



COVID-19 – Leasing – Further Update

Current as at 3 August 2021

New Commercial Tenancy Relief Scheme

It was announced on 28 July 2021 that the Victorian Government will be reintroducing the Commercial Tenancy Relief Scheme to ease pressure by providing rent relief to eligible tenants with separate support provided to landlords.

Today, the Victorian Government has announced that new legislation will be introduced later today to provide rent relief to commercial tenants (the **New Commercial Tenancy Relief Scheme**).

The New Commercial Tenancy Relief Scheme is expected to include:

- Rent relief to commercial tenants that have experienced a loss in turnover of more than 30% based on the turnover for the final quarter of the 2020/21 financial year against the final quarter of 2018/19.
- Special arrangements will be provided for new businesses which were not operating in 2019.
- Mandatory reassessment of turnover.
- One-time test for eligibility – meaning that once the tenant is eligible, the tenant will remain eligible throughout with adjustment in line with turnover.
- Existing deferred rent repayment pursuant under the first Commercial Tenancy Relief Scheme will be frozen until 15 January 2022 with the outstanding amount to be added to the deferred rent accrued during the new scheme.
- Land tax relief of up to 25% for landlords in addition to any previous relief.
- Small landlords may be eligible to apply for payments under the hardship fund.
- Landlords cannot issue an eviction notice for eligible tenants without first obtaining a direction from the Victorian Small Business Commission (the VSBC).

We will post further updates once the new legislation is in place.

For details of the previous Commercial Tenant Relief Scheme, see our previous articles of 11 May 2020, 13 October 2020 and 16 December 2020 provided by the *COVID-19 Omnibus (Emergency Measures) (Commercial Leases and Licences) Regulations 2020* and the *COVID-19 Omnibus (Emergency Measures) (Commercial Leases and Licences) Miscellaneous Amendments Regulations 2020* (the **Commercial Tenancy Relief Scheme**) which ended on 28 March 2021.

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