

**EMBARGOED UNTIL 5:00AM THURSDAY 30 SEPTEMBER 2021**

## **New Zealand's largest property owners provided over \$320m in rent relief since March 2020**

New data out today shows that some of New Zealand's biggest property owners have subsidised Kiwi businesses to the tune of more than \$320 million during the COVID-19 lockdowns. Property Council chief executive Leonie Freeman says the data provides evidence of the property sector's willingness to share the burden of the pandemic.

The survey and an accompanying letter to Prime Minister Jacinda Ardern signed by 24 of New Zealand's largest property owners, managers and developers comes in response to Tuesday's shock announcement proposing an amendment to the Property Law Act.

"The fact is, the market has already risen to the challenge of COVID, supporting vulnerable tenants and negotiating fairly as we rode this wave of change. The decision to impose a clause without agreement only serves to jeopardise the good will that landlords and tenants have created," says Freeman.

In the letter to Ardern, Freeman calls the right to freely negotiate the terms of leases a "fundamental and essential part of our commercial and social licence" and raises concerns over the lack of government consultation leading up to the proposed change.

"Both landlords and tenants up and down the country have negotiated in good faith with each other to come to agreements that work for their specific arrangement and lease. The decision to impose a clause without agreement only serves to jeopardise the good will that landlords and tenants have created.

"We see a number of very serious unintended consequences resulting from the decision to deploy a blanket approach to what is a very nuanced and individualised contractual environment," says Freeman.

"The most obvious issue is how to interpret what "fair" means amongst two parties. That interpretation will result in a long and costly process, which neither tenant nor landlord can afford.

"We understand the pain being felt by the retail and hospitality sectors in particular, and we accept the intent of the proposal is that those sectors will receive equitable rental relief from their landlords. Our members have proactively shared in that pain through providing rental relief to these sectors.

"However, the proposal as drafted has significant and widespread application beyond the intended beneficiaries, by changing *all* commercial leases, the vast majority of which are not those which the legislation is intended to assist.

"In many cases the businesses which will benefit have much greater financial strength than the landlords who will be impacted. The proposal as currently drafted, with its wide application to commercial leases, would entitle the major Australian-owned banks to claim rental relief from their New Zealand landlords, despite the pandemic restrictions having little or no impact on those banks' profitability.

“We do not believe this is the Government’s intent and call for the proposed legislation to be amended to support those businesses most in need.”

**ENDS.**

For further comment please contact:

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## **Notes to the Editor**

Please find attached a letter to Rt Hon Jacinda Ardern in response to the proposed changes, sent today.

### **About Property Council New Zealand**

Property Council is the leading advocate for New Zealand’s largest industry - property.

Property Council New Zealand is the one organisation that collectively champions property, bringing together members from all corners of the property eco system to advocate for reduced red tape that enables development.

Property is New Zealand’s largest industry, making up 15% of economic activity. As a sector, we employ 9% of New Zealand’s workforce and contribute over \$41.2 billion to GDP.

A not-for-profit organisation, the Property Council connects over 10,000 property professionals, championing the interests of 550 member companies.

Our membership is broad and includes some of the largest commercial and residential property owners and developers in New Zealand. The property industry comes together at our local, national and online events, which offer professional development, exceptional networking and access to industry-leading research.

Our members shape the cities and spaces where New Zealanders live, work, play and shop.

[www.propertynz.co.nz](http://www.propertynz.co.nz)