

Another great day for lawyers and multi-nationals

The release of the Finance and Expenditure Committee's report on implementing no-access clauses in commercial leases shows Wellington hasn't listened to people on the ground, Property Council Chief Executive Leonie Freeman says.

"Despite significant feedback from landlords, tenants, lawyers and property experts on the effectiveness of the clause, the Committee has made no change that will support vulnerable tenants and landlords.

"By the Government's own admission that they don't know the size and scale of the problem. Their approach of taking a sledgehammer to a nut does nothing to solve the root cause of the problem – cashflow.

"Almost all the submissions recommended better financial support for tenants and landlords, noting even deferrals or abatements wouldn't fix the problem.

"We put forward practical solutions to help improve the clause. We promoted ideas that would stop major multi-national companies from seeking rent relief, and instead helping target the need to those who desperately need it.

"Officials in Wellington might say it's too hard to do, but that's a classic Wellington state of mind. Those of us on the ground offered our expertise from both landlord and tenant perspectives - sadly that fell on deaf ears. As has every offer we have provided to help the Government come to a workable solution.

"The team of five million works when we are fixing problems together. Pitting landlords and tenants against each other like this only serves to cause more strain and hardship when New Zealanders right across the country are doing it tough.

"Today's decision will do nothing to help the retired couple who contacted me, whose only income is their pension and the rent from their small commercial property. Their professional tenants have stopped paying their rent, despite their business suffering no financial stress due to lockdown. This couple simply cannot afford a rent reduction, nor can they afford to drag the issue through arbitration in the tens of thousands. What does the Government propose they do? How will this legislation support people like them?

"It's another great day for lawyers and for multi-nationals – but another sad day for vulnerable tenants and landlords across New Zealand."

ENDS.



For further comment please contact:

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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.

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