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IMPACT OF GOVERNMENT PLAN TO RELAX COVID-19 RESTRICTIONS IN POLAND ON LANDLORDS AND TENANTS

In the evening of 16 April 2020 the Polish Government announced its plan to relax and eventually lift restrictions imposed on social and economic life to combat the Covid-19 pandemic. The government action does not bring significant immediate improvements to the situation of landlords and tenants of shopping facilities, but may somewhat alleviate uncertainty which dominates the market right now.

According to the plan the relaxation of the restrictions will take place in four stages, of which first will be implemented on 20 April 2020. On this day the limit of persons which may be present at the same time in a store (if the store does not need to be closed due to the pandemic) will increase to 4 persons per a cash counter in stores with area of up to 100 sq. m. and to 1 person per each 15 sq. m. of the area in larger stores.

The second stage will include opening of hotels and similar facilities and allowing DIY stores to open on weekends (if general laws permit it). It is not known when this stage will be introduced, but the Minister of Development advised that the first stage will be evaluated by the Minister of Health on 24 April and the next stage may be announced in the following week.

The third stage will be crucial for landlords and tenants in shopping malls (i.e. objects with sales area exceeding 2000 sq. m.) as it will involve opening of stores in the malls. The date of this stage is uncertain and depends on progress of the pandemic, but the Minister of Development suggested that it may take place two or three weeks after the second stage. On its date rights and obligations of the landlords and tenants in the malls, which expired for the time of the shopping mall closure on the basis of the Covid-19 Act dated 2 March 2020 as amended by the Act of 31 March 2020, will come into force again. From this date the tenant will have three months to offer the landlord to prolong their lease agreement by six months plus the actual time of the mall closure, otherwise the tenant will be obliged to pay rent and other fees suspended for the time of the mall closure by the Covid-19 Act.

The fourth stage will involve opening of the remaining businesses (gyms, cinemas) although with certain sanitary restrictions.

FOR MORE INFORMATION PLEASE CONTACT

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