

# Commercial Rent Survey Summary

## November 2020



Source: 264 responses to the Commercial Rent Survey on 11/2-11/10

SECTORS	ALL BUSINESSES	M/WBE
Restaurants/Food/Bars	23%	25%
Retail	17%	17%
Other	16%	18%
Health & Wellness	14%	18%
Professional Services	11%	16%
Non-Profit	8%	3%
Manufacturing & Industrial	6%	6%
Tourism/Hospitality/Arts & Entertainment	6%	4%
Real Estate & Construction	4%	4%
Technology	1%	0%
Energy/Telecom	0%	0%

NEIGHBORHOODS	ALL BUSINESSES
Greater Downtown Brooklyn	55%
North Brooklyn	17%
West Brooklyn	12%
Central Brooklyn	7%
East Brooklyn	6%
South Brooklyn	4%

LEASE SITUATION	ALL BUSINESSES	M/WBE FIRMS
LEASE A SPACE	88%	88%
OWNER OCCUPIED	5%	3%
LANDLORD	4%	4%
N/A	5%	6%
TYPE OF LANDLORD		
INDIVIDUAL	38%	41%
CORPORATION	45%	40%
MANAGEMENT COMPANY	19%	18%
OTHER (Gov't)	10%	10%
LENGTH OF LEASE		
MONTH TO MONTH	14%	16%
1-5 YEARS	45%	46%
6-10 YEARS	30%	31%
OVER 10 YEARS	6%	5%
OTHER	7%	4%
LENGTH OF TIME IN SPACE		
LESS THAN 1 YEAR	3%	4%
1-5 YEARS	45%	54%
6-10 YEARS	21%	19%
11-20 YEARS	18%	15%
OVER 20 YEARS	8%	5%
OTHER	4%	2%

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## COMMERCIAL RENT PAYMENTS

All Businesses and M/WBE Firms

**\*48% of all businesses said they owned some back rent**

	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.
<b>Paid Full Rent</b>	82%	55%	49%	52%	56%	55%	57%	54%	48%
<b>M/WBE</b>	83%	51%	41%	44%	51%	51%	52%	49%	41%
<b>Paid Partial Rent</b>	9%	24%	27%	27%	26%	28%	26%	25%	19%
<b>M/WBE</b>	8%	28%	32%	31%	26%	28%	29%	28%	23%
<b>Missed Rent/Did Not Pay</b>	8%	20%	23%	20%	17%	16%	16%	20%	31%
<b>M/WBE</b>	8%	20%	26%	25%	21%	19%	18%	22%	35%

## RENT CONCESSIONS

	NONE	REDUCTION	DEFERRAL	RESTRUCTURE/RENEGOTIATION & EARLY TERMINATION	% OF SALES	OTHER Deduction from deposit, Installment Payments, Negotiating
<b>ALL BUSINESSES</b>	51%	21%	21%	3%	1%	14%
<b>M/WBE</b>	46%	25%	22%	2%	1%	15%

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% Of Revenue That Goes To Rent 224 Responses (120 MWBE)	ALL BUSINESSES	M/WBE FIRMS
UP TO 25%	59%	55%
26-50%	25%	23%
OVER 50%	16%	23%
% Of Rent that Covers Taxes 196 Responses (106 M/WBE)		
NONE	34%	38%
1-10%	30%	21%
11-20%	6%	6%
OVER 20%	4%	3%
DON'T KNOW	19%	25%
N/A	7%	8%

### LEASE TERMS

Personal Liability Clause

ALL BUSINESSES - 59%

M/WBE FIRMS - 57%

### M/WBE | Highlights (54% of firms surveyed)

- 55% of those affected are located in the Greater Downtown BK area. 18% are located in North Brooklyn
- 46% have a 1-5 year lease; 31% have a 6-10 year lease; 16% are month-to-month.
- 54% have occupied their space for 1-5 years; 19% for 6-10 years, and 15% 11-20 years.
- 48% indicated they owed back rent; 57% have a personal liability clause in their lease. 55% said up to 25% of revenue goes to rent.

### BUSINESS COMMENTS

#### Rent Concessions

*"We have paid 50% of rent since June, with the balance being deferred to the end of the lease. It has helped to keep us open from a cash flow perspective, but we are digging a large hole and I don't see how we will get out of it without some financial help."*  
*Restaurant - Downtown Brooklyn*

*"One of four landlords has accepted a lower "minimum payment" in lieu of full rent payment, while adding interest to the accruing unpaid balance."*  
*M/WBE, Production Studio - Sunset Park*

#### Cooperative Landlord

*"Landlord entered into agreement to waive all rent payments for 2020. This was due primarily to a sewer backup issue from December 2019."*  
*M/WBE, Restaurant - East New York*

*"My landlord has tried to work with us, but with capacity issues, it becomes increasingly difficult to keep the business going."*  
*M/WBE, Restaurant - Central Brooklyn*

#### Unpaid Rent

*"After 6 months of not being able to pay my commercial rent, zero concessions from my landlord and no assistance from government or philanthropic groups, I closed my storefront."*  
*M/WBE, Tutoring - Cobble Hill*

*"Just cannot afford to pay the rent anymore."*  
*M/WBE, Restaurant - Williamsburg*

#### Cluster Zone Closure

*"We reopened in July, and after three months had to close again since my business is in the red zone. I paid rent when we were closed and my landlord is asking for rent now too even though we were closed 5/12 months of this year. I don't know what we can do."*  
*M/WBE, Health & Wellness - Midwood*

#### Rent Negotiations

*"Still in negotiations about other concessions from our landlord. He verbally agreed to rent a % of revenue, but we would still owe the back rents due over the life of the lease. We haven't signed anything formal with him yet."*  
*M/WBE, Restaurant/Wine Bar - Greenpoint*

#### No Concessions

*"No concessions, constant demands for back rent from our period of forced closure, legal threats."*  
*Entertainment - Park Slope*

#### General Struggles

*"I've been slapped w/late fees, I've been lightly threatened, I want to keep my employees and pay rent but each month I have to choose."*  
*Professional Services - Sunset Park*

*"We are being charged real estate taxes to the tune of \$7000 which is difficult since we do not own the store in which we rent."*  
*M/WBE, Retail - Brooklyn Heights*