

# NEWS YOU CAN USE

## COMMERCIAL NEWS

### GUIDANCE FOR RENT RELIEF REQUESTS

The COVID-19 pandemic continues to disrupt public health and economic activities across the globe. While the full effects of the virus remain to be seen, commercial real estate professionals need to be prepared for what could be a challenging time.

Relationships between tenants and landlords will be disrupted as millions of people shelter in place, thousands of businesses close their doors, and the U.S. economy faces its biggest challenge since the 2007-2009 Great Recession.  
How Landlords Can Respond

As retail outlets across the country close, it is only a matter of time before tenants approach landlords about negotiating rents. When a business closes suddenly, even if it's temporarily, the tenant cannot produce rent, meaning a landlord may have difficulty paying a mortgage (if there is one). There are no winners in this situation. Here are some viable alternatives to mitigate this issue:

- **Rent Reduction:** The landlord can reduce the tenant's rent for a portion or all of the term left on the lease. The usual forms of rent reduction are to reduce the base rent, operating expenses, or both. In regard to retail, it is possible to convert base rent to percentage rent.
- **Rent Deferral:** In this case, the landlord can defer a portion of the tenant's rent but would require them to repay the rent deferred at a later time, either in a lump sum or by increasing subsequent payments. A variation of rent deferral could be to cap or set a base year to operating expenses for a short or extended period of time.
- **Rent Abatement:** If a tenant is significantly past due on rent payments, a landlord may agree to forgive a certain amount of the past due rent if the tenant remains current thereafter.
- **Loan Conversion:** Rather than abating past due rent, a landlord may agree to convert past due rent into a loan payable over time. The tenant would, however, continue to pay current rent. The loan

is then evidenced by a promissory note that is cross-defaulted with the lease.

- **Application of Deposit:** If the landlord holds a deposit, this amount could be credited against the tenant's current obligations.
- **Subletting:** Bringing in a new tenant (for part of or all of the rented space) could reduce or eliminate the rent obligations while replacing revenue for the landlord.

#### How Can Tenants Respond?

- Review your lease to see if your rent is simply base rent or it includes pass-through expenses. How much are these expenses and are they set to increase?
- When does your lease end? What renewal options are available?
- What constitutes a default of the lease? What tools are available to the landlord in such a case (penalties, eviction, interest, etc.)?
- Does your landlord hold a security deposit? If so, how much is it?
- Review operating covenants and co-tenancy.
- Speak to your insurance agent to see what coverages are maintained by each party. Know your options to file a claim under existing insurance.
- Does the lease include force majeure, excusing a party's performance due to outside circumstances?
- Explore governmental relief programs, which may be popping up quickly, for tax relief, access to loans, relaxed restrictions/regulations, etc.
- Consider consulting a lawyer to know your options in limiting your financial obligations.
- Based on our current financial position, understand what concessions you would need from your landlord in both best- and worst-case scenarios related to COVID-19.
- Contact your landlord and specifically outline how your business is being impacted by the COVID-19 pandemic. Arrange a meeting and be prepared with data to have an open conversation to identify a solution or combination of solutions.
- For additional tenant resources, please visit Capital Rivers Commercial's Community Resources and Assistance Amidst COVID-19 page.

# Richmond by the NUMBERS



**2,554** Downtown Richmond  
Businesses

More than **800**  
housing units  
currently under  
construction

**80,000+** Downtown  
Employees



**9,180**

Male-Owned Firms

**7,426**

Female-Owned Firms

**7,859**

Minority-Owned Firms



**6.7%**  
Vacancy Rate

Overall Asking  
Rent (Class A)

**\$24.97**  
per SF

**8.5%**  
Availability Rate

**40%** Increase in resident  
housing since 2010

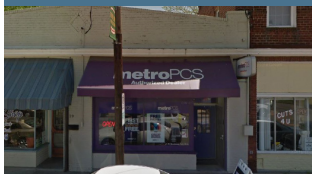
**Retail/Office For Sale**



**4114 DILL RD**  
\$305,000 | 1,009 SF  
EDDIE JACKSON | (804) 238-9950

Great all brick building is move-in ready condition for any general commercial business. Completely renovated from a former Salon & Spa with several small rooms to accommodate offices, retail store or service business.

**Retail For Sale**



**21 W BROOKLAND PARK BLVD**  
\$150,000 | 1,068 SF  
EDDIE JACKSON | (804) 238-9950

This portion of a one-story building is for sale and is ideal for general retail/service in the Northside of Richmond City in the heart of Brookland Park with approximately 20 feet of sidewalk frontage.

**Retail For Lease**



**1105 N ARTHUR ASH BLVD**  
\$15.00 PSF (NNN) | 4,280 SF  
BILL PHILLIPS, CCIM | (804) 967-2739

This standalone building is ideal for a creative office/retail or auto related use with a showroom in the front and a three bay door garage in the rear. There is off-street parking for 5 vehicles and pylon signage available. Located on the trendy and thriving N Arthur Ashe Blvd and highest visibility corridor to Scott's Addition, this versatile property is proximate to major retailers and eateries.

