

COVID-19 and Commercial Property Leases

The recent COVID-19 pandemic has had far-reaching effects on business and the economy as a whole. This has led to both landlords and tenants becoming concerned that rent under a commercial lease cannot be paid. If this is the case than can a landlord exert their rights for re-entry or forfeiture of the property?

On 23 March 2020 the government released guidance assuring commercial tenants that they will be protected from eviction, but how will this actually work and is your business eligible?

Which businesses are eligible for the protection?	Any business which is unable to pay rent under a commercial lease.
What does the protection entail?	Both a protection from a right of re-entry and forfeiture in the event rent is not received.
So the right to re-entry and forfeiture of the lease have been waived?	No, they just cannot be enforced for a temporary period. However, these rights will continue to under the terms of the lease and can be enforced once the minimum period has expired.
How long will the protections last?	For a minimum period beginning 26 March 2020 and ending 30 June 2020 with the option for this to be extended if the government deems it necessary.
Can landlords recover the missed rent payments?	Yes, but only after the protection period ceases.
My case is currently in the courts – will the new updates to the law affect this?	Any decision made by the judge from today must not allow re-entry or forfeiture before the end of the minimum period.
What should I do?	The government is encouraging voluntary agreements between landlords and tenants to re-arrange rental payments.