

COVID-19 update

moratorium on evictions

As part of its response to the COVID-19 crisis, the Federal Government last night announced a package of measures designed to assist impacted commercial tenants. Details are patchy at present.

We do know that there is to be a moratorium on eviction for non-payment of rent, and that landlords and tenants are encouraged to reach agreement on rent relief.

The text of the Government's media statement is below. We will circulate more detailed advice, once more flesh is on the bone.

"As part of its work on helping businesses hibernate, National Cabinet agreed that short-term intervention is needed for commercial tenancies. Work on this has begun, but there is more to do, including for residential tenancies.

National Cabinet agreed to a moratorium on evictions over the next six months for commercial and residential tenancies in financial distress who are unable to meet their commitments due to the impact of coronavirus.

Commercial tenants, landlords and financial institutions are encouraged to sit down together to find a way through to ensure that businesses can survive and be there on the other side. As part of this, National Cabinet agreed to a common set of principles, endorsed by Treasurers, to underpin and govern intervention to aid commercial tenancies as follows:

- *a short term, temporary moratorium on eviction for non-payment of rent to be applied across commercial tenancies impacted by severe rental distress due to coronavirus;*
- *tenants and landlords are encouraged to agree on rent relief or temporary amendments to the lease;*
- *the reduction or waiver of rental payment for a defined period for impacted tenants;*
- *the ability for tenants to terminate leases and/or seek mediation or conciliation on the grounds of financial distress;*
- *commercial property owners should ensure that any benefits received in respect of their properties should also benefit their tenants in proportion to the economic impact caused by coronavirus;*
- *landlords and tenants not significantly affected by coronavirus are expected to honour their lease and rental agreements; and*
- *cost-sharing or deferral of losses between landlords and tenants, with Commonwealth, state and territory governments, local government and financial institutions to consider mechanisms to provide assistance."*

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