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As April rent comes due, some Tampa Bay retail landlords and tenants are already thinking about post-COVID opportunities

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When [Brian Bern](#) learned that Publix Super Markets Inc. would be [waiving rent](#) for tenants in the shopping centers it owns, he thought it was a smart move — one that not every landlord can pull off.

"That was very smart and endeared not just those tenants to them but even the public who saw the news," said Bern, senior director at Franklin Street in Tampa. "I think there are a lot of landlords who will do their best to accommodate, but it's not a level playing field. Publix doesn't have debt on those properties they own."

April 1 marks the first time since the coronavirus outbreak took hold that commercial rent payments are due. Retail tenants — traditional retailers but also restaurants, fitness studios, dry cleaners and more — have been among the hardest hit by the pandemic. In Hillsborough and Pinellas counties, many of those tenants are nonessential businesses and no longer allowed to open their brick-and-mortar doors; others, like restaurants, have seen their sales capacity greatly reduced as the state banned all restaurant operation beyond takeout and delivery.

With sales down significantly and in some cases stopped altogether, many tenants will struggle to pay rent on April 1. What relief landlords are willing to give will depend in large part on their own debt obligations. The aftermath of the pandemic will likely present opportunities for investors, landlords and tenants, as weaker tenants move out and prime spaces open up.

Mostly, brokers say, landlords are evaluating rent relief during the pandemic on a case-by-case basis — and some may see it as an opportunity to push out tenants that were barely hanging on before the outbreak.

"It's sad — the world's not that vindictive, but if you weren't making it before, this makes it even harder, and landlords can only do so much," Bern said. "A lot of landlords are still convinced it's a busy market, and if this were to end miraculously at the end of April, then I would bet landlords would take their chances on the empty space and get rid of the weak tenants."

[Jim Kovacs](#), executive managing director with [Colliers International](#) Tampa Bay, said he's seen landlords willing to work with tenants. One of his clients is a traditional retailer that had to ask around 20 landlords for rent relief — and all but one said yes.

"Every landlord except that one was happy to work through it," Kovacs said. "The tenant was smart and didn't ask for the sun and moon — they just asked for what they needed to."

At Forbici Modern Italian in Hyde Park Village, sales are going better than expected, owner [Jeff Gigante](#) said, but coronavirus has still been a "harrowing experience."

When the state ordered restaurants to close down their dining rooms, he cut 57 of 87 employees. Takeout sales have been so strong — and tips so generous — that he's been able to bring back nearly 20 employees.

He's losing money by staying open. But if orders continue to grow, Gigante said, Forbici should be breaking even in about two weeks.

"We're fighting like hell to stay positive and relevant," he said. "It's definitely difficult, but it's a fight worth fighting. We've reached out and made payment plans with all of our vendors and reached out to everybody we were paying."



NOLA LALEYE

Forbici Modern Italian in Hyde Park Village

Gigante said he's reached out to his landlord, Boston-based [WS Development](#), and is waiting to hear back. He says he didn't pay his April rent and is looking to negotiate with the landlord, possibly by extending the terms of his lease.

"We're planning on holding tight and trying to figure this out," he said.

A spokeswoman for WS was not available for comment Wednesday.

Even with Forbici operating in the red, Gigante said he's also looking to the future, and he believes staying open will pay off.

"Being an entrepreneur, I'm used to getting kicked in the teeth a lot," he said. "So my goal is to build something unique in this disrupted period. I know well enough that whatever you build now, a healthy fraction of it now is going to stay. If we build a booming takeout business, we're going to maintain a good bit of that when everything reopens."

He's also looking at the real estate opportunities that this could open up for his restaurants, and he's already discussed that with his investors.

"Some of them are excited about the opportunities that are going to be around after this. A lot of people who are conservative wait for disruption and then jump on those [opportunities]," he said. "This virus doesn't take away from the fact that in three to five years, Tampa is going to be the premier city in the U.S."

A lot of real estate investors have the same mindset, said [Chris Dowd](#), a principal with [Hybridge Commercial Real Estate](#).

"They're looking for the little guy that is now cash-flow negative and wants to fire sale," Dowd said. "Internationally and in the States, there is enough opportunistic liquidity that will see this as a real opportunity to buy."

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Tampa's [RMC Property Group](#) handles the leasing for 80 shopping centers around Florida, between its own portfolio, third-party leasing agreements and joint ventures.

[Luli Cannon](#), vice president of retail leasing, said they're seeing requests from tenants across the board. RMC is willing to negotiate, Cannon said, but like any commercial property owner, it depends on rents to pay its mortgages.

Even when businesses are allowed to reopen — Gov. [Ron DeSantis](#) on Wednesday [issued a 30-day stay-at-home-order](#) for the entire state — Cannon said it won't be an immediate relief. All income may have stopped overnight, but that doesn't mean it will come flooding back when this is over.

"It's going to go on for several months, and even when it gets better, it's going to be a slow curve for many of our tenants," she said. "It's not going to be something that will be a drastic change."

RMC did have some tenants that were struggling before the outbreak, and their businesses likely won't make it through the pandemic.

"We are also looking at possibilities of, 'How can we then start working on those right now?'" she said. "But the reality is there's not a lot of other tenants looking right now."

Kovacs, the Colliers executive, said he also thinks there will be some opportunity in shopping centers around Tampa Bay.

"There is some very good real estate out there that's occupied by tenants that have had their day," he said.

That will be the ultimate opportunity for landlords, said Bern, the Franklin Street director.

"If I'm a landlord, this is finally the way I can recapture the space," he said, "and control my shopping center's destiny."

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