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COVID-19 Impact on Florida Commercial Real Estate, Tenant Resources

State mandated closures and other governmental regulations issued to mitigate the spread of COVID-19 are drastically impacting the commercial real estate world. Day Pitney's real estate team continues to evaluate the rapidly changing legal landscape in order to provide the most up-to-date information together with practical business counsel to our clients, advisors and partners.

These are truly unprecedented times resulting in novel questions for both landlords and tenants as they try to understand their respective rights and obligations under their leases. While a careful review of all lease documentation is warranted to determine if any contractual relief may be available, in most cases and absent upcoming governmental relief, parties will need to work collaboratively to come up with reasonable and practical solutions under their particular circumstances to provide what will hopefully be short-term relief to preserve long-term objectives.

As April rents, loan payments, and carrying costs become due and past due, certain questions need to be addressed urgently. This alert highlights some of the commonly asked questions Day Pitney real estate attorneys are receiving together with the answers and suggestions.

When landlords are contacted by tenants requesting rent abatement, how should landlords respond?

Landlords should respond promptly in writing and inquire what steps the tenants have undertaken regarding possible assistance at both the state and national level.

Landlords should also make the tenants aware of any assistance of which the landlord is aware.

What Florida specific resources are available to tenants and others?

The Florida Small Business Emergency Bridge Loan is available through the Florida Department of Economic Opportunity. The loan is intended for short-term working capital. There is no interest for the first year. After the first year, interest is 12 percent per annum until paid. Loan amounts are up to $50,000 per eligible small business. Loans of up to $100,000 may be made in special cases. Qualified small business applicants must be an employer business with two to 100 employees. The application period runs through May 8. The application form and additional details can be found here.

The Florida SBDC is also another resource. The Florida SBDC has more than 40 offices from Pensacola to Key West. The Florida SBDC disaster recovery specialists are available to provide no-cost, one-on-one confidential consulting to help with the preparation of disaster loan applications and assist with other disaster-related challenges encountered. Additional details can be found here.

Please stay safe and healthy. We all look forward to getting back to "business as usual" as soon as possible. In the meantime, Day Pitney is here to help you navigate through these unprecedented times.

For more Day Pitney alerts and articles related to the impact of COVID-19, as well as information from other reliable sources, please visit our COVID-19 Resource Center.

COVID-19 DISCLAIMER: As you are aware, as a result of the COVID-19 pandemic, things are changing quickly and the effect, enforceability and interpretation of laws may be affected by future events. The material set forth in this document is not

an unequivocal statement of law, but instead represents our best interpretation of where things stand as of the date of first publication. We have not attempted to address the potential impacts of all local, state and federal orders that may have been issued in response to the COVID-19 pandemic.

Authors



Jay D. Mussman
Counsel

Boca Raton, FL | (561) 537-4934

Miami, FL | (561) 537-4934

jmussman@daypitney.com



Manuel A. Garcia-Linares
Partner

Miami, FL | (305) 373-4021

mgarcialinares@daypitney.com



Mark A. Romance
Partner

Miami, FL | (305) 373-4048

mromance@daypitney.com