

What to Do When Commercial Leases End Up in Bankruptcy

“The COVID-19 pandemic continues to shake up the nation’s economy. Long-standing companies such as JC Penney, J. Crew, Neiman Marcus, Modell’s Sporting Goods, Brooks Brothers, Lord & Taylor, Men’s Wearhouse, GNC, California Pizza Kitchen, 24 Hour Fitness, and Gold’s Gym have filed for bankruptcy. Unfortunately, it is highly likely that many more companies, large and small, will file for bankruptcy protection in the coming months,” write Gary Kaplan and Greg Shean in *Farella, Braun and Martel’s Publications*.

“For landlords of commercial real estate, these bankruptcies can have significant impacts on their rights and remedies under their leases. When confronted with a tenant who has filed for bankruptcy or may be considering it, understanding the basics of those effects is helpful.”

Know the Code.