

New measures to protect commercial tenants from aggressive demands for rent demands during COVID19 pandemic

The Covid19 outbreak and resulting lockdown has resulted in unprecedented financial turmoil for the High Street. Whilst the majority of commercial tenants have worked collaboratively with landlords, some are experiencing aggressive demands from landlords at a time when they are under financial strain.

This can be concerning for a small business, such as a café or hair salon or for those who sublet a space, such as a beauty room, and who cannot access the Government's Business Support Grant for ratepayers.

To help better protect commercial tenants, the Government has announced that it is freezing measures that a landlord can take where a business cannot make rent payment due to the impact of COVID19. The Business secretary has announced:

1. A temporary ban on the use of Statutory Demands and winding up orders until 30 June 2020 where a tenant cannot pay its bills due to Coronavirus.
2. An introduction of secondary legislation to prevent landlords using Commercial Rent Arrears Recovery (CRAR) unless a tenant is more than 90 days in arrears.
3. Emergency measures already prevent a landlord evicting a commercial tenant until 30 June 2020.

These measures will mean that the threat of bankruptcy or of a landlord taking possession of a tenant's commercial assets will be removed, giving valuable breathing space to small businesses.

It is recognised that a landlord may also have financial obligations to lenders and similarly measures have been introduced to support landlords who have difficulty with loan repayments as well.

Tenants and landlords should always try to maintain open dialogue to work together in the spirit of fair commercial practice.

If you own a shop or small business and are the ratepayer but have not had contact with your local authority with regards to the Business Rates Grants, it is important that you do so immediately.

<https://www.gov.uk/government/publications/coronavirus-covid-19-business-support-grant-funding-guidance-for-businesses>

The full details on the Government's announcement to protect tenants from aggressive debt recovery is at https://www.gov.uk/government/news/new-measures-to-protect-uk-high-street-from-aggressive-rent-collection-and-closure?utm_source=5dc5fb4c-2e93-416a-93fe-10d8e923b3ba&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate