

# Changi Airport gives concessionaires 50% rental rebates amidst COVID-19 outbreak



Changi Airport is giving its concessionaires a 50% rebate and shortening their operating hours to help them tide over the poor business climate as a result of the COVID-19 outbreak

Changi Airport is giving its retail, food and beverage and service concessionaires a 50% rental rebate under the Singapore Budget 2020 Stabilisation and Support Package (SSP) for the aviation sector. The assistance is meant to help the concessionaires whose businesses have suffered due to the COVID-19 outbreak.

Changi Airport's move follows Singapore's Minister of Finance's February 18 budget announcement that the government, Civil Aviation Authority of Singapore (CAAS) and Changi Airport Group (CAG) will provide an Aviation Sector Assistance Package amounting to S\$112 million (US\$79.8 million) to the airport community to help defray business costs, protect jobs, as well as safeguard Changi's air connectivity. The package also includes a 15% property tax rebate which CAG will receive from the government that will be fully passed on to the aviation community under the Aviation Sector Assistance Package.

Existing concessionaires in Changi Airport's four terminals, in both transit and public areas will receive a 50% rebate on their Basic Rentals (BR) for six months starting from 1 February 2020 (or any later tenancy commencement date). This is in addition to an automatic rental offset tied to passenger movements at Changi Airport that these concessionaires will receive as part of their tenancy agreements.

In a press release, the airport said that "a sizeable portion of Changi Airport's concessionaire rental is designed to vary in tandem with passenger traffic" due to the dynamic aviation environment. Thus, when there is a drop in passenger traffic, concessionaires will see their rent slashed accordingly. Changi Airport claims that this rental structure is unique to the airport.

“The shops and restaurants in Changi Airport are very much dependent on passenger traffic. The COVID-19 situation has affected air travel significantly and there has been a marked drop in business for our concessionaires. With our unique rental structure, our concessionaires will benefit from an “automatic” reduction in their rent in tandem with the reduction in passenger traffic. In addition, we have decided to provide further assistance by reducing the BR to help our concessionaires during this very difficult period,” said Lim Peck Hoon, Executive Vice President of Commercial, Changi Airport Group.

Besides rental rebates, CAG is currently discussing with individual concession partners to provide further assistance to ease the pressure and increase their sales as it acknowledges that some businesses are hit harder than others.

Apart from rental relief, CAG has also reduced the operating hours for its transit area tenants, including those operating round the clock. However, this does not apply to retail and F & B outlets providing essential services to passengers. Details of the adjusted operating hours are listed on Changi Airport’s website.

CAG also has plans to launch marketing and promotional initiatives to drive consumer demand and incentivise them to spend. From 6 March 2020 onwards, visitors can redeem a S\$5 (US\$3.60) Changi gift card by spending S\$50 (US\$35.70) or a S\$10 (US\$7.10) Changi gift card with S\$100 (US\$71.30) spent. Additionally, they can also redeem two play slots at indoor playground *PLAY! at KinderPlay* and receive a S\$20 credit at arcade *Zone X*, with S\$50 spend. Airport workers will also receive additional discounts to encourage them to shop and dine at the airport with family and friends.