



**From: Association for a Better Long Island
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DESPITE PANDEMIC, LONG ISLAND TENANTS OVERWHELMINGLY CONTINUE TO PAY RENT

Residential Rent Payments Continue to Trend Upward, 85% of Property Owners See At Least 90% Rent Payments in June; 100% of Property Owners See at Least 80% Rent Payments

75% of Commercial Office Landlords Received Rent from 90% or More of Their Tenants, In April Only 18.5% Experienced Better Than 90%

ABLI LIBI: June's data is promising signal that federal assistance, property owner flexibility and NYS leadership had positive impact on regional economy

(Hauppauge, N.Y.) – The June survey of real estate companies that own and manage tens of billions of dollars of Long Island real estate reveals that several real estate sectors are trending back towards pre-pandemic rent payment rates and that the economic recovery timeline from the COVID-19 pandemic might be shorter than previously anticipated, now projecting a 12-to-24 month timeline before the region returns to pre-pandemic health.

Recovery timeline

Almost half of survey participants now believe the economy will now need 12-to-24 months to fully recover from COVID-19, while nearly 26% project a 6-to-12 month timeline. In May, almost 50% of responders indicated a 2-to-5 year recovery period. In June only 22.6% of responders felt the recovery would take longer than two years.

June's survey sustained May's results, suggesting that more businesses are somewhat more optimistic in surviving the COVID-19 economic shutdown.

Retail regains a pulse

The retail real estate sector remains most impacted. Almost 35% the participants who lease retail space experienced nonpayment of May rent from more than half their tenants. In June, that number only slightly decreased, as 30.4% of the participants experienced nonpayment of June rent from more than half their retail tenants.

On a positive note, approximately 21% of participants who lease retail space experienced 20%-50% of their tenants not making June's rent payment. That is a 10% decline in nonpayment compared to May. In addition, almost 50% of retail property owners are receiving rent payments from at least 80% of their tenants, compared to May, where only approximately 35%, and April, where a dismal less than 20% of participants received rent payments from at least 80% of their tenants.

Commercial Strength and Industrial resiliency

In June, the commercial office real estate sector continued to show strength as nonpayment of rent significantly declined. Almost 75% of commercial owners received rent from 90% or more of their tenants. 36% of participants received rent from 95% or more of their tenants. In comparison, in May, a little more than 56% of participants experienced better than 90% of payment of rent and in April, only 18.5% of participants experienced better than 90% of payment of rent in April.

The industrial real estate sector remains significantly less impacted. In June, two thirds of participants received rent payments from at least 90% of their tenants.

Residential recovery

Long Island's residential real estate sector is close to returning to pre-pandemic numbers. In June, 85% percent of the survey participants who lease residential units received rent from 90% or more of their tenants. More impressive, 100% of participants received rent payments from at least 80% of their tenants and 40% of participants now experience the same rent payment percentage as pre-pandemic. Those findings reflect a 15% increase from May's results.

There will be continued debate in Albany over whether government should consider blanket rent forgiveness policies despite the fact that landlords are seeing the vast majority of their residential tenants continue to make rent payments.

Methodology

The comprehensive survey is administered by the Association for a Better Long Island ("ABLI") and Long Island Builders Institute ("LIBI"), region's economic development community, whose members combine to form the region's largest taxpayer, to examine the scope of COVID-19's economic impact. June is the third installment of the monthly survey designed to identify issues that will define business strategies and public policy for Long Island's recovery.

June's survey received **31 responses**. Combined, those participants **represent 69,684,00, leased square feet and 37,750 residential units**. In June's survey, the average participant **represents 1,217 residential units and 2,247,870 leased square feet**.