which would otherwise prolong indefinitely the end of the lock-down.

With our best wishes to you all.



Mark Edghill
President
on behalf of
AREA Board of Directors

Dated: April 18, 2020