

Walmart and Publix, Landlords as Well as Grocers, Waive Rent to Businesses Hit by Coronavirus

Large Chains Have Vested Interest in Helping Tenants Such as Optometrists and Banks



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March 30, 2020 | 4:23 P.M.

Walmart, the world's largest brick-and-mortar retailer, and Publix, the third-largest grocery chain in the United States, are giving breaks on rent to tenants within their store and strip-mall properties suffering from dramatic drops in business caused by new coronavirus-related closings and restrictions.

Bentonville, Arkansas-based Walmart is waiving rent for small businesses that operate in its supercenters and Sam's Club stores, the retailer said, as it helps its partners cope with

the outbreak. The retailer plans to forgo rent on next month's leases and will monitor the "need for additional support beyond that." It did not say if it lightened the March rent.

At a time when grocery stores are among the few businesses allowed to stay open, and as they pick up extra revenue because of panic purchasing and restrictions limiting many restaurants to offering takeout, they are in a position to help with rent relief for some retail tenants that otherwise might not make it otherwise, said Shlomo Chopp, whose New York-based firm Case Property Services [helps distressed retailers create turnaround plans](#). Altruism is good business for chains so large they are also landlords, Chopp said.

"For Walmart and Publix, the centers house many tenants that sell household staples so free rent for two months can help them survive to a point of reopening after that," Chopp said in an email. "I commend them, but it is the right business move for well-capitalized companies seeking to maintain the value and tenancy of their assets. For mall owners it is less straightforward as the viability of the tenants themselves are in doubt."

Walmart has more than 10,000 spaces throughout the country leased to hair and nail salons, optometrists, restaurant franchises, veterinary clinics and local and regional banks. Many of those have had to temporarily close down or reduce hours and services as the country tries to harness the COVID-19 outbreak. If they go out of business, that means Walmart will have to search for new tenants to replace the lost rent.

"We're waiving rent for all Walmart property partners for the month of April, as well as for the hundreds of eye doctors who operate at Sam's Clubs," the company said in a statement. "It's our hope that this rent relief will help these businesses financially weather the current situation and take care of their employees."

Publix Super Markets is helping tenants by waiving rent for two months during the crisis caused by the coronavirus pandemic. The Lakeland, Florida-based chain also is waiving tenant payments for common area maintenance fees and taxes, regardless of whether the tenant is eligible for other financial assistance or relief.

Over the past couple of years, Publix has [acquired several of the shopping centers](#) it anchors, such as Doral Plaza Shopping Center in Doral, Florida, and [Lakewood Ranch Plaza](#) in Bradenton, Florida. Publix now owns 282 shopping centers.

The chain has 1,243 locations from Virginia to Alabama. Because grocery stores have been deemed essential businesses, Publix has kept its stores open, though it has cut back hours to allow for cleaning and restocking of its stores.

“As a company that started as a small business 90 years ago, Publix wants to help businesses renting from us survive the economic impact of these unexpected closures,” Publix spokeswoman Maria Brous said in a statement.

In New York City, Columbia University said it will waive April and May rent for small businesses in properties it owns. The university said the action would provide economic relief to qualifying small businesses in Columbia’s 600,000 square feet of retail space in the [Morningside Heights](#), West Harlem, Manhattanville and Washington Heights neighborhoods.

“Columbia cares deeply about the local businesses that serve our diverse community and we recognize the importance they have in the fabric of the neighborhood,” David Greenberg, executive vice president for university facilities and operations, said in a statement. “This is the hardest of times for everyone, and noticeably for our retail partners, and we will do everything we can to help them get through this crisis.”

Shari Colburn, vice president for real estate at Columbia, said the university's retail portfolio requires creative actions during the economic crisis prompted by the pandemic. “We view ourselves as a partner with the small, local businesses within our portfolio and their employees, and today’s action, in these challenging times, is a demonstration of that partnership,” Colburn said in Columbia's statement.