

September 4, 2020

Honourable Chrystia Freeland, PC, MP
Deputy Prime Minister and Minister of Finance
80 Wellington Street
Ottawa, ON K1A 0A3
Via Email: Chrystia.Freeland@parl.gc.ca

Re: Urgent Need for Commercial Rent Assistance

Dear Minister Freeland,

Thank you to both you and the Prime Minister for your government's ongoing efforts to counter the health, social and economic impacts that is the COVID-19 pandemic facing our country and the world.

On behalf of the BC Chamber of Commerce and our network of 120 chambers and boards of trade – representing 36,000 BC businesses of every size and from every sector – we want you to know our network remains committed to working with both the Federal and BC governments to protect the health of British Columbians while we continue to build on the bold and immediate fiscal solutions put forward by government to safeguard BC's – and Canada's – economy and the viability of our members.

Thanks to our cloud-based insight platform – BCMindreader.com – the BC Chamber network has been able to provide invaluable insight in real time from several thousand businesses on the dire impact COVID-19 is having on their day-to-day operations. More importantly, we been able to share what government can do to support British Columbia's businesses and workers. While we are seeing signs of a slow and fragile recovery beginning, what is still telling in our data is that a quarter (25%) of businesses in BC still need support with their direct cash flow.

The BC Chamber and our local chambers and boards of trade are always actively listening to our members on what support they need to successfully navigate the ongoing economic turmoil. Our network is hearing loud and clear that many businesses continue to see revenue lag due to the pandemic (note, 72% of BC business are still experiencing decreased sales volume at this point). That means fixed costs – such as commercial rent – are still challenging the viability of their operations.

With September 1 recently passed, government needs to be reminded that paying the rent is still the most top of mind concern for many businesses right now. Rent is the second most significant fixed cost for many small business – right behind labour.

Businesses throughout BC were encouraged by the announcement of the federal-provincial/territorial program to provide much needed commercial rent relief. However, since the introduction of the Canada Emergency Commercial Rent Assistance (CECRA), we have collectively heard from businesses that the program is not providing the needed support. The main concern has been that commercial landlords are not participating in the program.

It is troubling that so many small businesses have not been able to access this vital commercial rent support allocated by the federal and provincial governments.

To stop widespread bankruptcies, we are urgently asking your government to provide small businesses the lifeline they need by finding a way for them to access the funding that is part of the CECRA program. We are calling on your respective governments to **work together across federal and provincial/territorial levels of government to address issues with the CECRA program, including improving the program's uptake.**

A potential model this revamped commercial rent support could take is the Rental Assistance program for individuals here in BC. We would also recommend the subsidy be directed to the businesses' landlords like the residential rental subsidy recently announced by the BC government. This provides a double benefit by ensuring landlords (who are businesses themselves, in many cases) keep money coming in to pay their bills.

Without your immediate action, many small businesses that make up the backbone of the BC economy may not survive the crisis by this time next month when another rent cheque comes due.

Thank you again for your bold leadership and the opportunity to engage with you in this ongoing issue. We know that together we can rise to the challenge that is COVID-19.

Sincerely,



Dan Baxter
Director of Policy Development, Government
& Stakeholder Relations

CC:

Hon. John Horgan, Premier of British Columbia
Premier@gov.bc.ca

Hon. Carole James, Minister of Finance and Deputy Premier
FIN. Minister@gov.bc.ca

Hon. Michelle Mungall, Minister of Jobs, Economic Development and Competitiveness
JEDC.Minister@gov.bc.ca