

## Commercial Lease Disputes and Renegotiation – A Look Back During the COVID-19 Pandemic

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Partner Steve Ostrow participates in a roundtable conversation about commercial leasing issues with a panel of real estate attorneys in the United States and the United Kingdom in *Corporate Disputes Magazine*. The panel discusses key trends and take-aways during the COVID-19 pandemic and predictions for leasing disputes over the next year.

Over the last year, most commercial leasing disputes have centered largely around the impact of the pandemic on both tenants and landlords, financially and operationally. The disputes were generally the result of tenant financial distress due to revenue reductions and related cash flow problems.

The economic downturn hit the retail, travel, restaurant, hospitality, health and fitness, and entertainment sectors the hardest. The pandemic created unanticipated leasing issues or exacerbated pre-existing ones at all stages of the leasing relationship. In the early phases, the pandemic often resulted in the renegotiation of letters of intent or modification of leases with respect to lease and rent commencement dates, rental rates and concessions, space needs and layout, assignment, subleasing and early termination rights. During the remaining phases, leasing disputes primarily involved rent deferments and abatements, landlord and lender forbearances, lease assignments and sublets, early lease terminations, lender approvals and tenant releases in favor of landlords.

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