

COVID-19: MARKET PULSE

APAC region is gradually released from COVID-19 restriction period. Many countries are loosening their restrictions and starting economic and social activities.



YASAS WICKRAMASINGHE
Manager
Corporate Solutions | Asia Pacific
+852 2822 0644
Yasas.Wick@colliers.com



SAM HARVEY-JONES
Managing Director
Occupier Services | Asia
+852 2822 0509
Sam.Harvey-Jones@colliers.com



ABHISHEK BAJPAI
Managing Director
Corporate Solutions | Asia Pacific
+852 2822 0575
Abhishek.Bajpai@colliers.com



DOUG HENRY
Managing Director
Occupier Services | Australia
+61 2 9257 0386
Doug.Henry@colliers.com

AUSTRALIA



Restrictions & Government Policies

- > Australia has entered a 3 stage process for easing lockdown restrictions.
- > Currently states and territories are easing in to Stage 1, with each jurisdiction having final control of the measures and timing.
- > The National Cabinet has agreed to be in Stage 3 of restriction easing by July.

Rent Relief

- > Rent relief requests are still being worked through, with most landlords requesting financial information from tenants in order to assess relief requests and their validity.

Other Comments

- > Occupiers are easing back in to their premises.
- > We expect the progress of re-entry to accelerate through June.

CHINA



Restrictions & Government Policies

- > Movement restrictions have been mostly removed except for a few cities in North China where some new cases emerged recently.
- > Government encourages SOE landlords to provide rental relief to SME tenants and those SOE landlords who provided rental relief to SME tenants will get tax reduction from the government.

Rent Relief

- > Eligible SOE landlords have provided rental relief to SME tenants.
- > Limited number of private landlords are providing rental relief to their tenants on case by case basis.
- > No market wide rental relief entitlement to tenants.

HONG KONG



Restrictions & Government Policies

- > Ease of major social distancing measures, with bars, gyms, beauty parlors and cinemas reopening from 8 May onwards.
- > First tranche of wage subsidy under the Employment Support Scheme to receive application from 25 May.
- > Most offices have restarted their normal operations.

Rent Relief

- > Retail tenants have received some rental relief.
- > No signs of major portfolio landlords starting to provide relief.
- > Limited number of small individual landlords and government owned landlords have provided relief to their tenants.

INDIA



Restrictions & Government Policies

- > Some relaxations were provided for the lockdown between 3rd and 17 May.
- > Offices can now be opened with a maximum of 33% staff, provided they are not in a containment zone.
- > It is expected that phase 4 of the lockdown will see further relaxation of restrictions.

Rent Relief

- > No rental relief from portfolio landlords.
- > Many are though passing to the tenant the cost savings in CAM during the lockdown period.
- > Some individual landlords in strata-title buildings have provided relief.

Other Comments

- > The government of India has announced INR 1 trillion stimulus package to revive the economy and to provide relief to the medium and small enterprise.

INDONESIA



High

Restrictions & Government Policies

- > People movement out of Greater Jakarta in general has been suspended until 22-26 May.

Rent Relief

- > There are increasing requests from office tenants for waivers.
- > Few landlords are start agreeing to give rental reduction from 10% up to 30% in the form of base rent only for April, May and June.
- > Majority of the landlords so far have agreed to provide monthly rental payment terms instead of quarterly and defer rental payment to end of the year.

JAPAN



Medium

Restrictions & Government Policies

- > Japan does not enforce any regulatory measures in the form of lock down, although the movements to and from restricted area are highly discouraged by the government guidance.
- > State of emergency lifted in all prefectures except Tokyo, Osaka and Hokkaido.
- > Government announced a policy package aimed at supporting economy.
- > Policies impacting occupiers include property tax relief for SMEs and 100% table income reduction for rent abatement.
- > More details can be found [here](#).

Rent Relief

- > Relief measures are seen in retail sector.
- > Increasing number of tenants are asking for rental waivers.
- > These are being considered on case by case basis.

