

## **Commercial tenants who cannot pay their rent because of coronavirus will be protected from eviction.**

COMMERCIAL TENANTS WHO cannot pay their rent because of coronavirus will be protected from eviction, the government has announced.

Many landlords and tenants are already having conversations and reaching voluntary arrangements about rental payments due shortly but the government recognises businesses struggling with their cashflow due to coronavirus remain worried about eviction.

These measures, included in the emergency Coronavirus Bill currently going through Parliament, will mean no business will be forced out of their premises if they miss a payment in the next 3 months. This builds on the unprecedented package of support announced for businesses who are affected by coronavirus.

As commercial tenants will still be liable for the rent after this period, the government is also actively monitoring the impact on commercial landlords' cash flow and continues to be in dialogue with them.

Communities Secretary Robert Jenrick said: "We are protecting both people and their businesses by providing the urgent support they need. We know many commercial landlords are already setting a great example by working closely with tenants and offering rent deferrals or holidays.

"However, these new measures will provide reassurance to businesses struggling with cashflows and ensure no commercial tenant is evicted if they cannot pay their rent because of coronavirus over the next three months."

Chancellor of the Exchequer Rishi Sunak said: "We are taking unprecedented action and doing so at unprecedented speed, because we know that businesses and their employees need help now.

"That is why we are taking steps to change the law so that no company can be forced out of its premises due to loss of income. Alongside our support for workers and £330 billion of business loans and guarantees, this will help make a real difference to firms across the country trying to protect jobs."

And Mike Cherry, Federation of Small Businesses National Chairman, said: "Small businesses will wholeheartedly welcome the decision to ban evictions for commercial tenants for 3 months.

"This will give piece of mind to millions of small businesses who are desperately struggling with their cash flow.

"We know sensible conversations between landlords and commercial tenants are taking place – but having this legislative backstop to prevent evictions during the worst of the crisis will provide much needed peace of mind for many small businesses."

The Coronavirus Bill also includes new measures to ensure that Business Improvement Districts (BID) are equipped to continue their vital role in managing the impact of the crisis on local economies and helping town centres and high streets recover.

To ensure no area loses its Business Improvement District at this critical time, emergency legislation will allow a delay to ballots between now and 31 December 2020 until March 2021. This will ensure that they are conducted in a safe and effective way.

Simon Quin, High Streets Task Force Executive Director, said: "These are important steps that will strengthen town centres and commercial areas as they prepare for the future.

"They will encourage retention of occupancy and ensure Business Improvement Districts can focus on support for their local areas through the emergency and into recovery. This will make places more resilient."

### **Further information**

The amendment to the Coronavirus Bill on commercial leases will apply to England, Wales and Northern Ireland. It applied to all commercial tenants.

The change will come into force when the Coronavirus Bill receives Royal Assent. It will last until 30 June, with an option for the government to extend if needed.

The new business information campaign has gone live with updated information available.

This text was taken from HMRC's website