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The Pandemic's Impact on Landlord and Tenant Relations: 3 Takeaways from the Webinar

More than six months after the start of the pandemic, the Boston commercial leasing market is still adjusting to the "new normal." In a webinar hosted by Bisnow on September 15, our panelists discuss trends in the office leasing market and considerations for the future. Click [here](#) to view the webinar featuring [David Fitzgerald](#), Vice Chairman of CBRE, Kristen Binck, Vice President, legal at [Oxford Properties Group](#), and [Mark Elefante](#), Partner at Hemenway & Barnes.

Here are three takeaways from the discussion:

1. Be Reasonable and Communicate:

In managing existing landlord-tenant relationships, communication and reasonableness are key. While retail is still reeling from government restrictions, and lab space is taking off, office space is somewhat in limbo as tenants navigate an uncertain future around pandemic risks and obligations and employees working from home. When tenants have experienced a financial hit due to the coronavirus, the most successful approach for obtaining rent relief has been honesty and transparency in discussions with the landlord. Be ready to provide detailed financial information to demonstrate the need for rent relief, and be ready to provide a plan, to the extent possible, for turning things around and repaying any deferred rent. Landlords recognize that good tenants are hard to find, and they may be willing to make some concessions to keep an otherwise good tenant in the building during hard times. Landlords are less likely to grant concessions simply because a tenant is "testing the waters" to see what other tenants are getting for rent relief. Each space is unique, and landlords will consider each tenant's situation carefully.

2. Be Prepared to Discuss Concerns Other Than Rent:

In this public health crisis, the concept of a "healthy building" has never been more important. Many tenants are asking their landlords – for the first time –



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about the details of the heating, ventilation and air conditioning systems of the building. In many cases, landlords will need to educate their tenants on what the building provides for HVAC, and then coordinate with tenants on responsibility for each tenant space. For existing tenants, these arrangements have been made out of necessity during the pandemic. In the future, expect lease negotiations around HVAC responsibilities and other amenities – such as touchless entry and hands-free technology – to intensify with added scrutiny on the health and safety of office employees.

3. Sublease Space Will Be More Competitive:

Office tenants with large footprints and extra space, especially as employees work from home, are increasingly considering subletting their extra space to cover costs. Expect competition to sign subtenants to intensify as this trend increases. While landlords typically lay out the subleasing parameters in a lease without much negotiation, expect more attention to be paid to tenants' subleasing rights in new leases and lease renewals, as tenants look to have more flexibility during uncertain times.

Contact Us

If you have questions about meeting current obligations or negotiating new leases, please feel free to contact Hemenway & Barnes LLP's real estate team or the author of this alert:

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