

What do I do if I am struggling to pay my commercial rent?

The Chancellor has set out a package of temporary, timely and targeted measures to support public services, people and businesses through this period of disruption caused by COVID-19. The Coronavirus Act 2020 was passed on 25th March 2020 which gives commercial tenant's protection from eviction if they cannot pay their rent because of COVID-19. This applies to all commercial tenants in England, Wales and Northern Ireland.

These measures will mean no business will automatically forfeit their lease and be forced out of their premises if they miss a payment up until 30 June. There is the option for the government to extend this period if needed.

Note to tenants this is not a rental holiday, all commercial tenants will still be liable for the rent. However commercial tenants are protected from eviction if they are unable to pay rent during this protection period until 30 June.

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. If you are a commercial tenant and are worried or struggling to pay your rent, it would be worthwhile approaching your landlord as soon as possible to see whether they are willing to allow you a rent payment holiday or a reduced rent for a certain period of time however they are not obliged to agree to this.

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

For any further help and advice, please contact the FTA Law team on 0330 088 2275.