

Restaurants, Landlords Brace for Economic Hit

By [Steve Adams](#) | Banker & Tradesman Staff | Mar 16, 2020 | [Reprints](#) | [Unlock Link](#) | [Print](#)



Massachusetts restaurant landlords are scrambling to cope with “inevitable requests” for rent relief as they brace for an extended period of shuttered establishments.

Even before Gov. Charlie Baker’s decision Sunday to ban dine-in restaurant activity through April 6 to contain the spread of the coronavirus, dozens of restaurants had announced they were suspending operations.

Boston-based boutique developer Hudson Group is forgiving a percentage of rent payments for its three restaurant tenants for the next few months, Partner Noam Ron said Monday.

“We’re in preservation mode right now, so not to give relief to tenants would be doubly foolish,” Ron said. “Whether they use that to pay their expenses or whether it’s going straight to their hourly workers is something we have no control over, but I wanted them to know that we can help.”

The drastic short-term effects on both restaurant and retail tenants became evident in recent days, after Apple announced Friday it would close all stores outside China until March 27, and dozens of national retailers announced temporary closures over the weekend. Baker’s order does not apply to take-out service, but many restaurants in Greater Boston had already announced they would halt dine-in service or suspend operations temporarily.

While it’s in landlords’ best interest to preserve relationships with existing tenants, Hudson Group’s Ron said the state government should consider suspending meal taxes, excise taxes and sales taxes during the pandemic.

Many Boston-based restaurants have reported declines in sales of 50 percent or more in the past week, Boston-based retail brokerage GraffitoSP said in blog post, and requests for rent relief are inevitable. The brokerage launched a [web page](#) to serve as a clearinghouse for industry impacts.

“We believe it is necessary that we, as a real estate community, immediately grasp the gravity of the threat to the retail and service businesses in our projects and neighborhoods and act swiftly to accommodate as best we can, understand, and respond to inevitable requests of relief from tenants,” GraffitoSP wrote.