

# Long Island **Business**NEWS



AP Photo/Mark Lennihan

## **Landlords say most of their retail tenants failed to pay April rent**

By: [David Winzelberg](#) April 27, 2020

More than half the tenants at many Long Island retail properties failed to pay their April rent, according to a survey of area landlords.

The survey of property owners, who collectively control more than 61.3 million square feet of commercial space here, was conducted by the Association for a Better Long Island and Long Island Builders Institute and found some retail landlords reported nonpayment rates as high as 85 percent last month.

More than half of the survey's 41 respondents anticipate revenue losses greater than 20 percent this year, while 12 percent are forecasting revenue losses greater than fifty percent.

The majority of respondents expect that the economy will need at least 12 to 24 months to fully recover from the COVID-19 pandemic, while 30 percent projected a two- to five-year recovery timeline. Nearly 75 percent of tenants have informed the landlords in the survey that they will need at least six to 12 months or longer for their businesses to recover.

"This survey makes it abundantly clear that the pandemic is dealing a devastating blow to Long Island's economy," ABLI Executive Director Kyle Strober said in a joint statement. "We anticipate May's results, after a full six weeks of economic shutdown, to be worse."

Strober added that the goal of the survey, which will be conducted monthly, is to create an accurate barometer of current market conditions as they are severely impacted by the pandemic.

“The results will be a powerful tool when stating the need for federal, state, and local assistance in order to restart our economy,” Strober said. “It can also provide guidance as to what government assistance could be most helpful to tenants, including rental assistance vouchers and commercial mortgage forbearance.”

As expected, the survey revealed that the retail real estate sector has been impacted the most and the next hardest hit sector was commercial office space. Thirty percent of respondents experienced nonpayment of rent from 21 percent to 50 percent of their office tenants, while 15 percent of respondents saw more than 50 percent of their office tenants miss April’s rent.

“These results underscore the importance of economic recovery programs now underway by federal, state, and local governments along with the need to not only implement them but sustain them to ensure the economy stabilizes and then is restored to health,” LIBI CEO Mitch Pally said in the statement. “With Long Island playing a crucial role in New York’s economy, particular emphasis needs to be placed on a region of 2.85 million people whose economic landscape is now unrecognizable.”