

BULLETIN

All Members



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Commercial tenancy relief scheme - COVID-19 Update

Members should be aware of an announcement on 15 April from the Victorian Government of a [commercial tenancy relief scheme](#) to alleviate financial hardship faced by tenants and landlords as a result of **coronavirus (COVID-19)**.

For commercial tenants and landlords, the scheme will provide the following support:

- a six-month moratorium on commercial tenancy evictions for the non-payment of rent for small to medium enterprises with an annual turnover under \$50 million that have experienced a minimum 30 per cent reduction in turnover due to coronavirus (COVID-19), commencing from 29 March 2020
- a freeze on rent increases during the moratorium for commercial tenants
- a rental payment waiver or deferral proportionate to commercial tenants' income reduction due to coronavirus (COVID-19), to be negotiated between the tenant and landlord
- fast tracked dispute resolution service through the [Victorian Small Business Commission](#) (VSBC) and Consumer Affairs(CAV) Victoria.

What should happen if a landlord and tenant are in a situation where the tenant is having trouble paying their rent because of COVID-19?

VACC recommends that members who are tenants first read their lease closely to make sure that you understand your rights and obligations. If you remain unsure you should seek your own legal advice.

We encourage tenants and landlords to communicate as early as possible to try to reach an agreement. VACC members who are in dispute with their landlord should contact the [Victorian Small Business Commission](#) (VSBC) and avail yourself to the VSBC low cost dispute resolution service.

What relief packages are available for landlords?

Landlords should be aware of yesterday's announcement by the Victorian Government that the State Revenue Office has announced land tax relief for landlords as part of its Economic Survival Package in response to COVID-19. [Read more about the land tax announcement.](#)

Landlords who provide tenants impacted by COVID-19 with rent relief may be eligible for a 25% reduction on the property's 2020 land tax. VACC had lobbied for compensation for landlords who act in good faith and assist their tenants with reduced or paused rent assistance.

This relief is available for residential and commercial properties, however, for commercial landlords to be eligible, the property must be rented to a tenant with an annual turnover of up to \$50 million, and the tenant must be eligible for the Commonwealth Government's JobKeeper Payment.

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Chief Executive Officer