KOREA



Low

Restrictions & Government Policies

- > Social distancing rules to be in place.
- > Government will provide tax deductions to landlords based on the amount of rental relief provided to tenants.
- > One-third rental reductions for SME tenants in government - owned buildings.
- > Planned rental reductions for tenants in buildings owned by public institutions.

Rent Relief

- > Tenants are starting to request rental waivers/ reductions from their landlords.
- > Landlords are considering requests from tenants in hard-hit sectors on case by case basis.
- > Most major private landlords and buildings owned by funds are not acceding to retail waiver requests yet.

MALAYSIA



Medium

Restrictions & Government Policies

- > Movement Control Order in place until 9 June 2020.
- > Landlords will receive a tax rebate if they provide rent waivers to designated SME tenants.
- > 6 months rent free to tenants in federal owned buildings.

Rent Relief

- > No rental relief from major private landlords.
- > Small individual landlords have provided waivers to some tenants, especially in hard-hit sectors.

Other Comments

- > Companies can operate under the movement control order with a special permit from local authorities.
- > Some companies have started to resume operations with rotation programs.

NEW ZEALAND



Low

Restrictions & Government Policies

- > Country has loosened most of its restrictions with shops and restaurants allowed to operate with social distancing practices.
- > Occupiers have started their operations with many employees are returning to their workplaces.

Rent Relief

- > There is no entitlement rent free mechanism for tenants.
- > Landlords have been flexible to provide cashflow relief when needed.

Other Comments

- > There is debate about the applicability of "no Access in Emergency (27.5)" clause under this COVID 19 situation.

PHILIPPINES



High

Restrictions & Government Policies

- > Extension of stay-at-home order in Metro Manila, Cebu City, and Laguna until 31 May .
- > Stay-at-home order was modified by the government, allowing for limited transport services for essential goods and selected industries to resume operations with not more than 50% of their on-site capacity.

Rent Relief

- > No rental relief for non-retail tenants by major landlords.
- > SMEs with severe cashflow issues have managed to get rental deferments on a case by case basis.

Other comments

- > Modified stay-at-home order is not applicable to some areas in Luzon Island.
- > Areas under looser restrictions can resume public construction, reopen malls, selected industries and transport systems with established safety protocols and social distancing measures.

SINGAPORE



High

Restrictions & Government Policies

- > Circuit breaker policies are in place until 1st June 2020.
- > Property tax rebate to landlords and a bill to provide relief to organisations having difficulties meeting contractual obligations.

Rent Relief

- > Landlords have provided rental relief to retail tenants.
- > Certain landlords are offering the opportunity to provide a temporary lower rent for a number of months, which are paid back thereafter.
- > Many landlords have sent letters to their tenants about upcoming rental waivers owing to government tax relief.

Other comments

- > Tenants to check with their landlords about applicable rental relief.

TAIWAN



Low

Restrictions & Government Policies

- > Taiwan has loosened most of its restrictions.
- > Many employees have returned to work with shops and restaurants opened.

Rent Relief

- > Government owned landlords have provided 1-2 months discounted rental for their tenants.
- > Apart from this, all other landlords have not acceded to any requests for rental relief.

THAILAND



Medium

Restrictions & Government Policies

- > State of emergency has been extended from end of April to 31 May.
- > Most businesses are shut and a night-time (10 pm to 4 am) curfew is in place.
- > Ban on incoming flights until 31 May.

Rent Relief

- > Several cases of rental relief in retail sector.
- > Increasing requests from office tenants.
- > These requests are being considered on case by case basis with high success rate for SME tenants in hard-hit sectors.

VIETNAM



Low

Restrictions & Government Policies

- > Most restrictions have been loosened with restaurants and schools are reopening (in phases) with social distancing practices.
- > Many employees are returning to work with companies resuming normal operations.

Rent Relief

- > Retail tenants have been successful at obtaining relief.
- > SME office tenants in tourism/airline industry have successfully obtained rental deferments and discounts from some landlords.
- > Despite some landlords providing relief to their tenants, we do not observe this among major landlords in the market.