**Mixed Use Development For Lease**



**3101-3103 E MARSHALL ST**  
\$8.00 PSF (BASEMENT) | 2,208 SF  
\$16.00 PSF (1ST FLOOR) | 733-1,039 SF  
EDDIE JACKSON | (804) 238-9950

New construction for a commercial development in a mixed-use project consisting of 9 residential and 3 commercial units in the heart of Church Hill. Pre-leasing space now for Retail/Restaurant use on the first floor and basement. Basement will have a separate entrance which makes for a great food production/catering or studio space. Delivery expected Fall/Winter 2020.

**Industrial For Lease**



**680 SCATTERGOOD DR NW**  
\$3.75 PSF (NNN) | 88,900 SF  
COLEMAN STEWART | (540) 841-5383

This 133,000 square foot building is well suited for manufacturing and distribution. One of the larger industrial buildings available in SW Virginia. Willing to put \$ toward improvements. Splitting up the space for multiple tenancy is an option.

**Office Condo For Lease**



**400 C SOUTHLAKE BLVD**  
\$879 PER MONTH (FS) | 1,072 SF  
BILL PHILLIPS, CCIM | (804) 967-2739

Nice office condo in convenient Chesterfield location off Courthouse Road near Midlothian Turnpike. This second-floor walk-up space has a separate suite entrance, large open space, kitchenette and half bath with a loft office above on a third floor. Interior has been freshly painted and shows well. There are two parking spaces and plenty of other parking nearby.

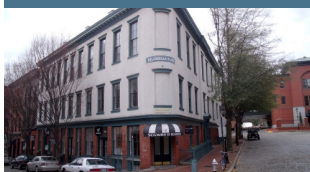
**Office For Lease**



**2727 ENTERPRISE PKWY, SUITE 105**  
\$15.00 PSF | 1,043 SF  
CHERYL HAMM, CCIM | (804) 967-2765

Small office located on first floor. Open Floor Plan w/One Large Office and a Supply Room on the Window Wall. Handicap accessible. Easy access to W. Broad for restaurants and shopping. Near Henrico Courts and Administration Buildings. Minutes for I-64/Glenside.

**Office/Retail For Lease**



**COLUMBIAN BLOCK**  
\$15.00 PSF | 900 SF (OFFICE)  
\$15.00 PSF | 2,012 SF (RETAIL)  
BILL PHILLIPS, CCIM | (804) 967-2739

Located in historic downtown Richmond in Shockoe Slip adjacent to The Martin Agency. 101 Shockoe Slip, Suites M & N Combined - 2nd floor office space, Full Service 1307 E Cary St - 1st floor storefront retail space, Rent net electric

**Office For Sale/Lease**



**7255 MECHANICSVILLE TPK**  
\$3,500 PER MONTH | 2,576 SF  
SALE PRICE UNDISCLOSED  
COLEMAN STEWART | (540) 841-5383

This very spacious office space located right off the elevator lobby on the 2nd floor contains an open floor plan as well as private offices, conference room, storage, kitchenette and reception area. Great location off of Parham Road, in close proximity to retail and I-64.

**Special Purpose For Lease**



**2300 FAIRMONT AVE**  
\$325,000 | 4,284 SF  
EDDIE JACKSON | (804) 238-9950

Prime 25th St frontage for this corner property consisting of 14,784 sf church building with 5 vacant parcels zoned B-2. An ideal location for mixed use development.

## RECENTLY SOLD/LEASED

See all our listings at:  
[www.JoynerCommercial.net/Property-Search](http://www.JoynerCommercial.net/Property-Search)

**Recently Sold:**

- 8,520 sf mixed use building on 0.2 acres known as 2208 North Avenue in Richmond was purchased by 2208 North Ave, LLC for \$340,000 from Kun H Lee & Kwang I Lee. Eddie Jackson was the listing and selling agent for this transaction representing the Seller.

**Recently Leased:**

- 20,000 sf of warehouse space leased in an expansion of American Builders & Contractors Co, Inc. at 680 Scattergood Dr NW. Coleman Stewart represented the Landlord.
- 11,342 sf of office space leased to Discovery Counseling & Consulting at 7760 Shrader Rd. Bill Phillips represented the Tenant.
- 5,502 sf of office/warehouse space leased to Bell BCI Company, LLC at 711 Hospital St. Bill Phillips represented the Tenant.
- 2,311 sf of office space leased to The Barnabas Center at 7113 Three Chopt Rd. Bill Phillips represented the Tenant.
- 2,121 sf of office space extended by Family Focus at 2727 Enterprise Pkwy. Cheryl Hamm and Bill Phillips represented the Landlord.
- 1,338 sf of office/warehouse extended by Goochland Garage Gym, LLC at 1145 Tricounty Dr. Bill Phillips represented the Landlord.
- 1,084 sf of retail space extended to Kahler Slater, Inc. at 104 Shockoe Slip. Bill Phillips represented the Landlord.