



## Joint REDAS-REITAS Media Release on Launch of Code of Conduct (“CoC”) for Leasing of Retail Premises in Singapore<sup>1</sup>

### Immediate Release

**Singapore, 26 March 2021** - 2020 was an extremely challenging year for everyone. The global pandemic led to a crisis of unprecedented scale, deeply impacting businesses and jobs. It was also a very tough year for the retail industry. As businesses grappled with the evolving pandemic and retail sales plummeted, Government extended fiscal support through four rounds of substantial budgets to mitigate the impact of the slowdown on businesses and jobs, including extending rental relief for tenants. At the same time, landlords also engaged with their tenants to work out ways to ease their burden, such as by offering additional rental relief and/or restructuring their lease contracts.

As the Covid-19 pandemic prolonged, REDAS and REITAS acknowledged the significant and proactive efforts of the Fair Tenancy Framework Industry Committee (“FTFIC”) in putting forward the recommendations of the Fair Tenancy Framework. In June 2020, we proposed a joint industry-led effort to work out a Code of Conduct (“CoC”) for landlord-tenant relations in Singapore to MTI and the Pro Tem Committee which comprised members of landlord and tenant groups and other independent parties was formed. We firmly believe that as Singapore’s retail market grows in size, diversity and complexity, it is important to have clear guidelines and negotiation principles for landlords and tenants in order to create a healthy retail ecosystem that promotes the industry’s long-term growth and which is underpinned by sustainable and collaborative landlord-tenant relationships.

We are pleased that the Pro Tem Committee has finalised the CoC after nine months of robust and deep deliberations. It is a welcome collaborative effort setting meaningful objectives and harnessing the spirit of developing inclusive decisions. Indeed, the CoC is a positive significant milestone that we believe will strengthen the retail industry.

The CoC is underpinned by the principle of fair and balanced lease negotiations. It provides a consistent set of leasing principles for all retail landlords and tenants and a framework to resolve disputes reasonably and in good faith. We believe that the provisions of the CoC will be accepted as market practice. The CoC in its intent and purpose does not restrict or stifle market dynamics. On the contrary, it fosters a smooth and efficient functioning of the retail ecosystem as well as provides a common goal of progressing towards a healthier and more vibrant retail market.

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<sup>1</sup> Qualifying retail premises are premises which are (1) held under a lease agreement entered into on or after 1 Jun 2021 with a tenure of more than one year; and (2) permitted to be used by the Urban Redevelopment Authority (URA) and other relevant authorities for food & beverage, retail, and lifestyle uses. Please refer to the Code of Conduct for further details.

We strongly believe proactive engagement and partnership are key pillars for a dynamic positive relationship between landlords and tenants. We believe the CoC and the spirit of co-operation will have a lasting positive effect beyond the current pandemic and foster the growth of Singapore's retail industry.

On our part, REDAS and REITAS pledge to adopt the CoC and will encourage our members to do their part as responsible landlords and comply with the spirit of the CoC. We hope the tenant group is also with us on this journey of creating a vibrant retail ecosystem in Singapore for the benefit of all.

**Mr Low Chee Wah, Vice President of REITAS and member of Pro Tem Committee** said, "Given the growth and evolution of the retail industry, this is an opportune time to set out clear guidelines and leasing principles for the retail property sector. The Code of Conduct together with the Fair Tenancy Industry Committee to be formed will strengthen the industry and I believe we will emerge stronger from this pandemic crisis and create a more resilient retail landscape. REITAS is glad to be part of this significant milestone and would like to thank all members for the hard work and effort to bring this to fruition."

**Mr Chia Ngiang Hong, President of REDAS and member of Pro Tem Committee** added, "We have gone through a very challenging and extraordinary 2020 and the COVID-19 pandemic indeed serves as a stark reminder of the importance of strong collaborative actions among the Government and all relevant stakeholders. The retail scene has been severely affected with many tenants facing challenges and it is timely that the stakeholders work together to find a fair and sustainable solution to ensure a healthy retail ecosystem. On behalf of REDAS, I would like to express our deep appreciation to the Pro Tem Committee for going the extra mile to bring the CoC to fruition and to our supportive partner REITAS for their objective and constructive contributions."

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#### **About REDAS**

Established in 1959, the Real Estate Developers' Association of Singapore (REDAS) is Singapore's premier business association in the real estate and development industry, representing some 300 members comprising developers, builders, consultancies and professionals, bankers, REITs and fund managers. REDAS actively engages regulators, policy makers and stakeholders to promote best practices and to support the growth of a vibrant and progressive real estate industry in Singapore. The Association also organises seminars and courses to strengthen capabilities and competencies of members as well as events and study & business trips to facilitate connection and explore investment opportunities.

#### **About REITAS**

The REIT Association of Singapore (REITAS) is the representative voice of the Singapore REIT (S-REIT) industry. It provides its members a representation and engagement in consultation opportunities with policy makers on issues affecting S-REITs. The association also organises talks, courses, investor conferences, retail education events etc to promote understanding and investment in Singapore REITs.