Retailers restart rent talks with malls as retail restrictions return

By Isabelle Crossley - 10 January 2022

Numerous retailers in categories including fashion are initiating talks with malls over bringing back rent relief as Covid-19 regulations in numerous states are reducing mall opening hours and capacity.

States including Delhi have reintroduced weekend curfews and evening retail restrictions and others including Maharashtra are close behind, quickly introducing measures to curb the spread of Covid-19’s Omicron variant. This is causing businesses to lose sales once again making it harder for them to pay store rent.

“We will need to approach all our landlords and find a right solution,” ethnic wear brand Biba’s managing director Siddharath Bindra told the Economic Times. “We are fairly confident most people [landlords] will take a proactive view. Business is dropping every day.”

Other fashion retailers which has started talks with malls in which they have stores include Benetton, Jack & Jones-retailer Bestseller Retail, Vero Moda, Only, and Forever New, among others, ET Bureau reported.

Businesses in the restaurant sector are also pursuing talks as the 50% capacity rule effects them especially.

High rates of vaccination across the country has caused the third wave of the virus to come as quite a shock to retailers, many of which were enjoying a return to pre-Covid sales levels or above towards the end of 2021.

Some brands are hopeful that malls will again offer rent discounts or even waivers should more lockdown measures be enforced. However, a problem which came up with mall owners in previous lockdowns is that many malls are financed by large bank loans and owners rely on rent from store owners to make their loan repayments which can make them unable to offer prolonged or significant rent discounts.