

April 30, 2020

**Letter addressed to Premiers of provinces & territories on April 30th on behalf of members of
Retail Council of Canada**

(NEW BRUNSWICK & NOVA SCOTIA EXCEPTED— WHICH CURRENTLY HAVE MEASURES IN PLACE TO PROTECT RETAIL TENANTS)

Dear Premier:

Provincial Governments Need To Enact Moratoriums On Commercial Evictions & Adverse Actions

Please let me take this opportunity to thank you and your government for recognizing the economic challenges posed by the COVID-19 pandemic, and for taking actions to help mitigate the devastating unprecedented impacts being felt by small, mid and large retail businesses in the province and across Canada.

The importance of retail business to Canada's prosperity cannot be understated -- there are some 145,000 retail locations across our country which employ 2.1 million people. We are truly thankful for your recognition of the vital role that the province's retail business infrastructure plays in the effort to assist us all in dealing with this crisis.

Retail Council of Canada (RCC) congratulates the federal and provincial governments for introducing a rent relief program for small businesses and expects to see further relief to support all retailers who are facing hardship and liquidity challenges and who are struggling to keep their businesses afloat during this crisis. We also applaud those landlords who are currently discussing rent relief agreements with their retail tenants, but we are concerned that, because the rent-relief program is voluntary, many landlords will ignore the program and put retailers at risk of closing their doors.

Such an approach would be both short-sighted and injurious. Not only would the loss of business premises drive many retailers into bankruptcy, with consequent loss of employment, it would also undermine a complex ecosystem involving retailers, commercial real estate, pension beneficiaries, individual and institutional investors. Further damage would be caused to municipal, provincial and federal tax bases and to the multitude of vendors and service providers to retail and their employees in turn.

Enlightened self-interest should motivate landlords to adopt a policy that essentially requires a haircut of only three week's worth of rent over the three-month program. Doing so would protect not only retailers and their workforce but also help maintain a solid base of tenants in bricks-and-mortar settings in a period where online vendors are likely to have significantly increased their share of the retail market.

Given this reality, the RCC requests that:

- **The government institute an immediate moratorium on commercial evictions and distress actions including changing locks and seizing inventory, retroactive to April 1 and extending to August 31, to match the end of the CECRA program application period: (OCECRA in Ontario)**
- A mechanism be created for small businesses who qualify for CECRA to notify their provincial government of landlords who decline to participate in CECRA; and
- Provincial support for pending federal efforts to create a second rent-relief program, to provide rent relief to all retailers that have experienced a significant decline in sales - as the current program does not include those businesses of any size that have seen revenue reductions of less than 70 percent, are paying more than \$50,000 a month in rent for any given location, or have annual gross revenues of more than \$20 million.

It has been widely reported that most retailers are unable to pay their May 1st rent thus will be under threat of eviction or other exercise of landlord rights. In some cases, it has been reported that certain landlords have refused to provide relief and have taken extreme measures such as changing the locks on some retail locations and seizing inventory.

We cannot overstate the urgency of this matter and the importance of bringing in a moratorium on commercial evictions immediately, which will more tightly focus the outlying landlords on the value of the program.

Let me once again thank you and your government for recognizing the critical importance of ensuring that retail businesses continue to survive and operate during these extraordinary times. We look forward to working with you to ensure that the retail sector is provided with the tools required to remain in business for the foreseeable future.

Sincerely,



Diane J. Brisebois
President & CEO, Retail Council of Canada

c.c.: Hon. Rod Phillips, Minister of Finance
Hon. Vic Fedeli, Minister of Economic Development, Job Creation and Trade
Hon. Prabmeet Sarkaria, Associate Minister of Small Business and Red Tape Reduction