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COMMERCIAL REAL ESTATE SUPPORTS GOVERNOR ON CORONAVIRUS ACTIONS
Letter Supports Executive Order N-28-20 and State Response To COVID-19

SACRAMENTO – California State Governor Gavin Newsom has taken decisive measures to stop the spread of Coronavirus. Among a flurry of initial action, the Governor issued Executive Order N-28-20 which allows local governments to take action to protect residential and commercial tenants and homeowners suffering from economic losses due to COVID-19 from eviction, foreclosure, and/or utility shut-offs.

The commercial real estate industry has reacted by standing up to show support for the Governor’s actions -- and our tenants – in this time of unprecedented crisis.

“Commercial real estate companies are part of the community,” stated Rex S. Hime, President & CEO, California Business Properties Association. “Our members, our employees, our service providers – and their families -- are also being hit hard by the Coronavirus emergency. We felt it was important to send a strong signal that we are willing partners with state leaders and our tenants to navigate our way out of this crisis.”

California has over 6 billion square feet of private commercial real estate. This includes companies of all sizes from a single person that owns one building, to some of the largest multi-national real estate companies – and everything in between. All are impacted by the current downturn of activity caused by the need to contain COVID-19.

Commercial real estate companies are we are assisting local officials in a number of ways; from simple offers of use-of-space to going above and beyond normal cleaning standards to deep-clean tenant spaces; to working with tenants that are struggling with a lack of customers to keep them in business until customers can return.

“We are all in this together and we are finding that our members are already responding and rising to meet the challenge. We need to lean-in and help our tenants and the public that rely on our shopping centers, distribution centers, and offices, have access to consumer goods and clean and safe workplaces,” said Hime. “We are encouraging our members to offer forbearance with tenants as we work through the problems caused by shutting down entire cities.”

As we work to stabilize the economy and restore confidence to community-oriented real estate and tenants, we are working with the Federal government on a number of strategies, one being a guarantee that claims on business interruption be covered, even if the policies have exclusions for viruses or pandemics. In exchange, insurers should receive a federal guarantee for the losses. Utilizing a tool that already exists in the marketplace, along with other proposed measures to stabilize the economy can provide immediate relief to struggling tenants and ease the transition back to normal consumer activity.

Hime continued, “tenants are the lifeblood of the commercial real estate industry. It is why we exist and building owners spend a lot of time and effort to make sure tenants are happy and can succeed. Many of our member companies are already working with tenants to assure they can survive through temporarily restructuring leases and deferring rent. Acknowledging that publicly and supporting the Governor to ease fears was an easy call.”

CBPA is the designated legislative advocate for the International Council of Shopping Centers (ICSC), the California Chapters of the Commercial Real Estate Development Association (NAIOP), the Building Owners and Managers Association of California (BOMA), the Retail Industry Leaders Association (RILA), the Institute of Real Estate Management (IREM), and AIR CRE.

To read CBPA’s full response to the Governor and see other COVID-19 Resources, point your browser here:
<http://cbpa.com/covid-19-resources/>

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