

A Message from Entre Commercial Realty

By Dan Benassi, SIOR



As I type this while working from a makeshift stand-up desk on my dining room table because my 10-year old daughter has commandeered my home office for her 4th grade e-learning, it certainly highlights the fact that this is not a normal time in our world! While we have spoken with many of our clients, colleagues, tenants, vendors, and friends over the past couple of weeks there are a lot of folks we have not reached personally, and we want to share some updates.

First of all, we are open for business. Our brokerage and property management businesses are active and are considered essential businesses in the state of Illinois. Since our professionals are regularly in the field, we have the technology to handle a remote workforce. While our brokerage team is still actively working on lease and sale transactions, our advisory services are now intertwined more than ever with our property management business as we are working with our landlord and tenant clients to navigate situations where tenants' businesses have sharply declined and they are scrambling not only to pay their rent but also their employees, vendors and other operating expenses...heck maybe even themselves. On the flip side is the landlord who relies on the rent to pay their employees and overhead as well as the mortgage, property taxes, utilities and vendors who service the properties that these tenants occupy.

Our general message is that we are all in this together, but for the aforementioned reasons the landlord really is not the first line of defense for an occupier of real estate. We believe we also all have a social responsibility to not take advantage of a crisis for personal gain. Many industrial and service businesses are going to struggle, but it pales in comparison to the local dry cleaner, restaurant, hair salon and your kids' gymnastics club whose revenue has essentially been halted. If you're not doing so already, all businesses should be reviewing their leases, loan documents, insurance policies and the governmental stimulus programs to determine the options available.

Unfortunately, in leases, Force Majeure and Business Interruption provisions are generally not applying to the COVID-19 pandemic, but it's worth having your real estate advisor and/or your attorney review your lease to determine if any options are available. It also appears that insurance companies are not covering claims related to the pandemic, although in discussions with our insurance advisors this is likely to be a large-scale battle which might ultimately lead to some sort of payout, but that would be a long time from now. We recommend discussing your insurance policy with your insurance agent as well. A bright note for companies with SBA loans is that payments are not being deducted for a 6-month period starting April 1 (no fooling!).

While evolving on a daily basis, it certainly appears that the governmental stimulus programs are going to provide the best option for most small and mid-sized companies. In particular we have identified the following programs, some of which have expiration dates and many are on a first-come first-served basis, so time is of the essence for many companies:

- Chicago Small Business Resiliency Fund
- COVID-19 Small Business Economic Disaster Loan - up to \$2M (\$200,000 no personal guarantee)
- ADVANCE COVID-19 Small Business Economic Disaster Loan - \$10,000 and can be forgiven
- Paycheck Protection Program - loans up to \$10M (Application Opens on 4/3/2020) and can be converted to a grant if conditions are met
- SBA Express Bridge Loans - \$25,000

These programs are being developed by the SBA and are being rolled out through the banks so we encourage you to speak with your lender about these programs. We have also been working with the [Small Business Assistance Center](#) to help our clients and tenants navigate the multiple loans/grants available to keep doors open and employees working.

This is an unprecedented time in our history. The COVID-19 pandemic is having an impact on the health of our loved ones, the businesses we rely upon, and our local community. As we all continue to navigate through these extraordinary and evolving challenges, we want you to know that Entre Commercial Realty LLC and Entre Asset Management LLC are here for you.

In our many years of business, we've weathered storms with our clients and tenants; the crisis of 9/11, the financial crisis of 2008 and government shutdowns - and throughout this journey we have worked to support and sustain our employees, our customers, tenants and our partners. As we address the COVID-19 pandemic it is our commitment to you that we will not waver.

It is during times like these that courage, generosity and resilience make a difference. We are here to help!

Sincerely,

Entre Commercial Realty | Entre Asset Management LLC

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